



# BOARD OF EDUCATION MEETING AND WORKSHOP

## Board of Education Members

Christina Pritchett, President (Trustee Area 3)  
Leticia Garcia, Vice President (Trustee Area 2)  
Chinua Rhodes, Second Vice President (Trustee Area 5)  
Lisa Murawski (Trustee Area 1)  
Jamee Villa (Trustee Area 4)  
Darrel Woo (Trustee Area 6)  
Lavinia Grace Phillips (Trustee Area 7)  
Jacqueline Zhang, Student Member

Thursday, April 7, 2022

4:30 p.m. Closed Session

6:00 p.m. Open Session

## Serna Center

Community Conference Rooms  
5735 47<sup>th</sup> Avenue  
Sacramento, CA 95824  
(See Notice to the Public Below)

# AGENDA

2021/22-29

*Allotted Time*

4:30 p.m. **1.0 OPEN SESSION / CALL TO ORDER / ROLL CALL**

### NOTICE OF PUBLIC ATTENDANCE BY LIVESTREAM

Members of the public who wish to attend the meeting may do so by livestream at:

<https://www.scusd.edu/post/watch-meeting-live>.

*No physical location of the meeting will be provided to the public.*

**2.0 ANNOUNCEMENT AND PUBLIC COMMENT REGARDING ITEMS TO BE DISCUSSED IN CLOSED SESSION**

### NOTICE OF PUBLIC COMMENT AND DEADLINE FOR SUBMISSION:

*Public comment may be (1) emailed to [publiccomment@scusd.edu](mailto:publiccomment@scusd.edu); (2) submitted in writing, identifying the matter number and the name of the public member at the URL <https://tinyurl.com/BoardMeetingApril7>; or (3) using the same URL, submitting a request for oral comment only when the matter is called, instead of written comment. Individual public comment shall be presented to the Board orally for no more than two minutes, or other time determined by the Board on each agenda item. Public comments submitted in writing will not be read aloud, but will be provided to the Board in advance of the meeting and posted on the District's website. The Board shall allow a reasonable time for public comment on each agenda item, not to exceed 15 minutes in length, including communications and organizational reports. With Board consent, the President may increase or decrease the length of time allowed for public comment, depending on the agenda item and the number of public comments. Speakers will be called sequentially until there is no speaker coming forward on the agenda item or the amount of time allocated for the agenda item has elapsed, whichever occurs first.*

### **3.0 CLOSED SESSION**

*While the Brown Act creates broad public access rights to the meetings of the Board of Education, it also recognizes the legitimate need to conduct some of its meetings outside of the public eye. Closed session meetings are specifically defined and limited in scope. They primarily involve personnel issues, pending litigation, labor negotiations, and real property matters.*

- 3.1 *Government Code 54956.9 - Conference with Legal Counsel:*
  - a) *Significant exposure to litigation pursuant to subdivision (d)(2) of Government Code section 54956.9 (Two Potential Cases)*
  - b) *Initiation of litigation pursuant to subdivision (d)(4) of Government Code section 54956.9 (One Potential Case)*
  - c) *Existing litigation pursuant to subdivision (d)(1) of Government Code section 54956.9 (OAH Case No. 2022010135 and OAH Case No. 2022030207)*
  
- 3.2 *Government Code 54957.6 (a) and (b) Negotiations/Collective Bargaining SCTA SEIU, TCS, Teamsters, UPE, Non-Represented/Confidential Management (District Representative Pam Manwiller)*
  
- 3.3 *Government Code 54957 – Public Employee Discipline/Dismissal/Release*
  
- 3.4 *Government Code 54956.8—Conference with Real Property Negotiators:  
Property: 2718 G Street, Sacramento, CA  
Agency Negotiator: Superintendent or designee  
Negotiating Parties: SCUSD and Mogavero/Bardis Homes  
Under Negotiation: Price and Terms*
  
- 3.5 *Government Code 54957 – Public Employee Appointment*
  - a) *Principal, Pacific Elementary School*
  
- 3.6 *Education Code 35146 – The Board will hear staff recommendations on the following student expulsion:*
  - a) *Expulsion #4, 2021-22*

6:00 p.m. **4.0 CALL BACK TO ORDER/PLEDGE OF ALLEGIANCE**

- 4.1 *The Pledge of Allegiance*
  
- 4.2 *Broadcast Statement*
  
- 4.3 *Stellar Students – Jusuf Bukvic, a Junior from Rosemont High School, and Alexandra Morales Baires, also a Junior from Rosemont High School, to be introduced by President Pritchett*

6:05 p.m. **5.0 ANNOUNCEMENT OF ACTION TAKEN IN CLOSED SESSION**

6:10 p.m. 6.0 AGENDA ADOPTION

6:15 p.m. 7.0 PUBLIC COMMENT 15 minutes

Public comment may be (1) emailed to [publiccomment@scusd.edu](mailto:publiccomment@scusd.edu); (2) submitted in writing, identifying the matter number and the name of the public member at the URL <https://tinyurl.com/BoardMeetingApril7>; or (3) using the same URL, submitting a request for oral comment only when the matter is called, instead of written comment. Individual public comment shall be presented to the Board orally for no more than two minutes or other time determined by the Board, on each agenda item. Public comments submitted in writing will not be read aloud, but will be provided to the Board in advance of the meeting and posted on the District's website. The Board shall allow a reasonable time for public comment on each agenda item, not to exceed 15 minutes in length, including communications and organizational reports. With Board consent, the President may increase or decrease the length of time allowed for public comment, depending on the agenda item and the number of public comments. Speakers will be called sequentially until there is no speaker coming forward on the agenda item or the amount of time allocated for the agenda item has elapsed, whichever occurs first.

## 8.0 SPECIAL PRESENTATION

6:30 p.m. 8.1 Resolution No. 3267: Arts Initiative (Board Member Villa) **Action**  
5 minute presentation  
5 minute discussion  
**(Roll Call Vote)**

8.2 Update of Mandatory COVID-19 Vaccination for Eligible, Non-Exempt Students and Staff (Bob Lyons and Victoria Flores) **Information**  
10 minute presentation  
15 minute discussion

## 9.0 BOARD WORKSHOP/STRATEGIC PLAN AND OTHER INITIATIVES

7:05 p.m. 9.1 Resolution No. 3260: A Resolution of the Board of Education of the Sacramento City Unified School District, Sacramento County, California, Authorizing the Issuance of Sacramento City Unified School District (Sacramento County, California) General Obligation Bonds, Election of 2020 (Measure H) 2022 Series A, and Actions Related Thereto to be Issued by the County of Sacramento on Behalf of the Sacramento City Unified School District (Rose Ramos) **Action**  
5 minute presentation  
5 minute discussion  
**(Roll Call Vote)**

7:15 p.m. 9.2 Resolution No. 3261: A Resolution of the Board of Education of the Sacramento City Unified School District, Sacramento County, California, Authorizing the Issuance of Sacramento City Unified School District (Sacramento **Action**  
5 minute presentation  
5 minute discussion  
**(Roll Call Vote)**

County, California) 2022 General Obligation Refunding Bonds in the amount of \$65,000,000 to be Issued by the Sacramento City Unified School District (Rose Ramos)

**10.0 PUBLIC HEARING**

7:25 p.m. 10.1 Resolution No. 3265: Authorization for Government Contract Code 4217 for Energy Service Contract (Rose Ramos and Chris Ralston) **Action**  
5 minute presentation  
5 minute discussion  
**(Roll Call Vote)**

7:35 p.m. 10.2 Public Hearing: AB 1200 Disclosure and Approval of Teamsters Union, Local 150 and Teamsters Classified Supervisors COVID-19 Employee Leave and Hazard Pay MOUs 2021-2022 (Rose Ramos and Jesse Castillo) **Action**  
5 minute presentation  
10 minute discussion  
**(Roll Call Vote)**

7:50 p.m. **11.0 COMMUNICATIONS**

11.1 Employee Organization Reports: **Information**  
SCTA – 15 minutes  
SEIU – 3 minutes  
TCS – 3 minutes  
Teamsters – 3 minutes  
UPE – 3 minutes

- SCTA
- SEIU
- TCS
- Teamsters
- UPE

8:17 p.m. 11.2 District Advisory Committees: **Information**  
3 minutes each

- Community Advisory Committee
- District English Learner Advisory Committee
- Local Control Accountability Plan/Parent Advisory Committee
- Student Advisory Council
- African American Advisory Board

8:32 p.m. 11.3 Superintendent’s Report (Jorge A. Aguilar) **Information**  
5 minutes

8:37 p.m. 11.4 President’s Report (Christina Pritchett) **Information**  
5 minutes

8:42 p.m. 11.5 Student Member Report (Jacqueline Zhang) **Information**  
5 minutes

8:47 p.m. 11.6 Information Sharing By Board Members **Information**  
10 minutes

*Generally routine items are approved by one motion without discussion. The Superintendent or a Board member may request an item be pulled from the consent agenda and voted upon separately.*

*12.1 Items Subject or Not Subject to Closed Session:*

- 12.1a Approve Grants, Entitlements and Other Income Agreements, Ratification of Other Agreements, Approval of Bid Awards, Approval of Declared Surplus Materials and Equipment, Change Notices and Notices of Completion (Rose F. Ramos)*
- 12.1b Approve Personnel Transactions (Cancy McArn)*
- 12.1c Approve Staff Recommendations for Expulsion #4, 2021-22 (Lisa Allen and Stephan Brown)*
- 12.1d Approve Resolution No. 3263: Establishing a General Obligation Bond Citizens' Oversight Committee and Approving By-Laws and Guidelines for Conduct of the Committee (Rose Ramos)*
- 12.1e Approve Resolution No. 3262: Resolution of the Board of Education of the Sacramento City Unified School District Entering Election Results Into the Minutes and Certifying to the Board of Supervisors of Sacramento County All Proceedings in the March 3, 2020, General Obligation Bond Election (Rose Ramos)*
- 12.1f Approve Minutes of the March 3, 2022, Board of Education Meeting (Jorge A. Aguilar)*
- 12.1g Approve Minutes of the March 8, 2022, Special Board of Education Meeting (Jorge A. Aguilar)*
- 12.1h Approve Memorandum of Understanding Between the City of Sacramento and Sacramento City Unified School District for the Joint Use of Susan B. Anthony Field as a Park During Non-School Hours (Rose Ramos)*
- 12.1i Approve Resolution No. 3266: Authorizing Continued Use of Remote Teleconferencing Provisions Pursuant to AB 361 and Government Code Section 54953 (Anne Collins)*

9:02 p.m. **13.0 FUTURE BOARD MEETING DATES / LOCATIONS**

- ✓ April 21, 2022 4:30 p.m. Closed Session, 6:00 p.m. Open Session, Serna Center, 5735 47<sup>th</sup> Avenue, Community Room, Regular Workshop Meeting*

✓ *May 5, 2022 4:30 p.m. Closed Session, 6:00 p.m. Open Session, Serna Center,  
5735 47<sup>th</sup> Avenue, Community Room, Regular Workshop Meeting*

9:05 p.m.     **14.0 ADJOURNMENT**

*NOTE: The Sacramento City Unified School District encourages those with disabilities to participate fully in the public meeting process. If you need a disability-related modification or accommodation, including auxiliary aids or services, to participate in the public meeting, please contact the Board of Education Office at (916) 643-9314 at least 48 hours before the scheduled Board of Education meeting so that we may make every reasonable effort to accommodate you. [Government Code § 54953.2; Americans with Disabilities Act of 1990, § 202 (42 U.S.C. §12132)] Any public records distributed to the Board of Education less than 72 hours in advance of the meeting and relating to an open session item will be available on the District's website at [www.scusd.edu](http://www.scusd.edu)*



# SACRAMENTO CITY UNIFIED SCHOOL DISTRICT BOARD OF EDUCATION

Agenda Item# 8.1

**Meeting Date:** April 7, 2022

**Subject:** Resolution No. 3267: Arts Initiative

- Information Item Only
- Approval on Consent Agenda
- Conference (for discussion only)
- Conference/First Reading (Action Anticipated: \_\_\_\_\_)
- Conference/Action
- Action
- Public Hearing

**Division:** Board Office

**Recommendation:** Approval of Resolution No. 3267:

**Background/Rationale:** A statewide initiative on the November 2022 ballot will increase funding for arts and music education in every Pre-K through 12 public school in California without raising taxes. It will also address the issue of equity by providing extra funding to schools which serve students in high-needs communities, in particular Black and Latino students. Per the Attorney General of California, this proposed measure provides additional funding for arts and music education in all K-12 public schools (including charter schools) by annually allocating from state General Fund an amount equaling 1% of required state and local funding for public schools. The initiative also allocates greater proportion of funds to schools serving more economically disadvantaged students.

The resolution confirms that the Sacramento City Unified School District supports the proposed California ballot measure, "The Arts and Music in Schools - Funding Guarantee and Accountability Act" that increases funding in the Arts and Music education in every P-12 school in the state of California.

**Financial Considerations:** N/A

**LCAP Goal(s):** N/A

**Documents Attached:**

1. Resolution No. 3267 – to be provided April 4, 2022

<p><b>Estimated Time of Presentation:</b> N/A  <b>Submitted by:</b> Alexis Rincon, Legal Analyst  <b>Approved by:</b> Jorge A. Aguilar, Superintendent</p>
--

**A RESOLUTION OF THE BOARD OF EDUCATION OF  
THE SACRAMENTO CITY UNIFIED SCHOOL DISTRICT IN SUPPORT  
OF ARTS AND EDUCATION CALIFORNIA BALLOT MEASURE  
RESOLUTION NO. 3267**

**WHEREAS**, Access to arts and music education at school is a critical component of P-12 education;

**WHEREAS**, Studies demonstrate the importance of arts and music education in the development of children and their success in school and in life. Arts and music education improves cognitive development, reasoning, and language acquisition, it correlates with higher student achievement in reading and math, and it leads to increased school attendance;

**WHEREAS**, Participating in the arts is especially vital now to support students' mental wellbeing amidst the ongoing impact of COVID-19;

**WHEREAS**, Black and Hispanic students comprise 61 percent of P-12 enrollment in the state of California, 77 percent in low-income communities. An increase in opportunities for students of color to participate in the arts in school will expand the pipeline of students who are on the pathway to careers in media and technology; and

**WHEREAS**, Schools serving low-income communities would receive even more funding, helping Black and Latino children who are most likely to lack access to arts education. School funding for the arts will increase by more than \$800 million each year and arts programs in schools will grow by more than 50 percent.

**NOW, THEREFORE BE IT RESOLVED**, that the Sacramento City Unified School District supports the proposed California ballot measure, "The Arts and Music in Schools - Funding Guarantee and Accountability Act" that increases funding in the Arts and Music education in every P-12 school in the state of California.

**PASSED AND ADOPTED** by the Sacramento City Unified School District Governing Board on this 7 day of April 2022, by the following vote:

AYES: \_\_\_\_\_  
NOES: \_\_\_\_\_  
ABSTAIN: \_\_\_\_\_  
ABSENT: \_\_\_\_\_

ATTESTED TO:

\_\_\_\_\_  
Christina Pritchett  
President of the Board of Education

\_\_\_\_\_  
Jorge A. Aguilar  
Superintendent



# SACRAMENTO CITY UNIFIED SCHOOL DISTRICT BOARD OF EDUCATION

Agenda Item# 8.2

**Meeting Date:** April 7, 2022

**Subject:** Update of Mandatory COVID-19 Vaccination for Eligible, Non-Exempt Students and Staff

- Information Item Only
- Approval on Consent Agenda
- Conference (for discussion only)
- Conference/First Reading (Action Anticipated: \_\_\_\_\_)
- Conference/Action
- Action
- Public Hearing

**Recommendation:** N/A

**Background/Rationale:** The purpose of this item is to provide an update on the implementation of the Board resolution presented at the October 12, 2021 Board meeting requiring COVID-19 vaccinations for eligible, nonexempt students and staff.

**Financial Considerations:** Potential costs include monitoring and enforcing vaccinations and/or testing to ensure compliance with requirements. Any exclusion of eligible students for failure to comply with requirements and potential use of Independent Study could result in loss of ADA funding.

**LCAP Goal(s):** College, Career and Life Ready Graduates; Safe, Emotionally Healthy and Engaged Students; Family and Community Empowerment; and Operational Excellence

**Documents Attached:** N/A

<p><b>Estimated Time of Presentation:</b> 10 minutes <b>Submitted by:</b> Victoria Flores, Director III, Student Support and Health Services <b>Approved by:</b> Jorge A. Aguilar, Superintendent</p>
---



# SACRAMENTO CITY UNIFIED SCHOOL DISTRICT BOARD OF EDUCATION

Agenda Item# 9.1

**Meeting Date:** April 7, 2022

**Subject:** Resolution No. 3260: A Resolution of the Board of Education of the Sacramento City Unified School District, Sacramento County, California, Authorizing the Issuance of Sacramento City Unified School District (Sacramento County, California) General Obligation Bonds, Election of 2020 (Measure H) 2022 Series A, and Actions Related Thereto to be Issued by the County of Sacramento on Behalf of the Sacramento City Unified School District

- Information Item Only
- Approval on Consent Agenda
- Conference (for discussion only)
- Conference/First Reading
- Conference/Action
- Action
- Public Hearing

**Division:** Business Services

**Recommendation:** APPROVAL OF RESOLUTION #3260 OF THE BOARD OF EDUCATION OF THE SACRAMENTO CITY UNIFIED SCHOOL DISTRICT, SACRAMENTO COUNTY, CALIFORNIA, AUTHORIZING THE ISSUANCE OF SACRAMENTO CITY UNIFIED SCHOOL DISTRICT (SACRAMENTO COUNTY, CALIFORNIA) GENERAL OBLIGATION BONDS, ELECTION OF 2020 (MEASURE H) 2022 SERIES A, AND ACTIONS RELATED THERETO

**Background/Rationale:** The General Obligation Bonds, Election of 2020 (Measure H), 2022 Series A (the "Series A Bonds") will be the first issuance of Measure H, approved by District voters on March 3, 2020. The not-to-exceed principal amount for the bonds is \$225 million. Proceeds from the Series A Bonds will fund projects approved by voters under Measure H and the Board Approved Facility Master Plan.

Due to the District's qualified certification of its 2021-22 second interim budget, state law requires that new money GO bonds, such as the Series A Bonds, be issued by the County of Sacramento. A resolution requesting the County to issue the Series A Bonds on the District's

behalf is brought to the Board at this meeting April 7, 2022 for action. County action to authorize the Series A Bonds is tentatively scheduled for May 24, 2022.

Dale Scott & Company, the District's financial advisor, has distributed a request for proposal ("RFP") to qualified underwriters regarding a negotiated sale of the Series A Bonds and a proposed series of refunding bonds (the "2022 Refunding Bonds"), being separately considered for approval at the April 7, 2022 Meeting. The RFP process will aid in the selection of the underwriter(s) with the most qualifications and lowest cost. Resolution #3260 delegates authority to the Superintendent and other District staff to select one or more underwriting firms based on the results of the RFP and the advice of the financial advisor, and to finalize, execute, and deliver any required legal documents or disclosures. Both the 2022 Refunding Bonds and the Series A Bonds are expected to be sold in June 2022, with closings expected in mid-June.

**Financial Considerations:** The costs of issuance for the Series A Bonds will be paid from proceeds of the bond issue and no such costs will be paid from the general fund. Disclosures of such estimated costs are set forth in the Resolution as an exhibit. Principal of and interest on the Bonds is paid from the collection of ad valorem taxes collected by the County from taxpayers in the District.

**Goal(s):** (1) Operational Excellence, (2) Safe, Emotionally Healthy and Engaged Students

**Documents Attached:**

1. Resolution No. 3260
2. Bond Purchase Agreement
3. Preliminary Official Statement

<b>Estimated Time:</b>	5 Minute presentation
<b>Submitted by:</b>	Rose Ramos, Chief Business Officer
<b>Approved by:</b>	Jorge A. Aguilar, Superintendent

**SACRAMENTO CITY UNIFIED SCHOOL DISTRICT**

**RESOLUTION NO. 3260**

**A RESOLUTION OF THE BOARD OF EDUCATION OF THE SACRAMENTO CITY UNIFIED SCHOOL DISTRICT, SACRAMENTO COUNTY, CALIFORNIA, AUTHORIZING THE ISSUANCE OF SACRAMENTO CITY UNIFIED SCHOOL DISTRICT (SACRAMENTO COUNTY, CALIFORNIA) GENERAL OBLIGATION BONDS, ELECTION OF 2020 (MEASURE H) 2022 SERIES A, AND ACTIONS RELATED THERETO**

**WHEREAS**, a duly called election was held in the Sacramento City Unified School District (the “District”), Sacramento County (the “County”), State of California, on March 3, 2020 (the “Election”) and thereafter canvassed pursuant to law; and

**WHEREAS**, at such election there was submitted to and approved by the requisite vote of fifty-five percent or more of the qualified electors of the District a question as to the issuance and sale of general obligation bonds of the District for various purposes set forth in the ballot submitted to the voters, in the maximum amount not-to-exceed \$750,000,000, payable from the levy of an *ad valorem* property tax against the taxable property in the District (the “Authorization”); and

**WHEREAS**, at this time the Board of Education of the District (the “Board”) has determined that it is necessary and desirable to request the issuance by the Board of Supervisors of the County (the “County Board”), on behalf of the District, of the first series of bonds under the Authorization in an aggregate principal amount not-to-exceed \$225,000,000 and to be designated as “Sacramento City Unified School District (Sacramento County, California) General Obligation Bonds, Election of 2020 (Measure H), 2022 Series A” (the “Bonds”); and

**WHEREAS**, the Bonds shall be issued pursuant to Article 4.5 of Chapter 3 of Part 1 of Division 2 of the California Government Code (the “Act”), for the purposes set forth in the ballot submitted to voters at the Election; and

**WHEREAS**, pursuant to Education Code Section 42130, the District self-certified its most recent interim financial report for fiscal year 2021-22 as qualified; and

**WHEREAS**, Education Code Section 15140(a) provides that the County Board shall issue the Bonds on behalf of the District following adoption hereof; and

**WHEREAS**, the Board desires to authorize the issuance of the Bonds in one or more Series of Taxable or Tax-Exempt Current Interest Bonds (as such terms are defined herein); and

**WHEREAS**, the Board desires to appoint certain professionals to provide services related to the issuance of the Bonds; and

**WHEREAS**, pursuant to Government Code Section 5852.1, the Board has obtained from the Municipal Advisor (as defined herein) and disclosed herein, in a meeting open to the public, prior to authorization of the execution and delivery of the Bonds, good faith estimates of (a) the true interest cost

of the Bonds, (b) the sum of all fees and charges paid to third parties with respect to the Bonds, (c) the amount of proceeds of the Bonds expected to be received net of the fees and charges paid to third parties and any reserves or capitalized interest paid or funded with proceeds of the Bonds, and (d) the sum total of all debt service payments to be evidenced by the Bonds calculated to the final payment date evidenced by the Bonds plus the fees and charges paid to third parties not paid with the proceeds of the Bonds; and

**WHEREAS**, all acts, conditions and things required by law to be done or performed have been done and performed in strict conformity with the laws authorizing the issuance of general obligation bonds of the District, and the indebtedness of the District, including this proposed issue of Bonds, is within all limits prescribed by law;

**NOW, THEREFORE, BE IT RESOLVED BY THE BOARD OF EDUCATION OF THE SACRAMENTO CITY UNIFIED SCHOOL DISTRICT AS FOLLOWS:**

**SECTION 1. Certain Definitions.** As used in this Resolution, the terms set forth below shall have the meanings ascribed to them (unless otherwise set forth in the County Resolution):

(a) **“Authorized Officer”** means the Superintendent of the District, the Chief Business Officer of the District, or such other officer or employee of the District as may be designated by the Superintendent or Chief Business Officer.

(b) **“Bond Insurer”** means any insurance company which issues a municipal bond insurance policy insuring the payment of Principal of and interest on the Bonds.

(c) **“Bond Payment Date”** means, unless otherwise provided by the Official Statement, February 1 and August 1 of each year commencing August 1, 2022, with respect to the interest payments on the Bonds, and August 1 of each year commencing August 1, 2022, with respect to the Principal payments on the Bonds.

(d) **“Bond Register”** means the registration books which the Paying Agent shall keep or cause to be kept on which the registered ownership, transfer and exchange of Bonds shall be recorded.

(e) **“Code”** means the Internal Revenue Code of 1986, as amended. Reference to any particular section of the Code shall be deemed to be a reference to any successor to any such section.

(f) **“Continuing Disclosure Certificate”** means that certain contractual undertaking in connection with the Bonds, executed by the District pursuant to paragraph (b)(5) of the Rule, dated as of the date of issuance of the Bonds, as amended from time to time in accordance with the provisions thereof.

(g) **“County Resolution”** means that certain resolution of the County Board providing for the issuance of the Bonds.

(h) **“Current Interest Bonds”** means Bonds, the interest on which is payable semiannually on each Bond Payment Date specified therefor, and maturing in the years and amounts set forth in the Official Statement.

- (i) **“Director of Finance”** means the Sacramento County Director of Finance.
- (j) **“Education Code”** means the California Education Code.
- (k) **“Government Code”** means the California Government Code
- (l) **“Holder” or “Owner”** means the registered owner of a Bond as set forth on the Bond Register maintained by the Paying Agent pursuant to the County Resolution.
- (m) **“Long Current Interest Bonds”** means Current Interest Bonds that mature more than 30 years from their date of delivery.
- (n) **“Official Statement”** means the Official Statement for the Bonds, as described in Section 8 hereof.
- (o) **“Paying Agent”** means, initially the Director of Finance, or such other Paying Agent as shall be named in the County Resolution, and afterwards any successor financial institution. The Director of Finance is authorized to contract with third parties to carry out the functions of Paying Agent hereunder and under the County Resolution.
- (p) **“Permitted Investments”** any lawful investments permitted by Government Code Sections 16429.1 and 53601, (ii) shares in a California common law trust established pursuant to Title 1, Division 7, Chapter 5 of the Government Code which invests exclusively in investments permitted by Section 53635 of the Government Code, but without regard to any limitations in such Section concerning the percentage of moneys available for investment being invested in a particular type of security, (iii) a guaranteed investment contract with a provider having a rating meeting the minimum rating requirements of the County investment pool maintained by the Director of Finance, (iv) the Local Agency Investments Fund of the California State Treasurer, (v) the County investment pool described herein, and (vi) United States Treasury Securities, State and Local Government Series.
- (q) **“Principal” or “Principal Amount”** means, with respect to any Bond, the initial principal amount thereof.
- (r) **“Purchase Contract”** means the contract or contracts for purchase and sale of the Bonds, by and among the District, the County and the Underwriters of the Bonds. To the extent the Bonds are sold pursuant to more than one Purchase Contract, each shall be substantially in the form presented to the Board and the County, with such changes therein, deletions therefrom and modifications thereto as the Authorized Officer and such officials of the County executing the same shall approve.
- (s) **“Rule”** means Rule 15c2-12 adopted by the Securities and Exchange Commission under the Securities Exchange Act of 1934.
- (t) **“Series”** means any Bonds executed, authenticated and delivered pursuant to the provisions hereof which are identified as a separate series of Bonds.
- (u) **“Taxable Bonds”** means any Bonds not issued as Tax-Exempt Bonds.

(v) **“Tax-Exempt Bonds”** means any Bonds the interest in which is excludable from gross income for federal income tax purposes and is not treated as an item of tax preference for purposes of calculating the federal alternative minimum tax, as further described in an opinion of Bond Counsel supplied to the original purchasers of such Bonds.

(w) **“Underwriters”** means the original purchasers of the Bonds pursuant to the Purchase Contract.

**SECTION 2. Purpose; Authorization.**

(a) To raise funds for the purposes authorized by voters of the District at the Election, and to pay all necessary legal, financial and contingent costs in connection with the issuance of the Bonds, the Board hereby requests the County Board to authorize the issuance of the Bonds pursuant to the Act and Section 15140 of the California Education Code, and to order such Bonds sold such that the Bonds shall be dated as of a date to be determined by an Authorized Officer, shall bear interest at a rate not-to-exceed that authorized at the Election, shall be payable upon such terms and provisions as shall be set forth in the Bonds, and shall be in an aggregate Principal Amount not-to-exceed \$225,000,000.

(b) The Bonds shall be sold upon the direction of the Authorized Officers and pursuant to such terms and conditions set forth in the Purchase Contract. The Board hereby authorizes the sale of the Bonds at a negotiated sale, which is determined to provide more flexibility in the timing of the sale, an ability to implement the sale in a shorter time period, an increased ability to structure the Bonds to fit the needs of particular purchasers, and a greater opportunity for the Underwriters to pre-market the Bonds to potential purchasers prior to the sale, all of which will contribute to the District’s goal of achieving the lowest overall cost of funds.

(c) The form of Purchase Contract by and among the District, the County and the Underwriters, substantially in the form on file with the Board, is hereby approved. The Authorized Officers, each alone, are hereby authorized and directed to execute such Purchase Contract; provided, however, that the maximum interest rate on the Bonds shall not exceed the maximum rate permitted by law and the underwriting discount thereon, excluding original issue discount and expenses of the Underwriters, shall not exceed 0.40% of the aggregate Principal Amount of Bonds actually issued. The Authorized Officers, in consultation with the County, each alone, are further authorized to determine the Principal Amount of the Bonds to be specified in the Purchase Contract for sale by the District up to \$225,000,000 and to enter into and execute the Purchase Contract with the County and the Underwriters, if the conditions set forth in this Resolution and the County Resolution are satisfied.

(e) The Board hereby authorizes the issuance of the Bonds in one or more Series of Current Interest Bonds, with appropriate Series designation, and further as any combination of Tax-Exempt and Taxable Bonds, subject to the provisions of the County Resolution. To the extent the issuance of Bonds includes Long Current Interest Bonds, the useful life of any facility financed with such Long Current Interest Bonds will equal or exceed the maturity of such Long Current Interest Bonds.

(f) The purchase price received from the Underwriters, to the extent of the Principal Amount thereof, shall be paid to the County to the credit of the Building Fund (as defined in the County Resolution). The purchase price received from the Underwriters, to the extent of any accrued interest and any net original issue premium, shall be paid to the County to the credit of the Debt Service Fund (as defined in the County Resolution). The costs of issuance of the Bonds are hereby authorized to be paid either from premium withheld by the Underwriters upon the sale of the Bonds, or from the portion of the purchase price received from the Underwriters representing the Principal Amount of the Bonds. To the extent costs of issuance are paid from such Principal Amount, the District may direct that a portion thereof, in an amount not-to-exceed 2.0% of such Principal Amount, in lieu of being deposited into the Building Fund, be deposited into a costs of issuance account to be held by a fiscal agent of the District appointed for such purpose.

**SECTION 3. Paying Agent.** The Board hereby appoints the Paying Agent to serve as the paying agent, bond registrar, transfer agent and authentication agent for the Bonds on behalf of the District. The Board hereby approves the payment of the reasonable fees and expenses of the Paying Agent as they shall become due and payable. The fees and expenses of the Paying Agent which are not paid as a cost of issuance of the Bonds may be paid in each year from *ad valorem* property taxes levied and collected for the payment thereof, insofar as permitted by law, including specifically by Education Code Section 15232.

**SECTION 4. Tax Covenants.**

(a) With respect to Bonds issued as Tax-Exempt Bonds, the District hereby covenants with the Holders of such Bonds that, notwithstanding any other provisions of this Resolution or the County Resolution, it will restrict the use of proceeds of the Bonds or of any other amounts, regardless of the source, or of any property or take any action, or refrain from taking any action, such that the Bonds will not constitute “arbitrage bonds” within the meaning of Section 148 of the Code, any applicable regulations thereunder or any predecessor section thereto. Calculations for determining arbitrage requirements shall be the sole responsibility of the District.

(b) The District will not make any use of the proceeds of the Bonds or any other funds of the District, or take or omit to take any other action, that would cause the Bonds to be “private activity bonds” within the meaning of Section 141 of the Code or “federally guaranteed” within the meaning of Section 149(b) of the Code. To that end, so long as any Bonds are unpaid, the District, with respect to such proceeds and such other funds, will comply with all requirements of such Sections and all regulations of the United States Department of the Treasury issued thereunder and under Section 103 of the Code, to the extent such requirements are, at the time, applicable and in effect.

(c) The District will not use or permit the use of its facilities or any portion thereof by any person other than a governmental unit as such term is used in Section 141 of the Code, in such manner or to such extent as would result in the loss of exclusion from gross income for federal income tax purposes of the interest paid on the Bonds. In furtherance of the foregoing tax covenants of this Section 4, the District covenants that it will comply with the instructions and requirements of that certain Tax Certificate to be executed and delivered by the District on the date of issuance of such Bonds (the “Tax Certificate”), which is incorporated herein as if fully set forth herein. These covenants shall survive the payment in full or defeasance of the Bonds.

**SECTION 5. Rebate Fund.** The following provisions shall apply to any Bonds issued as Tax-Exempt Bonds.

(a) The District shall create and establish a special fund designated the “Sacramento City Unified School District General Obligation Bonds, Election of 2020 (Measure H) 2022 Series A Rebate Fund” (the “Rebate Fund”). All amounts at any time on deposit in the Rebate Fund shall be held in trust, to the extent required to satisfy the requirement to make rebate payments to the United States (the “Rebate Requirement”) pursuant to Section 148 of the Code, and the Treasury Regulations promulgated thereunder (the “Treasury Regulations”). Such amounts shall be free and clear of any lien hereunder and shall be governed by this Section 5 and by the Tax Certificate.

(b) Within 45 days of the end of each fifth Bond Year (as such term is defined in the Tax Certificate), (1) the District shall calculate or cause to be calculated with respect to the Bonds the amount that would be considered the “rebate amount” within the meaning of Section 1.148-3 of the Treasury Regulations, using as the “computation date” for this purpose the end of such Bond Year, and (2) the District shall deposit to the Rebate Fund from amounts on deposit in the other funds established hereunder or from other District funds, if and to the extent required, amounts sufficient to cause the balance in the Rebate Fund to be equal to the “rebate amount” so calculated. The District shall not be required to deposit any amount to the Rebate Fund in accordance with the preceding sentence, if the amount on deposit in the Rebate Fund prior to the deposit required to be made under this subsection (b) equals or exceeds the “rebate amount” calculated in accordance with the preceding sentence. Such excess may be withdrawn from the Rebate Fund to the extent permitted under subsection (g) of this Section. The District shall not be required to calculate the “rebate amount” and shall not be required to deposit any amount to the Rebate Fund in accordance with this subsection (b), with respect to all or a portion of the proceeds of the Bonds (including amounts treated as proceeds of the Bonds) (1) to the extent such proceeds satisfy the expenditure requirements of Section 148(f)(4)(B) or Section 148(f)(4)(C) of the Code or Section 1.148-7(d) of the Treasury Regulations, whichever is applicable, and otherwise qualify for the exception to the Rebate Requirement pursuant to whichever of said sections is applicable, (2) to the extent such proceeds are subject to an election by the District under Section 148(f)(4)(C)(vii) of the Code to pay a one and one-half percent (1½%) penalty in lieu of arbitrage rebate in the event any of the percentage expenditure requirements of Section 148(f)(4)(C) are not satisfied, or (3) to the extent such proceeds qualify for the exception to arbitrage rebate under Section 148(f)(4)(A)(ii) of the Code for amounts in a “bona fide debt service fund.” In such event, and with respect to such amounts, the District shall not be required to deposit any amount to the Rebate Fund in accordance with this subsection (b).

(c) Any funds remaining in the Rebate Fund after redemption of all the Bonds and any amounts described in paragraph (2) of subsection (d) of this Section, or provision made therefor satisfactory to the District, including accrued interest, shall be remitted to the District.

(d) Subject to the exceptions contained in subsection (b) of this Section to the requirement to calculate the “rebate amount” and make deposits to the Rebate Fund, the District shall pay to the United States, from amounts on deposit in the Rebate Fund,

(1) not later than 60 days after the end of (i) the fifth Bond Year, and (ii) each fifth Bond Year thereafter, an amount that, together with all previous rebate payments, is equal to at least 90% of the “rebate amount” calculated as of the end of such Bond Year in accordance with Section 1.148-3 of the Treasury Regulations; and

(2) not later than 60 days after the payment of all Bonds, an amount equal to 100% of the “rebate amount” calculated as of the date of such payment (and any income attributable to the “rebate amount” determined to be due and payable) in accordance with Section 1.148-3 of the Treasury Regulations.

(e) In the event that, prior to the time any payment is required to be made from the Rebate Fund, the amount in the Rebate Fund is not sufficient to make such payment when such payment is due, the District shall calculate (or have calculated) the amount of such deficiency and deposit an amount equal to such deficiency into the Rebate Fund prior to the time such payment is due.

(f) Each payment required to be made pursuant to subsection (d) of this Section shall be made to the Internal Revenue Service, on or before the date on which such payment is due, and shall be accompanied by Internal Revenue Service Form 8038-T, such form to be prepared or caused to be prepared by the District.

(g) In the event that immediately following the calculation required by subsection (b) of this Section, but prior to any deposit made under said subsection, the amount on deposit in the Rebate Fund exceeds the “rebate amount” calculated in accordance with said subsection, the District may withdraw the excess from the Rebate Fund and credit such excess to the interest and sinking fund of the District.

(h) The District shall retain records of all determinations made hereunder until three years after the complete retirement of the Bonds.

(i) Notwithstanding anything in this Resolution or the County Resolution to the contrary, the Rebate Requirement shall survive the payment in full or defeasance of the Bonds.

**SECTION 6. Legislative Determinations.** The Board determines that all acts and conditions necessary to be performed by the District or to have been met precedent to and in the issuing of the Bonds in order to make them legal, valid and binding general obligations of the District have been performed and have been met, or will at the time of delivery of the Bonds have been performed and have been met, in regular and due form as required by law; and that no statutory or constitutional limitation of indebtedness or taxation will be exceeded as a result of the issuance of the Bonds.

**SECTION 7. Security for the Bonds.** Pursuant to the County Resolution, there shall be levied on all the taxable property in the District, in addition to all other taxes, a continuing direct *ad valorem* property tax annually during the period the Bonds are outstanding in an amount sufficient to pay the Principal of and interest on the Bonds when due, which moneys when collected will be deposited in the Debt Service Fund and used for the payment of the Principal of and interest on the Bonds when and as the same falls due, and for no other purpose. The District covenants to cause the County to take all actions necessary to levy such *ad valorem* property tax. Pursuant to Government Code Section 53515, the Bonds shall be secured by a statutory lien on all revenues received pursuant to the levy and collection of *ad valorem* property taxes for the payment thereof.

Pursuant to Government Code Sections 5450 and 5451, the District hereby pledges to the payment of the Bonds all revenues received from the levy and collection *ad valorem* property taxes for the payment of the Bonds and all amounts on deposit in the Debt Service Fund. Such pledge shall constitute a lien on and security interest in such taxes and amounts in the Debt Service Fund.

This pledge shall constitute an agreement between the District and the Owners of the Bonds to provide security for the payment of the Bonds in addition to any statutory lien that may exist.

**SECTION 8. Official Statement.** The form of the Preliminary Official Statement relating to the Bonds (the “Preliminary Official Statement”), in the form on file with the Secretary of the District Board, is hereby approved. The Authorized Officers, each alone, are hereby authorized and directed, for and in the name and on behalf of the District, to deem the Preliminary Official Statement “final” pursuant to the Rule, prior to its distribution, and to deliver such Preliminary Official Statement to the Underwriters, to be used in connection with the offering and sale of the Bonds. The Authorized Officers are further authorized and directed to execute and deliver to the Underwriters a final Official Statement, substantially in the form of the Preliminary Official Statement, with such changes therein, deletions therefrom and modifications thereto as the Authorized Officer executing the same shall approve. The Underwriters are hereby authorized to distribute copies of the Preliminary Official Statement to persons who may be interested in the purchase of the Bonds and are further directed to deliver copies of any final Official Statement to the purchasers of the Bonds. Execution of the Official Statement shall conclusively evidence the District’s approval of the Official Statement. Neither the County Board nor any officer of the County will prepare or review, nor shall the County Board or any officer of the County have any obligation to prepare or review, the Preliminary Official Statement or Official Statement. The County shall also not be required to take any responsibility for the contents or distribution of either the Preliminary Official Statement or Official Statement.

**SECTION 9. Bond Insurance.** In the event the District purchases bond insurance for the Bonds, and to the extent that the Bond Insurer makes payment of the Principal of or interest on the Bonds, it shall become the Owner of such Bonds with the right to payment of Principal or interest on the Bonds, and shall be fully subrogated to all of the Owners’ rights, including the Owners’ rights to payment thereof. To evidence such subrogation (i) in the case of subrogation as to claims of past due interest, the Paying Agent shall note the Bond Insurer’s rights as subrogee on the registration books for the Bonds maintained by the Paying Agent upon receipt of a copy of the cancelled check issued by the Bond Insurer for the payment of such interest to the Owners of the Bonds, and (ii) in the case of subrogation as to claims for past due Principal, the Paying Agent shall note the Bond Insurer as subrogee on the registration books for the Bonds maintained by the Paying Agent upon surrender of the Bonds by the Owners thereof to the Bond Insurer or the insurance trustee for the Bond Insurer.

**SECTION 10. Continuing Disclosure.** The District hereby covenants and agrees that it will comply with and carry out all of the provisions of that certain Continuing Disclosure Certificate executed by the District and dated as of the date of issuance of the Bonds, as originally executed and as it may be amended from time to time in accordance with the terms thereof. The form of the Continuing Disclosure Certificate appended to the Preliminary Official Statement is hereby approved. Any Bond Holder may take such actions as may be necessary and appropriate, including seeking mandate or specific performance by court order, to cause the District to comply with its obligations under this Section. Noncompliance with this Section shall not result in acceleration of the Bonds.

**SECTION 11. Other Actions.**

(a) District officers, officials and staff are hereby authorized and directed, jointly and severally, to do any and all things and to execute and deliver any and all documents which they may

deem necessary or advisable in order to proceed with the issuance of the Bonds and otherwise carry out, give effect to and comply with the terms and intent of this Resolution and the County Resolution. Such actions heretofore taken by such officers, officials and staff are hereby ratified, confirmed and approved.

(b) The Board hereby appoints Dale Scott & Company, Inc. as the Municipal Advisor, and Stradling Yocca Carlson & Rauth, a Professional Corporation, as Bond Counsel and Disclosure Counsel, each with respect to the issuance of the Bonds. The Board further authorizes the appointment of such Underwriters as shall be identified in the Purchase Contract.

(c) Based on a good faith estimate received by the District from its Municipal Advisor, the Board hereby finds that (i) the True Interest Cost of the Bonds (as defined in Government Code Section 5852.1(a)(1)(A)) is expected to be approximately 3.05%, (ii) the total Finance Charge of the Bonds (as defined in Government Code Section 5852.1(a)(1)(B)) is expected to equal approximately \$2,067,440, (iii) the total proceeds expected to be received by the District from the sale of the Bonds, less the Finance Charge of the Bonds, is \$215,000,000, and (iv) the District expects that the Total Payment Amount (as defined in Government Code Section 5852.1(a)(1)(D)), calculated to the final maturity of the Bonds, will be \$338,090,000. The information presented in this section is included in satisfaction of Section 5852.1 of the Government Code, and shall not abrogate or otherwise limit any other provision of this Resolution or the County Resolution.

(d) The terms of the Bonds, as stated herein and in the County Resolution, are authorized to be amended by the Purchase Contract.

**SECTION 12. Nonliability of the County; Reimbursement of Costs.** Notwithstanding anything to the contrary contained herein, in the Bonds or in any other document mentioned herein, neither the County, nor its officials, officers, employees or agents shall have any liability hereunder or by reason hereof or in connection with the transactions contemplated hereby, the Bonds are not a debt of the County or a pledge of the County's full faith and credit, and the Bonds and any liability in connection therewith shall be paid solely from *ad valorem* property taxes lawfully levied to pay the Principal of or interest on the Bonds, which taxes shall be unlimited as to rate or amount. The District shall reimburse the County for all costs and expenses incurred by the County, its officials, officers, agents and employees in issuing or otherwise in connection with the issuance of the Bonds

**SECTION 13. Request to County to Levy Tax.** The County Board and officers of the County are obligated by statute to provide for the levy and collection of *ad valorem* property taxes in each year sufficient to pay all Principal of and interest coming due on the Bonds in such year, and to pay from such taxes all amounts due on the Bonds. The District hereby requests the County Board to annually levy a tax upon all taxable property in the District sufficient to pay all such Principal and interest coming due on the Bonds in such year, and to pay from such taxes all amounts due on the Bonds. The Board hereby finds and determines that such *ad valorem* property taxes shall be levied specifically to pay the Bonds being issued to finance specific projects authorized by the voters of the District at the Election.

**SECTION 14. Indemnification of County.** The District shall defend, indemnify and hold harmless the County, its officials, officers, agents and employees ("Indemnified Parties") against any and all losses, claims, damages or liabilities, joint or several, to which such Indemnified Parties may become subject based in whole or in part upon any acts or omission related to the Bonds, except with

regard to the County’s responsibilities to provide for the levy and collection of *ad valorem* property taxes in each year sufficient to pay all Principal of and interest coming due on the Bonds in such year, and to pay from such taxes all amounts due on the Bonds (the “County Responsibilities”). The District shall also reimburse the Indemnified Parties for any legal or other costs and expenses incurred in connection with investigating or defending any such claims or liabilities, except with regard to the County Responsibilities.

**SECTION 15. Resolution to County Director of Finance.** The Secretary to the Board is hereby directed to provide a certified copy of this Resolution to the Director of Finance immediately following its adoption.

**SECTION 16. Recitals.** All the recitals in this Resolution above are true and correct and the Board so finds, determines and represents.

**SECTION 17. Effective Date.** This Resolution shall take effect immediately upon its passage.

PASSED, ADOPTED AND APPROVED this 7th day of April, 2022, by the following vote:

AYES:	MEMBERS	_____
NOES:	MEMBERS	_____
ABSTAIN:	MEMBERS	_____
ABSENT:	MEMBERS	_____

\_\_\_\_\_  
President of the Board of Education

ATTEST:

\_\_\_\_\_  
Secretary to the Board of Education

SECRETARY CERTIFICATE

I, Jorge A. Aguilar, Secretary to the Board of Education of the Sacramento City Unified School District (the "District"), hereby certify as follows:

The foregoing is a full, true and correct copy of a resolution duly adopted at a meeting of the Board of Education of said District duly and legally held at the regular meeting place thereof on April 7, 2022.

I have carefully compared the same with the original minutes of said meeting on file and of record in at the District and the foregoing is a full, true and correct copy of the original resolution adopted at said meeting and entered in said minutes.

Said resolution has not been amended, modified or rescinded since the date of its adoption, and the same is now in full force and effect.

Dated: April \_\_, 2022

By: \_\_\_\_\_  
Secretary

§ \_\_\_\_\_  
**SACRAMENTO CITY UNIFIED SCHOOL DISTRICT**  
**(Sacramento County, California)**  
**General Obligation Bonds, Election of 2020 (Measure H) 2022 Series A**

**BOND PURCHASE AGREEMENT**

\_\_\_\_\_, 2022

Sacramento City Unified School District  
5735 47<sup>th</sup> Avenue  
Sacramento, California 95824

Sacramento County Director of Finance  
700 H Street, Suite 1710  
Sacramento, California 95814

Ladies and Gentlemen:

[LEAD UNDERWRITER], as representative (the “Representative”) on behalf of itself and [CO-UNDERWRITERS] (collectively, the “Underwriters”), offers to enter into this Bond Purchase Agreement (this “Bond Purchase Agreement”) with Sacramento County, California (the “County”), and the Sacramento City Unified School District (the “District”), which, upon your acceptance hereof, will be binding upon the County, the District and the Underwriters. This offer is made subject to the written acceptance of this Bond Purchase Agreement by the District and the County, and delivery of such acceptance to the Underwriters prior to 11:59 p.m., California Time, on the date hereof. Capitalized terms used herein and not defined herein shall have the meanings set forth in the District Resolution or the County Resolution (each as defined herein).

The District and the County acknowledge and agree that (i) the purchase and sale of the Bonds (as defined below) pursuant to this Bond Purchase Agreement is an arm’s-length commercial transaction among the County, the District and the Underwriters, and that the Underwriters have financial and other interests that differ from those of the County and the District, (ii) in connection with such transaction, the Underwriters are not acting as municipal advisors, financial advisors or fiduciaries to the County or the District or any other person or entity and have not assumed a fiduciary responsibility in favor of the County or the District with respect to the offering of the Bonds or the process leading thereto (whether or not the Underwriters have advised or are currently advising the County or the District on other matters), (iii) the Underwriters are each acting solely in their capacity as Underwriters for their own accounts, (iv) the only obligations the Underwriters have to the County or the District with respect to the transaction contemplated hereby are expressly set forth in this Bond Purchase Agreement, and (v) the District and the County have each consulted with their own legal and other professional advisors to the extent each has deemed appropriate in connection with the offering of the Bonds. The District further acknowledges that it has previously provided the Underwriters with an acknowledgment of receipt of the required disclosure under Rule G-17 of the Municipal Securities Rulemaking Board (the “MSRB”).

1. **Purchase and Sale of the Bonds.** Upon the terms and conditions and in reliance upon the representations, warranties and agreements herein set forth, the Underwriters hereby agree to purchase from the County on behalf of the District for reoffering to the public, and the County hereby agrees to sell

in the name and on behalf of the District to the Underwriters for such purpose, all (but not less than all) of \$ \_\_\_\_\_ aggregate principal amount of the District’s General Obligation Bonds, Election of 2020 (Measure H) 2022 Series A (the “Bonds”).

The Underwriters shall purchase the Bonds at a price of \$ \_\_\_\_\_ (which is equal to the principal amount of such Bonds of \$ \_\_\_\_\_, plus original issue premium of \$ \_\_\_\_\_, less an underwriting discount of \$ \_\_\_\_\_, [and less \$ \_\_\_\_\_ to be wired by the Underwriters to the Insurer (as defined herein), for payment of the Policy premium (as defined herein)].

2. **The Bonds.** The Bonds shall mature on the dates and in the years, and be subject to redemption, as shown on Exhibit A hereto, which exhibit is incorporated herein by this reference. The Bonds shall be dated as of their date of delivery, shall otherwise be as described in the Official Statement (defined herein) shall be issued and secured pursuant to the provisions of resolutions of the Board of Education of the District (the “District Board”), adopted on April 7, 2022 (the “District Resolution”), and a Resolution of the Board of Supervisors of the County (the “County Board”), adopted on \_\_\_\_\_, 2022 (the “County Resolution,” and together with the District Resolution, the “Resolutions”), Article 4.5 of Chapter 3 of Part 1 of Division 2 of Title 5 of the California Government Code (the “Act”) and applicable provisions of the California Education Code.

The Bonds shall be in book-entry form, shall bear CUSIP numbers, shall be in fully registered form, registered in the name of Cede & Co., as nominee of The Depository Trust Company, New York, New York (“DTC”). The Bonds shall initially be in authorized denominations of \$5,000 principal amount or any integral multiple thereof. Pursuant to the County Resolution, the Sacramento County Director of Finance will act as paying agent (the “Paying Agent”) for the Bonds.

The proceeds of sale of the Bonds will be applied to the acquisition, construction, modernization and equipping of District sites and facilities, and to pay the costs of issuing the Bonds.

[The scheduled payment of the principal of and interest on the Bonds, when due, will be guaranteed by a municipal bond insurance policy (the “Policy”) to be issued by \_\_\_\_\_ (the “Insurer”).]

3. **Use of Documents.** The District hereby authorizes the Underwriters to use, in connection with the offer and sale of the Bonds, this Bond Purchase Agreement, the Preliminary Official Statement (as defined herein), the Official Statement, the Continuing Disclosure Certificate (as defined herein), the Resolutions and all information contained herein and therein and all of the documents, certificates or statements furnished by the District to the Underwriters in connection with the transactions contemplated by this Bond Purchase Agreement.

4. **Establishment of Issue Price.**

(a) The Representative, on behalf of the Underwriters, agrees to assist the District in establishing the issue price of the Bonds and shall execute and deliver to the District at Closing an “issue price” or similar certificate, together with the supporting pricing wires or equivalent communications, substantially in the form attached hereto as Appendix B, with such modifications as may be appropriate or necessary, in the reasonable judgment of the Representative, the District and Stradling Yocca Carlson & Rauth, a Professional Corporation (“Bond Counsel”), to accurately reflect, as applicable, the sales price or prices or the initial offering price or prices to the public of the Bonds. All actions to be taken by the District under this Section to establish the issue price of the Bonds may be taken on behalf of the District by Dale Scott & Company, Inc. (the “Municipal Advisor”) and any notice or report to be provided to the District may be provided to the District’s Municipal Advisor.

(b) Except as otherwise set forth in Appendix A attached hereto, the District will treat the first price at which 10% of each maturity of the Bonds (the “10% test”) is sold to the public as the issue price of that maturity (if different interest rates apply within a maturity, each separate CUSIP number within that maturity will be subject to the 10% test). At or promptly after the execution of this Bond Purchase Agreement, the Representative shall report to the District the price or prices at which the Underwriters have sold to the public each maturity of Bonds. If at that time the 10% test has not been satisfied as to any maturity of the Bonds, the Representative agrees to promptly report to the District the prices at which Bonds of that maturity have been sold by the Underwriters to the public. That reporting obligation shall continue, whether or not the Closing Date has occurred, until the 10% test has been satisfied as to the Bonds of that maturity or until all Bonds of that maturity have been sold to the public.

(c) The Representative confirms that the Underwriters have offered the Bonds to the public on or before the date of this Bond Purchase Agreement at the offering price or prices (the “initial offering price”), or at the corresponding yield or yields, set forth in Appendix A attached hereto, except as otherwise set forth therein. Appendix A also sets forth, as of the date of this Bond Purchase Agreement, the maturities, if any, of the Bonds for which the 10% test has not been satisfied and for which the District and the Representative, on behalf of the Underwriters, agree that the restrictions set forth in the next sentence shall apply, which will allow the District to treat the initial offering price to the public of each such maturity as of the sale date as the issue price of that maturity (the “hold-the-offering-price rule”). So long as the hold-the-offering-price rule remains applicable to any maturity of the Bonds, the Underwriters will neither offer nor sell unsold Bonds of that maturity to any person at a price that is higher than the initial offering price to the public during the period starting on the sale date and ending on the earlier of the following:

- (1) the close of the fifth (5<sup>th</sup>) business day after the sale date; or
- (2) the date on which the Underwriters have sold at least 10% of that maturity of the Bonds to the public at a price that is no higher than the initial offering price to the public.

The Representative shall promptly advise the District when the Underwriters have sold 10% of that maturity of the Bonds to the public at a price that is no higher than the initial offering price to the public, if that occurs prior to the close of the fifth (5<sup>th</sup>) business day after the sale date.

The District acknowledges that, in making the representation set forth in this subsection, the Representative will rely on (i) the agreement of each Underwriter to comply with the hold-the-offering-price rule, as set forth in an agreement among underwriters and the related pricing wires, (ii) in the event a selling group has been created in connection with the initial sale of the Bonds to the public, the agreement of each dealer who is a member of the selling group to comply with the hold-the-offering-price rule, as set forth in a selling group agreement and the related pricing wires, and (iii) in the event that an Underwriter is a party to a retail distribution agreement that was employed in connection with the initial sale of the Bonds to the public, the agreement of each broker-dealer that is a party to such agreement to comply with the hold-the-offering-price rule, as set forth in the retail distribution agreement and the related pricing wires.

(d) The Representative confirms that:

- (1) any agreement among underwriters, any selling group agreement and each retail distribution agreement (to which the Representative is a party) relating to the initial sale of the Bonds to the public, together with the related pricing wires, contains or will contain language obligating each Underwriter, each dealer who is a member of the selling group, and each broker-

dealer that is a party to such retail distribution agreement, as applicable, to (A) report the prices at which it sells to the public the unsold Bonds of each maturity allotted to it until it is notified by the Representative that either the 10% test has been satisfied as to the Bonds of that maturity or all Bonds of that maturity have been sold to the public and (B) comply with the hold-the-offering-price rule, if applicable, in each case if and for so long as directed by the Representative and as set forth in the related pricing wires, and

(2) any agreement among underwriters relating to the initial sale of the Bonds to the public, together with the related pricing wires, contains or will contain language obligating each Underwriter that is a party to a retail distribution agreement to be employed in connection with the initial sale of the Bonds to the public to require each broker-dealer that is a party to such retail distribution agreement to (A) report the prices at which it sells to the public the unsold Bonds of each maturity allotted to it until it is notified by the Representative or the Underwriter that either the 10% test has been satisfied as to the Bonds of that maturity or all Bonds of that maturity have been sold to the public and (B) comply with the hold-the-offering-price rule, if applicable, in each case if and for so long as directed by the Representative or the Underwriter and as set forth in the related pricing wires.

(e) The Underwriters acknowledge that sales of any Bonds to any person that is a related party to an Underwriter shall not constitute sales to the public for purposes of this Section. Further, for purposes of this Section:

(1) “public” means any person other than an underwriter or a related party,

(2) “underwriter” means (A) any person that agrees pursuant to a written contract with the District (or with the lead underwriter to form an underwriting syndicate) to participate in the initial sale of the Bonds to the public and (B) any person that agrees pursuant to a written contract directly or indirectly with a person described in clause (A) to participate in the initial sale of the Bonds to the public (including a member of a selling group or a party to a retail distribution agreement participating in the initial sale of the Bonds to the public),

(3) a purchaser of any of the Bonds is a “related party” to an underwriter if the underwriter and the purchaser are subject, directly or indirectly, to (i) at least 50% common ownership of the voting power or the total value of their stock, if both entities are corporations (including direct ownership by one corporation of another), (ii) more than 50% common ownership of their capital interests or profits interests, if both entities are partnerships (including direct ownership by one partnership of another), or (iii) more than 50% common ownership of the value of the outstanding stock of the corporation or the capital interests or profit interests of the partnership, as applicable, if one entity is a corporation and the other entity is a partnership (including direct ownership of the applicable stock or interests by one entity of the other), and

(4) “sale date” means the date of execution of this Bond Purchase Agreement by all parties.

5. **Public Offering of the Bonds.** The Underwriters agree to make a bona fide public offering of all the Bonds at the initial public offering prices or yields to be set forth on the inside cover page of the Official Statement.

6. **Review of Official Statement.** The Underwriters hereby represent that they have received and reviewed the Preliminary Official Statement with respect to the Bonds, dated \_\_\_\_\_,

2022 (the “Preliminary Official Statement”). The District represents that it deems the Preliminary Official Statement to be final, except for either revisions or additions to the offering price(s), interest rate(s), yield(s) to maturity, selling compensation, aggregate principal amount, principal amount per maturity, delivery date, rating(s) and other terms of the Bonds which depend upon the foregoing as provided in and pursuant to Rule 15c2-12 of the Securities and Exchange Commission under the Securities Exchange Act of 1934, as amended (the “Rule”).

The Underwriters agree that prior to the time the final Official Statement (the “Official Statement”) relating to the Bonds is available, the Underwriters will send to any potential purchaser of the Bonds, upon the request of such potential purchaser, a copy of the most recent Preliminary Official Statement. Such Preliminary Official Statement shall be sent by first class mail or electronic distribution (or other equally prompt means) not later than the first business day following the date upon which each such request is received.

The Representative agrees to file the Official Statement with the MSRB through its Electronic Municipal Market Access system within one business day after receipt thereof from the District, but in no event later than the Closing (as defined below).

References herein to the Preliminary Official Statement or Official Statement shall include the cover page and all appendices, exhibits, maps, reports and statements included therein or attached thereto.

7. **Closing.** At 8:30 a.m., California Time, on \_\_\_\_\_, 2022, or at such other time or on such other date as shall have been mutually agreed upon by the District, the County and the Representative (the “Closing” or the “Closing Date”), the District will deliver to the Underwriters, through the facilities of DTC in New York, New York, or at such other place as the District and the Representative may mutually agree upon, the bonds in fully registered book-entry form, duly executed and registered in the name of Cede & Co., as nominee of DTC, and at the offices of Bond Counsel the other documents hereinafter mentioned; and the Underwriters will accept such delivery and pay the purchase prices of the Bonds as provided in Section 1.

8. **Representations, Warranties and Agreements of the District.** The District hereby represents, warrants and agrees with the Underwriters that:

(a) Due Organization. The District is a unified school district duly organized and validly existing under the laws of the State of California, with the power to request the County to issue the Bonds pursuant to the Act and has all requisite right, power and authority to adopt the District Resolution and to execute this Bond Purchase Agreement and the Continuing Disclosure Certificate and to perform its obligations under each such document or instrument, and to carry out and effectuate the transactions contemplated hereby and thereby.

(b) Due Authorization. (i) At or prior to the Closing, the District will have taken all action required to be taken by it to authorize the issuance and delivery of the Bonds; (ii) the District has full legal right, power and authority to enter into this Bond Purchase Agreement, the Continuing Disclosure Certificate, to adopt the District Resolution, to perform its obligations under each such document or instrument, and to carry out and effectuate the transactions contemplated by this Bond Purchase Agreement, the Continuing Disclosure Certificate and the District Resolution; (iii) the execution and delivery or adoption of, and the performance by the District of the obligations contained in the Bonds, the District Resolution, the Continuing Disclosure Certificate and this Bond Purchase Agreement have been duly authorized and such authorization shall be in full force and effect at the time of the Closing; (iv) assuming the due authorization, execution and delivery by the other parties thereto, this Bond Purchase Agreement

and the Continuing Disclosure Certificate constitute valid and legally binding obligations of the District, except as enforcement thereof may be limited by bankruptcy, insolvency, reorganization, moratorium, or other laws relating to or affecting generally the enforcement of creditors' rights and except as such enforcement may be subject to the application of equitable principles and the exercise of judicial discretion in appropriate cases if equitable remedies are sought; and (v) the District has duly authorized the consummation by it of all transactions contemplated by this Bond Purchase Agreement.

(c) Consents. No further consent, approval, authorization, order, filing, registration, qualification, election or referendum of or by any court or governmental agency or public body whatsoever is required, or is required and has not been taken or obtained, in connection with the issuance, delivery or sale of the Bonds or the consummation of the other transactions effected or contemplated herein or hereby, except for such actions as may be necessary to qualify the Bonds for offer and sale under the Blue Sky or other securities laws and regulations of such states and jurisdictions of the United States as the Representative may reasonably request; provided, however, that the District shall not be required to consent to service of process in any jurisdiction in which it is not so subject as of the date hereof.

(d) No Conflicts. To the best knowledge of the District, the issuance of the Bonds, and the execution, delivery and performance of this Bond Purchase Agreement, the District Resolution, the Continuing Disclosure Certificate and the Bonds, and the compliance with the provisions hereof and thereof do not conflict with or constitute on the part of the District a violation of or default under, the Constitution of the State of California or any existing law, charter, ordinance, regulation, decree, order or resolution and do not conflict with or result in a violation or breach of, or constitute a default under, any agreement, indenture, mortgage, lease or other instrument to which the District is a party or by which it is bound or to which it is subject.

(e) Litigation. As of the time of acceptance hereof, no action, suit, proceeding, hearing or investigation is pending in which service of process has been completed against the District or, to the best knowledge of the District, threatened against the District: (i) in any way affecting the existence of the District or in any way challenging the respective powers of the several offices of the District or of the titles of the officials of the District to such offices; or (ii) seeking to restrain or enjoin the sale, issuance or delivery of any of the Bonds, the application of the proceeds of the sale of the Bonds, or the collection of revenues or assets of the District pledged or to be pledged or available to pay the principal of and interest, if any, on the Bonds, or the pledge thereof, or the levy of any taxes contemplated by the District Resolution or in any way contesting or affecting the validity or enforceability of the Bonds, this Bond Purchase Agreement, the Continuing Disclosure Certificate or the District Resolution or contesting the powers of the District or the District Resolution, the Continuing Disclosure Certificate or this Bond Purchase Agreement; or (iii) in which a final adverse decision could (a) materially adversely affect the operations of the District or the consummation of the transactions contemplated by this Bond Purchase Agreement, the District Resolution or the County Resolution, (b) declare this Bond Purchase Agreement to be invalid or unenforceable in whole or in material part, or (c) adversely affect the exclusion of interest on the Bonds from federal income taxation and the exemption of interest on the Bonds from California income taxation.

(f) No Other Debt. Between the date hereof and the Closing, without the prior written consent of the Representative, neither the District directly, nor the County on behalf of the District at the District's request, will have issued any bonds, notes or other obligations for borrowed money except for such borrowings as may be described in or contemplated by the Official Statement.

(g) Certificates. Any certificates signed by any officer of the District and delivered to the Underwriters shall be deemed a representation and warranty by the District to the Underwriters, but not by the person signing the same, as to the statements made therein.

(h) Official Statement Accurate and Complete. The Preliminary Official Statement, at the date thereof, did not contain any untrue statement of a material fact or omit to state any material fact required to be stated therein or necessary to make the statements therein, in the light of the circumstances under which they were made, not misleading. As of its date and on the Closing Date, the final Official Statement will not contain any untrue statement of a material fact or omit to state any material fact required to be stated therein or necessary to make the statements therein, in the light of the circumstances under which they were made, not misleading. The District makes no representation or warranty as to the information contained in or omitted from the Preliminary Official Statement or the final Official Statement in reliance upon and in conformity with information furnished in writing to the District by or on behalf of the Underwriters through a representative of the Underwriters specifically for inclusion therein.

(i) Securities Laws. The District will furnish such information, execute such instruments, and take such other action in cooperation with, and at the expense of, the Underwriters if and as the Representative may reasonably request in order to qualify the Bonds for offer and sale under the Blue Sky or other securities laws and regulations of such states and jurisdictions, provided, however, that the District shall not be required to consent to service of process in any jurisdiction in which it is not so subject as of the date hereof.

(j) Official Statement. The District hereby agrees to deliver or cause to be delivered to the Underwriters, not later than the seventh (7th) business day following the date this Bond Purchase Agreement is signed, copies of a final Official Statement substantially in the form of the Preliminary Official Statement, with only such changes therein as shall have been accepted by the Representative and the District in such reasonable quantities as may be requested by the Representative not later than five (5) business days following the date this Bond Purchase Agreement is signed, in order to permit the Underwriters to comply with paragraph (b)(4) of the Rule and with the rules of the MSRB. The District hereby authorizes the Underwriters to use and distribute the Official Statement in connection with the offering and sale of the Bonds. The County has no responsibility with respect to the Preliminary Official Statement or the Official Statement.

(k) Subsequent Events. The District hereby agrees to notify the Underwriters of any event or occurrence that may affect the accuracy or completeness of any information set forth in the Official Statement relating to the District until the date which is twenty-five (25) days following the Closing.

(l) Amendments to Official Statement. For a period of twenty-five (25) days after the Closing or until such time (if earlier) as the Underwriters shall no longer hold any of the Bonds for sale, the District will not adopt any amendment of or supplement to the Official Statement to which, promptly after having been furnished with a copy, the Representative shall reasonably object in writing or which shall be disapproved by the Representative; and if any event relating to or affecting the District shall occur as a result of which it is necessary, in the opinion of the Representative, to amend or supplement the Official Statement in order to ensure that the Official Statement, at the time it is delivered to a purchaser, does not contain an untrue statement of a material fact or omit to state a material fact required to be stated therein or necessary to make the statements therein, in the light of the circumstances under which they were made, not misleading, then the District shall forthwith prepare and furnish (at the expense of the

District) a reasonable number of copies of an amendment of or supplement to the Official Statement (in form and substance reasonably satisfactory to the Representative) which will amend or supplement the Official Statement so that it will not contain an untrue statement of a material fact or omit to state a material fact required to be stated therein or necessary to make the statements therein, in the light of the circumstances under which they were made, not misleading.

(m) Continuing Disclosure. The District will undertake, pursuant to the District Resolution and the Continuing Disclosure Certificate in the form appended to the Preliminary Official Statement and the Official Statement as Appendix C (the “the Continuing Disclosure Certificate”), to provide certain annual financial information and notices of the occurrence of certain events. Except as disclosed in the Official Statement, the District has not, within the past five years, failed to file all required materials or information pursuant to its previous continuing disclosure undertakings under the Rule.

(n) Levy of Tax. The District hereby agrees to take any and all actions as may be required by the County or otherwise necessary in order to arrange for the levy and collection of taxes and payment of the Bonds. In particular, the District hereby agrees to provide to the County Director of Finance a copy of the District Resolution, a copy of Appendix A hereto, and the full debt service schedule for the Bonds, in accordance with Education Code Section 15140(c) and policies and procedures of the County.

(o) No Material Adverse Change. The financial statements of, and other financial information regarding the District, in the Official Statement fairly present the financial position and results of the District as of the dates and for the periods therein set forth. Prior to the Closing, there shall have been no adverse change of a material nature in such financial position, results of operations or condition, financial or otherwise, of the District from those described in the Official Statement.

(p) No Default. The District is not in breach of or default under any applicable constitutional provision, law or administrative regulation of the State or the United States relating to the issuance of the Bonds or any applicable judgment or decree or any loan agreement, indenture, bond, note, resolution, agreement or other instrument to which the District is a party or to which the District or any of its property or assets is otherwise subject, and no event which would have a material and adverse effect upon the financial condition of the District has occurred and is continuing which constitutes or with the passage of time or the giving of notice, or both, would constitute a default or event of default by the District under any of the foregoing.

9. **Representations, Warranties and Agreements of the County.** The County hereby represents, warrants and agrees with the Underwriters that:

(a) Due Organization. The County is a political subdivision duly organized and validly existing under the laws of the State of California with the power to issue the Bonds on behalf of the District pursuant to the Act and has all requisite right, power and authority to conduct its business, to adopt the County Resolution and to execute this Bond Purchase Agreement, and to perform its obligations under each such document or instrument, and to carry out and effectuate the transactions contemplated hereby.

(b) Due Authorization. (i) At or prior to the Closing, the County will have taken all action required to be taken by it to issue and deliver the Bonds on behalf of the District; (ii) the County has full legal right, power and authority to enter into this Bond Purchase Agreement, to adopt the County Resolution, to perform its obligations under each such document or instrument,

and to carry out and effectuate the transactions contemplated by this Bond Purchase Agreement and the County Resolution; (iii) the execution and delivery or adoption of, and the performance by the County of the obligations contained in the County Resolution and this Bond Purchase Agreement have been duly authorized and such authorization shall be in full force and effect at the time of the Closing; (iv) this Bond Purchase Agreement constitutes a valid and legally binding obligation of the County; and (v) the County has duly authorized the consummation by it of all transactions contemplated by this Bond Purchase Agreement.

(c) No Conflicts. To the best knowledge of the County, the issuance of the Bonds and the execution, delivery and performance of this Bond Purchase Agreement and the County Resolution, and the compliance with the provisions hereof and thereof do not conflict with or constitute on the part of the County a violation of or default under, the Constitution of the State of California or any existing law, charter, ordinance, regulation, decree, order or resolution and do not conflict with or result in a violation or breach of, or constitute a default under, any agreement, indenture, mortgage, lease or other instrument to which the County is a party or by which it is bound or to which it is subject.

(d) Litigation. To the best knowledge of the County, as of the time of acceptance hereof, no action, suit, proceeding, hearing or investigation is pending in which service of process has been completed against the County, or, to the best knowledge of the County, threatened against the County: (i) in any way affecting the existence of the County or challenging the respective powers of the several offices of the County or of the titles of the officials of the County to such offices; or (ii) seeking to restrain or enjoin the sale, issuance or delivery of any of the Bonds, the application of the proceeds of the sale of the Bonds, or the collection of revenues or assets of the District pledged or to be pledged or available to pay the principal of and interest, if any, on the Bonds, or the pledge thereof, or the levy of any taxes contemplated by the County Resolution or in any way contesting or affecting the validity or enforceability of the Bonds, this Bond Purchase Agreement or the County Resolution or contesting the powers of the County or the County Resolution or this Bond Purchase Agreement; or (iii) in which a final adverse decision could (A) materially adversely affect the operations of the County or the consummation of the transactions contemplated by this Bond Purchase Agreement or the County Resolution, or (B) declare this Bond Purchase Agreement to be invalid or unenforceable in whole or in material part.

(e) Certificates. Any certificates signed by any officer of the County and delivered to the Underwriters shall be deemed a representation and warranty by the County to the Underwriters, but not by the person signing the same, as to the statements made therein.

10. **Conditions to Closing.** The Underwriters have entered into this Bond Purchase Agreement in reliance upon the representations and warranties of the District and the County contained herein and the performance by the District and the County of their respective obligations hereunder, both as of the date hereof and as of the date of Closing. The Underwriters' obligations under this Bond Purchase Agreement are and shall be subject at the option of the Representative, to the following further conditions at the Closing:

(a) Representations True. The representations and warranties of the District and the County contained herein shall be true, complete and correct in all material respects at the date hereof and at and as of the Closing, as if made at and as of the Closing, and the statements made in all certificates and other documents delivered to the Underwriters at the Closing pursuant hereto shall be true, complete and correct in all material respects on the date of the Closing; and the District and the County shall be in compliance with each of the agreements made by it in this Bond Purchase Agreement.

(b) Obligations Performed. At the time of the Closing, (i) the Official Statement, this Bond Purchase Agreement, the Continuing Disclosure Certificate, the District Resolution and the County Resolution shall be in full force and effect and shall not have been amended, modified or supplemented except as may have been agreed to in writing by the Representative; (ii) all actions under the Act which, in the opinion of Bond Counsel, shall be necessary in connection with the transactions contemplated hereby, shall have been duly taken and shall be in full force and effect; and (iii) the District shall perform or have performed all of its obligations required under or specified in the District Resolution, and the County shall perform or have performed all of its obligations required under or specified in the County Resolution and this Bond Purchase Agreement or the Official Statement to be performed at or prior to the Closing.

(c) Adverse Rulings. No decision, ruling or finding shall have been entered by any court or governmental authority since the date of this Bond Purchase Agreement (and not reversed on appeal or otherwise set aside), or to the best knowledge of the District or the County, be threatened which has any of the effects described in Section 8(e) or 9(d) hereof or contesting in any way the completeness or accuracy of the Official Statement.

(d) Marketability. Between the date hereof and the Closing, the market price or marketability of the Bonds, or the ability of the Underwriters to enforce contracts for the sale of the Bonds, at the initial offering prices set forth in the Official Statement, shall not have been materially adversely affected, in the reasonable judgment of the Representative (evidenced by a written notice to the District and the County terminating the obligation of the Underwriters to accept delivery of and pay for the Bonds), by reason of any of the following:

(1) legislation enacted by Congress, or passed by either House thereof, or favorably reported for passage thereto by any Committee of such House to which such legislation has been referred for consideration, or by the legislature of the State, or introduced in the Congress or recommended for passage by the President of the United States or a member of the President's cabinet (by press release, other form of notice or otherwise), or a decision rendered by a court of the United States or the State or by the United States Tax Court, or an order, ruling, regulation (final, temporary or proposed) or official statement issued or made:

(i) by or on behalf of the United States Treasury Department, or by or on behalf of the Internal Revenue Service (the "IRS"), with the purpose or effect, directly or indirectly, of changing, directly or indirectly, the federal income tax consequences or State tax consequences of interest on the Bonds or of obligations of the general character of the Bonds in the hands of the holders thereof; or

(ii) by or on behalf of the Securities and Exchange Commission (the "SEC"), or any other governmental agency having jurisdiction over the subject matter thereof, to the effect that the Bonds, or obligations of the general character of the Bonds, including any and all underlying arrangements, are not exempt from registration under the Securities Act of 1933, as amended;

(2) any outbreak or escalation of hostilities affecting the United States, the declaration by the United States of a national emergency or war, or engagement in or material escalation of major military hostilities by the United States or the occurrence or escalation of any other national or international emergency, calamity or crisis relating to

the effective operation of the government or the financial community in the United States;

(3) the declaration of a general banking moratorium by Federal, New York State or State authorities having appropriate jurisdiction, or the general suspension of trading on any national securities exchange or fixing of minimum or maximum prices for trading or maximum ranges for prices for securities on any national securities exchange, whether by virtue of a determination by that exchange or by order of the SEC or any other governmental authority having jurisdiction;

(4) the imposition by the New York Stock Exchange, other national securities exchange, or any governmental authority, of any material restrictions not now in force with respect to the Bonds, or obligations of the general character of the Bonds, or securities generally, or the material increase of any such restrictions now in force, including those relating to the extension of credit by, or the charge to the net capital requirements of, the Underwriters;

(5) an order, decree or injunction of any court of competent jurisdiction, or order, filing, regulation or official statement by the SEC, or any other governmental agency having jurisdiction over the subject matter thereof, issued or made to the effect that the issuance, offering or sale of obligations of the general character of the Bonds, or the issuance, offering or sale of the Bonds, as contemplated hereby or by the Official Statement, is or would be in violation of the federal securities laws, as amended and then in effect;

(6) there shall have occurred or any notice shall have been given of any intended downgrading, suspension, withdrawal, or negative change in credit watch status by any national rating service to the outstanding indebtedness of the District or to financial strength and financial enhancement strength of the Insurer;

(7) the occurrence, since the date hereof, of any materially adverse change in the affairs or financial condition of the District;

(8) the suspension by the SEC of trading in the outstanding securities of the District;

(9) any state Blue Sky or securities commission, or other governmental agency or body, shall have withheld registration, exemption or clearance of the offering of the Bonds as described herein, or issued a stop order or similar ruling relating thereto;

(10) any amendment shall have been made to the federal or State Constitution or action by any federal or State court, legislative body, regulatory body, or other authority materially adversely affecting the tax status of the District, its property, income securities (or interest thereon) or the validity or enforceability of the levy of *ad valorem* property taxes to pay principal of and interest on the Bonds;

(11) the occurrence of a material disruption in securities settlement payment or clearance services;

(12) the purchase of and payment for the Bonds by the Underwriters, or the resale of the Bonds by the Underwriters, on the terms and conditions herein provided

shall be prohibited by any applicable law, governmental authority, board, agency or commission; or

(13) any event occurring, or information becoming known which makes untrue in any material adverse respect any statement or information contained in the Official Statement, or has the effect that the Official Statement contains any untrue statement of a material fact or omits to state a material fact necessary to make the statements made therein, in light of the circumstances under which they were made, not misleading.

(e) Delivery of Documents. At or prior to the date of the Closing, the Underwriters shall receive final and fully executed copies of the following documents, in each case dated as of the Closing Date (unless otherwise stated) and satisfactory in form and substance to the Representative:

(1) Bond Opinion. The approving opinion of Bond Counsel, as to the validity and tax status of the Bonds, substantially in the form appended to the Official Statement, dated the date of the Closing, addressed to the County and the District;

(2) Reliance Letter. A letter from Bond Counsel to the effect that the Underwriters may rely upon the approving opinion described in (e)(1) above;

(3) Supplemental Opinion. A supplemental opinion of Bond Counsel addressed to the Underwriters, dated as of the Closing Date, substantially to the following effect:

(i) statements in the Official Statement on the cover page thereof and under the captions “INTRODUCTION,” “THE BONDS,” “LEGAL MATTERS – Continuing Disclosure – Current Undertaking” and “TAX MATTERS,” to the extent they purport to summarize certain provisions of the Bonds, the County Resolution, the Continuing Disclosure Certificate and the form and content of Bond Counsel’s approving opinion with respect to the treatment of interest on the Bonds under State or federal law, fairly and accurately summarize the matters purported to be summarized therein; provided that Bond Counsel need not express any opinion with respect to (i) any information contained in Appendices \_\_, \_\_, \_\_ and \_\_ to the Official Statement, (ii) financial or statistical data or forecasts, numbers, charts, tables, estimates, projections, assumptions or expressions of opinion contained in the Official Statement, including in any of the appendices thereto, (ii) information with respect to The Depository Trust Company or its book-entry only system included therein, (iii) any CUSIP numbers or information relating thereto, (iv) the District’s compliance with its obligations to file annual reports or provide notice of the events described in Rule 15c2-12 promulgated under the Securities Act of 1934, (v) any information with respect to the Underwriters or underwriting matters with respect to the Bonds, including but not limited to information under the caption “MISCELLANEOUS – Underwriting”; (vi) any information with respect to the ratings on the Bonds and the rating agencies referenced therein, including but not limited to information under the caption “MISCELLANEOUS – Ratings,” and (vii) and information with respect to the Insurer or the Policy, including but not limited information presented under the heading “THE BONDS – Bond Insurance”; and

(ii) the Continuing Disclosure Certificate and this Bond Purchase Agreement have each been duly authorized, executed and delivered by the District and, assuming the due authorization, execution and delivery by the other parties thereto, constitute legal, valid and binding agreements thereof enforceable in accordance with their respective terms, except as enforcement thereof may be limited by bankruptcy, insolvency, reorganization, moratorium or other laws relating to or affecting generally the enforcement of creditors' rights and except as their enforcement may be subject to the application of equitable principles and the exercise of judicial discretion in appropriate cases if equitable remedies are sought and by the limitations on legal remedies against public agencies in the State; and

(iii) the Bonds are exempt from registration pursuant to the Securities Act of 1933, as amended, and the Resolutions are exempt from qualification as an indenture pursuant to the Trust Indenture Act of 1939, as amended;

(4) Disclosure Counsel Letter. A letter of Stradling Yocca Carlson & Rauth, a Professional Corporation, dated the date of Closing and addressed to the District, substantially to the effect that based on such counsel's participation in conferences with representatives of the Underwriters and their counsel, the Municipal Advisor, the County, the District and others, during which conferences the contents of the Official Statement and related matters were discussed, and in reliance thereon and on the records, documents, certificates and opinions described therein, such counsel advises the District, as a matter of fact and not opinion, that during the course of its engagement as Disclosure Counsel no information came to the attention of such counsel's attorneys rendering legal services in connection with such representation which caused such counsel to believe that the Official Statement as of its date and as of the Closing Date contained any untrue statement of a material fact or omitted to state any material fact necessary to make the statements therein, in the light of the circumstances under which they were made, not misleading (provided that Disclosure Counsel need not express any opinion with respect to (i) any information contained in Appendices \_\_, \_\_, \_\_ or \_\_ to the Official Statement, (ii) financial or statistical data or forecasts, numbers, tables, charts, estimates, projections, assumptions or expressions of opinion contained in the Official Statement, including in any of the appendices thereto, (iii) information with respect to DTC or its book-entry only system included therein, (iv) the District's compliance with its obligations to file annual reports or provide notice of the events described in Rule 15c2-12 promulgated under the Securities Act of 1934, (v) any CUSIP numbers or information relating thereto, (vi) any information with respect to the Underwriters or underwriting matters with respect to the Bonds, including but not limited to information under the caption "MISCELLANEOUS – Underwriting"; (vi) any information with respect to the ratings on the Bonds and the rating agencies referenced therein, including but not limited to information under the caption "MISCELLANEOUS – Ratings," and (vii) and information with respect to the Insurer or the Policy, including but not limited information presented under the heading "THE BONDS – Bond Insurance";

(5) District Certificate. A certificate signed by appropriate officials of the District to the effect that (i) such officials are authorized to execute this Bond Purchase Agreement, (ii) the representations, agreements and warranties of the District herein are true and correct in all material respects as of the date of Closing, (iii) the District has complied with all the terms of the District Resolution and this Bond Purchase Agreement

to be complied with by the District prior to or concurrently with the Closing and such documents are in full force and effect, and (iv) such District officials have reviewed the Official Statement and on such basis certify that the Official Statement does not contain any untrue statement of a material fact required to be stated therein or omit to state a material fact required to be stated therein or necessary to make the statements therein, in light of the circumstances in which they were made, not misleading;

(6) County Certificate. A certificate signed by appropriate officials of the County to the effect that (i) such officials are authorized to execute this Bond Purchase Agreement, (ii) the representations, agreements and warranties of the County herein are true and correct in all material respects as of the date of Closing, (iii) the County has complied with all the terms of the County Resolution and this Bond Purchase Agreement to be complied with by the County prior to or concurrently with the Closing and such documents are in full force and effect, and (iv) the Bonds being delivered on the date of the Closing to the Underwriters under this Bond Purchase Agreement substantially confirm to the descriptions thereof contained in the County Resolution;

(7) County Counsel Opinion. The opinion of County Counsel, addressed to the District, the County and the Underwriters and dated as of the Closing Date, substantially to the effect that:

(i) The County is a political subdivision duly organized and existing pursuant to the Constitution and the laws of the State of California.

(ii) The County Resolution approving and authorizing the execution and delivery of the Bond Purchase Agreement and the issuance of the Bonds was duly adopted at a meeting of the Board of Supervisors of the County which was called and held pursuant to law and with all public notice required by law and at which a quorum was present and acting at the time of adoption, has not been modified, amended, rescinded or revoked and is in full force and effect on the date hereof.

(iii) To the best of County Counsel's knowledge, there is no action, suit, proceeding, inquiry or investigation, at law or in equity, before or by any court, government agency, public board or body, pending, in which service of process has been completed on the County, or, to the best knowledge of the County, threatened against the County (a) affecting the existence of the County or the titles of its officers who have acted with respect to the proceedings for issuance and sale of the Bonds to their respective offices; (b) seeking to prohibit, restrain or enjoin the execution of the Bond Purchase Agreement or the issuance of the Bonds or in any way contesting or affecting the validity or enforceability of the Bonds, the Bond Purchase Agreement, or the County Resolution; (c) contesting the powers of the County or its authority to enter into, adopt or perform its obligations under the County Resolution or the Bond Purchase Agreement; or (d) seeking to restrain or enjoin the levy or collection of tax revenues pledged for payment of the Bonds.

(iv) The Bond Purchase Agreement has been duly authorized, executed and delivered by the County and the Bonds have been duly authorized by the County, executed by the County on behalf of the District and delivered by the County and, assuming due authorization, execution and delivery by the other

parties thereto, the Bond Purchase Agreement will constitute the legal, valid and binding agreement of the County enforceable against the County in accordance with its terms;

(8) Bonding Capacity. A certificate or certificates executed by appropriate officials of the County and the District, evidencing the capacity of the District to issue Bonds under Section 15270 of the Education Code;

(9) Tax Certificate. A Tax Certificate of the District in form satisfactory to Bond Counsel regarding the Bonds;

(10) District Resolution. A certificate, together with fully executed copies of the District Resolution, of the Clerk of the District Board to the effect that:

(i) such copies are true and correct copies of the District Resolution;  
and

(ii) the District Resolution was duly adopted and has not been modified, amended, rescinded or revoked and is in full force and effect on the date of the Closing;

(11) County Resolution. A certificate, together with a fully executed copy of the County Resolution, of the Executive Officer-Clerk of the County Board to the effect that:

(i) Such copy is a true and correct copy of the County Resolution;  
and

(ii) The County Resolution was duly adopted and has not been modified, amended, rescinded or revoked and is in full force and effect on the date of the Closing;

(12) Official Statement. Certificates of the appropriate officials of the District evidencing their determinations respecting the Preliminary Official Statement in accordance with the Rule;

(13) Rating: Evidence satisfactory to the Underwriters that (i) the Bonds shall have been rated “\_\_\_” by [S&P Global Ratings, a business unit of Standard & Poor's Financial Services LLC, based upon the issuance of the Policy by the Insurer], (ii) the Bonds shall have received an underlying rating of “\_\_\_” by [Moody's Investors Service][S&P] and (iii) that any such ratings have not been revoked or downgraded;

(14) Paying Agent Certificate. A certificate of the Paying Agent, signed by a duly authorized officer thereof, substantially to the effect that: (i) the Paying Agent is qualified to accept and perform the duties and obligations of Paying Agent imposed upon the Paying Agent by the Paying Agent Agreement by and between the District and the Paying Agent (the “Paying Agent Agreement”) and confirms acceptance of such duties and obligations; (ii) to the best knowledge of the Paying Agent, the representations and agreements of the Paying Agent in the Paying Agent Agreement are true and correct in all material respects as of the Closing; (iii) the Paying Agent is duly authorized to enter into the Paying Agent Agreement, and when the Paying Agent Agreement is duly

executed and delivered by the parties thereto, the Paying Agent Agreement will constitute a valid and binding obligation of the Paying Agent in accordance with its terms; (iv) no litigation is pending or, to the best knowledge of the Paying Agent, threatened (either in state or federal courts) (a) seeking to restrain or enjoin the delivery by the Paying Agent of any of the Bonds or the execution of the Paying Agent Agreement, or (b) in any way contesting or affecting any authority of the Paying Agent for the delivery of the Bonds or the validity or enforceability of the Bonds or the Paying Agent Agreement;

(15) Underwriters' Counsel Opinion. An opinion of \_\_\_\_\_, counsel to the Underwriters ("Underwriters' Counsel"), dated as of the Closing, and in a form and substance satisfactory to the Representative;

(16) Bond Insurance. The Policy, together with:

(a) an opinion of counsel to the Insurer, dated the date of Closing and addressed to the District and the Underwriters, in form and substance acceptable to the Representative;

(b) a certificate of the Insurer, dated the date of Closing, in form and substance acceptable to the Representative, regarding, among other matters, disclosure, no default and tax matters; and]

(17) Other Documents. Such additional legal opinions, certificates, proceedings, instruments and other documents as the Representative may reasonably request to evidence compliance (i) by the District with legal requirements, (ii) the truth and accuracy, as of the time of Closing, of the representations of the District herein contained, (iii) the truth and accuracy, as of the time of Closing, of the Official Statement and (iv) the due performance or satisfaction by the District at or prior to such time of all agreements then to be performed and all conditions then to be satisfied by the District.

(f) Termination. Notwithstanding anything to the contrary herein contained, if for any reason whatsoever the Bonds shall not have been delivered by the District to the Underwriters prior to the close of business, California Time, on the Closing Date, then the obligation to purchase Bonds hereunder shall terminate and be of no further force or effect except with respect to the obligations of the District and the Underwriters under Section 12 hereof.

If the District or the County shall be unable to satisfy the conditions to the Underwriters' obligations contained in this Bond Purchase Agreement or if the Underwriters' obligations shall be terminated for any reason permitted by this Bond Purchase Agreement, this Bond Purchase Agreement may be canceled by the Underwriters at, or at any time prior to, the time of Closing. Notice of such cancellation shall be given to the District in writing, or by telephone or telegraph, confirmed in writing. Notwithstanding any provision herein to the contrary, the performance of any and all obligations of the District hereunder and the performance of any and all conditions contained herein for the benefit of the Underwriters may be waived by the Representative in writing at its sole discretion.

11. **Conditions to Obligations of the District and the County.** The performance by the County and the District of their respective obligations is conditioned upon (i) the performance by the Underwriters of their obligations hereunder; and (ii) receipt by the District, the County and the

Underwriters of opinions and certificates being delivered at the Closing by persons and entities other than themselves.

12. **Expenses.** Except as herein described, all expenses and costs of the District incident to the performance of its obligations in connection with the authorization, execution, sale and delivery of the Bonds to the Underwriters shall be paid for by the District including, without limitation: (a) the cost of the preparation and reproduction of the District Resolution and the County Resolution; (b) the fees and disbursements of the District's Bond Counsel and Disclosure Counsel; (c) the fees for Bond ratings, including all necessary travel expenses; (e) the cost of the printing and distribution of the Preliminary Official Statement and Official Statement; (f) the initial fees of the Paying Agent; (g) the fees and expenses of the District's municipal advisor; and (h) all other fees and expenses incident to the issuance and sale of the Bonds.

Notwithstanding Section 10(f) hereof, the District hereby agrees, in the event the purchase and sale of the Bonds does not occur as contemplated hereunder, to reimburse the Underwriters for any costs described in Subsection 12(c) above that are attributable to District personnel.

Notwithstanding any of the foregoing, the Underwriters shall pay all out-of-pocket expenses of the Underwriters, including the California Debt and Investment Advisory Commission fee, CUSIP fees, the fees and disbursement of counsel to the Underwriters, travel and other expenses (except those expressly provided above), without limitation.

The District acknowledges that it has had an opportunity, in consultation with such advisors as it may deem appropriate, if any, to evaluate and consider the fees and expenses being incurred as part of the issuance of the Bonds.

13. **Notices.** Any notice or other communication to be given under this Bond Purchase Agreement (other than the acceptance hereof as specified in the first paragraph hereof) may be given by delivering the same in writing, if to the County, to the County, 700 H Street, Suite 1710, Sacramento, California 95814, Attn: Director of Finance; if to the District, to Sacramento City Unified School District, 5735 47<sup>th</sup> Avenue Sacramento, California 95824, Attn Chief Business Officer; or if to the Underwriters, [TBD].

14. **Parties in Interest; Survival of Representations and Warranties.** This Bond Purchase Agreement when accepted by the County and the District in writing as heretofore specified shall constitute the entire agreement among the County, the District and the Underwriters. This Bond Purchase Agreement is made solely for the benefit of the District and the Underwriters (including the successors or assigns of the Underwriters). No person shall acquire or have any rights hereunder or by virtue hereof. All your representation, warranties and agreements of the District in this Bond Purchase Agreement shall survive regardless of (a) any investigation or any statement in respect thereof made by or on behalf of the Underwriters, (b) delivery of and payment by the Underwriters for the Bonds hereunder, and (c) any termination of this Bond Purchase Agreement.

15. **Execution in Counterparts.** This Bond Purchase Agreement may be executed in several counterparts, each of which shall be regarded as an original, all of which shall constitute but one and the same document.

[REMAINDER OF PAGE LEFT BLANK]

16. **Applicable Law.** This Bond Purchase Agreement shall be interpreted, governed and enforced in accordance with the law of the State of California applicable to contracts made and performed in such State. Very truly yours,

**[LEAD UNDERWRITER], as Representative on behalf of itself and [CO-MANAGER], as Underwriters**

By: \_\_\_\_\_  
Authorized Officer

The foregoing is hereby agreed to and accepted as of the date set forth above and time indicated below:

**SACRAMENTO COUNTY**

By: \_\_\_\_\_  
[TBD]

Time of execution: \_\_\_\_\_

Approved as to form:

**COUNTY COUNSEL**

By: \_\_\_\_\_  
Deputy County Counsel

**SACRAMENTO CITY UNIFIED SCHOOL DISTRICT**

By: \_\_\_\_\_

Time of execution: \_\_\_\_\_

**APPENDIX A**

**MATURITY SCHEDULE**

\$ \_\_\_\_\_  
**Sacramento City Unified School District**  
**(Sacramento County, California)**  
**General Obligation Bonds, Election of 2020 (Measure H) 2022 Series A**

\$ \_\_\_\_\_ **Serial Bonds**

---

<b>Maturity (August 1)</b>	<b>Principal Amount</b>	<b>Interest Rate</b>	<b>Yield</b>	<b>Price</b>	<b>10% Rule Met</b>	<b>10% Rule Not Met</b>	<b>Hold the Offering Price Rule</b>
--------------------------------	-----------------------------	--------------------------	--------------	--------------	-------------------------	-----------------------------	---

---

\$ \_\_\_\_\_ **Term Bonds**

---

<b>Maturity (August 1)</b>	<b>Principal Amount</b>	<b>Interest Rate</b>	<b>Yield</b>	<b>Price</b>	<b>10% Rule Met</b>	<b>10% Rule Not Met</b>	<b>Hold the Offering Price Rule</b>
--------------------------------	-----------------------------	--------------------------	--------------	--------------	-------------------------	-----------------------------	---

---

---

<sup>(1)</sup> Yield to call at par on August 1, 20\_\_.

**Redemption Provisions**

[TO COME].

## APPENDIX B

### FORM OF ISSUE PRICE CERTIFICATE

**Sacramento City Unified School District  
(Sacramento County, California)  
General Obligation Bonds, Election of 2020 (Measure H) 2022 Series A**

The undersigned, on behalf of [LEAD UNDERWRITER] as representative (“Representative”), on behalf of itself and [CO-MANAGER] (together with the Representative, the “Underwriting Syndicate”) hereby certifies as set forth below with respect to the sale and issuance of the above-captioned obligations (the “Bonds”).

***Sale of the [General Rule] Maturities.*** As of the date of this certificate, for each Maturity of the General Rule Maturities, the first price at which at least 10% of such Maturity was sold to the Public is the respective price listed in Schedule A.

2. ***[Initial Offering Price of the Hold-the-Offering-Price Maturities.***

(a) The Underwriting Syndicate offered the Hold-the-Offering-Price Maturities to the Public for purchase at the respective initial offering prices listed in Schedule A (the “Initial Offering Prices”) on or before the Sale Date. A copy of the pricing wire or equivalent communication for the Bonds is attached to this certificate as Schedule II.

(b) As set forth in the Purchase Agreement, the Underwriting Syndicate has agreed in writing that, (i) for each Maturity of the Hold-the-Offering-Price Maturities, it would neither offer nor sell any of the Bonds of such Maturity to any person at a price that is higher than the Initial Offering Price for such Maturity during the Holding Period for such Maturity (the “hold-the-offering-price rule”), and (ii) any selling group agreement shall contain the agreement of each dealer who is a member of the selling group, and any retail distribution agreement shall contain the agreement of each broker-dealer who is a party to the retail distribution agreement, to comply with the hold-the-offering-price rule. Pursuant to such agreement, no Underwriter (as defined below) has offered or sold any Maturity of the Hold-the-Offering-Price Maturities at a price that is higher than the respective Initial Offering Price for that Maturity of the Bonds during the Holding Period.]

3. ***Defined Terms.***

(a) [*General Rule Maturities* means those Maturities of the Bonds listed in Schedule A hereto [as the “General Rule Maturities.”]

(b) [*Hold-the-Offering-Price Maturities* means those Maturities of the Bonds listed in Schedule A hereto as the “Hold-the-Offering-Price Maturities.”]

(c) [*Holding Period* means, with respect to a Hold-the-Offering-Price Maturity, the period starting on the Sale Date and ending on the earlier of (i) the close of the fifth business day after the Sale Date (\_\_\_\_\_, 2022), or (ii) the date on which an Underwriter has sold at least 10% of such Hold-the-Offering-Price Maturity to the Public at prices that are no higher than the Initial Offering Price for such Hold-the-Offering-Price Maturity.]

(d) *Issuer* means Sacramento City Unified School District.

(e) *Maturity* means Bonds with the same credit and payment terms. Bonds with different maturity dates, or Bonds with the same maturity date but different stated interest rates, are treated as separate maturities.

(f) *Public* means any person (including an individual, trust, estate, partnership, association, company, or corporation) other than an Underwriter or a related party to an Underwriter. The term “related party” for purposes of this certificate generally means any two or more persons who have greater than 50 percent common ownership, directly or indirectly.

(g) [*Sale Date* means the first day on which there is a binding contract in writing for the sale of a Maturity of the Bonds. The Sale Date of the Bonds is \_\_\_\_\_, 2022.]

(h) *Underwriter* means (i) any person that agrees pursuant to a written contract with the Issuer (or with the lead underwriter to form an underwriting syndicate) to participate in the initial sale of the Bonds to the Public, and (ii) any person that agrees pursuant to a written contract directly or indirectly with a person described in clause (i) of this paragraph to participate in the initial sale of the Bonds to the Public (including a member of a selling group or a party to a retail distribution agreement participating in the initial sale of the Bonds to the Public).

The representations set forth in this certificate are limited to factual matters only. Nothing in this certificate represents the Representative’s interpretation of any laws, including specifically Sections 103 and 148 of the Internal Revenue Code of 1986, as amended, and the Treasury Regulations thereunder. The undersigned understands that the foregoing information will be relied upon by the Issuer with respect to certain of the representations set forth in the Tax Certificate and with respect to compliance with the federal income tax rules affecting the Bonds, and by Stradling Yocca Carlson & Rauth, a Professional Corporation, in connection with rendering its opinion that the interest on the Bonds is excluded from gross income for federal income tax purposes, the preparation of the Internal Revenue Service Form 8038-G, and other federal income tax advice that it may give to the Issuer from time to time relating to the Bonds. Except as expressly set forth above, the certifications set forth herein may not be relied upon or used by any third party or for any other purpose.

**[TBD]**

By: \_\_\_\_\_

Name: \_\_\_\_\_

Dated:

**SCHEDULE A**

**IDENTIFICATION OF GENERAL RULE MATURITIES**

\$ \_\_\_\_\_  
**Sacramento City Unified School District**  
**(Sacramento County, California)**  
**General Obligation Bonds, Election of 2020 (Measure H) 2022 Series A**

\$ \_\_\_\_\_ **Serial Bonds**

---

<u>Maturity (August 1)</u>	<u>Principal Amount</u>	<u>Interest Rate</u>	<u>Yield</u>	<u>Price</u>	<u>10% Rule Met</u>	<u>10% Rule Not Met</u>	<u>Hold the Offering Price Rule</u>
--------------------------------	-----------------------------	--------------------------	--------------	--------------	-------------------------	-----------------------------	---

\$ \_\_\_\_\_ **Term Bonds**

---

<u>Maturity (August 1)</u>	<u>Principal Amount</u>	<u>Interest Rate</u>	<u>Yield</u>	<u>Price</u>	<u>10% Rule Met</u>	<u>10% Rule Not Met</u>	<u>Hold the Offering Price Rule</u>
--------------------------------	-----------------------------	--------------------------	--------------	--------------	-------------------------	-----------------------------	---

Yield to call at par on August 1, 20\_\_.

**PRELIMINARY OFFICIAL STATEMENT DATED \_\_\_\_\_, 2022****NEW ISSUE -- FULL BOOK-ENTRY****INSURED RATING: S&P: “\_\_\_”****UNDERLYING RATING[S]: [Moody’s: “\_\_\_;” S&P: “\_\_\_”]**

*In the opinion of Stradling Yocca Carlson & Rauth, a Professional Corporation, San Francisco, California (“Bond Counsel”), under existing statutes, regulations, rulings and judicial decisions, and assuming the accuracy of certain representations and compliance with certain covenants and requirements described herein, interest (and original issue discount) on the Bonds (as defined herein) is excluded from gross income for federal income tax purposes and is not an item of tax preference for purposes of calculating the federal alternative minimum tax imposed on individuals. In the further opinion of Bond Counsel, interest (and original issue discount) on the Bonds is exempt from State of California personal income tax. See “TAX MATTERS” herein with respect to tax consequences relating to the Bonds.*

§ \_\_\_\_\_ \*

**SACRAMENTO CITY UNIFIED SCHOOL DISTRICT****(Sacramento County, California)****General Obligation Bonds, Election of 2020 (Measure H), 2022 Series A****Dated: Date of Delivery****Due: August 1, as shown on inside front cover**

*This cover page contains information for general reference only. It is not a summary of this issue. Investors must read the entire official statement to obtain information essential to the making of an informed investment decision. Capitalized terms used in this cover page and not otherwise defined shall have the meanings set forth herein.*

The Sacramento City Unified School District (Sacramento County, California) General Obligation Bonds, Election of 2020 (Measure H) 2022 Series A (the “Bonds”), were authorized at an election of the registered voters of the Sacramento City Unified School District (the “District”) held on March 3, 2020, at which election the requisite fifty-five percent of the persons voting on the proposition voted to authorize the issuance and sale of \$750,000,000 aggregate principal amount of general obligation bonds of the District. The Bonds are being issued (i) to finance the acquisition, construction and modernization and equipping of District sites and facilities, and (ii) to pay the costs of issuing the Bonds.

The Bonds are general obligations of the District, payable solely from *ad valorem* property taxes. The Board of Supervisors of Sacramento County is empowered and obligated to annually levy such *ad valorem* property taxes upon all property subject to taxation by the District, without limitation as to rate or amount (except as to certain personal property which is taxable at limited rates), for the payment of the principal of and interest on the Bonds when due.

The Bonds will be issued as current interest bonds, such that interest thereon will accrue from the date of delivery thereof, and be payable semiannually on February 1 and August 1 of each year, commencing August 1, 2022. The Bonds will be issued in book-entry form only, and will be initially issued and registered in the name of Cede & Co. as nominee of The Depository Trust Company, New York, New York (referred to herein as “DTC”). Purchasers of the Bonds (the “Beneficial Owners”) will not receive physical certificates representing their interests in the Bonds, but will instead receive credit balances on the books of their respective nominees.

Payments of principal of and interest on the Bonds will be made by the designated Paying Agent, to DTC for subsequent disbursement to DTC Participants who will remit such payments to the Beneficial Owners of the Bonds. The Director of Finance of Sacramento County has been appointed to act as Paying Agent for the Bonds.

The scheduled payment of principal of and interest on the Bonds when due will be guaranteed under a municipal bond insurance policy to be issued concurrently with the delivery of the Bonds by [TBD].

[INSUER LOGO]

**The Bonds are subject to optional and mandatory sinking fund redemption as further described herein.\***

**Maturity Schedule**  
(See inside front cover)

*The Bonds will be offered when, as and if issued and received by the Underwriters, subject to the approval of legality by Stradling Yocca Carlson & Rauth, a Professional Corporation, San Francisco, California, Bond Counsel. Certain matters will be passed upon for the District by Stradling Yocca Carlson & Rauth, a Professional Corporation, San Francisco, California as Disclosure Counsel, and for the Underwriters by \_\_\_\_\_. The Bonds, in book-entry form, will be available for delivery through the facilities of DTC in New York, New York on or about \_\_\_\_\_, 2022.*

**[Senior Underwriter]****[Co-Underwriter]**

Dated: \_\_\_\_\_, 2022

\* Preliminary, subject to change.

**MATURITY SCHEDULE\***

\$ \_\_\_\_\_\*  
**SACRAMENTO CITY UNIFIED SCHOOL DISTRICT**  
**(Sacramento County, California)**  
**General Obligation Bonds, Election of 2020 (Measure H) 2022 Series A**

**Base CUSIP†:**

\$ \_\_\_\_\_ **Serial Bonds**

<u>Maturity (August 1)</u>	<u>Principal Amount</u>	<u>Interest Rate</u>	<u>Yield</u>	<u>CUSIP Suffix†</u>
--------------------------------	-----------------------------	--------------------------	--------------	--------------------------

\$ \_\_\_\_\_ – \_\_\_\_% **Term Bonds due August 1, 20\_\_** - Yield: \_\_\_\_\_%<sup>(1)</sup>; CUSIP† Suffix: \_\_\_\_

\* Preliminary, subject to change.

† CUSIP® is a registered trademark of the American Bankers Association. CUSIP Global Services (CGS) is managed on behalf of the American Bankers Association by S&P Global Market Intelligence. Copyright(c) 2022 CUSIP Global Services. All rights reserved. CUSIP® data herein is provided by CUSIP Global Services. This data is not intended to create a database and does not serve in any way as a substitute for the CGS database. CUSIP® numbers are provided for convenience of reference only. None of the District, the Municipal Advisor, the Underwriter or their agents or counsel assume responsibility for the accuracy of such numbers.

This Official Statement does not constitute an offering of any security other than the original offering of the Bonds of the District. No dealer, broker, salesperson or other person has been authorized by the District to give any information or to make any representations other than as contained in this Official Statement, and if given or made, such other information or representation not so authorized should not be relied upon as having been given or authorized by the District.

The issuance and sale of the Bonds have not been registered under the Securities Act of 1933 or the Securities Exchange Act of 1934, both as amended, in reliance upon exemptions provided thereunder. This Official Statement does not constitute an offer to sell or a solicitation of an offer to buy in any state in which such offer or solicitation is not authorized or in which the person making such offer or solicitation is not qualified to do so or to any person to whom it is unlawful to make such offer or solicitation.

The information set forth herein, other than that provided by the District, has been obtained from sources which are believed to be reliable, but is not guaranteed as to accuracy or completeness, and is not to be construed as a representation by the District. The information and expressions of opinions herein are subject to change without notice and neither delivery of this Official Statement nor any sale made hereunder shall, under any circumstances, create any implication that there has been no change in the affairs of the District since the date hereof. This Official Statement is submitted in connection with the sale of the Bonds referred to herein and may not be reproduced or used, in whole or in part, for any other purpose.

When used in this Official Statement and in any continuing disclosure by the District in any press release and in any oral statement made with the approval of an authorized officer of the District or any other entity described or referenced in this Official Statement, the words or phrases “will likely result,” “are expected to,” “will continue,” “is anticipated,” “estimate,” “project,” “forecast,” “expect,” “intend” and similar expressions identify “forward looking statements” within the meaning of the Private Securities Litigation Reform Act of 1995. Such statements are subject to risks and uncertainties that could cause actual results to differ materially from those contemplated in such forward-looking statements. Any forecast is subject to such uncertainties. Inevitably, some assumptions used to develop the forecasts will not be realized and unanticipated events and circumstances may occur. Therefore, there are likely to be differences between forecasts and actual results, and those differences may be material.

IN CONNECTION WITH THIS OFFERING, THE UNDERWRITERS MAY OVER ALLOT OR EFFECT TRANSACTIONS WHICH STABILIZE OR MAINTAIN THE MARKET PRICE OF THE BONDS AT A LEVEL ABOVE THAT WHICH MIGHT OTHERWISE PREVAIL IN THE OPEN MARKET. SUCH STABILIZING, IF COMMENCED, MAY BE DISCONTINUED AT ANY TIME. THE UNDERWRITERS MAY OFFER AND SELL THE BONDS TO CERTAIN DEALERS AND DEALER BANKS AND BANKS ACTING AS AGENT AT PRICES LOWER THAN THE PUBLIC OFFERING PRICES STATED ON THE INSIDE COVER PAGE HEREOF AND SAID PUBLIC OFFERING PRICES MAY BE CHANGED FROM TIME TO TIME BY THE UNDERWRITER[S].

The District maintains a website and certain social media accounts. However, the information presented there is not being incorporated herein by any reference, and should not be relied upon in making an investment decision with respect to the Bonds.

[INSURER DISCLOSURE].

**SACRAMENTO CITY UNIFIED SCHOOL DISTRICT**

**Board of Education**

Christina Pritchett, *President, Trustee Area 3*  
Leticia Garcia, *1<sup>st</sup> Vice President, Trustee Area 2*  
Chinua Rhodes, *2<sup>nd</sup> Vice President, Trustee Area 5*  
Lisa Murawski, *Member, Trustee Area 1*  
Lavinia Grace Phillips, *Member, Trustee Area 7*  
Jamee Villa, *Member, Trustee Area 4*  
Darrel Woo, *Member, Trustee Area 6*

**District Administration**

Jorge A. Aguilar, *Superintendent*  
Lisa Allen, *Deputy Superintendent*  
Christine Baeta, *Chief Academic Officer*  
Rose F. Ramos, *Chief Business and Operations Officer*  
Tara Gallegos, *Chief Communications Officer*  
Vincent Harris, *Chief Continuous Improvement and Accountability Officer*  
Cancy McArn, *Chief Human Resources Officer*  
Robert Lyons, Ed.D., *Chief Information Officer*

**PROFESSIONAL SERVICES**

**Bond Counsel and Disclosure Counsel**

Stradling Yocca Carlson & Rauth, a Professional Corporation  
*San Francisco, California*

**Municipal Advisor**

Dale Scott & Company, Inc.  
*San Francisco, California*

**Paying Agent**

Sacramento County Director of Finance  
*Sacramento, California*

TABLE OF CONTENTS

Page

**INTRODUCTION ..... 1**

THE DISTRICT ..... 1

PURPOSE OF THE BONDS ..... 2

AUTHORITY FOR ISSUANCE OF THE BONDS ..... 2

SOURCES OF PAYMENT FOR THE BONDS ..... 2

DESCRIPTION OF THE BONDS..... 3

TAX MATTERS ..... 3

OFFERING AND DELIVERY OF THE BONDS..... 4

BOND OWNER’S RISKS..... 4

CONTINUING DISCLOSURE ..... 4

PROFESSIONALS INVOLVED IN THE OFFERING..... 4

FORWARD LOOKING STATEMENTS..... 4

OTHER INFORMATION ..... 4

**THE BONDS..... 5**

AUTHORITY FOR ISSUANCE ..... 5

SECURITY AND SOURCES OF PAYMENT ..... 5

STATUTORY LIEN..... 6

BOND INSURANCE..... 7

GENERAL PROVISIONS ..... 7

APPLICATION AND INVESTMENT OF BOND PROCEEDS..... 8

ANNUAL DEBT SERVICE..... 9

REDEMPTION..... 10

TRANSFER AND EXCHANGE OF BONDS..... 12

BOOK-ENTRY ONLY SYSTEM..... 13

DEFEASANCE ..... 15

**ESTIMATED SOURCES AND USES OF FUNDS ..... 16**

**TAX BASE FOR REPAYMENT OF BONDS ..... 16**

*AD VALOREM* PROPERTY TAXATION ..... 16

ASSESSED VALUATION..... 17

TAX LEVIES, COLLECTIONS AND DELINQUENCIES ..... 22

ALTERNATIVE METHOD OF TAX APPORTIONMENT - TEETER PLAN ..... 22

TAX RATES ..... 24

LARGEST PROPERTY OWNERS..... 25

STATEMENT OF DIRECT AND OVERLAPPING DEBT ..... 25

**CONSTITUTIONAL AND STATUTORY PROVISIONS AFFECTING DISTRICT REVENUES AND APPROPRIATIONS ..... 27**

ARTICLE XIII A OF THE STATE CONSTITUTION..... 27

LEGISLATION IMPLEMENTING ARTICLE XIII A ..... 28

PROPOSITION 19..... 28

PROPOSITION 50 AND PROPOSITION 171..... 28

UNITARY PROPERTY ..... 29

ARTICLE XIII B OF THE STATE CONSTITUTION ..... 29

ARTICLE XIII C AND ARTICLE XIII D OF THE STATE CONSTITUTION ..... 30

PROPOSITION 26..... 31

PROPOSITIONS 98 AND 111..... 31

PROPOSITION 39..... 33

*JARVIS V. CONNELL* ..... 34

PROPOSITION 1A AND PROPOSITION 22..... 34

PROPOSITION 55..... 35

PROPOSITION 2..... 35

FUTURE INITIATIVES ..... 37

**TABLE OF CONTENTS (cont'd)**

	<u>Page</u>
<b>DISTRICT FINANCIAL INFORMATION</b> .....	<b>37</b>
STATE FUNDING OF EDUCATION .....	37
OTHER REVENUE SOURCES .....	41
CONSIDERATIONS REGARDING COVID-19 .....	42
STATE BUDGET MEASURES .....	46
DISTRICT BUDGETS AND COUNTY OVERSIGHT .....	53
FCMAT FISCAL HEALTH RISK ANALYSIS .....	58
STATE AUDIT .....	58
ACCOUNTING PRACTICES.....	59
FINANCIAL STATEMENTS .....	59
<b>SACRAMENTO CITY UNIFIED SCHOOL DISTRICT</b> .....	<b>61</b>
INTRODUCTION .....	61
ADMINISTRATION.....	61
LABOR RELATIONS .....	63
RETIREMENT PROGRAMS .....	64
OTHER POST-EMPLOYMENT BENEFITS .....	73
RISK MANAGEMENT .....	74
DISTRICT DEBT STRUCTURE .....	75
<b>TAX MATTERS</b> .....	<b>77</b>
<b>LIMITATION ON REMEDIES; BANKRUPTCY</b> .....	<b>78</b>
GENERAL .....	78
STATUTORY LIEN.....	79
SPECIAL REVENUES .....	79
POSSESSION OF TAX REVENUES; REMEDIES.....	79
OPINION OF BOND COUNSEL QUALIFIED BY REFERENCE TO BANKRUPTCY, INSOLVENCY AND OTHER LAWS RELATING TO OR AFFECTING CREDITOR’S RIGHTS .....	80
<b>LEGAL MATTERS</b> .....	<b>80</b>
LEGALITY FOR INVESTMENT IN CALIFORNIA .....	80
ENHANCED REPORTING REQUIREMENTS.....	80
CONTINUING DISCLOSURE .....	80
LITIGATION .....	81
FINANCIAL STATEMENTS .....	81
LEGAL OPINION .....	81
<b>MISCELLANEOUS</b> .....	<b>81</b>
RATINGS .....	81
CONSIDERATIONS REGARDING BOND INSURANCE .....	82
UNDERWRITING .....	82
<b>ADDITIONAL INFORMATION</b> .....	<b>83</b>
APPENDIX A: FORM OF OPINION OF BOND COUNSEL FOR THE BONDS.....	A-1
APPENDIX B: AUDITED FINANCIAL STATEMENTS OF THE DISTRICT FOR FISCAL YEAR 2020-21 .....	B-1
APPENDIX C: FORM OF CONTINUING DISCLOSURE CERTIFICATE .....	C-1
APPENDIX D: ECONOMIC AND DEMOGRAPHIC INFORMATION FOR THE CITY OF SACRAMENTO AND THE COUNTY OF SACRAMENTO .....	D-1
APPENDIX E: SACRAMENTO COUNTY TREASURY POOL .....	E-1
APPENDIX F: SPECIMEN MUNICIPAL BOND INSURANCE POLICY .....	F-1

§ \_\_\_\_\_ \*

**SACRAMENTO CITY UNIFIED SCHOOL DISTRICT**  
**(Sacramento County, California)**  
**General Obligation Bonds, Election of 2020 (Measure H) 2022 Series A**

**INTRODUCTION**

This Official Statement, which includes the cover page, inside cover page and appendices hereto, provides information in connection with the sale of Sacramento City Unified School District (Sacramento County, California) General Obligation Bonds, Election of 2020 (Measure H) 2022 Series A (the “Bonds”).

**This Introduction is not a summary of this Official Statement. It is only a brief description of and guide to, and is qualified by, more complete and detailed information contained in the entire Official Statement, including the cover page, inside cover page and appendices hereto, and the documents summarized or described herein. A full review should be made of the entire Official Statement. The offering of Bonds to potential investors is made only by means of the entire Official Statement.**

**The District**

The Sacramento City Unified School District (the “District”) is located in Sacramento County, California (the “County”) and spans 70 square miles. The District was established in 1854 and is the 13th largest school district in the State of California (the “State”), as measured by student enrollment. The District provides educational services to approximately 350,000 residents in and around the City of Sacramento (the “City”). The District operates 42 elementary schools for grades K-6, seven K-8 schools, six middle schools for grades seven through eight, two middle/high schools for grades seven through twelve, seven comprehensive high schools for grades nine through twelve, three alternative schools, two special education centers, two adult education centers, 15 charter schools (including five dependent charter schools) and 42 children’s centers/preschools. For fiscal year 2021-22, the District’s funded average daily attendance (“ADA”) is projected to be \_\_\_\_\_ students and enrollment is projected to be \_\_\_\_\_ students. Taxable property within the District has a fiscal year 2021-22 total assessed valuation of \$42,389,941,073. See “TAX BASE FOR REPAYMENT OF BONDS” for information regarding the District’s tax base. The District’s actual ADA and enrollment, and the assessed valuation of taxable property within the District, may be affected by the ongoing COVID-19 (defined herein) pandemic. See “DISTRICT FINANCIAL INFORMATION – Considerations Regarding COVID-19” herein.

The District is governed by a seven-member Board of Education (the “Board”), each member of which is elected by trustee area to a four-year term. Elections for positions to the Board are held every two years, alternating between three and four available positions. The management and policies of the District are administered by a Superintendent appointed by the Board who is responsible for day-to-day District operations as well as the supervision of the District’s other personnel. Jorge A. Aguilar is currently the District Superintendent

---

\* Preliminary, subject to change.

The District's second interim financial report for fiscal year 2021-22 (the "2021-22 Second Interim"), was approved by the Board on March 17, 2022 and submitted by the District to the Sacramento County Office of Education (the "County Office of Education") pursuant to Education Code 42139. The 2021-22 Second Interim projects a general fund operating surplus of \$4.3 million in the current fiscal year, growing to \$10.5 million in fiscal year 2022-23. However, in fiscal year 2023-24, the District is projected to experience a general fund operating deficit of \$6.2 million. Although the District does not currently forecast the need for a State emergency apportionment in fiscal year 2021-22, the District remains at risk of fiscal insolvency in future fiscal years. See "DISTRICT FINANCIAL INFORMATION – District Budgets and County Oversight – *Second Interim Report for Fiscal Year 2021-22 and Fiscal Recovery Plan*" herein.

In addition, several state agencies, including the County Office of Education, the Fiscal Crisis and Management Assistance Team ("FCMAT"), and the California State Auditor (the "State Auditor") have conducted reviews of the District's finances over the past four years and issued a variety of recommendations to improve the District's finances, which are principally being affected by increasing labor and operating costs, declining fund balances and decreases in student enrollment. For additional information, see "DISTRICT FINANCIAL INFORMATION – District Budgets and County Oversight – *Disapproval of Fiscal Year 2018-19 Budget*," "*—District Budgets and County Oversight – Conditional Approval of Fiscal Year 2021-22 Budget*," "*—FCMAT Fiscal Health Risk Analysis*," and "*—State Audit*" herein.

See "SACRAMENTO CITY UNIFIED SCHOOL DISTRICT" and "DISTRICT FINANCIAL INFORMATION" for information regarding the District and its finances. The audited financial statements for fiscal year ending June 30, 2021 are attached hereto as APPENDIX B and should be read in their entirety. See also "APPENDIX B – AUDITED FINANCIAL STATEMENTS OF THE DISTRICT FOR FISCAL YEAR 2020-21," attached hereto.

### **Purpose of the Bonds**

The Bonds are being issued (i) to finance the acquisition, construction, modernization and equipping of District sites and facilities, and (ii) to pay the costs of issuing the Bonds. See also "THE BONDS – Application and Investment of Bond Proceeds" and "ESTIMATED SOURCES AND USES OF FUNDS" herein.

### **Authority for Issuance of the Bonds**

The Bonds are issued pursuant to certain provisions of the California Government Code (the "Government Code") and the State Constitution, other applicable law and pursuant to resolutions adopted by the Board and the Board of Supervisors of the County (the "County Board"). See "THE BONDS – Authority for Issuance" herein.

### **Sources of Payment for the Bonds**

The Bonds are general obligations of the District payable solely from *ad valorem* property taxes. The County Board is empowered and obligated to annually levy such *ad valorem* property taxes upon all property subject to taxation by the District, without limitation as to rate or amount (except as to certain personal property which is taxable at limited rates), for the payment of the principal of and interest on the Bonds when due. See "THE BONDS – Security and Sources of Payment" and "TAX BASE FOR REPAYMENT OF BONDS" herein.

## Description of the Bonds

**Form and Registration.** The Bonds will be issued in fully registered book-entry form only, without coupons. The Bonds will be initially registered in the name of Cede & Co., as nominee of The Depository Trust Company, New York, New York (“DTC”). DTC will act as securities depository of the Bonds. See “THE BONDS – General Provisions” and “– Book-Entry Only System” herein. Purchasers of the Bonds (the “Beneficial Owners”) will not receive physical certificates representing their interests in the Bonds, but will instead receive credit balances on the books of their respective nominees. In the event that the book-entry only system described below is no longer used with respect to the Bonds, the Bonds will be registered in accordance with the County Resolution (as defined herein).

**So long as Cede & Co. is the registered owner of the Bonds, as nominee of DTC, references herein to the “Owners,” “Bondowners” or “Holders” of the Bonds (other than under the captions “INTRODUCTION – Tax Matters” and “TAX MATTERS,” as well as in APPENDIX A) will mean Cede & Co. and will not mean the Beneficial Owners of the Bonds.**

**Denominations.** Individual purchases of interests in the Bonds will be available to purchasers of the Bonds in the denominations of \$5,000 principal amount, or any integral multiple thereof.

**Redemption.** The Bonds are subject to optional and mandatory sinking fund redemption prior to maturity, as further described herein. See “THE BONDS – Redemption” herein.

**Payments.** The Bonds will be dated as of the date of their initial execution and issuance (the “Date of Delivery”), and will be issued as current interest bonds, such that interest thereon will accrue from the Date of Delivery, and be payable semiannually on each February 1 and August 1 (each a “Bond Payment Date”), commencing August 1, 2022. Principal of the Bonds is payable on August 1 in the amounts and years as set forth on the inside cover page hereof.

Payments of the principal of and interest on the Bonds will be made by the designated paying agent, bond registrar and transfer agent (the “Paying Agent”), to DTC for subsequent disbursement through DTC Participants (defined herein) to the Beneficial Owners of the Bonds. The Sacramento County Director of Finance (the “Director of Finance”) has been appointed to act as Paying Agent for the Bonds.

**Bond Insurance.** The scheduled payment of principal of and interest on the Bonds when due will be guaranteed under a municipal bond insurance policy (herein defined as the “Policy”) to be issued concurrently with the delivery of the Bonds by [TBD] (herein defined as the “Insurer”). See “THE BONDS – Bond Insurance” herein.

## Tax Matters

In the opinion of Stradling Yocca Carlson & Rauth, a Professional Corporation, San Francisco, California (“Bond Counsel”), under existing statutes, regulations, rulings and judicial decisions, and assuming the accuracy of certain representations and compliance with certain covenants and requirements described herein, interest (and original issue discount) on the Bonds is excluded from gross income for federal income tax purposes and is not an item of tax preference for purposes of calculating the federal alternative minimum tax imposed on individuals. In the further opinion of Bond Counsel, interest (and original issue discount) on the Bonds is exempt from State of California personal income tax. See “TAX MATTERS” herein.

## **Offering and Delivery of the Bonds**

The Bonds are offered when, as and if issued, subject to approval as to their legality by Bond Counsel. It is anticipated that the Bonds in book-entry form will be available for delivery through DTC in New York, New York, on or about \_\_\_\_\_, 2022.

## **Bond Owner's Risks**

The Bonds are general obligations of the District payable solely from *ad valorem* property taxes which may be levied without limitation as to rate or amount (except with respect to certain personal property which is taxable at limited rates) on all taxable property in the District. For more complete information regarding the taxation of property within the District, as well as certain other considerations, see "TAX BASE FOR REPAYMENT OF BONDS" and "LIMITATION ON REMEDIES; BANKRUPTCY" herein.

## **Continuing Disclosure**

Pursuant to a contractual undertaking entered into in connection with issuance of the Bonds (the "Continuing Disclosure Certificate"), the District will covenant for the benefit of the Owners and Beneficial Owners of the Bonds to make available certain financial information and operating data relating to the District and to provide notices of the occurrence of certain listed events, in order to assist the Underwriter[s] (as defined herein) in complying with S.E.C. Rule 15c2-12(b)(5) (the "Rule"). See "LEGAL MATTERS – Continuing Disclosure" herein. The specific nature of the information to be made available and the notices of listed events required to be provided are described in "APPENDIX C – FORM OF CONTINUING DISCLOSURE CERTIFICATE" attached hereto.

## **Professionals Involved in the Offering**

Stradling Yocca Carlson & Rauth, a Professional Corporation, San Francisco, California, is acting as Bond Counsel and Disclosure Counsel to the District with respect to the Bonds. Dale Scott & Company, Inc. is acting as Municipal Advisor to the District with respect to the Bonds. Bond/Disclosure Counsel and the Municipal Advisor will each receive compensation contingent on the issuance of the Bonds. [From time to time, Bond Counsel represents each of the Underwriters on matters unrelated to the District or the Bonds].

## **Forward Looking Statements**

Certain statements included or incorporated by reference in this Official Statement constitute "forward-looking statements" within the meaning of the United States Private Securities Litigation Reform Act of 1995, Section 21E of the United States Securities Exchange Act of 1934, as amended, and Section 27A of the United States Securities Act of 1933, as amended. Such statements are generally identifiable by the terminology used such as "plan," "intend," "expect," "estimate," "project," "budget" or other similar words. Such forward-looking statements include, but are not limited to, certain statements contained in the information regarding the District herein.

## **Other Information**

This Official Statement speaks only as of its date, and the information contained herein is subject to change. Copies of documents referred to herein and information concerning the Bonds are available from the Sacramento City Unified School District, 5735 47th Avenue, Sacramento, California 95824, telephone: (916) 643-4700. The District may impose a charge for copying, mailing and handling.

No dealer, broker, salesperson or other person has been authorized by the District to give any information or to make any representations other than as contained herein and, if given or made, such other information or representations must not be relied upon as having been authorized by the District. This Official Statement does not constitute an offer to sell or the solicitation of an offer to buy nor shall there be any sale of the Bonds by a person in any jurisdiction in which it is unlawful for such person to make such an offer, solicitation or sale.

This Official Statement is not to be construed as a contract with the purchasers of the Bonds. Statements contained in this Official Statement which involve estimates, forecasts or matters of opinion, whether or not expressly so described herein, are intended solely as such and are not to be construed as representations of fact. The summaries and references to documents, statutes and constitutional provisions referred to herein do not purport to be comprehensive or definitive, and are qualified in their entirety by reference to each such documents, statutes and constitutional provisions.

The information set forth herein, other than that provided by the District, has been obtained from official sources which are believed to be reliable but it is not guaranteed as to accuracy or completeness, and is not to be construed as a representation by the District. The information and expressions of opinions herein are subject to change without notice and neither delivery of this Official Statement nor any sale made hereunder shall, under any circumstances, create any implication that there has been no change in the affairs of the District since the date hereof. This Official Statement is submitted in connection with the sale of the Bonds referred to herein and may not be reproduced or used, in whole or in part, for any other purpose.

## THE BONDS

### Authority for Issuance

The Bonds are issued pursuant to (i) the provisions of Article 4.5 of Chapter 3 of Part 1 of Division 2 of Title 5 of the Government Code, commencing with Section 53506 *et seq.*, as amended, (ii) Article XIII A of the State Constitution (“Article XIII A”) and other applicable law (iii) the resolution of the Board adopted on April 7, 2022, and (iv) the resolution of the County Board, adopted on \_\_\_\_\_, 2022 (the “County Resolution,” and together with the District Resolution, the “Resolutions”). The District received authorization at an election held on March 3, 2020 by the requisite fifty-five percent of the votes cast by eligible voters within the District to issue \$750,000,000 aggregate principal amount of general obligation bonds (the “Authorization”). The Bonds are the first series of bonds issued under the Authorization, and following the issuance thereof \$ \_\_\_\_\_ of the Authorization will remain unissued.

### Security and Sources of Payment

The Bonds are general obligations of the District payable solely from the proceeds of *ad valorem* property taxes. The County Board is empowered and obligated to levy such *ad valorem* property taxes, without limitation as to rate or amount, upon all property within the District subject to taxation thereby (except certain personal property which is taxable at limited rates), for the payment of principal of and interest on the Bonds when due. Such *ad valorem* property taxes will be levied annually in addition to all other taxes in an amount sufficient to pay the principal of and interest on the Bonds when due. The levy may include an allowance for an annual reserve, established for the purpose of avoiding fluctuating tax levies. While the County has historically levied *ad valorem* property taxes to establish such a reserve for other bonds of the District, the County is not obligated to establish or maintain such a reserve for the Bonds, and the District can make no representations that the County will do so in future years. Such taxes, when collected, will be placed by the County in the Debt Service Fund (defined herein) established

by the County Resolution, which fund is required to be segregated and maintained by the County and which is designated for the payment of the Bonds and interest thereon when due, and for no other purpose. Pursuant to the District Resolution, the District has pledged funds on deposit in the Debt Service Fund to the payment of the Bonds. Although the County is obligated to levy *ad valorem* property taxes for the payment of the Bonds as described above, and will maintain the Debt Service Fund, the Bonds are not a debt of the County.

Moneys in the Debt Service Fund, to the extent necessary to pay the principal of and interest on the Bonds as the same becomes due and payable, will be transferred by the County, as Paying Agent, to DTC for remittance of such principal and interest to its Participants (as defined herein) for subsequent disbursement to the respective Beneficial Owners of such Bonds.

The amount of the annual *ad valorem* property taxes levied by the County to repay the Bonds as described above will be determined by the relationship between the assessed valuation of taxable property in the District and the amount of debt service due on the Bonds in any year. Fluctuations in the annual debt service on the Bonds and the assessed value of taxable property in the District may cause the annual tax rates to fluctuate. Economic and other factors beyond the District's control, such as general market decline in land values, outbreaks of disease, disruption in financial markets that may reduce the availability of financing for purchasers of property, reclassification of property to a class exempt from taxation, whether by ownership or use (such as exemptions for property owned by the State of California (the "State") and local agencies and property used for qualified education, hospital, charitable or religious purposes), or the complete or partial destruction of the taxable property caused by a natural or manmade disaster, such as earthquake, fire, flood, drought or toxic contamination, could cause a reduction in the assessed value of taxable property within the District and necessitate a corresponding increase in the respective annual tax rates. For further information regarding the District's assessed valuation, tax rates, overlapping debt, and other matters concerning taxation, see "CONSTITUTIONAL AND STATUTORY PROVISIONS AFFECTING DISTRICT REVENUES AND APPROPRIATIONS – Article XIII A of the State Constitution" and "TAX BASE FOR REPAYMENT OF BONDS" herein.

### **Statutory Lien**

Pursuant to Government Code Section 53515, the Bonds will be secured by a statutory lien on all revenues received pursuant to the levy and collection of *ad valorem* property taxes for the payment thereof. The lien automatically attaches, without further action or authorization by the Board, and is valid and binding from the time the Bonds are executed and delivered. The revenues received pursuant to the levy and collection of the *ad valorem* property tax will be immediately subject to the lien, and such lien will be enforceable against the District, its successor, transferees and creditors, and all other parties asserting rights therein, irrespective of whether such parties have notice of the lien and without the need for physical delivery, recordation, filing or further act.

This statutory lien secures all bonds of the District, including the Bonds, issued after January 1, 2016 and payable, as to both principal and interest, from the proceeds of *ad valorem* property taxes that may be levied pursuant to paragraphs (2) and (3) of subdivision (b) of Section 1 of Article XIII A. However, the statutory lien provision does not specify the relative priority of obligations so secured or a method of allocation in the event that the revenues received pursuant to the levy and collection of such *ad valorem* property taxes are insufficient to pay all amounts then due that are secured by the statutory lien.

## **Bond Insurance**

[TO COME]

## **General Provisions**

The Bonds will be issued in book-entry form only and will be initially issued and registered in the name of Cede & Co., as nominee for DTC. Beneficial Owners will not receive certificates representing their interests in the Bonds, but will instead receive credit balances on the books of their respective nominees.

Interest on the Bonds accrues from the Date of Delivery, and is payable semiannually on each Bond Payment Date, commencing August 1, 2022. Interest on the Bonds will be computed on the basis of a 360-day year of twelve 30-day months. Each Bond shall bear interest from the Bond Payment Date next preceding the date of authentication thereof unless it is authenticated as of a day during the period from the 16th day of the month immediately preceding any Bond Payment Date to and including such Bond Payment Date, in which event it shall bear interest from such Bond Payment Date, or unless it is authenticated on or before July 15, 2022, in which event it shall bear interest from its dated date. The Bonds are issuable in denominations of \$5,000 principal amount or any integral multiple thereof and mature on August 1 in the years and amounts set forth on the inside cover page hereof.

The principal of the Bonds will be payable in lawful money of the United States of America to the registered Owner thereof, upon the surrender thereof at the principal corporate trust office of the Paying Agent. The interest on the Bonds will be payable in lawful money of the United States of America to the person whose name appears on the bond registration books of the Paying Agent as the registered Owner thereof as of the close of business on the 15th day of the month next preceding any Bond Payment Date (a “Record Date”), whether or not such day is a business day, such interest to be paid by paid by wire transfer to the bank and account number on file with the Paying Agent as of the Record Date. The principal, and redemption premiums, if any, payable on the Bonds will be payable upon maturity or redemption upon surrender at the principal office of the Paying Agent. The interest, principal and premiums, if any, on the Bonds will be payable in lawful money of the United States of America. So long as the Bonds are held in the book-entry system of DTC, all payments of principal of and interest on the Bonds will be made by the Paying Agent to Cede & Co. (as a nominee of DTC), as the registered Owner of the Bonds. See also “—Book-Entry Only System” herein.

## **Application and Investment of Bond Proceeds**

The proceeds of the Bonds will be used (i) to finance the acquisition, construction, modernization and equipping of certain District sites and facilities, and (ii) to pay the costs of issuing the Bonds.

The proceeds of the sale from the Bonds, net of costs of issuance and any premium received upon the sale thereof, will be deposited by the County to the credit of the building fund created by the County Resolution (the "Building Fund"), and will be applied solely for the purposes for which the Bonds are being issued. Interest earnings in the Building Fund will be retained therein. Any excess proceeds of the Bonds not needed for the authorized purposes for which the Bonds are being issued, upon written notice from the District, will be transferred to the Debt Service Fund and applied to the payment of the principal of and interest on the Bonds.

The *ad valorem* property taxes levied by the County for the payment of the Bonds, when collected, are required to be held separate and apart by the County in a debt service fund created by the County Resolution (the "Debt Service Fund"), and used only for payment of principal of and interest on Bonds. Any accrued interest and net premium received upon the sale of the Bonds will be deposited in the Debt Service Fund. Any interest earnings on moneys held in the Debt Service Fund will be retained therein. If, after all of the Bonds have been redeemed or paid and otherwise cancelled, there are moneys remaining in the Debt Service Fund, said moneys may be applied to pay debt service on other outstanding bonds of the District, or will otherwise be transferred to the general fund of the District as provided and permitted by law.

Moneys in the Building Fund and the Debt Service Fund are expected to be invested through the County's commingled investment pool. See "APPENDIX E - SACRAMENTO COUNTY TREASURY POOL" attached hereto.

**Annual Debt Service**

The following table displays the annual debt service requirements of the District for the Bonds (assuming no optional redemptions), together with the combined outstanding debt service for other outstanding general obligation bonds of the District:

<b>Period Ending <u>August 1</u></b>	<b>Outstanding General Obligation <u>Bonds Debt Service</u></b>	<b><u>The Bonds</u></b>		<b>Total Debt <u>Service</u></b>
		<b>Annual Principal <u>Payment</u></b>	<b>Annual Interest <u>Payment</u><sup>(1)</sup></b>	

Total

<sup>(1)</sup> Interest payments on the Bonds will be made semiannually on February 1 and August 1 of each year, commencing August 1, 2022.

See “DISTRICT FINANCIAL INFORMATION – District Debt Structure – General Obligation Bonds” for a table of the total annual debt service requirements for all of the District’s outstanding general obligation bonded debt.

## Redemption

**Optional Redemption.\*** The Bonds maturing on or before August 1, 20\_\_ are not subject to optional redemption. The Bonds maturing on or after August 1, 20\_\_, may be redeemed before maturity at the option of the District on any date on or after August 1, 20\_\_ as a whole, or in part by lot from such maturities as are selected by the District, at a redemption price equal to the principal amount of the Bonds selected for redemption, together with interest accrued thereon to the date of redemption, without premium.

**Mandatory Redemption.\*** The Bonds maturing on August 1, 20\_\_ (the “20\_\_ Term Bonds”), are subject to redemption prior to maturity from mandatory sinking fund payments on August 1 of each year, on and after August 1, 20\_\_, at a redemption price equal to the principal amount thereof, together with accrued interest to the date fixed for redemption, without premium. The principal amount represented by such 20\_\_ Term Bonds to be so redeemed and the dates therefor and the final payment date is as indicated in the following table:

<b>Year Ending <u>August 1</u></b>	<b>Principal <u>To Be Redeemed</u></b>
Total	
<hr/>	
(1) Maturity.	

In the event that a portion of any of the 20\_\_ Term Bonds shown above are optionally redeemed prior to maturity, the remaining mandatory sinking fund payments shown above shall be reduced proportionately, or as otherwise directed by the District, in integral multiples of \$5,000 of principal amount, in respect of the portion of such 20\_\_ Term Bonds optionally redeemed.

**Selection of Bonds for Redemption.** Whenever provision is made for the redemption of Bonds and less than all Bonds are to be redeemed, the Paying Agent, upon written instruction from the District, will select the Bonds for redemption as so directed and if not directed, in inverse order of maturity. Within a maturity, the Paying Agent will select Bonds for redemption by lot. Redemption by lot shall be in such manner as the Paying Agent will determine; *provided, however*, that the portion of any Bond to be redeemed in part shall be in the principal amount of \$5,000 or any integral multiple thereof.

**Redemption Notice.** When redemption is authorized or required pursuant to the County Resolution, the Paying Agent, upon written instruction from the District, will give notice (a “Redemption Notice”) of the redemption of the Bonds. Each Redemption Notice will specify (a) the Bonds or designated portions thereof (in the case of redemption of the Bonds in part but not in whole) which are to be redeemed, (b) the date of redemption, (c) the place or places where the redemption will be made, including the name and address of the Paying Agent, (d) the redemption price, (e) the CUSIP numbers (if any) assigned to the Bonds to be redeemed, (f) the Bond numbers of the Bonds to be redeemed in whole or in part and, in the case of any Bond to be redeemed in part only, the principal amount of such Bond to be redeemed, and (g) the original issue date, interest rate and stated maturity date of each Bond to be redeemed in whole or in part.

---

\* Preliminary, subject to change.

The Paying Agent will take the following actions with respect to each such Redemption Notice: (a) at least 20 but not more than 60 days prior to the redemption date, such Redemption Notice will be given to the respective Owners of Bonds designated for redemption by registered or certified mail, postage prepaid, at their addresses appearing on the bond register; (b) at least 20 but not more than 60 days prior to the redemption date, such Redemption Notice will be given by (i) registered or certified mail, postage prepaid, (ii) telephonically confirmed facsimile transmission, or (iii) overnight delivery service, to the Securities Depository; (c) at least 20 but not more than 60 days prior to the redemption date, such Redemption Notice will be given by (i) registered or certified mail, postage prepaid, or (ii) overnight delivery service, to one of the Information Services; and (d) such Redemption Notice will be given to such persons as may be required by the Continuing Disclosure Certificate.

In lieu of providing notice via the means described in (a), (b) or (c) above, Redemption Notices may be provided via equally prompt electronic means as shall be acceptable to the Owners, the Depository or the Information Services.

“Information Services” means the MSRB’s Electronic Municipal Market Access, or such other services providing information with respect to called municipal obligations as the District may specify in writing to the Paying Agent, or as the Paying Agent may select.

“Securities Depository” shall mean The Depository Trust Company, 55 Water Street, New York, New York 10041.

A certificate of the Paying Agent or the District that a Redemption Notice has been given as provided in the County Resolution will be conclusive as against all parties. Neither failure to receive any Redemption Notice nor any defect in any such Redemption Notice so given will affect the sufficiency of the proceedings for the redemption of the affected Bonds. Each check issued or other transfer of funds made by the Paying Agent for the purpose of redeeming Bonds will bear or include the CUSIP number identifying, by issue and maturity, the Bonds being redeemed with the proceeds of such check or other transfer. The Redemption Notice may state that no representation is made as to the accuracy or correctness of CUSIP numbers printed thereon, or on the Bonds.

***Payment of Redeemed Bonds.*** When Redemption Notice has been given substantially as described above, and, when the amount necessary for the redemption of the Bonds called for redemption (principal, interest, and premium, if any) is set aside for that purpose as described in “—Defeasance,” as described below, the Bonds designated for redemption in such notice will become due and payable on the date fixed for redemption thereof.

***Partial Redemption of Bonds.*** Upon the surrender of any Bond redeemed in part only, the Paying Agent will execute and deliver to the Owner thereof a new Bond or Bonds of like tenor and maturity and of authorized denominations equal in principal amount to the unredeemed portion of the Bond surrendered. Such partial redemption is valid upon payment of the amount required to be paid to such Owner, and the District will be released and discharged thereupon from all liability to the extent of such payment.

***Effect of Redemption Notice.*** If on the applicable designated redemption date, money for the redemption of the Bonds to be redeemed, together with interest to such redemption date, is held by an independent escrow agent selected by the District, so as to be available therefor on such redemption date, and if Redemption Notice thereof will have been given substantially as described above, then from and after such redemption date, interest with respect to the Bonds to be redeemed shall cease to accrue and become payable.

***Rescission of Redemption Notice.*** With respect to any Redemption Notice for the optional redemption of Bonds as described above, unless upon the giving of such notice such Bonds shall be deemed to have been defeased as described in “—Defeasance,” such notice will state that such redemption will be conditional upon the receipt by the independent escrow agent selected by the District on or prior to the date fixed for such redemption of the moneys necessary and sufficient to pay the principal of, premium, if any, and interest on such Bonds to be redeemed, and that if such moneys shall not have been so received, said notice shall be of no force and effect, the Bonds shall not be subject to redemption on such date and the Bonds shall not be required to be redeemed on such date. In the event that such Redemption Notice contains such a condition and such moneys are not so received, the redemption will not be made and the Paying Agent will within a reasonable time thereafter give notice, to the persons to whom and in the manner in which the Redemption Notice was given, that such moneys were not so received. Notwithstanding the foregoing, the District will have the right to rescind any Redemption Notice, for any reason, by written notice to the Paying Agent on or prior to the date fixed for redemption. The Paying Agent will distribute notice of the rescission of such Redemption Notice in the same manner that the Redemption Notice was originally provided.

***Bonds No Longer Outstanding.*** When any Bonds (or portions thereof), which have been duly called for redemption prior to maturity, or with respect to which irrevocable instructions to call for redemption prior to maturity at the earliest redemption date have been given to the Paying Agent, in form satisfactory to it, and sufficient moneys shall be held irrevocably in trust for the payment of the redemption price of such Bonds or portions thereof, and, in the case of Bonds, accrued interest with respect thereto to the date fixed for redemption, then such Bonds will no longer be deemed Outstanding and shall be surrendered to the Paying Agent for cancellation.

### **Transfer and Exchange of Bonds**

So long as any of the Bonds remain outstanding, the District will cause the Paying Agent to maintain at its principal office all books and records necessary for the registration, exchange and transfer of such Bonds, which shall at all times be open to inspection by the District, and, upon presentation for such purpose, the Paying Agent shall, under such reasonable regulations as it may prescribe, register, exchange or transfer or cause to be registered, exchanged or transferred, on said books, Bonds as provided in the County Resolution.

*In the event that the book-entry only system as described above is no longer used with respect to the Bonds, the following provisions will govern the registration, transfer, and exchange of the Bonds.*

Any Bond may be exchanged for Bonds of like tenor, maturity and Transfer Amount (which with respect to any outstanding Bonds means the outstanding principal amount thereof) upon presentation and surrender at the designated corporate trust office of the Paying Agent, together with a request for exchange signed by the registered Owner or by a person legally empowered to do so in a form satisfactory to the Paying Agent. A Bond may be transferred only on the Bond Register by the person in whose name it is registered, in person or by his duly authorized attorney, upon surrender of such Bond for cancellation at the office of the Paying Agent, accompanied by delivery of a written instrument of transfer in a form approved by the Paying Agent, duly executed. Upon exchange or transfer, the Paying Agent shall register, authenticate and deliver a new Bond or Bonds of like tenor and of any authorized denomination or denominations requested by the Owner equal to the Transfer Amount of the Bond surrendered and bearing interest at the same rate and maturing on the same date.

Neither the District nor the Paying Agent will be required (a) to issue or transfer any Bonds during a period beginning with the opening of business on the 16th day next preceding any Bond Payment Date, the stated maturity of any of the Bonds or any date of selection of Bonds to be redeemed and ending

with the close of business on the applicable Bond Payment Date, the close of business on the applicable stated maturity date or any day on which the applicable notice of redemption is given or (b) to transfer any Bonds which have been selected or called for redemption in whole or in part.

### **Book-Entry Only System**

*The information in this section concerning DTC and DTC's book-entry system has been obtained from sources that the District believes to be reliable, but the District takes no responsibility for the accuracy or completeness thereof. The District cannot and does not give any assurances that DTC, DTC Direct Participants or Indirect Participants (as defined herein) will distribute to the Beneficial Owners (a) payments of principal of, interest on, or premium, if any, on the Bonds, (b) certificates representing ownership interest in or other confirmation or ownership interest in the Bonds, or (c) redemption or other notices sent to DTC or Cede & Co., its nominee, as the registered owner of the Bonds, or that they will do so on a timely basis or that DTC, Direct Participants or Indirect Participants will act in the manner described in this Official Statement. The current "Rules" applicable to DTC are on file with the Securities and Exchange Commission and the current "Procedures" of DTC to be followed in dealing with Participants are on file with DTC.*

DTC will act as securities depository for the Bonds. The Bonds will be issued as fully-registered securities registered in the name of Cede & Co. (DTC's partnership nominee) or such other name as may be requested by an authorized representative of DTC. One fully-registered Bond certificate will be issued for each maturity of the Bonds, each in the aggregate principal amount of such maturity, and will be deposited with DTC.

DTC, the world's largest securities depository, is a limited-purpose trust company organized under the New York Banking Law, a "banking organization" within the meaning of the New York Banking Law, a member of the Federal Reserve System, a "clearing corporation" within the meaning of the New York Uniform Commercial Code, and a "clearing agency" registered pursuant to the provisions of Section 17A of the Securities Exchange Act of 1934. DTC holds and provides asset servicing for over 3.5 million issues of U.S. and non-U.S. equity issues, corporate and municipal debt issues, and money market instruments from over 100 countries that DTC's participants ("Direct Participants") deposit with DTC. DTC also facilitates the post-trade settlement among Direct Participants of sales and other securities transactions in deposited securities, through electronic computerized book-entry transfers and pledges between Direct Participants' accounts. This eliminates the need for physical movement of securities certificates. Direct Participants include both U.S. and non-U.S. securities brokers and dealers, banks, trust companies, clearing corporations, and certain other organizations. DTC is a wholly-owned subsidiary of The Depository Trust & Clearing Corporation ("DTCC"). DTCC is the holding company for DTC, National Securities Clearing Corporation, and Fixed Income Clearing Corporation, all of which are registered clearing agencies. DTCC is owned by the users of its regulated subsidiaries. Access to the DTC system is also available to others such as both U.S. and non-U.S. securities brokers and dealers, banks, trust companies, and clearing corporations that clear through or maintain a custodial relationship with a Direct Participant, either directly or indirectly ("Indirect Participants"). DTC has a Standard & Poor's rating of "AA+". The DTC Rules applicable to its Participants are on file with the Securities and Exchange Commission. More information about DTC can be found at [www.dtcc.com](http://www.dtcc.com). However, the information presented on such website is not incorporated herein by reference.

Purchases of Bonds under the DTC system must be made by or through Direct Participants, which will receive a credit for the Bonds on DTC's records. The ownership interest of each Beneficial Owner is in turn to be recorded on the Direct and Indirect Participants' records. Beneficial Owners will not receive written confirmation from DTC of their purchase. Beneficial Owners are, however, expected to receive written confirmations providing details of the transaction, as well as periodic statements of their

holdings, from the Direct or Indirect Participant through which the Beneficial Owner entered into the transaction. Transfers of ownership interests in the Bonds are to be accomplished by entries made on the books of Direct and Indirect Participants acting on behalf of Beneficial Owners. Beneficial Owners will not receive certificates representing their ownership interests in the Bonds, except in the event that use of the book-entry system for the Bonds is discontinued.

To facilitate subsequent transfers, all Bonds deposited by Direct Participants with DTC are registered in the name of DTC's partnership nominee, Cede & Co., or such other name as may be requested by an authorized representative of DTC. The deposit of Bonds with DTC and their registration in the name of Cede & Co. or such other DTC nominee do not effect any change in beneficial ownership. DTC has no knowledge of the actual Beneficial Owners of the Bonds; DTC's records reflect only the identity of the Direct Participants to whose accounts such Bonds are credited, which may or may not be the Beneficial Owners. The Direct and Indirect Participants will remain responsible for keeping account of their holdings on behalf of their customers.

Conveyance of notices and other communications by DTC to Direct Participants, by Direct Participants to Indirect Participants, and by Direct Participants and Indirect Participants to Beneficial Owners will be governed by arrangements among them, subject to any statutory or regulatory requirements as may be in effect from time to time. Beneficial Owners of Bonds may wish to take certain steps to augment the transmission to them of notices of significant events with respect to the Bonds, such as redemptions, defaults, and proposed amendments to the Resolutions. For example, Beneficial Owners of Bonds may wish to ascertain that the nominee holding the Bonds for their benefit has agreed to obtain and transmit notices to Beneficial Owners. In the alternative, Beneficial Owners may wish to provide their names and addresses to the registrar and request that copies of notices be provided directly to them.

Redemption notices shall be sent to DTC. If less than all of the Bonds within an issue are being redeemed, DTC's practice is to determine by lot the amount of the interest of each Direct Participant in such issue to be redeemed.

Neither DTC nor Cede & Co. (nor any other DTC nominee) will consent or vote with respect to Bonds unless authorized by a Direct Participant in accordance with DTC's MMI Procedures. Under its usual procedures, DTC mails an Omnibus Proxy to the District as soon as possible after the record date. The Omnibus Proxy assigns Cede & Co.'s consenting or voting rights to those Direct Participants to whose accounts Bonds are credited on the record date (identified in a listing attached to the Omnibus Proxy).

Redemption proceeds and distributions on the Bonds will be made to Cede & Co., or such other nominee as may be requested by an authorized representative of DTC. DTC's practice is to credit Direct Participants' accounts upon DTC's receipt of funds and corresponding detail information from the District or the Paying Agent, on payable date in accordance with their respective holdings shown on DTC's records. Payments by Participants to Beneficial Owners will be governed by standing instructions and customary practices, as is the case with securities held for the accounts of customers in bearer form or registered in "street name," and will be the responsibility of such Participant and not of DTC, the Paying Agent, or the District, subject to any statutory or regulatory requirements as may be in effect from time to time. Payment of redemption proceeds or distributions to Cede & Co. (or such other nominee as may be requested by an authorized representative of DTC) is the responsibility of the District or the Paying Agent, disbursement of such payments to Direct Participants will be the responsibility of DTC, and disbursement of such payments to the Beneficial Owners will be the responsibility of Direct and Indirect Participants.

DTC may discontinue providing its services as depository with respect to the Bonds at any time by giving reasonable notice to the District or the Paying Agent. Under such circumstances, in the event that a successor depository is not obtained, Bond certificates are required to be printed and delivered.

The District may decide to discontinue use of the system of book-entry-only transfers through DTC (or a successor securities depository). In that event, Bond certificates will be printed and delivered to DTC.

The information in this section concerning DTC and DTC's book-entry system has been obtained from sources that the District believes to be reliable, but the District takes no responsibility for the accuracy thereof.

## **Defeasance**

All or any portion of the outstanding maturities of the Bonds may be defeased at any time prior to maturity in the following ways:

- (a) Cash: by irrevocably depositing with an independent escrow agent selected by the District an amount of cash which, together with amounts transferred from the Debt Service Fund, if any, is sufficient to pay all Bonds outstanding and designated for defeasance, including all including all principal thereof, interest thereon and redemption premium, at or before their respective maturity dates; or
- (b) Government Obligations: by irrevocably depositing with an independent escrow agent selected by the District noncallable Government Obligations, together with amounts transferred from the Debt Service Fund, if any, and any other cash, if required, in such amount as will, together with interest to accrue thereon, in the opinion of an independent certified public accountant, be fully sufficient to pay and discharge all Bonds outstanding and designated for defeasance, including all including all principal thereof, interest thereon and redemption premium, at or before their respective maturity dates;

then, notwithstanding that any such Bonds shall not have been surrendered for payment, all obligations of the District and the County with respect to all such designated outstanding Bonds shall cease and terminate, except only the obligation of the independent escrow agent selected by the District to pay or cause to be paid from funds deposited pursuant to paragraphs (a) or (b) above, to the owners of such designated Bonds not so surrendered and paid all sums due with respect thereto.

“Government Obligations” means direct and general obligations of the United States of America, or obligations that are unconditionally guaranteed as to principal and interest by the United States of America (which may consist of obligations of the Resolution Funding Corporation that constitute interest strips), or obligations secured or otherwise guaranteed, directly or indirectly, as to principal and interest, by a pledge of the full faith and credit of the United States of America. In the case of direct and general obligations of the United States of America, Government Obligations shall include evidences of direct ownership of proportionate interests in future interest or principal payments of such obligations. Investments in such proportionate interests must be limited to circumstances where (a) a bank or trust company acts as custodian and holds the underlying United States obligations; (b) the owner of the investment is the real party in interest and has the right to proceed directly and individually against the obligor of the underlying United States obligations; and (c) the underlying United States obligations are held in a special account, segregated from the custodian's general assets, and are not available to satisfy any claim of the custodian, any person claiming through the custodian, or any person to whom the custodian may be obligated; provided that such obligations are rated or assessed at least as high as direct

and general obligations of the United States of America by either by S&P Global Ratings, a business unit of Standard & Poor's Financial Services LLC (“S&P”), or by Moody’s Investors Service (“Moody’s”).

### **ESTIMATED SOURCES AND USES OF FUNDS**

The estimated sources and uses of funds with respect to the Bonds are as follows:

#### **Sources of Funds**

Principal Amount  
[Net] Original Issue Premium  
Total Sources

#### **Uses of Funds**

Building Fund  
Debt Service Fund  
Costs of Issuance<sup>(1)</sup>  
Total Uses

<sup>(1)</sup> Includes all costs of issuance, including, but not limited to, the underwriting discount, legal and Municipal Advisory fees, printing costs, rating agency fees, bond insurance premium, and the costs and fees of the Paying Agent.

### **TAX BASE FOR REPAYMENT OF BONDS**

*The information in this section describes ad valorem property taxation, assessed valuation, and other measures of the tax base of the District. The Bonds are payable solely from ad valorem property taxes levied and collected by the County on taxable property in the District. The District’s general fund is not a source for the repayment of the Bonds.*

#### **Ad Valorem Property Taxation**

District property taxes are assessed and collected by the County at the same time and on the same rolls as special district property taxes. Assessed valuations are the same for both District and County taxing purposes.

Taxes are levied for each fiscal year on taxable real and personal property which is located in the District as of the preceding January 1. For assessment and collection purposes, property is classified either as “secured” or “unsecured” and is listed accordingly on separate parts of the assessment roll. The “secured roll” is that part of the assessment roll containing State assessed public utilities property and real property having a tax lien which is sufficient, in the opinion of the assessor, to secure payment of the taxes. Other property is assessed on the “unsecured roll.” A supplemental roll is developed when property changes hands or new construction is completed. The County levies and collects all property taxes for property falling within the County’s taxing boundaries.

The valuation of secured property is established as of January 1 and is subsequently enrolled in August. Property taxes on the secured roll are payable in two installments, due November 1 and February 1 of the calendar year. If unpaid, such taxes become delinquent on December 10 and April 10, respectively, and a 10% penalty attaches to any delinquent installment plus any additional amount determined by the Director of Finance. After the second installment of taxes on the secured roll is delinquent, the tax collector shall collect a cost of \$10 for preparing the delinquent tax records and giving notice of delinquency. Property on the secured roll with delinquent taxes is declared tax-defaulted on July 1 of the calendar year. Such property may thereafter be redeemed, until the right of redemption is

terminated, by payment of the delinquent taxes and the delinquency penalty, plus a \$15 redemption fee and a redemption penalty of 1.5% per month to the time of redemption. If taxes are unpaid for a period of five years or more, the property is subject to sale by the Director of Finance.

Property taxes on the unsecured roll as of July 31 become delinquent if they are not paid by August 31 and are thereafter subject to a delinquent penalty of 10%. Taxes added to the unsecure tax roll after July 31, if unpaid are delinquent and subject to a penalty of 10% on the last day of the month succeeding the month of enrollment. In the case of unsecured property taxes, an additional penalty of 1.5% per month begins to accrue when such taxes remain unpaid on the last day of the second month after the 10% penalty attaches. The taxing authority has four ways of collecting unsecured personal property taxes: (1) a civil action against the assessee; (2) filing a certificate in the office of the county clerk specifying certain facts in order to obtain a judgment lien on specific property of the assessee; (3) filing a certificate of delinquency for record in the county recorder’s office in order to obtain a lien on specified property of the assessee; and (4) seizure and sale of personal property, improvements or possessory interests belonging or assessed to the assessee.

State law exempts from taxation \$7,000 of the full cash value of an owner-occupied dwelling, but this exemption does not result in any loss of revenue to local agencies, since the State reimburses local agencies for the value of the exemptions.

All property is assessed using full cash value as defined by Article XIII A. State law provides exemptions from *ad valorem* property taxation for certain classes of property such as churches, colleges, non-profit hospitals, and charitable institutions.

Assessed valuation growth allowed under Article XIII A (new construction, certain changes of ownership, 2% inflation) is allocated on the basis of “situs” among the jurisdictions that serve the tax rate area within which the growth occurs. Local agencies, including school districts, share the growth of “base” revenues from the tax rate area. Each year’s growth allocation becomes part of each agency’s allocation in the following year.

### Assessed Valuation

The following table shows the 10-year history of assessed valuations in the District, as of the date the equalized assessment tax roll is established in August of each year.

**ASSESSED VALUATIONS**  
**Fiscal Years 2012-13 through 2021-22**  
**Sacramento City Unified School District**

	<u>Local Secured</u>	<u>Utility</u>	<u>Unsecured</u>	<u>Total</u>	<u>% Change</u>
2012-13	\$24,081,405,373	\$7,130,520	\$1,312,707,722	\$25,401,243,615	--
2013-14	25,064,499,161	6,354,537	1,240,891,839	26,311,745,537	3.58%
2014-15	26,203,736,543	12,146,083	1,279,564,924	27,495,447,550	4.50
2015-16	27,621,228,905	5,824,663	1,188,321,120	28,815,374,688	4.80
2016-17	29,442,558,614	5,751,502	1,271,280,326	30,719,590,442	6.61
2017-18	31,625,086,640	5,693,751	1,332,650,184	32,963,430,575	7.30
2018-19	33,920,993,517	5,636,032	1,444,875,017	35,371,504,566	7.31
2019-20	36,759,308,491	5,334,879	1,403,666,196	38,168,309,566	7.91
2020-21	38,932,165,119	5,265,184	1,491,828,933	40,429,259,236	5.92
2021-22	40,932,044,833	5,265,184	1,452,631,056	42,389,941,073	4.85

Source: California Municipal Statistics, Inc. (except the percent change).

Economic and other factors beyond the District's control, such as general market decline in property values, outbreaks of disease, disruption in financial markets that may reduce availability of financing for purchasers of property, reclassification of property to a class exempt from taxation, whether by ownership or use (such as exemptions for property owned by the State and local agencies and property used for qualified education, hospital, charitable or religious purposes), or the complete or partial destruction of the taxable property caused by a natural or manmade disaster, such as earthquake, flood, fire, drought or toxic contamination, could cause a reduction in the assessed value of taxable property within the District. Any such reduction would result in a corresponding increase in the annual tax rate levied by the County to pay the debt service on to the Bonds. See "THE BONDS – Security and Sources of Payment" and "DISTRICT FINANCIAL INFORMATION – Considerations Regarding COVID-19" herein.

***Seismic Events.*** The District is located in a seismically active region of the State. An earthquake of large magnitude could result in extensive damage to property within the District and could adversely affect the assessed valuation of property within the District, or more generally the region's economy.

***Drought.*** In recent years California has experienced severe drought conditions. In January of 2014, the Governor declared a statewide Drought State of Emergency. As of such date, the State faced water shortfalls due to the driest year in recorded State history, the State's river and reservoirs were below their record low levels, and manual and electronic readings recorded the water content of snowpack at the highest elevations in the State (chiefly in the Sierra Nevada mountain range) at about 20% of normal average for the winter season. Following the Governor's declaration, the California State Water Resources Control Board (the "Water Board") issued a statewide notice of water shortages and potential future curtailment of water right diversions. In April 2017, the Governor lifted the drought emergency declaration, while retaining a prohibition on wasteful practices and advancing conservation measures. In April 2021, the Governor announced regional drought emergencies in two Northern California counties following two years of dry conditions. On May 10, 2021, the Governor expanded the emergency drought declaration to include an additional 39 counties throughout the State. On July 8, 2021 the Governor expanded the declaration to further include an additional nine counties. On October 19, 2021, the Governor extended the declaration to include all remaining counties, including the County, such that the drought state of emergency is now in effect Statewide.

***Wildfires.*** Major wildfires have occurred in recent years in different regions of the State, including significant fires throughout the fall of 2020 and the summer of 2021. The District did not sustain any property losses as a result of these recent fires. However, serious and significant property damage has resulted in other areas of the State due to fire damage. The Governor has previously signed a number of measures into law intended to address a variety of issues related to mitigating the risk of wildfires, including forest management, mutual aid for fire departments, emergency alerts and other safety mandates.

***Climate Change.*** In addition to the events described above, climate change caused by human activities may have adverse effects on the assessed value of property within the District. As greenhouse gas emissions continue to accumulate in the atmosphere as a result of economic activity, many scientists expect that climate change will intensify, increasing the frequency, severity and timing of extreme weather events such as coastal storm surges, drought, wildfires, floods, heat waves, and rising sea levels. See also "—Drought" and "—Wildfires" above. Projections of the impact of global climate change are complex and depend on a variety of factors outside of the District's control. The various scientific studies that forecast the amount and timing of adverse impacts of climate change are based on assumptions contained in such studies, but actual events may vary materially. In addition, the scientific understanding of climate change and its effects continues to evolve. Accordingly, the District is unable to forecast with certainty when or if adverse impacts of climate change will occur or the extent of such impacts.

***Appeals and Adjustments of Assessed Valuation.*** Under California law, property owners may apply for a reduction of their property tax assessment by filing a written application, in form prescribed by the State Board of Equalization (“SBE”), with the appropriate county board of equalization or assessment appeals board. County assessors may independently reduce assessed values as well based upon the above factors or reductions in the fair market value of the taxable property. In most cases, an appeal is filed because the applicant believes that present market conditions (such as residential home prices) cause the property to be worth less than its current assessed value. Any reduction in the assessment ultimately granted as a result of such appeal applies to the year for which application is made and during which the written application was filed. Such reductions are subject to yearly reappraisals and may be adjusted back to their original values when market conditions improve. Once the property has regained its prior value, adjusted for inflation, it once again is subject to the annual inflationary factor growth rate allowed under Article XIII A. See “CONSTITUTIONAL AND STATUTORY PROVISIONS AFFECTING DISTRICT REVENUES – Article XIII A of the State Constitution” herein.

A second type of assessment appeal involves a challenge to the base year value of an assessed property. Appeals for reduction in the base year value of an assessment, if successful, reduce the assessment for the year in which the appeal is taken and prospectively thereafter. The base year is determined by the completion date of new construction or the date of change of ownership. Any base year appeal must be made within four years of the change of ownership or new construction date.

No assurance can be given that property tax appeals currently pending or in the future will not significantly reduce the assessed valuation of property within the District.

***Assembly Bill 102.*** On June 27, 2017, the Governor signed into law Assembly Bill 102 (“AB 102”). AB 102 restructures the functions of the SBE and creates two new separate agencies: (i) the California Department of Tax and Fee Administration, and (ii) the Office of Tax Appeals. Under AB 102, the California Department of Tax and Fee Administration will take over programs previously in the SBE Property Tax Department, such as the Tax Area Services Section, which is responsible for maintaining all property tax-rate area maps and for maintaining special revenue district boundaries. Under AB 102, the SBE will continue to perform the duties assigned by the State Constitution related to property taxes, however, beginning January 1, 2018, the SBE will only hear appeals related to the programs that it constitutionally administers and the Office of Tax Appeals will hear tax appeals will hear appeals on all other taxes and fee matters, such as sales and use tax and other special taxes and fees. AB 102 obligates the Office of Tax Appeals to adopt regulations as necessary to carry out its duties, powers, and responsibilities. No assurances can be given as to the effect of such regulations on the appeals process or on the assessed valuation of property within the District.

**Assessed Valuation by Jurisdiction.** The following table shows a breakdown of the District's fiscal year 2021-22 assessed valuation by jurisdiction.

**ASSESSED VALUATION BY JURISDICTION**  
**Fiscal Year 2021-22**  
**Sacramento City Unified School District**

<b>Jurisdiction:</b>	<b>Assessed Valuation in District</b>	<b>% of District</b>	<b>Assessed Valuation of Jurisdiction</b>	<b>% of Jurisdiction in District</b>
City of Elk Grove	\$68,004,856	0.16%	\$23,714,724,852	0.29%
City of Rancho Cordova	1,012,552,979	2.39	10,548,307,102	9.60
City of Sacramento	36,055,658,195	85.06	62,005,051,671	58.15
Unincorporated Sacramento County	<u>5,253,725,043</u>	<u>12.39</u>	67,882,816,569	7.74
<b>Total District</b>	<b>\$42,389,941,073</b>	<b>100.00%</b>		
Sacramento County	\$42,389,941,073	100.00%	\$191,373,203,123	22.15%

Source: California Municipal Statistics, Inc.

**Assessed Valuation by Land Use.** The following table shows a per-parcel analysis of the distribution of taxable property within the District by principal use, and the fiscal year 2021-22 assessed valuation of such parcels.

**ASSESSED VALUATION AND PARCELS BY LAND USE**  
**Fiscal Year 2021-22**  
**Sacramento City Unified School District**

<b>Non-Residential:</b>	<b>2021-22 Assessed Valuation<sup>(1)</sup></b>	<b>% of Total</b>	<b>No. of Parcels</b>	<b>% of Total</b>
Agricultural	\$318,591	0.00%	8	0.01%
Commercial/Office	7,844,129,450	19.16	3,010	2.86
Vacant Commercial	221,467,772	0.54	562	0.53
Industrial	1,949,230,466	4.76	1,312	1.25
Vacant Industrial	63,238,578	0.15	392	0.37
Recreational	422,207,888	1.03	152	0.14
Government/Social/Institutional	204,293,583	0.50	955	0.91
Miscellaneous	<u>2,323,785</u>	<u>0.01</u>	<u>248</u>	<u>0.24</u>
<b>Subtotal Non-Residential</b>	<b>\$10,707,210,113</b>	<b>26.16%</b>	<b>6,639</b>	<b>6.31%</b>
<b>Residential:</b>				
Single Family Residence	\$22,520,329,493	55.02%	84,137	80.00%
Condominium/Townhouse	638,105,895	1.56	2,349	2.23
Mobile Home	40,636,632	0.10	1,493	1.42
Mobile Home Park	55,158,170	0.13	34	0.03
2-4 Residential Units	2,127,329,655	5.20	6,804	6.47
5+ Residential Units/Apartments	3,838,595,420	9.38	1,633	1.55
Hotel/Motel	636,441,992	1.55	72	0.07
Miscellaneous Residential	51,234,896	0.13	140	0.13
Vacant Residential	<u>317,002,567</u>	<u>0.77</u>	<u>1,867</u>	<u>1.78</u>
<b>Subtotal Residential</b>	<b>\$30,224,834,720</b>	<b>73.84%</b>	<b>98,529</b>	<b>93.69%</b>

<sup>(1)</sup> Local secured assessed valuation; excluding tax-exempt property.

Source: California Municipal Statistics, Inc.

**Assessed Valuation of Single Family Homes.** The following table shows the distribution of single family homes within the District among various fiscal year 2021-22 assessed valuation ranges, as well as the average and median assessed valuation of single family homes within the District.

**ASSESSED VALUATION PER PARCEL OF SINGLE FAMILY HOMES  
Fiscal Year 2021-22  
Sacramento City Unified School District**

	<b>No. of Parcels</b>	<b>2021-22 Assessed Valuation</b>	<b>Average Assessed Valuation</b>	<b>Median Assessed Valuation</b>
Single Family Residential	84,137	\$22,520,329,493	\$267,663	\$223,293

<b>2021-22 Assessed Valuation</b>	<b>No. of Parcels<sup>(1)</sup></b>	<b>% of Total</b>	<b>Cumulative % of Total</b>	<b>Total Valuation</b>	<b>% of Total</b>	<b>Cumulative % of Total</b>
\$0 - \$24,999	388	0.461%	0.461%	\$6,532,344	0.029%	0.029%
25,000 - 49,999	3,162	3.758	4.219	128,738,058	0.572	0.601
50,000 - 74,999	5,075	6.032	10.251	318,735,448	1.415	2.016
75,000 - 99,999	6,286	7.471	17.722	550,706,445	2.445	4.461
100,000 - 124,999	5,888	6.998	24.720	662,111,828	2.940	7.401
125,000 - 149,999	5,775	6.864	31.584	793,844,443	3.525	10.926
150,000 - 174,999	5,657	6.724	38.308	918,764,433	4.080	15.006
175,000 - 199,999	5,205	6.186	44.494	975,158,214	4.330	19.336
200,000 - 224,999	4,921	5.849	50.343	1,044,646,272	4.639	23.975
225,000 - 249,999	4,945	5.877	56.220	1,173,687,748	5.212	29.187
250,000 - 274,999	4,799	5.704	61.924	1,258,143,022	5.587	34.773
275,000 - 299,999	4,055	4.820	66.744	1,163,713,911	5.167	39.941
300,000 - 324,999	3,692	4.388	71.132	1,152,112,375	5.116	45.057
325,000 - 349,999	3,145	3.738	74.870	1,060,160,130	4.708	49.764
350,000 - 374,999	2,778	3.302	78.171	1,005,656,944	4.466	54.230
375,000 - 399,999	2,343	2.785	80.956	906,858,027	4.027	58.257
400,000 - 424,999	2,150	2.555	83.511	886,162,173	3.935	62.192
425,000 - 449,999	1,881	2.236	85.747	822,288,481	3.651	65.843
450,000 - 474,999	1,595	1.896	87.643	736,710,312	3.271	69.114
475,000 - 499,999	1,392	1.654	89.297	678,461,116	3.013	72.127
500,000 and greater	<u>9,005</u>	<u>10.703</u>	100.000	<u>6,277,137,769</u>	<u>27.873</u>	100.000
	84,137	100.000%		\$22,520,329,493	100.000%	

<sup>(1)</sup> Improved single family residential parcels. Excludes condominiums and parcels with multiple family units.  
Source: California Municipal Statistics, Inc.

## Tax Levies, Collections and Delinquencies

The following table shows secured *ad valorem* property tax levies within the District, and amounts delinquent as of June 30, for fiscal years 2011-12 through 2020-21.

### SECURED TAX CHARGES AND DELINQUENCIES Fiscal Years 2011-12 through 2020-21 Sacramento City Unified School District

	<u>Secured Tax Charge<sup>(1)</sup></u>	<u>Amt. Del. June 30</u>	<u>% Del. June 30</u>
2011-12			
2012-13			
2013-14			
2014-15			
2015-16			
2016-17	36,846,021	307,015	0.83
2017-18	38,637,596	388,774	1.01
2018-19	39,103,684	328,227	0.84
2019-20	41,260,741	496,589	1.20
2020-21	45,154,083	407,237	0.90

<sup>(1)</sup> Debt service levy only.

Source: California Municipal Statistics, Inc.

Pursuant to Revenue and Taxation Code Section 4985.2, the Director of Finance may cancel any penalty, costs or other charges resulting from tax delinquency upon a finding that the late payment is due to reasonable cause and circumstances beyond the taxpayer's control, and occurred notwithstanding the exercise of ordinary care in the absence of willful neglect, provided the property taxes are paid within four fiscal years of such taxes coming due. See also "DISTRICT FINANCIAL INFORMATION – Considerations Regarding COVID-19" herein.

### Alternative Method of Tax Apportionment - Teeter Plan

In June of 1993, the County Board approved the implementation of the Alternative Method of Distribution of Tax Levies and Collections and of Tax Sale Proceeds (the "Teeter Plan"), as provided for in Section 4701 et seq. of the State Revenue and Taxation Code. Under the Teeter Plan, typically, each county apportions secured property taxes on an accrual basis (irrespective of actual collections) to local political subdivisions, for which such county acts as the tax-levying or tax-collecting agency.

The Teeter Plan was effective for the fiscal year commencing July 1, 1993, and pursuant to the Teeter Plan, the County purchased all delinquent receivables (comprised of delinquent taxes, penalties, and interest) which had accrued as of June 30, 1993, from local taxing entities and selected special assessment districts and community facilities districts. Under the Teeter Plan, the County distributes tax collections on a cash-basis to taxing entities, such as the District, during the fiscal year and at year-end distributes 100% of any taxes delinquent as of June 30th to the respective taxing entities and those special assessment districts and community facilities districts which the County determines are eligible to participate in the Teeter Plan.

The County reserves the right to exclude from the Teeter Plan any special tax levying agency or assessment levying agency if such agency has provided for accelerated foreclosure proceedings in the event of non-payment of such special taxes or assessments except that, if such agency has a delinquency rate in the collection of such special tax or assessment as of June 30 of any fiscal year that is equal to or

less than the County's delinquency rate on the collection of current year *ad valorem* property taxes on the countywide secured assessment roll, such agency's special taxes or assessments may, at the County's option, be included in the Teeter Plan.

The *ad valorem* property taxes to be levied to pay the interest on and principal of the Bonds will be subject to the Teeter Plan. The District will receive 100% of the *ad valorem* property tax levied to pay all of the outstanding general obligation bonds, irrespective of actual delinquencies in the collection of the tax by the County.

The Teeter Plan is to remain in effect unless the County Board orders its discontinuance or unless, prior to the commencement of any fiscal year of the County (which commences on July 1), the County Board receives a petition for its discontinuance joined in by resolutions adopted by at least two-thirds of the participating revenue districts in the County, in which event the County Board is to order discontinuance of the Teeter Plan effective at the commencement of the subsequent fiscal year. The County Board may, by resolution adopted not later than July 15 of the fiscal year for which it is to apply after holding a public hearing on the matter, discontinue the procedures under the Teeter Plan with respect to any tax levying agency or assessment levying agency in the County if the rate of secure tax delinquency in that agency in any year exceeds 3% of the total of all taxes and assessments levied on the secured rolls for that agency. If the Teeter Plan is discontinued subsequent to its implementation, only those secured property taxes actually collected would be allocated to political subdivisions (including the District) for which the County acts as the tax-levying or tax-collecting agency.

There can be no assurance that the County will always maintain the Teeter Plan or will have sufficient funds available to distribute the full amount of the District's share of property tax collections to the District. The ability of the County to maintain the Teeter Plan may depend on its financial resources and may be affected by future property tax delinquencies. Property tax delinquencies may be impacted by economic and other factors beyond the District's or the County's control, including the ability or willingness of property owners to pay property taxes during an economic recession or depression. An economic recession or depression could be caused by many factors outside the control of the District, including high interest rates, reduced consumer confidence, reduced real wages or reduced economic activity as a result of the spread of COVID-19 or other pandemic or natural or manmade disaster. See "DISTRICT FINANCIAL MATTERS – Considerations Regarding COVID-19" herein. However, notwithstanding any possible future change to or discontinuation of the Teeter Plan, State law requires the County to levy *ad valorem* property taxes within the District sufficient to pay the Bonds when due.

**Tax Rates**

The following table summarizes the total *ad valorem* property tax rates, as a percentage of assessed valuation, levied by all taxing entities in a typical tax rate area (a “TRA”) within the District from 2017-18 through 2021-22.

**SUMMARY OF *AD VALOREM* PROPERTY TAX RATES (TRA 3-005)<sup>(1)</sup>  
Fiscal Years 2017-18 through 2021-22  
Sacramento City Unified School District**

	<u>2017-18</u>	<u>2018-19</u>	<u>2019-20</u>	<u>2020-21</u>	<u>2021-22</u>
General	1.0000%	1.0000%	1.0000%	1.0000%	1.0000%
Los Rios Community College District	.0130	.0131	.0232	.0223	.0249
Sacramento City Unified School District	<u>.1235</u>	<u>.1164</u>	<u>.1139</u>	<u>.1171</u>	<u>.0918</u>
Total Tax Rate	1.1365%	1.1295%	1.1371%	1.1394%	1.1167%

<sup>(1)</sup> 2021-22 assessed valuation of TRA 3-005 is \$12,430,393,259, representing approximately 29.32% of the District total assessed valuation.

Source: *California Municipal Statistics, Inc.*

[REMAINDER OF PAGE LEFT BLANK]

## Largest Property Owners

The more property (by assessed value) which is owned by a single taxpayer within any of the District, the greater amount of tax collections that are exposed to weaknesses in such a taxpayer's financial situation and ability or willingness to pay property taxes. The following table presents information on the largest property taxpayers within the District for fiscal year 2021-22. Each taxpayer listed below is a unique name listed on the tax rolls. The District cannot determine from County assessment records whether individual persons, corporations or other organizations are liable for tax payments with respect to multiple properties held in various names that in aggregate may be larger than is suggested by the table below.

### LARGEST 2021-22 LOCAL SECURED TAXPAYERS Sacramento City Unified School District

	<u>Property Owner</u>	<u>2021-22 Primary Land Use</u>	<u>% of Assessed Valuation</u>	<u>Total<sup>(1)</sup></u>
1.	City of Sacramento & The Sacramento Kings	Sports Arena	\$320,347,451	0.78%
2.	M&H Realty Partners VI LP	Commercial	262,679,728	0.64
3.	Pac West Office Equities LP	Office Building	209,324,277	0.51
4.	Hancock SREIT Sacramento LLC	Office Building	200,809,050	0.49
5.	SRI Eleven 621 Capitol Mall LLC	Office Building	169,239,744	0.41
6.	Prime US-Park Tower LLC	Office Building	167,214,577	0.41
7.	HP Hood LLC	Industrial	153,697,178	0.38
8.	GPT Properties Trust	Office Building	150,974,102	0.37
9.	500 Capitol Mall LLC	Office Building	148,973,958	0.36
10.	300 Capitol Associates NF LP	Office Building	130,882,033	0.32
11.	BRE Depot PK LLC	Industrial	130,014,551	0.32
12.	Oakmont Properties The Press LLC	Apartments	118,306,000	0.29
13.	Kaiser Foundation Health Plan Inc.	Office Building	115,418,736	0.28
14.	Sacramento CA I FGF LLC	Office Building	106,706,547	0.26
15.	GSA Sacramento Newco LLC	Office Building	99,929,179	0.24
16.	Greenery Apartments LP & DLC Sacramento LLC	Apartments	98,339,177	0.24
17.	Gem Crossings LLC	Apartments	94,216,070	0.23
18.	CA Sacramento Commons LLC	Apartments	90,571,613	0.22
19.	1415 Meridian Plaza Investors LP	Office Building	86,500,000	0.21
20.	NB Element DST	Apartments	<u>86,075,752</u>	<u>0.21</u>
			\$2,940,219,723	7.18%

<sup>(1)</sup> 2021-22 local secured assessed valuation: \$40,932,044,833.

Source: California Municipal Statistics, Inc.

## Statement of Direct and Overlapping Debt

Set forth on the following page is a direct and overlapping debt report (the "Debt Report") prepared by California Municipal Statistics, Inc. effective as of February 22, 2022 for debt outstanding as of March 1, 2022. The Debt Report is included for general information purposes only. The District has not reviewed the Debt Report for completeness or accuracy and makes no representation in connection therewith.

The Debt Report generally includes long-term obligations sold in the public credit markets by public agencies whose boundaries overlap the boundaries of the District in whole or in part. Such long-term obligations generally are not payable from revenues of the District (except as indicated) nor are they necessarily obligations secured by land within the District. In many cases, long-term obligations issued by a public agency are payable only from the general fund or other revenues of such public agency.

The table shows the percentage of each overlapping entity's assessed value located within the boundaries of the District. The table also shows the corresponding portion of the overlapping entity's existing debt payable from property taxes levied within the District. The total amount of debt for each overlapping entity is not given in the table.

The first column in the table names each public agency which has outstanding debt as of the date of the report and whose territory overlaps the District in whole or in part. The second column shows the percentage of each overlapping agency's assessed value located within the boundaries of the District. This percentage, multiplied by the total outstanding debt of each overlapping agency (which is not shown in the table) produces the amount shown in the third column, which is the apportionment of each overlapping agency's outstanding debt to taxable property in the District.

**STATEMENT OF DIRECT AND OVERLAPPING DEBT  
Sacramento City Unified School District**

**2021-22 Assessed Valuation:** \$42,389,941,073

<u><b>DIRECT AND OVERLAPPING TAX AND ASSESSMENT DEBT:</b></u>	<u><b>% Applicable</b></u>	<u><b>Debt 3/1/22</b></u>
Los Rios Community College District	18.386	\$91,595,375
<b>Sacramento City Unified School District</b>	<b>100.000</b>	<b>488,647,966<sup>(1)</sup></b>
City of Sacramento Community Facilities Districts	0.009-100	25,605,451
City and Special District 1915 Act Bonds (Estimate)	Various	144,481,193
Southgate Recreation and Park Benefit Assessment District	16.163	<u>1,311,604</u>
<b>TOTAL DIRECT AND OVERLAPPING TAX AND ASSESSMENT DEBT</b>		<b>\$751,641,589</b>
<u><b>DIRECT AND OVERLAPPING GENERAL FUND DEBT:</b></u>		
Sacramento County General Fund Obligations	22.150	\$28,413,434
Sacramento County Pension Obligation Bonds	22.150	138,482,095
Sacramento County Board of Education Certificates of Participation	22.150	583,653
<b>Sacramento City Unified School District Lease Revenue Bonds</b>	<b>100.000</b>	<b>55,030,000</b>
City of Elk Grove General Fund Obligations	0.287	104,257
City of Rancho Cordova Certificates of Participation	9.599	1,235,391
City of Sacramento General Fund Obligations	58.150	326,896,040
Cordova Recreation and Park District General Fund Obligations	25.969	1,691,711
Cosumnes Community Services District Certificates of Participation	0.251	76,068
Sacramento Metropolitan Fire District General Fund and Pension Obligation Bonds	5.766	<u>2,232,019</u>
<b>TOTAL GROSS DIRECT AND OVERLAPPING GENERAL FUND DEBT</b>		<b>\$554,744,668</b>
Less: City of Elk Grove supported obligations		23,247
Sacramento County supported obligations		3,042,824
City of Sacramento supported obligations		<u>239,120,232</u>
<b>TOTAL NET DIRECT AND OVERLAPPING GENERAL FUND DEBT</b>		<b>\$312,558,365</b>
<u><b>OVERLAPPING TAX INCREMENT DEBT (Successor Agencies):</b></u>		\$122,185,373
GROSS COMBINED TOTAL DEBT		\$1,428,571,630 <sup>(2)</sup>
NET COMBINED TOTAL DEBT		\$1,186,385,327

**Ratios to 2020-21 Assessed Valuation**

<b>Direct Debt (\$488,647,966)</b> .....	<b>1.15%</b>
Total Direct and Overlapping Tax and Assessment Debt.....	1.77%
<b>Combined Direct Debt (\$543,677,966)</b> .....	<b>1.28%</b>
Gross Combined Total Debt.....	3.37%
Net Combined Total Debt.....	2.80%

**Ratios to Redevelopment Incremental Valuation (\$8,136,496,525):**

Total Overlapping Tax Increment Debt.....	1.50%
---	-------

<sup>(1)</sup> Excludes the Bonds.

<sup>(2)</sup> Excludes tax and revenue anticipation notes, enterprise revenue, mortgage revenue and non-bonded capital lease obligations.

Source: California Municipal Statistics.

## **CONSTITUTIONAL AND STATUTORY PROVISIONS AFFECTING DISTRICT REVENUES AND APPROPRIATIONS**

*The principal of and interest on the Bonds will be payable solely from the proceeds of an ad valorem property tax levied by the County for the payment thereof. See “THE BONDS – Security and Sources of Payment” herein. Articles XIII A, XIII B, XIII C and XIII D, Propositions 98 and 111, and certain other provisions of law discussed below, are included in this section to describe the potential effect of these Constitutional and statutory measures on the ability of the County to levy taxes on behalf of the District and the District to spend tax proceeds for operating and other purposes, and it should not be inferred from the inclusion of such materials that these laws impose any limitation on the ability of the County to levy property taxes for payment of the Bonds. The tax levied by the County for payment of the Bonds was approved by the voters of the District in compliance with Article XIII A, Article XIII C, and all applicable laws.*

### **Article XIII A of the State Constitution**

Article XIII A limits the amount of *ad valorem* property taxes on real property to 1% of “full cash value” as determined by the county assessor. Article XIII A defines “full cash value” to mean “the county assessor’s valuation of real property as shown on the 1975-76 bill under “full cash value,” or thereafter, the appraised value of real property when purchased, newly constructed or a change in ownership has occurred after the 1975 assessment,” subject to exemptions in certain circumstances of property transfer or reconstruction. Determined in this manner, the full cash value is also referred to as the “base year value.” The full cash value is subject to annual adjustment to reflect increases, not to exceed 2% for any year, or decreases in the consumer price index or comparable local data, or to reflect reductions in property value caused by damage, destruction or other factors.

Article XIII A has been amended to allow for temporary reductions of assessed value in instances where the fair market value of real property falls below the adjusted base year value described above. Proposition 8—approved by the voters in November of 1978—provides for the enrollment of the lesser of the base year value or the market value of real property, taking into account reductions in value due to damage, destruction, depreciation, obsolescence, removal of property, or other factors causing a similar decline. In these instances, the market value is required to be reviewed annually until the market value exceeds the base year value. Reductions in assessed value could result in a corresponding increase in the annual tax rate levied by the County to pay debt service on the Bonds. See “THE BONDS – Security and Sources of Payment” and “TAX BASE FOR REPAYMENT OF BONDS – Assessed Valuation” herein.

Article XIII A requires a vote of two-thirds or more of the qualified electorate of a city, county, special district or other public agency to impose special taxes, while totally precluding the imposition of any additional *ad valorem*, sales or transaction tax on real property. Article XIII A exempts from the 1% tax limitation any taxes above that level required to pay debt service (a) on any indebtedness approved by the voters prior to July 1, 1978, or (b) as the result of an amendment approved by State voters on July 3, 1986, on any bonded indebtedness approved by two-thirds or more of the votes cast by the voters for the acquisition or improvement of real property on or after July 1, 1978, or (c) bonded indebtedness incurred by a school district or community college district for the construction, reconstruction, rehabilitation or replacement of school facilities or the acquisition or lease of real property for school facilities, approved by fifty-five percent or more of the votes cast on the proposition, but only if certain accountability measures are included in the proposition. The tax for payment of the Bonds falls within the exception described in (c) of the immediately preceding sentence. In addition, Article XIII A requires the approval of two-thirds of all members of the State Legislature to change any state taxes for the purpose of increasing tax revenues.

## **Legislation Implementing Article XIII A**

Legislation has been enacted and amended a number of times since 1978 to implement Article XIII A. Under current law, local agencies are no longer permitted to levy directly any property tax (except to pay voter-approved indebtedness). The 1% property tax is automatically levied by the relevant county and distributed according to a formula among taxing agencies. The formula apportions the tax roughly in proportion to the relative shares of taxes levied prior to 1979.

Increases of assessed valuation resulting from reappraisals of property due to new construction, change in ownership or from the annual adjustment not to exceed 2% are allocated among the various jurisdictions in the “taxing area” based upon their respective “situs.” Any such allocation made to a local agency continues as part of its allocation in future years.

All taxable property value included in this Official Statement is shown at 100% of taxable value (unless noted differently) and all tax rates reflect the \$1 per \$100 of taxable value.

Both the United States Supreme Court and the California State Supreme Court have upheld the general validity of Article XIII A.

### **Proposition 19**

On November 3, 2020, State voters approved Proposition 19, a legislatively referred constitutional amendment (“Proposition 19”), which amends Article XIII A to: (i) expand special rules that give property tax savings to homeowners that are over the age of 55, severely disabled, or whose property has been impacted by wildfire or natural disaster, when they buy a different home; (ii) narrow existing special rules for inherited properties; and (iii) dedicate most of the potential new State revenue generated from Proposition 19 toward fire protection. The District cannot make any assurance as to what effect the implementation of Proposition 19 will have on District revenues or the assessed valuation of real property in the District.

### **Proposition 50 and Proposition 171**

On June 3, 1986, the voters of the State approved Proposition 50. Proposition 50 amends Section 2 of Article XIII A to allow owners of property that was “substantially damaged or destroyed” by a disaster, as declared by the Governor, (the “Damaged Property”), to transfer their existing base year value (the “Original Base Year Value”) to a comparable replacement property within the same county, which is acquired or constructed within five years after the disaster. At the time of such transfer, the Damaged Property will be reassessed at its full cash value immediately prior to damage or destruction (the “Original Cash Value”); however, such property will retain its base year value notwithstanding such a transfer. Property is substantially damaged or destroyed if either the land or the improvements sustain physical damage amounting to more than 50% of either the land or improvements full cash value immediately prior to the disaster. There is no filing deadline, but the assessor can only correct four years of assessments when the owner fails to file a claim within four years of acquiring a replacement property.

Under Proposition 50, the base year value of the replacement property (the “Replacement Base Year Value”) depends on the relation of the full cash value of the replacement property (the “Replacement Cash Value”) to the Original Cash Value: if the Replacement Cash Value exceeds 120% of the Original Cash Value, then the Replacement Base Year Value is calculated by combining the Original Base Year Value with such excessive Replacement Cash Value; if the Replacement Cash Value does not exceed 120% of the Original Cash Value, then the Replacement Base Year Value equals the Original Base Year Value; if the Replacement Cash Value is less than the Original Cash Value, then the

Replacement Base Year Value equals the Replacement Cash Value. The replacement property must be comparable in size, utility, and function to the Damaged Property.

On November 2, 1993, the voters of the State approved Proposition 171. Proposition 171 amends subdivision (e) of Section 2 of Article XIII A to allow owners of Damaged Property to transfer their Original Base Year Value to a “comparable replacement property” located within another county in the State, which is acquired or newly constructed within three years after the disaster.

Inter-county transfers under Proposition 171 are more restrictive than intra-county transfers under Proposition 50. For example, Proposition 171 (1) only applies to (a) structures that are owned and occupied by property owners as their principal place of residence and (b) land of a “reasonable size that is used as a site for a residence;” (2) explicitly does not apply to property owned by firms, partnerships, associations, corporations, companies, or legal entities of any kind; (3) only applies to replacement property located in a county that adopted an ordinance allowing Proposition 171 transfers; (4) claims must be timely filed within three years of the date of purchase or completion of new construction; and (5) only applies to comparable replacement property, which has a full cash value that is of “equal or lesser value” than the Original Cash Value.

Within the context of Proposition 171, “equal or lesser value” means that the amount of the Replacement Cash Value does not exceed either (1) 105% of the Original Cash Value when the replacement property is acquired or constructed within one year of the destruction, (2) 110% of the Original Cash Value when the replacement property is acquired or constructed within two years of the destruction, or (3) 115% of the Original Cash Value when the replacement property is acquired or constructed within three years of the destruction.

### **Unitary Property**

Some amount of property tax revenue of the District is derived from utility property which is considered part of a utility system with components located in many taxing jurisdictions (“unitary property”). Under the State Constitution, such property is assessed by the SBE as part of a “going concern” rather than as individual pieces of real or personal property. State-assessed unitary and certain other property is allocated to the counties by SBE, taxed at special county-wide rates, and the tax revenues distributed to taxing jurisdictions (including the District) according to statutory formulae generally based on the distribution of taxes in the prior year. So long as the District is not a basic aid district, taxes lost through any reduction in assessed valuation will be compensated by the State as equalization aid under the State’s school financing formula. See “DISTRICT FINANCIAL INFORMATION – State Funding of Education” herein.

### **Article XIII B of the State Constitution**

Article XIII B (“Article XIII B”) of the State Constitution, as subsequently amended by Propositions 98 and 111, respectively, limits the annual appropriations of the State and of any city, county, school district, authority or other political subdivision of the State to the level of appropriations of the particular governmental entity for the prior fiscal year, as adjusted for changes in the cost of living and in population and for transfers in the financial responsibility for providing services and for certain declared emergencies. As amended, Article XIII B defines

- (a) “change in the cost of living” with respect to school districts to mean the percentage change in California per capita income from the preceding year, and

- (b) “change in population” with respect to a school district to mean the percentage change in the average daily attendance of the school district from the preceding fiscal year.

For fiscal years beginning on or after July 1, 1990, the appropriations limit of each entity of government shall be the appropriations limit for the 1986-87 fiscal year adjusted for the changes made from that fiscal year pursuant to the provisions of Article XIII B, as amended.

The appropriations of an entity of local government subject to Article XIII B limitations include the proceeds of taxes levied by or for that entity and the proceeds of certain state subventions to that entity. “Proceeds of taxes” include, but are not limited to, all tax revenues and the proceeds to the entity from (a) regulatory licenses, user charges and user fees (but only to the extent that these proceeds exceed the reasonable costs in providing the regulation, product or service), and (b) the investment of tax revenues.

Appropriations subject to limitation do not include (a) refunds of taxes, (b) appropriations for debt service such as the Bonds, (c) appropriations required to comply with certain mandates of the courts or the federal government, (d) appropriations of certain special districts, (e) appropriations for all qualified capital outlay projects as defined by the State Legislature, (f) appropriations derived from certain fuel and vehicle taxes and (g) appropriations derived from certain taxes on tobacco products.

Article XIII B includes a requirement that all revenues received by an entity of government other than the State in a fiscal year and in the fiscal year immediately following it in excess of the amount permitted to be appropriated during that fiscal year and the fiscal year immediately following it shall be returned by a revision of tax rates or fee schedules within the next two subsequent fiscal years.

Article XIII B also includes a requirement that fifty percent of all revenues received by the State in a fiscal year and in the fiscal year immediately following it in excess of the amount permitted to be appropriated during that fiscal year and the fiscal year immediately following it shall be transferred and allocated to the State School Fund pursuant to Section 8.5 of Article XVI of the State Constitution. See “Propositions 98 and 111” below.

### **Article XIII C and Article XIII D of the State Constitution**

On November 5, 1996, the voters of the State of California approved Proposition 218, popularly known as the “Right to Vote on Taxes Act.” Proposition 218 added to the State Constitution Articles XIII C and XIII D (respectively, “Article XIII C” and “Article XIII D”), which contain a number of provisions affecting the ability of local agencies, including school districts, to levy and collect both existing and future taxes, assessments, fees and charges.

According to the “Title and Summary” of Proposition 218 prepared by the California Attorney General, Proposition 218 limits “the authority of local governments to impose taxes and property-related assessments, fees and charges.” Among other things, Article XIII C establishes that every tax is either a “general tax” (imposed for general governmental purposes) or a “special tax” (imposed for specific purposes), prohibits special purpose government agencies such as school districts from levying general taxes, and prohibits any local agency from imposing, extending or increasing any special tax beyond its maximum authorized rate without a two-thirds vote; and also provides that the initiative power will not be limited in matters of reducing or repealing local taxes, assessments, fees and charges. Article XIII C further provides that no tax may be assessed on property other than *ad valorem* property taxes imposed in accordance with Articles XIII and XIII A and special taxes approved by a two-thirds vote under Article XIII A, Section 4. Article XIII D deals with assessments and property-related fees and charges, and

explicitly provides that nothing in Article XIII C or XIII D will be construed to affect existing laws relating to the imposition of fees or charges as a condition of property development.

The District does not impose any taxes, assessments, or property-related fees or charges which are subject to the provisions of Proposition 218. It does, however, receive a portion of the basic one percent *ad valorem* property tax levied and collected by the County pursuant to Article XIII A. The provisions of Proposition 218 may have an indirect effect on the District, such as by limiting or reducing the revenues otherwise available to other local governments whose boundaries encompass property located within the District thereby causing such local governments to reduce service levels and possibly adversely affecting the value of property within the District.

### **Proposition 26**

On November 6, 2012, voters in the State approved Proposition 26. Proposition 26 amends Article XIII C of the State Constitution to expand the definition of “tax” to include “any levy, charge, or exaction of any kind imposed by a local government” except the following: (1) a charge imposed for a specific benefit conferred or privilege granted directly to the payor that is not provided to those not charged, and which does not exceed the reasonable costs to the local government of conferring the benefit or granting the privilege; (2) a charge imposed for a specific government service or product provided directly to the payor that is not provided to those not charged, and which does not exceed the reasonable costs to the local government of providing the service or product; (3) a charge imposed for the reasonable regulatory costs to a local government for issuing licenses and permits, performing investigations, inspections, and audits, enforcing agricultural marketing orders, and the administrative enforcement and adjudication thereof; (4) a charge imposed for entrance to or use of local government property, or the purchase, rental, or lease of local government property; (5) a fine, penalty, or other monetary charge imposed by the judicial branch of government or a local government, as a result of a violation of law; (6) a charge imposed as a condition of property development; and (7) assessments and property-related fees imposed in accordance with the provisions of Article XIII D. Proposition 26 provides that the local government bears the burden of proving by a preponderance of the evidence that a levy, charge, or other exaction is not a tax, that the amount is no more than necessary to cover the reasonable costs of the governmental activity, and that the manner in which those costs are allocated to a payor bear a fair or reasonable relationship to the payor’s burdens on, or benefits received from, the governmental activity.

### **Propositions 98 and 111**

On November 8, 1988, voters approved Proposition 98, a combined initiative constitutional amendment and statute called the “Classroom Instructional Improvement and Accountability Act” (the “Accountability Act”). Certain provisions of the Accountability Act have, however, been modified by Proposition 111, discussed below, the provisions of which became effective on July 1, 1990. The Accountability Act changes State funding of public education below the university level and the operation of the State’s appropriations limit. The Accountability Act guarantees State funding for K-12 school districts and community college districts (hereinafter referred to collectively as “K-14 school districts”) at a level equal to the greater of (a) the same percentage of State general fund revenues as the percentage appropriated to such districts in 1986-87, and (b) the amount actually appropriated to such districts from the State general fund in the previous fiscal year, adjusted for increases in enrollment and changes in the cost of living. The Accountability Act permits the State Legislature to suspend this formula for a one-year period.

The Accountability Act also changed how tax revenues in excess of the State appropriations limit are distributed. Any excess State tax revenues up to a specified amount would, instead of being returned to taxpayers, be transferred to K-14 school districts. Any such transfer to K-14 school districts would be

excluded from the appropriations limit for K-14 school districts and the K-14 school district appropriations limit for the next year would automatically be increased by the amount of such transfer. These additional moneys would enter the base funding calculation for K-14 school districts for subsequent years, creating further pressure on other portions of the State budget, particularly if revenues decline in a year following an Article XIII B surplus. The maximum amount of excess tax revenues which could be transferred to K-14 school districts is 4% of the minimum State spending for education mandated by the Accountability Act.

Since the Accountability Act is unclear in some details, there can be no assurances that the State Legislature or a court might not interpret the Accountability Act to require a different percentage of State general fund revenues to be allocated to K-14 school districts, or to apply the relevant percentage to the State's budgets in a different way than is proposed in the Governor's budget for any given fiscal year.

On June 5, 1990, the voters approved Proposition 111 (Senate Constitutional Amendment No. 1) called the "Traffic Congestion Relief and Spending Limit Act of 1990" ("Proposition 111") which further modified Article XIII B and Sections 8 and 8.5 of Article XVI of the State Constitution with respect to appropriations limitations and school funding priority and allocation.

The most significant provisions of Proposition 111 are summarized as follows:

- a. Annual Adjustments to Spending Limit. The annual adjustments to the Article XIII B spending limit were liberalized to be more closely linked to the rate of economic growth. Instead of being tied to the Consumer Price Index, the "change in the cost of living" is now measured by the change in California per capita personal income. The definition of "change in population" specifies that a portion of the State's spending limit is to be adjusted to reflect changes in school attendance.
- b. Treatment of Excess Tax Revenues. "Excess" tax revenues with respect to Article XIII B are now determined based on a two-year cycle, so that the State can avoid having to return to taxpayers excess tax revenues in one year if its appropriations in the next fiscal year are under its limit. In addition, the Proposition 98 provision regarding excess tax revenues was modified. After any two-year period, if there are excess State tax revenues, 50% of the excess are to be transferred to K-14 school districts with the balance returned to taxpayers; under prior law, 100% of excess State tax revenues went to K-14 school districts, but only up to a maximum of 4% of the schools' minimum funding level. Also, reversing prior law, any excess State tax revenues transferred to K-14 school districts are not built into the school districts' base expenditures for calculating their entitlement for State aid in the next year, and the State's appropriations limit is not to be increased by this amount.
- c. Exclusions from Spending Limit. Two exceptions were added to the calculation of appropriations which are subject to the Article XIII B spending limit: (i) all appropriations for "qualified capital outlay projects" as defined by the State Legislature, and (ii) any increases in gasoline taxes above the 1990 level (then nine cents per gallon), sales and use taxes on such increment in gasoline taxes, and increases in receipts from vehicle weight fees above the levels in effect on January 1, 1990. These latter provisions were necessary to make effective the transportation funding package approved by the State Legislature and the Governor, which expected to raise over \$15 billion in additional taxes from 1990 through 2000 to fund transportation programs.

- d. Recalculation of Appropriations Limit. The Article XIII B appropriations limit for each unit of government, including the State, was recalculated beginning in fiscal year 1990-91. It was based on the actual limit for fiscal year 1986-87, adjusted forward to 1990-91 as if Proposition 111 had been in effect.
- e. School Funding Guarantee. A complex adjustment in the formula was enacted in Proposition 98 which guarantees K-14 school districts a certain amount of State general fund revenues. Under prior law, K-14 school districts were guaranteed the greater of (1) 40.9% of State general fund revenues (“Test 1”) or (2) the amount appropriated in the prior year adjusted for changes in the cost of living (measured as in Article XIII B by reference to per capita personal income) and enrollment (“Test 2”). Under Proposition 111, schools will receive the greater of (1) Test 1, (2) Test 2, or (3) a third test (“Test 3”), which will replace Test 2 in any year when growth in per capita State general fund revenues from the prior year is less than the annual growth in California per capita personal income. Under Test 3, schools will receive the amount appropriated in the prior year adjusted for change in enrollment and per capita State general fund revenues, plus an additional small adjustment factor. If Test 3 is used in any year, the difference between Test 3 and Test 2 will become a “credit” (also referred to as a “maintenance factor”) to schools which will be paid in future years when State general fund revenue growth exceeds personal income growth.

### **Proposition 39**

On November 7, 2000, California voters approved an amendment (commonly known as Proposition 39) to the State Constitution. This amendment (1) allows school facilities bond measures to be approved by fifty-five percent (rather than two-thirds) of the voters in local elections and permits property taxes to exceed the current one percent limit in order to repay the bonds and (2) changes existing statutory law regarding charter school facilities. As adopted, the constitutional amendments may be changed only with another Statewide vote of the people. The statutory provisions could be changed by a majority vote of both houses of the State Legislature and approval by the Governor, but only to further the purposes of the proposition. The local school jurisdictions affected by this proposition are K-12 school districts, including the District, community college districts, and county offices of education. As noted above, the State Constitution previously limited property taxes to one percent of the value of property. Property taxes may only exceed this limit to pay for (1) any local government debts approved by the voters prior to July 1, 1978 or (2) bonds to buy or improve real property that receive two-thirds voter approval after July 1, 1978.

The fifty-five percent vote requirement would apply only if the local bond measure presented to the voters includes: (1) a requirement that the bond funds can be used only for construction, rehabilitation, equipping of school facilities, or the acquisition or lease of real property for school facilities; (2) a specific list of school projects to be funded and certification that the school board has evaluated safety, class size reduction, and information technology needs in developing the list; and (3) a requirement that the school board conduct annual, independent financial and performance audits until all bond funds have been spent to ensure that the bond funds have been used only for the projects listed in the measure. Legislation approved in June 2000 places certain limitations on local school bonds to be approved by fifty-five percent of the voters. These provisions require that the tax rate levied as the result of any single election be no more than \$60 (for a unified school district), \$30 (for an elementary or high school district), or \$25 (for a community college district), per \$100,000 of taxable property value, when assessed valuation is projected to increase in accordance with Article XIII A of the Constitution. These requirements are not part of this proposition and can be changed with a majority vote of both houses of the State Legislature and approval by the Governor.

## ***Jarvis v. Connell***

On May 29, 2002, the California Court of Appeal for the Second District decided the case of *Howard Jarvis Taxpayers Association, et al. v. Kathleen Connell* (as Controller). The Court of Appeal held that either a final budget bill, an emergency appropriation, a self-executing authorization pursuant to State statutes (such as continuing appropriations) or the State Constitution or a federal mandate is necessary for the Controller to disburse funds. The foregoing requirement could apply to amounts budgeted by the District as being received from the State. To the extent the holding in such case would apply to State payments reflected in the District's budget, the requirement that there be either a final budget bill or an emergency appropriation may result in the delay of such payments to the District if such required legislative action is delayed, unless the payments are self-executing authorizations or are subject to a federal mandate. On May 1, 2003, the California Supreme Court upheld the holding of the Court of Appeal, stating that the Controller is not authorized under State law to disburse funds prior to the enactment of a budget or other proper appropriation, but under federal law, the Controller is required, notwithstanding a budget impasse and the limitations imposed by State law, to timely pay those State employees who are subject to the minimum wage and overtime compensation provisions of the federal Fair Labor Standards Act.

## **Proposition 1A and Proposition 22**

On November 2, 2004, California voters approved Proposition 1A, which amends the State Constitution to significantly reduce the State's authority over major local government revenue sources. Under Proposition 1A, the State cannot (i) reduce local sales tax rates or alter the method of allocating the revenue generated by such taxes, (ii) shift property taxes from local governments to schools or community colleges, (iii) change how property tax revenues are shared among local governments without two-third approval of both houses of the State Legislature or (iv) decrease Vehicle License Fee revenues without providing local governments with equal replacement funding. Beginning in 2008-09, the State may shift to schools and community colleges a limited amount of local government property tax revenue if certain conditions are met, including: (i) a proclamation by the Governor that the shift is needed due to a severe financial hardship of the State, and (ii) approval of the shift by the State Legislature with a two-thirds vote of both houses. Under such a shift, the State must repay local governments for their property tax losses, with interest, within three years. Proposition 1A does allow the State to approve voluntary exchanges of local sales tax and property tax revenues among local governments within a county. Proposition 1A also amends the State Constitution to require the State to suspend certain State laws creating mandates in any year that the State does not fully reimburse local governments for their costs to comply with the mandates. This provision does not apply to mandates relating to schools or community colleges or to those mandates relating to employee rights.

Proposition 22, The Local Taxpayer, Public Safety, and Transportation Protection Act, approved by the voters of the State on November 6, 2012, prohibits the State from enacting new laws that require redevelopment agencies to shift funds to schools or other agencies and eliminates the State's authority to shift property taxes temporarily during a severe financial hardship of the State. In addition, Proposition 22 restricts the State's authority to use State fuel tax revenues to pay debt service on State transportation bonds, to borrow or change the distribution of State fuel tax revenues, and to use vehicle license fee revenues to reimburse local governments for State mandated costs. Proposition 22 impacts resources in the State's general fund and transportation funds, the State's main funding source for schools and community colleges, as well as universities, prisons and health and social services programs. According to an analysis of Proposition 22 submitted by the Legislative Analyst's Office (the "LAO") on July 15, 2010, the reduction in resources available for the State to spend on these other programs as a consequence of the passage of Proposition 22 was expected to be approximately \$1 billion in fiscal year 2010-11, with an estimated immediate fiscal effect equal to approximately 1 percent of the State's total general fund

spending. The longer-term effect of Proposition 22, according to the LAO analysis, will be an increase in the State's general fund costs by approximately \$1 billion annually for several decades.

### **Proposition 55**

The California Children's Education and Health Care Protection Act of 2016 (also known as "Proposition 55") is a constitutional amendment approved by the voters of the State on November 8, 2016. Proposition 55 extends, through 2030, the increases to personal income tax rates for high-income taxpayers that were approved as part of Temporary Taxes to Fund Education, Guaranteed Local Public Safety Funding, Initiative Constitutional Amendment (also known as "Proposition 30"). Proposition 30 increased the marginal personal income tax rate by: (i) 1% for taxable income over \$250,000 but less than \$300,001 for single filers (over \$500,000 but less than \$600,001 for joint filers and over \$340,000 but less than \$408,001 for head-of-household filers), (ii) 2% for taxable income over \$300,000 but less than \$500,001 for single filers (over \$600,000 but less than \$1,000,001 for joint filers and over \$408,000 but less than \$680,001 for head-of-household filers), and (iii) 3% for taxable income over \$500,000 for single filers (over \$1,000,000 for joint filers and over \$680,000 for head-of-household filers).

The revenues generated from the personal income tax increases will be included in the calculation of the Proposition 98 Minimum Funding Guarantee (defined herein) for school districts and community college districts. See "CONSTITUTIONAL AND STATUTORY PROVISIONS AFFECTING DISTRICT REVENUES – Propositions 98 and 111" herein. From an accounting perspective, the revenues generated from the personal income tax increases are being deposited into the State account created pursuant to Proposition 30 called the Education Protection Account (the "EPA"). Pursuant to Proposition 30, funds in the EPA will be allocated quarterly, with 89% of such funds provided to schools districts and 11% provided to community college districts. The funds will be distributed to school districts and community college districts in the same manner as existing unrestricted per-student funding, except that no school district will receive less than \$200 per unit of ADA and no community college district will receive less than \$100 per full time equivalent student. The governing board of each school district and community college district is granted sole authority to determine how the moneys received from the EPA are spent, provided that the appropriate governing board is required to make these spending determinations in open session at a public meeting and such local governing board is prohibited from using any funds from the EPA for salaries or benefits of administrators or any other administrative costs.

### **Proposition 2**

On November 4, 2014, voters approved the Rainy Day Budget Stabilization Fund Act (also known as "Proposition 2"). Proposition 2 is a legislatively-referred constitutional amendment which makes certain changes to State budgeting practices, including substantially revising the conditions under which transfers are made to and from the State's Budget Stabilization Account (the "BSA") established by the California Balanced Budget Act of 2004 (also known as Proposition 58).

Under Proposition 2, and beginning in fiscal year 2015-16 and each fiscal year thereafter, the State will generally be required to annually transfer to the BSA an amount equal to 1.5% of estimated State general fund revenues (the "Annual BSA Transfer"). Supplemental transfers to the BSA (a "Supplemental BSA Transfer") are also required in any fiscal year in which the estimated State general fund revenues that are allocable to capital gains taxes exceed 8% of total estimated general fund tax revenues. Such excess capital gains taxes—net of any portion thereof owed to K-14 school districts pursuant to Proposition 98—will be transferred to the BSA. Proposition 2 also increases the maximum size of the BSA to an amount equal to 10% of estimated State general fund revenues for any given fiscal year. In any fiscal year in which a required transfer to the BSA would result in an amount in excess of the

10% threshold, Proposition 2 requires such excess to be expended on State infrastructure, including deferred maintenance.

For the first 15 year period ending with the 2029-30 fiscal year, Proposition 2 provides that half of any required transfer to the BSA, either annual or supplemental, must be appropriated to reduce certain State liabilities, including making certain payments owed to K-14 school districts, repaying State interfund borrowing, reimbursing local governments for State mandated services, and reducing or prefunding accrued liabilities associated with State-level pension and retirement benefits. Following the initial 15-year period, the Governor and the State Legislature are given discretion to apply up to half of any required transfer to the BSA to the reduction of such State liabilities. Any amount not applied towards such reduction must be transferred to the BSA or applied to infrastructure, as described above.

Proposition 2 changes the conditions under which the Governor and the State Legislature may draw upon or reduce transfers to the BSA. The Governor does not retain unilateral discretion to suspend transfers the BSA, nor does the State Legislature retain discretion to transfer funds from the BSA for any reason, as previously provided by law. Rather, the Governor must declare a “budget emergency,” defined as a an emergency within the meaning of Article XIII B of the Constitution or a determination that estimated resources are inadequate to fund State general fund expenditures, for the current or ensuing fiscal year, at a level equal to the highest level of State spending within the three immediately preceding fiscal years. Any such declaration must be followed by a legislative bill providing for a reduction or transfer. Draws on the BSA are limited to the amount necessary to address the budget emergency, and no draw in any fiscal year may exceed 50% of funds on deposit in the BSA unless a budget emergency was declared in the preceding fiscal year.

Proposition 2 also required the creation of the Public School System Stabilization Account (the “PSSSA”) into which transfers will be made in any fiscal year in which a Supplemental BSA Transfer is required (as described above). Such transfer will be equal to the portion of capital gains taxes above the 8% threshold that would be otherwise paid to K-14 school districts as part of the minimum funding guarantee. A transfer to the PSSSA will only be made if certain additional conditions are met, as follows: (i) the minimum funding guarantee was not suspended in the immediately preceding fiscal year, (ii) the operative Proposition 98 formula for the fiscal year in which a PSSSA transfer might be made is “Test 1,” (iii) no maintenance factor obligation is being created in the budgetary legislation for the fiscal year in which a PSSSA transfer might be made, (iv) all prior maintenance factor obligations have been fully repaid, and (v) the minimum funding guarantee for the fiscal year in which a PSSSA transfer might be made is higher than the immediately preceding fiscal year, as adjusted for ADA growth and cost of living. Proposition 2 caps the size of the PSSSA at 10% of the estimated minimum guarantee in any fiscal year, and any excess funds must be paid to K-14 school districts. Reductions to any required transfer to the PSSSA, or draws on the PSSSA, are subject to the same budget emergency requirements described above. However, Proposition 2 also mandates draws on the PSSSA in any fiscal year in which the estimated minimum funding guarantee is less than the prior year’s funding level, as adjusted for ADA growth and cost of living.

**SB 858.** Senate Bill 858 (“SB 858”) became effective upon the passage of Proposition 2. SB 858 includes provisions which could limit the amount of reserves that may be maintained by a school district in certain circumstances. Under SB 858, in any fiscal year immediately following a fiscal year in which the State has made a transfer into the PSSSA, any adopted or revised budget by a school district would need to contain a combined unassigned and assigned ending fund balance that (a) for school districts with an ADA of less than 400,000, is not more than two times the amount of the reserve for economic uncertainties mandated by the Education Code, or (b) for school districts with an ADA that is more than 400,000, is not more than three times the amount of the reserve for economic uncertainties mandated by the Education Code. In certain cases, the county superintendent of schools may grant a school district a

waiver from this limitation on reserves for up to two consecutive years within a three-year period if there are certain extraordinary fiscal circumstances.

The District, which has an ADA of less than 400,000, is required to maintain a reserve for economic uncertainty in an amount equal to 3% of its general fund expenditures and other financing uses.

**SB 751.** Senate Bill 751 (“SB 751”), enacted on October 11, 2017, alters the reserve requirements imposed by SB 858. Under SB 751, in a fiscal year immediately after a fiscal year in which the amount of moneys in the PSSSA is equal to or exceeds 3% of the combined total general fund revenues appropriated for school districts and allocated local proceeds of taxes for that fiscal year, a school district budget that is adopted or revised cannot have an assigned or unassigned ending fund balance that exceeds 10% of those funds. SB 751 excludes from the requirements of those provisions basic aid school districts (also known as community funded districts) and small school districts having fewer than 2,501 units of ADA.

The Bonds are payable from *ad valorem* property taxes to be levied within the District pursuant to the State Constitution and other State law. Accordingly, the District does not expect SB 858 or SB 751 to adversely affect its ability to pay the principal of and interest on the Bonds as and when due.

### **Future Initiatives**

Article XIII A, Article XIII B, Article XIII C and Article XIII D of the State Constitution and Propositions 98, 39, 22, 26, 30, 51 and 55 were each adopted as measures that qualified for the ballot pursuant to the State’s initiative process. From time to time other initiative measures could be adopted further affecting District revenues or the District’s ability to expend revenues. The nature and impact of these measures cannot be anticipated by the District.

## **DISTRICT FINANCIAL INFORMATION**

*The information in this section concerning the District’s general fund finances is provided as supplementary information only, and it should not be inferred from the inclusion of this information in this Official Statement that the principal of and interest on the Bonds is payable from the general fund of the District. The Bonds are payable from the proceeds of an ad valorem property tax required to be levied by the County in the District in an amount sufficient for the payment thereof. See “THE BONDS – Security and Sources of Payment” herein.*

### **State Funding of Education**

School district revenues consist primarily of guaranteed State moneys, local property taxes and funds received from the State in the form of categorical aid under ongoing programs of local assistance. All State aid is subject to the appropriation of funds in the State’s annual budget.

**Revenue Limit Funding.** Previously, school districts operated under general purpose revenue limits established by the California Department of Education (the “State Department of Education”). In general, revenue limits were calculated for each school district by multiplying the ADA for such district by a base revenue limit per unit of ADA. Revenue limit calculations were subject to adjustment in accordance with a number of factors designed to provide cost of living adjustments (“COLAs”) and to equalize revenues among school districts of the same type. Funding of a school district’s revenue limit was provided by a mix of local property taxes and State apportionments of basic and equalization aid. Since fiscal year 2013-14, school districts have been funded based on uniform system of funding grants assigned to certain grade spans. See “—Local Control Funding Formula” herein.

**Local Control Funding Formula.** State Assembly Bill 97 (Stats. 2013, Chapter 47) (“AB 97”), as amended by Senate Bill 91 (Stats. 2013, Chapter 49) (“SB 91”), established the current system for funding school districts, charter schools and county offices of education.

The primary component of AB 97 was the implementation of the Local Control Funding Formula (“LCFF”), which replaced the revenue limit funding system for determining State apportionments, as well as the majority of categorical program funding. State allocations are now provided on the basis of target base funding grants per unit of ADA (a “Base Grant”) assigned to each of four grade spans. Each Base Grant is subject to certain adjustments and add-ons, as discussed below. During the implementation period of the LCFF, an annual transition adjustment was calculated for each school district, equal to such district’s proportionate share of appropriations included in the State budget to close the gap between the prior-year funding level and the target allocation following full implementation of the LCFF. In each year, school districts had the same proportion of their respective funding gaps closed, with dollar amounts varying depending on the size of a district’s funding gap.

The Base Grants per unit of ADA for each grade span are as follows: (i) \$6,845 for grades K-3; (ii) \$6,947 for grades 4-6; (iii) \$7,154 for grades 7-8; and (iv) \$8,289 for grades 9-12. During the implementation period of the LCFF, Base Grants were required to be adjusted annually for COLAs by applying the implicit price deflator for government goods and services. The provision of COLAs is now subject to appropriation for such adjustment in the annual State budget. The differences among Base Grants are linked to differentials in statewide average revenue limit rates by district type, and are intended to recognize the generally higher costs of education at higher grade levels. See also “—State Budget Measures” for information on the adjusted Base Grants provided by current budgetary legislation.

The Base Grants for grades K-3 and 9-12 are subject to adjustments of 10.4% and 2.6%, respectively, to cover the costs of class size reduction in early grades and the provision of career technical education in high schools. Unless otherwise collectively bargained for, school districts serving students in grades K-3 must maintain an average class enrollment of 24 or fewer students in grades K-3 at each school site in order to continue receiving the adjustment to the K-3 Base Grant. Such school districts must also make progress towards this class size reduction goal in proportion to the growth in their funding over the implementation period. AB 97 also provides additional add-ons to school districts that received categorical block grant funding pursuant to the Targeted Instructional Improvement and Home-to-School Transportation programs during fiscal year 2012-13.

School districts that serve students of limited English proficiency (“EL” students), students from low income families that are eligible for free or reduced priced meals (“LI” students) and foster youth are eligible to receive additional funding grants. Enrollment counts are unduplicated, such that students may not be counted as both EL and LI (foster youth automatically meet the eligibility requirements for free or reduced priced meals, and are therefore not discussed herein separately). AB 97 authorizes a supplemental grant add-on (each, a “Supplemental Grant”) for school districts that serve EL/LI students, equal to 20% of the applicable Base Grant multiplied by such districts’ percentage of unduplicated EL/LI student enrollment. School districts whose EL/LI populations exceed 55% of their total enrollment are eligible for a concentration grant add-on (each, a “Concentration Grant”) equal to 65% of the applicable Base Grant multiplied by the percentage of such district’s unduplicated EL/LI student enrollment in excess of the 55% threshold.

The table on the following page shows a breakdown of the District’s ADA by grade span, total enrollment, and the percentage of EL/LI student enrollment, for fiscal years 2013-14 through 2020-21, together with projections of such figures for fiscal year 2023-24.

**ADA, ENROLLMENT AND EL/LI ENROLLMENT PERCENTAGE**  
**Fiscal Years 2013-14 through 2023-24**  
**Sacramento City Unified School District**

<u>Fiscal Year</u>	<u>Average Daily Attendance<sup>(1)</sup></u>					<u>Enrollment<sup>(2)</sup></u>	
	<u>K-3</u>	<u>4-6</u>	<u>7-8</u>	<u>9-12</u>	<u>Total ADA</u>	<u>Total Enrollment</u>	<u>% of EL/LI Enrollment<sup>(3)</sup></u>
2013-14							
2014-15							
2015-16							
2016-17							
2017-18							
2018-19							
2019-20	12,190	9,171	6,566	10,575	38,201		
2020-21							
2021-22 <sup>(4)</sup>							
2022-23 <sup>(4)</sup>							
2023-24 <sup>(4)</sup>							

Note: ADA figures rounded to the nearest whole number.

- (1) Except for fiscal year 2021-22, reflects as of the second principal reporting period (P-2 ADA), ending on or before the last attendance month prior to April 15 of each school year. An attendance month is equal to each four week period of instruction beginning on the first day of school for a particular school district. For the 2019-20 school year, due to the outbreak of COVID-19, P-2 ADA only reflects full school months from July 1, 2019 through February 29, 2020. See “—Considerations Regarding COVID-19” herein.
- (2) Reflects certified enrollment as of the fall census day (the first Wednesday in October), which is reported to the California Longitudinal Pupil Achievement Data System (“CALPADS”) in each school year and used to calculate each school district’s unduplicated EL/LI student enrollment. Adjustments may be made to the certified EL/LI counts by the California Department of Education. CALPADS figures exclude preschool students.
- (3) For purposes of calculating Supplemental and Concentration Grants, a school district’s fiscal year 2013-14 percentage of unduplicated EL/LI students was expressed solely as a percentage of its total fiscal year 2013-14 total enrollment. For fiscal year 2014-15, the percentage of unduplicated EL/LI enrollment was based on the two-year average of EL/LI enrollment in fiscal years 2013-14 and 2014-15. Beginning in fiscal year 2015-16, a school district’s percentage of unduplicated EL/LI students has been based on a rolling average of such district’s EL/LI enrollment for the then-current fiscal year and the two immediately preceding fiscal years.
- (4) ADA is projected. Based upon the District’s second interim financial report for fiscal year 2021-22, approved on March \_\_, 2022. Funded ADA for fiscal years 2022-23 and 2023-24 assumes COLAs of \_\_% and \_\_%, respectively. See also “—Budgets – Fiscal Year 2021-22 Second Interim Report” herein.

Source: Sacramento City Unified School District.

For certain school districts that would have received greater funding levels under the prior revenue limit system, the LCFF provides for a permanent economic recovery target (“ERT”) add-on, equal to the difference between the revenue limit allocations such districts would have received under the prior system in fiscal year 2020-21, and the target LCFF allocations owed to such districts in the same year. To derive the projected funding levels, the LCFF assumes the discontinuance of deficit revenue limit funding, implementation of a COLAs in fiscal years 2014-15 through 2020-21, and restoration of categorical funding to pre-recession levels. The ERT add-on will be paid incrementally over the implementing period of the LCFF. The District does not qualify for the ERT add-on.

The sum of a school district's adjusted Base, Supplemental and Concentration Grants will be multiplied by such district's P-2 ADA for the current or prior year, whichever is greater (with certain adjustments applicable to small school districts). This funding amount, together with any applicable ERT or categorical block grant add-ons, will yield a district's total LCFF allocation. Generally, the amount of annual State apportionments received by a school district will amount to the difference between such total LCFF allocation and such district's share of applicable local property taxes. Most school districts receive a significant portion of their funding from such State apportionments. As a result, decreases in State revenues may significantly affect appropriations made by the State Legislature to school districts.

Certain schools districts, referred to as "community funded" school district, have allocable local property tax collections that equal or exceed such districts' total LCFF allocation, and result in the receipt of no State apportionment aid. Community funded school districts receive only special categorical funding, which is deemed to satisfy the "basic aid" requirement of \$120 per student per year guaranteed by Article IX, Section 6 of the State Constitution. The implication for community funded districts is that the legislatively determined allocations to school districts, and other politically determined factors, are less significant in determining their primary funding sources. Rather, property tax growth and the local economy are the primary determinants. The District does not currently qualify as a community funded district.

**Accountability.** Regulations adopted by the State Board of Education require that school districts increase or improve services for EL/LI students in proportion to the increase in funds apportioned to such districts on the basis of the number and concentration of such EL/LI students, and detail the conditions under which school districts can use supplemental or concentration funding on a school-wide or district-wide basis.

School districts are also required to adopt local control and accountability plans ("LCAPs") disclosing annual goals for all students, as well as certain numerically significant student subgroups, to be achieved in eight areas of State priority identified by the LCFF. LCAPs may also specify additional local priorities. LCAPs must specify the actions to be taken to achieve each goal, including actions to correct identified deficiencies with regard to areas of State priority. LCAPs covering a three-year period are required to be updated annually. The State Board of Education has adopted a template LCAP for use by school districts.

**Support and Intervention.** AB 97, as amended by SB 91, established a new system of support and intervention to assist school districts meet the performance expectations outlined in their respective LCAPs. School districts must adopt their LCAPs (or annual updates thereto) in tandem with their annual operating budgets, and not later than five days thereafter submit such LCAPs or updates to their respective county superintendent of schools. On or before August 15 of each year, a county superintendent may seek clarification regarding the contents of a district's LCAP (or annual update thereto), and the district is required to respond to such a request within 15 days. Within 15 days of receiving such a response, the county superintendent can submit non-binding recommendations for amending the LCAP or annual update, and such recommendations must be considered by the respective school district at a public hearing within 15 days. A district's LCAP or annual update must be approved by the county superintendent by October 8 of each year if the superintendent determines that (i) the LCAP or annual update adheres to the State template, and (ii) the district's budgeted expenditures are sufficient to implement the actions and strategies outlined in the LCAP.

A school district is required to receive additional support if its respective LCAP or annual update thereto is not approved, if the district requests technical assistance from its respective county superintendent, or if the district does not improve student achievement across more than one State priority for one or more student subgroups. Such support can include a review of a district's strengths and

weaknesses in the eight State priority areas, or the assignment of an academic expert to assist the district identify and implement programs designed to improve outcomes. Assistance may be provided by the California Collaborative for Educational Excellence, a State agency created by the LCFF and charged with assisting school districts achieve the goals set forth in their LCAPs. The State Board of Education has developed rubrics to assess school district performance and the need for support and intervention.

The State Superintendent is further authorized, with the approval of the State Board of Education, to intervene in the management of persistently underperforming school districts. The State Superintendent may intervene directly or assign an academic trustee to act on his or her behalf. In so doing, the State Superintendent is authorized (i) to modify a district's LCAP, (ii) impose budget revisions designed to improve student outcomes, and (iii) stay or rescind actions of the local governing board that would prevent such district from improving student outcomes; provided, however, that the State Superintendent is not authorized to rescind an action required by a local collective bargaining agreement.

***Other State Sources.*** In addition to State allocations determined pursuant to the LCFF, the District receives other State revenues consisting primarily of restricted revenues designed to implement State mandated programs. Beginning in fiscal year 2013-14, categorical spending restrictions associated with a majority of State mandated programs were eliminated, and funding for these programs was folded into the LCFF. Categorical funding for certain programs was excluded from the LCFF, and school districts will continue to receive restricted State revenues to fund these programs.

## **Other Revenue Sources**

***Federal Government and Other Local Revenues.*** The federal government provides funding for several school district programs, including specialized programs such as No Child Left Behind, special education programs, and programs under the Educational Consolidation and Improvement Act. In addition, portions of a school district's budget can come from local sources other than property taxes, including but not limited to interest income, leases and rentals, interagency services, developer fees (as further described herein), foundations, donations and sales of property.

The California lottery is another source of funding for school districts, providing approximately 1% to 3% of a school district's budget. Every school district receives the same amount of lottery funds per pupil from the State; however, these are not categorical funds as they are not for particular programs or children. The initiative authorizing the lottery mandates the funds be used for instructional purposes, and prohibits their use for capital purposes.

**Developer Fees.** The District maintains a fund, separate and apart from its general fund, to account for developer fees assessed by the District on residential and commercial development. Currently, the District levies \$3.36 per square foot for residential housing and \$0.54 per square foot for commercial or industrial development. Developer fee revenue may only be used to construct or modernize school facilities to accommodate growths in enrollment. The following table lists the historical developer fees received by the District from fiscal years 2016-17 through 2020-21, and a projected amount for fiscal year 2021-22. District developer fees contribute to the payment of annual debt service on the District’s outstanding Lease Revenue Bonds (as defined herein). See “SACRAMENTO CITY UNIFIED SCHOOL DISTRICT – District Debt Structure – Lease Revenue Bonds” herein.

**DEVELOPER FEES**  
**Fiscal Years 2016-17 through 2021-22**  
**Sacramento City Unified School District**

<u>Fiscal Year</u>	<u>Developer Fees Collections</u>
2016-17	\$4,496,567.59
2017-18	4,753,306.71
2018-19	2,730,954.39
2019-20	6,208,728.19
2020-21	
2021-22 <sup>(1)</sup>	

<sup>(1)</sup> Projected.

Source: Sacramento City Unified School District.

**Considerations Regarding COVID-19**

An outbreak of disease or similar public health threat, such as the current coronavirus (“COVID-19”) outbreak, or fear of such an event, could have an adverse impact on the District’s financial condition and operating results.

The spread of COVID-19 is having significant negative impacts throughout the world, including in the District. The World Health Organization has declared the COVID-19 outbreak to be a pandemic, and states of emergency have been declared by the State and the United States. The purpose behind these declarations was to coordinate and formalize emergency actions and across federal, State and local governmental agencies, and to proactively prepare for the then-expected wider spread of the virus.

On March 27, 2020 the Coronavirus Aid, Relief, and Economic Security Act (the “CARES Act”) was signed by the President of the United States. The CARES Act appropriated over \$2 trillion to, among other things, (i) provide cash payments to individuals, (ii) expand unemployment assistance and eligibility, (iii) provide emergency grants and loans for small businesses, (iv) provide loans and other assistance to corporations, including the airline industry, (v) provide funding for hospitals and community health centers, (vi) expand funding for safety net programs, including child nutrition programs, and (vii) provide aid to state and local governments. On December 27, 2020, the President of the United States signed the Coronavirus Relief and Response Supplemental Appropriations Act, 2021 (“CRRSA”), which included approximately \$900 billion worth of provisions for additional COVID-related relief, including extension of or additional funding for various relief programs implemented by the CARES Act. The CRRSA provided approximately \$82 billion of COVID-19 related relief for education, including \$54.3 billion for K-12 schools (largely through Title I funding), \$22.7 billion for higher education and \$4 billion for state governors to spend at their discretion. On March 12, 2021, the President signed the American

Rescue Plan Act of 2021 (the “American Rescue Plan”), which provides approximately \$1.9 trillion in federal economic stimulus intended to accelerate the recovery from the COVID-19 pandemic. The American Rescue Plan provides direct payments to individuals, extends unemployment benefits, provides funding to distribute COVID-19 vaccines and provides funding for schools, higher education institutions, state, tribal governments and businesses.

State law allows school districts to apply for a waiver to hold them harmless from the loss of LCFF funding based on attendance and state instructional time penalties when they are forced to close schools due to emergency conditions. In addition, the Governor has enacted Executive Order N-26-20 (“Executive Order N-26-20”), which (i) generally streamlined the process of applying for such waivers for closures related to COVID-19 and (ii) directed school districts to use LCFF apportionment to fund distance learning and high quality educational opportunities, provide school meals and, as practicable, arrange for the supervision of students during school hours.

In response to the COVID-19 pandemic, on March 17, 2020, Senate Bill 89 (“SB 89”) and Senate Bill 117 (“SB 117”) were signed by the Governor, both of which took effect immediately. SB 89 amended the Budget Act of 2019 by appropriating \$500,000,000 from the State general fund for any purpose related to the Governor’s March 4, 2020 emergency proclamation. SB 117, among other things, (i) specified that for school districts that comply with Executive Order N-26-20, the ADA reported to the State Department of Education for the second period and the annual period for apportionment purposes for the 2019-20 school year only includes all full school months from July 1, 2019 through February 29, 2020, (ii) prevented the loss of funding related to an instructional time penalty because of a school closed due to the COVID-19 by deeming the instructional days and minutes requirements to have been met during the period of time the school was closed due to COVID-19, (iii) required a school district to be credited with the ADA it would have received had it been able to operate its After School Education and Safety Program during the time the school was closed due to COVID-19, and (iv) appropriated \$100,000,000 from the State general fund to the State Superintendent to be apportioned to certain local educational agencies for purposes of purchasing personal protective equipment, or paying for supplies and labor related to cleaning school sites. Additionally, the Governor, on March 4, 2021, signed into law Assembly Bill 86 (“AB 86”), urgency legislation which provided approximately \$6.6 billion to accelerate the return of in-person school instruction and expand student support. See also “—State Budget Measures – Assembly Bill 86” herein.

[TO BE REVISED] The District has received, or expects to receive, approximately (i) \$40,438,566 of learning-loss mitigation funding under the CARES Act, (ii) \$15,876,567 of elementary and secondary school emergency relief funding under the CARES Act, (iii) \$68,898,154 under the CRSSA and (iv) \$154,311,760 under the American Rescue Plan.

On March 19, 2020, the Governor ordered all California residents to stay home or at their place of residence to protect the general health and well-being, except as needed to maintain continuity of 16 critical infrastructure sectors described therein (the “Stay Home Order”). The District closed its schools commencing March 12, 2020, and extended this closure through the end of the 2019-20 school year and into the beginning of the 2020-21 school year. During such periods of closure the District implemented distance learning programs for its students.

To date there have been thousands of confirmed cases of COVID-19 in the County, although vaccines and vaccine boosters are currently widely available, no representation can be made as to whether the number of cases will grow. The COVID-19 outbreak resulted in the imposition of restrictions on mass gatherings and widespread temporary closings of businesses, universities and schools (including the District’s schools), as well as supply chain issues as these restrictions and closures have been lifted. The U.S. is restricting certain non-US citizens and permanent residents from entering the country. Stock

markets in the U.S. and globally have been volatile, with significant declines attributed to coronavirus concerns.

On May 4, 2020, the Governor enacted Executive Order N-60-20 (“Executive Order N-60-20”), which directed the State Public Health Officer to establish criteria to determine whether and how particular local jurisdictions may implement public health measures that are less restrictive than statewide directives, as the State transitions from Stage 1 to Stage 2, and then Stage 3 of reopening. The order provided that stages would be phased in gradually, and counties which met readiness criteria and worked with the State Department of Public Health could open more public spaces and workplaces, as outlined by the State, with variances allowed by county. Pursuant to Executive Order N-60-20, local jurisdictions could issue their own public health measures to slow the spread of COVID-19.

On June 29, 2020, Senate Bill 98 (“SB 98”), the education omnibus bill to the 2020-21 State budget, was signed by the Governor, which took effect immediately. SB 98 provided that distance learning could be offered by a school district during the 2020-21 academic year on a local educational agency or schoolwide level as a result of an order or guidance from a State public health officer or a local public health officer or for pupils who are medically fragile or would be put at risk by in-person instruction, or who are self-quarantining because of exposure to COVID-19. SB 98 provided requirements for distance learning, including, but not limited to: (i) confirmation or provision of access for all pupils to connectivity and devices adequate to participate in the educational program and complete assigned work, (ii) content aligned to grade level standards that is provided at a level of quality and intellectual challenge substantially equivalent to in-person instruction, (iii) support for pupils who are not performing at grade level or need support in other areas, (iv) special education services, (v) designated and integrated instruction in English language development for English learners, and (vi) daily live interaction with certificated employees and peers.

On August 28, 2020, the Governor released a revised system of guidelines for reopening – “Blueprint for a Safer Economy” (the “Blueprint”). The Blueprint placed each of the State’s 58 counties into four color-coded tiers - purple, red, orange and yellow - in descending order of severity, based on the number of new daily cases of COVID-19 and the percentage of positive tests. Counties were required to remain in a tier for at least three weeks before advancing to the next one. To move forward, a county was required to meet the next tier’s criteria for two consecutive weeks. If a county’s case rate and positivity rate fell into different tiers, the county remained in the stricter tier. The County was last in the orange tier.

Under the Blueprint, schools could reopen for in-person instruction in accordance with the California Department of Public Health’s “COVID-19 and Reopening In-Person Instruction Framework & Public Health Guidance for K-12 Schools in California, 2020-2021 School Year” (the “Guidelines”). The Guidelines consolidated and updated prior State public health guidance and orders related to schools. Pursuant to the Guidelines, prior to reopening for in-person instruction, all schools were required to complete and post to their website a COVID-19 Safety Plan (“CSP”), and, if in the purple tier, submit the CSP to the local health department and the State Safe Schools for All Team. Schools in the red, orange and yellow tiers could reopen for in-person instruction at all grades. Schools serving grades 7-12 in the purple tier could not reopen for in-person instruction. Schools serving grades K-6 could open for in-person instruction in the purple tier if the adjusted case rate was less than 25 cases per 100,000 of population. Schools had a three-week period to open, starting the day the county met the criterion for reopening, even if the county stops meeting the criterion during that window. If a school opened while the county was in the red, orange, or yellow tier, and the county reverted to the purple tier, or if a school opened while the county was in the purple tier, and the county case rate later exceeded the criteria described above, individual school sites could not be required to close. K-6 schools in the purple tier that

had received a waiver under previous guidance from the State and had subsequently begun their reopening of in-person instruction could also continue to offer in-person instruction.

The District began its 2021-22 academic year on August 23, 2021 with in-person instruction, while also offering an independent study program to qualifying students. The District will continue to evaluate the State's school reopening guidelines and will consult with local health officials and the State's school reopening guidelines in implementing the District's plans for the current and coming academic year.

On December 3, 2020, the California Department of Public Health announced a Regional Stay at Home Order (the "Regional Stay at Home Order"), and a supplemental order, signed December 6, 2020, which divides the State into five regions (Norther California, Bay Area, Greater Sacramento, San Joaquin Valley, and Southern California), which went into effect at 11:59 PM the day after a region was announced to have less than 15% ICU availability. The orders prohibited private gatherings of any size, closed sector operations except for critical infrastructure and retail, and required 100% masking and physical distancing in all others. Guidance related to schools remained in effect and unchanged. Schools that had reopened for in-person instruction may remain open, and schools could continue to bring students back for in-person instruction under the existing elementary school waiver process or cohort guidance provided by the California Department of Public Health. The Regional Stay at Home Order went into effect in the County on December 16, 2020 and was lifted on January 29, 2021.

On June 11, 2021, the Governor issued two executive orders. The first order rescinded several previous executive orders effective June 15, 2021, including the Stay Home Order and the order that led to the establishment of the Blueprint. The second order began the process of winding down the State's COVID 19-related executive orders in several phases: by June 30, 2021 (including most of Order N-26-20); by July 31, 2021; and by September 30, 2021. Under the order's timeline, by September 30, 2021, nearly 90% of the executive actions taken since March 2020 will have been lifted. In addition, on June 11, 2021, the California Department of Public Health issued an order was to take effect on June 15, 2021. The order replaced the previous public health orders, allowing all sectors to return to usual operations, with limited exceptions for events characterized by large crowds (greater than 5,000 attendees indoors and 10,000 attendees outdoors), which will require (indoors) or recommend (outdoors) vaccine verification and/or negative testing through October 1, 2021. Face coverings are required in certain settings, such as on public transit, indoors in schools and childcare settings, and in healthcare settings, as well as, for unvaccinated individuals, in all indoor public settings and businesses. Additionally, Californians are required to follow existing guidance for K-12 schools, childcare programs, and other supervised youth activities. On February 16, 2022, the State-wide mask mandate was lifted for vaccinated individuals in most settings, although masks are still currently being required in schools, and individual counties may still require masks to be worn. The Governor has announced that the mask mandate for schools will be allowed to lapse after March 11, 2022.

Other potential impacts to the District associated with the COVID-19 outbreak include, but are not limited to, increasing costs and challenges relating to establishing distance learning programs or other measures to permit instruction while schools remain closed, disruption of the regional and local economy with corresponding decreases in tax revenues, including property tax revenue, sales tax revenue and other revenues, increases in tax delinquencies, potential declines in property values, and decreases in new home sales, and real estate development. The economic consequences and the volatility in the U.S. and global stock markets resulting from the spread of COVID-19, and responses thereto by local, State, and the federal governments, could have a material impact on the investments in the State pension trusts, which could materially increase the unfunded actuarial accrued liability of the STRS Defined Benefit Program and PERS Schools Pool, which, in turn, could result in material changes to the District's required contribution rates in future fiscal years. See "SACRAMENTO CITY UNIFIED SCHOOL DISTRICT –

Retirement Programs” herein.

The COVID-19 outbreak is ongoing, and the ultimate geographic spread of the virus, the duration and severity of the outbreak, the effectiveness of available vaccines in containing the spread or mutation of the virus, and the economic and other actions that may be taken by governmental authorities to contain the outbreak or to treat its impact are uncertain. Additional information with respect to events surrounding the outbreak of COVID-19 and responses thereto can be found on State and local government websites, including but not limited to: the Governor’s office (<http://www.gov.ca.gov>), California Department of Public Health (<https://covid19.ca.gov/>) and the County Department of Health (<https://dhs.saccounty.gov/PUB/Pages/PUB-Home.aspx>). The District has not incorporated by reference the information on such websites, and the District does not assume any responsibility for the accuracy of the information on such websites.

The ultimate impact of COVID-19 on the District’s operations and finances is unknown. There can be no assurances that the spread of COVID-19, or the responses thereto by local, State, or the federal government, will not materially adversely impact the local, state and national economies or the assessed valuation of property within the District, or adversely impact enrollment or ADA within the District and, notwithstanding SB 117 or the Blueprint, materially adversely impact the financial condition or operations of the District. See also “TAX BASE FOR REPAYMENT OF THE BONDS –Assessed Valuations” herein.

### **State Budget Measures**

*The following information concerning the State’s budgets has been obtained from publicly available information which the District believes to be reliable; however, the District does not guarantee the accuracy or completeness of this information and has not independently verified such information. Furthermore, it should not be inferred from the inclusion of this information herein that the principal of or interest on the Bonds is payable solely from the general fund of the District. The Bonds are payable solely from the proceeds of an ad valorem property tax required to be levied by the County in an amount sufficient for the payment thereof.*

**2021-22 State Budget.** On July 16, 2021, the Governor signed a series of bills representing the State budget for fiscal year 2021-22 (the “2021-22 Budget”). The Governor’s signing followed negotiations between the Governor and the State Legislature regarding the final provisions of the 2021-22 Budget, including the expenditure of a large projected State general fund surplus. The State Legislature passed temporary budgetary legislation in June of 2021 to meet the required constitutional deadline. The following is drawn from the DOF and LAO summaries of the 2021-22 Budget.

The 2021-22 Budget indicates that revenues are up significantly from the forecast included in the Governor’s proposed State budget for fiscal year 2021-22, resulting in a large budgetary surplus. This is a result of strong cash trends, two major federal relief bills since the beginning of 2021, continued stock market appreciation, and a significantly upgraded economic forecast from the prior fiscal year. The 2021-22 Budget also reports that the State has received approximately \$285 billion in federal COVID-19 stimulus funding for State programs. Although the 2021-22 Budget acknowledges that building reserves and paying down debts are critical, the 2021-22 Budget allocates approximately 85% of discretionary funds to one-time spending. The multi-year forecast reflects a budget roughly in balance, although the 2021-22 Budget assumes that risks remain to the economic forecast, including a stock market decline that could reduce State revenues.

For fiscal year 2020-21, the 2021-22 Budget projects total general fund revenues and transfers of \$188.8 billion and authorizes expenditures of \$166.1 billion. The State is projected to end the 2020-21

fiscal year with total reserves of \$39.8 billion, including \$25.1 billion in the traditional general fund reserve, \$12.3 billion in the BSA, \$1.9 billion in the PSSSA and \$450 million in the Safety Net Reserve Fund. For fiscal year 2021-22, the 2021-22 Budget projects total general fund revenues and transfers of \$175.3 billion and authorizes expenditures of \$196.4 billion. The State is projected to end the 2021-22 fiscal year with total reserves of \$25.2 billion, including \$4 billion in the traditional general fund reserve, \$15.8 billion in the BSA, \$4.5 billion in the PSSSA and \$900 million in the Safety Net Reserve Fund. The balance in the PSSSA in fiscal year 2021-22 is projected to trigger school district reserve caps beginning in fiscal year 2022-23. See “CONSTITUTIONAL AND STATUTORY PROVISIONS AFFECTING DISTRICT REVENUES AND APPROPRIATIONS – Proposition 2” herein.

The 2021-22 Budget sets the Proposition 98 minimum funding guarantee for fiscal year 2021-22 at \$93.7 billion. This results in per-pupil funding of \$13,976 from Proposition 98 funding, growing to \$21,555 when accounting for all funding sources. The 2021-22 Budget also makes retroactive increases to the minimum funding guarantee in fiscal years 2019-20 and 2020-21, setting them at \$79.3 billion and \$93.4 billion, respectively. Collectively, this represents a three-year increase in the minimum funding guarantee of \$47 billion from the level projected by the 2020-21 State budget. In addition, Test 1 is projected to be in effect over this three year period.

Other significant features relating to K-12 school district funding include the following:

- *Local Control Funding Formula:* The 2021-22 Budget funds a compounded COLA of 4.05%, representing an adjustment of 2.31% allocable to fiscal year 2020-21 and a fiscal year 2021-22 adjustment of 1.7%. Additionally, to assist local educational agencies address ongoing fiscal pressures, the 2021-22 Budget also includes \$520 million in Proposition 98 funding to provide a 1% increase in LCFF base funding. This discretionary increase, when combined with the compounded COLA, results in a 5.07% growth in LCFF funding over 2020-21 levels. As result, the adjusted Base Grants for fiscal year 2021-22 are as follows: (i) \$8,093 for grades Kindergarten through 3, (ii) \$8,215 for grades 4 through 6, (iii) \$8,458 for grades 7 and 8, and (iv) \$9,802 for grades 9 through 12. To increase the number of adults providing direct services to students on school campuses, the 2021-22 Budget also includes an ongoing increase to the LCFF Concentration Grant of \$1.1 billion, an increase from 50% to 65%. See “DISTRICT FINANCIAL INFORMATION – Considerations Regarding COVID-19” herein. Local educational agencies that are recipients of these funds will be required to demonstrate in their LCAPs how these funds are used to increase the number of certificated and classified staff on their campuses, including school counselors, nurses, teachers, paraprofessionals, custodial staff, and other student support providers.
- *Deferrals:* The State budget for fiscal year 2020-21 deferred approximately \$1.9 billion in K-12 apportionments in fiscal year 2019-20, growing to more than \$11 billion in fiscal year 2020-21. The 2021-22 Budget eliminates in its entirety all K-12 deferrals in fiscal year 2021-22.
- *Universal Transitional Kindergarten:* The 2021-22 Budget includes a series of provisions intended to incrementally establish a universal transitional kindergarten for four-year-old children. Full implementation is expected by fiscal year 2025-26. Local educational agencies will be able to use fiscal year 2021-22 for planning and infrastructure development. The 2021-22 Budget indicates that the costs to the State general fund of the plan are projected to be approximately \$600 million in fiscal year 2022-23, growing to approximately \$2.7 billion in fiscal year 2025-26. The 2021-22 Budget includes \$200 million in one-time Proposition 98 funding for planning and implementation grants for all local educational agencies and \$100 million in one-time Proposition 98 funding to train and increase the

number of early childhood educators. To build on and enhance the quality of the existing transitional kindergarten program, the 2021-22 Budget also proposes new ongoing Proposition 98 funding beginning in fiscal year 2022-23 to provide one additional certificated or classified staff person in each transitional kindergarten classroom, reducing adult-to-child ratios from 1:24 to 1:12.

- *Student Supports:* \$3 billion, available over several years, to expand and strengthen the implementation and use of community school models in communities with high levels of poverty. Community schools typically integrate health, mental health and other services for students and families and provide these services directly on school campuses. In addition, the 2021-22 Budget provides \$547.5 million in one-time Proposition 98 funding to assist high school students, particularly those that are eligible for free and/or reduced priced meals, English learners or foster youth, to graduate having completed certain classes required for admission to the California State University and University of California systems.
- *County Offices of Education:* In recognition of the disproportionate impact of the COVID-19 pandemic on youth in foster care, the 2021-22 Budget provides \$30 million in one-time Proposition 98 funding to county offices of education to work with local partners to coordinate and provide direct services to these students.
- *Expanded Learning Time:* \$1.8 billion of Proposition 98 funding as part of a multi-year plan to implement expanded-day, full-year instruction and enrichment for all elementary school students, with a focus on local educational agencies with the highest concentrations of low-income students, English language learners, and youth in foster care. Pursuant to this plan, all local educational agencies will receive funding for expanded learning opportunities based on their number of low-income students, English language learners, and youth in foster care, with local educational agencies with the highest concentrations of these students receiving a higher funding rate. All local educational agencies will be required to offer expanded learning opportunities to the students generating the funding, with the local educational agencies receiving the higher funding rate required to offer expanded learning opportunities to all students. Students will have access to no-cost after school and summer programs, which when combined with regular instructional time, is expected to provide these students with the opportunity for nine hours of developmentally appropriate academics and enrichment activities per instructional day and for six weeks each summer. Additionally, these programs will be required to maintain adult-to-student ratios of no less than 1:10 for Transitional Kindergarten and Kindergarten students and 1:20 for students in first through sixth grades.
- *Educator Preparation, Retention and Training:* \$2.9 billion to support a variety of initiatives intended to further expand the State's educator preparation and training infrastructure, including meeting the needs of early childhood educators.
- *Nutrition:* \$54 million in additional Proposition 98 funding to reimburse all meals served to students, including those who would not normally qualify for reimbursement under the State's existing meal program. Beginning in fiscal year 2022-23, all public schools will be required to provide two free meals per day to any student who requests one, regardless of income eligibility. Further, all schools eligible for the federal universal meals provision program will be required to apply for it, and the State will cover any remaining unreimbursed costs up to the federal free per-meal rate, at an estimated annual cost of \$650 million in Proposition 98 funding. Additionally, the 2021-22 Budget provides \$150 million in one-time

Proposition 98 funding for school districts to upgrade kitchen infrastructure and equipment, and to provide training to food service employees.

- *Remote Learning:* The 2021-22 Budget requires that all districts return to full-time in-person instruction for the 2021-22 school year. Consistent with all school years prior to fiscal year 2020-21, this mode of instruction will be the default for all students, and generally one of only two ways in which local educational agencies can earn State apportionment funding in fiscal year 2021-22. However, to give families a high-quality option for non-classroom based instruction, and to provide local educational agencies with an option to generate state funding by serving students outside the classroom in response to parent requests, the Budget requires school districts and county offices of education to provide students with an independent study option and includes a series of improvements to the State's existing independent study programs.
- *Special Education:* \$1.7 billion to invest in and improve instruction and services for students with disabilities to provide, among other things, learning recovery support, an increase in the State-wide base funding rate for special education funding, a 4.05% COLA to State special education funding, and early intervention services for preschool-aged children.
- *Career Technical Education (CTE):* An increase of \$150 million in ongoing Proposition 98 funding to augment opportunities for local educational agencies to participate in the CTE Incentive Grant Program. The 2021-22 Budget also provides an increase of \$86.4 million in one-time Proposition 98 funding for CTE regional occupational centers or programs operated by joint powers authorities to address costs associated with the COVID-19 pandemic.

For additional information regarding the 2021-22 Budget, see the DOF and LAO websites at [www.dof.ca.gov](http://www.dof.ca.gov) and [www.lao.ca.gov](http://www.lao.ca.gov). However, the information presented on such websites is not incorporated herein by reference.

**Assembly Bill 86.** On March 4, 2021, the Governor signed into law Assembly Bill 86 ("AB 86"), urgency legislation which provided approximately \$6.6 billion to accelerate the return of in-person school instruction and expand student support. Specifically, AB 86 provided \$2 billion for in-person instruction grants to local educational agencies (with the exception of non-classroom based charter schools and independent study programs) that can be used for, among other things, personal protective equipment, ventilation upgrades and COVID-19 testing. To qualify for the funding, local educational agencies were required to offer in-person instruction for Kindergarten through second grade, and all grade levels for high-needs students, by March 31, 2021, losing 1% of eligible funds for every day thereafter if they did not. Schools in the Blueprint's red, orange or yellow tiers were required to offer in-person instruction to all elementary grades and at least one middle or high school grade or risk losing the same amount of funding. Local educational agencies forfeited eligibility for all funding if they did not resume in-person instruction by May 15, 2021. Funding will be allocated proportionally on the basis of LCFF funding entitlements, determined as of the fiscal year 2020-21 second principal apportionment certification.

The remaining \$4.6 billion was allocated for supplemental instruction and support for social and emotional well-being. Schools will be able to use the funds for, among other things, providing more instructional time (including summer school), tutoring, learning recovery programs, mental health services, access to school meal programs, programs to address pupil trauma and supports for credit-deficient students. Funding will be allocated proportionally on the basis of LCFF funding entitlements, determined as of the fiscal year 2020-21 second principal apportionment certification. Local educational agencies will also receive an additional \$1,000 for each homeless pupil enrolled in the 2020-21 fiscal year.

AB 86 also codified several State programs that support the safe re-opening of schools, including (i) setting aside 10% of available vaccines for education workers, (ii) COVID-19-related data reporting requirements, and (iii) additional funding for the State’s “Safe Schools Team,” which provides technical assistance and oversight to schools that experience COVID-19 outbreaks.

**Proposed 2022-23 State Budget.** On January 10, 2022, the Governor released his proposed State budget for fiscal year 2022-23 (the “Proposed 2022-23 Budget”). The following information is drawn from the DOF and LAO overviews of the Proposed 2022-23 Budget.

The Proposed 2022-23 Budget reports that, since the passage of the prior year’s budgetary legislation, the State’s economy has continued to recover from the recession occasioned by the COVID-19 pandemic. Before accounting for certain required transfers (such as those to the BSA), State revenues are higher than the projections included in the 2021-22 Budget by almost \$28.7 billion over a three-year span from 2020-21 through 2022-23. The Proposed 2022-23 Budget attributes this increase to four main factors: (1) a more robust economic recovery, (2) a greater share of wage gains going to high-wage sectors, (3) a stronger-than-forecast stock market, and (4) higher inflation. The Proposed 2022-23 Budget identifies several risk factors that could affect the current economic and revenue forecasts, including the impact of the COVID-19 Omicron variant or other potential future COVID-19 variants, persistent supply chain issues, increased inflation, stock market volatility and the lack of affordable housing.

For fiscal year 2021-22, the Proposed 2022-23 Budget projects total general fund revenues and transfers of \$196.7 billion and authorizes expenditures of \$210 billion. The State is projected to end the 2021-22 fiscal year with total reserves of \$47.4 billion, including \$20.5 billion in the traditional general fund reserve, \$19.3 billion in the BSA, \$6.7 billion in the PSSSA and \$900 million in the Safety Net Reserve Fund. For fiscal year 2022-23, the Proposed 2022-23 Budget projects total general fund revenues and transfers of \$195.7 billion and authorizes expenditures of \$213 billion. The State is projected to end the 2022-23 fiscal year with total reserves of \$34.6 billion, including \$3.1 billion in the traditional general fund reserve, \$20.9 billion in the BSA, \$9.7 billion in the PSSSA and \$900 million in the Safety Net Reserve Fund. The projected balance in the PSSSA at the conclusion of fiscal year 2021-22 will trigger school district reserve caps in fiscal year 2022-23. See “CONSTITUTIONAL AND STATUTORY PROVISIONS AFFECTING DISTRICT REVENUES AND APPROPRIATIONS – Proposition 2” herein.

The upward revisions of State general fund revenues results in significant increases to the Proposition 98 minimum funding guarantee. Proposition 98 funding for K-14 school districts for fiscal year 2022-23 is set at \$102 billion (including \$73.1 billion from the State general fund and \$28.9 billion from other sources), an increase of \$8.2 billion (or 8.8%) from the level set by the 2021-22 Budget. The Proposed 2022-23 Budget projects that Test 1 will be in effect in fiscal year 2022-23, as it has been in the prior two fiscal years. To accommodate expected enrollment increases related to the expansion of transition kindergarten (as described more fully below), the Proposed 2022-23 Budget would rebench the Test 1 percentage of State revenues allocated to education.

As a result of increased revenues, the Proposed 2022-23 Budget would also make certain retroactive adjustments to the minimum funding guarantee in fiscal years 2020-21 and 2021-22, setting them at \$95.9 billion and \$99.1 billion, respectively. Together with the funding level for fiscal year 2022-23, this represents a three-year increase in the guarantee of \$16.1 billion over the level included in the 2021-22 Budget.

The Proposed 2022-23 Budget would set total funding for K-12 education at \$119 billion, including \$70.5 billion from the State general fund and \$48.5 billion from other sources. K-12 per-pupil

funding would total \$20,855 from all sources, including \$15,261 from Proposition 98 sources. Other significant features relating to K-12 school district funding include the following:

- *Local Control Funding Formula:* The Proposed 2022-23 Budget funds a COLA of 5.33% to LCFF apportionments for K-12 school districts and county offices of education. The Proposed 2022-23 Budget acknowledges that demographic trends which existed prior to the COVID-19 pandemic have been exacerbated over the past two fiscal years. To allow K-12 school districts to adjust to enrollment-related funding declines and minimize the impacts of single-year drops in enrollment, the Proposed Budget would amend the LCFF calculation to consider the greater of a school district's current year, prior year or average of three prior years' ADA. The Proposed 2022-23 Budget also indicates that the administration intends to engage in outreach and discussions with interested parties to explore options for providing declining enrollment protections to charter schools. Ongoing costs associated with these funding changes are estimated to be approximately \$1.2 billion in Proposition 98 funds.
- *Categorical Programs:* An increase of \$295 million in ongoing Proposition 98 funding to provide a 5.33% COLA for categorical programs that remain outside the LCFF.
- *Universal Transitional Kindergarten:* \$639.2 million to expand eligibility for transitional kindergarten to include all children turning five years old between September 2 and February 2, beginning in the 2022-23 fiscal year. These funds will increase the Proposition 98 minimum guarantee through a rebenching process, as described above. Additionally, the Proposed 2022-23 Budget includes \$383 million in Proposition 98 funding to add one additional certificated or classified employee to every transitional kindergarten class, which is expected to reduce student-to-adult ratios to more closely align with the State's preschool program.
- *Literacy:* The Proposed Budget provides a series of measures to provide access to literacy support systems, including (i) \$500 million in one-time Proposition 98 funding for grants to high-needs schools to train and hire literacy coaches and reading specialists, and (ii) \$200 million in one-time Proposition 98 funding to enable local educational agencies to create and expand multi-lingual school or classroom libraries.
- *Educator Preparation, Retention and Training:* \$54.4 million in Proposition 98 funding and other State funds to continue to support a variety of initiatives intended to further expand the State's educator preparation and training infrastructure.
- *Expanded Learning Time:* \$3.4 billion in ongoing Proposition 98 funding to continue funding a multi-year plan to implement expanded-day, full-year instruction and enrichment for all elementary school students. The Proposed 2022-23 Budget also includes \$937 million in one-time Proposition 98 funding to support expanded learning opportunities infrastructure, with a focus on integrating arts and music programming into enrichment opportunities for students.
- *Special Education:* \$500 million to increase in the State-wide base funding rate for special education funding.
- *College and Career Pathways:* \$1.5 billion in one-time Proposition 98 funding, over four years, to support the development of college and career pathways for high schoolers focused on technology (including computer science, green technology and engineering), health care, education and climate-related fields. Additionally, the Proposed 2022-23 Budget includes

\$500 million in one-time Proposition 98 funding, also available over four years, to strengthen and expand student access and participation in dual enrollment opportunities that are also coupled with student advising and support services. These funds are intended to complement \$45 million in higher education funding for pathways and partnerships for STEM, education and health care career preparation.

- *Transportation:* \$1.5 billion in one-time Proposition 98 funding, available over three years, to support school transportation programs with a focus on greening school bus fleets. These funds would include grants of (i) \$500,000 for local educational agencies with high concentrations of low-income, foster youth and English-learning students, and (ii) \$500,000 for local educational agencies to acquire electric school buses and associated infrastructure.
- *Nutrition:* \$596 million in additional Proposition 98 funding to build on prior budgetary legislation to create universal access to subsidized school meals. Additionally, the Proposed 2022-23 Budget provides \$450 million in additional, one-time Proposition 98 funding to upgrade school kitchen infrastructure and equipment to incorporate fresh, minimally-processed, California-grown foods in school meals. Finally, the Proposed 2022-23 Budget provides an additional \$30 million in one-time Proposition 98 funding to support a farm-to-school program which connects local producers and school food buyers, increases food education opportunities at schools, gardens and farms, and engages schools and students with the agricultural community.
- *Facilities:* \$1.4 billion in State general obligation bond funding to support school construction projects. This represents the final installment available to K-12 school districts under Proposition 51. See “CONSTITUTIONAL AND STATUTORY PROVISIONS AFFECTING DISTRICT REVENUES AND APPROPRIATIONS – Proposition 51” herein. The Proposed 2022-23 Budget also provides \$1.3 billion in one-time State general funds in fiscal year 2022-23, and \$925 million of such funds in 2023-24, to support new construction and modernization projects through the State’s school facility program. Finally, the Proposed 2022-23 Budget includes \$30 million in ongoing Proposition 98 funding to support eligible facilities costs for the Charter School Facility Grant Program.

For additional information regarding the Proposed 2022-23 Budget, see the DOF and LAO websites at [www.dof.ca.gov](http://www.dof.ca.gov) and [www.lao.ca.gov](http://www.lao.ca.gov). However, the information presented on such websites is not incorporated herein by reference.

***Future Actions and Events.*** The District cannot predict what additional actions will be taken in the future by the State legislature and the Governor to address changing State revenues and expenditures. The District also cannot predict the impact such actions will have on State revenues available in the current or future years for education. The State budget will be affected by national and State economic conditions and other factors over which the District will have no control. Certain actions or results could produce a significant shortfall of revenue and cash, and could consequently impair the State’s ability to fund schools. The COVID-19 pandemic has already resulted in significant negative economic effects at State and federal levels, and additional negative economic effects are possible, each of which could negatively impact anticipated State revenue levels. In addition, the pandemic could also result in higher State expenditures, of both a direct nature (such as those related to managing the outbreak) and an indirect nature (such as higher public usage of need-based programs resulting from unemployment or disability). See “DISTRICT FINANCIAL INFORMATION – Considerations Regarding COVID-19” herein. State budget shortfalls in future fiscal years may also have an adverse financial impact on the financial condition of the District. However, the obligation to levy *ad valorem*

property taxes upon all taxable property within the District for the payment of principal of and interest on the Bonds would not be impaired.

### **District Budgets and County Oversight**

***State Budgeting Requirements.*** The District is required by provisions of the Education Code to maintain a balanced budget each year, in which the sum of expenditures and the ending fund balance cannot exceed the sum of revenues and the carry-over fund balance from the previous year. The State Department of Education imposes a uniform budgeting and accounting format for school districts. The budget process for school districts was substantially amended by Assembly Bill 1200 (“AB 1200”), which became State law on October 14, 1991. Portions of AB 1200 are summarized below. Additional amendments to the budget process were made by Assembly Bill 2585, effective as of September 9, 2014, including the elimination of the dual budget cycle option for school districts. All school districts must now be on a single budget cycle.

School districts must adopt a budget on or before July 1 of each year. The budget must be submitted to the county superintendent within five days of adoption or by July 1, whichever occurs first. The county superintendent will examine the adopted budget for compliance with the standards and criteria adopted by the State Board of Education and identify technical corrections necessary to bring the budget into compliance, and will determine if the budget allows the district to meet its current obligations, if the budget is consistent with a financial plan that will enable the district to meet its multi-year financial commitments, whether the budget includes the expenditures necessary to implement a local control and accountability plan, and whether the budget’s ending fund balance exceeds the minimum recommended reserve for economic uncertainties.

On or before September 15, the county superintendent will approve, conditionally approve or disapprove the adopted budget for each school district. Budgets will be disapproved if they fail the above standards. The district board must be notified by September 15 of the county superintendent’s recommendations for revision and reasons for the recommendations. The county superintendent may assign a fiscal advisor or appoint a committee to examine and comment on the superintendent’s recommendations. The committee must report its findings no later than September 20. Any recommendations made by the county superintendent must be made available by the district for public inspection. No later than October 22, the county superintendent must notify the State Superintendent of all school districts whose budget may be disapproved.

For districts whose budgets have been disapproved, the district must revise and readopt its budget by October 8, reflecting changes in projected income and expense since July 1, including responding to the county superintendent’s recommendations. The county superintendent must determine if the budget conforms with the standards and criteria applicable to final district budgets and not later than October 8, will approve or disapprove the revised budgets. If the budget is disapproved, the county superintendent will call for the formation of a budget review committee pursuant to Education Code Section 42127.1. No later than October 8, the county superintendent must notify the State Superintendent of all school districts whose budget has been disapproved. Until a district’s budget is approved, the district will operate on the lesser of its proposed budget for the current fiscal year or the last budget adopted and reviewed for the prior fiscal year.

***Interim Financial Reports.*** Under the provisions of AB 1200, each school district is required to file interim certifications with the county office of education as to its ability to meet its financial obligations for the remainder of the then-current fiscal year and, based on current forecasts, for the subsequent fiscal years. The county office of education reviews the certification and issues either a positive, negative or qualified certification. A positive certification is assigned to any school district that

will meet its financial obligations for the current fiscal year and subsequent two fiscal years. A negative certification is assigned to any school district that will be unable to meet its financial obligations for the remainder of the fiscal year or subsequent fiscal year. A qualified certification is assigned to any school district that may not meet its financial obligations for the current fiscal year or two subsequent fiscal years.

For fiscal years 2018-19 through 2019-20, as well as the first interim report for fiscal year 2020-21, the District reported, and the County Office of Education accepted, negative certifications on the interim financial reports submitted for such years. The District reported, and the County Office of Education accepted, qualified certifications on the second interim report for fiscal year 2020-21 and the first interim financial report in fiscal year 2021-22.

For school districts under fiscal distress, the county superintendent is authorized to take a number of actions to ensure that the school district meets its financial obligations, including budget revisions. However, the county superintendent is not authorized to approve any diversion of revenue from *ad valorem* taxes levied to pay debt service on district general obligation bonds. A school district that becomes insolvent, may, upon the approval of a fiscal plan by the county superintendent, request an emergency appropriation from the State, in which case the county superintendent, the Superintendent of Public Instruction and the president of the State board or the president's designee will appoint a trustee at the direction of the county superintendent to serve the school district until it has adequate fiscal systems and controls in place. In connection with appointing such a trustee, some or all of the legislative powers of the governing board of such a school district can be suspended until the district achieve fiscal stability.

The District's current Fiscal Recovery Plan does not project the need for an emergency apportionment in fiscal year 2021-22. The District can make no representation that an emergency apportionment will not be required in future fiscal years.

***Disapproval of Fiscal Year 2018-19 Budget and Initial County Oversight.*** By letter dated August 22, 2018, the County Office of Education disapproved the District's fiscal year 2018-19 adopted budget, citing concerns regarding the District's on-going structural deficit. The County Office of Education disapproved the District's revised budget for that year on October 11, 2018. Pursuant to Education Code Section 42127.6(e), the Sacramento County Superintendent of Schools (the "County Superintendent") was authorized to implement increased oversight procedures, including (i) developing and imposing budget revisions to enable the District to meet its financial obligations, (ii) staying and rescinding any actions by the District determined to be inconsistent with meeting the District's financial obligations, (iii) assist in the development of a multi-year financial plan, (iv) assist in the development of the following fiscal year's budget, and (v) the assignment of a fiscal advisor (the "Fiscal Advisor") to assist the District develop a balanced budget. The District's subsequent adopted budgets for fiscal years 2019-20 and 2020-21 were similarly disapproved, with the County Office of Education citing in each instance ongoing concerns regarding the structural deficit, projected negative ending fund balances, and projected failures to maintain minimum general fund reserves. The Fiscal Advisor continues to be in place, and, as a result of conditionally approving the District's current budget, the County Superintendent continues to be authorized to implement the increased oversight procedures authorized by Education Code 42127.6(e). See "—Conditional Approval of Fiscal Year 2021-22 Budget" below.

***Conditional Approval of Fiscal Year 2021-22 Budget.*** By letter dated September 15, 2021, the County Office of Education conditionally approved the District's adopted budget for Fiscal Year 2021-22 (the "2021-22 District Budget"). The County Office of Education concluded that the 2021-22 District Budget did not provide adequate assurance that the District was a going concern and could meet its future obligations. The County Office of Education noted that the 2021-22 District Budget projected a significant drop in funded ADA in fiscal year 2021-22, as result of the expiration of the hold-harmless provisions instituted by State budgetary legislation in response to the COVID-19 pandemic, with continuing projected

decreases in fiscal years 2022-23 and 2023-24. Coupled with projected increases in ongoing costs, the unrestricted general fund balance was projected to decrease by \$6.7 million in fiscal year 2021-22, and by \$18.2 million and \$24.9 million in fiscal years 2022-23 and 2023-24, respectively. Recognizing that the District required additional time to identify measures to eliminate the structural deficit, the County Office of Education issued a conditional approval in lieu of disapproving the 2021-22 District Budget, with a requirement that the District submit a board-approved financial plan that would enable the District to meet its future obligations, including (i) identifying areas of overstaffing and aligning staffing with enrollment and associated revenues, (ii) identifying areas of significant cost growth and strategies to reduce them, and (iii) identifying additional cost savings to eliminate the structural deficit over the multi-year forecast period. This financial plan was required to be delivered no later than December 15, 2021.

***First Interim Report for Fiscal Year 2021-22 and Fiscal Recovery Plan.*** On December 16, 2021, the District Board approved the 2021-22 First Interim. The 2021-22 First Interim projected District general fund revenues of \$711.3 million (an increase of \$152.1 million from the 2021-22 District Budget) and expenditures of \$715.7 million (an increase of \$125.8 million from the 2021-22 District Budget). In particular, federal revenues increased approximately \$132 million from the prior level, while the most significant increases in expenditures were on books and supplies (an increase of \$48.6 million from the prior level) and other services and operating expenses (an increase of \$51.8 million from the prior level). The 2021-22 First Interim reflected the major assumptions built into the State budget for the current year. See “—State Budget Measures” herein.

The 2021-22 First Interim projected a current-year operating deficit of \$2.35 million. For fiscal years 2022-23 and 2023-24, the 2021-21 First Interim projected deficits of \$19.5 million and \$26.2 million, respectively. The District was projected to satisfy the minimum required general fund reserve level of 2% in all three years. The projected deficits are primarily due to declining enrollment, and funding levels included in the 2021-22 First Interim do not reflect any increased costs from any bargaining unit settlement that the District might reach. See “SACRAMENTO CITY UNIFIED SCHOOL DISTRICT – Bargaining Units” herein.

Concurrently with the 2021-22 First Interim, the District Board approved a revised Fiscal Recovery Plan to address the conditional approval of the current year budget. See “—Conditional Approval of Fiscal Year 2021-22 Budget” herein. The Fiscal Recovery Plan reported that, although an emergency State apportionment is not projected to be required in fiscal year 2021-22, on-going reductions of \$26.2 million would be required in order to balance the District’s budget, meet the minimum required reserve levels and maintain fiscal solvency. The District projects having a positive cash balance through June of 2024, however, due to deficit spending, cash balances are projected to decline. The Fiscal Recovery Plan includes the following proposed revenue and expenditure measures:

1. Approve non-negotiated staffing reductions to align with enrollment declines, as well as shifting certain one-time expenses to restricted sources, which would be effective July 1, 2022 (\$7.9 million in projected savings).
2. Reserve one-time unrestricted general fund savings resulting from unexpended budget categories (\$14.2 million in projected savings).
3. Apply any additional unrestricted general funds provided by the adopted State budget for fiscal year 2022-23 to the deficit, and refrain from allocating any such funds to expenses until the deficit is eliminated.
4. Implement budgetary measures requiring negotiation with the District’s bargaining units, including reducing District contributions to health, visions and dental benefits (approximately

\$43.1 million in projected savings), as well as a 1% salary reduction and eliminating one furlough day.

5. Revisit central office and school site staffing reductions, as needed, to address the deficit (\$14.1 million in projected savings).

No representation can be made that the proposed expenditure reductions and revenues measures in the Fiscal Recovery Plan can be achieved.

***Second Interim Report for Fiscal Year 2021-22.*** The 2021-22 Second Interim was approved by the Board on March 17, 2022 with a “qualified” certification. Generally, the 2021-22 Second Interim reports that the District has made some progress in reducing the District’s structural deficit and no longer has an imminent need for a State loan. This progress resulted from budgetary reductions, strategic use of restricted resources, aligning FTES counts to enrollment and budget monitoring to capture savings when possible.

The 2021-22 Second Interim projects a current-year operating surplus of \$4.3 million, growing to \$10.5 million in fiscal year 2022-23. However, the District is projecting a general fund deficit of \$6.2 million in fiscal year 2023-24, necessitating the need for further budgetary solutions. The District is projected to satisfy the minimum required general fund reserve level of 2% in all three years, as well as the additional 3% reserve required by District Board policies. Finally, the District is projected to have a positive cash balance through June of 2024. The District’s revenue projections are based on the funding levels built into the proposed State budget for fiscal year 2022-23 (see “—State Budget Measures” herein), including the proposal to amend the LCFF calculation to consider the greater of a school district’s current year, prior year or average of three prior years’ ADA. The District, however, can make no representation whether some or any of the Governor’s proposals will be enacted.

Finally, the 2021-22 Second Interim continued to include a matrix showing the progress the District has made in addressing findings made by FCMAT. See “—FCMAT Fiscal Health Risk Analysis” herein. As of the date of the 2021-22 Second Interim, the District had reported that it had addressed 34 of FCMAT’s recommendations, with 26 findings left to be fully addressed.

***Recent Financial Trends.*** The on the next page summarizes the District’s adopted general fund budgets for fiscal years 2018-19 through 2021-22, ending results for fiscal years 2017-18 through 2020-21, and projected results for fiscal year 2021-22.

[REMAINDER OF PAGE LEFT BLANK]

**GENERAL FUND BUDGETING**  
**Fiscal Years 2018-19 through 2021-22**  
**Sacramento City Unified School District**

	<b>Fiscal Year 2018-19</b>		<b>Fiscal Year 2019-20</b>		<b>Fiscal Year 2020-21</b>		<b>Fiscal Year 2021-22</b>	
	<b><u>Budgeted</u><sup>(1)</sup></b>	<b><u>Ending</u><sup>(1)</sup></b>	<b><u>Budgeted</u><sup>(1)</sup></b>	<b><u>Ending</u><sup>(1)</sup></b>	<b><u>Budgeted</u><sup>(1)</sup></b>	<b><u>Ending</u><sup>(1)</sup></b>	<b><u>Budgeted</u><sup>(2)</sup></b>	<b><u>Projected</u><sup>(3)</sup></b>
<b>REVENUES</b>								
LCFF	\$398,504,903	\$398,672,584	\$411,797,231	\$413,709,116	\$412,231,565	\$412,682,736	\$432,750,059	\$436,724,894
Federal	53,970,361	47,850,158	66,583,550	51,917,179	116,834,764	106,543,983	46,193,654	181,366,094
Other state	67,215,792	91,644,448	72,319,786	78,372,218	75,048,088	99,545,932	73,939,718	90,458,354
Other local	<u>6,694,121</u>	<u>11,661,233</u>	<u>9,090,755</u>	<u>9,950,079</u>	<u>9,685,814</u>	<u>7,979,528</u>	<u>6,385,645</u>	<u>8,756,074</u>
<b>Total Revenues</b>	526,385,177	549,828,423	559,791,322	553,948,592	613,800,231	626,752,179	559,269,075	717,305,415
<b>EXPENDITURES</b>								
Current								
Certificates salaries	210,175,812	211,749,238	222,800,621	209,808,827	215,532,888	213,345,658	225,805,852	231,715,946
Classified salaries	66,138,347	63,096,658	62,778,941	60,163,620	58,460,874	62,484,309	61,720,315	66,391,505
Employee benefits	172,109,818	186,303,443	177,606,806	175,948,151	181,174,974	177,007,077	189,329,145	189,585,230
Books and supplies	22,899,370	14,459,073	41,196,691	11,145,790	101,259,537	56,495,308	29,444,199	78,649,370
Contract services and operating expenditures	82,011,585	70,305,279	75,194,802	65,548,240	84,007,765	76,546,897	82,045,873	134,868,159
Other outgo	--	689,233	471,000	1,150,697	1,100,000	1,265,463	1,150,000	1,150,000
Transfers of indirect costs	--	--	--	--	--	--	(1,300,180)	(1,156,139)
Capital outlay	5,328,453	6,855,740	627,792	8,361,223	484,435	4,423,302	1,781,522	13,848,193
Debt service								
Principal retirement	2,626,713	31,643	10,300	2,820	--	--	--	--
Interest	<u>2,378,333</u>	<u>808</u>	--	--	--	--	--	--
<b>Total Expenditures</b>	563,668,431	553,491,115	580,686,953	532,129,368	642,020,473	591,568,014	589,976,725	715,052,263
<b>(Deficiency) excess of revenues (under) over expenditures</b>	(37,283,254)	(3,662,692)	(20,895,631)	21,819,224	(28,220,242)	35,184,165	(30,707,650)	2,253,152
<b>Other financing sources (uses)</b>								
Transfers in	4,208,003	3,850,573	4,022,539	3,598,304	3,798,264	3,181,213	2,316,301	2,291,754
Transfers out	(2,875,207)	(1,719,449)	(1,833,785)	(2,698,262)	(1,981,864)	(5,507,272)	(266,000)	(266,000)
Proceeds from the sale of land/buildings	--	<u>1,360,162</u>	--	--	--	--	--	--
<b>Other Financing Sources (Uses)</b>	1,332,796	3,491,286	2,188,754	900,042	1,816,400	(2,326,059)	2,050,301	2,025,754
<b>Net Change in Fund Balances</b>	(35,950,458)	(171,406)	(18,706,877)	22,719,266	(26,403,842)	32,858,106	(28,657,349)	4,278,906
<b>Fund Balances – July 1</b>	<u>70,500,751</u>	<u>70,500,751</u>	<u>70,329,345</u>	<u>70,329,345</u>	<u>93,048,611</u>	<u>93,048,611</u>	<u>125,906,717</u>	<u>125,906,717</u>
<b>Fund Balances – June 30</b>	<u>\$34,550,293</u>	<u>\$70,329,345</u>	<u>\$51,622,468</u>	<u>\$93,048,611</u>	<u>\$66,644,769</u>	<u>\$125,906,717</u>	<u>\$97,249,369</u>	<u>\$130,185,623</u>

<sup>(1)</sup> From the District's audited financial statements in each fiscal year.

<sup>(2)</sup> Reflects the District's original adopted budget for fiscal year 2021-22, approved on June 24, 2021.

<sup>(3)</sup> From the District's second interim financial report for fiscal year 2021-22, approved on March 17, 2022.

Source: Sacramento City Unified School District.

## **FCMAT Fiscal Health Risk Analysis**

Following the disapproval of its 2018-19 budget, in September 2018 the District entered into an agreement for FCMAT to conduct a fiscal health risk analysis (the “FHRA”) of the District. The FRHA is a metrics-based scorecard tool developed by FCMAT to evaluate a school district’s fiscal health and risk of insolvency, and is composed of a series of questions in 20 specific areas. The FRHA assigns a total score to the participating district, with 100% being the highest total risk that can be scored. Not all questions within each section carry equal weight; some areas carry a higher risk and are weighted more heavily towards the total score. The District’s FHRA also involved a one-day visit by FCMAT to conduct interviews, collect data and review documents. FCMAT issued a report of its conclusions (the “FCMAT Risk Analysis”) dated December 12, 2018.

The District’s total FRHA score was 44.8%, indicating a high probability of fiscal insolvency in the near future based on the topics covered by the FCMAT Risk Analysis. FCMAT recommended that the District take immediate action to avoid further erosion of the District’s reserves. FCMAT identified several signs of fiscal distress for the District, including deficit spending, substantial reductions in fund balance, inadequate reserve levels, approval of a bargaining agreement beyond cost-of-living adjustments, large increases in contributions to restricted programs (especially in special education), lack of a strong position control system, and leadership issues.

The full FCMAT Risk Analysis is available at <http://www.fcmat.org/>, however the information presented on such website is not incorporated herein by any reference. In response to the FCMAT Risk Analysis, the District established its Fiscal Transparency and Accountability Committee to review the District’s budget based on District priorities and goals, review and advise on budget versus actual expenditure variances, and evaluate the budget based on student performance and outcome indicators. This committee consists of three members of the Board and began meeting regularly in February 2019.

Although FCMAT’s oversight and review of the District ended after the Fiscal Risk Analysis was presented to the Board, the District and FCMAT entered into an agreement for FCMAT to review the District’s budget and develop independent multiyear financial projections and cash flow analysis for 2019-20 and the two subsequent fiscal years, to determine whether the District will need an emergency appropriation from the State. FCMAT issued a set of recommendations to the District and found that, without substantial corrective action to the District budget, an emergency appropriation from the State would be likely necessary in fiscal year 2021-22. The District does not project the need for such an emergency appropriation in the current fiscal year. The District’s interim financial reports include a matrix showing the District’s self-reported progress in addressing findings made by FCMAT. See “— District Budgets and County Oversight – *First Interim Report for Fiscal Year 2021-22 and Fiscal Recovery Plan*” herein.

## **State Audit**

The California Joint Legislative Audit Committee directed that a California State Auditor conduct a performance audit (the “State Audit”) of the District’s finances for the fiscal year period of 2013-14 through 2019-20 and identify causes of the District’s fiscal distress. The State Audit was released in December 2019, finding that the District failed to take sufficient action to control its costs in three main areas—teacher salaries, employee benefits, and special education. The State Audit found that the District (i) increased its spending by \$31 million annually when it approved a new labor contract with its teachers union in 2017, despite warnings from the County Office of Education that this agreement was potentially unaffordable, (ii) failed to control the costs of its employee benefits, which increased by 52% from fiscal years 2013–14 through 2017–18, and (iii) lacked clear policies to guide staff on appropriate expenditures for special education, limiting its ability to control such costs.

To address the District's fiscal issues as of December 2019, the State Audit recommended that the District (i) adopt a detailed plan to resolve its fiscal crisis, (ii) revise its multiyear projections, with at least quarterly updates, until sufficient budgetary measures could be implemented to eliminate the structure deficit, (iii) adopt a multiyear projection methodology, with assumptions and rationale used to estimate changes in salaries, benefits, contributions, and LCFF revenue, and (iv) before it imposes an agreement on its teachers union or accepts state assistance, publicly disclose the likely effects that such actions will have on the District's students, faculty, and the community, and its plans to address these effects. The State Audit also recommended that the District (i) develop a long-term funding plan to address its retiree health benefits liability, (ii) adopt a policy that guides staff on steps they should take to ensure that special education expenditures are cost-effective, (iii) annually apply for available state funding for its extraordinary special education costs, (iv) develop and adopt a succession plan that ensures that it has staff who have the training and knowledge necessary to assume critical roles in the case of turnover, and (v) develop effective employee orientation programs, including mentorship.

By letter dated November 14, 2019, the District responded to the State Audit and confirmed that its findings ultimately align with those of the District, namely that the primary solutions to the District's budget imbalance exist through negotiations with its labor partners and recognized that such relationship has not been productive or collaborative for a number of years.

The full State Audit is available at <https://www.bsa.ca.gov/pdfs/reports/2019-108.pdf>, however the information presented on such website is not incorporated herein by any reference.

### **Accounting Practices**

The accounting policies of the District conform to generally accepted accounting principles and are in accordance with the policies and procedures of the California School Accounting Manual. This manual, according to Education Code Section 4010, is to be followed by all California school districts.

Revenue is recorded on an accrual basis except for taxes allocable to the District, which are considered revenue in the year collections are made and, therefore, are fully reserved. Expenditures are recorded according to receipt of goods and services on an accrual basis. Differences between estimated and actual accounts receivable and payable, as of the beginning of the year, are reflected as adjustments to the fund balance.

### **Financial Statements**

The District's general fund finances the legally authorized activities of the District for which restricted funds are not provided. General fund revenues are derived from such sources as State school fund apportionments, taxes, use of money and property, and aid from other governmental agencies. Audited financial statements for the District for the fiscal year ended June 30, 2021, and prior fiscal years are on file with the District and available for public inspection at the Office of the Chief Business and Operations Officer, 5735 47th Avenue, Sacramento, California 95824, telephone: (916) 643-4700.

The table on the following page summarizes the District's audited statement of revenues, expenditures and fund balances for fiscal years 2016-17 through 2020-21.

**STATEMENT OF GENERAL FUND REVENUES,  
EXPENDITURES AND FUND BALANCES  
Fiscal Years 2016-17 through 2020-21  
Sacramento City Unified School District**

	<u>Fiscal Year 2016-17</u>	<u>Fiscal Year 2017-18</u>	<u>Fiscal Year 2018-19</u>	<u>Fiscal Year 2019-20</u>	<u>Fiscal Year 2020-21</u>
<b>REVENUES</b>					
Local Control Funding Formula (LCFF)					
State apportionment	\$283,664,516	\$287,546,461	\$307,178,947	\$313,649,770	\$307,220,871
Local sources	<u>79,238,343</u>	<u>85,807,376</u>	<u>91,493,637</u>	<u>100,059,346</u>	<u>105,461,865</u>
Total LCFF	362,902,859	373,353,837	398,672,584	413,709,116	412,682,736
Federal	41,219,643	49,249,342	47,850,158	51,917,179	106,543,983
Other state	83,134,267	70,050,430	91,644,448	78,372,218	99,545,932
Other local	<u>10,843,677</u>	<u>11,881,019</u>	<u>11,661,233</u>	<u>9,950,079</u>	<u>7,979,528</u>
<b>Total Revenues</b>	498,100,446	504,534,628	549,828,423	553,948,592	626,752,179
<b>EXPENDITURES</b>					
Current					
Certificates salaries	192,501,260	196,143,370	211,749,238	209,808,827	213,345,658
Classified salaries	58,343,622	63,562,086	63,096,658	60,163,620	62,484,309
Employee benefits	141,343,139	160,839,811	186,303,443	175,948,151	177,007,077
Books and supplies	12,897,800	19,147,391	14,459,073	11,145,790	56,495,308
Contract services and operating expenditures	87,290,180	71,049,494	70,305,279	65,548,240	76,546,897
Other outgo	216,459	659,827	689,233	1,150,697	1,265,463
Capital outlay	23,010,286	2,202,829	6,855,740	8,361,223	4,423,302
Debt service					
Principal retirement	65,426	2,218,576	31,643	2,820	--
Interest	<u>2,785</u>	<u>2,185,174</u>	<u>808</u>	--	--
<b>Total Expenditures</b>	515,670,957	518,008,558	553,491,115	532,129,368	591,568,014
<b>(Deficiency) excess of revenues (under) over expenditures</b>	(17,570,511)	(13,473,930)	(3,662,692)	21,819,224	35,184,165
<b>Other financing sources (uses)</b>					
Transfers in	3,126,985	3,755,901	3,850,573	3,598,304	3,181,213
Transfers out	(2,022,282)	(1,248,027)	(1,719,449)	(2,698,262)	(5,507,272)
Proceeds from the sale of land/buildings	--	--	<u>1,360,162</u>	--	--
<b>Other Financing Sources (Uses)</b>	1,104,703	2,507,874	3,491,286	900,042	(2,326,059)
<b>Net Change in Fund Balances</b>	(16,465,808)	(10,966,056)	(171,406)	22,719,266	32,858,106
<b>Fund Balances – July 1</b>	<u>97,932,615</u>	<u>81,466,807</u>	<u>70,500,751</u>	<u>70,329,345</u>	<u>93,048,611</u>
<b>Fund Balances – June 30</b>	<u>\$81,466,807</u>	<u>\$70,500,751</u>	<u>\$70,329,345</u>	<u>\$93,048,611</u>	<u>\$125,906,717</u>

Source: Sacramento City Unified School District.

**SACRAMENTO CITY UNIFIED SCHOOL DISTRICT**

*The information in this section concerning the operations of the District and the District’s finances are provided as supplementary information only, and it should not be inferred from the inclusion of this information in this Official Statement that the principal of and interest on the Bonds is payable from the general fund of the District. The Bonds are payable only from the revenues generated by an ad valorem property tax levied by the County for the payment thereof. See “THE BONDS – Security and Sources of Payment” herein.*

**Introduction**

The District is located in the County and spans 70 square miles. The District was established in 1854 and is the 13th largest school district in the State, as measured by student enrollment. The District provides educational services to approximately 350,000 residents in and around the City. The District operates 42 elementary schools for grades K-6, seven K-8 schools, six middle schools for grades seven through eight, two middle/high schools for grades seven through twelve, seven comprehensive high schools for grades nine through twelve, three alternative schools, two special education centers, two adult education centers, 15 charter schools (including five dependent charter schools) and 42 children’s centers/preschools. For fiscal year 2021-22, the District’s funded ADA is projected to be \_\_\_\_\_ students and enrollment is projected to be \_\_\_ students. Taxable property within the District has a fiscal year 2021-22 total assessed valuation of \$42,389,941,073. The District’s actual ADA and enrollment, and the assessed valuation of taxable property within the District, may be affected by the ongoing COVID-19 pandemic. See “DISTRICT FINANCIAL INFORMATION – Considerations Regarding COVID-19” herein.

Unless otherwise indicated, the following financial, statistical and demographic data has been provided by the District. Additional information concerning the district and copies of the most recent and subsequent audited financial reports of the District may be obtained by contacting: Sacramento City Unified School District, 5735 47th Avenue, Sacramento, California 95824, Attention: Chief Business & Operations Officer.

**Administration**

The District is governed by a seven-member Board of Education, the members of which are elected by trustee areas to serve four-year terms. Elections for positions to the Board are held every two years, alternating between three and four available positions. Current members of the Board, together with their offices and the date each member’s term expires, are listed below:

**BOARD OF EDUCATION  
Sacramento City Unified School District**

<u>Board Member</u>	<u>Office</u>	<u>Term Expires</u>
Christina Pritchett	President	December, 2024
Leticia Garcia	First Vice President	December, 2022
Chinua Rhodes	Second Vice President	December, 2024
Lisa Murawski	Member	December, 2022
Lavinia Grace Phillips	Member	December, 2024
Jamee Villa	Member	December, 2024
Darrel Woo	Member	December, 2022

Day-to-day management and supervisory responsibilities with respect to District operations currently rest with the Superintendent. Brief biographies of the Superintendent, the Deputy Superintendent and the Chief Business Official follow:

***Jorge A. Aguilar, Esq., Superintendent.*** Mr. Aguilar was appointed Superintendent of the District on July 1, 2017. Prior to serving as Superintendent, Mr. Aguilar served as the Associate Superintendent for Equity and Access at Fresno Unified School District. Mr. Aguilar also previously served as the Association Vice Chancellor for Educational and Community Partnerships, and Special Assistant to the Chancellor, at the University of California, Merced. His other prior positions include serving as a Spanish teacher at Los Angeles Unified School District and as a legislative fellow at the State capital. Mr. Aguilar has over 20 years of experience in education. He earned his Bachelor of Arts degree from the University of California, Berkeley, and a Juris Doctorate degree from Loyola Law School.

***Lisa Allen, Deputy Superintendent.*** Ms. Allen has served as the Deputy Superintendent of the District since 2017. Prior to serving as the Deputy Superintendent, Ms. Allen held various positions within the District, including the Interim Chief of Schools, Assistant Superintendent of Accountability, Administrator of Curriculum and Professional Development, and Director of Multilingual/Multicultural, Equity, Access and Achievement. Prior to serving the District, Ms. Allen held the position of Private School Specialist in both State and Federal Department for 10 years. Ms. Allen earned a Bachelor of Science in Elementary Education from Indiana State University and her Masters of Art in Educational Leadership from California State University, Sacramento. She also holds professional licenses in both Indiana and California; a Professional Clear Administrative Credential and Professional Clear Multiple Subjects Teaching Credential.

***Rose Ramos, Chief Business and Operations Officer.*** Ms. Ramos has served as the Chief Business and Operations Officer of the District since September, 2019. Prior to the District, Ms. Ramos served as the Chief Business Officer of Mt. Diablo Unified School District. She previously served as the Vice-Chancellor of Finance for Los Rios Community College District, Assistant Superintendent of Business Services for Woodland Joint Unified School District and Chief Business Officer of River Delta Unified School District. She also previously served the District as the Director of Accounting. Ms. Ramos earned both her Bachelor of Science in Finance Degree and her Master of Business Administration Degree from California State University at Sacramento.

In the past, District leadership, staffing and turnover have been identified as potential weaknesses by both FCMAT and the State Auditor. See “DISTRICT FINANCIAL INFORMATION – FCMAT Fiscal Health Risks Analysis” and “DISTRICT FINANCIAL INFORMATION – State Audit.” The ability of the District to continue to reform past deficiencies and implement corrective actions will require both the ongoing commitment of the senior staff, as well as their ability to execute such corrective actions. No assurances can be given that the corrective actions described herein will be extended by any subsequent administrative team. Nor can any assurances be given that the District's current administrators will remain in their positions for any certain period of time. To the extent turnover occurs in senior level positions, no assurance can be given that any progress made in the District's fiscal recovery can be sustained.

## Labor Relations

The District currently employs \_\_\_ full-time equivalent (“FTE”) certificated employees and \_\_\_ FTE classified employees, as well as \_\_\_ management employees. District employees, except management and some part-time employees, are represented by two bargaining units as noted below.

### BARGAINING UNITS Sacramento City Unified School District

<u>Labor Organization</u>	<u>Contract Expiration Date</u>
Sacramento City Teachers Association <sup>(1)</sup>	June 30, 2020
Teamsters Classified Supervisor <sup>(2)</sup>	June 30, 2020
United Professional Educators <sup>(3)</sup>	June 30, 2019
Teamsters Union, Local 150 <sup>(4)</sup>	June 30, 2020
Service Employee International Union, Local 1021 <sup>(5)</sup>	June 30, 2017

<sup>(1)</sup> Represents certificated instructional employees. [Contract status to come].

<sup>(2)</sup> Represents certain classified employees. [Contract status to come].

<sup>(3)</sup> Represents certain District employees, including school site principals, assistant principals and coordinators. [Contract status to come].

<sup>(4)</sup> Represents food process workers, warehouseman and assistants. [Contract status to come].

<sup>(5)</sup> Represents certain service employees. [Contract status to come].

*Source: Sacramento City Unified School District.*

[TO BE UPDATED]. Currently, four out of five District labor unions have initiated contract negotiations with the District and formed a labor-management consortium (“LMC”) focused on reducing spending on benefits. The LMC is comprised of Service Employee International Union, Local 1021, United Professional Educators, Teamsters Local 150 and Teamsters Classified Supervisor. The Sacramento City Teachers Association has not yet accepted the invitation to join the LMC.

## Retirement Programs

*The information set forth below regarding the STRS and PERS programs, other than the information provided by the District regarding its annual contributions thereto, has been obtained from publicly available sources which are believed to be reliable but are not guaranteed as to accuracy or completeness, and should not to be construed as a representation by either the District or the Underwriter[s].*

**STRS.** All full-time certificated employees, as well as certain classified employees, are members of the California State Teachers' Retirement System ("STRS"). STRS provides retirement, disability and survivor benefits to plan members and beneficiaries under a defined benefit program (the "STRS Defined Benefit Program"). The STRS Defined Benefit Program is funded through a combination of investment earnings and statutorily set contributions from three sources: employees, employers, and the State. Benefit provisions and contribution amounts are established by State statutes, as legislatively amended from time to time.

Prior to fiscal year 2014-15, and unlike typical defined benefit programs, none of the employee, employer nor State contribution rates to the STRS Defined Benefit Program varied annually to make up funding shortfalls or assess credits for actuarial surpluses. In recent years, the combined employer, employee and State contributions to the STRS Defined Benefit Program have not been sufficient to pay actuarially required amounts. As a result, and due to significant investment losses, the unfunded actuarial liability of the STRS Defined Benefit Program has increased significantly in recent fiscal years. In September 2013, STRS projected that the STRS Defined Benefit Program would be depleted in 31 years assuming existing contribution rates continued, and other significant actuarial assumptions were realized. In an effort to reduce the unfunded actuarial liability of the STRS Defined Benefit Program, the State passed the legislation described below to increase contribution rates.

Prior to July 1, 2014, K-14 school districts were required by such statutes to contribute 8.25% of eligible salary expenditures, while participants contributed 8% of their respective salaries. On June 24, 2014, the Governor signed AB 1469 ("AB 1469") into law as a part of the State's fiscal year 2014-15 budget. AB 1469 seeks to fully fund the unfunded actuarial obligation with respect to service credited to members of the STRS Defined Benefit Program before July 1, 2014 (the "2014 Liability"), within 32 years, by increasing member, K-14 school district and State contributions to STRS. Commencing July 1, 2014, the employee contribution rate increased over a three-year phase-in period in accordance with the following schedule:

### MEMBER CONTRIBUTION RATES STRS (Defined Benefit Program)

<u>Effective Date</u>	<u>STRS Members Hired Prior to January 1, 2013</u>	<u>STRS Members Hired After January 1, 2013</u>
July 1, 2014	8.150%	8.150%
July 1, 2015	9.200	8.560
July 1, 2016	10.250	9.205

*Source: AB 1469.*

Pursuant to the Reform Act (defined below), the contribution rates for members hired after the Implementation Date (defined below) will be adjusted if the normal cost increases by more than 1% since the last time the member contribution was set. The contribution rate for employees hired after the Implementation Date (defined below) increased from 9.205% of creditable compensation for fiscal year commencing July 1, 2017 to 10.205% of creditable compensation effective July 1, 2018. For fiscal year

commencing July 1, 2021, the contribution rate is 10.250% for employees hired before the Implementation Date and 10.205% for employees hired after the Implementation Date, which remain unchanged the past two fiscal years.

Pursuant to AB 1469, K-14 school districts’ contribution rate increased over a seven-year phase-in period in accordance with the following schedule:

**K-14 SCHOOL DISTRICT CONTRIBUTION RATES  
STRS (Defined Benefit Program)**

<u>Effective Date</u>	<u>K-14 school districts</u>
July 1, 2014	8.88%
July 1, 2015	10.73
July 1, 2016	12.58
July 1, 2017	14.43
July 1, 2018	16.28
July 1, 2019	18.13
July 1, 2020	19.10

*Source: AB 1469.*

Based upon the recommendation from its actuary, for fiscal year 2021-22 and each fiscal year thereafter the STRS Teachers’ Retirement Board (the “STRS Board”), is required to increase or decrease the K-14 school districts’ contribution rate to reflect the contribution required to eliminate the remaining 2014 Liability by June 30, 2046; provided that the rate cannot change in any fiscal year by more than 1% of creditable compensation upon which members’ contributions to the STRS Defined Benefit Program are based; and provided further that such contribution rate cannot exceed a maximum of 20.25%. In addition to the increased contribution rates discussed above, AB 1469 also requires the STRS Board to report to the State Legislature every five years (commencing with a report due on or before July 1, 2019) on the fiscal health of the STRS Defined Benefit Program and the unfunded actuarial obligation with respect to service credited to members of that program before July 1, 2014. The reports are also required to identify adjustments required in contribution rates for K-14 school districts and the State in order to eliminate the 2014 Liability.

On June 27, 2019, the Governor signed SB 90 (“SB 90”) into law as a part of the 2019-20 Budget. Pursuant to SB 90, the State Legislature appropriated \$2.246 billion to be transferred to the Teacher’s Retirement Fund for the STRS Defined Benefit Program to pay in advance, on behalf of employers, part of the contributions required for fiscal years 2019-20 and 2020-21, resulting in K-14 school districts having to contribute 1.03% less in fiscal year 2019-20 and 0.70% less in fiscal year 2020-21, resulting in employer contribution rates of 17.1% in fiscal year 2019-20 and 18.4% in fiscal year 2020-21. In addition, the State made a contribution of \$1.117 billion to be allocated to reduce the employer’s share of the unfunded actuarial obligation determined by the STRS Board upon recommendation from its actuary. This additional payment was reflected in the June 30, 2020 actuarial valuation. Subsequently, the State’s 2020-21 Budget redirected \$2.3 billion previously appropriated to STRS and PERS pursuant to SB 90 for long-term unfunded liabilities to further reduce the employer contribution rates in fiscal year 2020-21 and 2021-22. As a result, the effective employer contribution rate was 16.15% in fiscal year 2020-21 and is 16.92% in fiscal year 2021-22. See also “DISTRICT FINANCIAL INFORMATION – State Budget Measures” herein.

The District’s contributions to STRS were \$ \_\_\_\_\_ in fiscal year 2016-17, \$ \_\_\_\_\_ for fiscal year 2017-18, \$ \_\_\_\_\_ in fiscal year 2018-19, \$ \_\_\_\_\_ in fiscal year 2019-20, and \$ \_\_\_\_\_ in fiscal year

2020-21. The District has currently projects \$ \_\_\_\_\_ for its contribution to STRS for fiscal year 2021-22.

The State also contributes to STRS, currently in an amount equal to 8.328% for fiscal year 2021-22. The State’s contribution reflects a base contribution rate of 2.017%, and a supplemental contribution rate that will vary from year to year based on statutory criteria. Based upon the recommendation from its actuary, for fiscal year 2017-18 and each fiscal year thereafter, the STRS Board is required, with certain limitations, to increase or decrease the State’s contribution rates to reflect the contribution required to eliminate the unfunded actuarial accrued liability attributed to benefits in effect before July 1, 1990. The STRS Board approved State supplemental contribution rate for fiscal year 2021-22 reflects an increase of 0.5% of payroll, the maximum allowed under current law.

In addition, the State is currently required to make an annual general fund contribution up to 2.5% of the fiscal year covered STRS member payroll to the Supplemental Benefit Protection Account (the “SBPA”), which was established by statute to provide supplemental payments to beneficiaries whose purchasing power has fallen below 85% of the purchasing power of their initial allowance.

**PERS.** Classified employees working four or more hours per day are members of the California Public Employees’ Retirement System (“PERS”). PERS provides retirement and disability benefits, annual cost-of-living adjustments, and death benefits to plan members and beneficiaries. Benefit provisions are established by the State statutes, as legislatively amended from time to time. PERS operates a number of retirement plans including the Public Employees Retirement Fund (“PERF”). PERF is a multiple-employer defined benefit retirement plan. In addition to the State, employer participants at June 30, 2021 included 1,608 public agencies and 1,329 K-14 school districts and charter schools. PERS acts as the common investment and administrative agent for the member agencies. The State and K-14 school districts (for “classified employees,” which generally consist of school employees other than teachers) are required by law to participate in PERF. Employees participating in PERF generally become fully vested in their retirement benefits earned to date after five years of credited service. One of the plans operated by PERS is for K-14 school districts throughout the State (the “Schools Pool”).

Contributions by employers to the Schools Pool are based upon an actuarial rate determined annually and contributions by plan members vary based upon their date of hire. Pursuant to SB 90, the State Legislature appropriated \$904 million to the Schools Pool, including transfers in fiscal years 2019-20 and 2020-21 to the Public Employees Retirement Fund to pay, in advance on behalf of K-14 school district employers, part of the contributions required for K-14 school district employers for such fiscal years, as well as additional amounts to be applied toward certain unfunded liabilities for K-14 school district employers. In June 2020, SB 90 was amended by Assembly Bill 84/Senate Bill 111 (“AB 84”). Under AB 84, \$144 million of the State contribution under SB 90 was deemed to satisfy a portion of the State’s required contribution in fiscal year 2019-20, and the amounts previously allocated toward future liabilities were redirected such that, \$430 million will satisfy a portion of the employer contribution rate in fiscal year 2020-21, and \$330 million will satisfy a portion of the employer contribution rate in fiscal year 2021-22. As a result of the payments made by the State pursuant to SB 90, as amended by AB 84, the employer contribution rate was 19.721% for fiscal year 2019-20, 20.7% in fiscal year 2020-21, and 22.91% for fiscal year 2021-22. See also “DISTRICT FINANCIAL INFORMATION – State Budget Measures” herein.. Participants enrolled in PERS prior to January 1, 2013 contribute at a rate established by statute, which is 7% of their respective salaries in fiscal year 2021-22, while participants enrolled after January 1, 2013 contribute at an actuarially determined rate, which is 7% in fiscal year 2021-22. See “— California Public Employees’ Pension Reform Act of 2013” herein.

The District’s contributions to PERS were \$ \_\_\_\_\_ in fiscal year 2016-17, \$ \_\_\_\_\_ for fiscal year 2017-18, \$ \_\_\_\_\_ in fiscal year 2018-19, \$ \_\_\_\_\_ in fiscal year 2019-20, and \$ \_\_\_\_\_ in fiscal year

2020-21. The District has currently projects \$ \_\_\_\_\_ for its contribution to PERS for fiscal year 2021-22.

***State Pension Trusts.*** Each of STRS and PERS issues a separate comprehensive financial report that includes financial statements and required supplemental information. Copies of such financial reports may be obtained from each of STRS and PERS as follows: (i) STRS, P.O. Box 15275, Sacramento, California 95851-0275; (ii) PERS, P.O. Box 942703, Sacramento, California 94229-2703. Moreover, each of STRS and PERS maintains a website, as follows: (i) STRS: [www.calstrs.com](http://www.calstrs.com); (ii) PERS: [www.calpers.ca.gov](http://www.calpers.ca.gov). However, the information presented in such financial reports or on such websites is not incorporated into this Official Statement by any reference.

Both STRS and PERS have substantial statewide unfunded liabilities. The amount of these unfunded liabilities will vary depending on actuarial assumptions, returns on investments, salary scales and participant contributions. The following table summarizes information regarding the actuarially-determined accrued liability for both STRS and PERS. Actuarial assessments are “forward-looking” information that reflect the judgment of the fiduciaries of the pension plans, and are based upon a variety of assumptions, one or more of which may not materialize or be changed in the future. Actuarial assessments will change with the future experience of the pension plans.

[REMAINDER OF PAGE LEFT BLANK]

**FUNDED STATUS**  
**STRS (Defined Benefit Program) and PERS (Schools Pool)**  
**(Dollar Amounts in Millions) <sup>(1)</sup>**  
**Fiscal Years 2010-11 through 2019-20**

<u>STRS</u>					
<u>Fiscal Year</u>	<u>Accrued Liability</u>	<u>Value of Trust Assets (MVA)<sup>(2)</sup></u>	<u>Unfunded Liability (MVA)<sup>(2)</sup></u>	<u>Value of Trust Assets (AVA)<sup>(3)</sup></u>	<u>Unfunded Liability (AVA)<sup>(3)</sup></u>
2010-11	\$208,405	\$147,140	\$68,365	\$143,930	\$64,475
2011-12	215,189	143,118	80,354	144,232	70,957
2012-13	222,281	157,176	74,374	148,614	73,667
2013-14	231,213	179,749	61,807	158,495	72,718
2014-15	241,753	180,633	72,626	165,553	76,200
2015-16	266,704	177,914	101,586	169,976	96,728
2016-17	286,950	197,718	103,468	179,689	107,261
2017-18	297,603	211,367	101,992	190,451	107,152
2018-19	310,719	225,466	102,636	205,016	105,703
2019-20	322,127	233,253	107,999	216,252	105,875

<u>PERS</u>					
<u>Fiscal Year</u>	<u>Accrued Liability</u>	<u>Value of Trust Assets (MVA)</u>	<u>Unfunded Liability (MVA)</u>	<u>Value of Trust Assets (AVA)<sup>(3)</sup></u>	<u>Unfunded Liability (AVA)<sup>(3)</sup></u>
2010-11	\$58,358	\$45,901	\$12,457	\$51,547	\$6,811
2011-12	59,439	44,854	14,585	53,791	5,648
2012-13	61,487	49,482	12,005	56,250	5,237
2013-14	65,600	56,838	8,761	-- <sup>(4)</sup>	-- <sup>(4)</sup>
2014-15	73,325	56,814	16,511	-- <sup>(4)</sup>	-- <sup>(4)</sup>
2015-16	77,544	55,785	21,759	-- <sup>(4)</sup>	-- <sup>(4)</sup>
2016-17	84,416	60,865	23,551	-- <sup>(4)</sup>	-- <sup>(4)</sup>
2017-18	92,071	64,846	27,225	-- <sup>(4)</sup>	-- <sup>(4)</sup>
2018-19 <sup>(5)</sup>	99,528	68,177	31,351	-- <sup>(4)</sup>	-- <sup>(4)</sup>
2019-20 <sup>(6)</sup>	104,062	71,400	32,662	-- <sup>(4)</sup>	-- <sup>(4)</sup>

(1) Amounts may not add due to rounding.

(2) Reflects market value of assets, including the assets allocated to the SBPA reserve. Since the benefits provided through the SBPA are not a part of the projected benefits included in the actuarial valuations summarized above, the SBPA reserve is subtracted from the STRS Defined Benefit Program assets to arrive at the value of assets available to support benefits included in the respective actuarial valuations.

(3) Reflects actuarial value of assets.

(4) Effective for the June 30, 2014 actuarial valuation, PERS no longer uses an actuarial value of assets.

(5) For fiscal year 2020-21, the additional \$430 million State contribution made pursuant to AB 84 did not directly impact the actuarially determined contribution as it was not yet in the Schools Pool by the June 30, 2019 actuarial valuation date. The additional State contribution was treated as an advance payment toward the unfunded accrued liability contribution with required employer contribution rate correspondingly reduced.

(6) For fiscal year 2021-22, the impact of the additional \$330 million State contribution made pursuant to AB 84 is directly reflected in the actuarially determined contribution, because the additional payment was in the Schools Pool as of the June 30, 2020 actuarial valuation date, which served to reduce the required employer contribution rate by 2.16% of payroll.

Source: PERS Schools Pool Actuarial Valuation; STRS Defined Benefit Program Actuarial Valuation.

The STRS Board has sole authority to determine the actuarial assumptions and methods used for the valuation of the STRS Defined Benefit Program. Based on the multi-year CalSTRS Experience Analysis (spanning from July 1, 2010, through June 30, 2015) (the “2017 Experience Analysis”), on

February 1, 2017, the STRS Board adopted a new set of actuarial assumptions that reflect member's increasing life expectancies and current economic trends. These new assumptions were first reflected in the STRS Defined Benefit Program Actuarial Valuation, as of June 30, 2016 (the "2016 STRS Actuarial Valuation"). The new actuarial assumptions include, but are not limited to: (i) adopting a generational mortality methodology to reflect past improvements in life expectancies and provide a more dynamic assessment of future life spans, (ii) decreasing the investment rate of return (net of investment and administrative expenses) to 7.25% for the 2016 STRS Actuarial Valuation and 7.00% for the June 30, 2017 actuarial evaluation, and (iii) decreasing the projected wage growth to 3.50% and the projected inflation rate to 2.75%.

Based on the multi-year CalSTRS Experience Analysis (spanning from July 1, 2015, through June 30, 2018) (the "2020 Experience Analysis"), on January 31, 2020, the STRS Board adopted a new set of actuarial assumptions that were first reflected in the STRS Defined Benefit Program Actuarial Valuation, as of June 30, 2019 (the "2019 STRS Actuarial Valuation"). While no changes were made to the actuarial assumptions discussed above, which were established as a result of the 2017 Experience Analysis, certain demographic changes were made, including: (i) lowering the termination rates to reflect a continued trend of lower than expected teachers leaving their employment prior to retirement, and (ii) adopting changes to the retirement rates for both employees hire before the Implementation Date and after the Implementation Date to better reflect the anticipated impact of years of service on retirements. The 2019 STRS Actuarial Valuation continues using the Entry Age Normal Actuarial Cost Method.

The STRS Defined Benefit Program Actuarial Valuation, as of June 30, 2020 (the "2020 STRS Actuarial Valuation") reports that the unfunded actuarial obligation increased by \$172 million since the 2019 STRS Actuarial Valuation and the funded ratio increased by 1.1% to 67.1% over such time period. The increase in the funded ratio is primarily due to salary increases less than assumed, additional State contributions, and contributions to pay down the unfunded actuarial obligation under the STRS Board's valuation policy.

According to the 2020 STRS Actuarial Valuation, the future revenues from contributions and appropriations for the STRS Defined Benefit Program are projected to be approximately sufficient to finance its obligations with a projected ending funded ratio in fiscal year ending June 30, 2046 of 99.6%, except for a small portion of the unfunded actuarial obligation related to service accrued on or after July 1, 2014 for member benefits adopted after 1990, for which AB 1469 provides no authority to the STRS Board to adjust rates to pay down that portion of the unfunded actuarial obligation. This finding reflects the scheduled contribution rate increases directed by statute, assumes additional increases in the scheduled contribution rates allowed under the current law will be made, and is based on the valuation assumptions and valuation policy adopted by the STRS Board, including a 7.00% investment rate of return assumption.

In the STRS 2020 Review of Funding Levels and Risks, STRS noted that COVID-19 has the potential to affect investment performance, the number of teachers working in California and the longevity of STRS members, which are the three main risks to long-term funding that STRS has been monitoring for the last few years. See also "DISTRICT FINANCIAL INFORMATION – Considerations Regarding COVID-19" herein. In the 2020 STRS Actuarial Report, the actuary reports that a potential decline in the number of teachers and a slower growth in total payroll constitute the largest risk facing employers with respect to STRS. For the 2020 STRS Actuarial Valuation, the number of teachers actively working dropped from 451,000 on June 30, 2019, to about 448,000 on June 30, 2020. This drop in the number of working teachers, combined with salary increases, resulted in the payroll increasing by approximately 2.8% between 2019 and 2020, below the assumed 3.5% annual payroll growth. The actuary notes that the assumed growth in the total payroll was a key component of the employer contribution rate calculated in the 2020 STRS Actuarial Valuation, and that a slower growth will require a

higher employer contribution rate to be able to collect the same amount of contributions. The actuary notes that the number of active teachers could be impacted in the future by K-12 enrollment, as well as teacher retirements. Based on CDE reports, net enrollment in K-12 school districts decreased by 3% (160,000 students) in 2020-21, the largest drop in 20 years, and the Department of Finance projects enrollment will continue to decline in the State over the next decade. In addition, in the first half of the fiscal year, STRS has seen a 26% increase in the number of retirements, and while an increase in retirements would normally not impact long-term funding, decisions made by employers about whether or not to replace the teachers who have retired could impact STRS ability to reach full funding by 2046, especially if it leads to an overall reduction in the number of teachers working in the State and a reduction in total payroll.

In recent years, the PERS Board of Administration (the “PERS Board”) has taken several steps, as described below, intended to reduce the amount of the unfunded accrued actuarial liability of its plans, including the Schools Pool.

On March 14, 2012, the PERS Board voted to lower the PERS’ rate of expected price inflation and its investment rate of return (net of administrative expenses) (the “PERS Discount Rate”) from 7.75% to 7.5%. On February 18, 2014, the PERS Board voted to keep the PERS Discount Rate unchanged at 7.5%. On November 17, 2015, the PERS Board approved a new funding risk mitigation policy to incrementally lower the PERS Discount Rate by establishing a mechanism whereby such rate is reduced by a minimum of 0.05% to a maximum of 0.25% in years when investment returns outperform the existing PERS Discount Rate by at least four percentage points. On December 21, 2016, the PERS Board voted to lower the PERS Discount Rate to 7.0% over a three year phase-in period in accordance with the following schedule: 7.375% for the June 30, 2017 actuarial valuation, 7.25% for the June 30, 2018 actuarial valuation and 7.00% for the June 30, 2019 actuarial valuation. The new discount rate went into effect July 1, 2017 for the State and July 1, 2018 for K-14 school districts and other public agencies. Lowering the PERS Discount Rate means employers that contract with PERS to administer their pension plans will see increases in their normal costs and unfunded actuarial liabilities. Active members hired after January 1, 2013, under the Reform Act (defined below) will also see their contribution rates rise. The PERS Funding Risk Mitigation Policy recently triggered an automatic decrease of 0.2% in the PERS Discount Rate due to the investment return in fiscal year 2020-21, lowering such rate to 6.8%.

On April 17, 2013, the PERS Board approved new actuarial policies aimed at returning PERS to fully-funded status within 30 years. The policies included a rate smoothing method with a 30-year fixed amortization period for gains and losses, a five-year increase of public agency contribution rates, including the contribution rate at the onset of such amortization period, and a five year reduction of public agency contribution rates at the end of such amortization period. The new actuarial policies were first included in the June 30, 2014 actuarial valuation and were implemented with respect the State, K-14 school districts and all other public agencies in fiscal year 2015-16.

Also, on February 20, 2014, the PERS Board approved new demographic assumptions reflecting (i) expected longer life spans of public agency employees and related increases in costs for the PERS system and (ii) trends of higher rates of retirement for certain public agency employee classes, including police officers and firefighters. The new actuarial assumptions were first reflected in the Schools Pool in the June 30, 2015 actuarial valuation. The increase in liability due to the new assumptions will be amortized over 20 years with increases phased in over five years, beginning with the contribution requirement for fiscal year 2016-17. The new demographic assumptions affect the State, K-14 school districts and all other public agencies.

The PERS Board is required to undertake an experience study every four years under its Actuarial Assumptions Policy and State law. As a result of the most recent experience study, on November 17,

2021 (the “2021 Experience Study”), the PERS Board approved new actuarial assumptions, including (i) lowering the inflation rate to 2.30% per year, (ii) increasing the assumed real wage inflation assumption to 0.5%, which results in a total wage inflation of 2.80%, (iii) increasing the payroll growth rate to 2.80%, and (iii) certain changes to demographic assumptions relating to modifications to the mortality rates, retirement rates, and disability rates (both work and non-work related), and rates of salary increases due to seniority and promotion. These actuarial assumptions will be incorporated into the actuarial valuation for fiscal year ending June 30, 2021 and will first impact contribution rates for school districts in fiscal year 2022-23. Based on the timing of the study, the member data used in the analysis, which runs through June 30, 2019, does not include the impacts of COVID-19. Preliminary analysis of the system experience since the beginning of the pandemic has shown demographic experience (e.g. retirements, deaths, etc.) did differ from the current actuarial assumptions in some areas, which will be more precisely quantified in future actuarial valuations. However, as of November 2021, PERS did not believe that the demographic impacts of COVID-19 would have a material impact on the system experience going forward.

On February 14, 2018, the PERS Board approved a new actuarial amortization policy with an effective date for actuarial valuations beginning on or after June 30, 2019, which includes (i) shortening the period over which actuarial gains and losses are amortized from 30 years to 20 years, (ii) requiring that amortization payments for all unfunded accrued liability bases established after the effective date be computed to remain a level dollar amount throughout the amortization period, (iii) removing the 5-year ramp-up and ramp-down on unfunded accrued liability bases attributable to assumptions changes and non-investment gains/losses established on or after the effective date and (iv) removing the 5-year ramp-down on investment gains/losses established after the effective date. While PERS expects that reducing the amortization period for certain sources of unfunded liability will increase future average funding ratios, provide faster recovery of funded status following market downturns, decrease expected cumulative contributions, and mitigate concerns over intergenerational equity, such changes may result in increases in future employer contribution rates.

The Schools Pool Actuarial Valuation as of June 30, 2020 (the “2020 PERS Actuarial Valuation”), reported that from June 30, 2019 to June 30, 2020 the funded ratio of the Schools Pool increased by 0.1% (from 68.5% to 68.6%), which was primarily due to the additional State contribution in July 2019 offset partially by the lower than expected investment return in fiscal year 2019-20. In addition, the 2020 PERS Actuarial Valuation reported that (i) the return on assets for fiscal year ending June 30, 2020, was approximately 4.7% reduced for administrative expenses, which was lower than the assumed return of 7.0%, leading to an investment experience loss, (ii) the overall demographic experience produced a nominal liability experience gain, and (iii) the normal cost declined slightly as the share of the active population of employees hired after the Implementation Date (defined below) continued to increase. On November 15, 2021, the PERS Board selected a new asset allocation mix through its periodic Asset Liability Management Study that will guide the fund’s investment portfolio for the next four years, retained the current 6.8% discount rate and approved adding 5% leverage to increase diversification. The new asset allocation takes effect July 1, 2022 and will impact contribution rates for employers and employees hired after the Implementation Date beginning in fiscal year 2022-23. In January 2022, an addendum to the 2020 PERS Actuarial Valuation (the “2020 PERS Actuarial Valuation Addendum”) was produced to provide additional information on projected future contribution rates that take into account information that was not available when the 2020 PERS Actuarial Valuation was initially released. The 2020 PERS Actuarial Valuation Addendum reports that the contribution rate for fiscal year 2022-23 is projected to be 25.4%, the contribution rate for fiscal year 2023-24 is projected to be 25.2%, the contribution rate for fiscal year 2024-25 is projected to be 24.6%, the contribution rate for fiscal year 2025-26 is projected to be 23.6%, and the contribution rate for fiscal year 2026-27 is projected to be 22.5%. The projected contribution rates in the 2020 PERS Actuarial Valuation Addendum reflect the actual investment performance through June 30, 2021, the anticipated decrease in normal cost due to new hires entering lower cost benefit tiers, as well as the demographic and economic assumptions adopted

through the 2021 Experience Study, including an investment return of 6.8% per year beginning with fiscal year 2021-22. The projections assume that all actuarial assumptions will be realized and that no further changes to assumptions, contributions, benefits or funding will occur during the projection period.

The District can make no representations regarding the future program liabilities of STRS, or whether the District will be required to make additional contributions to STRS in the future above those amounts required under AB 1469. The District can also provide no assurances that the District's required contributions to PERS will not increase in the future.

***California Public Employees' Pension Reform Act of 2013.*** On September 12, 2012, the Governor signed into law the California Public Employees' Pension Reform Act of 2013 (the "Reform Act"), which makes changes to both STRS and PERS, most substantially affecting new employees hired after January 1, 2013 (the "Implementation Date"). For STRS participants hired after the Implementation Date, the Reform Act changes the normal retirement age by increasing the eligibility for the 2% age factor (the age factor is the percent of final compensation to which an employee is entitled for each year of service) from age 60 to 62 and increasing the eligibility of the maximum age factor of 2.4% from age 63 to 65. Similarly, for non-safety PERS participants hired after the Implementation Date, the Reform Act changes the normal retirement age by increasing the eligibility for the 2% age factor from age 55 to 62 and increases the eligibility requirement for the maximum age factor of 2.5% to age 67. Among the other changes to PERS and STRS, the Reform Act also: (i) requires all new participants enrolled in PERS and STRS after the Implementation Date to contribute at least 50% of the total annual normal cost of their pension benefit each year as determined by an actuary, (ii) requires STRS and PERS to determine the final compensation amount for employees based upon the highest annual compensation earnable averaged over a consecutive 36-month period as the basis for calculating retirement benefits for new participants enrolled after the Implementation Date (previously 12 months for STRS members who retire with 25 years of service), and (iii) caps "pensionable compensation" for new participants enrolled after the Implementation Date at 100% of the federal Social Security contribution (to be adjusted annually based on changes to the Consumer Price Index for all Urban Consumers) and benefit base for members participating in Social Security or 120% for members not participating in social security (to be adjusted annually based on changes to the Consumer Price Index for all Urban Consumers), while excluding previously allowed forms of compensation under the formula such as payments for unused vacation, annual leave, personal leave, sick leave, or compensatory time off.

***GASB Statement Nos. 67 and 68.*** On June 25, 2012, GASB approved Statements Nos. 67 and 68 ("Statements") with respect to pension accounting and financial reporting standards for state and local governments and pension plans. The new Statements, No. 67 and No. 68, replace GASB Statement No. 27 and most of Statements No. 25 and No. 50. The changes impact the accounting treatment of pension plans in which state and local governments participate. Major changes include: (1) the inclusion of unfunded pension liabilities on the government's balance sheet (currently, such unfunded liabilities are typically included as notes to the government's financial statements); (2) more components of full pension costs being shown as expenses regardless of actual contribution levels; (3) lower actuarial discount rates being required to be used for underfunded plans in certain cases for purposes of the financial statements; (4) closed amortization periods for unfunded liabilities being required to be used for certain purposes of the financial statements; and (5) the difference between expected and actual investment returns being recognized over a closed five-year smoothing period. In addition, according to GASB, Statement No. 68 means that, for pensions within the scope of the Statement, a cost-sharing employer that does not have a special funding situation is required to recognize a net pension liability, deferred outflows of resources, deferred inflows of resources related to pensions and pension expense based on its proportionate share of the net pension liability for benefits provided through the pension plan. Because the accounting standards do not require changes in funding policies, the full extent of the effect of the new standards on the District is not known at this time. The reporting requirements for pension

plans took effect for the fiscal year beginning July 1, 2013 and the reporting requirements for government employers, including the District, took effect for the fiscal year beginning July 1, 2014.

As of June 20, 2021, the District's share of the net pension liabilities for the STRS and PERS programs were reported as \$364,571,000 and \$145,701,000, respectively. See also "APPENDIX B – AUDITED FINANCIAL STATEMENTS OF THE DISTRICT FOR FISCAL YEAR 2020-21 – Note 8" and "—Note 9" attached hereto.

### **Other Post-employment Benefits**

**Benefits Plan.** The District administers a single-employer defined benefit health care plan (the "Plan") pursuant to which the District provides medical insurance benefits (collectively, the "Post-Employment Benefits") to certain retirees of the District. Currently, eligible retirees receive benefits that are paid 100% by the District. District teachers qualify for benefits after reaching age 55 with at least five years of service to the District, age 50 with 30 years of service (if a member prior to January 1, 2013) or approved disability retirement with five years of service to the District. CalPERS employees qualify for benefits after attaining age 50 (or 52, if a member of CalPERS on or after January 1, 2013) with five years of State or public agency service, or approved disability. The Board retains the authority to establish or amend the terms offered by the Plan.

The District funds the Plan on a "pay-as-you-go" basis to cover cost of insurance premiums for current retirees, together with annual contributions to the OPEB Trust (defined herein) to begin funding its accrued liability for Post-Employment Benefits. For fiscal years 2018-19 through 2020-21, the District's contributions to the Plan were \$\_\_\_\_\_, \$\_\_\_\_\_ and \$\_\_\_\_\_, respectively. For fiscal year 2021-22, the District estimates a contribution of \$\_\_\_\_\_ to the Plan.

The District has established an irrevocable, GASB-qualifying trust (the "OPEB Trust") administered by CalPERS to begin funding its accrued liability for Post-Employment Benefits. As of \_\_\_\_\_, 2022, the balance in the OPEB Trust was \$\_\_\_\_\_.

**Accrued Liability.** Pursuant to *Governmental Accounting Standards Board Statement #74, Financial Reporting for Postemployment Benefit Plans Other Than Pensions* ("GASB 74") and *Accounting and Financial Reporting for Postemployment Benefits Other Than Pensions* ("GASB 75"), the District has commissioned and received an actuarial study of its liability with respect to the Post-Employment Benefits. The requirements of GASB 74 and 75, as further discussed below, include biennial actuarial valuations for all plans. The District's most recent actuarial study, dated as of July 1, 2019 (the "Study"), calculated, among other things, the Total OPEB Liability (the "TOL"), Fiduciary Net Position ("FNP") and Net OPEB Liability ("NOL") of the District with respect to the Post-Employment Benefits, pursuant to GASB 75. The TOL is the amount of the actuarial present value of projected benefits payments attributable to employees' past service based on the actuarial cost method used. The FNP are the net assets (or liability) of any qualifying irrevocable trust or equivalent arrangement. The NOL is TOL minus the value of any trust assets. As of the June 30, 2020 valuation date, the District's TOL was \$654,240,872, the FNP was \$86,333,843 and the NOL was \$567,907,029.

**GASB Statement Nos. 74 and 75.** On June 2, 2015, GASB approved Statements Nos. 74 and 75 with respect to pension accounting and financial reporting standards for public sector post-retirement benefit programs and the employers that sponsor them. GASB 74 replaces GASB Statements No. 43 and 57 and GASB 75 replaces GASB Statement No. 45.

Most of GASB 74 applies to plans administered through trusts, contributions in which contributions are irrevocable such that trust assets are dedicated to providing other post-employment

benefits to plan members and are legally protected from creditors. GASB 74 and 75 will require a liability for post-employment obligations, the NOL, to be recognized on the balance sheet of the plan and the participating employer's financial statements. In addition, an Other Post-Employment Benefit expense will be recognized in the income statement of the participating employers. In the notes to its financial statements, employers providing other post-employment benefits will also have to include information regarding the year-to-year change in the NOL and a sensitivity analysis of the NOL to changes in the discount rate and healthcare trend rate. The required supplementary information will also be required to show a 10-year schedule of the plan's NOL reconciliation and related ratios, and any actuarially determined contributions and investment returns, if any.

Under GASB 74, the measurement date must be the same as the plan's fiscal year end, but the actuarial valuation date may be any date up to 24 months prior to the measurement date. For the TOL, if the valuation date is before the measurement date, the results must be projected forward from the valuation date to the measurement date using standard actuarial roll-forward techniques. For plans that are unfunded or have assets insufficient to cover the projected benefit payments, a discount rate reflecting a 20-year tax-exempt municipal bond yield or index rate must be used. For plans with assets that meet GASB 74 requirements, a projection of the benefit payments and future FNP is performed based on the funding policy and assumptions of the plan, along with the methodology specified in GASB 74.

GASB 74 had an effective date for plan fiscal years beginning after June 15, 2016 and GASB 75 became effective for employer fiscal years beginning after June 15, 2017. See "APPENDIX B – AUDITED FINANCIAL STATEMENTS OF THE DISTRICT FOR FISCAL YEAR 2020-21 – Note 10" attached hereto.

## **Risk Management**

The District is exposed to various risks of loss related to property, general liability, workers' compensation, cyber intrusions and employee benefits. These risks are mitigated through a combination of commercial insurance, self-insurance, and participation in certain public entity risk pools, as described below.

The District currently participates in a joint powers agreement with Schools Insurance Authority ("SIA") for excess general liability, property and workers compensation coverage. SIA enters into insurance agreements for coverage above certain self-insured retention lawyers, whereby it cedes various amounts of risk to other insurance companies. SIA's property, liability and workers compensation programs provide self-insured retention of \$100,000, \$750,000 and \$1,000,000 per incident, respectively. The District pays a premium to SIA for excess coverage, and shares in SIA's deficits and surpluses in proportion to its participation therein. As such, SIA is not a component unit of the District for financial reporting purposes.

**District Debt Structure**

**Short-Term Debt.** [TO COME].

**Long-Term Debt.** A schedule of changes in long-term debt for the year ended June 30, 2021 is show below.

	<u>Balance</u> <u>July 1, 2020</u>	<u>Additions</u>	<u>Deletions</u>	<u>Balance</u> <u>June 30, 2021</u>
Debt:				
General Obligation Bonds	\$465,127,966	--	\$28,705,000	\$436,422,966
Accreted Interest	20,661,016	\$2,208,384	--	22,869,400
Lease Revenue Bonds	60,550,000	--	2,695,000	57,855,000
Premium on Issuance	33,031,114	--	2,530,870	30,500,244
Other Long-Term Liabilities:				
Net Pension Liability	551,057,000	--	785,000	510,272,000
Net OPEB Liability	567,907,029	--	250,168,760	317,738,269
Compensated Absences	<u>4,970,473</u>	<u>358,390</u>	<u>--</u>	<u>5,328,863</u>
Total	<u>\$1,663,304,598</u>	<u>\$2,566,774</u>	<u>\$284,884,630</u>	<u>\$1,380,986,742</u>

*Source: Sacramento City Unified School District.*

**Lease Revenue Bonds.** On February 4, 2014, the Sacramento City Schools Joint Powers Financing Authority (the “Authority”) issued \$44,825,000 of its Lease Revenue Refunding Bonds, 2014 Series A, and \$29,460,000 of its Lease Revenue Refunding Bonds, 2014 Series B, (collectively, the “Lease Revenue Bonds”), to prepay certain outstanding certificates of participation of the District. The Lease Revenue Bonds are secured by certain base rental payments and additional payments to be made by the District pursuant to certain facility sublease agreements by and between the District and the Authority. Future payments in connection with the Lease Revenue Bonds are shown in the table below:

<u>Year Ending</u> <u>June 30</u>	<u>Series A Lease</u> <u>Revenue Bonds</u>	<u>Series B Lease</u> <u>Revenue Bonds</u>	<u>Total</u> <u>Lease Payments</u>
--------------------------------------	---	---	---------------------------------------

**General Obligation Bonds.** The District has previously issued general obligation bonds pursuant to several voter-approved authorizations, as well as refunding general obligation bonds to refinance portions of outstanding bonded indebtedness. The following table summarizes the outstanding general obligation bond issuances by the District.

<u>Issuance</u>	<u>Initial Principal Amount</u>	<u>Principal Outstanding</u> <sup>(1)</sup>	<u>Date of Delivery</u>
<b>2002 Authorization (Measure I)</b>			
Series 2007	\$79,585,000		6/30/2011
<b>2012 Authorizations (Measures Q and R)</b>			
2013 Series A (Measures Q and R) <sup>(2)</sup>	30,000,000		7/16/2013
2013 Series B (Measures Q and R) <sup>(2)(3)</sup>	40,000,000		7/16/2013
2015 Series C (Measure Q)	90,000,000		6/14/2015
2016 Series D (Measure Q)	14,000,000		6/8/2015
2017 Series E (Measure Q)	112,000,000		5/25/2017
2017 Series C (Measure R)	10,000,000		5/25/2017
2018 Series F (Measure Q)	10,000,000		7/25/2018
2019 Series D (Measure R)	30,000,000		12/12/2019
2021 Series G (Measure Q)	77,100,000		7/8/2021
<b>Refunding Issuances</b>			
2012 Refunding Bonds	113,245,000		6/14/2012
2014 Refunding Bonds	44,535,000		1/30/2014
2015 Refunding Bonds	32,740,000		1/28/2015
2021 Refunding Bonds	33,355,000		7/8/2021
2022 Refunding Bonds			

<sup>(1)</sup> As of \_\_\_\_\_, 2022

<sup>(2)</sup> Composite issues that allocated portions of the initial principal amount amongst two outstanding bond authorizations.

<sup>(3)</sup> Designated as federally-taxable “Qualified School Construction Bonds” pursuant to an irrevocable election by the District to have Sections 54AA and Section 54AA(g) of the Code apply thereto. The District expects to receive a federal subsidy equal to a portion of the debt service due on the Bonds. See following page for additional information.

The following tables show the debt service schedules for all of the District’s prior outstanding general obligation bonded debt (assuming no optional redemptions). For a combined debt service schedule including the Bonds, see “THE BONDS – Annual Debt Service” herein.

**ANNUAL GENERAL OBLIGATION BOND DEBT SERVICE (MEASURES I, Q AND R)  
Sacramento City Unified School District**

<b>Year Ending Aug. 1</b>	<b>2002 <u>Series 2007</u><sup>(1)</sup></b>	<b>2013 <u>Series A</u><sup>(2)</sup></b>	<b>2013 <u>Series B</u><sup>(2)(3)</sup></b>	<b>2015 <u>Series C</u><sup>(2)</sup></b>	<b>2016 <u>Series D</u><sup>(2)</sup></b>	<b>2017 <u>Series E</u><sup>(2)</sup></b>	<b>2017 <u>Series C</u><sup>(2)</sup></b>	<b>2018 <u>Series F</u><sup>(2)</sup></b>	<b>2019 <u>Series D</u><sup>(2)</sup></b>	<b>2021 <u>Series G</u><sup>(2)</sup></b>
2022										
2023										
2024										
2025										
2026										
2027										
2028										
2029										
2030										
2031										
2032										
2033										
2034										
2035										
2036										
2037										
2038										
2039										
2040										
2041										
2042										
2043										
2044										
2045										
2046										
2047										
2048										
2049										
Total										

<sup>(1)</sup> Interest payable on January 1 and July of each year. Principal payable on July 1 of each year.

<sup>(2)</sup> Interest payable on February 1 and August 1 of each year. Principal payable on August 1 of each year.

<sup>(3)</sup> Represents gross debt service thereon. The 2013 Series B Bonds were designated as federally-taxable “Build America Bonds” pursuant to an irrevocable election by the District to have Sections 54AA and Section 54AA(g) of the Code apply thereto. The District expects to receive cash subsidy payments (“Subsidy Payments”) from the United States Department of the Treasury equal to a portion of the interest payable on such bonds on or about each respective semi-annual interest payment date. Such Subsidy Payments are required to be deposited, as and when received, in the respective interest and sinking funds for such bonds, to be used as a credit against future debt service thereon. Subsidy Payments are subject to reduction (each, a “Sequestration Reduction”) pursuant to the federal Balanced Budget and Emergency Deficit Control Act of 1985, as amended. In the absence of action by the United States Congress, the rate of the Sequestration Reduction is subject to change in the following federal fiscal year. The District cannot predict whether or how subsequent sequestration actions may affect Subsidy Payments currently scheduled for receipt in future federal fiscal years. However, notwithstanding any such reduction, the County is empowered to levy an *ad valorem* property tax sufficient to pay principal of and interest on such bonds.

**ANNUAL GENERAL OBLIGATION REFUNDING BOND DEBT SERVICE  
Sacramento City Unified School District**

<b>Year Ending Aug. 1</b>	<b>2012 Refunding<sup>(1)</sup></b>	<b>2014 Refunding<sup>(1)</sup></b>	<b>2015 Refunding<sup>(1)</sup></b>	<b>2021 Refunding<sup>(2)</sup></b>	<b>2022 Refunding</b>	<b><u>The Bonds</u></b>
2021						
2022						
2023						
2024						
2025						
2026						
2027						
2028						
2029						
2030						
2031						
2032						
2033						
2034						
2035						
2036						
2037						
2038						
2039						
2040						
2041						
2042						
2043						
2044						
2045						
2046						

<sup>(1)</sup> Interest payable on January 1 and July of each year. Principal payable on July 1 of each year.

<sup>(2)</sup> Interest payable on February 1 and August 1 of each year. Principal payable on August 1 of each year.

## TAX MATTERS

In the opinion of Stradling Yocca Carlson & Rauth, a Professional Corporation, San Francisco, California (“Bond Counsel”), under existing statutes, regulations, rulings and judicial decisions, and assuming the accuracy of certain representations and compliance with certain covenants and requirements described herein, interest on the Bonds is excluded from gross income for federal income tax purposes and is not an item of tax preference for purposes of calculating the federal alternative minimum tax imposed on individuals. In the further opinion of Bond Counsel, interest on the Bonds is exempt from State of California personal income tax.

The difference between the issue price of a Bond (the first price at which a substantial amount of the Bonds of the same series and maturity is to be sold to the public) and the stated redemption price at maturity with respect to such Bond (to the extent that the redemption price is greater than the issue price) constitutes original issue discount. Original issue discount accrues under a constant yield method, and original issue discount will accrue to a Bond Owner before receipt of cash attributable to such excludable income. The amount of original issue discount deemed received by the Bond Owner will increase the Bond Owner’s basis in the Bond. In the opinion of Bond Counsel, the amount of original issue discount that accrues to the owner of the Bond is excluded from the gross income of such owner for federal income tax purposes, is not an item of tax preference for purposes of the federal alternative minimum tax imposed on individuals, and is exempt from State of California personal income tax.

Bond Counsel’s opinion as to the exclusion from gross income of interest (and original issue discount) on the Bonds is based upon certain representations of fact and certifications made by the District and others and is subject to the condition that the District complies with all requirements of the Internal Revenue Code of 1986, as amended (the “Code”), that must be satisfied subsequent to the issuance of the Bonds to assure that interest (and original issue discount) on the Bonds will not become includable in gross income for federal income tax purposes. Failure to comply with such requirements of the Code might cause the interest (and original issue discount) on the Bonds to be included in gross income for federal income tax purposes retroactive to the date of issuance of the Bonds. The District has covenanted to comply with all such requirements.

The amount by which a Bond Owner’s original basis for determining loss on sale or exchange in the applicable Bond (generally, the purchase price) exceeds the amount payable on maturity (or on an earlier call date) constitutes amortizable Bond premium, which must be amortized under Section 171 of the Code; such amortizable Bond premium reduces the Bond Owner’s basis in the applicable Bond (and the amount of tax-exempt interest received), and is not deductible for federal income tax purposes. The basis reduction as a result of the amortization of Bond premium may result in a Bond Owner realizing a taxable gain when a Bond is sold by the Owner for an amount equal to or less (under certain circumstances) than the original cost of the Bond to the Owner. Purchasers of the Bonds should consult their own tax advisors as to the treatment, computation and collateral consequences of amortizable Bond premium.

The Internal Revenue Service (the “IRS”) has initiated an expanded program for the auditing of tax-exempt bond issues, including both random and targeted audits. It is possible that the Bonds will be selected for audit by the IRS. It is also possible that the market value of the Bonds might be affected as a result of such an audit of the Bonds (or by an audit of similar bonds). No assurance can be given that in the course of an audit, as a result of an audit, or otherwise, Congress or the IRS might not change the Code (or interpretation thereof) subsequent to the issuance of the Bonds to the extent that it adversely affects the exclusion from gross income of interest on the Bonds or their market value.

SUBSEQUENT TO THE ISSUANCE OF THE BONDS, THERE MIGHT BE FEDERAL, STATE OR LOCAL STATUTORY CHANGES (OR JUDICIAL OR REGULATORY INTERPRETATIONS OF FEDERAL, STATE OR LOCAL LAW) THAT AFFECT THE FEDERAL, STATE OR LOCAL TAX TREATMENT OF THE INTEREST ON THE BONDS OR THE MARKET VALUE OF THE BONDS. PROPOSED LEGISLATIVE CHANGES OR OTHER CHANGES WHICH MIGHT BE INTRODUCED IN CONGRESS COULD ADVERSELY AFFECT THE MARKET VALUE OR LIQUIDITY OF THE BONDS. IT IS POSSIBLE THAT LEGISLATIVE CHANGES WILL BE INTRODUCED WHICH, IF ENACTED, WOULD RESULT IN ADDITIONAL FEDERAL INCOME OR STATE INCOME TAX BEING IMPOSED ON OWNERS OF TAX-EXEMPT STATE OR LOCAL OBLIGATIONS, SUCH AS THE BONDS. NO ASSURANCE CAN BE GIVEN THAT, SUBSEQUENT TO THE ISSUANCE OF THE BONDS, SUCH CHANGES (OR OTHER CHANGES) WILL NOT BE INTRODUCED OR ENACTED OR INTERPRETATIONS WILL NOT OCCUR. BEFORE PURCHASING ANY OF THE BONDS, ALL POTENTIAL PURCHASERS SHOULD CONSULT THEIR TAX ADVISORS REGARDING POSSIBLE STATUTORY CHANGES OR JUDICIAL OR REGULATORY CHANGES OR INTERPRETATIONS, AND THEIR COLLATERAL TAX CONSEQUENCES RELATING TO THE BONDS.

Bond Counsel's opinions may be affected by actions taken (or not taken) or events occurring (or not occurring) after the date hereof. Bond Counsel has not undertaken to determine, or to inform any person, whether any such actions or events are taken or do occur. The District Resolution and the Tax Certificate relating to the Bonds permit certain actions to be taken or to be omitted if a favorable opinion of Bond Counsel is provided with respect thereto. Bond Counsel expresses no opinion as to the effect on the exclusion from gross income of interest (and original issue discount) on the Bonds for federal income tax purposes with respect to any Bond if any such action is taken or omitted based upon the advice of counsel other than Stradling Yocca Carlson & Rauth.

Although Bond Counsel has rendered an opinion that interest (and original issue discount) on the Bonds is excluded from gross income for federal income tax purposes provided that the District continues to comply with certain requirements of the Code, the ownership of the Bonds and the accrual or receipt of interest (and original issue discount) with respect to the Bonds may otherwise affect the tax liability of certain persons. Bond Counsel expresses no opinion regarding any such tax consequences. Accordingly, before purchasing any of the Bonds, all potential purchasers should consult their tax advisors with respect to collateral tax consequences relating to the Bonds.

A copy of the proposed form of opinion of Bond Counsel for the Bonds is attached hereto as APPENDIX A.

## **LIMITATION ON REMEDIES; BANKRUPTCY**

### **General**

State law contains certain safeguards to protect the financial solvency of school districts. See "DISTRICT FINANCIAL INFORMATION – State Funding of Education" herein. If the safeguards are not successful in preventing a school district from becoming insolvent, the State Superintendent, operating through an administrator appointed thereby, may be authorized under State law to file a petition under Chapter 9 of the United States Bankruptcy Code (the "Bankruptcy Code") on behalf of the school district for the adjustment of its debts, assuming that the school district meets certain other requirements contained in the Bankruptcy Code necessary for filing such a petition. School districts are not themselves authorized to file a bankruptcy proceeding, and they are not subject to involuntary bankruptcy.

Bankruptcy courts are courts of equity and as such have broad discretionary powers. If the District were to become the debtor in a proceeding under Chapter 9 of the Bankruptcy Code, the automatic stay provisions of Bankruptcy Code Sections 362 and 922 generally would prohibit creditors from taking any action to collect amounts due from the District or to enforce any obligation of the District related to such amounts due, without consent of the District or authorization of the bankruptcy court (although such stays would not operate to block creditor application of pledged special revenues to payment of indebtedness secured by such revenues). In addition, as part of its plan of adjustment in a chapter 9 bankruptcy case, the District may be able to alter the priority, interest rate, principal amount, payment terms, collateral, maturity dates, payment sources, covenants (including tax-related covenants), and other terms or provisions of the Bonds and other transaction documents related to the Bonds, as long as the bankruptcy court determines that the alterations are fair and equitable. There also may be other possible effects of a bankruptcy of the District that could result in delays or reductions in payments on the Bonds. Moreover, regardless of any specific adverse determinations in any District bankruptcy proceeding, the fact of a District bankruptcy proceeding could have an adverse effect on the liquidity and market price of the Bonds.

### **Statutory Lien**

Pursuant to Government Code Section 53515, the Bonds are secured by a statutory lien on all revenues received pursuant to the levy and collection of the tax, and such lien automatically arises, without the need for any action or authorization by the local agency or its governing board, and is valid and binding from the time the Bonds are executed and delivered. See “THE BONDS – Statutory Lien” herein. Although a statutory lien would not be automatically terminated by the filing of a Chapter 9 bankruptcy petition by the District, the automatic stay provisions of the Bankruptcy Code would apply and payments that become due and owing on the Bonds during the pendency of the Chapter 9 proceeding could be delayed, unless the Bonds are determined to be secured by a pledge of “special revenues” within the meaning of the Bankruptcy Code and the pledged *ad valorem* property taxes are applied to pay the Bonds in a manner consistent with the Bankruptcy Code.

### **Special Revenues**

If the *ad valorem* property tax revenues that are pledged to the payment of the Bonds are determined to be “special revenues” within the meaning of the Bankruptcy Code, then the application in a manner consistent with the Bankruptcy Code of the pledged *ad valorem* revenues should not be subject to the automatic stay. “Special revenues” are defined to include, among others, taxes specifically levied to finance one or more projects or systems of the debtor, but excluding receipts from general property, sales, or income taxes levied to finance the general purposes of the debtor. State law prohibits the use of the tax proceeds for any purpose other than payment of the Bonds and the Bond proceeds can only be used to finance or refinance the acquisition or improvement of real property and other capital expenditures included in the proposition, so such tax revenues appear to fit the definition of special revenues. However, there is no binding judicial precedent dealing with the treatment in bankruptcy proceedings of *ad valorem* property tax revenues collected for the payments of bonds in California, so no assurance can be given that a bankruptcy court would not hold otherwise.

### **Possession of Tax Revenues; Remedies**

The County on behalf of the District is expected to be in possession of the annual *ad valorem* property taxes and certain funds to repay the Bonds and may invest these funds in the County’s pooled investment fund, as described in “THE BONDS – Application and Investment of Bond Proceeds” herein and “APPENDIX E – SACRAMENTO COUNTY TREASURY POOL” attached hereto. If the County goes into bankruptcy and has possession of tax revenues (whether collected before or after

commencement of the bankruptcy), and if the County does not voluntarily pay such tax revenues to the owners of the Bonds, it is not entirely clear what procedures the owners of the Bonds would have to follow to attempt to obtain possession of such tax revenues, how much time it would take for such procedures to be completed, or whether such procedures would ultimately be successful. Further, should those investments suffer any losses, there may be delays or reductions in payments on the Bonds.

### **Opinion of Bond Counsel Qualified by Reference to Bankruptcy, Insolvency and Other Laws Relating to or Affecting Creditor's Rights**

The proposed form of the approving opinion of Bond Counsel attached hereto as APPENDIX A is qualified by reference to bankruptcy, insolvency and other laws relating to or affecting creditor's rights. Bankruptcy proceedings, if initiated, could subject the owners of the Bonds to judicial discretion and interpretation of their rights in bankruptcy or otherwise, and consequently may entail risks of delay, limitation, or modification of their rights

## **LEGAL MATTERS**

### **Legality for Investment in California**

Under provisions of the State Financial Code, the Bonds are legal investments for commercial banks in the State to the extent that the Bonds, in the informed opinion of the bank, are prudent for the investment of funds of depositors, and, under provisions of the Government Code, are eligible for security for deposits of public moneys in the State.

### **Enhanced Reporting Requirements**

Under Section 6049 of the Internal Revenue Code of 1986, as amended by Tax Increase Prevention and Reconciliation Act of 2005 ("TIPRA"), interest paid on tax-exempt obligations will be subject to information reporting in a manner similar to interest paid on taxable obligations. The effective date for this provision is for interest paid after December 31, 2005, regardless of when the tax-exempt obligations were issued. The purpose of this change was to assist in relevant information gathering for the IRS relating to other applicable tax provisions. TIPRA provides that backup withholding may apply to such interest payments made after March 31, 2007 to any bondholder who fails to file an accurate Form W-9 or who meets certain other criteria. The information reporting and backup withholding requirements of TIPRA do not affect the excludability of such interest from gross income for federal income tax purposes.

### **Continuing Disclosure**

***Current Undertaking.*** Pursuant to the Continuing Disclosure Certificate, the District has covenanted for the benefit of the Owners and Beneficial Owners of the Bonds to provide certain financial information and operating data relating to the District (the "Annual Report") by not later than nine months following the end of the District's fiscal year (which currently ends June 30), commencing with the report for the 2021-22 Fiscal Year, and to provide notices of the occurrence of certain listed events. The Annual Report and notices of listed events will be filed by the District in accordance with the requirements of the Rule. The specific nature of the information to be contained in the Annual Report or the notices of listed events is included in "APPENDIX D – FORM OF CONTINUING DISCLOSURE CERTIFICATE" attached hereto. These covenants have been made in order to assist the Underwriter[s] in complying with the Rule.

***Prior Undertakings.*** [TO COME].

## **Litigation**

No litigation is pending or threatened concerning the validity of the Bonds, and a certificate to that effect will be furnished to purchasers at the time of the original delivery of the Bonds. The District is not aware of any litigation pending or threatened questioning the political existence of the District or contesting the District's ability to receive *ad valorem* property taxes or to collect other revenues or contesting the District's ability to issue and retire the Bonds.

## **Financial Statements**

The financial statements with supplemental information for the year ended June 30, 2021, the independent auditor's report of the District, and the related statements of activities and of cash flows for the year then ended, and the report dated January 27, 2022 of Crowe LLP, the Auditor, are included in this Official Statement as APPENDIX B. In connection with the inclusion of the financial statements and the report of the Auditor thereon in APPENDIX B to this Official Statement, the District did not request the Auditor to, and the Auditor has not undertaken to, update its report or to take any action intended or likely to elicit information concerning the accuracy, completeness or fairness of the statements made in this Official Statement, and no opinion is expressed by the Auditor with respect to any event subsequent to the date of its report.

## **Legal Opinion**

The legal opinion of Bond Counsel, approving the validity of the Bonds, will be supplied to the original purchasers of the Bonds without cost. A copy of the proposed form of such legal opinion is attached to this Official Statement as APPENDIX A.

## **MISCELLANEOUS**

### **Ratings**

The Bonds are expected to be assigned a rating of “\_\_” by S&P, based upon the issuance of the Policy by the Insurer at the time the Bonds are delivered. [Moody's][S&P] has also assigned an underlying rating of “\_\_” to the Bonds. Such ratings reflects only the views of the rating agencies and any desired explanation of the significance of such rating should be obtained therefrom. There is no assurance such ratings will continue for any given period of time or that such ratings will not be revised downward or withdrawn entirely by the rating agencies, if in the judgment of the rating agencies, circumstances so warrant. Any such downward revision or withdrawal of such ratings may have an adverse effect on the market price for the Bonds.

Generally, rating agencies base their ratings on information and materials furnished to them (which may include information and material from the District which is not included in this Official Statement) and on investigations, studies and assumptions by the rating agencies.

The District has covenanted in a Continuing Disclosure Certificate to file notices of any ratings changes on the Bonds. See the caption “LEGAL MATTERS – Continuing Disclosure” above and “APPENDIX C – FORM OF CONTINUING DISCLOSURE CERTIFICATE” attached hereto. Notwithstanding such covenant, information relating to ratings changes on the Bonds may be publicly available from S&P and Moody's prior to such information being provided to the District and prior to the date the District is obligated to file a notice of rating change pursuant to the Rule. Purchasers of the Bonds are directed to S&P and Moody's, their websites and official media outlets for the most current ratings changes with respect to the Bonds after the initial issuance thereof.

## Considerations Regarding Bond Insurance

Concurrently with issuance of the Bonds, the Insurer will issue the Policy for the Bonds. The Policy unconditionally guarantees the payment of the principal of and interest on the Bonds that has become due for payment but that is unpaid. See “THE BONDS – Bond Insurance” and “APPENDIX F – SPECIMEN MUNICIPAL BOND INSURANCE POLICY” attached hereto.

In the event of a default in the payment of principal or interest on the Bonds, when all or some becomes due, any Owner of a Bond may have a claim under the Policy. The Policy would not insure against redemption premium, if any, with respect to the Bonds. In the event that the Insurer is unable to make payment of principal or interest on Bonds as such payments become due under the Policy, the Bonds will be payable solely as otherwise described herein. In the event that the Insurer becomes obligated to make payments on the Bonds, no assurance can be given that such event would not adversely affect the market price of the Bonds or the marketability (liquidity) of the Bonds.

Neither the District nor the Underwriter[s] will make an independent investigation of the claims paying ability of the Insurer, and no assurance or representation regarding the financial strength or projected financial strength thereof is being made by the District, the Municipal Advisor or the Underwriter[s] in this Official Statement. Therefore, when making an investment decision with respect to the Bonds, potential investors should carefully consider the ability of the District to pay principal and interest on the Bonds, assuming that the Policy is not available, and the claims-paying ability of the Insurer through final maturity of the Bonds.

## Underwriting

[[Senior Underwriter], on behalf of its self and [Co-Manager] (collectively, the “Underwriters”) has agreed, pursuant to a bond purchase agreement relating to the Bonds, to purchase all of the Bonds for a price of \$\_\_\_\_\_, which is equal to the initial principal amount of the Bonds of \$\_\_\_\_\_, plus original issue premium of \$\_\_\_\_\_, less \$\_\_\_\_\_ of underwriting discount.

The purchase agreement relating to the Bonds provide that the Underwriters will purchase all of the Bonds if any are purchased, the obligation to make such purchases being subject to certain terms and conditions set forth in such purchase agreement, the approval of certain legal matters by Bond Counsel and certain other conditions. The initial offering prices stated on the inside cover of this Official Statement may be changed from time to time by the Underwriters. The Underwriters may offer and sell Bonds to certain dealers and others at prices lower than such initial offering prices.

**ADDITIONAL INFORMATION**

The purpose of this Official Statement is to supply information to prospective buyers of the Bonds. Quotations from and summaries and explanations of the Bonds, the Resolutions providing for issuance of the Bonds, and the constitutional provisions, statutes and other documents referenced herein, do not purport to be complete, and reference is made to said documents, constitutional provisions and statutes for full and complete statements of their provisions.

All data contained herein has been taken or constructed from District records. Appropriate District officials, acting in their official capacities, have reviewed this Official Statement and have determined that, as of the date hereof, the information contained herein is, to the best of their knowledge and belief, true and correct in all material respects and does not contain an untrue statement of a material fact or omit to state a material fact necessary in order to make the statements made herein, in light of the circumstances under which they were made, not misleading. This Official Statement has been approved by the District.

**SACRAMENTO CITY UNIFIED SCHOOL DISTRICT**

By: \_\_\_\_\_

Jorge A. Aguilar  
Superintendent

## APPENDIX A

### FORM OF OPINION OF BOND COUNSEL FOR THE BONDS

*Upon issuance and delivery of the Bonds, Stradling Yocca Carlson & Rauth, Bond Counsel, proposes to render its final approving opinion with respect thereto substantially in the following form:*

\_\_\_\_\_, 2022

Board of Trustees  
Sacramento City Unified School District

Members of the Board of Trustees:

We have examined a certified copy of the record of the proceedings relative to the issuance and sale of \$ \_\_\_\_\_ Sacramento City Unified School District (Sacramento County, California) General Obligation Bonds, Election of 2020 (Measure H) 2022 Series A (the “Bonds”). As to questions of fact material to our opinion, we have relied upon the certified proceedings and other certifications of public officials furnished to us without undertaking to verify the same by independent investigation.

Based on our examination as bond counsel of existing law, certified copies of such legal proceedings and such other proofs as we deem necessary to render this opinion, we are of the opinion, as of the date hereof and under existing law, that:

1. Such proceedings and proofs show lawful authority for the issuance and sale of the Bonds pursuant to Article 4.5 of Chapter 3 of Part 1 of Division 2 of Title 5 of the California Government Code a fifty-five percent vote of the qualified electors of the Sacramento City Unified School District (the “District”) voting at an election held on March 3, 2020, a resolution of the Board of Education of the District (the “Resolution”) and a resolution of the Board of Supervisors of Sacramento County.
2. The Bonds constitute valid and binding general obligations of the District, payable as to both principal and interest from the proceeds of a levy of *ad valorem* property taxes on all property subject to such taxes in the District, which taxes are unlimited as to rate or amount.
3. Under existing statutes, regulations, rulings and judicial decisions, interest on the Bonds is excluded from gross income for federal income tax purposes and is not an item of tax preference for purposes of calculating the federal alternative minimum tax imposed on individuals.
4. Interest on the Bonds is exempt from State of California personal income tax.
5. The difference between the issue price of a Bond (the first price at which a substantial amount of the Bonds of a maturity is to be sold to the public) and the stated redemption price at maturity with respect to such Bonds (to the extent that the redemption price at maturity is greater than the issue price) constitutes original issue discount. Original issue discount accrues under a constant yield method, and original issue discount will accrue to a Bondowner before receipt of cash attributable to such excludable income. The amount of original issue discount deemed received by a Bondowner will increase the Bondowner’s basis in the applicable Bond. Original issue discount that accrues to the Bondowner is excluded from the

gross income of such owner for federal income tax purposes, is not an item of tax preference for purposes of the federal alternative minimum tax imposed on individuals, and is exempt from State of California personal income tax.

6. The amount by which a Bondowner's original basis for determining loss on sale or exchange in the applicable Bond (generally, the purchase price) exceeds the amount payable on maturity (or on an earlier call date) constitutes amortizable Bond premium, which must be amortized under Section 171 of the Internal Revenue Code of 1986, as amended (the "Code"); such amortizable Bond premium reduces the Bondowner's basis in the applicable Bond (and the amount of tax-exempt interest received), and is not deductible for federal income tax purposes. The basis reduction as a result of the amortization of Bond premium may result in a Bondowner realizing a taxable gain when a Bond is sold by the Bondowner for an amount equal to or less (under certain circumstances) than the original cost of the Bond to the Bondowner. Purchasers of the Bonds should consult their own tax advisors as to the treatment, computation and collateral consequences of amortizable Bond premium.

The opinions expressed herein may be affected by actions taken (or not taken) or events occurring (or not occurring) after the date hereof. We have not undertaken to determine, or to inform any person, whether any such actions or events are taken or do occur. The Resolution and the Tax Certificate relating to the Bonds permit certain actions to be taken or to be omitted if a favorable opinion of Bond Counsel is provided with respect thereto. No opinion is expressed herein as to the effect on the exclusion from gross income of interest (and original issue discount) for federal income tax purposes with respect to any Bond if any such action is taken or omitted based upon the advice of counsel other than ourselves. Other than expressly stated herein, we express no opinion regarding tax consequences with respect to the Bonds.

The opinions expressed herein as to the exclusion from gross income of interest (and original issue discount) on the Bonds are based upon certain representations of fact and certifications made by the District and others and are subject to the condition that the District complies with all requirements of the Code, that must be satisfied subsequent to the issuance of the Bonds to assure that such interest (and original issue discount) will not become includable in gross income for federal income tax purposes. Failure to comply with such requirements of the Code might cause interest (and original issue discount) on the Bonds to be included in gross income for federal income tax purposes retroactive to the date of issuance of the Bonds. The District has covenanted to comply with all such requirements.

It is possible that subsequent to the issuance of the Bonds there might be federal, state, or local statutory changes (or judicial or regulatory interpretations of federal, state, or local law) that affect the federal, state, or local tax treatment of the Bonds or the market value of the Bonds. No assurance can be given that subsequent to the issuance of the Bonds such changes or interpretations will not occur.

The rights of the owners of the Bonds and the enforceability thereof may be subject to bankruptcy, insolvency, reorganization, moratorium and other similar laws affecting creditors' rights heretofore or hereafter enacted to the extent constitutionally applicable and as their enforcement may also be subject to the exercise of judicial discretion in appropriate cases, and to the limitations on legal remedies against public agencies in the State of California.

Respectfully submitted,

Stradling Yocca Carlson & Rauth

**APPENDIX B**  
**AUDITED FINANCIAL STATEMENTS OF THE DISTRICT**  
**FOR FISCAL YEAR 2020-21**

## APPENDIX C

### FORM OF CONTINUING DISCLOSURE CERTIFICATE

This Continuing Disclosure Certificate (the “Disclosure Certificate”) is executed and delivered by the Sacramento City Unified School District (the “District”) in connection with the issuance of the District’s General Obligation Bonds, Election of 2020 (Measure H) 2022 Series A (collectively, the “Bonds”). The Bonds are being issued pursuant to resolutions of the Board of Education of the District adopted on April 7, 2022 and the Board of Supervisors of Sacramento County on \_\_\_\_\_ 2022 (collectively, the “Resolutions”). The District covenants and agrees as follows:

SECTION 1. Purpose of the Disclosure Certificate. This Disclosure Certificate is being executed and delivered by the District for the benefit of the Holders and Beneficial Owners of the Bonds and in order to assist the Participating Underwriters in complying with S.E.C. Rule 15c2-12(b)(5).

SECTION 2. Definitions. In addition to the definitions set forth in the Resolutions, which apply to any capitalized term used in this Disclosure Certificate unless otherwise defined in this Section, the following capitalized terms shall have the following meanings:

“Annual Report” shall mean any Annual Report provided by the District pursuant to, and as described in, Sections 3 and 4 of this Disclosure Certificate.

“Beneficial Owner” shall mean any person which (a) has the power, directly or indirectly, to vote or consent with respect to, or to dispose of ownership of, any Bonds (including persons holding Bonds through nominees, depositories or other intermediaries), or (b) is treated as the owner of any Bonds for federal income tax purposes.

“Dissemination Agent” shall mean initially Dale Scott & Company, Inc., or any successor Dissemination Agent designated in writing by the District (which may be the District) and which has filed with the District a written acceptance of such designation.

“Financial Obligation” means: (a) a debt obligation; (b) a derivative instrument entered into in connection with, or pledged as security or a source of payment for, an existing or planned debt obligation; or (c) guarantee of (a) or (b). The term “Financial Obligation” does not include municipal securities as to which a final official statement has been provided to the Repository consistent with the Rule.

“Holders” shall mean registered owners of the Bonds.

“Listed Events” shall mean any of the events listed in Section 5(a) and 5(b) of this Disclosure Certificate.

“Participating Underwriters” shall mean any of the original underwriters of the Bonds required to comply with the Rule in connection with offering of the Bonds.

“Repository” shall mean the Municipal Securities Rulemaking Board, which can be found at <http://emma.msrb.org/>, or any other repository of disclosure information that may be designated by the Securities and Exchange Commission as such for purposes of the Rule in the future.

“Rule” shall mean Rule 15c2-12(b)(5) adopted by the Securities and Exchange Commission under the Securities Exchange Act of 1934, as the same may be amended from time to time.

“State” shall mean the State of California.

SECTION 3. Provision of Annual Reports.

(a) The District shall, or shall cause the Dissemination Agent to, not later than nine months after the end of the District’s fiscal year (presently ending June 30), commencing with the report for the 2021-22 Fiscal Year, provide to the Repository an Annual Report which is consistent with the requirements of Section 4 of this Disclosure Certificate. The Annual Report may be submitted as a single document or as separate documents comprising a package, and may cross-reference other information as provided in Section 4 of this Disclosure Certificate; *provided* that the audited financial statements of the District may be submitted separately from the balance of the Annual Report and later than the date required above for the filing of the Annual Report if they are not available by that date. If the District’s fiscal year changes, it shall give notice of such change in the same manner as for a Listed Event under Section 5(d).

(b) Not later than 30 days (nor more than 60 days) prior to said date the Dissemination Agent shall give notice to the District that the Annual Report shall be required to be filed in accordance with the terms of this Disclosure Certificate. Not later than 15 Business Days prior to said date, the District shall provide the Annual Report in a format suitable for reporting to the Repository to the Dissemination Agent (if other than the District). If the District is unable to provide to the Repository an Annual Report by the date required in subsection (a), the District shall, in a timely manner, send a notice to the Repository in substantially the form attached as Exhibit A with a copy to the Dissemination Agent. The Dissemination Agent shall not be required to file a Notice to Repository of Failure to File an Annual Report.

(c) The Dissemination Agent shall file a report with the District stating it has filed the Annual Report in accordance with its obligations hereunder, stating the date it was provided.

SECTION 4. Content and Form of Annual Reports.

(a) The District’s Annual Report shall contain or include by reference the following:

1. The audited financial statements of the District for the fiscal year, prepared in accordance with generally accepted accounting principles as promulgated to apply to governmental entities from time to time by the Governmental Accounting Standards Board. If the District’s audited financial statements are not available by the time the Annual Report is required to be filed pursuant to Section 3(a), the Annual Report shall contain unaudited financial statements in a format similar to the financial statements contained in the final Official Statement, and the audited financial statements shall be filed in the same manner as the Annual Report when they become available.

2. Material financial information and operating data with respect to the District of the type included in the Official Statement in the following categories (to the extent not included in the District’s audited financial statements):

- (A) State funding received by the District for the last completed fiscal year;
- (B) Average daily attendance of the District for the last completed fiscal year;
- (C) Outstanding District indebtedness;

- (D) Summary financial information on revenues, expenditures and fund balances for the District's general fund reflecting adopted budget for the current fiscal year;
- (E) Total assessed valuation of taxable property within the District, for the current fiscal year;
- (F) Secured tax charges and delinquencies for *ad valorem* property tax levies for the District's outstanding bonded indebtedness, for the most recently completed fiscal year; and
- (G) Assessed valuation of taxable property for the top twenty taxpayers within the District for the current fiscal year.

Any or all of the items listed above may be included by specific reference to other documents, including official statements of debt issues of the District or related public entities, which have been submitted to the Repository or the Securities and Exchange Commission. If the document included by reference is a final official statement, it must be available from the Municipal Securities Rulemaking Board. The District shall clearly identify each such other document so included by reference.

(b) The Annual Report shall be filed in an electronic format accompanied by identifying information prescribed by the Municipal Securities Rulemaking Board.

**SECTION 5. Reporting of Significant Events.**

(a) Pursuant to the provisions of this Section 5(a), the District shall give, or cause to be given, notice of the occurrence of any of the following events with respect to the Bonds in a timely manner not in excess of 10 business days after the occurrence of the event:

1. principal and interest payment delinquencies.
2. tender offers.
3. defeasances.
4. rating changes.
5. adverse tax opinions, the issuance by the Internal Revenue Service of proposed or final determinations of taxability, or Notices of Proposed Issue (IRS Form 5701-TEB).
6. unscheduled draws on the debt service reserves reflecting financial difficulties.
7. unscheduled draws on credit enhancement reflecting financial difficulties.
8. substitution of the credit or liquidity providers or their failure to perform.
9. default, event of acceleration, termination event, modification of terms, or other similar events under the terms of a Financial Obligation of the District, any of which reflect financial difficulties.
10. bankruptcy, insolvency, receivership or similar event of the District. For the purposes of the event identified in this Section 5(a)(9), the event is considered to occur when any of the following occur: the appointment of a receiver, fiscal agent or similar officer for the

District in a proceeding under the U.S. Bankruptcy Code or in any other proceeding under state or federal law in which a court or governmental authority has assumed jurisdiction over substantially all of the assets or business of the District, or if such jurisdiction has been assumed by leaving the existing governmental body and officials or officers in possession but subject to the supervision and orders of a court or governmental authority, or the entry of an order confirming a plan of reorganization, arrangement or liquidation by a court or governmental authority having supervision or jurisdiction over substantially all of the assets or business of the District.

(b) Pursuant to the provisions of this Section 5(b), the District shall give, or cause to be given, notice of the occurrence of any of the following events with respect to the Bonds, if material:

1. non-payment related defaults.
2. modifications to rights of Bondholders.
3. Bond calls.
4. unless described under Section 5(a)(5) above material notices or determinations with respect to the tax status of the Bonds, or other material events affecting the tax status of the Bonds.
5. release, substitution or sale of property securing repayment of the Bonds.
6. the consummation of a merger, consolidation, or acquisition involving the District or the sale of all or substantially all of the assets of the District, other than in the ordinary course of business, the entry into a definitive agreement to undertake such an action or the termination of a definitive agreement relating to any such actions, other than pursuant to its terms.
7. appointment of a successor or additional trustee or paying agent with respect to the Bonds or the change of name of such a trustee or paying agent.
8. incurrence of a Financial Obligation of the District, or agreement to covenants, events of default, remedies, priority rights, or other similar terms of a Financial Obligation of the District, any of which affect Bondowners.

(c) Whenever the District obtains knowledge of the occurrence of a Listed Event under Section 5(b) hereof, the District shall as soon as possible determine if such event would be material under applicable federal securities laws.

(d) If the District determines that knowledge of the occurrence of a Listed Event under Section 5(b) hereof would be material under applicable federal securities laws, the District shall (i) file a notice of such occurrence with the Repository in a timely manner not in excess of 10 business days after the occurrence of the event or (ii) provide notice of such reportable event to the Dissemination Agent in format suitable for filing with the Repository in a timely manner not in excess of 10 business days after the occurrence of the event. The Dissemination Agent shall have no duty to independently prepare or file any report of Listed Events. The Dissemination Agent may conclusively rely on the District's determination of materiality pursuant to Section 5(c).

**SECTION 6. Termination of Reporting Obligation.** The District's obligations under this Disclosure Certificate shall terminate upon the legal defeasance, prior redemption or payment in full of all

of the Bonds. If such termination occurs prior to the final maturity of the Bonds, the District shall give notice of such termination in the same manner as for a Listed Event under Section 5(a) or 5(b).

SECTION 7. Dissemination Agent. The District may, from time to time, appoint or engage a Dissemination Agent (or substitute Dissemination Agent) to assist it in carrying out its obligations under this Disclosure Certificate, and may discharge any such Agent, with or without appointing a successor Dissemination Agent. The Dissemination Agent may resign upon 15 days written notice to the District. Upon such resignation, the District shall act as its own Dissemination Agent until it appoints a successor. The Dissemination Agent shall not be responsible in any manner for the content of any notice or report prepared by the District pursuant to this Disclosure Certificate and shall not be responsible to verify the accuracy, completeness or materiality of any continuing disclosure information provided by the District. The District shall compensate the Dissemination Agent for its fees and expenses hereunder as agreed by the parties. Any entity succeeding to all or substantially all of the Dissemination Agent's corporate trust business shall be the successor Dissemination Agent without the execution or filing of any paper or further act.

SECTION 8. Amendment; Waiver. Notwithstanding any other provision of this Disclosure Certificate, the District may amend this Disclosure Certificate, and any provision of this Disclosure Certificate may be waived, provided that the following conditions are satisfied:

- (a) If the amendment or waiver relates to the provisions of Sections 3(a), 4, 5(a) or 5(b), it may only be made in connection with a change in circumstances that arises from a change in legal requirements, change in law, or change in the identity, nature or status of an obligated person with respect to the Bonds, or the type of business conducted;
- (b) The undertaking, as amended or taking into account such waiver, would, in the opinion of nationally recognized bond counsel, have complied with the requirements of the Rule at the time of the original issuance of the Bonds, after taking into account any amendments or interpretations of the Rule, as well as any change in circumstances;
- (c) The amendment or waiver does not, in the opinion of nationally recognized bond counsel, materially impair the interests of the Holders or Beneficial Owners of the Bonds; and
- (d) No duties of the Dissemination Agent hereunder shall be amended without its written consent thereto.

In the event of any amendment or waiver of a provision of this Disclosure Certificate, the District shall describe such amendment in the next Annual Report, and shall include, as applicable, a narrative explanation of the reason for the amendment or waiver and its impact on the type (or in the case of a change of accounting principles, on the presentation) of financial information or operating data being presented by the District. In addition, if the amendment relates to the accounting principles to be followed in preparing financial statements, (i) notice of such change shall be given in the same manner as for a Listed Event under Section 5(b), and (ii) the Annual Report for the year in which the change is made should present a comparison (in narrative form and also, if feasible, in quantitative form) between the financial statements as prepared on the basis of the new accounting principles and those prepared on the basis of the former accounting principles.

SECTION 9. Additional Information. Nothing in this Disclosure Certificate shall be deemed to prevent the District from disseminating any other information, using the means of dissemination set forth in this Disclosure Certificate or any other means of communication, or including any other information in any Annual Report or notice of occurrence of a Listed Event, in addition to that which is required by this

Disclosure Certificate. If the District chooses to include any information in any Annual Report or notice of occurrence of a Listed Event in addition to that which is specifically required by this Disclosure Certificate, the District shall have no obligation under this Certificate to update such information or include it in any future Annual Report or notice of occurrence of a Listed Event.

SECTION 10. Default. In the event of a failure of the District to comply with any provision of this Disclosure Certificate any Holder or Beneficial Owner of the Bonds may take such actions as may be necessary and appropriate, including seeking mandate or specific performance by court order, to cause the District to comply with its obligations under this Disclosure Certificate. A default under this Disclosure Certificate shall not be deemed an event of default under the Resolutions, and the sole remedy under this Disclosure Certificate in the event of any failure of the District to comply with this Disclosure Certificate shall be an action to compel performance.

SECTION 11. Duties, Immunities and Liabilities of Dissemination Agent. The Dissemination Agent shall have only such duties as are specifically set forth in this Disclosure Certificate. The Dissemination Agent acts hereunder solely for the benefit of the District; this Disclosure Certificate shall confer no duties on the Dissemination Agent to the Participating Underwriters, the Holders and the Beneficial Owners. The District agrees to indemnify and save the Dissemination Agent, its officers, directors, employees and agents, harmless against any loss, expense and liabilities which it may incur arising out of or in the exercise or performance of its powers and duties hereunder, including the costs and expenses (including attorneys fees) of defending against any claim of liability, but excluding liabilities due to the Dissemination Agent's negligence or willful misconduct. The obligations of the District under this Section shall survive resignation or removal of the Dissemination Agent and payment of the Bonds. The Dissemination Agent shall have no liability for the failure to report any event or any financial information as to which the District has not provided an information report in format suitable for filing with the Repository. The Dissemination Agent shall not be required to monitor or enforce the District's duty to comply with its continuing disclosure requirements hereunder.

SECTION 12. Beneficiaries. This Disclosure Certificate shall inure solely to the benefit of the District, the Dissemination Agent, the Participating Underwriters and Holders and Beneficial Owners from time to time of the Bonds, and shall create no rights in any other person or entity.

Dated: \_\_\_\_\_, 2022

SACRAMENTO CITY UNIFIED SCHOOL DISTRICT

By \_\_\_\_\_  
Authorized Officer

**EXHIBIT A**

**NOTICE TO REPOSITORY OF FAILURE TO FILE ANNUAL REPORT**

Name of District: SACRAMENTO CITY UNIFIED SCHOOL DISTRICT

Name of Bond Issue: General Obligation Bonds, Election of 2020 (Measure H) 2022 Series A

Date of Issuance:

NOTICE IS HEREBY GIVEN that the District has not provided an Annual Report with respect to the above-named Bonds as required by the Continuing Disclosure Certificate relating to the Bonds. The District anticipates that the Annual Report will be filed by \_\_\_\_\_.

Dated: \_\_\_\_\_

SACRAMENTO CITY UNIFIED SCHOOL DISTRICT

By \_\_\_\_\_ [form only; no signature required]

## APPENDIX D

### ECONOMIC AND DEMOGRAPHIC INFORMATION FOR THE CITY OF SACRAMENTO AND SACRAMENTO COUNTY

*The following information regarding the City of Sacramento (the “City”), and Sacramento County (the “County”) is included only for the purpose of supplying general information regarding the local community and economy. The Bonds are not a debt of the City or of the County. This material has been prepared by or excerpted from the sources as noted herein and has not been reviewed for accuracy by the District or Bond Counsel. This Appendix includes information that is generally as of dates and for periods before the economic impacts of the COVID-19 (as defined in the front part of this Official Statement) pandemic and the measures instituted in response thereto. The COVID-19 pandemic is ongoing, and as result the geographic spread or mutation of the virus (notwithstanding the general availability of vaccines to combat the virus), the duration and severity of the outbreak, and the economic and other actions that may be taken by governmental authorities to contain the outbreak or to treat its impact are uncertain. The ultimate adverse impact of COVID-19 on the operations and finances of the District is unknown.*

## APPENDIX E

### SACRAMENTO COUNTY TREASURY POOL

*The following information concerning the Sacramento County Treasury Pool (the “Treasury Pool”) has been provided by the Director of Finance, and has not been confirmed or verified by the District, the Municipal Advisor or the Underwriter[s]. The District, the Municipal Advisor and the Underwriter[s] have not made an independent investigation of the investments in the Treasury Pool and have made no assessment of the current County investment policy. The value of the various investments in the Treasury Pool will fluctuate on a daily basis as a result of a multitude of factors, including generally prevailing interest rates and other economic conditions. Additionally, the Director of Finance, with the consent of the County Board of Supervisors may change the County investment policy at any time. Therefore, there can be no assurance that the values of the various investments in the Treasury Pool will not vary significantly from the values described herein. Finally, neither the District, the Municipal Advisor nor the Underwriter[s] make any representation as to the accuracy or adequacy of such information or as to the absence of material adverse changes in such information subsequent to the date hereof, or that the information contained or incorporated hereby by reference is correct as of any time subsequent to its date. Additional information regarding the Treasury Pool may be obtained from the Director of Finance at <https://finance.saccounty.gov/Investments/Pages/RptMonthly.aspx>, however, the information presented on such website is not incorporated herein by any reference.*

**APPENDIX F**

**SPECIMEN MUNICIPAL BOND INSURANCE POLICY**



# SACRAMENTO CITY UNIFIED SCHOOL DISTRICT BOARD OF EDUCATION

Agenda Item# 9.2

**Meeting Date:** April 7, 2022

**Subject:** Resolution No. 3261: A Resolution of the Board of Education of the Sacramento City Unified School District, Sacramento County, California, Authorizing the Issuance of Sacramento City Unified School District (Sacramento County, California) 2022 General Obligation Refunding Bonds in the amount of \$65,000,000 to be Issued by the Sacramento City Unified School District

- Information Item Only
- Approval on Consent Agenda
- Conference (for discussion only)
- Conference/First Reading
- Conference/Action
- Action
- Public Hearing

**Division:** Business Services

**Recommendation:** APPROVAL OF RESOLUTION #3261 OF THE BOARD OF EDUCATION OF THE SACRAMENTO CITY UNIFIED SCHOOL DISTRICT, SACRAMENTO COUNTY, CALIFORNIA, AUTHORIZING THE ISSUANCE OF SACRAMENTO CITY UNIFIED SCHOOL DISTRICT (SACRAMENTO COUNTY, CALIFORNIA) 2022 GENERAL OBLIGATION REFUNDING BONDS in the amount of \$65,000,000.

**Background/Rationale:** The 2022 General Obligation Refunding Bonds, in a principal amount not-to-exceed \$65 million (the “2022 Refunding Bonds”) are proposed to be issued to refinance the District’s outstanding 2012 General Obligation Bonds, originally issued on June 14, 2012. The not-to-exceed principal amount for the 2022 Refunding Bonds is \$65 million. The refinancing resulting from issuance of the 2022 Refunding Bonds is anticipated, based on current market conditions, to produce approximately \$8.1 million in taxpayer savings.

Refunding bonds, including refunding bonds issued by school districts with a negative or qualified budget certification in its current fiscal year, are not required to be issued by the County, and may be issued by the school district directly. A resolution to issue the 2022 Refunding Bonds is brought to the Board at this meeting April 7, 2022 for action to approve.

Dale Scott & Company, the District’s financial advisor, has distributed a request for proposal (“RFP”) to qualified underwriters regarding a negotiated sale of the 2022 Refunding Bonds and a proposed series of new money bonds (“the Series A Bonds”), being separately considered for approval at the April 7, 2022 Meeting. The RFP process will aid in the selection of the underwriter(s) with the most qualifications and lowest cost. The Resolution delegates authority to the Superintendent and other District staff to select one or more underwriting firms based on the results of the RFP and the advice of the financial advisor, and to finalize, execute, and deliver any required legal documents or disclosures. Both the 2022 Refunding Bonds and the Series A Bonds are expected to be sold in June 2022, with closings expected in mid-June.

**Financial Considerations:** The costs of issuance for the 2022 Refunding Bonds will be paid from proceeds of the bond issue and no such costs will be paid from the general fund. Disclosures of such estimated costs are set forth in the Resolution as an exhibit. Principal of and interest on the Bonds is paid from the collection of ad valorem taxes collected by the County from taxpayers in the District. The refinancing resulting from issuance of the 2022 Refunding Bonds is anticipated, based on current market conditions, to produce approximately \$8.1 million in taxpayer savings.

**Goal(s):** (1) Operational Excellence, (2) Safe, Emotionally Healthy and Engaged Students

**Documents Attached:**

1. Resolution No.3261
2. Bond Purchase Agreement
3. Escrow Agreement
4. Preliminary Official Statement

<b>Estimated Time:</b>	5 Minute presentation
<b>Submitted by:</b>	Rose Ramos, Chief Business Officer
<b>Approved by:</b>	Jorge A. Aguilar, Superintendent

**RESOLUTION NO. 3261**

**A RESOLUTION OF THE BOARD OF EDUCATION OF THE SACRAMENTO CITY UNIFIED SCHOOL DISTRICT, SACRAMENTO COUNTY, CALIFORNIA, AUTHORIZING THE ISSUANCE OF SACRAMENTO CITY UNIFIED SCHOOL DISTRICT (SACRAMENTO COUNTY, CALIFORNIA) 2022 GENERAL OBLIGATION REFUNDING BONDS**

**WHEREAS**, a duly called election was held in the Sacramento City Unified School District (the “District”), Sacramento County, California (the “County”) on October 19, 1999 (the “1999 Election”) and thereafter canvassed pursuant to law;

**WHEREAS**, at such election there was submitted to and approved by the requisite two-thirds vote of the qualified electors of the District a question as to the issuance and sale of general obligation bonds of the District for various purposes set forth in the ballot submitted to the voters, in the maximum amount of \$195,000,000, payable from the levy of an *ad valorem* property tax against taxable property in the District (the “1999 Authorization”);

**WHEREAS**, pursuant to the 1999 Authorization, the Board of Education of the District (the “Board”) previously caused the issuance of (i) \$50,000,000 of Sacramento City Unified School District (Sacramento County, California) General Obligation Bonds, Election of 1999, Series A (the “1999 Series A Bonds”), (ii) \$45,000,000 of Sacramento City Unified School District (Sacramento County, California) General Obligation Bonds, Election of 1999, Series B (the “1999 Series B Bonds”), (iii) \$45,000,000 of Sacramento City Unified School District (Sacramento County, California) General Obligation Bonds, Election of 1999, Series C (the “1999 Series C Bonds”) and (iv) \$55,000,000 of Sacramento City Unified School District (Sacramento County, California) General Obligation Bonds, Election of 1999, Series D (the “1999 Series D Bonds”);

**WHEREAS**, a duly called election was held in the District on November 5, 2002 (the “2002 Election,” and together with the 1999 Election, the “Elections”) and thereafter canvassed pursuant to law;

**WHEREAS**, at such election there was submitted to and approved by the requisite 55% vote of the qualified electors of the District a question as to the issuance and sale of general obligation bonds of the District for various purposes set forth in the ballot submitted to the voters, in the maximum amount of \$225,000,000, payable from the levy of an *ad valorem* property tax against taxable property in the District (the “2002 Authorization,” and together with the 1999 Authorization, the “Authorizations”);

**WHEREAS**, pursuant to the 2002 Authorization, the Board of Education of the District (the “Board”) previously caused the issuance of \$80,000,000 of Sacramento City Unified School District (Sacramento County, California) General Obligation Bonds, Election of 2002, Series A (the “2002 Series A Bonds”);

**WHEREAS**, pursuant to Government Code Sections 53550 *et seq.* and 53580 *et seq.* (the “Act”), the Board previously caused the issuance of \$52,310,000 of Sacramento City Unified School District (Sacramento County, California) General Obligation Refunding Bonds, Series 2001 (the “2001 Refunding Bonds”) to advance refund portions of the then-outstanding 1999 Series A Bonds;

**WHEREAS**, pursuant to the Act, the Board previously caused the issuance of \$113,245,000 of Sacramento City Unified School District (Sacramento County, California) 2012 General Obligation

Refunding Bonds (the “Prior Bonds”) to refinance portions of the then-outstanding 1999 Series B Bonds, 1999 Series C Bonds, 1999 Series D, 2001 Refunding Bonds and 2002 Series A Bonds;

**WHEREAS**, this Board desires to authorize the issuance of general obligation refunding bonds (the “Refunding Bonds”) pursuant to the Act, in one or more Series of Taxable or Tax-Exempt Current Interest Bonds (as such terms are defined herein) to currently refund all or a portion of the outstanding Prior Bonds (so refunded, the “Refunded Bonds”);

**WHEREAS**, all acts, conditions and things required by law to be done or performed have been done and performed in strict conformity with the laws authorizing the issuance of general obligation refunding bonds of the District, and whereas the indebtedness of the District, including this proposed issue of Refunding Bonds, is within all limits prescribed by law;

**WHEREAS**, pursuant to Government Code Section 5852.1, the Board has obtained from the Municipal Advisor (as defined herein) and disclosed herein, in a meeting open to the public, prior to authorization of the execution and delivery of the Refunding Bonds, good faith estimates of (a) the true interest cost of the Refunding Bonds, (b) the sum of all fees and charges paid to third parties with respect to the Refunding Bonds, (c) the amount of proceeds of the Refunding Bonds expected to be received net of the fees and charges paid to third parties and any reserves or capitalized interest paid or funded with proceeds of the Refunding Bonds, and (d) the sum total of all debt service payments to be evidenced by the Refunding Bonds calculated to the final payment date evidenced by the Refunding Bonds plus the fees and charges paid to third parties not paid with the proceeds of the Refunding Bonds; and

**WHEREAS**, at this time the Board desires to appoint professionals related to the issuance of the Refunding Bonds; and

**NOW, THEREFORE, BE IT FOUND, DETERMINED AND RESOLVED BY THE BOARD OF EDUCATION OF THE SACRAMENTO CITY UNIFIED SCHOOL DISTRICT, SACRAMENTO COUNTY, CALIFORNIA, AS FOLLOWS:**

**SECTION 1. Purpose.** To refund all or a portion of the currently outstanding principal amount of the Prior Bonds, and to pay all necessary legal, financial, and contingent costs in connection therewith, the Board hereby authorizes the issuance of the Refunding Bonds pursuant to the Act in an aggregate principal amount not-to-exceed \$65,000,000, in one or more Series of Taxable or Tax-Exempt Current Interest Bonds, to be styled as the “Sacramento City Unified School District (Sacramento County, California) 2022 General Obligation Refunding Bonds,” with appropriate additional Series designation if more than one Series of Refunding Bonds are issued. Additional costs authorized to be paid from the proceeds of the Refunding Bonds are all of the authorized costs of issuance set forth in Government Code Section 53550(e) and (f) and Section 53587.

**SECTION 2. Paying Agent.** The Board hereby appoints the Paying Agent as defined in Section 5 hereof, to act as paying agent, bond registrar, authentication agent and transfer agent for the Refunding Bonds on behalf of the District. The Board hereby approves the payment of the reasonable fees and expenses of the Paying Agent as they shall become due and payable. The fees and expenses of the Paying Agent which are not paid as a cost of issuance of the Refunding Bonds may be paid in each year from *ad valorem* property taxes levied and collected for the payment thereof, insofar as permitted by law, including specifically Education Code Section 15232.

**SECTION 3. Terms and Conditions of Sale.** The Refunding Bonds are hereby authorized to be sold at a negotiated sale, upon the direction of the Superintendent or the Chief Business and Operations Officer of the District, or such other officer or employee of the District as may be designated by the

Superintendent or the Chief Business and Operations Officer for such purposes (collectively, the “Authorized Officers”). The Refunding Bonds shall be sold pursuant to the terms and conditions set forth in the Purchase Contract, as described below. The Board hereby authorizes the sale of the Refunding Bonds at a negotiated sale, which is determined to provide more flexibility in the timing of the sale, an ability to implement the sale in a shorter time period, an increased ability to structure the Refunding Bonds to fit the needs of particular purchasers, and a greater opportunity for the Underwriters (as defined herein) to pre-market the Refunding Bonds to potential purchasers prior to the sale, all of which will contribute to the District’s goal of achieving the lowest overall cost of funds.

**SECTION 4. Purchase Contract.** The form of Purchase Contract (as defined herein) by and between the District and the Underwriters, substantially in the form on file with the Secretary to the Board, is hereby approved and the Authorized Officers, each alone, are hereby authorized to execute and deliver the Purchase Contract, with such changes therein, deletions therefrom and modifications thereto as the Authorized Officer executing the same may approve, such approval to be conclusively evidenced by his or her execution and delivery thereof; provided, however, that (i) the interest rates on the Refunding Bonds shall not exceed the maximum rate permitted by law, and (ii) the underwriting discount on the Refunding Bonds, excluding original issue discount, shall not exceed 0.40% of the aggregate principal amount of the Refunding Bonds issued. The Authorized Officers, each alone, are further authorized to determine the principal amount of the Refunding Bonds to be specified in the Purchase Contract for sale by the District up to \$65,000,000 and to enter into and execute the Purchase Contract with the Underwriters, if the conditions set forth in this Resolution are satisfied.

**SECTION 5. Certain Definitions.** As used in this Resolution, the terms set forth below shall have the meanings ascribed to them (unless otherwise set forth in the Purchase Contract):

- (a) “**Act**” means Government Code Sections 53550 *et seq.* and 53580 *et seq.*
- (b) “**Authorizing Documents**” means the authorizing resolution(s), indenture, agreement or other legal document(s) pursuant to which the Prior Bonds were authorized and issued.
- (c) “**Beneficial Owner**” means, when used with reference to book-entry Refunding Bonds registered pursuant to Section 6 hereof, the person who is considered the beneficial owner of such Refunding Bonds pursuant to the arrangements for book entry determination of ownership applicable to the Depository.
- (d) “**Bond Insurer**” means any insurance company which issues a municipal bond insurance policy insuring the payment of principal of and interest on the Refunding Bonds.
- (e) “**Bond Payment Date**” means, unless otherwise provided by the Purchase Contract, January 1 and July 1 of each year commencing July 1, 2022 with respect to the interest on the Refunding Bonds, and the stated maturity dates thereof with respect to the principal payments on the Refunding Bonds.
- (f) “**Bond Register**” means the registration books which the Paying Agent shall keep or cause to be kept on which the registered ownership, transfer and exchange of Refunding Bonds shall be recorded.
- (g) “**Code**” means the Internal Revenue Code of 1986, as the same may be amended from time to time. Reference to any particular section of the Code shall be deemed to be a reference to any successor to any such section.

(h) **“Continuing Disclosure Certificate”** means that certain contractual undertaking executed by the District in connection with the issuance of the Refunding Bonds pursuant to paragraph (b)(5) of the Rule, dated as of the date of issuance of the Refunding Bonds, as amended from time to time in accordance with the provisions thereof.

(i) **“Current Interest Bonds”** means the Refunding Bonds, the interest on which is payable semiannually on each Bond Payment Date specified for each such Refunding Bond and maturing in the years and in the amounts set forth in the Purchase Contract.

(j) **“Date of Delivery”** means the date of initial issuance and delivery of the Refunding Bonds, or such other date as shall be set forth in the Purchase Contract or Official Statement.

(k) **“Depository”** means the entity acting as securities depository for the Refunding Bonds pursuant to Section 6(c) hereof.

(l) **“Director of Finance”** means the Sacramento County Director of Finance.

(m) **“DTC”** means The Depository Trust Company, a limited purpose trust company organized under the laws of the State of New York, in its capacity as the initial Depository for the Refunding Bonds.

(n) **“Education Code”** means the California Education Code.

(o) **“Escrow Agent”** means U.S. Bank Trust Company, National Association, or any other escrow agent as shall be appointed by the District, in its capacity as escrow agent for the Refunded Bonds.

(p) **“Escrow Agreement”** means the agreement or agreements related to the deposit and investment of funds to refund the Refunded Bonds, by and between the District and the Escrow Agent.

(q) **“Federal Securities”** means securities as permitted, in accordance with the respective Authorizing Documents, to be deposited with the Escrow Agent for the purpose of defeasing the Refunded Bonds.

(r) **“Government Code”** means the California Government Code

(s) **“Holder”** or **“Owner”** means the registered owner of a Refunding Bond as set forth on the Bond Register maintained by the Paying Agent pursuant to Section 6 hereof.

(t) **“Information Services”** means the Municipal Securities Rulemaking Board’s Electronic Municipal Market Access System; or, such other services providing information with respect to called municipal obligations as the District may specify in writing to the Paying Agent or, in the absence of such a written designation, as the Paying Agent may select.

(u) **“Moody’s”** means Moody’s Investors Service, Inc., a corporation organized and existing under the laws of the State of Delaware, its successors and assigns, or, if such corporation shall be dissolved or liquidated or shall no longer perform the functions of a securities rating agency, any other nationally recognized securities rating agency designated by the District.

(v) **“Nominee”** means the nominee of the Depository, which may be the Depository, as determined from time to time pursuant to Section 6(c) hereof.

(w) **“Official Statement”** means the Official Statement for the Refunding Bonds, as described in Section 17 hereof.

(x) **“Outstanding”** means, when used with reference to the Refunding Bonds, as of any date, Bonds theretofore issued or thereupon being issued under this Resolution except:

(a) Refunding Bonds canceled at or prior to such date;

(b) Refunding Bonds in lieu of or in substitution for which other Refunding Bonds shall have been delivered pursuant to Section 8 hereof; or

(c) Refunding Bonds for the payment or redemption of which funds or Government Obligations in the necessary amount shall have been set aside (whether on or prior to the maturity or redemption date of such Refunding Bonds), in accordance with Section 19 of this Resolution

(y) **“Participants”** means those broker-dealers, banks and other financial institutions from time to time for which the Depository holds book-entry certificates as securities depository.

(z) **“Paying Agent”** means initially the Director of Finance, or any other Paying Agent as shall be named in the Purchase Contract or Official Statement, and afterwards any successor financial institution, acting as paying agent, transfer agent, authentication agent and bond registrar for the Refunding Bonds. The Director of Finance is authorized to contract with a third party for the provision of Paying Agent services hereunder.

(aa) **“Purchase Contract”** means the contract or contracts for purchase and sale of the Refunding Bonds, by and between the District and the Underwriters. To the extent the Refunding Bonds are sold pursuant to more than one Purchase Contract, each shall be substantially in the form presented to the Board, with such changes therein, deletions therefrom and modifications thereto as the Authorized Officer executing the same shall approve.

(bb) **“Record Date”** means the close of business on the fifteenth day of the month preceding each Bond Payment Date.

(cc) **“Rule”** means Rule 15c2-12 adopted by the Securities and Exchange Commission under the Securities Exchange Act of 1934.

(dd) **“Series”** means any Refunding Bonds executed, authenticated and delivered pursuant to the provisions hereof and identified as a separate series of bonds.

(ee) **“S&P”** means S&P Global Ratings, a business unit of Standard & Poor’s Financial Services LLC, its successors and assigns, or, if such entity shall be dissolved or liquidated or shall no longer perform the functions of a securities rating agency, any other nationally recognized securities rating agency designated by the District.

(ff) **“Taxable Bonds”** means any Refunding Bonds not issued as Tax-Exempt Bonds.

(gg) **“Tax-Exempt Bonds”** means any Refunding Bonds the interest on which is excludable from gross income for federal income tax purposes and is not treated as an item of tax preference for purposes of calculating the federal alternative minimum tax, as further described in an opinion of Bond Counsel supplied to the original purchasers of such Refunding Bonds.

(hh) “**Term Bonds**” means those Refunding Bonds for which mandatory sinking fund redemption dates have been established in the Purchase Contract.

(ii) “**Transfer Amount**” means, with respect to Outstanding Refunding Bonds, the principal amount thereof.

(jj) “**Underwriters**” means those underwriters as shall be identified in the Purchase Contract.

#### **SECTION 6. Terms of the Refunding Bonds.**

(a) Denomination, Interest, Dated Dates. The Refunding Bonds shall be issued as fully registered Current Interest Bonds registered as to both principal and interest, in denominations of \$5,000 principal amount or any integral multiple thereof. The Refunding Bonds will be initially registered in the name of “Cede & Co.,” the Nominee of DTC.

Each Refunding Bond shall be dated the Date of Delivery, and shall bear interest at the rates set forth in the Purchase Contract from the Bond Payment Date next preceding the date of authentication thereof unless it is authenticated as of a day during the period from the 16th day of the month next preceding any Bond Payment Date to that Bond Payment Date, inclusive, in which event it shall bear interest from such Bond Payment Date, or unless it is authenticated on or before the first Record Date, in which event it shall bear interest from the Date of Delivery. Interest on the Refunding Bonds shall be payable on the respective Bond Payment Dates and shall be computed on the basis of a 360-day year of twelve 30-day months.

No Refunding Bond shall mature later than the final maturity date of the Refunded Bonds to be refunded from proceeds of such Refunding Bond.

(b) Redemption.

(a) Optional Redemption. The Refunding Bonds shall be subject to optional redemption prior to maturity as provided in the Purchase Contract or the Official Statement.

(b) Mandatory Redemption. Any Refunding Bonds issued as Term Bonds shall be subject to mandatory sinking fund redemption as provided in the Purchase Contract or the Official Statement.

(c) Selection of Refunding Bonds for Redemption. Whenever provision is made in this Resolution for the redemption of Refunding Bonds and less than all Outstanding Refunding Bonds are to be redeemed, the Paying Agent, upon written instruction from the District, shall select Refunding Bonds for redemption as so directed and if not directed, in inverse order of maturity. Within a maturity, the Paying Agent shall select Refunding Bonds for redemption as directed by the District, and if not so directed, by lot. Redemption by lot shall be in such manner as the Paying Agent shall determine; provided, however, that with respect to redemption by lot, the portion of any Refunding Bond to be redeemed in part shall be in the principal amount of \$5,000 or any integral multiple thereof.

The Purchase Contract may provide that (i) in the event that a portion of any Term Bond is optionally redeemed prior to maturity pursuant to Section 6(b)(i) hereof, the remaining mandatory sinking fund payments with respect to such Term Bond shall be reduced proportionately or as otherwise directed by the District, in integral multiples of \$5,000 principal amount, in respect to the portion of such Term Bond optionally redeemed, and (ii) within a

maturity, Refunding Bonds shall be selected for redemption on a “Pro Rata Pass-Through Distribution of Principal” basis in accordance with DTC procedures, provided further that, such pro-rata redemption is made in accordance with the operational arrangements of DTC then in effect.

(d) Redemption Notice. When optional redemption is authorized pursuant to Section 5(b) hereof, the Paying Agent, upon written instruction from the District, shall give notice (a “Redemption Notice”) of the redemption of the Refunding Bonds. Such Redemption Notice shall specify: the Refunding Bonds or designated portions thereof (in the case of redemption of the Refunding Bonds in part but not in whole) which are to be redeemed; the date of redemption; the place or places where the redemption will be made, including the name and address of the Paying Agent; the redemption price; the CUSIP numbers (if any) assigned to the Refunding Bonds to be redeemed, the Refunding Bond numbers of the Refunding Bonds to be redeemed in whole or in part and, in the case of any Refunding Bond to be redeemed in part only, the portion of the principal amount of such Refunding Bond to be redeemed; and the original issue date, interest rate and stated maturity date of each Refunding Bond to be redeemed in whole or in part. Such Redemption Notice shall further state that on the specified date there shall become due and payable upon each Refunding Bond or portion thereof being redeemed at the redemption price thereof, together with the interest accrued to the redemption date thereon, and that from and after such date, interest thereon shall cease to accrue.

The Paying Agent shall take the following actions with respect to such Redemption Notice:

(1) At least 20 but not more than 60 days prior to the redemption date, such Redemption Notice shall be given to the respective Owners of Refunding Bonds designated for redemption by registered or certified mail, postage prepaid, at their addresses appearing on the Bond Register.

(2) At least 20 but not more than 60 days prior to the redemption date, such Redemption Notice shall be given by (i) registered or certified mail, postage prepaid, (ii) telephonically confirmed facsimile transmission, or (iii) overnight delivery service to each of the Securities Depository.

(3) At least 20 but not more than 60 days prior to the redemption date, such Redemption Notice shall be given by (i) registered or certified mail, postage prepaid, or (ii) overnight delivery service to one of the Information Services.

(4) Such Redemption Notice shall be given to such other persons as may be required pursuant to the Continuing Disclosure Certificate.

In lieu of providing notice via the means described in (1), (2) or (3) above, Redemption Notices may be provided via equally prompt electronic means as shall be acceptable to the Owners, the Depository or the Information Services.

A certificate of the Paying Agent or the District that a Redemption Notice has been given as provided herein shall be conclusive as against all parties. Neither failure to receive any Redemption Notice nor any defect in any such Redemption Notice so given shall affect the sufficiency of the proceedings for the redemption of the affected Refunding Bonds. Each check issued or other transfer of funds made by the Paying Agent for the purpose of redeeming Refunding Bonds shall bear or include the CUSIP number identifying, by issue and maturity, the Refunding Bonds being redeemed with the

proceeds of such check or other transfer. Such Redemption Notice may state that no representation is made as to the accuracy or correctness of CUSIP numbers printed thereon, or on the Refunding Bonds.

With respect to any Redemption Notice of Refunding Bonds, unless upon the giving of such notice such Refunding Bonds shall be deemed to have been defeased pursuant to Section 19 hereof, such notice shall state that such redemption shall be conditional upon the receipt by the Paying Agent (or an independent escrow agent selected by the District) on or prior to the date fixed for such redemption of the moneys necessary and sufficient to pay the principal of, premium, if any, and interest on, such Refunding Bonds to be redeemed, and that if such moneys shall not have been so received said notice shall be of no force and effect, the Refunding Bonds shall not be subject to redemption on such date and the Refunding Bonds shall not be required to be redeemed on such date. In the event that such Redemption Notice contains such a condition and such moneys are not so received, the redemption shall not be made and the Paying Agent shall within a reasonable time thereafter give notice, to the persons to whom and in the manner in which the Redemption Notice was given, that such moneys were not so received. In addition, the District shall have the right to rescind any Redemption Notice, by written notice to the Paying Agent, on or prior to the date fixed for such redemption. The Paying Agent shall distribute a notice of such rescission in the same manner as the Redemption Notice was originally provided.

(e) Partial Redemption of Refunding Bonds. Upon the surrender of any Refunding Bond redeemed in part only, the Paying Agent shall execute and deliver to the Owner thereof a new Refunding Bond or Refunding Bonds of like tenor, Series and maturity and of authorized denominations equal in Transfer Amounts to the unredeemed portion of the Refunding Bond surrendered. Such partial redemption shall be valid upon payment of the amount required to be paid to such Owner, and the District shall be released and discharged thereupon from all liability to the extent of such payment.

(f) Effect of Redemption Notice. Notice having been given as aforesaid, and the moneys for the redemption (including the interest accrued to the applicable date of redemption) having been set aside as provided in Section 19 hereof, the Refunding Bonds to be redeemed shall become due and payable on such date of redemption.

If on such redemption date, money for the redemption of all the Refunding Bonds to be redeemed as provided in Section 6(b) hereof, together with interest accrued to such redemption date, shall be held in trust as provided in Section 19 hereof, so as to be available therefor on such redemption date, and if a Redemption Notice thereof shall have been given as aforesaid, then from and after such redemption date, interest on the Refunding Bonds to be redeemed shall cease to accrue and become payable. All money held for the redemption of Refunding Bonds shall be held in trust for the account of the Owners of the Refunding Bonds so to be redeemed.

(g) Refunding Bonds No Longer Outstanding. When any Refunding Bonds (or portions thereof), which have been duly called for redemption prior to maturity under the provisions of this Resolution, or with respect to which irrevocable instructions to call for redemption prior to maturity at the earliest redemption date have been given to the Paying Agent, in form satisfactory to it, and sufficient moneys shall be irrevocably held in trust as provided in Section 19 hereof for the payment of the redemption price of such Refunding Bonds or portions thereof, and, accrued interest thereon to the date fixed for redemption, all as provided in this Resolution, then such Refunding Bonds shall no longer be deemed Outstanding and shall be surrendered to the Paying Agent for cancellation.

All Refunding Bonds paid at maturity or redeemed prior to maturity pursuant to the provisions of this Section 6 shall be cancelled upon surrender thereof and be delivered to or upon

the order of the District. All or any portion of a Refunding Bond purchased by the District shall be cancelled by the Paying Agent.

(c) Book-Entry System.

(a) Election of Book-Entry System. The Refunding Bonds shall initially be delivered in the form of a separate single fully-registered bond (which may be typewritten) for each maturity date of such Refunding Bonds in an authorized denomination. The ownership of each such Refunding Bond shall be registered in the Bond Register in the name of the Nominee, as nominee of the Depository and ownership of the Refunding Bonds, and all or any portion thereof may not thereafter be transferred except as provided in Section 6(c)(i)(4).

With respect to book-entry Refunding Bonds, the District and the Paying Agent shall have no responsibility or obligation to any Participant or to any person on behalf of which such a Participant holds an interest in such book-entry Refunding Bonds. Without limiting the immediately preceding sentence, the District and the Paying Agent shall have no responsibility or obligation with respect to: (i) the accuracy of the records of the Depository, the Nominee, or any Participant with respect to any ownership interest in book-entry Refunding Bonds; (ii) the delivery to any Participant or any other person, other than an Owner as shown in the Bond Register, of any notice with respect to book-entry Refunding Bonds, including any Redemption Notice; (iii) the selection by the Depository and its Participants of the beneficial interests in book-entry Refunding Bonds to be prepaid in the event the District redeems such Refunding Bonds in part; or (iv) the payment by the Depository or any Participant or any other person, of any amount with respect to principal of, premium, if any, or interest on book-entry Refunding Bonds. The District and the Paying Agent may treat and consider the person in whose name each book-entry Refunding Bond is registered in the Bond Register as the absolute Owner of such Refunding Bond for the purpose of payment of principal of, premium, if any, and interest on and to such Refunding Bond, for the purpose of giving notices of redemption and other matters with respect to such Refunding Bond, for the purpose of registering transfers with respect to such Refunding Bond, and for all other purposes whatsoever. The Paying Agent shall pay all principal of, premium, if any, and interest on book-entry Refunding Bonds only to or upon the order of the respective Owner, as shown in the Bond Register, or his respective attorney duly authorized in writing, and all such payments shall be valid and effective to fully satisfy and discharge the District's obligations with respect to payment of principal of, premium, if any, and interest on book-entry Refunding Bonds to the extent of the sum or sums so paid. No person other than an Owner, as shown in the Bond Register, shall receive a certificate evidencing the obligation to make payments of principal of, premium, if any, and interest on book-entry Refunding Bonds. Upon delivery by the Depository to the Owner and the Paying Agent, of written notice to the effect that the Depository has determined to substitute a new nominee in place of the Nominee, and subject to the provisions herein with respect to the Record Date, the word "Nominee" in this Resolution shall refer to such nominee of the Depository.

(1) Delivery of Letter of Representations. In order to qualify the Refunding Bonds for the Depository's book-entry system, the District and the Paying Agent shall execute and deliver to the Depository a Letter of Representations. The execution and delivery of a Letter of Representations shall not in any way impose upon the District or the Paying Agent any obligation whatsoever with respect to persons having interests in the Refunding Bonds other than the Owners, as shown on the Bond Register. By executing a Letter of Representations, the Paying Agent shall agree to take all action necessary at all times so that the District will be in compliance with all representations of the District in such Letter of Representations. In addition to the execution and delivery of a Letter of Representations, the District and the Paying Agent shall take

such other actions, not inconsistent with this Resolution, as are reasonably necessary to qualify the Refunding Bonds for the Depository's book-entry program.

(2) Selection of Depository. In the event (i) the Depository determines not to continue to act as securities depository for the Refunding Bonds, or (ii) the District determines that continuation of the book-entry system is not in the best interest of the Beneficial Owners of the Refunding Bonds or the District, then the District will discontinue the book-entry system with the Depository. If the District determines to replace the Depository with another qualified securities depository, the District shall prepare or direct the preparation of a new single, separate, fully registered bond for each maturity date of such Refunding Bond, registered in the name of such successor or substitute qualified securities depository or its Nominee as provided in subsection (4) hereof. If the District fails to identify another qualified securities depository to replace the Depository, then the Refunding Bonds shall no longer be restricted to being registered in such Bond Register in the name of the Nominee, but shall be registered in whatever name or names the Owners transferring or exchanging such Refunding Bonds shall designate, in accordance with the provisions of this Section 6(c).

(3) Payments and Notices to Depository. Notwithstanding any other provision of this Resolution to the contrary, so long as all Outstanding Refunding Bonds are held in book-entry form and registered in the name of the Nominee, all payments by the District or Paying Agent with respect to principal of and premium, if any, or interest on book-entry Refunding Bonds and all notices with respect to such Refunding Bonds, including Redemption Notices, shall be made and given, respectively to the Nominee, as provided in the Letter of Representations or as otherwise instructed by the Depository and agreed to by the Paying Agent notwithstanding any inconsistent provisions herein.

(4) Transfer of Refunding Bonds to Substitute Depository.

(A) The Refunding Bonds shall be initially issued as described in the Official Statement. Registered ownership of such Refunding Bonds, or any portions thereof, may not thereafter be transferred except:

(1) to any successor of DTC or its Nominee, or of any substitute depository designated pursuant to Section 6(c)(i)(4)(A)(2) ("Substitute Depository"); provided that any successor of DTC or Substitute Depository shall be qualified under any applicable laws to provide the service proposed to be provided by it;

(2) to any Substitute Depository, upon (a) the resignation of DTC or its successor (or any Substitute Depository or its successor) from its functions as depository, or (b) a determination by the District that DTC (or its successor) is no longer able to carry out its functions as depository; provided that any such Substitute Depository shall be qualified under any applicable laws to provide the services proposed to be provided by it; or

(3) to any person as provided below, upon (a) the resignation of DTC or its successor (or any Substitute Depository or its successor) from its functions as depository, or (b) a determination by the District that DTC or its successor (or Substitute Depository or its successor) is no longer able to carry out its functions as depository.

(B) In the case of any transfer pursuant to Section 6(c)(i)(4)(A)(1) or (2), upon receipt of all Outstanding Refunding Bonds by the Paying Agent, together with a written request of the District to the Paying Agent designating the Substitute Depository, a single new Refunding

Bond, which the District shall prepare or cause to be prepared, shall be executed and delivered for each maturity of Refunding Bonds then Outstanding, registered in the name of such successor or such Substitute Depository or their Nominees, as the case may be, all as specified in such written request of the District. In the case of any transfer pursuant to Section 6(c)(i)(4)(A)(3), upon receipt of all Outstanding Refunding Bonds by the Paying Agent, together with a written request of the District to the Paying Agent, new Refunding Bonds, which the District shall prepare or cause to be prepared, shall be executed and delivered in such denominations and registered in the names of such persons as are requested in such written request of the District, provided that the Paying Agent shall not be required to deliver such new Refunding Bonds within a period of less than sixty (60) days from the date of receipt of such written request from the District.

(C) In the case of a partial redemption or an advance refunding of any Refunding Bonds evidencing a portion of the principal maturing in a particular year, DTC or its successor (or any Substitute Depository or its successor) shall make an appropriate notation on such Refunding Bonds indicating the date and amounts of such reduction in principal, in form acceptable to the Paying Agent, all in accordance with the Letter of Representations. The Paying Agent shall not be liable for such Depository's failure to make such notations or errors in making such notations.

(D) The District and the Paying Agent shall be entitled to treat the person in whose name any Refunding Bond is registered as the Owner thereof for all purposes of this Resolution and any applicable laws, notwithstanding any notice to the contrary received by the Paying Agent or the District; and the District and the Paying Agent shall not have responsibility for transmitting payments to, communicating with, notifying, or otherwise dealing with any Beneficial Owners of the Refunding Bonds. Neither the District nor the Paying Agent shall have any responsibility or obligation, legal or otherwise, to any such Beneficial Owners or to any other party, including DTC or its successor (or Substitute Depository or its successor), except to the Owner of any Refunding Bonds, and the Paying Agent may rely conclusively on its records as to the identity of the Owners of the Refunding Bonds.

**SECTION 7. Execution of the Refunding Bonds.** The Refunding Bonds shall be signed by the President of the Board, or by such other member of the Board authorized to sign on behalf of the President, by his or her manual or facsimile signature and countersigned by the manual or facsimile signature of the Secretary to or Clerk of the Board, or the designees thereof, all in their official capacities. No Refunding Bond shall be valid or obligatory for any purpose or shall be entitled to any security or benefit under this Resolution unless and until the certificate of authentication printed on the Refunding Bond is signed by the Paying Agent as authenticating agent. Authentication by the Paying Agent shall be conclusive evidence that the Refunding Bond so authenticated has been duly issued, signed and delivered under this Resolution and is entitled to the security and benefit of this Resolution.

**SECTION 8. Paying Agent; Transfer and Exchange.** So long as any of the Refunding Bonds remain Outstanding, the District will cause the Paying Agent to maintain and keep at its designated office all books and records necessary for the registration, exchange and transfer of the Refunding Bonds as provided in this Section. Subject to the provisions of Section 9 below, the person in whose name a Refunding Bond is registered on the Bond Register shall be regarded as the absolute Owner of that Refunding Bond for all purposes of this Resolution. Payment of or on account of the principal of and premium, if any, and interest on any Refunding Bond shall be made only to or upon the order of such Owner; neither the District nor the Paying Agent shall be affected by any notice to the contrary, but the registration may be changed as provided in this Section. All such payments shall be valid and effectual to satisfy and discharge the District's liability upon the Refunding Bonds, including interest, to the extent of the amount or amounts so paid.

Any Refunding Bond may be exchanged for Refunding Bonds of like tenor, Series, maturity and Transfer Amount upon presentation and surrender at the designated office of the Paying Agent, together with a request for exchange signed by the Owner or by a person legally empowered to do so in a form satisfactory to the Paying Agent. A Refunding Bond may be transferred on the Bond Register only upon presentation and surrender of the Refunding Bond at the designated office of the Paying Agent together with an assignment executed by the Owner or by a person legally empowered to do so in a form satisfactory to the Paying Agent. Upon exchange or transfer, the Paying Agent shall complete, authenticate and deliver a new Refunding Bond or Refunding Bonds of like tenor and of any authorized denomination or denominations requested by the Owner equal to the Transfer Amount of the Refunding Bond surrendered and bearing or accruing interest at the same rate and maturing on the same date.

If any Refunding Bond shall become mutilated, the District, at the expense of the Owner of said Refunding Bond, shall execute, and the Paying Agent shall thereupon authenticate and deliver, a new Refunding Bond of like Series, tenor, maturity and Transfer Amount in exchange and substitution for the Refunding Bond so mutilated, but only upon surrender to the Paying Agent of the Refunding Bond so mutilated. If any Refunding Bond issued hereunder shall be lost, destroyed or stolen, evidence of such loss, destruction or theft may be submitted to the Paying Agent and, if such evidence be satisfactory to the Paying Agent and indemnity for the Paying Agent and the District satisfactory to the Paying Agent shall be given by the Owner, the District, at the expense of the Owner, shall execute, and the Paying Agent shall thereupon authenticate and deliver, a new Refunding Bond of like Series, tenor, maturity and Transfer Amount in lieu of and in substitution for the Refunding Bond so lost, destroyed or stolen (or if any such Refunding Bond shall have matured or shall have been called for redemption, instead of issuing a substitute Refunding Bond, the Paying Agent may pay the same without surrender thereof upon receipt of indemnity satisfactory to the Paying Agent and the District). The Paying Agent may require payment of a reasonable fee for each new Refunding Bond issued under this paragraph and of the expenses which may be incurred by the District and the Paying Agent.

If signatures on behalf of the District are required in connection with an exchange or transfer, the Paying Agent shall undertake the exchange or transfer of Refunding Bonds only after the new Refunding Bonds are signed by the authorized officers of the District. In all cases of exchanged or transferred Refunding Bonds, the District shall sign and the Paying Agent shall authenticate and deliver Refunding Bonds in accordance with the provisions of this Resolution. All fees and costs of transfer shall be paid by the requesting party. Those charges may be required to be paid before the procedure is begun for the exchange or transfer. All Refunding Bonds issued upon any exchange or transfer shall be valid obligations of the District, evidencing the same debt, and entitled to the same security and benefit under this Resolution as the Refunding Bonds surrendered upon that exchange or transfer.

Any Refunding Bond surrendered to the Paying Agent for payment, retirement, exchange, replacement or transfer shall be cancelled by the Paying Agent. The District may at any time deliver to the Paying Agent for cancellation any previously authenticated and delivered Refunding Bonds that the District may have acquired in any manner whatsoever, and those Refunding Bonds shall be promptly cancelled by the Paying Agent. Written reports of the surrender and cancellation of Refunding Bonds shall be made to the District by the Paying Agent as requested by the District. The cancelled Refunding Bonds shall be retained for three years, then returned to the District or destroyed by the Paying Agent as directed by the District.

Neither the District nor the Paying Agent will be required (a) to issue or transfer any Refunding Bonds during a period beginning with the opening of business on the 16th day next preceding either any Bond Payment Date or any date of selection of Refunding Bonds to be redeemed and ending with the close of business on the Bond Payment Date or any day on which the applicable Redemption Notice is

given or (b) to transfer any Refunding Bonds which have been selected or called for redemption in whole or in part.

**SECTION 9. Payment.** Payment of interest on any Refunding Bond on any Bond Payment Date shall be made to the person appearing on the Bond Register as the Owner thereof as of the Record Date immediately preceding such Bond Payment Date, such interest to be paid by wire transfer to the bank and account number on file with the Paying Agent as of the Record Date. The principal of and redemption premium, if any, payable on the Refunding Bonds shall be payable upon maturity or redemption upon surrender at the designated office of the Paying Agent. The principal of, premiums, if any, and interest on the Refunding Bonds shall be payable in lawful money of the United States of America. The Paying Agent is hereby authorized to pay the Refunding Bonds when duly presented for payment at maturity, and to cancel all Refunding Bonds upon payment thereof. Except as otherwise provided by the Act, the Refunding Bonds are general obligations of the District, payable solely from the levy of *ad valorem* property taxes upon all property subject to taxation within the District, which taxes are unlimited as to rate or amount. The Refunding Bonds do not constitute an obligation of the County except as provided in this Resolution. No part of any fund of the County is pledged or obligated to the payment of the Refunding Bonds.

**SECTION 10. Form of Refunding Bonds.** The Refunding Bonds shall be in substantially the form attached as Exhibit A, allowing those officials executing the Refunding Bonds to make the insertions and deletions necessary to conform the Refunding Bonds to this Resolution, the Purchase Contract and the Official Statement, or to correct or cure any defect, inconsistency, ambiguity or omission therein. Pending the preparation of definitive Refunding Bonds, the Refunding Bonds may be executed and delivered in temporary form exchangeable for definitive Refunding Bonds when ready for delivery. If the Paying Agent delivers temporary Refunding Bonds, it shall execute and deliver definitive Refunding Bonds in an equal aggregate principal amount of authorized denominations, when available, and thereupon the temporary Refunding Bonds shall be surrendered to the Paying Agent. Until so exchanged, the temporary Refunding Bonds shall be entitled to the same benefits hereunder as definitive Refunding Bonds.

**SECTION 11. Delivery of Refunding Bonds.** The proper officials of the District shall cause the Refunding Bonds to be prepared and, following their sale, shall have the Refunding Bonds signed and delivered, together with a final transcript of proceedings with reference to the issuance of the Refunding Bonds, to the Underwriters upon payment of the purchase price therefor.

**SECTION 12. Deposit of Proceeds of Refunding Bonds; Escrow Agreement.** An amount of proceeds from the sale of the Refunding Bonds necessary to purchase certain Federal Securities, or to otherwise refund the Refunded Bonds, shall be transferred to the Escrow Agent for deposit in the escrow fund established under the Escrow Agreement (the "Escrow Fund"), which amount, if uninvested, shall be sufficient, or if invested, together with an amount or amounts of cash held uninvested therein, shall be sufficient to refund the Refunded Bonds all as set forth in a certificate of an Authorized Officer. Premium or proceeds received from the sale of the Refunding Bonds desired to pay all or a portion of the costs of issuing the Refunding Bonds may be deposited in the fund of the District held by a fiscal agent selected thereby and shall be kept separate and distinct from all other District funds, and those proceeds shall be used solely for the purpose of paying costs of issuance of the Refunding Bonds.

Any accrued interest received by the District from the sale of the Refunding Bonds shall be kept separate and apart in the fund hereby created and established and to be designated as the "Sacramento City Unified School District, 2022 General Obligation Refunding Bond Debt Service Fund" (the "Debt Service Fund") for the Refunding Bonds and used only for payments of principal of and interest on the Refunding Bonds. The Debt Service Fund shall be held by the County. At the election of the District, (i)

to the extent the Bonds are issued in more than one Series, there shall be created a separate Debt Service Fund for each such Series of Bonds, with appropriate Series designation, and all references herein to the Debt Service Fund shall be deemed to include any Debt Service Fund created for a Series of Bonds, or (ii) the Debt Service Fund may be established as a subaccount of, or otherwise combined with, a fund established by the County for the purpose of holding proceeds of *ad valorem* property tax levies made to pay bonds issued pursuant to the Authorizations. A portion of the premium received by the District from the sale of the Refunding Bonds may be transferred to the Debt Service Fund or applied to the payment of cost of issuance of the Refunding Bonds, or some combination of deposits. Any excess proceeds of the Refunding Bonds not needed for the authorized purposes set forth herein for which the Refunding Bonds are being issued shall be transferred to the Debt Service Fund and applied to the payment of the principal of and interest on the Refunding Bonds. If, after payment in full of the Refunding Bonds, there remain excess proceeds, any such excess amounts shall be transferred to the general fund of the District.

The moneys in the Debt Service Fund, to the extent necessary to pay the principal of and interest on the Refunding Bonds as the same become due and payable, shall be transferred by the Director of Finance to DTC to pay the principal of and interest on the Refunding Bonds. DTC will thereupon make payments of principal of and interest on the Refunding Bonds to the DTC Participants who will thereupon make payments of such principal and interest to the Beneficial Owners of the Refunding Bonds. Any moneys remaining in the Debt Service Fund after the Refunding Bonds and the interest thereon have been paid in full, or provision for such payment has been made, shall be transferred to the general fund of the District.

Except as required below to satisfy the requirements of Section 148(f) of the Code, interest earned on the investment of monies held in the Debt Service Fund shall be retained in the Debt Service Fund and used to pay principal of and interest on the Refunding Bonds when due.

### **SECTION 13. Rebate Fund.**

(a) General. If necessary, there shall be created and established a special fund designated the “Sacramento City Unified School District 2022 General Obligation Refunding Bond Rebate Fund” (the “Rebate Fund”). All amounts at any time on deposit in the Rebate Fund shall be held in trust, to the extent required to satisfy the requirement to make rebate payments to the United States (the “Rebate Requirement”) pursuant to Section 148 of the Code, as the same may be amended from time to time, and the Treasury Regulations promulgated thereunder (the “Rebate Regulations”). Such amounts shall be free and clear of any lien hereunder and shall be governed by this Section and Section 14 of this Resolution and by that certain tax certificate concerning certain matters pertaining to the use and investment of proceeds of the Refunding Bonds, executed and delivered to the District on the date of issuance of the Refunding Bonds, including any and all exhibits attached thereto (the “Tax Certificate”).

(b) Deposits.

(a) Within forty-five (45) days of the end of each fifth Bond Year (as such term is defined in the Tax Certificate) (1) the District shall calculate or cause to be calculated with respect to the Refunding Bonds the amount that would be considered the “rebate amount” within the meaning of Section 1.148-3 of the Rebate Regulations, using as the “computation date” for this purpose the end of such five Bond Years, and (2) the District shall deposit to the Rebate Fund from deposits from the District or from amounts available therefor on deposit in the other funds established hereunder, if and to the extent required, amounts sufficient to cause the balance in the Rebate Fund to be equal to the “rebate amount” so calculated.

(b) The District shall not be required to deposit any amount to the Rebate Fund in accordance with the preceding sentence if the amount on deposit in the Rebate Fund prior to the deposit required to be made under this subsection (b) equals or exceeds the “rebate amount” calculated in accordance with the preceding sentence. Such excess may be withdrawn from the Rebate Fund to the extent permitted under subsection (g) of this Section.

(c) The District shall not be required to calculate the “rebate amount” and the District shall not be required to deposit any amount to the Rebate Fund in accordance with this subsection (b), with respect to all or a portion of the proceeds of the Refunding Bonds (including amounts treated as the proceeds of the Refunding Bonds) (1) to the extent such proceeds satisfy the expenditure requirements of Section 148(f)(4)(B) or Section 148 (f)(4)(C) of the Code or Section 1.148-7(d) of the Treasury Regulations or the small issuer exception of Section 148(f)(4)(D) of the Code, whichever is applicable, and otherwise qualify for the exception of the Rebate Requirement pursuant to whichever of said sections is applicable, or (2) to the extent such proceeds are subject to an election by the District under Section 148(f)(4)(C)(vii) of the Code to pay a one and one-half percent (1½%) penalty in lieu of arbitrage rebate in the event any of the percentage expenditure requirements of Section 148(f)(4)(C) are not satisfied, or (3) to the extent such proceeds qualify for the exception to arbitrage rebate under Section 148(f)(4)(A)(ii) of the Code for amounts in a “bona fide debt service fund.” In such event, and with respect to such amounts, the District shall not be required to deposit any amount to the Rebate Fund in accordance with this subsection (b).

(c) Withdrawal Following Payment of Refunding Bonds. Any funds remaining in the Rebate Fund after redemption of all the Refunding Bonds and any amounts described in paragraph (ii) of subsection (d) of this Section, including accrued interest, shall be transferred to the General Fund of the District.

(d) Withdrawal for Payment of Rebate. Subject to the exceptions contained in subsection (b) of this Section to the requirement to calculate the “rebate amount” and make deposits to the Rebate Fund, the District shall pay to the United States, from amounts on deposit in the Rebate Fund,

(a) not later than sixty (60) days after the end of (a) the fifth (5th) Bond Year, and (b) each fifth (5th) Bond Year thereafter, an amount that, together with all previous rebate payments, is equal to at least 90% of the “rebate amount” calculated as of the end of such Bond Year in accordance with Section 1.148-3 of the Rebate Regulations; and

(b) not later than sixty (60) days after the payment of all Refunding Bonds, an amount equal to one hundred percent (100%) of the “rebate amount” calculated as of the date of such payment (and any income attributable to the “rebate amount” determined to be due and payable) in accordance with Section 1.148-3 of the Rebate Regulations.

(e) Rebate Payments. Each payment required to be made pursuant to subsection (d) of this Section shall be made to the Internal Revenue Service Center, Ogden, Utah 84201, on or before the date on which such payment is due, and shall be accompanied by Internal Revenue Service Form 8038-T, such form to be prepared or caused to be prepared by or on behalf of the District.

(f) Deficiencies in the Rebate Fund. In the event that, prior to the time of any payment required to be made from the Rebate Fund, the amount in the Rebate Fund is not sufficient to make such payment when such payment is due, the District shall calculate the amount of such deficiency and deposit an amount equal to such deficiency into the Rebate Fund prior to the time such payment is due.

(g) Withdrawals of Excess Amount. In the event that immediately following the calculation required by subsection (b) of this Section, but prior to any deposit made under said subsection, the amount on deposit in the Rebate Fund exceeds the “rebate amount” calculated in accordance with said subsection, upon written instructions from the District, the District may withdraw the excess from the Rebate Fund and credit such excess to the Debt Service Fund.

(h) Record Retention. The District shall retain records of all determinations made hereunder until three years after the retirement of the Refunding Bonds.

(i) Survival of Defeasance. Notwithstanding anything in this Resolution to the contrary, the Rebate Requirement shall survive the payment in full or defeasance of the Refunding Bonds.

**SECTION 14. Security for the Refunding Bonds.** There shall be levied on all the taxable property in the District, in addition to all other taxes, a continuing direct *ad valorem* property tax annually during the period the Refunding Bonds are Outstanding in an amount sufficient to pay the principal of and interest on the Refunding Bonds when due, which moneys when collected will be deposited in the Debt Service Fund of the District and used for the payment of the principal of and interest on the Refunding Bonds when and as the same fall due, and for no other purpose. The District covenants to cause the County to take all actions necessary to levy such *ad valorem* property tax in accordance with this Section 14 and Section 53559 of the Act.

The Refunding Bonds shall, pursuant to Government Code Section 53515, be secured by a statutory lien on all revenues received pursuant to the levy and collection of *ad valorem* property taxes for the payment of the Refunding Bonds.

Pursuant to Government Code Sections 5450 and 5451, the District hereby pledges all revenues received from the levy and collection of *ad valorem* property taxes for the payment of the Refunding Bonds and all amounts on deposit in the Debt Service Fund to the payment of the Refunding Bonds. Such pledge shall constitute a lien on and security interest in such taxes and amounts in the Debt Service Fund. This pledge shall constitute an agreement between the District and the Owners of the Refunding Bonds to provide security for the payment of the Refunding Bonds in addition to any statutory lien that may exist.

The moneys in the Debt Service Fund, to the extent necessary to pay the principal of and interest on the Refunding Bonds as the same become due and payable, shall be transferred by the Director of Finance to the Paying Agent which, in turn, shall pay such moneys to DTC to pay such principal and interest. DTC will thereupon make payments of principal of and interest on the Refunding Bonds to the DTC Participants who will thereupon make payments of such principal and interest to the Beneficial Owners of the Refunding Bonds. Any moneys remaining in the Debt Service Fund after the Refunding Bonds and the interest thereon have been paid in full, or provision for such payment has been made, shall be transferred to the general fund of the District, pursuant to Education Code Section 15234.

**SECTION 15. Arbitrage Covenant.** The District covenants that it will restrict the use of the proceeds of the Refunding Bonds in such manner and to such extent, if any, as may be necessary, so that the Refunding Bonds will not constitute arbitrage bonds under Section 148 of the Code and the applicable regulations prescribed under that Section or any predecessor section. Calculations for determining arbitrage requirements shall be the sole responsibility of the District.

**SECTION 16. Legislative Determinations.** The Board hereby determines that all acts and conditions necessary to be performed thereby or to have been met precedent to and in the issuing of the Refunding Bonds in order to make them legal, valid and binding general obligations of the District have

been performed and have been met, or will at the time of delivery of the Refunding Bonds have been performed and have been met, in regular and due form as required by law; and that no statutory or constitutional limitation of indebtedness or taxation will have been exceeded in the issuance of the Refunding Bonds. Furthermore, the Board hereby finds and determines pursuant to Section 53552 of the Act that the prudent management of the fiscal affairs of the District requires that it issue the Refunding Bonds without submitting the question of the issuance of the Refunding Bonds to a vote of the qualified electors of the District. Pursuant to Government Code Section 53587, in determining the amount of Refunding Bonds to be issued, the Board hereby determines that any capitalized interest from proceeds of the Refunding Bonds shall be reasonably required.

**SECTION 17. Official Statement.** The Preliminary Official Statement relating to the Refunding Bonds, substantially in the form on file with the Secretary to the Board is hereby approved and the Authorized Officers, each alone, are hereby authorized and directed, for and in the name and on behalf of the District, to deliver such Preliminary Official Statement to the Underwriters to be used in connection with the offering and sale of the Refunding Bonds. The Authorized Officers, each alone, are hereby authorized and directed, for and in the name and on behalf of the District, to deem the Preliminary Official Statement “final” pursuant to 15c2-12 of the Securities Exchange Act of 1934, prior to its distribution and to execute and deliver to the Underwriters a final Official Statement, substantially in the form of the Preliminary Official Statement, with such changes therein, deletions therefrom and modifications thereto as an Authorized Officer executing the same shall approve. Execution of the Official Statement shall conclusively evidence the District’s approval of the Official Statement.

**SECTION 18. Insurance.** In the event the District purchases bond insurance for the Refunding Bonds, and to the extent that the Bond Insurer makes payment of the principal of or interest on the Refunding Bonds, it shall become the Owner of such Refunding Bonds with the right to payment of principal or interest on the Refunding Bonds, and shall be fully subrogated to all of the Owners’ rights, including the Owners’ rights to payment thereof. To evidence such subrogation (i) in the case of subrogation as to claims of past due interest, the Paying Agent shall note the Bond Insurer’s rights as subrogee on the Bond Register for the Refunding Bonds maintained by the Paying Agent upon receipt of a copy of the cancelled check issued by the Bond Insurer for the payment of such interest to the Owners of the Refunding Bonds, and (ii) in the case of subrogation as to claims for past due principal, the Paying Agent shall note the Bond Insurer as subrogee on the Bond Register for the Refunding Bonds maintained by the Paying Agent upon surrender of the Refunding Bonds by the Owners thereof to the Bond Insurer or the insurance trustee for the Bond Insurer.

**SECTION 19. Defeasance.** All or any portion of the Outstanding maturities of the Refunding Bonds may be defeased prior to maturity in the following ways:

(a) **Cash:** by irrevocably depositing with an independent escrow agent selected by the District an amount of cash which, together with amounts transferred from the Debt Service Fund, if any, is sufficient to pay all Refunding Bonds Outstanding and designated for defeasance (including all principal thereof, accrued interest thereon and redemption premiums, if any) at or before their maturity date; or

(b) **Government Obligations:** by irrevocably depositing with an independent escrow agent selected by the District noncallable Government Obligations, together with amounts transferred from the Debt Service Fund, if any, and any other cash, if required, in such amount as will, together with interest to accrue thereon, in the opinion of an independent certified public accountant, be fully sufficient to pay and discharge all Refunding Bonds Outstanding and designated for defeasance (including all principal thereof, accrued interest thereon and redemption premiums, if any) at or before their maturity date;

then, notwithstanding that any of such Refunding Bonds shall not have been surrendered for payment, all obligations of the District with respect to all such designated Outstanding Refunding Bonds shall cease and terminate, except only the obligation of the independent escrow agent selected by the District to pay or cause to be paid from funds deposited pursuant to paragraphs (a) or (b) of this Section, to the Owners of such designated Refunding Bonds not so surrendered and paid all sums due with respect thereto.

For purposes of this Section, "Government Obligations" shall mean:

Direct and general obligations of the United States of America, obligations that are unconditionally guaranteed as to principal and interest by the United States of America (which may consist of obligations of the Resolution Funding Corporation that constitute interest strips), or obligations the payment of the principal of and interest on which is secured, guaranteed or otherwise backed by, directly or indirectly, a pledge of the full faith and credit of the United States of America. In the case of direct and general obligations of the United States of America, Government Obligations shall include evidences of direct ownership of proportionate interests in future interest or principal payments of such obligations. Investments in such proportionate interests must be limited to circumstances where (i) a bank or trust company acts as custodian and holds the underlying United States obligations; (ii) the owner of the investment is the real party in interest and has the right to proceed directly and individually against the obligor of the underlying United States obligations; and (iii) the underlying United States obligations are held in a special account, segregated from the custodian's general assets, and are not available to satisfy any claim of the custodian, any person claiming through the custodian, or any person to whom the custodian may be obligated; provided that such obligations are rated or assessed at least as high as direct and general obligations of the United States of America by either Moody's or S&P.

#### **SECTION 20. Other Actions, Determinations and Approvals.**

(a) Officers of the Board, District officials and staff are hereby authorized and directed, jointly and severally, to do any and all things and to execute and deliver any and all documents which they may deem necessary or advisable in order to proceed with the issuance of the Refunding Bonds and otherwise carry out, give effect to and comply with the terms and intent of this Resolution. Such actions heretofore taken by such officers, officials and staff are hereby ratified, confirmed and approved.

(b) The Board hereby finds and determines that both the total net interest cost to maturity on the Refunding Bonds plus the principal amount of the Refunding Bonds will be less than the total net interest cost to maturity on the Refunded Bonds plus the principal amount of the Refunded Bonds.

(c) The Board anticipates that the Refunded Bonds will be redeemed on the first respective optional redemption dates therefor following the issuance of the Refunding Bonds.

(d) The Board hereby appoints U.S. Bank Trust Company, National Association as Escrow Agent for the Refunded Bonds and approves the form of the Escrow Agreement substantially in the form on file with the Secretary to the Board. The Authorized Officers, each alone, are hereby authorized to execute the Escrow Agreement with such changes as they shall approve, such approval to be conclusively evidenced by such individual's execution and delivery thereof.

(e) The Board hereby appoints Dale Scott and Company, as Municipal Advisor, Stradling Yocca Carlson & Rauth, a Professional Corporation, San Francisco, California, as Bond Counsel and Disclosure Counsel, each with respect to the issuance of the Refunding Bonds. The Board hereby authorizes the appointment of such Underwriters as shall be identified in the Purchase Contract.

(f) Based on a good faith estimate received by the District from the Municipal Advisor, the Board hereby finds that (i) the True Interest Cost of the Refunding Bonds (as defined in Government Code Section 5852.1(a)(1)(A)) is expected to be approximately 2.02%, (ii) the total Finance Charge of the Refunding Bonds (as defined in Government Code Section 5852.1(a)(1)(B)) is expected to be \$563,000, (iii) the total proceeds expected to be received by the District from the sale of the Refunding Bonds, less the Finance Charge of the Refunding Bonds and any reserves or capitalized interest paid or funded with proceeds of the Refunding Bonds, is \$62,134,000, and (iv) the District expects that the Total Payment Amount (as defined in Government Code Section 5852.1(a)(1)(D)), calculated to the final maturity of the Refunding Bonds, will be \$69,435,781. The information presented in this Section 20(f) is included in satisfaction of Government Code Section 5852.1, and shall not abrogate or otherwise limit any other provision of this Resolution.

(g) The provisions of this Resolution as they relate to the terms of the Refunding Bonds may be amended by the Purchase Contract and the Official Statement; if the Purchase Contract so provides, the Refunding Bonds may be issued as crossover refunding bonds pursuant to Government Code Section 53558(b). All or a portion of the Refunding Bonds are further authorized to be issued on a forward delivery basis.

(f) The District hereby approves the execution and delivery of all agreements, documents, certificates and instruments referred to herein with electronic signatures as may be permitted under the California Uniform Electronic Transactions Act and digital signatures as may be permitted under Government Code Section 16.5 using DocuSign or comparable digital signature program.

**SECTION 21. Resolution to County Director of Finance.** The Secretary to the Board is hereby directed to provide a certified copy of this Resolution to the Director of Finance immediately following its adoption.

**SECTION 22. Request to County to Levy Tax.** The Board of Supervisors and officers of the County are obligated by statute to provide for the levy and collection of *ad valorem* property taxes in each year sufficient to pay all principal of and interest coming due on the Refunding Bonds in such year, and to pay from such taxes all amounts due on the Refunding Bonds. The District hereby requests the Board of Supervisors of the County to annually levy a tax upon all taxable property in the District sufficient to pay all such principal and interest coming due on the Refunding Bonds in such year, and to pay from such taxes all amounts due on the Refunding Bonds. The Board hereby finds and determines that such *ad valorem* taxes shall be levied specifically to pay the Refunding Bonds being issued to finance and refinance specific projects authorized by the voters of the District at the Elections.

**SECTION 23. Nonliability of the County.** Notwithstanding anything to the contrary contained herein, in the Refunding Bonds or in any other document mentioned herein, neither the County, nor its officials, officers, employees or agents shall have any liability hereunder or by reason hereof or in connection with the transactions contemplated hereby, the Refunding Bonds are not a debt of the County or a pledge of the County's full faith and credit, and the Refunding Bonds and any liability in connection therewith shall be paid solely from *ad valorem* property taxes lawfully levied to pay the principal of or interest on the Refunding Bonds, which taxes shall be unlimited as to rate or amount.

**SECTION 24. Continuing Disclosure.** The District hereby covenants and agrees that it will comply with and carry out all of the provisions of that certain Continuing Disclosure Certificate executed by the District and dated as of the Date of Delivery, as originally executed and as it may be amended from time to time in accordance with the terms thereof. The Board hereby approves the form of the Continuing Disclosure Certificate appended to the form of Preliminary Official Statement on file with the Secretary to the Board, and the Authorized Officers, each alone, are hereby authorized to execute the Continuing

Disclosure Certificate with such changes thereto as the Authorized Officers executing the same shall approve, such approval to be conclusively evidenced by such execution and delivery. Noncompliance with this Section shall not result in acceleration of the Refunding Bonds.

**SECTION 25. Further Actions Authorized.** It is hereby covenanted that the District, and its appropriate officials, have duly taken all actions necessary to be taken by them, and will take any additional actions necessary to be taken by them, for carrying out the provisions of this Resolution.

**SECTION 26. Recitals.** All the recitals in this Resolution above are true and correct and the Board so finds, determines and represents.

**SECTION 27. Effective Date.** This Resolution shall take effect immediately upon its passage.

PASSED, ADOPTED AND APPROVED this 7th day of April, 2022, by the following vote:

AYES:

NOES:

ABSENT:

ABSTENTIONS:

---

President, Board of Education  
Sacramento City Unified School District

Attest:

---

Secretary to the Board of Education  
Sacramento City Unified School District

SECRETARY'S CERTIFICATE

I, Jorge A. Aguilar, Superintendent and Secretary to the Board of Education of the Sacramento City Unified School District, Sacramento County, California, hereby certify as follows:

The foregoing is a full, true and correct copy of a Resolution duly adopted at a regular meeting of the Board of Education of the District duly and legally held at the regular meeting place thereof on April 7, 2022, of which meeting all of the members of the Board of said District had due notice and at which a quorum was present.

I have carefully compared the same with the original minutes of said meeting on file and of record in my office and the foregoing is a full, true and correct copy of the original Resolution adopted at said meeting and entered in said minutes.

Said resolution has not been amended, modified or rescinded since the date of its adoption, and the same is now in full force and effect.

Dated: April \_\_, 2022

---

Secretary to the Board of Education  
Sacramento City Unified School District

**EXHIBIT A**

**FORM OF REFUNDING BOND**

**UNLESS THIS BOND IS PRESENTED BY AN AUTHORIZED REPRESENTATIVE OF THE DEPOSITORY TO THE PAYING AGENT FOR REGISTRATION OF TRANSFER, EXCHANGE OR PAYMENT, AND ANY BOND ISSUED IS REGISTERED IN THE NAME OF CEDE & CO. OR IN SUCH OTHER NAME AS IS REQUESTED BY AN AUTHORIZED REPRESENTATIVE OF THE DEPOSITORY (AND ANY PAYMENT IS MADE TO CEDE & CO. OR TO SUCH OTHER ENTITY AS IS REQUESTED BY AN AUTHORIZED REPRESENTATIVE OF THE DEPOSITORY), ANY TRANSFER, PLEDGE OR OTHER USE HEREOF FOR VALUE OR OTHERWISE BY OR TO ANY PERSON IS WRONGFUL INASMUCH AS THE REGISTERED OWNER HEREOF, CEDE & CO., HAS AN INTEREST HEREIN.**

**REGISTERED  
NO.**

**REGISTERED  
\$**

**SACRAMENTO CITY UNIFIED SCHOOL DISTRICT  
(SACRAMENTO COUNTY, CALIFORNIA)  
2022 GENERAL OBLIGATION REFUNDING BONDS**

**INTEREST RATE:      MATURITY DATE:      DATED AS OF:      CUSIP**

**REGISTERED OWNER:      CEDE & CO.**

**PRINCIPAL AMOUNT:**

The Sacramento City Unified School District (the "District") in Sacramento County, California (the "County"), for value received, promises to pay to the Registered Owner named above, or registered assigns, the Principal Amount on the Maturity Date, each as stated above, and interest thereon until the Principal Amount is paid or provided for at the Interest Rate stated above, on January 1 and July 1 of each year (the "Bond Payment Dates"), commencing July 1, 2022. This bond will bear interest from the Bond Payment Date next preceding the date of authentication hereof unless it is authenticated as of a day during the period from the 16th day of the month next preceding any Bond Payment Date to the Bond Payment Date, inclusive, in which event it shall bear interest from such Bond Payment Date, or unless it is authenticated on or before June 15, 2022, in which event it shall bear interest from the Date of Delivery. Interest on this bond shall be computed on the basis of a 360-day year of twelve 30-day months. Principal and interest are payable in lawful money of the United States of America, without deduction for the paying agent services, to the person in whose name this bond (or, if applicable, one or more predecessor bonds) is registered (the "Registered Owner") on the Register maintained by the Paying Agent, initially Director of Finance of Sacramento County. Principal is payable upon presentation and surrender of this bond at the designated office of the Paying Agent. Interest is payable by wire transfer by the Paying Agent on each Bond Payment Date to the Registered Owner of this bond (or one or more predecessor bonds) as shown on the Bond Register maintained by the Paying Agent as of, and to the bank and account number on file with the Paying Agent as of, the close of business on the 15th day of the calendar month next preceding that Bond Payment Date (the "Record Date").

This bond is one of an authorization of bonds issued by the District pursuant to Government Code Section 53550 *et seq.* and 53580 *et seq.* (the “Act”) for the purpose of refunding certain of the District’s outstanding bonded indebtedness, and paying all necessary legal, financial, and contingent costs in connection therewith. The Bonds are being issued under authority of and pursuant to the Act, the laws of the State of California, and the resolution of the Board of Education of the District adopted on April 7, 2022 (the “Bond Resolution”). This bond and the issue of which this bond is one are general obligation bonds of the District payable as to both Principal and interest solely from the proceeds of the levy of *ad valorem* property taxes on all property subject to such taxes in the District, which taxes are unlimited as to rate or amount in accordance with Education Code Sections 15250 and 15252. Pursuant to Government Code Section 53515, the bonds will be secured by a statutory lien on all revenues received pursuant to the levy and collection of such *ad valorem* property taxes.

Pursuant to Government Code Sections 5450 and 5451, the District has pledged all revenues received from the levy and collection of *ad valorem* property taxes for the payment of the bonds, and all amounts on deposit in the Debt Service Fund (as defined in the Bond Resolution), to the payment of the bonds. Such pledge shall constitute a lien on and security interest in such taxes and amounts in the Debt Service Fund, and shall constitute an agreement between the District and the Registered Owners of the Bonds to provide security for the payment of the bonds in addition to any statutory lien that may exist.

The bonds of this issue comprise \$\_\_\_\_\_ Principal Amount of current interest bonds, of which this bond is a part (each a “Refunding Bond”).

This bond is exchangeable and transferable for bonds of like tenor, series, maturity and principal amount and in authorized denominations at the designated office of the Paying Agent by the Registered Owner, upon presentation and surrender hereof to the Paying Agent, together with a request for exchange or an assignment signed by the Registered Owner or by a person legally empowered to do so, in a form satisfactory to the Paying Agent, all subject to the terms, limitations and conditions provided in the Bond Resolution. All fees and costs of transfer shall be paid by the transferor. The District and the Paying Agent may deem and treat the Registered Owner as the absolute Owner of this bond for the purpose of receiving payment of or on account of principal or interest and for all other purposes, and neither the District nor the Paying Agent shall be affected by any notice to the contrary.

Neither the District nor the Paying Agent will be required (a) to issue or transfer any bond during a period beginning with the opening of business on the 16th day next preceding either any Bond Payment Date or any date of selection of Refunding Bonds to be redeemed and ending with the close of business on the Bond Payment Date or day on which the applicable notice of redemption is given or (b) to transfer any Refunding Bond which has been selected or called for redemption in whole or in part.

The Refunding Bonds maturing on or before July 1, 20\_\_ are not subject to redemption prior to their fixed maturity dates. The Refunding Bonds maturing on or after July 1, 20\_\_ are subject to redemption on or after July 1, 20\_\_ or on any date thereafter at the option of the District, as a whole or in part, at a redemption price equal to the principal amount of the Refunding Bonds called for redemption, plus interest accrued thereon to the date fixed for redemption, without premium.

The Refunding Bonds maturing on July 1, 20\_\_ (the “20\_\_ Term Bonds”) are subject to mandatory sinking fund redemption on July 1 of each year on and after July 1, 20\_\_, at a redemption price equal to the principal amount thereof, together with accrued interest to the date fixed for redemption, without premium. The principal amounts represented by such 20\_\_ Term Bonds to be so redeemed and the dates therefore and the final payment date is as indicated in the following table:

Redemption Dates

Principal Amounts

TOTAL

\$

In the event that a portion of the 20\_\_ Term Bonds is optionally redeemed prior to maturity, the remaining mandatory sinking fund payments with shown above shall be reduced proportionately, or as otherwise directed by the District, in integral multiples of \$5,000 principal amount, in respect of the portion of such 20\_\_ Term Bonds optionally redeemed.

If less than all of the Refunding Bonds of any one maturity shall be called for redemption, the particular Refunding Bonds or portions thereof of such maturity to be redeemed shall be selected by lot by the Paying Agent as directed by the District, and if not so directed, in such manner as the Paying Agent may determine; provided, however, that the portion of any Refunding Bond to be redeemed shall be in the principal amount of \$5,000 or some multiple thereof. If less than all of the Refunding Bonds stated to mature on different dates shall be called for redemption, the particular Refunding Bonds or portions thereof to be redeemed shall be called by the Paying Agent in any order of maturity as directed by the District or, if the Paying Agent is not so directed, in the inverse order of maturity.

Reference is made to the Bond Resolution for a more complete description of certain defined terms used herein, as well as the provisions, among others, with respect to the nature and extent of the security for the Refunding Bonds of this series, the rights, duties and obligations of the District, the Paying Agent and the Registered Owners, and the terms and conditions upon which the Refunding Bonds are issued and secured. The Registered Owner of this bond assents, by acceptance hereof, to all of the provisions of the Bond Resolution.

It is certified and recited that all acts and conditions required by the Constitution and laws of the State of California to exist, to occur and to be performed or to have been met precedent to and in the issuing of the Refunding Bonds in order to make them legal, valid and binding general obligations of the District, have been performed and have been met in regular and due form as required by law; that no statutory or constitutional limitation on indebtedness or taxation has been exceeded in issuing the Refunding Bonds; and that due provision has been made for levying and collecting *ad valorem* property taxes on all of the taxable property within the District in an amount sufficient to pay principal and interest when due.

This bond shall not be valid or obligatory for any purpose and shall not be entitled to any security or benefit under the Bond Resolution until the Certificate of Authentication below has been signed.

IN WITNESS WHEREOF, the Sacramento City Unified School District, Sacramento County, California, has caused this bond to be executed on behalf of the District and in their official capacities by the manual or facsimile signature of the President of the Board of Education of the District, and to be countersigned by the manual or facsimile signature of the [Secretary to/Clerk of] the Board of the District, all as of the date stated above.

SACRAMENTO CITY UNIFIED SCHOOL DISTRICT

By: \_\_\_\_\_  
(Facsimile Signature)  
President, Board of Education

COUNTERSIGNED:

\_\_\_\_\_  
(Facsimile Signature)  
[Secretary to/Clerk of] the Board of Education

CERTIFICATE OF AUTHENTICATION

This bond is one of the Refunding Bonds described in the Bond Resolution referred to herein which has been authenticated and registered on \_\_\_\_\_, 2022.

SACRAMENTO COUNTY DIRECTOR OF  
FINANCE, as Paying Agent

By: \_\_\_\_\_  
Authorized Representative

ASSIGNMENT

For value received, the undersigned sells, assigns and transfers to (print or typewrite name, address and zip code of Transferee): \_\_\_\_\_ this bond and irrevocably constitutes and appoints attorney to transfer this bond on the books for registration thereof, with full power of substitution in the premises.

Dated: \_\_\_\_\_

Signature Guaranteed:

\_\_\_\_\_

Notice: The assignor's signature to this assignment must correspond with the name as it appears upon the within bond in every particular, without alteration or any change whatever, and the signature(s) must be guaranteed by an eligible guarantor institution.

Social Security Number, Taxpayer Identification Number or other identifying number of Assignee: \_\_\_\_\_

Unless this bond is presented by an authorized representative of The Depository Trust Company to the issuer or its agent for registration of transfer, exchange or payment, and any bond issued is registered in the name of Cede & Co. or such other name as requested by an authorized representative of The Depository Trust Company and any payment is made to Cede & Co., ANY TRANSFER, PLEDGE OR OTHER USE HEREOF FOR VALUE OR OTHERWISE BY OR TO ANY PERSON IS WRONGFUL since the registered owner hereof, Cede & Co., has an interest herein.

LEGAL OPINION

The following is a true copy of the opinion rendered by Stradling Yocca Carlson & Rauth, a Professional Corporation in connection with the issuance of, and dated as of the date of the original delivery of, the bonds. A signed copy is on file in my office.

By: \_\_\_\_\_ (Facsimile Signature)  
[Secretary to/Clerk of] the Board of Education

(Form of Legal Opinion)

§ \_\_\_\_\_  
**SACRAMENTO CITY UNIFIED SCHOOL DISTRICT  
(SACRAMENTO COUNTY, CALIFORNIA)  
2022 REFUNDING GENERAL OBLIGATION BONDS**

**BOND PURCHASE AGREEMENT**

\_\_\_\_\_, 2022

Sacramento City Unified School District  
Board of Education  
5735 47th Avenue  
Sacramento, California 95824

Ladies and Gentlemen:

The undersigned, [LEAD UNDERWRITER], as representative (the “Representative”) of itself, and [CO-MANAGER] (collectively, the “Underwriters”) offers to enter into this Bond Purchase Agreement (the “Purchase Agreement”) with the Sacramento City Unified School District (the “District”), which, upon the District’s acceptance hereof, will be binding upon the District and the Underwriters. This offer is made subject to the written acceptance of this Purchase Agreement by the District and delivery of such acceptance to us at or prior to 11:59 P.M., California Time, on the date hereof. Capitalized terms used and not otherwise defined herein shall have the meanings ascribed to such terms in the Official Statement (as defined herein) or, if not defined in the Official Statement, in the Resolution (as defined herein).

Inasmuch as the sale contemplated hereby represents a negotiated transaction, the District acknowledges and agrees that: (i) the primary role of the Underwriters is to purchase securities for resale to investors in an arms-length commercial transaction between the District and the Underwriters and that the Underwriters have financial and other interests that differ from those of the District, (ii) the Underwriters are not acting as municipal advisors, financial advisors or fiduciaries to the District and have not assumed any advisory or fiduciary responsibilities to the District with respect to the transaction contemplated hereby and the discussions, undertakings and proceedings leading thereto (irrespective of whether the Underwriters, or any affiliates of the Underwriters, have provided other services or are currently providing other services to the District on other matters), (iii) the only obligations the Underwriters have to the District with respect to the transaction contemplated hereby are expressly set forth in this Purchase Agreement, except as otherwise provided by applicable rules and regulations of the Securities and Exchange Commission (“SEC”) or the rules of the Municipal Securities Rulemaking Board (“MSRB”), and (iv) the District has consulted its own legal, accounting, tax, financial and other advisors, as applicable, to the extent it has deemed appropriate in connection with the transaction contemplated herein. The District acknowledges that it has previously provided the Underwriters with an acknowledgement of receipt of the required Underwriters’ disclosure under Rule G-17 of the MSRB.

1. **Purchase and Sale of the Bonds.** Upon the terms and conditions and in reliance upon the representations, warranties and agreements herein set forth, the Underwriters hereby agree to purchase from the District for reoffering to the public, and the District hereby agrees to sell to the Underwriters for such purpose, all (but not less than all) of \$\_\_\_\_\_ in aggregate initial principal amount of the District's 2022 Refunding General Obligation Bonds (the "Bonds").

The Bonds shall bear interest from the Date of Delivery (as defined herein) payable semiannually on each January 1 and July 1, commencing July 1, 2022. The final maturity dates, interest rates, yields and redemption provisions of the Bonds are shown in Appendix A hereto, which appendix is incorporated by reference herein. The Underwriters shall purchase the Bonds at a price of \$\_\_\_\_\_ (consisting of the initial principal amount of the Bonds of \$\_\_\_\_\_, plus original issue premium of \$\_\_\_\_\_, and less an Underwriters' discount of \$\_\_\_\_\_).

2. **The Bonds.** The Bonds shall be dated as of the date of their initial issuance and delivery (the "Date of Delivery"). The Bonds shall mature on the dates shown on Appendix A hereto, shall otherwise be as described in the Official Statement (as defined herein), and shall be issued and secured pursuant to the provisions of the resolution of the Board of Education of the District adopted on April 7, 2022 (the "Resolution"), and Sections 53550 and 53580 *et. seq.* of the California Government Code (the "Act"). The Sacramento County Director of Finance will act as paying agent (in such capacity, the "Paying Agent") for the Bonds.

The Bonds shall be in book-entry form, shall bear CUSIP numbers, shall be in fully registered form, registered in the name of Cede & Co., as nominee of The Depository Trust Company, New York, New York ("DTC"); the Bonds shall initially be in authorized denominations of \$5,000 principal amount, or any integral multiple thereof.

The Bonds are being issued to refund, on a current basis, the District's outstanding 2012 General Obligation Refunding Bonds (the "Refunded Bonds").

Pursuant to an escrow agreement (the "Escrow Agreement"), dated as of the Closing Date (as defined herein), by and between the District and U.S. Bank Trust Company, National Association (the "Escrow Agent"), a portion of the net proceeds of the Bonds shall be deposited with the Escrow Agent in an escrow fund held pursuant to the Escrow Agreement (the "Escrow Fund"). Funds on deposit in the Escrow Fund shall be invested as provided in the Escrow Agreement, or otherwise held uninvested as cash, and applied to the payment of interest on the Refunded Bonds on its first optional redemption date, and to redeem the Refunded Bonds on such date at a price equal to 100% of the principal amount thereof.

[The scheduled payment of the principal of and interest on the Bonds, when due, will be guaranteed under a municipal bond insurance policy (the "Policy") to be issued by \_\_\_\_\_ (the "Insurer").]

3. **Use of Documents.** The District hereby authorizes the Underwriters to use, in connection with the offer and sale of the Bonds, the Continuing Disclosure Certificate (as defined herein), this Purchase Agreement, the Preliminary Official Statement (as defined herein), the Official Statement, the Resolution, the Escrow Agreement and all information contained herein and therein and all of the documents, certificates or statements furnished by the District to the Underwriters in connection with the transactions contemplated by this Purchase Agreement.

4. **Public Offering of Bonds.** The Underwriters agree to make a bona fide public offering of all the Bonds at the initial public offering prices or yields to be set forth on the inside cover of the Official Statement and Appendix A hereto.

(a) The Underwriters agree to assist the District in establishing the issue price of the Bonds and shall execute and deliver to the District at Closing an “issue price” or similar certificate, together with the supporting pricing wires or equivalent communications, substantially in the form attached hereto as Exhibit B, with such modifications as may be appropriate or necessary, in the reasonable judgment of the Representative, the District and Stradling Yocca Carlson & Rauth, a Professional Corporation (“Bond Counsel”), to accurately reflect, as applicable, the sales price or prices or the initial offering price or prices to the public of the Bonds. All actions to be taken by the District under this section to establish the issue price of the Bonds may be taken on behalf of the District by Dale Scott & Company, Inc., the District’s municipal advisor and any notice or report to be provided to the District may be provided to the District’s municipal advisor.

(b) Except as otherwise set forth in Appendix A attached hereto, the District will treat the first price at which 10% of each maturity of the Bonds (the “10% test”) is sold to the public as the issue price of that maturity. At or promptly after the execution of this Purchase Agreement, the Underwriters shall report to the District the price or prices at which it has sold to the public each maturity of Bonds. If at that time the 10% test has not been satisfied as to any maturity of the Bonds, the Underwriters agree to promptly report to the District the prices at which it sells the unsold Bonds of that maturity to the public. That reporting obligation shall continue, whether or not the Closing Date has occurred, until either (i) the Underwriters have sold all Bonds of that maturity or (ii) the 10% test has been satisfied as to the Bonds of that maturity, provided that, the Underwriters’ reporting obligation after the Closing Date may be at reasonable periodic intervals or otherwise upon request of the District or Bond Counsel. For purposes of this Section, if Bonds mature on the same date but have different interest rates, each separate CUSIP number within that maturity will be treated as a separate maturity of the Bonds.

(c) The Underwriters confirm that they have offered the Bonds to the public on or before the date of this Purchase Agreement at the offering price or prices (the “initial offering price”), or at the corresponding yield or yields, set forth in Appendix A attached hereto, except as otherwise set forth therein. Appendix A also sets forth, as of the date of this Purchase Agreement, the maturities, if any, of the Bonds for which the 10% test has not been satisfied and for which the District and the Underwriters agree that the restrictions set forth in the next sentence shall apply, which will allow the District to treat the initial offering price to the public of each such maturity as of the sale date as the issue price of that maturity (the “hold-the-offering-price rule”). So long as the hold-the-offering-price rule remains applicable to any maturity of the Bonds, the Underwriters will neither offer nor sell unsold Bonds of that maturity to any person at a price that is higher than the initial offering price to the public during the period starting on the sale date and ending on the earlier of the following:

- (1) the close of the fifth (5th) business day after the sale date; or

(2) the date on which the Underwriters have sold at least 10% of that maturity of the Bonds to the public at a price that is no higher than the initial offering price to the public.

The Underwriters will advise the District promptly after the close of the fifth business day after the sale date whether they has sold 10% of that maturity of the Bonds to the public at a price that is no higher than the initial offering price to the public.

(d) The Underwriters confirm that:

(1) any selling group agreement and any third-party distribution agreement relating to the initial sale of the Bonds to the public, together with the related pricing wires, contains or will contain language obligating each dealer who is a member of the selling group and each broker-dealer that is a party to such third-party distribution agreement, as applicable:

(A) (i) to report the prices at which it sells to the public the unsold Bonds of each maturity allocated to it, whether or not the Closing Date has occurred, until either all Bonds of that maturity allocated to it have been sold or it is notified by the Underwriters that the 10% test has been satisfied as to the Bonds of that maturity, provided that, the reporting obligation after the Closing Date may be at reasonable periodic intervals or otherwise upon request of the Underwriters, and (ii) to comply with the hold-the-offering-price rule, if applicable, if and for so long as directed by the Underwriters,

(B) to promptly notify the Underwriters of any sales of Bonds that, to its knowledge, are made to a purchaser who is a related party to an underwriter participating in the initial sale of the Bonds to the public (each such term being used as defined below), and

(C) to acknowledge that, unless otherwise advised by the dealer or broker-dealer, the Underwriters shall assume that each order submitted by the dealer or broker-dealer is a sale to the public.

(2) any selling group agreement relating to the initial sale of the Bonds to the public, together with the related pricing wires, contains or will contain language obligating each dealer that is a party to a third-party distribution agreement to be employed in connection with the initial sale of the Bonds to the public to require each broker-dealer that is a party to such third-party distribution agreement to (A) report the prices at which it sells to the public the unsold Bonds of each maturity allocated to it, whether or not the Closing Date has occurred, until either all Bonds of that maturity allocated to it have been sold or it is notified by the Underwriters or the dealer that the 10% test has been satisfied as to the Bonds of that maturity, provided that, the reporting obligation after the Closing Date may be at reasonable periodic intervals or otherwise upon request of the Underwriters or the dealer, and (B) comply with the hold-the-offering-price rule, if applicable, if and for so long as directed by the Underwriters or the dealer and as set forth in the related pricing wires.

(e) The District acknowledges that, in making the representations set forth in this section, the Underwriters will rely on (i) in the event a selling group has been created in connection with the initial sale of the Bonds to the public, the agreement of each dealer who is a member of the selling group to comply with the requirements for establishing issue price of the Bonds, including, but not limited to, its agreement to comply with the hold-the-offering-price rule, if applicable to the Bonds, as set forth in a selling group agreement and the related pricing wires, and (ii) in the event that a third-party distribution agreement was employed in connection with the initial sale of the Bonds to the public, the agreement of each broker-dealer that is a party to such agreement to comply with the requirements for establishing issue price of the Bonds, including, but not limited to, its agreement to comply with the hold-the-offering-price rule, if applicable to the Bonds, as set forth in the third-party distribution agreement and the related pricing wires.

(f) The Underwriters acknowledge that sales of any Bonds to any person that is a related party to an underwriter participating in the initial sale of the Bonds to the public (each such term being used as defined below) shall not constitute sales to the public for purposes of this section. Further, for purposes of this section:

(1) “public” means any person other than an underwriter or a related party,

(2) “underwriter” means (A) any person that agrees pursuant to a written contract with the District (or with the lead underwriter to form an underwriting syndicate) to participate in the initial sale of the Bonds to the public and (B) any person that agrees pursuant to a written contract directly or indirectly with a person described in clause (A) to participate in the initial sale of the Bonds to the public (including a member of a selling group or a party to a retail distribution agreement participating in the initial sale of the Bonds to the public),

(3) a purchaser of any of the Bonds is a “related party” to an underwriter if the underwriter and the purchaser are subject, directly or indirectly, to (i) at least 50% common ownership of the voting power or the total value of their stock, if both entities are corporations (including direct ownership by one corporation of another), (ii) more than 50% common ownership of their capital interests or profits interests, if both entities are partnerships (including direct ownership by one partnership of another), or (iii) more than 50% common ownership of the value of the outstanding stock of the corporation or the capital interests or profit interests of the partnership, as applicable, if one entity is a corporation and the other entity is a partnership (including direct ownership of the applicable stock or interests by one entity of the other), and

(4) “sale date” means the date of execution of this Purchase Agreement by all parties

5. **Review of Official Statement.** The Representative hereby represents that it has received and reviewed the Preliminary Official Statement with respect to the Bonds, dated \_\_\_\_\_, 2022 (the “Preliminary Official Statement”), which has been duly authorized and prepared by the District for use by the Underwriters in connection with the sale of the Bonds. The District represents that it has duly authorized and caused the preparation of the Preliminary Official Statement and it has

deemed the Preliminary Official Statement to be final as of its date, except for either revision or addition of the offering price(s), interest rate(s), yield(s), selling compensation, aggregate principal amount, principal amount per maturity, redemption provisions, delivery date, rating(s) and other terms of the Bonds which depend upon the foregoing as provided in and pursuant to Rule 15c2-12 of the Securities and Exchange Commission promulgated under the Securities Exchange Act of 1934, as amended (the “Rule”).

The Underwriters agree that prior to the time the Official Statement relating to the Bonds is available, the Underwriters will send to any potential purchaser of the Bonds, upon the request of such potential purchaser, a copy of the most recent Preliminary Official Statement. Such Preliminary Official Statement shall be sent by first class mail or electronic distribution (or other equally prompt means) not later than the first business day following the date upon which each such request is received.

The Representative agrees to file the Official Statement with the MSRB through its Electronic Municipal Market Access system within one business day after receipt thereof from the District, but in no event later than the Closing (as defined below).

6. **Closing.** At 9:00 A.M., California Time, on \_\_\_\_\_, 2022 or at such other time or on such other date as shall have been mutually agreed upon by the District and the Representative (the “Closing”), the District will deliver to the Underwriters, at the offices of DTC in New York, New York, or at such other place as the District and the Representative may mutually agree upon, the Bonds in fully registered book-entry form, duly executed and registered in the name of Cede & Co., as nominee of DTC, and at the offices of Bond Counsel, in San Francisco, California, the other documents hereinafter mentioned; and the Underwriters will accept such delivery and pay the purchase price thereof in immediately available funds by check, draft or wire transfer to the account of the District.

7. **Representations, Warranties and Agreements of the District.** The District hereby represents, warrants and agrees with the Underwriters that:

(a) Due Organization. The District is a unified school district duly organized and validly existing under the laws of the State of California, with the power to issue the Bonds pursuant to the Act.

(b) Due Authorization. (i) At or prior to the Closing, the District will have taken all action required to be taken by it to authorize the issuance and delivery of the Bonds; (ii) the District has full legal right, power and authority to enter into this Purchase Agreement, the Escrow Agreement and the Continuing Disclosure Certificate, to adopt the Resolution, to perform its obligations under each such document or instrument, to approve the Official Statement, and to carry out and effectuate the transactions contemplated by this Purchase Agreement, the Escrow Agreement, the Continuing Disclosure Certificate and the Resolution; (iii) the execution and delivery or adoption of, and the performance by the District of the obligations contained in the Bonds, the Resolution, the Escrow Agreement, the Continuing Disclosure Certificate, and this Purchase Agreement have been duly authorized and such authorization shall be in full force and effect at the time of the Closing; (iv) this Purchase Agreement, the Escrow Agreement and the Continuing Disclosure Certificate, assuming the due authorization, execution and delivery thereof by the respective other parties thereto, constitute valid and legally binding obligations of the District, enforceable in

accordance with their respective terms, subject to any limitations on the enforceability thereof as a result of the application of equitable principles and the exercise of judicial discretion in appropriate cases if equitable remedies are sought, and by the limitations on legal remedies against public agencies in the State of California; and (v) the District has duly authorized the consummation by it of all transactions contemplated by this Purchase Agreement.

(c) Consents. No consent, approval, authorization, order, filing, registration, qualification, election or referendum, of or by any court or governmental agency or public body whatsoever is required in connection with the issuance, delivery or sale of the Bonds, the execution and delivery of this Purchase Agreement, the Escrow Agreement and the Continuing Disclosure Certificate, the adoption of the Resolution, or the consummation of the other transactions effected or contemplated herein or hereby, or which have not been taken or obtained, except for such actions as may be necessary to qualify the Bonds for offer and sale under the Blue Sky or other securities laws and regulations of such states and jurisdictions of the United States as the Representative may reasonably request; provided, however, that the District shall not be required to subject itself to service of process in any jurisdiction in which it is not so subject as of the date hereof.

(d) Representation Regarding Refunded Bonds. The District has not entered into any contract or agreement that would limit or restrict its ability to refund the Refunded Bonds or enter into this Purchase Agreement for the sale of the Bonds to the Underwriter.

(e) No Default. The District is not in breach of or default under any applicable constitutional provision, law or administrative regulation of the State or the United States relating to the issuance of the Bonds or any applicable judgment or decree or any loan agreement, indenture, bond, note, resolution, agreement or other instrument to which the District is a party or to which the District or any of its property or assets is otherwise subject, and no event which would have a material and adverse effect upon the financial condition or operating of the District has occurred and is continuing which constitutes or with the passage of time or the giving of notice, or both, would constitute a default or event of default by the District under any of the foregoing.

(f) No Conflicts. To the best knowledge of the District, the issuance of the Bonds, and the execution, delivery and performance of this Purchase Agreement, the Escrow Agreement, the Continuing Disclosure Certificate, the Resolution and the Bonds, and the compliance with the provisions hereof and thereof do not conflict with or constitute on the part of the District a violation of or default under, the Constitution of the State of California or any existing law, charter, ordinance, regulation, decree, order or resolution and do not conflict with or result in a violation or breach of, or constitute a default under, any agreement, indenture, mortgage, lease or other instrument to which the District is a party or by which it is bound or to which it is subject.

(g) Litigation. As of the time of acceptance hereof, no action, suit, proceeding, hearing or investigation is pending or, to the best knowledge of the District, threatened against the District: (i) in any way affecting the existence of the District or in any way challenging the respective powers of the several offices of the District or of the titles of the officials of the District to such offices; or (ii) seeking to restrain or enjoin the sale, issuance or delivery of any of the Bonds, the application of the proceeds of the sale of the Bonds, the

collection of *ad valorem* property taxes contemplated by the Resolution, and the application thereof to pay the principal of and interest on the Bonds, or in any way contesting or affecting the validity or enforceability of the Bonds, this Purchase Agreement, the Escrow Agreement, the Continuing Disclosure Certificate or the Resolution or contesting the powers of the District or its authority with respect to the Bonds, the Resolution, this Purchase Agreement, the Escrow Agreement or the Continuing Disclosure Certificate; or (iii) in which a final adverse decision could (a) materially adversely affect the operations or financial condition of the District or the consummation of the transactions contemplated by this Purchase Agreement, the Escrow Agreement, the Continuing Disclosure Certificate or the Resolution, (b) declare this Purchase Agreement to be invalid or unenforceable in whole or in material part, or (c) adversely affect the exclusion of the interest paid on the Bonds from federal income taxation or the exclusion of interest on the Bonds from State personal income taxation.

(h) No Other Debt. Between the date hereof and the Closing, without the prior written consent of the Representative, neither the District, nor any other person on behalf of the District, will have issued in the name and on behalf of the District any bonds, notes or other obligations for borrowed money except for such borrowings as may be described in or contemplated by the Official Statement.

(i) Certificates. Any certificates signed by any officer of the District and delivered to the Underwriters shall be deemed a representation and warranty by the District to the Underwriters, but not by the person signing the same, as to the statements made therein.

(j) Continuing Disclosure. In accordance with the requirements of the Rule and pursuant to the Resolution, at or prior to the Closing, the District shall have duly authorized, executed and delivered a Continuing Disclosure Certificate with respect to the Bonds (the "Continuing Disclosure Certificate") on behalf of each obligated person for which financial and/or operating data is presented in the Official Statement. The Continuing Disclosure Certificate shall be substantially in the form attached to the Official Statement in Appendix \_\_\_. Except as otherwise disclosed in the Official Statement, the District and its related entities have not, within the past five years, failed to comply in a material respect with any of its previous undertakings pursuant to the Rule to provide annual reports or notice of certain listed events.

(k) Official Statement Accurate and Complete. The Preliminary Official Statement, at the date thereof did not, as of the date hereof does not, contain any untrue statement of a material fact or omit or omits to state any material fact required to be stated therein or necessary to make the statements therein, in the light of the circumstances under which they were made, not misleading. As of the date thereof and on the Closing Date, the final Official Statement will not contain any untrue statement of a material fact or omit to state any material fact required to be stated therein or necessary to make the statements therein, in the light of the circumstances under which they were made, not misleading. The District makes no representation or warranty as to the information contained in or omitted from the Preliminary Official Statement or the final Official Statement in reliance upon and in conformity with information furnished in writing to the District by or on behalf of the Underwriters through a representative of the Underwriters specifically for inclusion therein.

(l) Levy of Tax. The District hereby agrees to take any and all actions as may be required by Sacramento County (the “County”) or otherwise necessary in order to arrange for the levy and collection of taxes, payment of the Bonds, and the deposit and investment of Bond proceeds. In particular, the District hereby agrees to provide to the Director of Finance of the County a copy of the Resolution, a copy of Appendix A hereto, and the full debt service schedule for the Bonds, in accordance with Education Code Section 15140(c) and policies and procedures of the County.

(m) No Material Adverse Change. The financial statements of, and other financial information regarding the District, in the Official Statement fairly present the financial position and results of the District as of the dates and for the periods therein set forth. Prior to the Closing, there will be no adverse change of a material nature in such financial position, results of operations or condition, financial or otherwise, of the District.

**8. Representations, Warranties and Agreements of the Underwriters.** The Underwriters represent to and agrees with the District that, as of the date hereof and as of the date of the Closing:

(a) The Representative is duly authorized to execute this Purchase Agreement and the Underwriters are authorized to take any action under the Purchase Agreement required to be taken by them.

(b) The Underwriters are in compliance with MSRB Rule G-37 with respect to the District, and are not prohibited thereby from acting as underwriter with respect to securities of the District.

(c) The Underwriters have, and have had, no financial advisory relationship, as that term is defined in California Government Code Section 53590(c) or MSRB Rule G-23, with the District with respect to the Bonds, and no investment firm controlling, controlled by or under common control with the Underwriters have or have had any such financial advisory relationship.

**9. Covenants of the District.** The District covenants and agrees with the Underwriters that:

(a) Securities Laws. The District will furnish such information, execute such instruments, and take such other action in cooperation with the Underwriters if and as the Representative may reasonably request in order to qualify the Bonds for offer and sale under the Blue Sky or other securities laws and regulations or such states and jurisdictions, provided, however, that the District shall not be required to consent to service of process in any jurisdiction in which they are not so subject as of the date hereof;

(b) Application of Proceeds. The District will apply the proceeds from the sale of the Bonds for the purposes specified in the Resolution;

(c) Official Statement. The District hereby agrees to deliver or cause to be delivered to the Underwriters, not later than the seventh (7th) business day following the date this Purchase Agreement is signed, copies of a final Official Statement substantially in the form of the Preliminary Official Statement, with only such changes therein as shall have been

accepted by the Representative and the District (such Official Statement with such changes, if any, and including the cover page, inside front cover pages, and all appendices, exhibits, maps, reports and statements included therein or attached thereto being herein called the “Official Statement”) in such quantities as may be requested by the Representative not later than five (5) business days following the date this Purchase Agreement is signed, in order to permit the Underwriters to comply with paragraph (b)(4) of the Rule and with the rules of the MSRB. The District hereby authorizes the Underwriters to use and distribute the Official Statement in connection with the offering and sale of the Bonds;

(d) Subsequent Events. The District hereby agrees to notify the Underwriters of any event or occurrence that may affect the accuracy or completeness of any information set forth in the Official Statement relating to the District until the date which is twenty five (25) days following the Closing;

(e) References. References herein to the Preliminary Official Statement and the final Official Statement include the cover page and all appendices, exhibits, maps, reports and statements included therein or attached thereto; and

(f) Amendments to Official Statement. During the period ending on the 25th day after the End of the Underwriting Period (or such other period as may be agreed to by the District and the Representative), the District (i) shall not supplement or amend the Official Statement or cause the Official Statement to be supplemented or amended without the prior written consent of the Representative and (ii) shall notify the Underwriters promptly if any event shall occur, or information comes to the attention of the District, that is reasonably likely to cause the Official Statement (whether or not previously supplemented or amended) to contain any untrue statement of a material fact or to omit to state a material fact required to be stated therein or necessary to make the statements therein, in the light of the circumstances under which they were made, not misleading. If, in the opinion of the Representative, such event requires the preparation and distribution of a supplement or amendment to the Official Statement, the District shall prepare and furnish to the Underwriters, at the District’s expense, such number of copies of the supplement or amendment to the Official Statement, in form and substance mutually agreed upon by the District and the Representative, as the Representative may reasonably request. If such notification shall be given subsequent to the Closing, the District also shall furnish, or cause to be furnished, such additional legal opinions, certificates, instruments and other documents as the Representative may reasonably deem necessary to evidence the truth and accuracy of any such supplement or amendment to the Official Statement.

For purposes of this Purchase Agreement, the “End of the Underwriting Period” is used as defined in the Rule and shall occur on the later of (A) the date of Closing or (B) when the Underwriters no longer retains an unsold balance of the Bonds; unless otherwise advised in writing by the Representative on or prior to the Closing Date, or otherwise agreed to by the District and the Representative, the District may assume that the End of the Underwriting Period is the Closing Date.

**10. Conditions to Closing.** The Underwriters have entered into this Purchase Agreement in reliance upon the representations and warranties the District contained herein and the performance by the District of its obligations hereunder, both as of the date hereof and as of the date

of Closing. The Underwriters' obligations under this Purchase Agreement are and shall be subject at the option of the Representative, to the following further conditions at the Closing:

(a) Representations True. The representations and warranties of the District contained herein shall be true, complete and correct in all material respects at the date hereof and at and as of the Closing, as if made at and as of the Closing, and the statements made in all certificates and other documents delivered to the Underwriters at the Closing pursuant hereto shall be true, complete and correct in all material respects on the date of the Closing; and the District shall be in compliance with each of the agreements made by it in this Purchase Agreement;

(b) Obligations Performed. At the time of the Closing, (i) the Official Statement, this Purchase Agreement, and the Resolution shall be in full force and effect and shall not have been amended, modified or supplemented except as may have been agreed to in writing by the Representative; (ii) all actions under the Act which, in the opinion of Bond Counsel, shall be necessary in connection with the transactions contemplated hereby, shall have been duly taken and shall be in full force and effect; and (iii) the District shall perform or have performed all of their obligations required under or specified in the Resolution, this Purchase Agreement or the Official Statement to be performed at or prior to the Closing;

(c) Adverse Rulings. To the best knowledge of the District, no decision, ruling or finding shall have been entered by any court or governmental authority since the date of this Purchase Agreement (and not reversed on appeal or otherwise set aside), or pending or threatened which has any of the effects described in Section 7(g) hereof or contesting in any way the completeness or accuracy of the Official Statement;

(d) Marketability. Between the date hereof and the Closing, the market price or marketability of the Bond or the ability of the Underwriters to enforce contracts for the sale of the Bonds, at the initial offering prices set forth in the Official Statement, of the Bonds shall not have been materially adversely affected in the reasonable judgment of the Representative by reason of any of the following:

(1) legislation enacted or introduced in the Congress or recommended for passage by the President of the United States (by press release, other form of notice or otherwise), or a decision rendered by a court established under Article III of the Constitution of the United States or by the United States Tax Court, with the purpose or effect, directly or indirectly, of causing the inclusion in gross income for purposes of federal income taxation of the interest received by the owner of the Bonds, or an order, ruling, regulation (final, temporary or proposed) or official statement issued or made:

(i) by or on behalf of the United States Treasury Department, or by or on behalf of the Internal Revenue Service, with the purpose or effect, directly or indirectly, of changing the federal income tax treatment of the interest received by the owners of the Bonds; or

(ii) by or on behalf of the Securities and Exchange Commission, or any other governmental agency having jurisdiction over the subject matter thereof, to the effect that the Bonds, or obligations of the general character of

the Bonds, including any and all underlying arrangements, are not exempt from registration under the Securities Act of 1933, as amended;

(2) any outbreak or escalation of hostilities affecting the United States, the declaration by the United States of a national emergency or war, or engagement in major military hostilities by the United States or the occurrence or escalation of any other national or internal emergency or calamity relating to the effective operation of federal or state governments or the financial community in the United States;

(3) the declaration of a general banking moratorium by federal, New York or California authorities, or the general suspension of trading by the New York Stock Exchange, any national securities exchange, or any governmental authority securities exchange;

(4) the imposition by the New York Stock Exchange, other national securities exchange, or any governmental authority, of any material restrictions not now in force with respect to the Bonds, or obligations of the general character of the Bonds, or securities generally, or the material increase of any such restrictions now in force, including those relating to the extension of credit by, or the charge to the net capital requirements of, the Underwriters;

(5) an order, decree or injunction of any court of competent jurisdiction, or order, filing, regulation or official statement by the Securities and Exchange Commission, or any other governmental agency having jurisdiction over the subject matter thereof, issued or made to the effect that the issuance, offering or sale of obligations of the general character of the Bonds, or the issuance, offering or sale of the Bonds, as contemplated hereby or by the Official Statement, is or would be in violation of the federal securities laws, as amended and then in effect;

(6) the withdrawal or downgrading or placement on negative credit watch of any underlying credit rating of the District's outstanding indebtedness by a national rating agency; or

(7) any event occurring, or information becoming known which, in the reasonable judgment of the Representative, makes untrue in any material adverse respect any statement or information contained in the Official Statement, or has the effect that the Official Statement contains any untrue statement of a material fact or omits to state a material fact required to be stated therein or necessary to make the statements made therein, in light of the circumstances under which they were made, not misleading.

(8) the suspension by the SEC of trading in the outstanding securities of the District.

(f) Delivery of Documents. At or prior to the date of the Closing, the Underwriters shall receive sufficient copies of the following documents in each case dated as of the Closing Date and satisfactory in form and substance to the Representative:

(1) Bond Counsel Opinions.

(i) The approving opinion of Bond Counsel, as to the validity and tax status of the Bonds, dated the date of the Closing, addressed to the District, in substantially the form set forth as Appendix \_\_ in the Preliminary Official Statement and Official Statement; and (ii) an opinion of Bond Counsel as to the effective defeasance of the Refunded Bonds.

(2) Reliance Letter. A reliance letter from Bond Counsel to the effect that the Underwriters can rely upon the approving opinion described in 10(f)(1) above;

(3) Supplemental Opinion of Bond Counsel. A supplemental opinion of Bond Counsel in form and substance satisfactory to the Representative, dated the Closing Date and addressed to the District and the Underwriters, substantially to the effect that:

(i) the description of the Bonds and the security for the Bonds and statements in the Official Statement on the cover thereof and under the captions “INTRODUCTION,” “THE BONDS,” “LEGAL MATTERS – Continuing Disclosure – Current Undertaking,” and “TAX MATTERS,” to the extent they purport to summarize certain provisions of the Bonds, the Resolution, the Continuing Disclosure Certificate and the form and content of Bond Counsel’s approving opinion with respect to the treatment of interest on the Bonds under State or federal law, fairly and accurately summarize the matters purported to be summarized therein; provided that Bond Counsel need not express any opinion with respect to (i) any information contained in Appendices \_\_, \_\_ and \_\_\_ to the Official Statement, (ii) financial or statistical data or forecasts, numbers, charts, tables, estimates, projections, assumptions or expressions of opinion contained in the Official Statement, including in any of the appendices thereto, (iii) information with respect to The Depository Trust Company or its book-entry only system included therein, (iv) any CUSIP numbers or information relating thereto, (v) the District’s compliance with its obligations to file annual reports or provide notice of the events described in Rule 15c2-12 promulgated under the Securities Act of 1934, (vi) any information with respect to the Underwriter or underwriting matters with respect to the Bonds, including but not limited to information under the caption “MISCELLANEOUS – Underwriting,” (vii) any information with respect to the ratings on the Bonds and the rating agencies referenced therein, including but not limited to information under the caption “MISCELLANEOUS – Ratings”, and [(viii) any information with respect to the Insurer or the Policy, including but not limited to information under the caption “THE BONDS – Bond Insurance”];

(ii) the Continuing Disclosure Certificate and this Purchase Contract have each been duly authorized, executed and delivered by the District and, assuming the due authorization, execution and delivery by the other parties thereto, constitute legal, valid and binding agreements of the District enforceable in accordance with their respective terms, except as enforcement thereof may be limited by bankruptcy, insolvency, reorganization, moratorium or other laws relating to or affecting generally the

enforcement of creditors' rights and except as their enforcement may be subject to the application of equitable principles and the exercise of judicial discretion in appropriate cases if equitable remedies are sought and by the limitations on legal remedies against public agencies in the State; and

(iii) the Bonds are exempt from registration pursuant to the Securities Act of 1933, as amended, and the Resolution is exempt from qualification as an indenture pursuant to the Trust Indenture Act of 1939, as amended; and

(4) Certificates. A certificate signed by appropriate officials of the District to the effect that (i) such officials are authorized to execute this Purchase Agreement, (ii) the representations, agreements and warranties of the District herein are true and correct in all material respects as of the date of Closing, (iii) the District has complied with all the terms of the Resolution, the Escrow Agreement and this Purchase Agreement to be complied with by the District prior to or concurrently with the Closing and, as to the District, such documents are in full force and effect, (iv) such District officials have reviewed the Official Statement and on such basis certify that the Official Statement, as of its date and as of the date of the Closing, did not and does not contain any untrue statement of a material fact or omitted or omit to state a material fact required to be stated therein or necessary to make the statements therein, in light of the circumstances in which they were made, not misleading, (v) the Bonds being delivered on the date of the Closing to the Underwriters under this Purchase Agreement substantially conform to the descriptions thereof contained in the Resolution, and (vi) no event concerning the District has occurred since the date of the Official Statement which has not been disclosed therein or in any supplement thereto, but should be disclosed in order to make the statements in the Official Statement in light of the circumstances in which they were made not misleading;

(5) Reliance Letter. A reliance letter from Bond Counsel, to the effect that the Underwriters can rely upon the approving opinion described in (10)(f)(1)(i)(A) above;

(6) Ratings. Evidence satisfactory to the Representative that (i) the Bonds shall have received a rating of “\_\_” from S&P (or such other equivalent rating as such rating agencies may give), based upon the issuance of the Policy by the Insurer, (ii) the Bonds shall have received an underlying rating of “\_\_” from [S&P][Moody's], and (ii) such ratings have not been revoked or downgraded;

(7) District Resolution. A certificate, together with a fully executed copy of the Resolution, of the Secretary or Clerk of the District Board of Education to the effect that:

(i) such copy is a true and correct copy of the Resolution; and

(ii) the Resolution was duly adopted and has not been modified, amended, rescinded or revoked and is in full force and effect on the date of the Closing.

(8) Preliminary Official Statement. A certificate of the appropriate official of the District evidencing his or her determinations respecting the Preliminary Official Statement in accordance with the Rule;

(9) Continuing Disclosure Certificate. An executed copy of the Continuing Disclosure Certificate, substantially in the form presented in the Official Statement as Appendix \_\_ thereto;

(10) Disclosure Counsel Letter. A letter of Stradling Yocca Carlson & Rauth, a Professional Corporation, dated the date of Closing and addressed to the District, substantially to the effect that based on such counsel's participation in conferences with representatives of the Underwriters and their counsel, the Municipal Advisor, the County, the District and others, during which conferences the contents of the Official Statement and related matters were discussed, and in reliance thereon and on the records, documents, certificates and opinions described therein, such counsel advises the District, as a matter of fact and not opinion, that during the course of its engagement as Disclosure Counsel no information came to the attention of such counsel's attorneys rendering legal services in connection with such representation which caused such counsel to believe that the Official Statement as of its date and as of the Closing Date contained any untrue statement of a material fact or omitted to state any material fact necessary to make the statements therein, in the light of the circumstances under which they were made, not misleading (provided that Disclosure Counsel need not express any opinion with respect to (i) any information contained in Appendices \_\_, \_\_, \_\_ or \_\_ to the Official Statement, (ii) financial or statistical data or forecasts, numbers, tables, charts, estimates, projections, assumptions or expressions of opinion contained in the Official Statement, including in any of the appendices thereto, (iii) information with respect to DTC or its book-entry only system included therein, (iv) the District's compliance with its obligations to file annual reports or provide notice of the events described in Rule 15c2-12 promulgated under the Securities Act of 1934, (v) any CUSIP numbers or information relating thereto, (vi) any information with respect to the Underwriters or underwriting matters with respect to the Bonds, including but not limited to information under the caption "MISCELLANEOUS – Underwriting"; (vi) any information with respect to the ratings on the Bonds and the rating agencies referenced therein, including but not limited to information under the caption "MISCELLANEOUS – Ratings," and (vii) and information with respect to the Insurer or the Policy, including but not limited information presented under the heading "THE BONDS – Bond Insurance";

(11) Underwriters' Counsel Opinion. The opinion of \_\_\_\_\_, in a form and substance acceptable to the Representative;

(12) Certificate of the Paying Agent. A certificate of the Paying Agent, signed by a duly authorized officer thereof, substantially to the effect that: (i) the Paying Agent is qualified to accept and perform the duties and obligations of Paying Agent imposed upon the Paying Agent by the Paying Agent Agreement relating to the Bonds (the "Paying Agent Agreement") and confirms acceptance of such duties and obligations; (ii) to the best knowledge of the Paying Agent, the representations and agreements of the Paying Agent in the Paying Agent Agreement are true and correct in all material respects as of the Closing; (iii) the Paying Agent is duly

authorized to enter into the Paying Agent Agreement, and when the Paying Agent Agreement is duly executed and delivered by the other party thereto, the Paying Agent Agreement will constitute a valid and binding obligation of the Paying Agent in accordance with its terms; (iv) no litigation is pending or, to the best knowledge of the Paying Agent, threatened (either in state or federal courts) (a) seeking to restrain or enjoin the delivery by the Paying Agent of any of the Bonds or the execution of the Paying Agent Agreement, or (b) in any way contesting or affecting any authority of the Paying Agent for the delivery of the Bonds or the validity or enforceability of the Bonds or the Paying Agent Agreement;

(13) Escrow Agreement. A Fully executed copy of Escrow Agreement; and

(14) Escrow Agent Certificate. A certificate of the Escrow Agent, signed by a duly authorized officer thereof, and in form and substance satisfactory to the Underwriters, substantially to the effect that: (i) the Escrow Agent is qualified to accept and perform the duties and obligations of Escrow Agent imposed upon the Escrow Agent by the Escrow Agreement and confirms acceptance of such duties and obligations; (ii) to the best knowledge of the Escrow Agent, the representations and agreements of the Escrow Agent in the Escrow Agreement are true and correct in all material respects as of the Closing; (iii) the Escrow Agent is duly authorized to enter into the Escrow Agreement, and when the Escrow Agreement are duly executed and delivered by the parties thereto, the Escrow Agreement will constitute a valid and binding obligations of the Escrow Agent in accordance with its terms; (iv) no litigation is pending or, to the best knowledge of the Escrow Agent, threatened (either in state or federal courts) in any way contesting or affecting the validity of, or any authority of the Escrow Agent to enter into the Escrow Agreement.

(15) Verification Report. The report of Causey Demgen & Moore, P.C. with respect to the sufficiency of the funds held under the Escrow Agreement to refund the Refunded Bonds as provided in the Escrow Agreement.

(16) Other Documents. Such additional legal opinions, certificates, proceedings, instruments and other documents as the Representative may reasonably request to evidence compliance (i) by the District with legal requirements, (ii) the truth and accuracy, as of the time of Closing, of the representations of the District herein contained and of the Official Statement, and (iii) the due performance or satisfaction by the District at or prior to such time of all agreements then to be performed and all conditions then to be satisfied by the District.

(f) Termination. Notwithstanding anything to the contrary herein contained, if for any reason whatsoever the Bonds shall not have been delivered by the District to the Underwriters as provided in Section 6 herein, then the obligation to purchase Bonds hereunder shall terminate and be of no further force or effect except with respect to the obligations of the District and the Underwriters under Section 14 hereof.

If the District is unable to satisfy the conditions to the Underwriters' obligations contained in this Purchase Agreement or if the Underwriters' obligations shall be terminated for any reason permitted by this Purchase Agreement, this Purchase Agreement may be cancelled by the

Representative at, or at any time prior to, the time of Closing. Notice of such cancellation shall be given to the District in writing, or by telephone or telegraph, confirmed in writing. Notwithstanding any provision herein to the contrary, the performance of any and all obligations of the District hereunder and the performance of any and all conditions contained herein for the benefit of the Underwriters may be waived by the Representative in writing at its sole discretion.

11. **Conditions to Obligations of the District.** The performance by the District of their obligations is conditioned upon (i) the performance by the Underwriters of their obligations hereunder; and (ii) receipt by the District and the Underwriters of opinions and certificates being delivered at the Closing by persons and entities other than the District.

12. **Expenses.** To the extent that the transactions contemplated by this Purchase Agreement are consummated, the District shall pay, and the Underwriters shall be under no obligation to pay, all costs of issuance of the Bonds, including but not limited to the following costs of issuance: (i) the fees and disbursements of the District's Bond Counsel and Disclosure Counsel; (ii) the fees of the District's Municipal Advisor; (iii) the cost of the preparation, printing and delivery of the Bonds; (iv) the fees, if any, for Bond ratings, including all necessary travel expenses; (v) the cost of the printing and distribution of the Preliminary Official Statement and Official Statement; (vi) the initial fees of the Paying Agent, Fiscal Agent; and Escrow Agent and (vii) all other fees and expenses incident to the issuance and sale of the Bonds. The District hereby instructs the Representative to wire a portion of the collective purchase price for the Bonds, in an amount equal to \_\_\_\_\_, to U.S. Bank National Association, acting as custodian for the payment of such costs.

Notwithstanding any of the foregoing, the Underwriters shall pay all out-of-pocket expenses of the Underwriters, fees of counsel to the Underwriters, California Debt and Investment Advisory Commission fee, travel and other expenses (except those expressly provided above), without limitation.

Notwithstanding Section 10(f) hereof, the District hereby agrees, in the event the purchase and sale of the Bonds does not occur as contemplated hereunder, to reimburse the Underwriters for any costs described in clause (iv) of Section 12 above that are attributable to District personnel.

The District acknowledges that it has had an opportunity, in consultation with such advisors as it may deem appropriate, if any, to evaluate and consider the fees and expenses being incurred as part of the issuance of the Bonds.

13. **Notices.** Any notice or other communication to be given under this Purchase Agreement (other than the acceptance hereof as specified in the first paragraph hereof) may be given by delivering the same in writing if to the District, to the Chief Business Officer, Sacramento City Unified School District, 5735 47th Avenue, Sacramento, California 95824, or if to the Representative, to [LEAD UNDERWRITER].

14. **Parties in Interest; Survival of Representations and Warranties.** This Purchase Agreement when accepted by the District in writing as heretofore specified shall constitute the entire agreement among the District and the Underwriters. This Purchase Agreement is made solely for the benefit of the District and the Underwriters (including the successors or assigns of the Underwriters). No person shall acquire or have any rights hereunder or by virtue hereof. All your representations, warranties and agreements of the District in this Purchase Agreement shall survive regardless of (a) any investigation or any statement in respect thereof made by or on behalf of the Underwriters,

(b) delivery of and payment by the Underwriters for the Bonds hereunder, and (c) any termination of this Purchase Agreement.

15. **Execution in Counterparts.** This Purchase Agreement may be executed in several counterparts each of which shall be regarded as an original and all of which shall constitute but one and the same document.

16. **Applicable Law.** This Purchase Agreement shall be interpreted, governed and enforced in accordance with the laws of the State of California applicable to contracts made and performed in such State.

Very truly yours,

**[LEAD UNDERWRITER], as  
Representative on behalf of itself and [CO-  
MANAGER]**

By: \_\_\_\_\_

The foregoing is hereby agreed to and accepted at \_\_\_\_\_ p.m., California time, as of the date first above written:

**SACRAMENTO CITY UNIFIED SCHOOL DISTRICT**

By: \_\_\_\_\_

**APPENDIX A**

\$ \_\_\_\_\_  
**SACRAMENTO CITY UNIFIED SCHOOL DISTRICT**  
**(Sacramento County, California)**  
**2022 Refunding General Obligation Bonds**

\$ \_\_\_\_\_ **Serial Bonds**

<u>Maturity</u>	<u>Principal Amount</u>	<u>Interest Rate</u>	<u>Yield</u>	<u>Price</u>	<u>10% Rule Met</u>	<u>10% Rule Not Met</u>	<u>Hold the Offering Price Rule</u>
-----------------	-------------------------	----------------------	--------------	--------------	---------------------	-------------------------	-------------------------------------

\$ \_\_\_\_\_ **Term Bonds**

<u>Maturity</u>	<u>Principal Amount</u>	<u>Interest Rate</u>	<u>Yield</u>	<u>Price</u>	<u>10% Rule Met</u>	<u>10% Rule Not Met</u>	<u>Hold the Offering Price Rule</u>
-----------------	-------------------------	----------------------	--------------	--------------	---------------------	-------------------------	-------------------------------------

**Redemption Provisions**

[TO COME].

## APPENDIX B

### FORM OF ISSUE PRICE CERTIFICATE

§ \_\_\_\_\_  
**SACRAMENTO CITY UNIFIED SCHOOL DISTRICT**  
**(Sacramento County, California)**  
**2022 Refunding General Obligation Bonds**

### FORM OF ISSUE PRICE CERTIFICATE

The undersigned, on behalf of [LEAD UNDERWRITER] (“LEAD MANAGER”) hereby certifies on behalf of itself and [CO-MANAGER] (together, the “Underwriting Group”) as set forth below with respect to the sale and issuance of the above-captioned bonds (the “Bonds”).

1. ***Sale of the [General Rule] Maturities.*** As of the date of this certificate, for each Maturity of the [General Rule] Maturities, the first price at which at least 10% of such Maturity was sold to the Public is the respective price listed in Schedule A.

2. ***[Initial Offering Price of the Hold-the-Offering-Price Maturities.***

(a) The Underwriting Group offered the Hold-the-Offering-Price Maturities to the Public for purchase at the respective initial offering prices listed in Schedule A (the “Initial Offering Prices”) on or before the Sale Date.

(b) As set forth in the Purchase Agreement, the Underwriting Group has agreed in writing that, (i) for each Maturity of the Hold-the-Offering-Price Maturities, they would neither offer nor sell any of the Bonds of such Maturity to any person at a price that is higher than the Initial Offering Price for such Maturity during the Holding Period for such Maturity (the “hold-the-offering-price rule”), and (ii) any selling group agreement shall contain the agreement of each dealer who is a member of the selling group, and any retail distribution agreement shall contain the agreement of each broker-dealer who is a party to the retail distribution agreement, to comply with the hold-the-offering-price rule. Pursuant to such agreement, no Underwriter (as defined below) has offered or sold any Maturity of the Hold-the-Offering-Price Maturities at a price that is higher than the respective Initial Offering Price for that Maturity of the Bonds during the Holding Period.]

3. ***Defined Terms.***

(a) *[General Rule Maturities* means those Maturities of the Bonds listed in Schedule A hereto as the “General Rule Maturities.”]

(b) *[Hold-the-Offering-Price Maturities* means those Maturities of the Bonds listed in Schedule A hereto as the “Hold-the-Offering-Price Maturities.”]

(c) *[Holding Period* means, with respect to a Hold-the-Offering-Price Maturity, the period starting on the Sale Date and ending on the earlier of (i) the close of the fifth business day after the Sale Date, or (ii) the date on which the Underwriter has sold at least 10% of such Hold-the-Offering-Price Maturity to the Public at prices that are no higher than the Initial Offering Price for such Hold-the-Offering-Price Maturity.]

(d) *Issuer* means the Sacramento City Unified School District.

(e) *Maturity* means Bonds with the same credit and payment terms. Bonds with different maturity dates, or Bonds with the same maturity date but different stated interest rates, are treated as separate maturities.

(f) *Public* means any person (including an individual, trust, estate, partnership, association, company, or corporation) other than an Underwriter or a related party to an Underwriter. The term “related party” for purposes of this certificate generally means any two or more persons who have greater than 50 percent common ownership, directly or indirectly.

(g) [*Sale Date* means the first day on which there is a binding contract in writing for the sale of a Maturity of the Bonds. The Sale Date of the Bonds is \_\_\_\_\_, 2022.]

(h) *Underwriter* means (i) any person that agrees pursuant to a written contract with the Issuer (or with the lead underwriter to form an underwriting syndicate) to participate in the initial sale of the Bonds to the Public, and (ii) any person that agrees pursuant to a written contract directly or indirectly with a person described in clause (i) of this paragraph to participate in the initial sale of the Bonds to the Public (including a member of a selling group or a party to a retail distribution agreement participating in the initial sale of the Bonds to the Public).

The representations set forth in this certificate are limited to factual matters only. Nothing in this certificate represents [LEAD MANAGER]’s interpretation of any laws, including specifically Sections 103 and 148 of the Internal Revenue Code of 1986, as amended, and the Treasury Regulations thereunder. The undersigned understands that the foregoing information will be relied upon by the District with respect to certain of the representations set forth in the Tax Certificate and with respect to compliance with the federal income tax rules affecting the Bonds, and by Stradling Yocca Carlson & Rauth, a Professional Corporation, in connection with rendering its opinion that the interest on the Bonds is excluded from gross income for federal income tax purposes, the preparation of the Internal Revenue Service Form 8038-G, and other federal income tax advice that it may give to the District from time to time relating to the Bonds. Except as expressly set forth above, the certifications set forth herein may not be relied upon or used by any third party or for any other purpose.

**[LEAD UNDERWRITER], as Representative  
on behalf of itself and [CO-MANAGER], as  
Underwriters**

By: \_\_\_\_\_

Authorized Officer

Dated: \_\_\_\_\_, 2022

**ESCROW AGREEMENT  
RELATING TO THE DEFEASANCE OF**

**\$113,245,000  
SACRAMENTO CITY UNIFIED SCHOOL DISTRICT  
(County of Sacramento, California)  
2012 General Obligation Refunding Bonds**

THIS ESCROW AGREEMENT, is dated and entered into as of \_\_\_\_\_ 1, 2022, by and between the Sacramento City Unified School District (the “District”), and U.S. Bank Trust Company, National Association, acting in its capacity as escrow agent (the “Escrow Agent”) pursuant to this Escrow Agreement (this “Agreement”);

WITNESSETH:

WHEREAS, the District has previously caused the issuance of the above-captioned general obligation bonds (the “Prior Bonds”); and

WHEREAS, the District determined that it is in the District’s best interest to refund a portion of the outstanding Prior Bonds, as more particularly described on Schedule C hereto (so refunded, the “Refunded 2015 Refunding Bonds”);

WHEREAS, the District has authorized the issuance of \$\_\_\_\_\_ of its 2022 General Obligation Refunding Bonds (the “Bonds”), the sale of which shall provide proceeds to accomplish such a refunding; and

WHEREAS, the Bonds shall be issued on \_\_\_\_\_, 2022 (the “Closing Date”); and

WHEREAS, the proceeds of the sale of the Bonds shall be applied to refund or defease the Refunded Bonds in accordance with the terms of this Agreement; and

NOW, THEREFORE, in consideration of the mutual covenants and agreements herein contained, the District and the Escrow Agent agree as follows:

**SECTION 1. Deposit of Moneys.**

(a) The District hereby deposits with the Escrow Agent \$\_\_\_\_\_, which amount represents the net proceeds of the Bonds, to be held in irrevocable escrow by the Escrow Agent, separate and apart from other funds of the District and the Escrow Agent, in a fund hereby created and established and to be known as the “Sacramento City Unified School District 2022 General Obligation Refunding Bonds Escrow Fund” (referred to herein as the “Escrow Fund”) to be applied solely as provided in this Agreement. Such moneys are at least equal to an amount sufficient to purchase the principal amount of the Investment Securities set forth in Schedule A hereto.

(b) The Escrow Agent hereby acknowledges receipt of (i) the cash flow and yield verification report of Causey Demgen & Moore P.C., certified public accountants, dated the Closing Date (the “Verification Report”), relating to the sufficiency of cash deposited in the Escrow Fund pursuant hereto to defease the Refunded Bonds, and (ii) the opinion of Stradling Yocca Carlson & Rauth, a Professional Corporation, dated the Closing Date (the “Defeasance Opinion”), with respect to the effective defeasance of the Refunded Bonds and relating to this Agreement.

SECTION 2. Use and Investment of Moneys. The Escrow Agent acknowledges receipt of the moneys described in Section 1(a) hereof and agrees to:

- (a) hold \$ \_\_\_\_\_ uninvested as cash in the Escrow Fund; and
- (b) make the payments required under Section 3(a) hereof at the times set forth therein.

SECTION 3. Payment of Refunded Bonds.

(a) Payment. The Escrow Agent shall transfer from the Escrow Fund to the paying agent for the Refunded Bonds (the “Paying Agent”), amounts sufficient to pay the interest on the Refunded Bonds due on and prior to July 1, 2022 and to redeem on such date the Refunded Bonds, at a redemption price equal to 100% of the outstanding principal amount thereof.

Such transfers shall constitute the respective payments of principal of and interest on the Refunded Bonds due from the District.

(b) Unclaimed Moneys. Any moneys which remain unclaimed for two years after the date such moneys have become due and payable hereunder shall be repaid by the Escrow Agent to the District and deposited by the District in the Debt Service Fund relating to the Bonds. Any moneys remaining in the Escrow Fund established hereunder after July 1, 2022 (aside from unclaimed proceeds of the Refunded Bonds) which are in excess of the amount needed to pay owners of the Refunded Bonds payments of principal of, interest on, and redemption premium, if any, with respect to the Refunded Bonds or to pay any amounts owed to the Escrow Agent shall be immediately transferred by the Escrow Agent to the County of Sacramento, on behalf of the District, for deposit into the Debt Service Fund relating to the Bonds.

(c) Priority of Payments. The holders of the Refunded Bonds shall have a first lien on the moneys and Investment Securities in the Escrow Fund which are allowable and sufficient to pay such Refunded Bonds until such moneys and Investment Securities are used and applied as provided in this Agreement, as verified by the Verification Report. Any moneys or securities held in the Escrow Fund are irrevocably pledged only to the holders of the Refunded Bonds.

SECTION 4. Performance of Duties. The Escrow Agent agrees to perform the duties set forth herein.

SECTION 5. Reinvestment. Upon written direction of the District, the Escrow Agent may reinvest any uninvested amounts held as cash under this Agreement in noncallable nonprepayable obligations which are direct obligations issued by the United States Treasury or obligations which are unconditionally guaranteed as to full and timely payment by the United States of America provided (i) the amounts of and dates on which the anticipated transfers from the Escrow Fund to the Paying Agent for the payment of the principal of, redemption price of, and interest on the Refunded Bonds will not be diminished or postponed thereby, (ii) the Escrow Agent shall receive the unqualified opinion of nationally recognized municipal bond counsel to the effect that such reinvestment will not adversely affect the exclusion from gross income for federal income tax purposes of interest on the Refunded Bonds, (iii) the Escrow Agent shall receive from a firm of independent certified public accountants a certification that, immediately after such reinvestment, the principal of and interest on obligations in the Escrow Fund will, together with other cash on deposit in the Escrow Fund available for such purposes, be sufficient without reinvestment to pay, when due, the principal or redemption price of and interest on the Refunded Bonds, and (iv) the Escrow Agent shall receive an opinion of nationally recognized bond counsel that such reinvestment is permissible under this Agreement.

SECTION 6. Indemnity. The District hereby assumes liability for, and hereby agrees (whether or not any of the transactions contemplated hereby are consummated) to indemnify, protect, save and keep harmless the Escrow Agent and its respective successors, assigns, agents, employees, directors, officers, and servants, from and against any and all liabilities, obligations, losses, damages, penalties, claims, actions, suits, costs, expenses and disbursements (including reasonable legal fees and disbursements) of whatsoever kind and nature which may be imposed on, incurred by, or asserted against, the Escrow Agent at any time (whether or not also indemnified against the same by the District or any other person under any other agreement or instrument, but without double indemnity) in any way relating to or arising out of the execution, delivery and performance of its Agreement, the establishment hereunder of the Escrow Fund, the acceptance of the funds and securities deposited therein, the purchase of the Investment Securities, the retention of the Investment Securities or the proceeds thereof and any payment, transfer or other application of moneys or securities by the Escrow Agent in accordance with the provisions of this Agreement; provided, however, that the District shall not be required to indemnify the Escrow Agent against the Escrow Agent's own negligence or willful misconduct or the negligent or willful misconduct of the Escrow Agent's respective successors, assigns, agents and employees or the breach by the Escrow Agent of the terms of this Agreement. In no event shall the District or the Escrow Agent be liable to any person by reason of the transactions contemplated hereby other than to each other as set forth in this Section. The indemnities contained in this Section shall survive the termination of this Agreement and the earlier resignation or removal of the Escrow Agent.

SECTION 7. Responsibilities of the Escrow Agent. The Escrow Agent and its respective successors, assigns, agents and servants shall not be held to any personal liability whatsoever, in tort, contract or otherwise, in connection with the execution and delivery of this Agreement, the establishment of the Escrow Fund, the acceptance of the moneys or securities deposited therein, the purchase of the Investment Securities, the retention of the Investment Securities or the proceeds thereof, the sufficiency of the Investment Securities to accomplish the refunding and defeasance of the Refunded Bonds or any payment, transfer or other application of moneys or obligations by the Escrow Agent in accordance with the provisions of this Agreement or by reason of any non-negligent act, non-negligent omission or non-negligent error of the Escrow Agent made in good faith in the conduct of its duties. The recitals of fact contained in the "whereas" clauses herein shall be taken as the statements of the District and the Escrow Agent assumes no responsibility for the correctness thereof. The Escrow Agent makes no representation as to the sufficiency of the Investment Securities to accomplish the refunding and defeasance of the Refunded Bonds or to the validity of this Agreement as to the District and, except as otherwise provided herein, the Escrow Agent shall incur no liability with respect thereto. The Escrow Agent shall not be liable in connection with the performance of its duties under this Agreement except for its own negligence, willful misconduct or default, and the duties and obligations of the Escrow Agent shall be determined by the express provisions of this Agreement. The Escrow Agent may consult with counsel, who may or may not be counsel to the District, and in reliance upon the written opinion of such counsel shall have full and complete authorization and protection with respect to any action taken, suffered or omitted by it in good faith in accordance therewith. Whenever the Escrow Agent shall deem it necessary or desirable that a matter be proved or established prior to taking, suffering, or omitting any action under this Agreement, such matter may be deemed to be conclusively established by a certificate signed by an authorized officer of the District.

The District acknowledges that to the extent regulations of the Comptroller of the Currency or other applicable regulatory entity grant the District the right to receive brokerage confirmations of security transactions as they occur, the District specifically waives receipt of such confirmations to the extent permitted by law. The Escrow Agent will furnish the District periodic cash transaction statements which shall include detail for all investment transactions made by the Escrow Agent hereunder.

SECTION 8. Substitution of Securities. At the written request of the District and upon compliance with the conditions hereinafter set forth, the Escrow Agent shall have the power to sell, transfer,

request the redemption or otherwise dispose of some or all of the any securities (the “Investment Securities”) held in the Escrow Fund and to substitute noncallable nonprepayable obligations (the “Substitute Investment Securities”) constituting direct obligations issued by the United States Treasury or obligations which are unconditionally guaranteed as to full and timely payment by the United States of America. The foregoing may be effected only if: (i) the substitution of Substitute Investment Securities for the Investment Securities (or Substitute Investment Securities) occurs simultaneously; (ii) the amounts of and dates on which the anticipated transfers from the Escrow Fund to the Paying Agent for the payment of the principal of, redemption price of, or interest on the Refunded Bonds will not be diminished or postponed thereby; (iii) the Escrow Agent shall receive the unqualified opinion of nationally recognized municipal bond counsel to the effect that such disposition and substitution would not adversely affect the exclusion from gross income for federal income tax purposes of interest on the Refunded Bonds, and that the conditions of this Section 8 as to the disposition and substitution have been satisfied and that the substitution is permitted by this Agreement; and (iv) the Escrow Agent shall receive from a firm of independent certified public accountants a certification that, immediately after such transaction, the principal of and interest on the Substitute Investment Securities in the Escrow Fund will, together with other cash on deposit in the Escrow Fund available for such purpose, be sufficient without reinvestment to pay, when due, the principal or redemption price of and interest on the Refunded Bonds. Any cash from the sale of Investment Securities (including U.S. Treasury Securities) received from the disposition and substitution of Substitute Investment Securities pursuant to this Section 8 to the extent such cash will not be required, in accordance with this Agreement, and as demonstrated in the certification described in subsection (iv) above, at any time for the payment when due of the principal or redemption price of or interest on the Refunded Bonds shall be paid to the District as received by the Escrow Agent free and clear of any trust, lien, pledge or assignment securing such Bonds or otherwise existing under this Agreement. Any other substitution of securities in the Escrow Fund not described in the previous sentence must satisfy the requirements of this Section 8. In no event shall the Escrow Agent invest or reinvest moneys held under this Agreement in mutual funds or unit investment trusts.

SECTION 9. Irrevocable Instructions as to Notice; Termination of Obligations.

(a) The Escrow Agent hereby acknowledges that upon the funding of the Escrow Fund as provided in Section 1(a) hereof and the simultaneous purchase of the Investment Securities as provided in Section 2 hereof, and the receipt of the Defeasance Opinion and the Verification Report described in Section 1(b) of this Agreement, then the Refunded Bonds shall be deemed paid in accordance with their terms and all obligations of the District with respect to the Refunded Bonds shall cease and terminate, except only the obligation to make payments therefor from the monies provided hereunder; and

(c) The District hereby instructs the Escrow Agent to file notice of the defeasance of the Refunded Bonds with the Municipal Securities Rulemaking Board (the “MSRB”) (which is located at <http://emma.msrb.org/>), as soon as practicable but no later than 10 days after the date of Closing and provide notice to the holders of the Refunded Bonds, substantially in the form included in Exhibit A hereto, and any other person required to receive it that the deposit of moneys has been made with the Escrow Agent and that such Escrow Agent has received a verification report verifying that the projected withdrawals from such escrow have been calculated to be adequate to pay the principal or redemption price of and the interest on said Refunded Bonds outstanding as such become due or are subject to redemption.

SECTION 10. Amendments. This Agreement is made for the benefit of the District and the holders from time to time of the Refunded Bonds and it shall not be repealed, revoked, altered or amended without the written consent of all such holders, the Escrow Agent and the District; provided, however, but only after the receipt by the Escrow Agent of an opinion of nationally recognized bond counsel that the exclusion from gross income of interest on the Refunded Bonds will not be adversely affected for federal income tax purposes, that the District and the Escrow Agent may, without the consent of, or notice to, such holders, amend this Agreement or enter into such agreements supplemental to this Agreement as shall not

adversely affect the rights of such holders and as shall not be inconsistent with the terms and provisions of this Agreement for any one or more of the following purposes: (i) to cure any ambiguity or formal defect or omission in this Agreement; (ii) to grant to, or confer upon, the Escrow Agent for the benefit of the holders of the Refunded Bonds any additional rights, remedies, powers or authority that may lawfully be granted to, or conferred upon, such holders or the Escrow Agent; and (iii) to include under this Agreement additional funds, securities or properties. The Escrow Agent shall be entitled to rely conclusively upon an unqualified opinion of nationally recognized municipal bond attorneys with respect to compliance with this Section 10, including the extent, if any, to which any change, modification, addition or elimination affects the rights of the holders of the Refunded Bonds or that any instrument executed hereunder complies with the conditions and provisions of this Section 10. In the event of any conflict with respect to the provisions of this Agreement, this Agreement shall prevail and be binding.

SECTION 11. Term. This Agreement shall commence upon its execution and delivery and shall terminate on the later to occur of either (i) the date upon which the Refunded Bonds have been paid in accordance with this Agreement or (ii) the date upon which no unclaimed moneys remain on deposit with the Escrow Agent pursuant to Section 3(b) of this Agreement.

SECTION 12. Compensation. The Escrow Agent shall receive its reasonable fees and expenses as previously agreed to; provided, however, that under no circumstances shall the Escrow Agent be entitled to any lien nor will it assert a lien whatsoever on any moneys or obligations in the Escrow Fund for the payment of fees and expenses for services rendered by the Escrow Agent under this Agreement.

SECTION 13. Resignation or Removal of Escrow Agent.

(a) The Escrow Agent may resign by giving notice in writing to the District, a copy of which shall be sent to The Depository Trust Company, New York, New York (“DTC”). The Escrow Agent may be removed (1) by (i) filing with the District an instrument or instruments executed by the holders of at least 51% in aggregate principal amount of the Refunded Bonds then remaining unpaid, (ii) sending notice at least 60 days prior to the effective date of said removal to DTC, and (iii) the delivery of a copy of the instruments filed with the District to the Escrow Agent or (2) by a court of competent jurisdiction for failure to act in accordance with the provisions of this Agreement upon application by the District or the holders of 51% in aggregate principal amount of the Refunded Bonds then remaining unpaid.

(b) If the position of Escrow Agent becomes vacant due to resignation or removal of the Escrow Agent or any other reason, a successor Escrow Agent may be appointed by the District. The holders of a majority in principal amount of the Refunded Bonds then remaining unpaid may, by an instrument or instruments filed with the District, appoint a successor Escrow Agent who shall supersede any Escrow Agent theretofore appointed by the District. If no successor Escrow Agent is appointed by the District or the holders of such Refunded Bonds then remaining unpaid, within 45 days after any such resignation or removal, the holder of any such Refunded Bond or any retiring Escrow Agent may apply to a court of competent jurisdiction for the appointment of a successor Escrow Agent. The responsibilities of the Escrow Agent under this Agreement will not be discharged until a new Escrow Agent is appointed and until the cash and investments held under this Agreement are transferred to the new Escrow Agent.

SECTION 14. Severability. If any one or more of the covenants or agreements provided in this Agreement on the part of the District or the Escrow Agent to be performed should be determined by a court of competent jurisdiction to be contrary to law, such covenants or agreements shall be null and void and shall be deemed separate from the remaining covenants and agreements herein contained and shall in no way affect the validity of the remaining provisions of this Agreement.

SECTION 15. Counterparts. This Agreement may be executed in several counterparts, all or any of which shall be regarded for all purposes as one original and shall constitute and be but one and the same instrument.

SECTION 16. Governing Law. This Agreement shall be construed under the laws of the State of California.

SECTION 17. Holidays. If the date for making any payment or the last date for performance of any act or the exercising of any right, as provided in this Agreement, shall be a legal holiday or a day on which banking institutions in the city in which is located the principal office of the Escrow Agent are authorized by law to remain closed, such payment may be made or act performed or right exercised on the next succeeding day not a legal holiday or a day on which such banking institutions are authorized by law to remain closed, with the same force and effect as if done on the nominal date provided in this Agreement, and no interest shall accrue for the period after such nominal date.

SECTION 18. Assignment. This Agreement shall not be assigned by the Escrow Agent or any successor thereto without the prior written consent of the District, except as permitted under Section 20 hereof.

SECTION 19. Rating Agencies. The District agrees provide to Moody's Investors Service, 7 World Trade Center at 250 Greenwich Street, New York, New York, 10007 and Fitch Ratings, 33 Whitehall St., New York, New York 10004 prior notice of each amendment entered into pursuant to Section 10 hereof and a copy of such proposed amendment, and to forward a copy (as soon as possible) of (i) each amendment hereto entered into pursuant to Section 10 hereof, and (ii) any action relating to severability or contemplated by Section 14 hereof.

SECTION 20. Reorganization of Escrow Agent. Notwithstanding anything to the contrary contained in this Agreement, any company into which the Escrow Agent may be merged or converted or with which it may be consolidated or any company resulting from any merger, conversion or consolidation to which the Escrow Agent is a party, or any company to which the Escrow Agent may sell or transfer all or substantially all of its corporate trust business shall be the successor to the Escrow Agent without execution or filing of any paper or any paper or further act, if such company is eligible to serve as Escrow Agent.

IN WITNESS WHEREOF, the parties hereto have caused this Agreement to be executed by their duly authorized officers as of the day and year first above written.

SACRAMENTO CITY UNIFIED SCHOOL DISTRICT

By: \_\_\_\_\_

U.S. BANK TRUST COMPANY, NATIONAL  
ASSOCIATION, as Escrow Agent

By: \_\_\_\_\_

Authorized Signatory

APPENDIX A

**NOTICE OF DEFEASANCE OF REFUNDED BONDS**

**\$113,245,000**

**SACRAMENTO CITY UNIFIED SCHOOL DISTRICT  
(County of Sacramento, California)  
2012 General Obligation Refunding Bonds**

<b>Maturity (July 1)</b>	<b>Rate</b>	<b>Original Principal Amount</b>	<b>Principal Amount to be Redeemed</b>	<b>CUSIP*</b>	<b>Bond Number</b>

Notice is hereby given to the holders of the above-identified bonds (the “Bonds”), (i) that there has been deposited with U.S. Bank Trust Company, National Association, as escrow agent (the “Escrow Agent”), as permitted by the Escrow Agreement, dated as of \_\_\_\_\_ 1, 2022, between the Sacramento City Unified School District and the Escrow Agent (the “Agreement”), monies held pursuant thereto and uninvested which shall, as evidenced by a verification report delivered to the Escrow Agent, be available and sufficient (a) to pay the interest on the Bonds scheduled to be paid on July 1, 2022 (the “Redemption Date”) and (b) to redeem such Bonds on such Redemption Date at a redemption price (expressed as a percentage of the principal amount of the Bonds) equal to 100%; (ii) that the Escrow Agent has been irrevocably instructed to so redeem such Bonds; and (iii) that such Bonds are deemed to be paid in accordance with Sections 3 and 9 of the Agreement.

Dated this \_\_\_ day of \_\_\_\_\_, 20\_\_.

SACRAMENTO CITY UNIFIED SCHOOL  
DISTRICT

U.S. BANK TRUST COMPANY, NATIONAL  
ASSOCIATION, as Escrow Agent

**PRELIMINARY OFFICIAL STATEMENT DATED \_\_\_\_\_, 2022**

**NEW ISSUE -- FULL BOOK-ENTRY**

**INSURED RATING: S&P: “\_\_\_”**  
**UNDERLYING RATING[S]: [Moody’s: “\_\_\_;” S&P: “\_\_\_”]**

*In the opinion of Stradling Yocca Carlson & Rauth, a Professional Corporation, San Francisco, California (“Bond Counsel”), under existing statutes, regulations, rulings and judicial decisions, and assuming the accuracy of certain representations and compliance with certain covenants and requirements described herein, interest (and original issue discount) on the Bonds (as defined herein) is excluded from gross income for federal income tax purposes and is not an item of tax preference for purposes of calculating the federal alternative minimum tax imposed on individuals. In the further opinion of Bond Counsel, interest (and original issue discount) on the Bonds is exempt from State of California personal income tax. See “TAX MATTERS” herein with respect to tax consequences relating to the Bonds.*

§ \_\_\_\_\_ \*

**SACRAMENTO CITY UNIFIED SCHOOL DISTRICT**  
**(Sacramento County, California)**  
**2022 General Obligation Refunding Bonds**

**Dated: Date of Delivery**

**Due: August 1, as shown on inside front cover**

*This cover page contains information for general reference only. It is not a summary of this issue. Investors must read the entire official statement to obtain information essential to the making of an informed investment decision. Capitalized terms used in this cover page and not otherwise defined shall have the meanings set forth herein.*

The Sacramento City Unified School District (Sacramento County, California) 2022 General Obligation Refunding Bonds (the “Bonds”) are being issued by the Sacramento City Unified School District (the “District”) (i) to currently refund the District’s currently outstanding 2012 General Obligation Refunding Bonds, and (ii) to pay the costs of issuing the Bonds.

The Bonds are general obligations of the District, payable solely from *ad valorem* property taxes. The Board of Supervisors of Sacramento County is empowered and obligated to annually levy such *ad valorem* property taxes upon all property subject to taxation by the District, without limitation as to rate or amount (except as to certain personal property which is taxable at limited rates), for the payment of the principal of and interest on the Bonds when due.

The Bonds will be issued as current interest bonds, such that interest thereon will accrue from the date of delivery thereof, and be payable semiannually on January 1 and July 1 of each year, commencing July 1, 2022. The Bonds will be issued in book-entry form only, and will be initially issued and registered in the name of Cede & Co. as nominee of The Depository Trust Company, New York, New York (referred to herein as “DTC”). Purchasers of the Bonds (the “Beneficial Owners”) will not receive physical certificates representing their interests in the Bonds, but will instead receive credit balances on the books of their respective nominees.

Payments of principal of and interest on the Bonds will be made by the designated Paying Agent, to DTC for subsequent disbursement to DTC Participants who will remit such payments to the Beneficial Owners of the Bonds. The Director of Finance of Sacramento County has been appointed to act as Paying Agent for the Bonds.

The scheduled payment of principal of and interest on the Bonds when due will be guaranteed under a municipal bond insurance policy to be issued concurrently with the delivery of the Bonds by [TBD].

[INSUER LOGO]

**The Bonds are subject to optional and mandatory sinking fund redemption as further described herein.\***

**Maturity Schedule**  
**(See inside front cover)**

*The Bonds will be offered when, as and if issued and received by the Underwriters, subject to the approval of legality by Stradling Yocca Carlson & Rauth, a Professional Corporation, San Francisco, California, Bond Counsel. Certain matters will be passed upon for the District by Stradling Yocca Carlson & Rauth, a Professional Corporation, San Francisco, California as Disclosure Counsel, and for the Underwriters by \_\_\_\_\_. The Bonds, in book-entry form, will be available for delivery through the facilities of DTC in New York, New York on or about \_\_\_\_\_, 2022.*

[Senior Underwriter]

[Co-Underwriter]

Dated: \_\_\_\_\_, 2022

\* Preliminary, subject to change.  
 4862-4079-3875v3/200968-0001

This Preliminary Official Statement and the information contained herein are subject to completion or amendment. These securities may not be sold, nor may offers to buy them be accepted, prior to the time the Official Statement is delivered in final form. Under no circumstances shall this Preliminary Official Statement constitute an offer to sell or the solicitation of an offer to buy, nor shall there be any sale of, these securities in any jurisdiction in which such offer, solicitation or sale would be unlawful.

**MATURITY SCHEDULE\***

\$ \_\_\_\_\_\*  
**SACRAMENTO CITY UNIFIED SCHOOL DISTRICT**  
**(Sacramento County, California)**  
**2022 General Obligation Refunding Bonds**

**Base CUSIP†:**

\$ \_\_\_\_\_ **Serial Bonds**

<u>Maturity (July 1)</u>	<u>Principal Amount</u>	<u>Interest Rate</u>	<u>Yield</u>	<u>CUSIP Suffix†</u>
------------------------------	-----------------------------	--------------------------	--------------	--------------------------

\$ \_\_\_\_\_ - \_\_\_\_\_% **Term Bonds due July 1, 20\_\_** - **Yield: \_\_\_\_\_%<sup>(1)</sup>; CUSIP† Suffix: \_\_\_\_\_**

\* Preliminary, subject to change.

† CUSIP® is a registered trademark of the American Bankers Association. CUSIP Global Services (CGS) is managed on behalf of the American Bankers Association by S&P Global Market Intelligence. Copyright(c) 2022 CUSIP Global Services. All rights reserved. CUSIP® data herein is provided by CUSIP Global Services. This data is not intended to create a database and does not serve in any way as a substitute for the CGS database. CUSIP® numbers are provided for convenience of reference only. None of the District, the Municipal Advisor, the Underwriter or their agents or counsel assume responsibility for the accuracy of such numbers.

This Official Statement does not constitute an offering of any security other than the original offering of the Bonds of the District. No dealer, broker, salesperson or other person has been authorized by the District to give any information or to make any representations other than as contained in this Official Statement, and if given or made, such other information or representation not so authorized should not be relied upon as having been given or authorized by the District.

The issuance and sale of the Bonds have not been registered under the Securities Act of 1933 or the Securities Exchange Act of 1934, both as amended, in reliance upon exemptions provided thereunder. This Official Statement does not constitute an offer to sell or a solicitation of an offer to buy in any state in which such offer or solicitation is not authorized or in which the person making such offer or solicitation is not qualified to do so or to any person to whom it is unlawful to make such offer or solicitation.

The information set forth herein, other than that provided by the District, has been obtained from sources which are believed to be reliable, but is not guaranteed as to accuracy or completeness, and is not to be construed as a representation by the District. The information and expressions of opinions herein are subject to change without notice and neither delivery of this Official Statement nor any sale made hereunder shall, under any circumstances, create any implication that there has been no change in the affairs of the District since the date hereof. This Official Statement is submitted in connection with the sale of the Bonds referred to herein and may not be reproduced or used, in whole or in part, for any other purpose.

When used in this Official Statement and in any continuing disclosure by the District in any press release and in any oral statement made with the approval of an authorized officer of the District or any other entity described or referenced in this Official Statement, the words or phrases “will likely result,” “are expected to,” “will continue,” “is anticipated,” “estimate,” “project,” “forecast,” “expect,” “intend” and similar expressions identify “forward looking statements” within the meaning of the Private Securities Litigation Reform Act of 1995. Such statements are subject to risks and uncertainties that could cause actual results to differ materially from those contemplated in such forward-looking statements. Any forecast is subject to such uncertainties. Inevitably, some assumptions used to develop the forecasts will not be realized and unanticipated events and circumstances may occur. Therefore, there are likely to be differences between forecasts and actual results, and those differences may be material.

IN CONNECTION WITH THIS OFFERING, THE UNDERWRITERS MAY OVER ALLOT OR EFFECT TRANSACTIONS WHICH STABILIZE OR MAINTAIN THE MARKET PRICE OF THE BONDS AT A LEVEL ABOVE THAT WHICH MIGHT OTHERWISE PREVAIL IN THE OPEN MARKET. SUCH STABILIZING, IF COMMENCED, MAY BE DISCONTINUED AT ANY TIME. THE UNDERWRITERS MAY OFFER AND SELL THE BONDS TO CERTAIN DEALERS AND DEALER BANKS AND BANKS ACTING AS AGENT AT PRICES LOWER THAN THE PUBLIC OFFERING PRICES STATED ON THE INSIDE COVER PAGE HEREOF AND SAID PUBLIC OFFERING PRICES MAY BE CHANGED FROM TIME TO TIME BY THE UNDERWRITERS.

The District maintains a website and certain social media accounts. However, the information presented there is not being incorporated herein by any reference, and should not be relied upon in making an investment decision with respect to the Bonds.

[INSURER DISCLOSURE].

**SACRAMENTO CITY UNIFIED SCHOOL DISTRICT**

**Board of Education**

Christina Pritchett, *President, Trustee Area 3*  
Leticia Garcia, *1<sup>st</sup> Vice President, Trustee Area 2*  
Chinua Rhodes, *2<sup>nd</sup> Vice President, Trustee Area 5*  
Lisa Murawski, *Member, Trustee Area 1*  
Lavinia Grace Phillips, *Member, Trustee Area 7*  
Jamee Villa, *Member, Trustee Area 4*  
Darrel Woo, *Member, Trustee Area 6*

**District Administration**

Jorge A. Aguilar, *Superintendent*  
Lisa Allen, *Deputy Superintendent*  
Christine Baeta, *Chief Academic Officer*  
Rose F. Ramos, *Chief Business and Operations Officer*  
Tara Gallegos, *Chief Communications Officer*  
Vincent Harris, *Chief Continuous Improvement and Accountability Officer*  
Cancy McArn, *Chief Human Resources Officer*  
Robert Lyons, Ed.D., *Chief Information Officer*

**PROFESSIONAL SERVICES**

**Bond Counsel and Disclosure Counsel**

Stradling Yocca Carlson & Rauth,  
a Professional Corporation  
*San Francisco, California*

**Municipal Advisor**

Dale Scott & Company, Inc.  
*San Francisco, California*

**Paying Agent**

Sacramento County Director of Finance  
*Sacramento, California*

**Escrow Agent**

U.S. Bank Trust Company, National Association  
*Los Angeles, California*

**Verification Agent**

Causey Demgen & Moore, PC  
*Denver, Colorado*

TABLE OF CONTENTS

Page

**INTRODUCTION ..... 1**

THE DISTRICT ..... 1

PURPOSE OF THE BONDS ..... 2

AUTHORITY FOR ISSUANCE OF THE BONDS ..... 2

SOURCES OF PAYMENT FOR THE BONDS ..... 2

DESCRIPTION OF THE BONDS..... 2

TAX MATTERS ..... 3

OFFERING AND DELIVERY OF THE BONDS..... 3

BOND OWNER’S RISKS ..... 4

CONTINUING DISCLOSURE ..... 4

PROFESSIONALS INVOLVED IN THE OFFERING..... 4

FORWARD LOOKING STATEMENTS..... 4

OTHER INFORMATION ..... 4

**THE BONDS ..... 5**

AUTHORITY FOR ISSUANCE ..... 5

SECURITY AND SOURCES OF PAYMENT ..... 5

STATUTORY LIEN ..... 6

BOND INSURANCE ..... 7

GENERAL PROVISIONS ..... 7

APPLICATION AND INVESTMENT OF BOND PROCEEDS..... 8

ANNUAL DEBT SERVICE..... 9

REDEMPTION..... 10

TRANSFER AND EXCHANGE OF BONDS..... 12

BOOK-ENTRY ONLY SYSTEM..... 13

DEFEASANCE ..... 15

**ESTIMATED SOURCES AND USES OF FUNDS ..... 16**

**TAX BASE FOR REPAYMENT OF BONDS ..... 16**

AD VALOREM PROPERTY TAXATION ..... 16

ASSESSED VALUATION..... 17

TAX LEVIES, COLLECTIONS AND DELINQUENCIES ..... 22

ALTERNATIVE METHOD OF TAX APPORTIONMENT - TEETER PLAN ..... 22

TAX RATES ..... 24

LARGEST PROPERTY OWNERS..... 25

STATEMENT OF DIRECT AND OVERLAPPING DEBT ..... 25

**CONSTITUTIONAL AND STATUTORY PROVISIONS AFFECTING DISTRICT REVENUES AND APPROPRIATIONS ..... 27**

ARTICLE XIII A OF THE STATE CONSTITUTION ..... 27

LEGISLATION IMPLEMENTING ARTICLE XIII A ..... 28

PROPOSITION 19..... 28

PROPOSITION 50 AND PROPOSITION 171..... 28

UNITARY PROPERTY ..... 29

ARTICLE XIII B OF THE STATE CONSTITUTION ..... 29

ARTICLE XIII C AND ARTICLE XIII D OF THE STATE CONSTITUTION ..... 30

PROPOSITION 26..... 31

PROPOSITIONS 98 AND 111..... 31

PROPOSITION 39..... 33

JARVIS V. CONNELL ..... 34

PROPOSITION 1A AND PROPOSITION 22..... 34

PROPOSITION 55..... 35

PROPOSITION 2..... 35

FUTURE INITIATIVES ..... 37

**TABLE OF CONTENTS (cont'd)**

	<u>Page</u>
<b>DISTRICT FINANCIAL INFORMATION</b> .....	<b>37</b>
STATE FUNDING OF EDUCATION .....	37
OTHER REVENUE SOURCES .....	41
CONSIDERATIONS REGARDING COVID-19 .....	42
STATE BUDGET MEASURES .....	46
DISTRICT BUDGETS AND COUNTY OVERSIGHT .....	53
FCMAT FISCAL HEALTH RISK ANALYSIS .....	58
STATE AUDIT .....	58
ACCOUNTING PRACTICES.....	59
FINANCIAL STATEMENTS .....	59
<b>SACRAMENTO CITY UNIFIED SCHOOL DISTRICT</b> .....	<b>61</b>
INTRODUCTION .....	61
ADMINISTRATION.....	61
LABOR RELATIONS .....	63
RETIREMENT PROGRAMS .....	64
OTHER POST-EMPLOYMENT BENEFITS .....	73
RISK MANAGEMENT .....	74
DISTRICT DEBT STRUCTURE .....	75
<b>TAX MATTERS</b> .....	<b>77</b>
<b>LIMITATION ON REMEDIES; BANKRUPTCY</b> .....	<b>78</b>
GENERAL .....	78
STATUTORY LIEN.....	79
SPECIAL REVENUES .....	79
POSSESSION OF TAX REVENUES; REMEDIES.....	79
OPINION OF BOND COUNSEL QUALIFIED BY REFERENCE TO BANKRUPTCY, INSOLVENCY AND OTHER LAWS RELATING TO OR AFFECTING CREDITOR’S RIGHTS .....	80
<b>LEGAL MATTERS</b> .....	<b>80</b>
LEGALITY FOR INVESTMENT IN CALIFORNIA .....	80
ENHANCED REPORTING REQUIREMENTS.....	80
ESCROW VERIFICATION .....	80
CONTINUING DISCLOSURE .....	80
LITIGATION.....	81
FINANCIAL STATEMENTS .....	81
LEGAL OPINION .....	81
<b>MISCELLANEOUS</b> .....	<b>81</b>
RATINGS .....	81
CONSIDERATIONS REGARDING BOND INSURANCE .....	82
UNDERWRITING .....	82
<b>ADDITIONAL INFORMATION</b> .....	<b>83</b>
APPENDIX A: FORM OF OPINION OF BOND COUNSEL FOR THE BONDS.....	A-1
APPENDIX B: AUDITED FINANCIAL STATEMENTS OF THE DISTRICT FOR FISCAL YEAR 2020-21 .....	B-1
APPENDIX C: FORM OF CONTINUING DISCLOSURE CERTIFICATE .....	C-1
APPENDIX D: ECONOMIC AND DEMOGRAPHIC INFORMATION FOR THE CITY OF SACRAMENTO AND THE COUNTY OF SACRAMENTO .....	D-1
APPENDIX E: SACRAMENTO COUNTY TREASURY POOL .....	E-1
APPENDIX F: SPECIMEN MUNICIPAL BOND INSURANCE POLICY .....	F-1

§ \_\_\_\_\_ \*

**SACRAMENTO CITY UNIFIED SCHOOL DISTRICT  
(Sacramento County, California)  
2022 General Obligation Refunding Bonds**

**INTRODUCTION**

This Official Statement, which includes the cover page, inside cover page and appendices hereto, provides information in connection with the sale of Sacramento City Unified School District (Sacramento County, California) 2022 General Obligation Refunding Bonds (the “Bonds”).

**This Introduction is not a summary of this Official Statement. It is only a brief description of and guide to, and is qualified by, more complete and detailed information contained in the entire Official Statement, including the cover page, inside cover page and appendices hereto, and the documents summarized or described herein. A full review should be made of the entire Official Statement. The offering of Bonds to potential investors is made only by means of the entire Official Statement.**

**The District**

The Sacramento City Unified School District (the “District”) is located in Sacramento County, California (the “County”) and spans 70 square miles. The District was established in 1854 and is the 13th largest school district in the State of California (the “State”), as measured by student enrollment. The District provides educational services to approximately 350,000 residents in and around the City of Sacramento (the “City”). The District operates 42 elementary schools for grades K-6, seven K-8 schools, six middle schools for grades seven through eight, two middle/high schools for grades seven through twelve, seven comprehensive high schools for grades nine through twelve, three alternative schools, two special education centers, two adult education centers, 15 charter schools (including five dependent charter schools) and 42 children’s centers/preschools. For fiscal year 2021-22, the District’s funded average daily attendance (“ADA”) is projected to be \_\_\_\_\_ students and enrollment is projected to be \_\_\_\_\_ students. Taxable property within the District has a fiscal year 2021-22 total assessed valuation of \$42,389,941,073. See “TAX BASE FOR REPAYMENT OF BONDS” for information regarding the District’s tax base. The District’s actual ADA and enrollment, and the assessed valuation of taxable property within the District, may be affected by the ongoing COVID-19 (defined herein) pandemic. See “DISTRICT FINANCIAL INFORMATION – Considerations Regarding COVID-19” herein.

The District is governed by a seven-member Board of Education (the “Board”), each member of which is elected by trustee area to a four-year term. Elections for positions to the Board are held every two years, alternating between three and four available positions. The management and policies of the District are administered by a Superintendent appointed by the Board who is responsible for day-to-day District operations as well as the supervision of the District’s other personnel. Jorge A. Aguilar is currently the District Superintendent

The District’s second interim financial report for fiscal year 2021-22 (the “2021-22 Second Interim”), was approved by the Board on March 17, 2022 and submitted by the District to the Sacramento

---

\* Preliminary, subject to change.

County Office of Education (the “County Office of Education”) pursuant to Education Code 42139. The 2021-22 Second Interim projects a general fund operating surplus of \$4.3 million in the current fiscal year, growing to \$10.5 million in fiscal year 2022-23. However, in fiscal year 2023-24, the District is projected to experience a general fund operating deficit of \$6.2 million. Although the District does not currently forecast the need for a State emergency apportionment in fiscal year 2021-22, the District remains at risk of fiscal insolvency in future fiscal years. See “DISTRICT FINANCIAL INFORMATION – District Budgets and County Oversight – *Second Interim Report for Fiscal Year 2021-22 and Fiscal Recovery Plan*” herein.

In addition, several state agencies, including the County Office of Education, the Fiscal Crisis and Management Assistance Team (“FCMAT”), and the California State Auditor (the “State Auditor”) have conducted reviews of the District’s finances over the past four years and issued a variety of recommendations to improve the District’s finances, which are principally being affected by increasing labor and operating costs, declining fund balances and decreases in student enrollment. For additional information, see “DISTRICT FINANCIAL INFORMATION – District Budgets and County Oversight – *Disapproval of Fiscal Year 2018-19 Budget*,” “—District Budgets and County Oversight – *Conditional Approval of Fiscal Year 2021-22 Budget*,” “—FCMAT Fiscal Health Risk Analysis,” and “—State Audit” herein.

See “SACRAMENTO CITY UNIFIED SCHOOL DISTRICT” and “DISTRICT FINANCIAL INFORMATION” for information regarding the District and its finances. The audited financial statements for fiscal year ending June 30, 2021 are attached hereto as APPENDIX B and should be read in their entirety. See also “APPENDIX B – AUDITED FINANCIAL STATEMENTS OF THE DISTRICT FOR FISCAL YEAR 2020-21,” attached hereto.

### **Purpose of the Bonds**

The Bonds are being issued (i) to currently refund the District’s outstanding 2012 General Obligation Refunding Bonds (the “Refunded Bonds”), and (ii) to pay the costs of issuing the Bonds. See also “THE BONDS – Application and Investment of Bond Proceeds” and “ESTIMATED SOURCES AND USES OF FUNDS” herein.

### **Authority for Issuance of the Bonds**

The Bonds are issued pursuant to certain provisions of the California Government Code (the “Government Code”) and pursuant to a resolution adopted by the Board. See “THE BONDS – Authority for Issuance” herein.

### **Sources of Payment for the Bonds**

The Bonds are general obligations of the District payable solely from *ad valorem* property taxes. The County Board is empowered and obligated to annually levy such *ad valorem* property taxes upon all property subject to taxation by the District, without limitation as to rate or amount (except as to certain personal property which is taxable at limited rates), for the payment of the principal of and interest on the Bonds when due. See “THE BONDS – Security and Sources of Payment” and “TAX BASE FOR REPAYMENT OF BONDS” herein.

### **Description of the Bonds**

***Form and Registration.*** The Bonds will be issued in fully registered book-entry form only, without coupons. The Bonds will be initially registered in the name of Cede & Co., as nominee of The

Depository Trust Company, New York, New York (“DTC”). DTC will act as securities depository of the Bonds. See “THE BONDS – General Provisions” and “– Book-Entry Only System” herein. Purchasers of the Bonds (the “Beneficial Owners”) will not receive physical certificates representing their interests in the Bonds, but will instead receive credit balances on the books of their respective nominees. In the event that the book-entry only system described below is no longer used with respect to the Bonds, the Bonds will be registered in accordance with the Resolution (as defined herein).

**So long as Cede & Co. is the registered owner of the Bonds, as nominee of DTC, references herein to the “Owners,” “Bondowners” or “Holders” of the Bonds (other than under the captions “INTRODUCTION – Tax Matters” and “TAX MATTERS,” as well as in APPENDIX A) will mean Cede & Co. and will not mean the Beneficial Owners of the Bonds.**

**Denominations.** Individual purchases of interests in the Bonds will be available to purchasers of the Bonds in the denominations of \$5,000 principal amount, or any integral multiple thereof.

**Redemption.** The Bonds are subject to optional and mandatory sinking fund redemption prior to maturity, as further described herein. See “THE BONDS – Redemption” herein.

**Payments.** The Bonds will be dated as of the date of their initial execution and issuance (the “Date of Delivery”), and will be issued as current interest bonds, such that interest thereon will accrue from the Date of Delivery, and be payable semiannually on each January 1 and July 1 (each a “Bond Payment Date”), commencing July 1, 2022. Principal of the Bonds is payable on August 1 in the amounts and years as set forth on the inside cover page hereof.

Payments of the principal of and interest on the Bonds will be made by the designated paying agent, bond registrar and transfer agent (the “Paying Agent”), to DTC for subsequent disbursement through DTC Participants (defined herein) to the Beneficial Owners of the Bonds. The Sacramento County Director of Finance (the “Director of Finance”) has been appointed to act as Paying Agent for the Bonds.

**Bond Insurance.** The scheduled payment of principal of and interest on the Bonds when due will be guaranteed under a municipal bond insurance policy (herein defined as the “Policy”) to be issued concurrently with the delivery of the Bonds by [TBD] (herein defined as the “Insurer”). See “THE BONDS – Bond Insurance” herein.

## **Tax Matters**

In the opinion of Stradling Yocca Carlson & Rauth, a Professional Corporation, San Francisco, California (“Bond Counsel”), under existing statutes, regulations, rulings and judicial decisions, and assuming the accuracy of certain representations and compliance with certain covenants and requirements described herein, interest (and original issue discount) on the Bonds is excluded from gross income for federal income tax purposes and is not an item of tax preference for purposes of calculating the federal alternative minimum tax imposed on individuals. In the further opinion of Bond Counsel, interest (and original issue discount) on the Bonds is exempt from State of California personal income tax. See “TAX MATTERS” herein.

## **Offering and Delivery of the Bonds**

The Bonds are offered when, as and if issued, subject to approval as to their legality by Bond Counsel. It is anticipated that the Bonds in book-entry form will be available for delivery through DTC in New York, New York, on or about \_\_\_\_\_, 2022.

## **Bond Owner's Risks**

The Bonds are general obligations of the District payable solely from *ad valorem* property taxes which may be levied without limitation as to rate or amount (except with respect to certain personal property which is taxable at limited rates) on all taxable property in the District. For more complete information regarding the taxation of property within the District, as well as certain other considerations, see "TAX BASE FOR REPAYMENT OF BONDS" and "LIMITATION ON REMEDIES; BANKRUPTCY" herein.

## **Continuing Disclosure**

Pursuant to a contractual undertaking entered into in connection with issuance of the Bonds (the "Continuing Disclosure Certificate"), the District will covenant for the benefit of the Owners and Beneficial Owners of the Bonds to make available certain financial information and operating data relating to the District and to provide notices of the occurrence of certain listed events, in order to assist the Underwriters (as defined herein) in complying with S.E.C. Rule 15c2-12(b)(5) (the "Rule"). See "LEGAL MATTERS – Continuing Disclosure" herein. The specific nature of the information to be made available and the notices of listed events required to be provided are described in "APPENDIX C – FORM OF CONTINUING DISCLOSURE CERTIFICATE" attached hereto.

## **Professionals Involved in the Offering**

Stradling Yocca Carlson & Rauth, a Professional Corporation, San Francisco, California, is acting as Bond Counsel and Disclosure Counsel to the District with respect to the Bonds. Dale Scott & Company, Inc. is acting as Municipal Advisor to the District with respect to the Bonds. Bond/Disclosure Counsel and the Municipal Advisor will each receive compensation contingent on the issuance of the Bonds. Certain matters will be passed on for the Underwriters by \_\_\_\_\_. U.S. Bank Trust Company, National Association will act as Escrow Agent (defined herein) for the Bonds. Causey Demgen & Moore, PC, Denver, Colorado, will act as Verification Agent (as defined herein) for the Refunded Bonds. [From time to time, Bond Counsel represents each of the Underwriters on matters unrelated to the District or the Bonds].

## **Forward Looking Statements**

Certain statements included or incorporated by reference in this Official Statement constitute "forward-looking statements" within the meaning of the United States Private Securities Litigation Reform Act of 1995, Section 21E of the United States Securities Exchange Act of 1934, as amended, and Section 27A of the United States Securities Act of 1933, as amended. Such statements are generally identifiable by the terminology used such as "plan," "intend," "expect," "estimate," "project," "budget" or other similar words. Such forward-looking statements include, but are not limited to, certain statements contained in the information regarding the District herein.

## **Other Information**

This Official Statement speaks only as of its date, and the information contained herein is subject to change. Copies of documents referred to herein and information concerning the Bonds are available from the Sacramento City Unified School District, 5735 47th Avenue, Sacramento, California 95824, telephone: (916) 643-4700. The District may impose a charge for copying, mailing and handling.

No dealer, broker, salesperson or other person has been authorized by the District to give any information or to make any representations other than as contained herein and, if given or made, such

other information or representations must not be relied upon as having been authorized by the District. This Official Statement does not constitute an offer to sell or the solicitation of an offer to buy nor shall there be any sale of the Bonds by a person in any jurisdiction in which it is unlawful for such person to make such an offer, solicitation or sale.

This Official Statement is not to be construed as a contract with the purchasers of the Bonds. Statements contained in this Official Statement which involve estimates, forecasts or matters of opinion, whether or not expressly so described herein, are intended solely as such and are not to be construed as representations of fact. The summaries and references to documents, statutes and constitutional provisions referred to herein do not purport to be comprehensive or definitive, and are qualified in their entirety by reference to each such documents, statutes and constitutional provisions.

The information set forth herein, other than that provided by the District, has been obtained from official sources which are believed to be reliable but it is not guaranteed as to accuracy or completeness, and is not to be construed as a representation by the District. The information and expressions of opinions herein are subject to change without notice and neither delivery of this Official Statement nor any sale made hereunder shall, under any circumstances, create any implication that there has been no change in the affairs of the District since the date hereof. This Official Statement is submitted in connection with the sale of the Bonds referred to herein and may not be reproduced or used, in whole or in part, for any other purpose.

## THE BONDS

### **Authority for Issuance**

The Bonds are issued pursuant to the provisions of Articles 9 and 11 of Chapter 3 of Part 1 of Division 2 of Title 5 of the Government Code, and pursuant to a resolution adopted by the Board on April 7, 2022 (the "Resolution").

### **Security and Sources of Payment**

The Bonds are general obligations of the District payable solely from the proceeds of *ad valorem* property taxes. The County Board is empowered and obligated to levy such *ad valorem* property taxes, without limitation as to rate or amount, upon all property within the District subject to taxation thereby (except certain personal property which is taxable at limited rates), for the payment of principal of and interest on the Bonds when due. Such *ad valorem* property taxes will be levied annually in addition to all other taxes in an amount sufficient to pay the principal of and interest on the Bonds when due. The levy may include an allowance for an annual reserve, established for the purpose of avoiding fluctuating tax levies. While the County has historically levied *ad valorem* property taxes to establish such a reserve for other bonds of the District, the County is not obligated to establish or maintain such a reserve for the Bonds, and the District can make no representations that the County will do so in future years. Such taxes, when collected, will be placed by the County in the Debt Service Fund (defined herein) established by the Resolution, which fund is required to be segregated and maintained by the County and which is designated for the payment of the Bonds and interest thereon when due, and for no other purpose. Pursuant to the District Resolution, the District has pledged funds on deposit in the Debt Service Fund to the payment of the Bonds. Although the County is obligated to levy *ad valorem* property taxes for the payment of the Bonds as described above, and will maintain the Debt Service Fund, the Bonds are not a debt of the County.

Moneys in the Debt Service Fund, to the extent necessary to pay the principal of and interest on the Bonds as the same becomes due and payable, will be transferred by the County, as Paying Agent, to

DTC for remittance of such principal and interest to its Participants (as defined herein) for subsequent disbursement to the respective Beneficial Owners of such Bonds.

The amount of the annual *ad valorem* property taxes levied by the County to repay the Bonds as described above will be determined by the relationship between the assessed valuation of taxable property in the District and the amount of debt service due on the Bonds in any year. Fluctuations in the annual debt service on the Bonds and the assessed value of taxable property in the District may cause the annual tax rates to fluctuate. Economic and other factors beyond the District's control, such as general market decline in land values, outbreaks of disease, disruption in financial markets that may reduce the availability of financing for purchasers of property, reclassification of property to a class exempt from taxation, whether by ownership or use (such as exemptions for property owned by the State of California (the "State") and local agencies and property used for qualified education, hospital, charitable or religious purposes), or the complete or partial destruction of the taxable property caused by a natural or manmade disaster, such as earthquake, fire, flood, drought or toxic contamination, could cause a reduction in the assessed value of taxable property within the District and necessitate a corresponding increase in the respective annual tax rates. For further information regarding the District's assessed valuation, tax rates, overlapping debt, and other matters concerning taxation, see "CONSTITUTIONAL AND STATUTORY PROVISIONS AFFECTING DISTRICT REVENUES AND APPROPRIATIONS – Article XIII A of the State Constitution" and "TAX BASE FOR REPAYMENT OF BONDS" herein.

### **Statutory Lien**

Pursuant to Government Code Section 53515, the Bonds will be secured by a statutory lien on all revenues received pursuant to the levy and collection of *ad valorem* property taxes for the payment thereof. The lien automatically attaches, without further action or authorization by the Board, and is valid and binding from the time the Bonds are executed and delivered. The revenues received pursuant to the levy and collection of the *ad valorem* property tax will be immediately subject to the lien, and such lien will be enforceable against the District, its successor, transferees and creditors, and all other parties asserting rights therein, irrespective of whether such parties have notice of the lien and without the need for physical delivery, recordation, filing or further act.

This statutory lien secures all bonds of the District, including the Bonds, issued after January 1, 2016 and payable, as to both principal and interest, from the proceeds of *ad valorem* property taxes that may be levied pursuant to paragraphs (2) and (3) of subdivision (b) of Section 1 of Article XIII A. However, the statutory lien provision does not specify the relative priority of obligations so secured or a method of allocation in the event that the revenues received pursuant to the levy and collection of such *ad valorem* property taxes are insufficient to pay all amounts then due that are secured by the statutory lien.

## **Bond Insurance**

[TO COME]

## **General Provisions**

The Bonds will be issued in book-entry form only and will be initially issued and registered in the name of Cede & Co., as nominee for DTC. Beneficial Owners will not receive certificates representing their interests in the Bonds, but will instead receive credit balances on the books of their respective nominees.

Interest on the Bonds accrues from the Date of Delivery, and is payable semiannually on each Bond Payment Date, commencing July 1, 2022. Interest on the Bonds will be computed on the basis of a 360-day year of twelve 30-day months. Each Bond shall bear interest from the Bond Payment Date next preceding the date of authentication thereof unless it is authenticated as of a day during the period from the 16th day of the month immediately preceding any Bond Payment Date to and including such Bond Payment Date, in which event it shall bear interest from such Bond Payment Date, or unless it is authenticated on or before June 15, 2022, in which event it shall bear interest from its dated date. The Bonds are issuable in denominations of \$5,000 principal amount or any integral multiple thereof and mature on August 1 in the years and amounts set forth on the inside cover page hereof.

The principal of the Bonds will be payable in lawful money of the United States of America to the registered Owner thereof, upon the surrender thereof at the principal corporate trust office of the Paying Agent. The interest on the Bonds will be payable in lawful money of the United States of America to the person whose name appears on the bond registration books of the Paying Agent as the registered Owner thereof as of the close of business on the 15th day of the month next preceding any Bond Payment Date (a “Record Date”), whether or not such day is a business day, such interest to be paid by paid by wire transfer to the bank and account number on file with the Paying Agent as of the Record Date. The principal, and redemption premiums, if any, payable on the Bonds will be payable upon maturity or redemption upon surrender at the principal office of the Paying Agent. The interest, principal and premiums, if any, on the Bonds will be payable in lawful money of the United States of America. So long as the Bonds are held in the book-entry system of DTC, all payments of principal of and interest on the Bonds will be made by the Paying Agent to Cede & Co. (as a nominee of DTC), as the registered Owner of the Bonds. See also “—Book-Entry Only System” herein.

## **Application and Investment of Bond Proceeds**

**Financing Plan.** The proceeds from the sale of the Bonds will be used by the District to refund the Refunded Bonds and to pay the costs of issuance of the Bonds.

The net proceeds from the sale of the Bonds shall be deposited with U.S. Bank Trust Company, National Association, acting as escrow agent (the “Escrow Agent”), to the credit of a certain escrow fund (the “Escrow Fund”) held pursuant to an escrow agreement (an “Escrow Agreement”), by and between the District and the Escrow Agent. Amounts in the Escrow Fund will be held uninvested as cash and used by the Escrow Agent to pay the principal of the Refunded Bonds on the first optional redemption date therefor, as well as the interest due on such Refunded Bonds on such date.

The sufficiency of the amounts on deposit in the Escrow Fund to pay the redemption price of the Refunded Bonds, as described above, will be verified by Causey Demgen & Moore P.C. (the “Verification Agent”). As a result of the deposit and application of funds so provided in the Escrow Agreement, and assuming the accuracy of the computations of the Underwriter and the Verification Agent, the Refunded Bonds will be defeased as of the Closing Date, and the obligation of the County to levy *ad valorem* property taxes for payment of such Refunded Bonds will terminate. See also “LEGAL MATTERS – Escrow Verification” herein.

**Debt Service Fund.** *Ad valorem* property taxes levied by the County for the payment of the Bonds, when collected, shall be kept separate and apart in the debt service fund created by the Resolution (the “Debt Service Fund”) and used only for payment of principal of and interest on the Bonds. Any interest earnings on moneys held in the Debt Service Fund will be retained therein. If, after all of the Bonds have been redeemed or paid and otherwise cancelled, there are moneys remaining in any Debt Service Fund, said moneys will be applied to the payment of other general obligation bonds of the District, and afterwards transferred to the general fund of the District as provided and permitted by law

**Investment.** Moneys in the Escrow Fund will be invested as described above. Moneys in the Debt Service Fund will be invested through the County Treasury Pool. See “APPENDIX E - SACRAMENTO COUNTY TREASURY POOL” attached hereto.

**Annual Debt Service**

The following table displays the annual debt service requirements of the District for the Bonds (assuming no optional redemptions), together with the combined outstanding debt service for other outstanding general obligation bonds of the District:

<b>Period Ending July 1</b>	<b>Outstanding General Obligation Bonds Debt Service<sup>(1)*</sup></b>	<b><u>The Bonds</u></b>		<b>Total Debt Service</b>
		<b><u>Annual Principal Payment</u></b>	<b><u>Annual Interest Payment<sup>(2)</sup></u></b>	

Total

\* Preliminary, subject to change.

(1) Does not include debt service on the Refunded Bonds.

(2) Interest payments on the Bonds will be made semiannually on January 1 and July 1 of each year, commencing July 1, 2022.

See “DISTRICT FINANCIAL INFORMATION – District Debt Structure – General Obligation Bonds” for a table of the total annual debt service requirements for all of the District’s outstanding general obligation bonded debt.

## Redemption

**Optional Redemption.**\* The Bonds maturing on or before July 1, 20\_\_ are not subject to optional redemption. The Bonds maturing on or after July 1, 20\_\_, may be redeemed before maturity at the option of the District on any date on or after July 1, 20\_\_ as a whole, or in part by lot from such maturities as are selected by the District, at a redemption price equal to the principal amount of the Bonds selected for redemption, together with interest accrued thereon to the date of redemption, without premium.

**Mandatory Redemption.**\* The Bonds maturing on July 1, 20\_\_ (the “20\_\_ Term Bonds”), are subject to redemption prior to maturity from mandatory sinking fund payments on July 1 of each year, on and after July 1, 20\_\_, at a redemption price equal to the principal amount thereof, together with accrued interest to the date fixed for redemption, without premium. The principal amount represented by such 20\_\_ Term Bonds to be so redeemed and the dates therefor and the final payment date is as indicated in the following table:

<b>Year Ending July 1</b>	<b>Principal To Be Redeemed</b>
Total	

---

<sup>(1)</sup> Maturity.

In the event that a portion of any of the 20\_\_ Term Bonds shown above are optionally redeemed prior to maturity, the remaining mandatory sinking fund payments shown above shall be reduced proportionately, or as otherwise directed by the District, in integral multiples of \$5,000 of principal amount, in respect of the portion of such 20\_\_ Term Bonds optionally redeemed.

**Selection of Bonds for Redemption.** Whenever provision is made for the redemption of Bonds and less than all Bonds are to be redeemed, the Paying Agent, upon written instruction from the District, will select the Bonds for redemption as so directed and if not directed, in inverse order of maturity. Within a maturity, the Paying Agent will select Bonds for redemption by lot. Redemption by lot shall be in such manner as the Paying Agent will determine; *provided, however*, that the portion of any Bond to be redeemed in part shall be in the principal amount of \$5,000 or any integral multiple thereof.

**Redemption Notice.** When redemption is authorized or required pursuant to the Resolution, the Paying Agent, upon written instruction from the District, will give notice (a “Redemption Notice”) of the redemption of the Bonds. Each Redemption Notice will specify (a) the Bonds or designated portions thereof (in the case of redemption of the Bonds in part but not in whole) which are to be redeemed, (b) the date of redemption, (c) the place or places where the redemption will be made, including the name and address of the Paying Agent, (d) the redemption price, (e) the CUSIP numbers (if any) assigned to the Bonds to be redeemed, (f) the Bond numbers of the Bonds to be redeemed in whole or in part and, in the case of any Bond to be redeemed in part only, the principal amount of such Bond to be redeemed, and (g) the original issue date, interest rate and stated maturity date of each Bond to be redeemed in whole or in part.

---

\* Preliminary, subject to change.

The Paying Agent will take the following actions with respect to each such Redemption Notice: (a) at least 20 but not more than 60 days prior to the redemption date, such Redemption Notice will be given to the respective Owners of Bonds designated for redemption by registered or certified mail, postage prepaid, at their addresses appearing on the bond register; (b) at least 20 but not more than 60 days prior to the redemption date, such Redemption Notice will be given by (i) registered or certified mail, postage prepaid, (ii) telephonically confirmed facsimile transmission, or (iii) overnight delivery service, to the Securities Depository; (c) at least 20 but not more than 60 days prior to the redemption date, such Redemption Notice will be given by (i) registered or certified mail, postage prepaid, or (ii) overnight delivery service, to one of the Information Services; and (d) such Redemption Notice will be given to such persons as may be required by the Continuing Disclosure Certificate.

In lieu of providing notice via the means described in (a), (b) or (c) above, Redemption Notices may be provided via equally prompt electronic means as shall be acceptable to the Owners, the Depository or the Information Services.

“Information Services” means the MSRB’s Electronic Municipal Market Access, or such other services providing information with respect to called municipal obligations as the District may specify in writing to the Paying Agent, or as the Paying Agent may select.

“Securities Depository” shall mean The Depository Trust Company, 55 Water Street, New York, New York 10041.

A certificate of the Paying Agent or the District that a Redemption Notice has been given as provided in the Resolution will be conclusive as against all parties. Neither failure to receive any Redemption Notice nor any defect in any such Redemption Notice so given will affect the sufficiency of the proceedings for the redemption of the affected Bonds. Each check issued or other transfer of funds made by the Paying Agent for the purpose of redeeming Bonds will bear or include the CUSIP number identifying, by issue and maturity, the Bonds being redeemed with the proceeds of such check or other transfer. The Redemption Notice may state that no representation is made as to the accuracy or correctness of CUSIP numbers printed thereon, or on the Bonds.

***Payment of Redeemed Bonds.*** When Redemption Notice has been given substantially as described above, and, when the amount necessary for the redemption of the Bonds called for redemption (principal, interest, and premium, if any) is set aside for that purpose as described in “—Defeasance,” as described below, the Bonds designated for redemption in such notice will become due and payable on the date fixed for redemption thereof.

***Partial Redemption of Bonds.*** Upon the surrender of any Bond redeemed in part only, the Paying Agent will execute and deliver to the Owner thereof a new Bond or Bonds of like tenor and maturity and of authorized denominations equal in principal amount to the unredeemed portion of the Bond surrendered. Such partial redemption is valid upon payment of the amount required to be paid to such Owner, and the District will be released and discharged thereupon from all liability to the extent of such payment.

***Effect of Redemption Notice.*** If on the applicable designated redemption date, money for the redemption of the Bonds to be redeemed, together with interest to such redemption date, is held by an independent escrow agent selected by the District, so as to be available therefor on such redemption date, and if Redemption Notice thereof will have been given substantially as described above, then from and after such redemption date, interest with respect to the Bonds to be redeemed shall cease to accrue and become payable.

***Rescission of Redemption Notice.*** With respect to any Redemption Notice for the optional redemption of Bonds as described above, unless upon the giving of such notice such Bonds shall be deemed to have been defeased as described in “—Defeasance,” such notice will state that such redemption will be conditional upon the receipt by the independent escrow agent selected by the District on or prior to the date fixed for such redemption of the moneys necessary and sufficient to pay the principal of, premium, if any, and interest on such Bonds to be redeemed, and that if such moneys shall not have been so received, said notice shall be of no force and effect, the Bonds shall not be subject to redemption on such date and the Bonds shall not be required to be redeemed on such date. In the event that such Redemption Notice contains such a condition and such moneys are not so received, the redemption will not be made and the Paying Agent will within a reasonable time thereafter give notice, to the persons to whom and in the manner in which the Redemption Notice was given, that such moneys were not so received. Notwithstanding the foregoing, the District will have the right to rescind any Redemption Notice, for any reason, by written notice to the Paying Agent on or prior to the date fixed for redemption. The Paying Agent will distribute notice of the rescission of such Redemption Notice in the same manner that the Redemption Notice was originally provided.

***Bonds No Longer Outstanding.*** When any Bonds (or portions thereof), which have been duly called for redemption prior to maturity, or with respect to which irrevocable instructions to call for redemption prior to maturity at the earliest redemption date have been given to the Paying Agent, in form satisfactory to it, and sufficient moneys shall be held irrevocably in trust for the payment of the redemption price of such Bonds or portions thereof, and, in the case of Bonds, accrued interest with respect thereto to the date fixed for redemption, then such Bonds will no longer be deemed Outstanding and shall be surrendered to the Paying Agent for cancellation.

### **Transfer and Exchange of Bonds**

So long as any of the Bonds remain outstanding, the District will cause the Paying Agent to maintain at its principal office all books and records necessary for the registration, exchange and transfer of such Bonds, which shall at all times be open to inspection by the District, and, upon presentation for such purpose, the Paying Agent shall, under such reasonable regulations as it may prescribe, register, exchange or transfer or cause to be registered, exchanged or transferred, on said books, Bonds as provided in the Resolution.

*In the event that the book-entry only system as described above is no longer used with respect to the Bonds, the following provisions will govern the registration, transfer, and exchange of the Bonds.*

Any Bond may be exchanged for Bonds of like tenor, maturity and Transfer Amount (which with respect to any outstanding Bonds means the outstanding principal amount thereof) upon presentation and surrender at the designated corporate trust office of the Paying Agent, together with a request for exchange signed by the registered Owner or by a person legally empowered to do so in a form satisfactory to the Paying Agent. A Bond may be transferred only on the Bond Register by the person in whose name it is registered, in person or by his duly authorized attorney, upon surrender of such Bond for cancellation at the office of the Paying Agent, accompanied by delivery of a written instrument of transfer in a form approved by the Paying Agent, duly executed. Upon exchange or transfer, the Paying Agent shall register, authenticate and deliver a new Bond or Bonds of like tenor and of any authorized denomination or denominations requested by the Owner equal to the Transfer Amount of the Bond surrendered and bearing interest at the same rate and maturing on the same date.

Neither the District nor the Paying Agent will be required (a) to issue or transfer any Bonds during a period beginning with the opening of business on the 16th day next preceding any Bond Payment Date, the stated maturity of any of the Bonds or any date of selection of Bonds to be redeemed and ending

with the close of business on the applicable Bond Payment Date, the close of business on the applicable stated maturity date or any day on which the applicable notice of redemption is given or (b) to transfer any Bonds which have been selected or called for redemption in whole or in part.

### **Book-Entry Only System**

*The information in this section concerning DTC and DTC's book-entry system has been obtained from sources that the District believes to be reliable, but the District takes no responsibility for the accuracy or completeness thereof. The District cannot and does not give any assurances that DTC, DTC Direct Participants or Indirect Participants (as defined herein) will distribute to the Beneficial Owners (a) payments of principal of, interest on, or premium, if any, on the Bonds, (b) certificates representing ownership interest in or other confirmation or ownership interest in the Bonds, or (c) redemption or other notices sent to DTC or Cede & Co., its nominee, as the registered owner of the Bonds, or that they will do so on a timely basis or that DTC, Direct Participants or Indirect Participants will act in the manner described in this Official Statement. The current "Rules" applicable to DTC are on file with the Securities and Exchange Commission and the current "Procedures" of DTC to be followed in dealing with Participants are on file with DTC.*

DTC will act as securities depository for the Bonds. The Bonds will be issued as fully-registered securities registered in the name of Cede & Co. (DTC's partnership nominee) or such other name as may be requested by an authorized representative of DTC. One fully-registered Bond certificate will be issued for each maturity of the Bonds, each in the aggregate principal amount of such maturity, and will be deposited with DTC.

DTC, the world's largest securities depository, is a limited-purpose trust company organized under the New York Banking Law, a "banking organization" within the meaning of the New York Banking Law, a member of the Federal Reserve System, a "clearing corporation" within the meaning of the New York Uniform Commercial Code, and a "clearing agency" registered pursuant to the provisions of Section 17A of the Securities Exchange Act of 1934. DTC holds and provides asset servicing for over 3.5 million issues of U.S. and non-U.S. equity issues, corporate and municipal debt issues, and money market instruments from over 100 countries that DTC's participants ("Direct Participants") deposit with DTC. DTC also facilitates the post-trade settlement among Direct Participants of sales and other securities transactions in deposited securities, through electronic computerized book-entry transfers and pledges between Direct Participants' accounts. This eliminates the need for physical movement of securities certificates. Direct Participants include both U.S. and non-U.S. securities brokers and dealers, banks, trust companies, clearing corporations, and certain other organizations. DTC is a wholly-owned subsidiary of The Depository Trust & Clearing Corporation ("DTCC"). DTCC is the holding company for DTC, National Securities Clearing Corporation, and Fixed Income Clearing Corporation, all of which are registered clearing agencies. DTCC is owned by the users of its regulated subsidiaries. Access to the DTC system is also available to others such as both U.S. and non-U.S. securities brokers and dealers, banks, trust companies, and clearing corporations that clear through or maintain a custodial relationship with a Direct Participant, either directly or indirectly ("Indirect Participants"). DTC has a Standard & Poor's rating of "AA+". The DTC Rules applicable to its Participants are on file with the Securities and Exchange Commission. More information about DTC can be found at [www.dtcc.com](http://www.dtcc.com). However, the information presented on such website is not incorporated herein by reference.

Purchases of Bonds under the DTC system must be made by or through Direct Participants, which will receive a credit for the Bonds on DTC's records. The ownership interest of each Beneficial Owner is in turn to be recorded on the Direct and Indirect Participants' records. Beneficial Owners will not receive written confirmation from DTC of their purchase. Beneficial Owners are, however, expected to receive written confirmations providing details of the transaction, as well as periodic statements of their

holdings, from the Direct or Indirect Participant through which the Beneficial Owner entered into the transaction. Transfers of ownership interests in the Bonds are to be accomplished by entries made on the books of Direct and Indirect Participants acting on behalf of Beneficial Owners. Beneficial Owners will not receive certificates representing their ownership interests in the Bonds, except in the event that use of the book-entry system for the Bonds is discontinued.

To facilitate subsequent transfers, all Bonds deposited by Direct Participants with DTC are registered in the name of DTC's partnership nominee, Cede & Co., or such other name as may be requested by an authorized representative of DTC. The deposit of Bonds with DTC and their registration in the name of Cede & Co. or such other DTC nominee do not effect any change in beneficial ownership. DTC has no knowledge of the actual Beneficial Owners of the Bonds; DTC's records reflect only the identity of the Direct Participants to whose accounts such Bonds are credited, which may or may not be the Beneficial Owners. The Direct and Indirect Participants will remain responsible for keeping account of their holdings on behalf of their customers.

Conveyance of notices and other communications by DTC to Direct Participants, by Direct Participants to Indirect Participants, and by Direct Participants and Indirect Participants to Beneficial Owners will be governed by arrangements among them, subject to any statutory or regulatory requirements as may be in effect from time to time. Beneficial Owners of Bonds may wish to take certain steps to augment the transmission to them of notices of significant events with respect to the Bonds, such as redemptions, defaults, and proposed amendments to the Resolution. For example, Beneficial Owners of Bonds may wish to ascertain that the nominee holding the Bonds for their benefit has agreed to obtain and transmit notices to Beneficial Owners. In the alternative, Beneficial Owners may wish to provide their names and addresses to the registrar and request that copies of notices be provided directly to them.

Redemption notices shall be sent to DTC. If less than all of the Bonds within an issue are being redeemed, DTC's practice is to determine by lot the amount of the interest of each Direct Participant in such issue to be redeemed.

Neither DTC nor Cede & Co. (nor any other DTC nominee) will consent or vote with respect to Bonds unless authorized by a Direct Participant in accordance with DTC's MMI Procedures. Under its usual procedures, DTC mails an Omnibus Proxy to the District as soon as possible after the record date. The Omnibus Proxy assigns Cede & Co.'s consenting or voting rights to those Direct Participants to whose accounts Bonds are credited on the record date (identified in a listing attached to the Omnibus Proxy).

Redemption proceeds and distributions on the Bonds will be made to Cede & Co., or such other nominee as may be requested by an authorized representative of DTC. DTC's practice is to credit Direct Participants' accounts upon DTC's receipt of funds and corresponding detail information from the District or the Paying Agent, on payable date in accordance with their respective holdings shown on DTC's records. Payments by Participants to Beneficial Owners will be governed by standing instructions and customary practices, as is the case with securities held for the accounts of customers in bearer form or registered in "street name," and will be the responsibility of such Participant and not of DTC, the Paying Agent, or the District, subject to any statutory or regulatory requirements as may be in effect from time to time. Payment of redemption proceeds or distributions to Cede & Co. (or such other nominee as may be requested by an authorized representative of DTC) is the responsibility of the District or the Paying Agent, disbursement of such payments to Direct Participants will be the responsibility of DTC, and disbursement of such payments to the Beneficial Owners will be the responsibility of Direct and Indirect Participants.

DTC may discontinue providing its services as depository with respect to the Bonds at any time by giving reasonable notice to the District or the Paying Agent. Under such circumstances, in the event that a successor depository is not obtained, Bond certificates are required to be printed and delivered.

The District may decide to discontinue use of the system of book-entry-only transfers through DTC (or a successor securities depository). In that event, Bond certificates will be printed and delivered to DTC.

The information in this section concerning DTC and DTC's book-entry system has been obtained from sources that the District believes to be reliable, but the District takes no responsibility for the accuracy thereof.

## **Defeasance**

All or any portion of the outstanding maturities of the Bonds may be defeased at any time prior to maturity in the following ways:

- (a) Cash: by irrevocably depositing with an independent escrow agent selected by the District an amount of cash which, together with amounts transferred from the Debt Service Fund, if any, is sufficient to pay all Bonds outstanding and designated for defeasance, including all including all principal thereof, interest thereon and redemption premium, at or before their respective maturity dates; or
- (b) Government Obligations: by irrevocably depositing with an independent escrow agent selected by the District noncallable Government Obligations, together with amounts transferred from the Debt Service Fund, if any, and any other cash, if required, in such amount as will, together with interest to accrue thereon, in the opinion of an independent certified public accountant, be fully sufficient to pay and discharge all Bonds outstanding and designated for defeasance, including all including all principal thereof, interest thereon and redemption premium, at or before their respective maturity dates;

then, notwithstanding that any such Bonds shall not have been surrendered for payment, all obligations of the District and the County with respect to all such designated outstanding Bonds shall cease and terminate, except only the obligation of the independent escrow agent selected by the District to pay or cause to be paid from funds deposited pursuant to paragraphs (a) or (b) above, to the owners of such designated Bonds not so surrendered and paid all sums due with respect thereto.

“Government Obligations” means direct and general obligations of the United States of America, or obligations that are unconditionally guaranteed as to principal and interest by the United States of America (which may consist of obligations of the Resolution Funding Corporation that constitute interest strips), or obligations secured or otherwise guaranteed, directly or indirectly, as to principal and interest, by a pledge of the full faith and credit of the United States of America. In the case of direct and general obligations of the United States of America, Government Obligations shall include evidences of direct ownership of proportionate interests in future interest or principal payments of such obligations. Investments in such proportionate interests must be limited to circumstances where (a) a bank or trust company acts as custodian and holds the underlying United States obligations; (b) the owner of the investment is the real party in interest and has the right to proceed directly and individually against the obligor of the underlying United States obligations; and (c) the underlying United States obligations are held in a special account, segregated from the custodian's general assets, and are not available to satisfy any claim of the custodian, any person claiming through the custodian, or any person to whom the custodian may be obligated; provided that such obligations are rated or assessed at least as high as direct

and general obligations of the United States of America by either by S&P Global Ratings, a business unit of Standard & Poor's Financial Services LLC (“S&P”), or by Moody’s Investors Service (“Moody’s”).

### **ESTIMATED SOURCES AND USES OF FUNDS**

The estimated sources and uses of funds with respect to the Bonds are as follows:

#### **Sources of Funds**

Principal Amount  
[Net] Original Issue Premium  
Total Sources

#### **Uses of Funds**

Escrow Fund  
Costs of Issuance<sup>(1)</sup>  
Total Uses

<sup>(1)</sup> Includes all costs of issuance, including, but not limited to, the underwriting discount, legal and Municipal Advisory fees, printing costs, rating agency fees, bond insurance premium, and the costs and fees of the Paying Agent, Escrow Agent and Verification Agent.

### **TAX BASE FOR REPAYMENT OF BONDS**

*The information in this section describes ad valorem property taxation, assessed valuation, and other measures of the tax base of the District. The Bonds are payable solely from ad valorem property taxes levied and collected by the County on taxable property in the District. The District’s general fund is not a source for the repayment of the Bonds.*

#### **Ad Valorem Property Taxation**

District property taxes are assessed and collected by the County at the same time and on the same rolls as special district property taxes. Assessed valuations are the same for both District and County taxing purposes.

Taxes are levied for each fiscal year on taxable real and personal property which is located in the District as of the preceding January 1. For assessment and collection purposes, property is classified either as “secured” or “unsecured” and is listed accordingly on separate parts of the assessment roll. The “secured roll” is that part of the assessment roll containing State assessed public utilities property and real property having a tax lien which is sufficient, in the opinion of the assessor, to secure payment of the taxes. Other property is assessed on the “unsecured roll.” A supplemental roll is developed when property changes hands or new construction is completed. The County levies and collects all property taxes for property falling within the County’s taxing boundaries.

The valuation of secured property is established as of January 1 and is subsequently enrolled in August. Property taxes on the secured roll are payable in two installments, due November 1 and February 1 of the calendar year. If unpaid, such taxes become delinquent on December 10 and April 10, respectively, and a 10% penalty attaches to any delinquent installment plus any additional amount determined by the Director of Finance. After the second installment of taxes on the secured roll is delinquent, the tax collector shall collect a cost of \$10 for preparing the delinquent tax records and giving notice of delinquency. Property on the secured roll with delinquent taxes is declared tax-defaulted on July 1 of the calendar year. Such property may thereafter be redeemed, until the right of redemption is

terminated, by payment of the delinquent taxes and the delinquency penalty, plus a \$15 redemption fee and a redemption penalty of 1.5% per month to the time of redemption. If taxes are unpaid for a period of five years or more, the property is subject to sale by the Director of Finance.

Property taxes on the unsecured roll as of July 31 become delinquent if they are not paid by August 31 and are thereafter subject to a delinquent penalty of 10%. Taxes added to the unsecure tax roll after July 31, if unpaid are delinquent and subject to a penalty of 10% on the last day of the month succeeding the month of enrollment. In the case of unsecured property taxes, an additional penalty of 1.5% per month begins to accrue when such taxes remain unpaid on the last day of the second month after the 10% penalty attaches. The taxing authority has four ways of collecting unsecured personal property taxes: (1) a civil action against the assessee; (2) filing a certificate in the office of the county clerk specifying certain facts in order to obtain a judgment lien on specific property of the assessee; (3) filing a certificate of delinquency for record in the county recorder’s office in order to obtain a lien on specified property of the assessee; and (4) seizure and sale of personal property, improvements or possessory interests belonging or assessed to the assessee.

State law exempts from taxation \$7,000 of the full cash value of an owner-occupied dwelling, but this exemption does not result in any loss of revenue to local agencies, since the State reimburses local agencies for the value of the exemptions.

All property is assessed using full cash value as defined by Article XIII A. State law provides exemptions from *ad valorem* property taxation for certain classes of property such as churches, colleges, non-profit hospitals, and charitable institutions.

Assessed valuation growth allowed under Article XIII A (new construction, certain changes of ownership, 2% inflation) is allocated on the basis of “situs” among the jurisdictions that serve the tax rate area within which the growth occurs. Local agencies, including school districts, share the growth of “base” revenues from the tax rate area. Each year’s growth allocation becomes part of each agency’s allocation in the following year.

### Assessed Valuation

The following table shows the 10-year history of assessed valuations in the District, as of the date the equalized assessment tax roll is established in August of each year.

**ASSESSED VALUATIONS**  
**Fiscal Years 2012-13 through 2021-22**  
**Sacramento City Unified School District**

	<u>Local Secured</u>	<u>Utility</u>	<u>Unsecured</u>	<u>Total</u>	<u>% Change</u>
2012-13	\$24,081,405,373	\$7,130,520	\$1,312,707,722	\$25,401,243,615	--
2013-14	25,064,499,161	6,354,537	1,240,891,839	26,311,745,537	3.58%
2014-15	26,203,736,543	12,146,083	1,279,564,924	27,495,447,550	4.50
2015-16	27,621,228,905	5,824,663	1,188,321,120	28,815,374,688	4.80
2016-17	29,442,558,614	5,751,502	1,271,280,326	30,719,590,442	6.61
2017-18	31,625,086,640	5,693,751	1,332,650,184	32,963,430,575	7.30
2018-19	33,920,993,517	5,636,032	1,444,875,017	35,371,504,566	7.31
2019-20	36,759,308,491	5,334,879	1,403,666,196	38,168,309,566	7.91
2020-21	38,932,165,119	5,265,184	1,491,828,933	40,429,259,236	5.92
2021-22	40,932,044,833	5,265,184	1,452,631,056	42,389,941,073	4.85

Source: California Municipal Statistics, Inc. (except the percent change).

Economic and other factors beyond the District's control, such as general market decline in property values, outbreaks of disease, disruption in financial markets that may reduce availability of financing for purchasers of property, reclassification of property to a class exempt from taxation, whether by ownership or use (such as exemptions for property owned by the State and local agencies and property used for qualified education, hospital, charitable or religious purposes), or the complete or partial destruction of the taxable property caused by a natural or manmade disaster, such as earthquake, flood, fire, drought or toxic contamination, could cause a reduction in the assessed value of taxable property within the District. Any such reduction would result in a corresponding increase in the annual tax rate levied by the County to pay the debt service on to the Bonds. See "THE BONDS – Security and Sources of Payment" and "DISTRICT FINANCIAL INFORMATION – Considerations Regarding COVID-19" herein.

***Seismic Events.*** The District is located in a seismically active region of the State. An earthquake of large magnitude could result in extensive damage to property within the District and could adversely affect the assessed valuation of property within the District, or more generally the region's economy.

***Drought.*** In recent years California has experienced severe drought conditions. In January of 2014, the Governor declared a statewide Drought State of Emergency. As of such date, the State faced water shortfalls due to the driest year in recorded State history, the State's river and reservoirs were below their record low levels, and manual and electronic readings recorded the water content of snowpack at the highest elevations in the State (chiefly in the Sierra Nevada mountain range) at about 20% of normal average for the winter season. Following the Governor's declaration, the California State Water Resources Control Board (the "Water Board") issued a statewide notice of water shortages and potential future curtailment of water right diversions. In April 2017, the Governor lifted the drought emergency declaration, while retaining a prohibition on wasteful practices and advancing conservation measures. In April 2021, the Governor announced regional drought emergencies in two Northern California counties following two years of dry conditions. On May 10, 2021, the Governor expanded the emergency drought declaration to include an additional 39 counties throughout the State. On July 8, 2021 the Governor expanded the declaration to further include an additional nine counties. On October 19, 2021, the Governor extended the declaration to include all remaining counties, including the County, such that the drought state of emergency is now in effect Statewide.

***Wildfires.*** Major wildfires have occurred in recent years in different regions of the State, including significant fires throughout the fall of 2020 and the summer of 2021. The District did not sustain any property losses as a result of these recent fires. However, serious and significant property damage has resulted in other areas of the State due to fire damage. The Governor has previously signed a number of measures into law intended to address a variety of issues related to mitigating the risk of wildfires, including forest management, mutual aid for fire departments, emergency alerts and other safety mandates.

***Climate Change.*** In addition to the events described above, climate change caused by human activities may have adverse effects on the assessed value of property within the District. As greenhouse gas emissions continue to accumulate in the atmosphere as a result of economic activity, many scientists expect that climate change will intensify, increasing the frequency, severity and timing of extreme weather events such as coastal storm surges, drought, wildfires, floods, heat waves, and rising sea levels. See also "—Drought" and "—Wildfires" above. Projections of the impact of global climate change are complex and depend on a variety of factors outside of the District's control. The various scientific studies that forecast the amount and timing of adverse impacts of climate change are based on assumptions contained in such studies, but actual events may vary materially. In addition, the scientific understanding of climate change and its effects continues to evolve. Accordingly, the District is unable to forecast with certainty when or if adverse impacts of climate change will occur or the extent of such impacts.

***Appeals and Adjustments of Assessed Valuation.*** Under California law, property owners may apply for a reduction of their property tax assessment by filing a written application, in form prescribed by the State Board of Equalization (“SBE”), with the appropriate county board of equalization or assessment appeals board. County assessors may independently reduce assessed values as well based upon the above factors or reductions in the fair market value of the taxable property. In most cases, an appeal is filed because the applicant believes that present market conditions (such as residential home prices) cause the property to be worth less than its current assessed value. Any reduction in the assessment ultimately granted as a result of such appeal applies to the year for which application is made and during which the written application was filed. Such reductions are subject to yearly reappraisals and may be adjusted back to their original values when market conditions improve. Once the property has regained its prior value, adjusted for inflation, it once again is subject to the annual inflationary factor growth rate allowed under Article XIII A. See “CONSTITUTIONAL AND STATUTORY PROVISIONS AFFECTING DISTRICT REVENUES – Article XIII A of the State Constitution” herein.

A second type of assessment appeal involves a challenge to the base year value of an assessed property. Appeals for reduction in the base year value of an assessment, if successful, reduce the assessment for the year in which the appeal is taken and prospectively thereafter. The base year is determined by the completion date of new construction or the date of change of ownership. Any base year appeal must be made within four years of the change of ownership or new construction date.

No assurance can be given that property tax appeals currently pending or in the future will not significantly reduce the assessed valuation of property within the District.

***Assembly Bill 102.*** On June 27, 2017, the Governor signed into law Assembly Bill 102 (“AB 102”). AB 102 restructures the functions of the SBE and creates two new separate agencies: (i) the California Department of Tax and Fee Administration, and (ii) the Office of Tax Appeals. Under AB 102, the California Department of Tax and Fee Administration will take over programs previously in the SBE Property Tax Department, such as the Tax Area Services Section, which is responsible for maintaining all property tax-rate area maps and for maintaining special revenue district boundaries. Under AB 102, the SBE will continue to perform the duties assigned by the State Constitution related to property taxes, however, beginning January 1, 2018, the SBE will only hear appeals related to the programs that it constitutionally administers and the Office of Tax Appeals will hear tax appeals will hear appeals on all other taxes and fee matters, such as sales and use tax and other special taxes and fees. AB 102 obligates the Office of Tax Appeals to adopt regulations as necessary to carry out its duties, powers, and responsibilities. No assurances can be given as to the effect of such regulations on the appeals process or on the assessed valuation of property within the District.

**Assessed Valuation by Jurisdiction.** The following table shows a breakdown of the District's fiscal year 2021-22 assessed valuation by jurisdiction.

**ASSESSED VALUATION BY JURISDICTION**  
**Fiscal Year 2021-22**  
**Sacramento City Unified School District**

<b>Jurisdiction:</b>	<b>Assessed Valuation in District</b>	<b>% of District</b>	<b>Assessed Valuation of Jurisdiction</b>	<b>% of Jurisdiction in District</b>
City of Elk Grove	\$68,004,856	0.16%	\$23,714,724,852	0.29%
City of Rancho Cordova	1,012,552,979	2.39	10,548,307,102	9.60
City of Sacramento	36,055,658,195	85.06	62,005,051,671	58.15
Unincorporated Sacramento County	<u>5,253,725,043</u>	<u>12.39</u>	67,882,816,569	7.74
Total District	\$42,389,941,073	100.00%		
Sacramento County	\$42,389,941,073	100.00%	\$191,373,203,123	22.15%

Source: California Municipal Statistics, Inc.

**Assessed Valuation by Land Use.** The following table shows a per-parcel analysis of the distribution of taxable property within the District by principal use, and the fiscal year 2021-22 assessed valuation of such parcels.

**ASSESSED VALUATION AND PARCELS BY LAND USE**  
**Fiscal Year 2021-22**  
**Sacramento City Unified School District**

<b>Non-Residential:</b>	<b>2021-22 Assessed Valuation<sup>(1)</sup></b>	<b>% of Total</b>	<b>No. of Parcels</b>	<b>% of Total</b>
Agricultural	\$318,591	0.00%	8	0.01%
Commercial/Office	7,844,129,450	19.16	3,010	2.86
Vacant Commercial	221,467,772	0.54	562	0.53
Industrial	1,949,230,466	4.76	1,312	1.25
Vacant Industrial	63,238,578	0.15	392	0.37
Recreational	422,207,888	1.03	152	0.14
Government/Social/Institutional	204,293,583	0.50	955	0.91
Miscellaneous	<u>2,323,785</u>	<u>0.01</u>	<u>248</u>	<u>0.24</u>
Subtotal Non-Residential	\$10,707,210,113	26.16%	6,639	6.31%
<b>Residential:</b>				
Single Family Residence	\$22,520,329,493	55.02%	84,137	80.00%
Condominium/Townhouse	638,105,895	1.56	2,349	2.23
Mobile Home	40,636,632	0.10	1,493	1.42
Mobile Home Park	55,158,170	0.13	34	0.03
2-4 Residential Units	2,127,329,655	5.20	6,804	6.47
5+ Residential Units/Apartments	3,838,595,420	9.38	1,633	1.55
Hotel/Motel	636,441,992	1.55	72	0.07
Miscellaneous Residential	51,234,896	0.13	140	0.13
Vacant Residential	<u>317,002,567</u>	<u>0.77</u>	<u>1,867</u>	<u>1.78</u>
Subtotal Residential	\$30,224,834,720	73.84%	98,529	93.69%

<sup>(1)</sup> Local secured assessed valuation; excluding tax-exempt property.

Source: California Municipal Statistics, Inc.

**Assessed Valuation of Single Family Homes.** The following table shows the distribution of single family homes within the District among various fiscal year 2021-22 assessed valuation ranges, as well as the average and median assessed valuation of single family homes within the District.

**ASSESSED VALUATION PER PARCEL OF SINGLE FAMILY HOMES**  
**Fiscal Year 2021-22**  
**Sacramento City Unified School District**

	<b>No. of Parcels</b>	<b>2021-22 Assessed Valuation</b>	<b>Average Assessed Valuation</b>	<b>Median Assessed Valuation</b>
Single Family Residential	84,137	\$22,520,329,493	\$267,663	\$223,293

<b>2021-22 Assessed Valuation</b>	<b>No. of Parcels<sup>(1)</sup></b>	<b>% of Total</b>	<b>Cumulative % of Total</b>	<b>Total Valuation</b>	<b>% of Total</b>	<b>Cumulative % of Total</b>
\$0 - \$24,999	388	0.461%	0.461%	\$6,532,344	0.029%	0.029%
25,000 - 49,999	3,162	3.758	4.219	128,738,058	0.572	0.601
50,000 - 74,999	5,075	6.032	10.251	318,735,448	1.415	2.016
75,000 - 99,999	6,286	7.471	17.722	550,706,445	2.445	4.461
100,000 - 124,999	5,888	6.998	24.720	662,111,828	2.940	7.401
125,000 - 149,999	5,775	6.864	31.584	793,844,443	3.525	10.926
150,000 - 174,999	5,657	6.724	38.308	918,764,433	4.080	15.006
175,000 - 199,999	5,205	6.186	44.494	975,158,214	4.330	19.336
200,000 - 224,999	4,921	5.849	50.343	1,044,646,272	4.639	23.975
225,000 - 249,999	4,945	5.877	56.220	1,173,687,748	5.212	29.187
250,000 - 274,999	4,799	5.704	61.924	1,258,143,022	5.587	34.773
275,000 - 299,999	4,055	4.820	66.744	1,163,713,911	5.167	39.941
300,000 - 324,999	3,692	4.388	71.132	1,152,112,375	5.116	45.057
325,000 - 349,999	3,145	3.738	74.870	1,060,160,130	4.708	49.764
350,000 - 374,999	2,778	3.302	78.171	1,005,656,944	4.466	54.230
375,000 - 399,999	2,343	2.785	80.956	906,858,027	4.027	58.257
400,000 - 424,999	2,150	2.555	83.511	886,162,173	3.935	62.192
425,000 - 449,999	1,881	2.236	85.747	822,288,481	3.651	65.843
450,000 - 474,999	1,595	1.896	87.643	736,710,312	3.271	69.114
475,000 - 499,999	1,392	1.654	89.297	678,461,116	3.013	72.127
500,000 and greater	<u>9,005</u>	<u>10.703</u>	100.000	<u>6,277,137,769</u>	<u>27.873</u>	100.000
	84,137	100.000%		\$22,520,329,493	100.000%	

<sup>(1)</sup> Improved single family residential parcels. Excludes condominiums and parcels with multiple family units.  
Source: California Municipal Statistics, Inc.

## Tax Levies, Collections and Delinquencies

The following table shows secured *ad valorem* property tax levies within the District, and amounts delinquent as of June 30, for fiscal years 2011-12 through 2020-21.

### SECURED TAX CHARGES AND DELINQUENCIES Fiscal Years 2011-12 through 2020-21 Sacramento City Unified School District

	<u>Secured Tax Charge<sup>(1)</sup></u>	<u>Amt. Del. June 30</u>	<u>% Del. June 30</u>
2011-12			
2012-13			
2013-14			
2014-15			
2015-16			
2016-17	36,846,021	307,015	0.83
2017-18	38,637,596	388,774	1.01
2018-19	39,103,684	328,227	0.84
2019-20	41,260,741	496,589	1.20
2020-21	45,154,083	407,237	0.90

<sup>(1)</sup> Debt service levy only.

Source: California Municipal Statistics, Inc.

Pursuant to Revenue and Taxation Code Section 4985.2, the Director of Finance may cancel any penalty, costs or other charges resulting from tax delinquency upon a finding that the late payment is due to reasonable cause and circumstances beyond the taxpayer's control, and occurred notwithstanding the exercise of ordinary care in the absence of willful neglect, provided the property taxes are paid within four fiscal years of such taxes coming due. See also "DISTRICT FINANCIAL INFORMATION – Considerations Regarding COVID-19" herein.

### Alternative Method of Tax Apportionment - Teeter Plan

In June of 1993, the County Board approved the implementation of the Alternative Method of Distribution of Tax Levies and Collections and of Tax Sale Proceeds (the "Teeter Plan"), as provided for in Section 4701 et seq. of the State Revenue and Taxation Code. Under the Teeter Plan, typically, each county apportions secured property taxes on an accrual basis (irrespective of actual collections) to local political subdivisions, for which such county acts as the tax-levying or tax-collecting agency.

The Teeter Plan was effective for the fiscal year commencing July 1, 1993, and pursuant to the Teeter Plan, the County purchased all delinquent receivables (comprised of delinquent taxes, penalties, and interest) which had accrued as of June 30, 1993, from local taxing entities and selected special assessment districts and community facilities districts. Under the Teeter Plan, the County distributes tax collections on a cash-basis to taxing entities, such as the District, during the fiscal year and at year-end distributes 100% of any taxes delinquent as of June 30th to the respective taxing entities and those special assessment districts and community facilities districts which the County determines are eligible to participate in the Teeter Plan.

The County reserves the right to exclude from the Teeter Plan any special tax levying agency or assessment levying agency if such agency has provided for accelerated foreclosure proceedings in the event of non-payment of such special taxes or assessments except that, if such agency has a delinquency rate in the collection of such special tax or assessment as of June 30 of any fiscal year that is equal to or

less than the County's delinquency rate on the collection of current year *ad valorem* property taxes on the countywide secured assessment roll, such agency's special taxes or assessments may, at the County's option, be included in the Teeter Plan.

The *ad valorem* property taxes to be levied to pay the interest on and principal of the Bonds will be subject to the Teeter Plan. The District will receive 100% of the *ad valorem* property tax levied to pay all of the outstanding general obligation bonds, irrespective of actual delinquencies in the collection of the tax by the County.

The Teeter Plan is to remain in effect unless the County Board orders its discontinuance or unless, prior to the commencement of any fiscal year of the County (which commences on July 1), the County Board receives a petition for its discontinuance joined in by resolutions adopted by at least two-thirds of the participating revenue districts in the County, in which event the County Board is to order discontinuance of the Teeter Plan effective at the commencement of the subsequent fiscal year. The County Board may, by resolution adopted not later than July 15 of the fiscal year for which it is to apply after holding a public hearing on the matter, discontinue the procedures under the Teeter Plan with respect to any tax levying agency or assessment levying agency in the County if the rate of secure tax delinquency in that agency in any year exceeds 3% of the total of all taxes and assessments levied on the secured rolls for that agency. If the Teeter Plan is discontinued subsequent to its implementation, only those secured property taxes actually collected would be allocated to political subdivisions (including the District) for which the County acts as the tax-levying or tax-collecting agency.

There can be no assurance that the County will always maintain the Teeter Plan or will have sufficient funds available to distribute the full amount of the District's share of property tax collections to the District. The ability of the County to maintain the Teeter Plan may depend on its financial resources and may be affected by future property tax delinquencies. Property tax delinquencies may be impacted by economic and other factors beyond the District's or the County's control, including the ability or willingness of property owners to pay property taxes during an economic recession or depression. An economic recession or depression could be caused by many factors outside the control of the District, including high interest rates, reduced consumer confidence, reduced real wages or reduced economic activity as a result of the spread of COVID-19 or other pandemic or natural or manmade disaster. See "DISTRICT FINANCIAL MATTERS – Considerations Regarding COVID-19" herein. However, notwithstanding any possible future change to or discontinuation of the Teeter Plan, State law requires the County to levy *ad valorem* property taxes within the District sufficient to pay the Bonds when due.

## Tax Rates

The following table summarizes the total *ad valorem* property tax rates, as a percentage of assessed valuation, levied by all taxing entities in a typical tax rate area (a “TRA”) within the District from 2017-18 through 2021-22.

**SUMMARY OF *AD VALOREM* PROPERTY TAX RATES (TRA 3-005)<sup>(1)</sup>**  
**Fiscal Years 2017-18 through 2021-22**  
**Sacramento City Unified School District**

	<u>2017-18</u>	<u>2018-19</u>	<u>2019-20</u>	<u>2020-21</u>	<u>2021-22</u>
General	1.0000%	1.0000%	1.0000%	1.0000%	1.0000%
Los Rios Community College District	.0130	.0131	.0232	.0223	.0249
Sacramento City Unified School District	<u>.1235</u>	<u>.1164</u>	<u>.1139</u>	<u>.1171</u>	<u>.0918</u>
Total Tax Rate	1.1365%	1.1295%	1.1371%	1.1394%	1.1167%

<sup>(1)</sup> 2021-22 assessed valuation of TRA 3-005 is \$12,430,393,259, representing approximately 29.32% of the District total assessed valuation.

Source: *California Municipal Statistics, Inc.*

[REMAINDER OF PAGE LEFT BLANK]

## Largest Property Owners

The more property (by assessed value) which is owned by a single taxpayer within any of the District, the greater amount of tax collections that are exposed to weaknesses in such a taxpayer's financial situation and ability or willingness to pay property taxes. The following table presents information on the largest property taxpayers within the District for fiscal year 2021-22. Each taxpayer listed below is a unique name listed on the tax rolls. The District cannot determine from County assessment records whether individual persons, corporations or other organizations are liable for tax payments with respect to multiple properties held in various names that in aggregate may be larger than is suggested by the table below.

### LARGEST 2021-22 LOCAL SECURED TAXPAYERS Sacramento City Unified School District

	<u>Property Owner</u>	<u>2021-22 Primary Land Use</u>	<u>% of Assessed Valuation</u>	<u>Total<sup>(1)</sup></u>
1.	City of Sacramento & The Sacramento Kings	Sports Arena	\$320,347,451	0.78%
2.	M&H Realty Partners VI LP	Commercial	262,679,728	0.64
3.	Pac West Office Equities LP	Office Building	209,324,277	0.51
4.	Hancock SREIT Sacramento LLC	Office Building	200,809,050	0.49
5.	SRI Eleven 621 Capitol Mall LLC	Office Building	169,239,744	0.41
6.	Prime US-Park Tower LLC	Office Building	167,214,577	0.41
7.	HP Hood LLC	Industrial	153,697,178	0.38
8.	GPT Properties Trust	Office Building	150,974,102	0.37
9.	500 Capitol Mall LLC	Office Building	148,973,958	0.36
10.	300 Capitol Associates NF LP	Office Building	130,882,033	0.32
11.	BRE Depot PK LLC	Industrial	130,014,551	0.32
12.	Oakmont Properties The Press LLC	Apartments	118,306,000	0.29
13.	Kaiser Foundation Health Plan Inc.	Office Building	115,418,736	0.28
14.	Sacramento CA I FGF LLC	Office Building	106,706,547	0.26
15.	GSA Sacramento Newco LLC	Office Building	99,929,179	0.24
16.	Greenery Apartments LP & DLC Sacramento LLC	Apartments	98,339,177	0.24
17.	Gem Crossings LLC	Apartments	94,216,070	0.23
18.	CA Sacramento Commons LLC	Apartments	90,571,613	0.22
19.	1415 Meridian Plaza Investors LP	Office Building	86,500,000	0.21
20.	NB Element DST	Apartments	<u>86,075,752</u>	<u>0.21</u>
			\$2,940,219,723	7.18%

<sup>(1)</sup> 2021-22 local secured assessed valuation: \$40,932,044,833.

Source: California Municipal Statistics, Inc.

## Statement of Direct and Overlapping Debt

Set forth on the following page is a direct and overlapping debt report (the "Debt Report") prepared by California Municipal Statistics, Inc. effective as of February 22, 2022 for debt outstanding as of March 1, 2022. The Debt Report is included for general information purposes only. The District has not reviewed the Debt Report for completeness or accuracy and makes no representation in connection therewith.

The Debt Report generally includes long-term obligations sold in the public credit markets by public agencies whose boundaries overlap the boundaries of the District in whole or in part. Such long-term obligations generally are not payable from revenues of the District (except as indicated) nor are they necessarily obligations secured by land within the District. In many cases, long-term obligations issued by a public agency are payable only from the general fund or other revenues of such public agency.

The table shows the percentage of each overlapping entity's assessed value located within the boundaries of the District. The table also shows the corresponding portion of the overlapping entity's existing debt payable from property taxes levied within the District. The total amount of debt for each overlapping entity is not given in the table.

The first column in the table names each public agency which has outstanding debt as of the date of the report and whose territory overlaps the District in whole or in part. The second column shows the percentage of each overlapping agency's assessed value located within the boundaries of the District. This percentage, multiplied by the total outstanding debt of each overlapping agency (which is not shown in the table) produces the amount shown in the third column, which is the apportionment of each overlapping agency's outstanding debt to taxable property in the District.

**STATEMENT OF DIRECT AND OVERLAPPING DEBT  
Sacramento City Unified School District**

**2021-22 Assessed Valuation:** \$42,389,941,073

<u><b>DIRECT AND OVERLAPPING TAX AND ASSESSMENT DEBT:</b></u>	<u><b>% Applicable</b></u>	<u><b>Debt 3/1/22</b></u>
Los Rios Community College District	18.386	\$91,595,375
<b>Sacramento City Unified School District</b>	<b>100.000</b>	<b>488,647,966<sup>(1)</sup></b>
City of Sacramento Community Facilities Districts	0.009-100	25,605,451
City and Special District 1915 Act Bonds (Estimate)	Various	144,481,193
Southgate Recreation and Park Benefit Assessment District	16.163	<u>1,311,604</u>
<b>TOTAL DIRECT AND OVERLAPPING TAX AND ASSESSMENT DEBT</b>		<b>\$751,641,589</b>
<u><b>DIRECT AND OVERLAPPING GENERAL FUND DEBT:</b></u>		
Sacramento County General Fund Obligations	22.150	\$28,413,434
Sacramento County Pension Obligation Bonds	22.150	138,482,095
Sacramento County Board of Education Certificates of Participation	22.150	583,653
<b>Sacramento City Unified School District Lease Revenue Bonds</b>	<b>100.000</b>	<b>55,030,000</b>
City of Elk Grove General Fund Obligations	0.287	104,257
City of Rancho Cordova Certificates of Participation	9.599	1,235,391
City of Sacramento General Fund Obligations	58.150	326,896,040
Cordova Recreation and Park District General Fund Obligations	25.969	1,691,711
Cosumnes Community Services District Certificates of Participation	0.251	76,068
Sacramento Metropolitan Fire District General Fund and Pension Obligation Bonds	5.766	<u>2,232,019</u>
<b>TOTAL GROSS DIRECT AND OVERLAPPING GENERAL FUND DEBT</b>		<b>\$554,744,668</b>
Less: City of Elk Grove supported obligations		23,247
Sacramento County supported obligations		3,042,824
City of Sacramento supported obligations		<u>239,120,232</u>
<b>TOTAL NET DIRECT AND OVERLAPPING GENERAL FUND DEBT</b>		<b>\$312,558,365</b>
<u><b>OVERLAPPING TAX INCREMENT DEBT (Successor Agencies):</b></u>		\$122,185,373
GROSS COMBINED TOTAL DEBT		\$1,428,571,630 <sup>(2)</sup>
NET COMBINED TOTAL DEBT		\$1,186,385,327

**Ratios to 2020-21 Assessed Valuation**

<b>Direct Debt (\$488,647,966)</b> .....	<b>1.15%</b>
Total Direct and Overlapping Tax and Assessment Debt.....	1.77%
<b>Combined Direct Debt (\$543,677,966)</b> .....	<b>1.28%</b>
Gross Combined Total Debt.....	3.37%
Net Combined Total Debt.....	2.80%

**Ratios to Redevelopment Incremental Valuation (\$8,136,496,525):**

Total Overlapping Tax Increment Debt.....	1.50%
---	-------

(1) Excludes the Bonds but includes the Refunded Bonds.

(2) Excludes tax and revenue anticipation notes, enterprise revenue, mortgage revenue and non-bonded capital lease obligations.

Source: California Municipal Statistics.

## **CONSTITUTIONAL AND STATUTORY PROVISIONS AFFECTING DISTRICT REVENUES AND APPROPRIATIONS**

*The principal of and interest on the Bonds will be payable solely from the proceeds of an ad valorem property tax levied by the County for the payment thereof. See “THE BONDS – Security and Sources of Payment” herein. Articles XIII A, XIII B, XIII C and XIII D, Propositions 98 and 111, and certain other provisions of law discussed below, are included in this section to describe the potential effect of these Constitutional and statutory measures on the ability of the County to levy taxes on behalf of the District and the District to spend tax proceeds for operating and other purposes, and it should not be inferred from the inclusion of such materials that these laws impose any limitation on the ability of the County to levy property taxes for payment of the Bonds. The tax levied by the County for payment of the Bonds was approved by the voters of the District in compliance with Article XIII A, Article XIII C, and all applicable laws.*

### **Article XIII A of the State Constitution**

Article XIII A limits the amount of *ad valorem* property taxes on real property to 1% of “full cash value” as determined by the county assessor. Article XIII A defines “full cash value” to mean “the county assessor’s valuation of real property as shown on the 1975-76 bill under “full cash value,” or thereafter, the appraised value of real property when purchased, newly constructed or a change in ownership has occurred after the 1975 assessment,” subject to exemptions in certain circumstances of property transfer or reconstruction. Determined in this manner, the full cash value is also referred to as the “base year value.” The full cash value is subject to annual adjustment to reflect increases, not to exceed 2% for any year, or decreases in the consumer price index or comparable local data, or to reflect reductions in property value caused by damage, destruction or other factors.

Article XIII A has been amended to allow for temporary reductions of assessed value in instances where the fair market value of real property falls below the adjusted base year value described above. Proposition 8—approved by the voters in November of 1978—provides for the enrollment of the lesser of the base year value or the market value of real property, taking into account reductions in value due to damage, destruction, depreciation, obsolescence, removal of property, or other factors causing a similar decline. In these instances, the market value is required to be reviewed annually until the market value exceeds the base year value. Reductions in assessed value could result in a corresponding increase in the annual tax rate levied by the County to pay debt service on the Bonds. See “THE BONDS – Security and Sources of Payment” and “TAX BASE FOR REPAYMENT OF BONDS – Assessed Valuation” herein.

Article XIII A requires a vote of two-thirds or more of the qualified electorate of a city, county, special district or other public agency to impose special taxes, while totally precluding the imposition of any additional *ad valorem*, sales or transaction tax on real property. Article XIII A exempts from the 1% tax limitation any taxes above that level required to pay debt service (a) on any indebtedness approved by the voters prior to July 1, 1978, or (b) as the result of an amendment approved by State voters on July 3, 1986, on any bonded indebtedness approved by two-thirds or more of the votes cast by the voters for the acquisition or improvement of real property on or after July 1, 1978, or (c) bonded indebtedness incurred by a school district or community college district for the construction, reconstruction, rehabilitation or replacement of school facilities or the acquisition or lease of real property for school facilities, approved by fifty-five percent or more of the votes cast on the proposition, but only if certain accountability measures are included in the proposition. The tax for payment of the Bonds falls within the exception described in (c) of the immediately preceding sentence. In addition, Article XIII A requires the approval of two-thirds of all members of the State Legislature to change any state taxes for the purpose of increasing tax revenues.

## **Legislation Implementing Article XIII A**

Legislation has been enacted and amended a number of times since 1978 to implement Article XIII A. Under current law, local agencies are no longer permitted to levy directly any property tax (except to pay voter-approved indebtedness). The 1% property tax is automatically levied by the relevant county and distributed according to a formula among taxing agencies. The formula apportions the tax roughly in proportion to the relative shares of taxes levied prior to 1979.

Increases of assessed valuation resulting from reappraisals of property due to new construction, change in ownership or from the annual adjustment not to exceed 2% are allocated among the various jurisdictions in the “taxing area” based upon their respective “situs.” Any such allocation made to a local agency continues as part of its allocation in future years.

All taxable property value included in this Official Statement is shown at 100% of taxable value (unless noted differently) and all tax rates reflect the \$1 per \$100 of taxable value.

Both the United States Supreme Court and the California State Supreme Court have upheld the general validity of Article XIII A.

### **Proposition 19**

On November 3, 2020, State voters approved Proposition 19, a legislatively referred constitutional amendment (“Proposition 19”), which amends Article XIII A to: (i) expand special rules that give property tax savings to homeowners that are over the age of 55, severely disabled, or whose property has been impacted by wildfire or natural disaster, when they buy a different home; (ii) narrow existing special rules for inherited properties; and (iii) dedicate most of the potential new State revenue generated from Proposition 19 toward fire protection. The District cannot make any assurance as to what effect the implementation of Proposition 19 will have on District revenues or the assessed valuation of real property in the District.

### **Proposition 50 and Proposition 171**

On June 3, 1986, the voters of the State approved Proposition 50. Proposition 50 amends Section 2 of Article XIII A to allow owners of property that was “substantially damaged or destroyed” by a disaster, as declared by the Governor, (the “Damaged Property”), to transfer their existing base year value (the “Original Base Year Value”) to a comparable replacement property within the same county, which is acquired or constructed within five years after the disaster. At the time of such transfer, the Damaged Property will be reassessed at its full cash value immediately prior to damage or destruction (the “Original Cash Value”); however, such property will retain its base year value notwithstanding such a transfer. Property is substantially damaged or destroyed if either the land or the improvements sustain physical damage amounting to more than 50% of either the land or improvements full cash value immediately prior to the disaster. There is no filing deadline, but the assessor can only correct four years of assessments when the owner fails to file a claim within four years of acquiring a replacement property.

Under Proposition 50, the base year value of the replacement property (the “Replacement Base Year Value”) depends on the relation of the full cash value of the replacement property (the “Replacement Cash Value”) to the Original Cash Value: if the Replacement Cash Value exceeds 120% of the Original Cash Value, then the Replacement Base Year Value is calculated by combining the Original Base Year Value with such excessive Replacement Cash Value; if the Replacement Cash Value does not exceed 120% of the Original Cash Value, then the Replacement Base Year Value equals the Original Base Year Value; if the Replacement Cash Value is less than the Original Cash Value, then the

Replacement Base Year Value equals the Replacement Cash Value. The replacement property must be comparable in size, utility, and function to the Damaged Property.

On November 2, 1993, the voters of the State approved Proposition 171. Proposition 171 amends subdivision (e) of Section 2 of Article XIII A to allow owners of Damaged Property to transfer their Original Base Year Value to a “comparable replacement property” located within another county in the State, which is acquired or newly constructed within three years after the disaster.

Inter-county transfers under Proposition 171 are more restrictive than intra-county transfers under Proposition 50. For example, Proposition 171 (1) only applies to (a) structures that are owned and occupied by property owners as their principal place of residence and (b) land of a “reasonable size that is used as a site for a residence;” (2) explicitly does not apply to property owned by firms, partnerships, associations, corporations, companies, or legal entities of any kind; (3) only applies to replacement property located in a county that adopted an ordinance allowing Proposition 171 transfers; (4) claims must be timely filed within three years of the date of purchase or completion of new construction; and (5) only applies to comparable replacement property, which has a full cash value that is of “equal or lesser value” than the Original Cash Value.

Within the context of Proposition 171, “equal or lesser value” means that the amount of the Replacement Cash Value does not exceed either (1) 105% of the Original Cash Value when the replacement property is acquired or constructed within one year of the destruction, (2) 110% of the Original Cash Value when the replacement property is acquired or constructed within two years of the destruction, or (3) 115% of the Original Cash Value when the replacement property is acquired or constructed within three years of the destruction.

### **Unitary Property**

Some amount of property tax revenue of the District is derived from utility property which is considered part of a utility system with components located in many taxing jurisdictions (“unitary property”). Under the State Constitution, such property is assessed by the SBE as part of a “going concern” rather than as individual pieces of real or personal property. State-assessed unitary and certain other property is allocated to the counties by SBE, taxed at special county-wide rates, and the tax revenues distributed to taxing jurisdictions (including the District) according to statutory formulae generally based on the distribution of taxes in the prior year. So long as the District is not a basic aid district, taxes lost through any reduction in assessed valuation will be compensated by the State as equalization aid under the State’s school financing formula. See “DISTRICT FINANCIAL INFORMATION – State Funding of Education” herein.

### **Article XIII B of the State Constitution**

Article XIII B (“Article XIII B”) of the State Constitution, as subsequently amended by Propositions 98 and 111, respectively, limits the annual appropriations of the State and of any city, county, school district, authority or other political subdivision of the State to the level of appropriations of the particular governmental entity for the prior fiscal year, as adjusted for changes in the cost of living and in population and for transfers in the financial responsibility for providing services and for certain declared emergencies. As amended, Article XIII B defines

- (a) “change in the cost of living” with respect to school districts to mean the percentage change in California per capita income from the preceding year, and

- (b) “change in population” with respect to a school district to mean the percentage change in the average daily attendance of the school district from the preceding fiscal year.

For fiscal years beginning on or after July 1, 1990, the appropriations limit of each entity of government shall be the appropriations limit for the 1986-87 fiscal year adjusted for the changes made from that fiscal year pursuant to the provisions of Article XIII B, as amended.

The appropriations of an entity of local government subject to Article XIII B limitations include the proceeds of taxes levied by or for that entity and the proceeds of certain state subventions to that entity. “Proceeds of taxes” include, but are not limited to, all tax revenues and the proceeds to the entity from (a) regulatory licenses, user charges and user fees (but only to the extent that these proceeds exceed the reasonable costs in providing the regulation, product or service), and (b) the investment of tax revenues.

Appropriations subject to limitation do not include (a) refunds of taxes, (b) appropriations for debt service such as the Bonds, (c) appropriations required to comply with certain mandates of the courts or the federal government, (d) appropriations of certain special districts, (e) appropriations for all qualified capital outlay projects as defined by the State Legislature, (f) appropriations derived from certain fuel and vehicle taxes and (g) appropriations derived from certain taxes on tobacco products.

Article XIII B includes a requirement that all revenues received by an entity of government other than the State in a fiscal year and in the fiscal year immediately following it in excess of the amount permitted to be appropriated during that fiscal year and the fiscal year immediately following it shall be returned by a revision of tax rates or fee schedules within the next two subsequent fiscal years.

Article XIII B also includes a requirement that fifty percent of all revenues received by the State in a fiscal year and in the fiscal year immediately following it in excess of the amount permitted to be appropriated during that fiscal year and the fiscal year immediately following it shall be transferred and allocated to the State School Fund pursuant to Section 8.5 of Article XVI of the State Constitution. See “Propositions 98 and 111” below.

### **Article XIII C and Article XIII D of the State Constitution**

On November 5, 1996, the voters of the State of California approved Proposition 218, popularly known as the “Right to Vote on Taxes Act.” Proposition 218 added to the State Constitution Articles XIII C and XIII D (respectively, “Article XIII C” and “Article XIII D”), which contain a number of provisions affecting the ability of local agencies, including school districts, to levy and collect both existing and future taxes, assessments, fees and charges.

According to the “Title and Summary” of Proposition 218 prepared by the California Attorney General, Proposition 218 limits “the authority of local governments to impose taxes and property-related assessments, fees and charges.” Among other things, Article XIII C establishes that every tax is either a “general tax” (imposed for general governmental purposes) or a “special tax” (imposed for specific purposes), prohibits special purpose government agencies such as school districts from levying general taxes, and prohibits any local agency from imposing, extending or increasing any special tax beyond its maximum authorized rate without a two-thirds vote; and also provides that the initiative power will not be limited in matters of reducing or repealing local taxes, assessments, fees and charges. Article XIII C further provides that no tax may be assessed on property other than *ad valorem* property taxes imposed in accordance with Articles XIII and XIII A and special taxes approved by a two-thirds vote under Article XIII A, Section 4. Article XIII D deals with assessments and property-related fees and charges, and

explicitly provides that nothing in Article XIII C or XIII D will be construed to affect existing laws relating to the imposition of fees or charges as a condition of property development.

The District does not impose any taxes, assessments, or property-related fees or charges which are subject to the provisions of Proposition 218. It does, however, receive a portion of the basic one percent *ad valorem* property tax levied and collected by the County pursuant to Article XIII A. The provisions of Proposition 218 may have an indirect effect on the District, such as by limiting or reducing the revenues otherwise available to other local governments whose boundaries encompass property located within the District thereby causing such local governments to reduce service levels and possibly adversely affecting the value of property within the District.

### **Proposition 26**

On November 6, 2012, voters in the State approved Proposition 26. Proposition 26 amends Article XIII C of the State Constitution to expand the definition of “tax” to include “any levy, charge, or exaction of any kind imposed by a local government” except the following: (1) a charge imposed for a specific benefit conferred or privilege granted directly to the payor that is not provided to those not charged, and which does not exceed the reasonable costs to the local government of conferring the benefit or granting the privilege; (2) a charge imposed for a specific government service or product provided directly to the payor that is not provided to those not charged, and which does not exceed the reasonable costs to the local government of providing the service or product; (3) a charge imposed for the reasonable regulatory costs to a local government for issuing licenses and permits, performing investigations, inspections, and audits, enforcing agricultural marketing orders, and the administrative enforcement and adjudication thereof; (4) a charge imposed for entrance to or use of local government property, or the purchase, rental, or lease of local government property; (5) a fine, penalty, or other monetary charge imposed by the judicial branch of government or a local government, as a result of a violation of law; (6) a charge imposed as a condition of property development; and (7) assessments and property-related fees imposed in accordance with the provisions of Article XIII D. Proposition 26 provides that the local government bears the burden of proving by a preponderance of the evidence that a levy, charge, or other exaction is not a tax, that the amount is no more than necessary to cover the reasonable costs of the governmental activity, and that the manner in which those costs are allocated to a payor bear a fair or reasonable relationship to the payor’s burdens on, or benefits received from, the governmental activity.

### **Propositions 98 and 111**

On November 8, 1988, voters approved Proposition 98, a combined initiative constitutional amendment and statute called the “Classroom Instructional Improvement and Accountability Act” (the “Accountability Act”). Certain provisions of the Accountability Act have, however, been modified by Proposition 111, discussed below, the provisions of which became effective on July 1, 1990. The Accountability Act changes State funding of public education below the university level and the operation of the State’s appropriations limit. The Accountability Act guarantees State funding for K-12 school districts and community college districts (hereinafter referred to collectively as “K-14 school districts”) at a level equal to the greater of (a) the same percentage of State general fund revenues as the percentage appropriated to such districts in 1986-87, and (b) the amount actually appropriated to such districts from the State general fund in the previous fiscal year, adjusted for increases in enrollment and changes in the cost of living. The Accountability Act permits the State Legislature to suspend this formula for a one-year period.

The Accountability Act also changed how tax revenues in excess of the State appropriations limit are distributed. Any excess State tax revenues up to a specified amount would, instead of being returned to taxpayers, be transferred to K-14 school districts. Any such transfer to K-14 school districts would be

excluded from the appropriations limit for K-14 school districts and the K-14 school district appropriations limit for the next year would automatically be increased by the amount of such transfer. These additional moneys would enter the base funding calculation for K-14 school districts for subsequent years, creating further pressure on other portions of the State budget, particularly if revenues decline in a year following an Article XIII B surplus. The maximum amount of excess tax revenues which could be transferred to K-14 school districts is 4% of the minimum State spending for education mandated by the Accountability Act.

Since the Accountability Act is unclear in some details, there can be no assurances that the State Legislature or a court might not interpret the Accountability Act to require a different percentage of State general fund revenues to be allocated to K-14 school districts, or to apply the relevant percentage to the State's budgets in a different way than is proposed in the Governor's budget for any given fiscal year.

On June 5, 1990, the voters approved Proposition 111 (Senate Constitutional Amendment No. 1) called the "Traffic Congestion Relief and Spending Limit Act of 1990" ("Proposition 111") which further modified Article XIII B and Sections 8 and 8.5 of Article XVI of the State Constitution with respect to appropriations limitations and school funding priority and allocation.

The most significant provisions of Proposition 111 are summarized as follows:

- a. Annual Adjustments to Spending Limit. The annual adjustments to the Article XIII B spending limit were liberalized to be more closely linked to the rate of economic growth. Instead of being tied to the Consumer Price Index, the "change in the cost of living" is now measured by the change in California per capita personal income. The definition of "change in population" specifies that a portion of the State's spending limit is to be adjusted to reflect changes in school attendance.
- b. Treatment of Excess Tax Revenues. "Excess" tax revenues with respect to Article XIII B are now determined based on a two-year cycle, so that the State can avoid having to return to taxpayers excess tax revenues in one year if its appropriations in the next fiscal year are under its limit. In addition, the Proposition 98 provision regarding excess tax revenues was modified. After any two-year period, if there are excess State tax revenues, 50% of the excess are to be transferred to K-14 school districts with the balance returned to taxpayers; under prior law, 100% of excess State tax revenues went to K-14 school districts, but only up to a maximum of 4% of the schools' minimum funding level. Also, reversing prior law, any excess State tax revenues transferred to K-14 school districts are not built into the school districts' base expenditures for calculating their entitlement for State aid in the next year, and the State's appropriations limit is not to be increased by this amount.
- c. Exclusions from Spending Limit. Two exceptions were added to the calculation of appropriations which are subject to the Article XIII B spending limit: (i) all appropriations for "qualified capital outlay projects" as defined by the State Legislature, and (ii) any increases in gasoline taxes above the 1990 level (then nine cents per gallon), sales and use taxes on such increment in gasoline taxes, and increases in receipts from vehicle weight fees above the levels in effect on January 1, 1990. These latter provisions were necessary to make effective the transportation funding package approved by the State Legislature and the Governor, which expected to raise over \$15 billion in additional taxes from 1990 through 2000 to fund transportation programs.

- d. Recalculation of Appropriations Limit. The Article XIII B appropriations limit for each unit of government, including the State, was recalculated beginning in fiscal year 1990-91. It was based on the actual limit for fiscal year 1986-87, adjusted forward to 1990-91 as if Proposition 111 had been in effect.
- e. School Funding Guarantee. A complex adjustment in the formula was enacted in Proposition 98 which guarantees K-14 school districts a certain amount of State general fund revenues. Under prior law, K-14 school districts were guaranteed the greater of (1) 40.9% of State general fund revenues (“Test 1”) or (2) the amount appropriated in the prior year adjusted for changes in the cost of living (measured as in Article XIII B by reference to per capita personal income) and enrollment (“Test 2”). Under Proposition 111, schools will receive the greater of (1) Test 1, (2) Test 2, or (3) a third test (“Test 3”), which will replace Test 2 in any year when growth in per capita State general fund revenues from the prior year is less than the annual growth in California per capita personal income. Under Test 3, schools will receive the amount appropriated in the prior year adjusted for change in enrollment and per capita State general fund revenues, plus an additional small adjustment factor. If Test 3 is used in any year, the difference between Test 3 and Test 2 will become a “credit” (also referred to as a “maintenance factor”) to schools which will be paid in future years when State general fund revenue growth exceeds personal income growth.

### **Proposition 39**

On November 7, 2000, California voters approved an amendment (commonly known as Proposition 39) to the State Constitution. This amendment (1) allows school facilities bond measures to be approved by fifty-five percent (rather than two-thirds) of the voters in local elections and permits property taxes to exceed the current one percent limit in order to repay the bonds and (2) changes existing statutory law regarding charter school facilities. As adopted, the constitutional amendments may be changed only with another Statewide vote of the people. The statutory provisions could be changed by a majority vote of both houses of the State Legislature and approval by the Governor, but only to further the purposes of the proposition. The local school jurisdictions affected by this proposition are K-12 school districts, including the District, community college districts, and county offices of education. As noted above, the State Constitution previously limited property taxes to one percent of the value of property. Property taxes may only exceed this limit to pay for (1) any local government debts approved by the voters prior to July 1, 1978 or (2) bonds to buy or improve real property that receive two-thirds voter approval after July 1, 1978.

The fifty-five percent vote requirement would apply only if the local bond measure presented to the voters includes: (1) a requirement that the bond funds can be used only for construction, rehabilitation, equipping of school facilities, or the acquisition or lease of real property for school facilities; (2) a specific list of school projects to be funded and certification that the school board has evaluated safety, class size reduction, and information technology needs in developing the list; and (3) a requirement that the school board conduct annual, independent financial and performance audits until all bond funds have been spent to ensure that the bond funds have been used only for the projects listed in the measure. Legislation approved in June 2000 places certain limitations on local school bonds to be approved by fifty-five percent of the voters. These provisions require that the tax rate levied as the result of any single election be no more than \$60 (for a unified school district), \$30 (for an elementary or high school district), or \$25 (for a community college district), per \$100,000 of taxable property value, when assessed valuation is projected to increase in accordance with Article XIII A of the Constitution. These requirements are not part of this proposition and can be changed with a majority vote of both houses of the State Legislature and approval by the Governor.

## ***Jarvis v. Connell***

On May 29, 2002, the California Court of Appeal for the Second District decided the case of *Howard Jarvis Taxpayers Association, et al. v. Kathleen Connell* (as Controller). The Court of Appeal held that either a final budget bill, an emergency appropriation, a self-executing authorization pursuant to State statutes (such as continuing appropriations) or the State Constitution or a federal mandate is necessary for the Controller to disburse funds. The foregoing requirement could apply to amounts budgeted by the District as being received from the State. To the extent the holding in such case would apply to State payments reflected in the District's budget, the requirement that there be either a final budget bill or an emergency appropriation may result in the delay of such payments to the District if such required legislative action is delayed, unless the payments are self-executing authorizations or are subject to a federal mandate. On May 1, 2003, the California Supreme Court upheld the holding of the Court of Appeal, stating that the Controller is not authorized under State law to disburse funds prior to the enactment of a budget or other proper appropriation, but under federal law, the Controller is required, notwithstanding a budget impasse and the limitations imposed by State law, to timely pay those State employees who are subject to the minimum wage and overtime compensation provisions of the federal Fair Labor Standards Act.

## **Proposition 1A and Proposition 22**

On November 2, 2004, California voters approved Proposition 1A, which amends the State Constitution to significantly reduce the State's authority over major local government revenue sources. Under Proposition 1A, the State cannot (i) reduce local sales tax rates or alter the method of allocating the revenue generated by such taxes, (ii) shift property taxes from local governments to schools or community colleges, (iii) change how property tax revenues are shared among local governments without two-third approval of both houses of the State Legislature or (iv) decrease Vehicle License Fee revenues without providing local governments with equal replacement funding. Beginning in 2008-09, the State may shift to schools and community colleges a limited amount of local government property tax revenue if certain conditions are met, including: (i) a proclamation by the Governor that the shift is needed due to a severe financial hardship of the State, and (ii) approval of the shift by the State Legislature with a two-thirds vote of both houses. Under such a shift, the State must repay local governments for their property tax losses, with interest, within three years. Proposition 1A does allow the State to approve voluntary exchanges of local sales tax and property tax revenues among local governments within a county. Proposition 1A also amends the State Constitution to require the State to suspend certain State laws creating mandates in any year that the State does not fully reimburse local governments for their costs to comply with the mandates. This provision does not apply to mandates relating to schools or community colleges or to those mandates relating to employee rights.

Proposition 22, The Local Taxpayer, Public Safety, and Transportation Protection Act, approved by the voters of the State on November 6, 2012, prohibits the State from enacting new laws that require redevelopment agencies to shift funds to schools or other agencies and eliminates the State's authority to shift property taxes temporarily during a severe financial hardship of the State. In addition, Proposition 22 restricts the State's authority to use State fuel tax revenues to pay debt service on State transportation bonds, to borrow or change the distribution of State fuel tax revenues, and to use vehicle license fee revenues to reimburse local governments for State mandated costs. Proposition 22 impacts resources in the State's general fund and transportation funds, the State's main funding source for schools and community colleges, as well as universities, prisons and health and social services programs. According to an analysis of Proposition 22 submitted by the Legislative Analyst's Office (the "LAO") on July 15, 2010, the reduction in resources available for the State to spend on these other programs as a consequence of the passage of Proposition 22 was expected to be approximately \$1 billion in fiscal year 2010-11, with an estimated immediate fiscal effect equal to approximately 1 percent of the State's total general fund

spending. The longer-term effect of Proposition 22, according to the LAO analysis, will be an increase in the State's general fund costs by approximately \$1 billion annually for several decades.

### **Proposition 55**

The California Children's Education and Health Care Protection Act of 2016 (also known as "Proposition 55") is a constitutional amendment approved by the voters of the State on November 8, 2016. Proposition 55 extends, through 2030, the increases to personal income tax rates for high-income taxpayers that were approved as part of Temporary Taxes to Fund Education, Guaranteed Local Public Safety Funding, Initiative Constitutional Amendment (also known as "Proposition 30"). Proposition 30 increased the marginal personal income tax rate by: (i) 1% for taxable income over \$250,000 but less than \$300,001 for single filers (over \$500,000 but less than \$600,001 for joint filers and over \$340,000 but less than \$408,001 for head-of-household filers), (ii) 2% for taxable income over \$300,000 but less than \$500,001 for single filers (over \$600,000 but less than \$1,000,001 for joint filers and over \$408,000 but less than \$680,001 for head-of-household filers), and (iii) 3% for taxable income over \$500,000 for single filers (over \$1,000,000 for joint filers and over \$680,000 for head-of-household filers).

The revenues generated from the personal income tax increases will be included in the calculation of the Proposition 98 Minimum Funding Guarantee (defined herein) for school districts and community college districts. See "CONSTITUTIONAL AND STATUTORY PROVISIONS AFFECTING DISTRICT REVENUES – Propositions 98 and 111" herein. From an accounting perspective, the revenues generated from the personal income tax increases are being deposited into the State account created pursuant to Proposition 30 called the Education Protection Account (the "EPA"). Pursuant to Proposition 30, funds in the EPA will be allocated quarterly, with 89% of such funds provided to schools districts and 11% provided to community college districts. The funds will be distributed to school districts and community college districts in the same manner as existing unrestricted per-student funding, except that no school district will receive less than \$200 per unit of ADA and no community college district will receive less than \$100 per full time equivalent student. The governing board of each school district and community college district is granted sole authority to determine how the moneys received from the EPA are spent, provided that the appropriate governing board is required to make these spending determinations in open session at a public meeting and such local governing board is prohibited from using any funds from the EPA for salaries or benefits of administrators or any other administrative costs.

### **Proposition 2**

On November 4, 2014, voters approved the Rainy Day Budget Stabilization Fund Act (also known as "Proposition 2"). Proposition 2 is a legislatively-referred constitutional amendment which makes certain changes to State budgeting practices, including substantially revising the conditions under which transfers are made to and from the State's Budget Stabilization Account (the "BSA") established by the California Balanced Budget Act of 2004 (also known as Proposition 58).

Under Proposition 2, and beginning in fiscal year 2015-16 and each fiscal year thereafter, the State will generally be required to annually transfer to the BSA an amount equal to 1.5% of estimated State general fund revenues (the "Annual BSA Transfer"). Supplemental transfers to the BSA (a "Supplemental BSA Transfer") are also required in any fiscal year in which the estimated State general fund revenues that are allocable to capital gains taxes exceed 8% of total estimated general fund tax revenues. Such excess capital gains taxes—net of any portion thereof owed to K-14 school districts pursuant to Proposition 98—will be transferred to the BSA. Proposition 2 also increases the maximum size of the BSA to an amount equal to 10% of estimated State general fund revenues for any given fiscal year. In any fiscal year in which a required transfer to the BSA would result in an amount in excess of the

10% threshold, Proposition 2 requires such excess to be expended on State infrastructure, including deferred maintenance.

For the first 15 year period ending with the 2029-30 fiscal year, Proposition 2 provides that half of any required transfer to the BSA, either annual or supplemental, must be appropriated to reduce certain State liabilities, including making certain payments owed to K-14 school districts, repaying State interfund borrowing, reimbursing local governments for State mandated services, and reducing or prefunding accrued liabilities associated with State-level pension and retirement benefits. Following the initial 15-year period, the Governor and the State Legislature are given discretion to apply up to half of any required transfer to the BSA to the reduction of such State liabilities. Any amount not applied towards such reduction must be transferred to the BSA or applied to infrastructure, as described above.

Proposition 2 changes the conditions under which the Governor and the State Legislature may draw upon or reduce transfers to the BSA. The Governor does not retain unilateral discretion to suspend transfers the BSA, nor does the State Legislature retain discretion to transfer funds from the BSA for any reason, as previously provided by law. Rather, the Governor must declare a “budget emergency,” defined as a an emergency within the meaning of Article XIII B of the Constitution or a determination that estimated resources are inadequate to fund State general fund expenditures, for the current or ensuing fiscal year, at a level equal to the highest level of State spending within the three immediately preceding fiscal years. Any such declaration must be followed by a legislative bill providing for a reduction or transfer. Draws on the BSA are limited to the amount necessary to address the budget emergency, and no draw in any fiscal year may exceed 50% of funds on deposit in the BSA unless a budget emergency was declared in the preceding fiscal year.

Proposition 2 also required the creation of the Public School System Stabilization Account (the “PSSSA”) into which transfers will be made in any fiscal year in which a Supplemental BSA Transfer is required (as described above). Such transfer will be equal to the portion of capital gains taxes above the 8% threshold that would be otherwise paid to K-14 school districts as part of the minimum funding guarantee. A transfer to the PSSSA will only be made if certain additional conditions are met, as follows: (i) the minimum funding guarantee was not suspended in the immediately preceding fiscal year, (ii) the operative Proposition 98 formula for the fiscal year in which a PSSSA transfer might be made is “Test 1,” (iii) no maintenance factor obligation is being created in the budgetary legislation for the fiscal year in which a PSSSA transfer might be made, (iv) all prior maintenance factor obligations have been fully repaid, and (v) the minimum funding guarantee for the fiscal year in which a PSSSA transfer might be made is higher than the immediately preceding fiscal year, as adjusted for ADA growth and cost of living. Proposition 2 caps the size of the PSSSA at 10% of the estimated minimum guarantee in any fiscal year, and any excess funds must be paid to K-14 school districts. Reductions to any required transfer to the PSSSA, or draws on the PSSSA, are subject to the same budget emergency requirements described above. However, Proposition 2 also mandates draws on the PSSSA in any fiscal year in which the estimated minimum funding guarantee is less than the prior year’s funding level, as adjusted for ADA growth and cost of living.

**SB 858.** Senate Bill 858 (“SB 858”) became effective upon the passage of Proposition 2. SB 858 includes provisions which could limit the amount of reserves that may be maintained by a school district in certain circumstances. Under SB 858, in any fiscal year immediately following a fiscal year in which the State has made a transfer into the PSSSA, any adopted or revised budget by a school district would need to contain a combined unassigned and assigned ending fund balance that (a) for school districts with an ADA of less than 400,000, is not more than two times the amount of the reserve for economic uncertainties mandated by the Education Code, or (b) for school districts with an ADA that is more than 400,000, is not more than three times the amount of the reserve for economic uncertainties mandated by the Education Code. In certain cases, the county superintendent of schools may grant a school district a

waiver from this limitation on reserves for up to two consecutive years within a three-year period if there are certain extraordinary fiscal circumstances.

The District, which has an ADA of less than 400,000, is required to maintain a reserve for economic uncertainty in an amount equal to 3% of its general fund expenditures and other financing uses.

**SB 751.** Senate Bill 751 (“SB 751”), enacted on October 11, 2017, alters the reserve requirements imposed by SB 858. Under SB 751, in a fiscal year immediately after a fiscal year in which the amount of moneys in the PSSSA is equal to or exceeds 3% of the combined total general fund revenues appropriated for school districts and allocated local proceeds of taxes for that fiscal year, a school district budget that is adopted or revised cannot have an assigned or unassigned ending fund balance that exceeds 10% of those funds. SB 751 excludes from the requirements of those provisions basic aid school districts (also known as community funded districts) and small school districts having fewer than 2,501 units of ADA.

The Bonds are payable from *ad valorem* property taxes to be levied within the District pursuant to the State Constitution and other State law. Accordingly, the District does not expect SB 858 or SB 751 to adversely affect its ability to pay the principal of and interest on the Bonds as and when due.

### **Future Initiatives**

Article XIII A, Article XIII B, Article XIII C and Article XIII D of the State Constitution and Propositions 98, 39, 22, 26, 30, and 55 were each adopted as measures that qualified for the ballot pursuant to the State’s initiative process. From time to time other initiative measures could be adopted further affecting District revenues or the District’s ability to expend revenues. The nature and impact of these measures cannot be anticipated by the District.

## **DISTRICT FINANCIAL INFORMATION**

*The information in this section concerning the District’s general fund finances is provided as supplementary information only, and it should not be inferred from the inclusion of this information in this Official Statement that the principal of and interest on the Bonds is payable from the general fund of the District. The Bonds are payable from the proceeds of an ad valorem property tax required to be levied by the County in the District in an amount sufficient for the payment thereof. See “THE BONDS – Security and Sources of Payment” herein.*

### **State Funding of Education**

School district revenues consist primarily of guaranteed State moneys, local property taxes and funds received from the State in the form of categorical aid under ongoing programs of local assistance. All State aid is subject to the appropriation of funds in the State’s annual budget.

**Revenue Limit Funding.** Previously, school districts operated under general purpose revenue limits established by the California Department of Education (the “State Department of Education”). In general, revenue limits were calculated for each school district by multiplying the ADA for such district by a base revenue limit per unit of ADA. Revenue limit calculations were subject to adjustment in accordance with a number of factors designed to provide cost of living adjustments (“COLAs”) and to equalize revenues among school districts of the same type. Funding of a school district’s revenue limit was provided by a mix of local property taxes and State apportionments of basic and equalization aid. Since fiscal year 2013-14, school districts have been funded based on uniform system of funding grants assigned to certain grade spans. See “—Local Control Funding Formula” herein.

**Local Control Funding Formula.** State Assembly Bill 97 (Stats. 2013, Chapter 47) (“AB 97”), as amended by Senate Bill 91 (Stats. 2013, Chapter 49) (“SB 91”), established the current system for funding school districts, charter schools and county offices of education.

The primary component of AB 97 was the implementation of the Local Control Funding Formula (“LCFF”), which replaced the revenue limit funding system for determining State apportionments, as well as the majority of categorical program funding. State allocations are now provided on the basis of target base funding grants per unit of ADA (a “Base Grant”) assigned to each of four grade spans. Each Base Grant is subject to certain adjustments and add-ons, as discussed below. During the implementation period of the LCFF, an annual transition adjustment was calculated for each school district, equal to such district’s proportionate share of appropriations included in the State budget to close the gap between the prior-year funding level and the target allocation following full implementation of the LCFF. In each year, school districts had the same proportion of their respective funding gaps closed, with dollar amounts varying depending on the size of a district’s funding gap.

The Base Grants per unit of ADA for each grade span are as follows: (i) \$6,845 for grades K-3; (ii) \$6,947 for grades 4-6; (iii) \$7,154 for grades 7-8; and (iv) \$8,289 for grades 9-12. During the implementation period of the LCFF, Base Grants were required to be adjusted annually for COLAs by applying the implicit price deflator for government goods and services. The provision of COLAs is now subject to appropriation for such adjustment in the annual State budget. The differences among Base Grants are linked to differentials in statewide average revenue limit rates by district type, and are intended to recognize the generally higher costs of education at higher grade levels. See also “—State Budget Measures” for information on the adjusted Base Grants provided by current budgetary legislation.

The Base Grants for grades K-3 and 9-12 are subject to adjustments of 10.4% and 2.6%, respectively, to cover the costs of class size reduction in early grades and the provision of career technical education in high schools. Unless otherwise collectively bargained for, school districts serving students in grades K-3 must maintain an average class enrollment of 24 or fewer students in grades K-3 at each school site in order to continue receiving the adjustment to the K-3 Base Grant. Such school districts must also make progress towards this class size reduction goal in proportion to the growth in their funding over the implementation period. AB 97 also provides additional add-ons to school districts that received categorical block grant funding pursuant to the Targeted Instructional Improvement and Home-to-School Transportation programs during fiscal year 2012-13.

School districts that serve students of limited English proficiency (“EL” students), students from low income families that are eligible for free or reduced priced meals (“LI” students) and foster youth are eligible to receive additional funding grants. Enrollment counts are unduplicated, such that students may not be counted as both EL and LI (foster youth automatically meet the eligibility requirements for free or reduced priced meals, and are therefore not discussed herein separately). AB 97 authorizes a supplemental grant add-on (each, a “Supplemental Grant”) for school districts that serve EL/LI students, equal to 20% of the applicable Base Grant multiplied by such districts’ percentage of unduplicated EL/LI student enrollment. School districts whose EL/LI populations exceed 55% of their total enrollment are eligible for a concentration grant add-on (each, a “Concentration Grant”) equal to 65% of the applicable Base Grant multiplied by the percentage of such district’s unduplicated EL/LI student enrollment in excess of the 55% threshold.

The table on the following page shows a breakdown of the District’s ADA by grade span, total enrollment, and the percentage of EL/LI student enrollment, for fiscal years 2013-14 through 2020-21, together with projections of such figures for fiscal year 2023-24.

**ADA, ENROLLMENT AND EL/LI ENROLLMENT PERCENTAGE**  
**Fiscal Years 2013-14 through 2023-24**  
**Sacramento City Unified School District**

<u>Fiscal Year</u>	<u>Average Daily Attendance<sup>(1)</sup></u>					<u>Enrollment<sup>(2)</sup></u>	
	<u>K-3</u>	<u>4-6</u>	<u>7-8</u>	<u>9-12</u>	<u>Total ADA</u>	<u>Total Enrollment</u>	<u>% of EL/LI Enrollment<sup>(3)</sup></u>
2013-14							
2014-15							
2015-16							
2016-17							
2017-18							
2018-19							
2019-20	12,190	9,171	6,566	10,575	38,201		
2020-21							
2021-22 <sup>(4)</sup>							
2022-23 <sup>(4)</sup>							
2023-24 <sup>(4)</sup>							

Note: ADA figures rounded to the nearest whole number.

- (1) Except for fiscal year 2021-22, reflects as of the second principal reporting period (P-2 ADA), ending on or before the last attendance month prior to April 15 of each school year. An attendance month is equal to each four week period of instruction beginning on the first day of school for a particular school district. For the 2019-20 school year, due to the outbreak of COVID-19, P-2 ADA only reflects full school months from July 1, 2019 through February 29, 2020. See “—Considerations Regarding COVID-19” herein.
- (2) Reflects certified enrollment as of the fall census day (the first Wednesday in October), which is reported to the California Longitudinal Pupil Achievement Data System (“CALPADS”) in each school year and used to calculate each school district’s unduplicated EL/LI student enrollment. Adjustments may be made to the certified EL/LI counts by the California Department of Education. CALPADS figures exclude preschool students.
- (3) For purposes of calculating Supplemental and Concentration Grants, a school district’s fiscal year 2013-14 percentage of unduplicated EL/LI students was expressed solely as a percentage of its total fiscal year 2013-14 total enrollment. For fiscal year 2014-15, the percentage of unduplicated EL/LI enrollment was based on the two-year average of EL/LI enrollment in fiscal years 2013-14 and 2014-15. Beginning in fiscal year 2015-16, a school district’s percentage of unduplicated EL/LI students has been based on a rolling average of such district’s EL/LI enrollment for the then-current fiscal year and the two immediately preceding fiscal years.
- (4) ADA is projected. Based upon the District’s second interim financial report for fiscal year 2021-22, approved on March \_\_, 2022. Funded ADA for fiscal years 2022-23 and 2023-24 assumes COLAs of \_\_% and \_\_%, respectively. See also “—Budgets – Fiscal Year 2021-22 Second Interim Report” herein.

Source: Sacramento City Unified School District.

For certain school districts that would have received greater funding levels under the prior revenue limit system, the LCFF provides for a permanent economic recovery target (“ERT”) add-on, equal to the difference between the revenue limit allocations such districts would have received under the prior system in fiscal year 2020-21, and the target LCFF allocations owed to such districts in the same year. To derive the projected funding levels, the LCFF assumes the discontinuance of deficit revenue limit funding, implementation of a COLAs in fiscal years 2014-15 through 2020-21, and restoration of categorical funding to pre-recession levels. The ERT add-on will be paid incrementally over the implementing period of the LCFF. The District does not qualify for the ERT add-on.

The sum of a school district's adjusted Base, Supplemental and Concentration Grants will be multiplied by such district's P-2 ADA for the current or prior year, whichever is greater (with certain adjustments applicable to small school districts). This funding amount, together with any applicable ERT or categorical block grant add-ons, will yield a district's total LCFF allocation. Generally, the amount of annual State apportionments received by a school district will amount to the difference between such total LCFF allocation and such district's share of applicable local property taxes. Most school districts receive a significant portion of their funding from such State apportionments. As a result, decreases in State revenues may significantly affect appropriations made by the State Legislature to school districts.

Certain schools districts, referred to as "community funded" school district, have allocable local property tax collections that equal or exceed such districts' total LCFF allocation, and result in the receipt of no State apportionment aid. Community funded school districts receive only special categorical funding, which is deemed to satisfy the "basic aid" requirement of \$120 per student per year guaranteed by Article IX, Section 6 of the State Constitution. The implication for community funded districts is that the legislatively determined allocations to school districts, and other politically determined factors, are less significant in determining their primary funding sources. Rather, property tax growth and the local economy are the primary determinants. The District does not currently qualify as a community funded district.

***Accountability.*** Regulations adopted by the State Board of Education require that school districts increase or improve services for EL/LI students in proportion to the increase in funds apportioned to such districts on the basis of the number and concentration of such EL/LI students, and detail the conditions under which school districts can use supplemental or concentration funding on a school-wide or district-wide basis.

School districts are also required to adopt local control and accountability plans ("LCAPs") disclosing annual goals for all students, as well as certain numerically significant student subgroups, to be achieved in eight areas of State priority identified by the LCFF. LCAPs may also specify additional local priorities. LCAPs must specify the actions to be taken to achieve each goal, including actions to correct identified deficiencies with regard to areas of State priority. LCAPs covering a three-year period are required to be updated annually. The State Board of Education has adopted a template LCAP for use by school districts.

***Support and Intervention.*** AB 97, as amended by SB 91, established a new system of support and intervention to assist school districts meet the performance expectations outlined in their respective LCAPs. School districts must adopt their LCAPs (or annual updates thereto) in tandem with their annual operating budgets, and not later than five days thereafter submit such LCAPs or updates to their respective county superintendent of schools. On or before August 15 of each year, a county superintendent may seek clarification regarding the contents of a district's LCAP (or annual update thereto), and the district is required to respond to such a request within 15 days. Within 15 days of receiving such a response, the county superintendent can submit non-binding recommendations for amending the LCAP or annual update, and such recommendations must be considered by the respective school district at a public hearing within 15 days. A district's LCAP or annual update must be approved by the county superintendent by October 8 of each year if the superintendent determines that (i) the LCAP or annual update adheres to the State template, and (ii) the district's budgeted expenditures are sufficient to implement the actions and strategies outlined in the LCAP.

A school district is required to receive additional support if its respective LCAP or annual update thereto is not approved, if the district requests technical assistance from its respective county superintendent, or if the district does not improve student achievement across more than one State priority for one or more student subgroups. Such support can include a review of a district's strengths and

weaknesses in the eight State priority areas, or the assignment of an academic expert to assist the district identify and implement programs designed to improve outcomes. Assistance may be provided by the California Collaborative for Educational Excellence, a State agency created by the LCFF and charged with assisting school districts achieve the goals set forth in their LCAPs. The State Board of Education has developed rubrics to assess school district performance and the need for support and intervention.

The State Superintendent is further authorized, with the approval of the State Board of Education, to intervene in the management of persistently underperforming school districts. The State Superintendent may intervene directly or assign an academic trustee to act on his or her behalf. In so doing, the State Superintendent is authorized (i) to modify a district's LCAP, (ii) impose budget revisions designed to improve student outcomes, and (iii) stay or rescind actions of the local governing board that would prevent such district from improving student outcomes; provided, however, that the State Superintendent is not authorized to rescind an action required by a local collective bargaining agreement.

***Other State Sources.*** In addition to State allocations determined pursuant to the LCFF, the District receives other State revenues consisting primarily of restricted revenues designed to implement State mandated programs. Beginning in fiscal year 2013-14, categorical spending restrictions associated with a majority of State mandated programs were eliminated, and funding for these programs was folded into the LCFF. Categorical funding for certain programs was excluded from the LCFF, and school districts will continue to receive restricted State revenues to fund these programs.

#### **Other Revenue Sources**

***Federal Government and Other Local Revenues.*** The federal government provides funding for several school district programs, including specialized programs such as No Child Left Behind, special education programs, and programs under the Educational Consolidation and Improvement Act. In addition, portions of a school district's budget can come from local sources other than property taxes, including but not limited to interest income, leases and rentals, interagency services, developer fees (as further described herein), foundations, donations and sales of property.

The California lottery is another source of funding for school districts, providing approximately 1% to 3% of a school district's budget. Every school district receives the same amount of lottery funds per pupil from the State; however, these are not categorical funds as they are not for particular programs or children. The initiative authorizing the lottery mandates the funds be used for instructional purposes, and prohibits their use for capital purposes.

**Developer Fees.** The District maintains a fund, separate and apart from its general fund, to account for developer fees assessed by the District on residential and commercial development. Currently, the District levies \$3.36 per square foot for residential housing and \$0.54 per square foot for commercial or industrial development. Developer fee revenue may only be used to construct or modernize school facilities to accommodate growths in enrollment. The following table lists the historical developer fees received by the District from fiscal years 2016-17 through 2020-21, and a projected amount for fiscal year 2021-22. District developer fees contribute to the payment of annual debt service on the District’s outstanding Lease Revenue Bonds (as defined herein). See “SACRAMENTO CITY UNIFIED SCHOOL DISTRICT – District Debt Structure – Lease Revenue Bonds” herein.

**DEVELOPER FEES**  
**Fiscal Years 2016-17 through 2021-22**  
**Sacramento City Unified School District**

<u>Fiscal Year</u>	<u>Developer Fees Collections</u>
2016-17	\$4,496,567.59
2017-18	4,753,306.71
2018-19	2,730,954.39
2019-20	6,208,728.19
2020-21	
2021-22 <sup>(1)</sup>	

<sup>(1)</sup> Projected.

Source: Sacramento City Unified School District.

**Considerations Regarding COVID-19**

An outbreak of disease or similar public health threat, such as the current coronavirus (“COVID-19”) outbreak, or fear of such an event, could have an adverse impact on the District’s financial condition and operating results.

The spread of COVID-19 is having significant negative impacts throughout the world, including in the District. The World Health Organization has declared the COVID-19 outbreak to be a pandemic, and states of emergency have been declared by the State and the United States. The purpose behind these declarations was to coordinate and formalize emergency actions and across federal, State and local governmental agencies, and to proactively prepare for the then-expected wider spread of the virus.

On March 27, 2020 the Coronavirus Aid, Relief, and Economic Security Act (the “CARES Act”) was signed by the President of the United States. The CARES Act appropriated over \$2 trillion to, among other things, (i) provide cash payments to individuals, (ii) expand unemployment assistance and eligibility, (iii) provide emergency grants and loans for small businesses, (iv) provide loans and other assistance to corporations, including the airline industry, (v) provide funding for hospitals and community health centers, (vi) expand funding for safety net programs, including child nutrition programs, and (vii) provide aid to state and local governments. On December 27, 2020, the President of the United States signed the Coronavirus Relief and Response Supplemental Appropriations Act, 2021 (“CRRSA”), which included approximately \$900 billion worth of provisions for additional COVID-related relief, including extension of or additional funding for various relief programs implemented by the CARES Act. The CRRSA provided approximately \$82 billion of COVID-19 related relief for education, including \$54.3 billion for K-12 schools (largely through Title I funding), \$22.7 billion for higher education and \$4 billion for state governors to spend at their discretion. On March 12, 2021, the President signed the American

Rescue Plan Act of 2021 (the “American Rescue Plan”), which provides approximately \$1.9 trillion in federal economic stimulus intended to accelerate the recovery from the COVID-19 pandemic. The American Rescue Plan provides direct payments to individuals, extends unemployment benefits, provides funding to distribute COVID-19 vaccines and provides funding for schools, higher education institutions, state, tribal governments and businesses.

State law allows school districts to apply for a waiver to hold them harmless from the loss of LCFF funding based on attendance and state instructional time penalties when they are forced to close schools due to emergency conditions. In addition, the Governor has enacted Executive Order N-26-20 (“Executive Order N-26-20”), which (i) generally streamlined the process of applying for such waivers for closures related to COVID-19 and (ii) directed school districts to use LCFF apportionment to fund distance learning and high quality educational opportunities, provide school meals and, as practicable, arrange for the supervision of students during school hours.

In response to the COVID-19 pandemic, on March 17, 2020, Senate Bill 89 (“SB 89”) and Senate Bill 117 (“SB 117”) were signed by the Governor, both of which took effect immediately. SB 89 amended the Budget Act of 2019 by appropriating \$500,000,000 from the State general fund for any purpose related to the Governor’s March 4, 2020 emergency proclamation. SB 117, among other things, (i) specified that for school districts that comply with Executive Order N-26-20, the ADA reported to the State Department of Education for the second period and the annual period for apportionment purposes for the 2019-20 school year only includes all full school months from July 1, 2019 through February 29, 2020, (ii) prevented the loss of funding related to an instructional time penalty because of a school closed due to the COVID-19 by deeming the instructional days and minutes requirements to have been met during the period of time the school was closed due to COVID-19, (iii) required a school district to be credited with the ADA it would have received had it been able to operate its After School Education and Safety Program during the time the school was closed due to COVID-19, and (iv) appropriated \$100,000,000 from the State general fund to the State Superintendent to be apportioned to certain local educational agencies for purposes of purchasing personal protective equipment, or paying for supplies and labor related to cleaning school sites. Additionally, the Governor, on March 4, 2021, signed into law Assembly Bill 86 (“AB 86”), urgency legislation which provided approximately \$6.6 billion to accelerate the return of in-person school instruction and expand student support. See also “—State Budget Measures – Assembly Bill 86” herein.

[TO BE REVISED] The District has received, or expects to receive, approximately (i) \$40,438,566 of learning-loss mitigation funding under the CARES Act, (ii) \$15,876,567 of elementary and secondary school emergency relief funding under the CARES Act, (iii) \$68,898,154 under the CRSSA and (iv) \$154,311,760 under the American Rescue Plan.

On March 19, 2020, the Governor ordered all California residents to stay home or at their place of residence to protect the general health and well-being, except as needed to maintain continuity of 16 critical infrastructure sectors described therein (the “Stay Home Order”). The District closed its schools commencing March 12, 2020, and extended this closure through the end of the 2019-20 school year and into the beginning of the 2020-21 school year. During such periods of closure the District implemented distance learning programs for its students.

To date there have been thousands of confirmed cases of COVID-19 in the County, although vaccines and vaccine boosters are currently widely available, no representation can be made as to whether the number of cases will grow. The COVID-19 outbreak resulted in the imposition of restrictions on mass gatherings and widespread temporary closings of businesses, universities and schools (including the District’s schools), as well as supply chain issues as these restrictions and closures have been lifted. The U.S. is restricting certain non-US citizens and permanent residents from entering the country. Stock

markets in the U.S. and globally have been volatile, with significant declines attributed to coronavirus concerns.

On May 4, 2020, the Governor enacted Executive Order N-60-20 (“Executive Order N-60-20”), which directed the State Public Health Officer to establish criteria to determine whether and how particular local jurisdictions may implement public health measures that are less restrictive than statewide directives, as the State transitions from Stage 1 to Stage 2, and then Stage 3 of reopening. The order provided that stages would be phased in gradually, and counties which met readiness criteria and worked with the State Department of Public Health could open more public spaces and workplaces, as outlined by the State, with variances allowed by county. Pursuant to Executive Order N-60-20, local jurisdictions could issue their own public health measures to slow the spread of COVID-19.

On June 29, 2020, Senate Bill 98 (“SB 98”), the education omnibus bill to the 2020-21 State budget, was signed by the Governor, which took effect immediately. SB 98 provided that distance learning could be offered by a school district during the 2020-21 academic year on a local educational agency or schoolwide level as a result of an order or guidance from a State public health officer or a local public health officer or for pupils who are medically fragile or would be put at risk by in-person instruction, or who are self-quarantining because of exposure to COVID-19. SB 98 provided requirements for distance learning, including, but not limited to: (i) confirmation or provision of access for all pupils to connectivity and devices adequate to participate in the educational program and complete assigned work, (ii) content aligned to grade level standards that is provided at a level of quality and intellectual challenge substantially equivalent to in-person instruction, (iii) support for pupils who are not performing at grade level or need support in other areas, (iv) special education services, (v) designated and integrated instruction in English language development for English learners, and (vi) daily live interaction with certificated employees and peers.

On August 28, 2020, the Governor released a revised system of guidelines for reopening – “Blueprint for a Safer Economy” (the “Blueprint”). The Blueprint placed each of the State’s 58 counties into four color-coded tiers - purple, red, orange and yellow - in descending order of severity, based on the number of new daily cases of COVID-19 and the percentage of positive tests. Counties were required to remain in a tier for at least three weeks before advancing to the next one. To move forward, a county was required to meet the next tier’s criteria for two consecutive weeks. If a county’s case rate and positivity rate fell into different tiers, the county remained in the stricter tier. The County was last in the orange tier.

Under the Blueprint, schools could reopen for in-person instruction in accordance with the California Department of Public Health’s “COVID-19 and Reopening In-Person Instruction Framework & Public Health Guidance for K-12 Schools in California, 2020-2021 School Year” (the “Guidelines”). The Guidelines consolidated and updated prior State public health guidance and orders related to schools. Pursuant to the Guidelines, prior to reopening for in-person instruction, all schools were required to complete and post to their website a COVID-19 Safety Plan (“CSP”), and, if in the purple tier, submit the CSP to the local health department and the State Safe Schools for All Team. Schools in the red, orange and yellow tiers could reopen for in-person instruction at all grades. Schools serving grades 7-12 in the purple tier could not reopen for in-person instruction. Schools serving grades K-6 could open for in-person instruction in the purple tier if the adjusted case rate was less than 25 cases per 100,000 of population. Schools had a three-week period to open, starting the day the county met the criterion for reopening, even if the county stops meeting the criterion during that window. If a school opened while the county was in the red, orange, or yellow tier, and the county reverted to the purple tier, or if a school opened while the county was in the purple tier, and the county case rate later exceeded the criteria described above, individual school sites could not be required to close. K-6 schools in the purple tier that

had received a waiver under previous guidance from the State and had subsequently begun their reopening of in-person instruction could also continue to offer in-person instruction.

The District began its 2021-22 academic year on August 23, 2021 with in-person instruction, while also offering an independent study program to qualifying students. The District will continue to evaluate the State's school reopening guidelines and will consult with local health officials and the State's school reopening guidelines in implementing the District's plans for the current and coming academic year.

On December 3, 2020, the California Department of Public Health announced a Regional Stay at Home Order (the "Regional Stay at Home Order"), and a supplemental order, signed December 6, 2020, which divides the State into five regions (Norther California, Bay Area, Greater Sacramento, San Joaquin Valley, and Southern California), which went into effect at 11:59 PM the day after a region was announced to have less than 15% ICU availability. The orders prohibited private gatherings of any size, closed sector operations except for critical infrastructure and retail, and required 100% masking and physical distancing in all others. Guidance related to schools remained in effect and unchanged. Schools that had reopened for in-person instruction may remain open, and schools could continue to bring students back for in-person instruction under the existing elementary school waiver process or cohort guidance provided by the California Department of Public Health. The Regional Stay at Home Order went into effect in the County on December 16, 2020 and was lifted on January 29, 2021.

On June 11, 2021, the Governor issued two executive orders. The first order rescinded several previous executive orders effective June 15, 2021, including the Stay Home Order and the order that led to the establishment of the Blueprint. The second order began the process of winding down the State's COVID 19-related executive orders in several phases: by June 30, 2021 (including most of Order N-26-20); by July 31, 2021; and by September 30, 2021. Under the order's timeline, by September 30, 2021, nearly 90% of the executive actions taken since March 2020 will have been lifted. In addition, on June 11, 2021, the California Department of Public Health issued an order was to take effect on June 15, 2021. The order replaced the previous public health orders, allowing all sectors to return to usual operations, with limited exceptions for events characterized by large crowds (greater than 5,000 attendees indoors and 10,000 attendees outdoors), which will require (indoors) or recommend (outdoors) vaccine verification and/or negative testing through October 1, 2021. Face coverings are required in certain settings, such as on public transit, indoors in schools and childcare settings, and in healthcare settings, as well as, for unvaccinated individuals, in all indoor public settings and businesses. Additionally, Californians are required to follow existing guidance for K-12 schools, childcare programs, and other supervised youth activities. On February 16, 2022, the State-wide mask mandate was lifted for vaccinated individuals in most settings, although masks are still currently being required in schools, and individual counties may still require masks to be worn. The Governor has announced that the mask mandate for schools will be allowed to lapse after March 11, 2022.

Other potential impacts to the District associated with the COVID-19 outbreak include, but are not limited to, increasing costs and challenges relating to establishing distance learning programs or other measures to permit instruction while schools remain closed, disruption of the regional and local economy with corresponding decreases in tax revenues, including property tax revenue, sales tax revenue and other revenues, increases in tax delinquencies, potential declines in property values, and decreases in new home sales, and real estate development. The economic consequences and the volatility in the U.S. and global stock markets resulting from the spread of COVID-19, and responses thereto by local, State, and the federal governments, could have a material impact on the investments in the State pension trusts, which could materially increase the unfunded actuarial accrued liability of the STRS Defined Benefit Program and PERS Schools Pool, which, in turn, could result in material changes to the District's required contribution rates in future fiscal years. See "SACRAMENTO CITY UNIFIED SCHOOL DISTRICT –

Retirement Programs” herein.

The COVID-19 outbreak is ongoing, and the ultimate geographic spread of the virus, the duration and severity of the outbreak, the effectiveness of available vaccines in containing the spread or mutation of the virus, and the economic and other actions that may be taken by governmental authorities to contain the outbreak or to treat its impact are uncertain. Additional information with respect to events surrounding the outbreak of COVID-19 and responses thereto can be found on State and local government websites, including but not limited to: the Governor’s office (<http://www.gov.ca.gov>), California Department of Public Health (<https://covid19.ca.gov/>) and the County Department of Health (<https://dhs.saccounty.gov/PUB/Pages/PUB-Home.aspx>). The District has not incorporated by reference the information on such websites, and the District does not assume any responsibility for the accuracy of the information on such websites.

The ultimate impact of COVID-19 on the District’s operations and finances is unknown. There can be no assurances that the spread of COVID-19, or the responses thereto by local, State, or the federal government, will not materially adversely impact the local, state and national economies or the assessed valuation of property within the District, or adversely impact enrollment or ADA within the District and, notwithstanding SB 117 or the Blueprint, materially adversely impact the financial condition or operations of the District. See also “TAX BASE FOR REPAYMENT OF THE BONDS –Assessed Valuations” herein.

### **State Budget Measures**

*The following information concerning the State’s budgets has been obtained from publicly available information which the District believes to be reliable; however, the District does not guarantee the accuracy or completeness of this information and has not independently verified such information. Furthermore, it should not be inferred from the inclusion of this information herein that the principal of or interest on the Bonds is payable solely from the general fund of the District. The Bonds are payable solely from the proceeds of an ad valorem property tax required to be levied by the County in an amount sufficient for the payment thereof.*

**2021-22 State Budget.** On July 16, 2021, the Governor signed a series of bills representing the State budget for fiscal year 2021-22 (the “2021-22 Budget”). The Governor’s signing followed negotiations between the Governor and the State Legislature regarding the final provisions of the 2021-22 Budget, including the expenditure of a large projected State general fund surplus. The State Legislature passed temporary budgetary legislation in June of 2021 to meet the required constitutional deadline. The following is drawn from the DOF and LAO summaries of the 2021-22 Budget.

The 2021-22 Budget indicates that revenues are up significantly from the forecast included in the Governor’s proposed State budget for fiscal year 2021-22, resulting in a large budgetary surplus. This is a result of strong cash trends, two major federal relief bills since the beginning of 2021, continued stock market appreciation, and a significantly upgraded economic forecast from the prior fiscal year. The 2021-22 Budget also reports that the State has received approximately \$285 billion in federal COVID-19 stimulus funding for State programs. Although the 2021-22 Budget acknowledges that building reserves and paying down debts are critical, the 2021-22 Budget allocates approximately 85% of discretionary funds to one-time spending. The multi-year forecast reflects a budget roughly in balance, although the 2021-22 Budget assumes that risks remain to the economic forecast, including a stock market decline that could reduce State revenues.

For fiscal year 2020-21, the 2021-22 Budget projects total general fund revenues and transfers of \$188.8 billion and authorizes expenditures of \$166.1 billion. The State is projected to end the 2020-21

fiscal year with total reserves of \$39.8 billion, including \$25.1 billion in the traditional general fund reserve, \$12.3 billion in the BSA, \$1.9 billion in the PSSSA and \$450 million in the Safety Net Reserve Fund. For fiscal year 2021-22, the 2021-22 Budget projects total general fund revenues and transfers of \$175.3 billion and authorizes expenditures of \$196.4 billion. The State is projected to end the 2021-22 fiscal year with total reserves of \$25.2 billion, including \$4 billion in the traditional general fund reserve, \$15.8 billion in the BSA, \$4.5 billion in the PSSSA and \$900 million in the Safety Net Reserve Fund. The balance in the PSSSA in fiscal year 2021-22 is projected to trigger school district reserve caps beginning in fiscal year 2022-23. See “CONSTITUTIONAL AND STATUTORY PROVISIONS AFFECTING DISTRICT REVENUES AND APPROPRIATIONS – Proposition 2” herein.

The 2021-22 Budget sets the Proposition 98 minimum funding guarantee for fiscal year 2021-22 at \$93.7 billion. This results in per-pupil funding of \$13,976 from Proposition 98 funding, growing to \$21,555 when accounting for all funding sources. The 2021-22 Budget also makes retroactive increases to the minimum funding guarantee in fiscal years 2019-20 and 2020-21, setting them at \$79.3 billion and \$93.4 billion, respectively. Collectively, this represents a three-year increase in the minimum funding guarantee of \$47 billion from the level projected by the 2020-21 State budget. In addition, Test 1 is projected to be in effect over this three year period.

Other significant features relating to K-12 school district funding include the following:

- *Local Control Funding Formula:* The 2021-22 Budget funds a compounded COLA of 4.05%, representing an adjustment of 2.31% allocable to fiscal year 2020-21 and a fiscal year 2021-22 adjustment of 1.7%. Additionally, to assist local educational agencies address ongoing fiscal pressures, the 2021-22 Budget also includes \$520 million in Proposition 98 funding to provide a 1% increase in LCFF base funding. This discretionary increase, when combined with the compounded COLA, results in a 5.07% growth in LCFF funding over 2020-21 levels. As result, the adjusted Base Grants for fiscal year 2021-22 are as follows: (i) \$8,093 for grades Kindergarten through 3, (ii) \$8,215 for grades 4 through 6, (iii) \$8,458 for grades 7 and 8, and (iv) \$9,802 for grades 9 through 12. To increase the number of adults providing direct services to students on school campuses, the 2021-22 Budget also includes an ongoing increase to the LCFF Concentration Grant of \$1.1 billion, an increase from 50% to 65%. See “DISTRICT FINANCIAL INFORMATION – Considerations Regarding COVID-19” herein. Local educational agencies that are recipients of these funds will be required to demonstrate in their LCAPs how these funds are used to increase the number of certificated and classified staff on their campuses, including school counselors, nurses, teachers, paraprofessionals, custodial staff, and other student support providers.
- *Deferrals:* The State budget for fiscal year 2020-21 deferred approximately \$1.9 billion in K-12 apportionments in fiscal year 2019-20, growing to more than \$11 billion in fiscal year 2020-21. The 2021-22 Budget eliminates in its entirety all K-12 deferrals in fiscal year 2021-22.
- *Universal Transitional Kindergarten:* The 2021-22 Budget includes a series of provisions intended to incrementally establish a universal transitional kindergarten for four-year-old children. Full implementation is expected by fiscal year 2025-26. Local educational agencies will be able to use fiscal year 2021-22 for planning and infrastructure development. The 2021-22 Budget indicates that the costs to the State general fund of the plan are projected to be approximately \$600 million in fiscal year 2022-23, growing to approximately \$2.7 billion in fiscal year 2025-26. The 2021-22 Budget includes \$200 million in one-time Proposition 98 funding for planning and implementation grants for all local educational agencies and \$100 million in one-time Proposition 98 funding to train and increase the

number of early childhood educators. To build on and enhance the quality of the existing transitional kindergarten program, the 2021-22 Budget also proposes new ongoing Proposition 98 funding beginning in fiscal year 2022-23 to provide one additional certificated or classified staff person in each transitional kindergarten classroom, reducing adult-to-child ratios from 1:24 to 1:12.

- *Student Supports:* \$3 billion, available over several years, to expand and strengthen the implementation and use of community school models in communities with high levels of poverty. Community schools typically integrate health, mental health and other services for students and families and provide these services directly on school campuses. In addition, the 2021-22 Budget provides \$547.5 million in one-time Proposition 98 funding to assist high school students, particularly those that are eligible for free and/or reduced priced meals, English learners or foster youth, to graduate having completed certain classes required for admission to the California State University and University of California systems.
- *County Offices of Education:* In recognition of the disproportionate impact of the COVID-19 pandemic on youth in foster care, the 2021-22 Budget provides \$30 million in one-time Proposition 98 funding to county offices of education to work with local partners to coordinate and provide direct services to these students.
- *Expanded Learning Time:* \$1.8 billion of Proposition 98 funding as part of a multi-year plan to implement expanded-day, full-year instruction and enrichment for all elementary school students, with a focus on local educational agencies with the highest concentrations of low-income students, English language learners, and youth in foster care. Pursuant to this plan, all local educational agencies will receive funding for expanded learning opportunities based on their number of low-income students, English language learners, and youth in foster care, with local educational agencies with the highest concentrations of these students receiving a higher funding rate. All local educational agencies will be required to offer expanded learning opportunities to the students generating the funding, with the local educational agencies receiving the higher funding rate required to offer expanded learning opportunities to all students. Students will have access to no-cost after school and summer programs, which when combined with regular instructional time, is expected to provide these students with the opportunity for nine hours of developmentally appropriate academics and enrichment activities per instructional day and for six weeks each summer. Additionally, these programs will be required to maintain adult-to-student ratios of no less than 1:10 for Transitional Kindergarten and Kindergarten students and 1:20 for students in first through sixth grades.
- *Educator Preparation, Retention and Training:* \$2.9 billion to support a variety of initiatives intended to further expand the State's educator preparation and training infrastructure, including meeting the needs of early childhood educators.
- *Nutrition:* \$54 million in additional Proposition 98 funding to reimburse all meals served to students, including those who would not normally qualify for reimbursement under the State's existing meal program. Beginning in fiscal year 2022-23, all public schools will be required to provide two free meals per day to any student who requests one, regardless of income eligibility. Further, all schools eligible for the federal universal meals provision program will be required to apply for it, and the State will cover any remaining unreimbursed costs up to the federal free per-meal rate, at an estimated annual cost of \$650 million in Proposition 98 funding. Additionally, the 2021-22 Budget provides \$150 million in one-time

Proposition 98 funding for school districts to upgrade kitchen infrastructure and equipment, and to provide training to food service employees.

- *Remote Learning:* The 2021-22 Budget requires that all districts return to full-time in-person instruction for the 2021-22 school year. Consistent with all school years prior to fiscal year 2020-21, this mode of instruction will be the default for all students, and generally one of only two ways in which local educational agencies can earn State apportionment funding in fiscal year 2021-22. However, to give families a high-quality option for non-classroom based instruction, and to provide local educational agencies with an option to generate state funding by serving students outside the classroom in response to parent requests, the Budget requires school districts and county offices of education to provide students with an independent study option and includes a series of improvements to the State's existing independent study programs.
- *Special Education:* \$1.7 billion to invest in and improve instruction and services for students with disabilities to provide, among other things, learning recovery support, an increase in the State-wide base funding rate for special education funding, a 4.05% COLA to State special education funding, and early intervention services for preschool-aged children.
- *Career Technical Education (CTE):* An increase of \$150 million in ongoing Proposition 98 funding to augment opportunities for local educational agencies to participate in the CTE Incentive Grant Program. The 2021-22 Budget also provides an increase of \$86.4 million in one-time Proposition 98 funding for CTE regional occupational centers or programs operated by joint powers authorities to address costs associated with the COVID-19 pandemic.

For additional information regarding the 2021-22 Budget, see the DOF and LAO websites at [www.dof.ca.gov](http://www.dof.ca.gov) and [www.lao.ca.gov](http://www.lao.ca.gov). However, the information presented on such websites is not incorporated herein by reference.

**Assembly Bill 86.** On March 4, 2021, the Governor signed into law Assembly Bill 86 ("AB 86"), urgency legislation which provided approximately \$6.6 billion to accelerate the return of in-person school instruction and expand student support. Specifically, AB 86 provided \$2 billion for in-person instruction grants to local educational agencies (with the exception of non-classroom based charter schools and independent study programs) that can be used for, among other things, personal protective equipment, ventilation upgrades and COVID-19 testing. To qualify for the funding, local educational agencies were required to offer in-person instruction for Kindergarten through second grade, and all grade levels for high-needs students, by March 31, 2021, losing 1% of eligible funds for every day thereafter if they did not. Schools in the Blueprint's red, orange or yellow tiers were required to offer in-person instruction to all elementary grades and at least one middle or high school grade or risk losing the same amount of funding. Local educational agencies forfeited eligibility for all funding if they did not resume in-person instruction by May 15, 2021. Funding will be allocated proportionally on the basis of LCFF funding entitlements, determined as of the fiscal year 2020-21 second principal apportionment certification.

The remaining \$4.6 billion was allocated for supplemental instruction and support for social and emotional well-being. Schools will be able to use the funds for, among other things, providing more instructional time (including summer school), tutoring, learning recovery programs, mental health services, access to school meal programs, programs to address pupil trauma and supports for credit-deficient students. Funding will be allocated proportionally on the basis of LCFF funding entitlements, determined as of the fiscal year 2020-21 second principal apportionment certification. Local educational agencies will also receive an additional \$1,000 for each homeless pupil enrolled in the 2020-21 fiscal year.

AB 86 also codified several State programs that support the safe re-opening of schools, including (i) setting aside 10% of available vaccines for education workers, (ii) COVID-19-related data reporting requirements, and (iii) additional funding for the State’s “Safe Schools Team,” which provides technical assistance and oversight to schools that experience COVID-19 outbreaks.

**Proposed 2022-23 State Budget.** On January 10, 2022, the Governor released his proposed State budget for fiscal year 2022-23 (the “Proposed 2022-23 Budget”). The following information is drawn from the DOF and LAO overviews of the Proposed 2022-23 Budget.

The Proposed 2022-23 Budget reports that, since the passage of the prior year’s budgetary legislation, the State’s economy has continued to recover from the recession occasioned by the COVID-19 pandemic. Before accounting for certain required transfers (such as those to the BSA), State revenues are higher than the projections included in the 2021-22 Budget by almost \$28.7 billion over a three-year span from 2020-21 through 2022-23. The Proposed 2022-23 Budget attributes this increase to four main factors: (1) a more robust economic recovery, (2) a greater share of wage gains going to high-wage sectors, (3) a stronger-than-forecast stock market, and (4) higher inflation. The Proposed 2022-23 Budget identifies several risk factors that could affect the current economic and revenue forecasts, including the impact of the COVID-19 Omicron variant or other potential future COVID-19 variants, persistent supply chain issues, increased inflation, stock market volatility and the lack of affordable housing.

For fiscal year 2021-22, the Proposed 2022-23 Budget projects total general fund revenues and transfers of \$196.7 billion and authorizes expenditures of \$210 billion. The State is projected to end the 2021-22 fiscal year with total reserves of \$47.4 billion, including \$20.5 billion in the traditional general fund reserve, \$19.3 billion in the BSA, \$6.7 billion in the PSSSA and \$900 million in the Safety Net Reserve Fund. For fiscal year 2022-23, the Proposed 2022-23 Budget projects total general fund revenues and transfers of \$195.7 billion and authorizes expenditures of \$213 billion. The State is projected to end the 2022-23 fiscal year with total reserves of \$34.6 billion, including \$3.1 billion in the traditional general fund reserve, \$20.9 billion in the BSA, \$9.7 billion in the PSSSA and \$900 million in the Safety Net Reserve Fund. The projected balance in the PSSSA at the conclusion of fiscal year 2021-22 will trigger school district reserve caps in fiscal year 2022-23. See “CONSTITUTIONAL AND STATUTORY PROVISIONS AFFECTING DISTRICT REVENUES AND APPROPRIATIONS – Proposition 2” herein.

The upward revisions of State general fund revenues results in significant increases to the Proposition 98 minimum funding guarantee. Proposition 98 funding for K-14 school districts for fiscal year 2022-23 is set at \$102 billion (including \$73.1 billion from the State general fund and \$28.9 billion from other sources), an increase of \$8.2 billion (or 8.8%) from the level set by the 2021-22 Budget. The Proposed 2022-23 Budget projects that Test 1 will be in effect in fiscal year 2022-23, as it has been in the prior two fiscal years. To accommodate expected enrollment increases related to the expansion of transition kindergarten (as described more fully below), the Proposed 2022-23 Budget would rebench the Test 1 percentage of State revenues allocated to education.

As a result of increased revenues, the Proposed 2022-23 Budget would also make certain retroactive adjustments to the minimum funding guarantee in fiscal years 2020-21 and 2021-22, setting them at \$95.9 billion and \$99.1 billion, respectively. Together with the funding level for fiscal year 2022-23, this represents a three-year increase in the guarantee of \$16.1 billion over the level included in the 2021-22 Budget.

The Proposed 2022-23 Budget would set total funding for K-12 education at \$119 billion, including \$70.5 billion from the State general fund and \$48.5 billion from other sources. K-12 per-pupil

funding would total \$20,855 from all sources, including \$15,261 from Proposition 98 sources. Other significant features relating to K-12 school district funding include the following:

- *Local Control Funding Formula:* The Proposed 2022-23 Budget funds a COLA of 5.33% to LCFF apportionments for K-12 school districts and county offices of education. The Proposed 2022-23 Budget acknowledges that demographic trends which existed prior to the COVID-19 pandemic have been exacerbated over the past two fiscal years. To allow K-12 school districts to adjust to enrollment-related funding declines and minimize the impacts of single-year drops in enrollment, the Proposed Budget would amend the LCFF calculation to consider the greater of a school district's current year, prior year or average of three prior years' ADA. The Proposed 2022-23 Budget also indicates that the administration intends to engage in outreach and discussions with interested parties to explore options for providing declining enrollment protections to charter schools. Ongoing costs associated with these funding changes are estimated to be approximately \$1.2 billion in Proposition 98 funds.
- *Categorical Programs:* An increase of \$295 million in ongoing Proposition 98 funding to provide a 5.33% COLA for categorical programs that remain outside the LCFF.
- *Universal Transitional Kindergarten:* \$639.2 million to expand eligibility for transitional kindergarten to include all children turning five years old between September 2 and February 2, beginning in the 2022-23 fiscal year. These funds will increase the Proposition 98 minimum guarantee through a rebenching process, as described above. Additionally, the Proposed 2022-23 Budget includes \$383 million in Proposition 98 funding to add one additional certificated or classified employee to every transitional kindergarten class, which is expected to reduce student-to-adult ratios to more closely align with the State's preschool program.
- *Literacy:* The Proposed Budget provides a series of measures to provide access to literacy support systems, including (i) \$500 million in one-time Proposition 98 funding for grants to high-needs schools to train and hire literacy coaches and reading specialists, and (ii) \$200 million in one-time Proposition 98 funding to enable local educational agencies to create and expand multi-lingual school or classroom libraries.
- *Educator Preparation, Retention and Training:* \$54.4 million in Proposition 98 funding and other State funds to continue to support a variety of initiatives intended to further expand the State's educator preparation and training infrastructure.
- *Expanded Learning Time:* \$3.4 billion in ongoing Proposition 98 funding to continue funding a multi-year plan to implement expanded-day, full-year instruction and enrichment for all elementary school students. The Proposed 2022-23 Budget also includes \$937 million in one-time Proposition 98 funding to support expanded learning opportunities infrastructure, with a focus on integrating arts and music programming into enrichment opportunities for students.
- *Special Education:* \$500 million to increase in the State-wide base funding rate for special education funding.
- *College and Career Pathways:* \$1.5 billion in one-time Proposition 98 funding, over four years, to support the development of college and career pathways for high schoolers focused on technology (including computer science, green technology and engineering), health care, education and climate-related fields. Additionally, the Proposed 2022-23 Budget includes

\$500 million in one-time Proposition 98 funding, also available over four years, to strengthen and expand student access and participation in dual enrollment opportunities that are also coupled with student advising and support services. These funds are intended to complement \$45 million in higher education funding for pathways and partnerships for STEM, education and health care career preparation.

- *Transportation:* \$1.5 billion in one-time Proposition 98 funding, available over three years, to support school transportation programs with a focus on greening school bus fleets. These funds would include grants of (i) \$500,000 for local educational agencies with high concentrations of low-income, foster youth and English-learning students, and (ii) \$500,000 for local educational agencies to acquire electric school buses and associated infrastructure.
- *Nutrition:* \$596 million in additional Proposition 98 funding to build on prior budgetary legislation to create universal access to subsidized school meals. Additionally, the Proposed 2022-23 Budget provides \$450 million in additional, one-time Proposition 98 funding to upgrade school kitchen infrastructure and equipment to incorporate fresh, minimally-processed, California-grown foods in school meals. Finally, the Proposed 2022-23 Budget provides an additional \$30 million in one-time Proposition 98 funding to support a farm-to-school program which connects local producers and school food buyers, increases food education opportunities at schools, gardens and farms, and engages schools and students with the agricultural community.
- *Facilities:* \$1.4 billion in State general obligation bond funding to support school construction projects. This represents the final installment available to K-12 school districts under Proposition 51. See “CONSTITUTIONAL AND STATUTORY PROVISIONS AFFECTING DISTRICT REVENUES AND APPROPRIATIONS – Proposition 51” herein. The Proposed 2022-23 Budget also provides \$1.3 billion in one-time State general funds in fiscal year 2022-23, and \$925 million of such funds in 2023-24, to support new construction and modernization projects through the State’s school facility program. Finally, the Proposed 2022-23 Budget includes \$30 million in ongoing Proposition 98 funding to support eligible facilities costs for the Charter School Facility Grant Program.

For additional information regarding the Proposed 2022-23 Budget, see the DOF and LAO websites at [www.dof.ca.gov](http://www.dof.ca.gov) and [www.lao.ca.gov](http://www.lao.ca.gov). However, the information presented on such websites is not incorporated herein by reference.

***Future Actions and Events.*** The District cannot predict what additional actions will be taken in the future by the State legislature and the Governor to address changing State revenues and expenditures. The District also cannot predict the impact such actions will have on State revenues available in the current or future years for education. The State budget will be affected by national and State economic conditions and other factors over which the District will have no control. Certain actions or results could produce a significant shortfall of revenue and cash, and could consequently impair the State’s ability to fund schools. The COVID-19 pandemic has already resulted in significant negative economic effects at State and federal levels, and additional negative economic effects are possible, each of which could negatively impact anticipated State revenue levels. In addition, the pandemic could also result in higher State expenditures, of both a direct nature (such as those related to managing the outbreak) and an indirect nature (such as higher public usage of need-based programs resulting from unemployment or disability). See “DISTRICT FINANCIAL INFORMATION – Considerations Regarding COVID-19” herein. State budget shortfalls in future fiscal years may also have an adverse financial impact on the financial condition of the District. However, the obligation to levy *ad valorem*

property taxes upon all taxable property within the District for the payment of principal of and interest on the Bonds would not be impaired.

### **District Budgets and County Oversight**

***State Budgeting Requirements.*** The District is required by provisions of the Education Code to maintain a balanced budget each year, in which the sum of expenditures and the ending fund balance cannot exceed the sum of revenues and the carry-over fund balance from the previous year. The State Department of Education imposes a uniform budgeting and accounting format for school districts. The budget process for school districts was substantially amended by Assembly Bill 1200 (“AB 1200”), which became State law on October 14, 1991. Portions of AB 1200 are summarized below. Additional amendments to the budget process were made by Assembly Bill 2585, effective as of September 9, 2014, including the elimination of the dual budget cycle option for school districts. All school districts must now be on a single budget cycle.

School districts must adopt a budget on or before July 1 of each year. The budget must be submitted to the county superintendent within five days of adoption or by July 1, whichever occurs first. The county superintendent will examine the adopted budget for compliance with the standards and criteria adopted by the State Board of Education and identify technical corrections necessary to bring the budget into compliance, and will determine if the budget allows the district to meet its current obligations, if the budget is consistent with a financial plan that will enable the district to meet its multi-year financial commitments, whether the budget includes the expenditures necessary to implement a local control and accountability plan, and whether the budget’s ending fund balance exceeds the minimum recommended reserve for economic uncertainties.

On or before September 15, the county superintendent will approve, conditionally approve or disapprove the adopted budget for each school district. Budgets will be disapproved if they fail the above standards. The district board must be notified by September 15 of the county superintendent’s recommendations for revision and reasons for the recommendations. The county superintendent may assign a fiscal advisor or appoint a committee to examine and comment on the superintendent’s recommendations. The committee must report its findings no later than September 20. Any recommendations made by the county superintendent must be made available by the district for public inspection. No later than October 22, the county superintendent must notify the State Superintendent of all school districts whose budget may be disapproved.

For districts whose budgets have been disapproved, the district must revise and readopt its budget by October 8, reflecting changes in projected income and expense since July 1, including responding to the county superintendent’s recommendations. The county superintendent must determine if the budget conforms with the standards and criteria applicable to final district budgets and not later than October 8, will approve or disapprove the revised budgets. If the budget is disapproved, the county superintendent will call for the formation of a budget review committee pursuant to Education Code Section 42127.1. No later than October 8, the county superintendent must notify the State Superintendent of all school districts whose budget has been disapproved. Until a district’s budget is approved, the district will operate on the lesser of its proposed budget for the current fiscal year or the last budget adopted and reviewed for the prior fiscal year.

***Interim Financial Reports.*** Under the provisions of AB 1200, each school district is required to file interim certifications with the county office of education as to its ability to meet its financial obligations for the remainder of the then-current fiscal year and, based on current forecasts, for the subsequent fiscal years. The county office of education reviews the certification and issues either a positive, negative or qualified certification. A positive certification is assigned to any school district that

will meet its financial obligations for the current fiscal year and subsequent two fiscal years. A negative certification is assigned to any school district that will be unable to meet its financial obligations for the remainder of the fiscal year or subsequent fiscal year. A qualified certification is assigned to any school district that may not meet its financial obligations for the current fiscal year or two subsequent fiscal years.

For fiscal years 2018-19 through 2019-20, as well as the first interim report for fiscal year 2020-21, the District reported, and the County Office of Education accepted, negative certifications on the interim financial reports submitted for such years. The District reported, and the County Office of Education accepted, qualified certifications on the second interim report for fiscal year 2020-21 and the first interim financial report in fiscal year 2021-22.

For school districts under fiscal distress, the county superintendent is authorized to take a number of actions to ensure that the school district meets its financial obligations, including budget revisions. However, the county superintendent is not authorized to approve any diversion of revenue from *ad valorem* taxes levied to pay debt service on district general obligation bonds. A school district that becomes insolvent, may, upon the approval of a fiscal plan by the county superintendent, request an emergency appropriation from the State, in which case the county superintendent, the Superintendent of Public Instruction and the president of the State board or the president's designee will appoint a trustee at the direction of the county superintendent to serve the school district until it has adequate fiscal systems and controls in place. In connection with appointing such a trustee, some or all of the legislative powers of the governing board of such a school district can be suspended until the district achieves fiscal stability.

The District's current Fiscal Recovery Plan does not project the need for an emergency apportionment in fiscal year 2021-22. However, on-going reductions of \$26.2 million are projected to be required in order to balance the District's budget, meet the minimum required reserve levels and maintain fiscal solvency. The District can make no representation that an emergency apportionment will not be required in future fiscal years.

***Disapproval of Fiscal Year 2018-19 Budget and Initial County Oversight.*** By letter dated August 22, 2018, the County Office of Education disapproved the District's fiscal year 2018-19 adopted budget, citing concerns regarding the District's on-going structural deficit. The County Office of Education disapproved the District's revised budget for that year on October 11, 2018. Pursuant to Education Code Section 42127.6(e), the Sacramento County Superintendent of Schools (the "County Superintendent") was authorized to implement increased oversight procedures, including (i) developing and imposing budget revisions to enable the District to meet its financial obligations, (ii) staying and rescinding any actions by the District determined to be inconsistent with meeting the District's financial obligations, (iii) assist in the development of a multi-year financial plan, (iv) assist in the development of the following fiscal year's budget, and (v) the assignment of a fiscal advisor (the "Fiscal Advisor") to assist the District develop a balanced budget. The District's subsequent adopted budgets for fiscal years 2019-20 and 2020-21 were similarly disapproved, with the County Office of Education citing in each instance ongoing concerns regarding the structural deficit, projected negative ending fund balances, and projected failures to maintain minimum general fund reserves. The Fiscal Advisor continues to be in place, and, as a result of conditionally approving the District's current budget, the County Superintendent continues to be authorized to implement the increased oversight procedures authorized by Education Code 42127.6(e). See "—Conditional Approval of Fiscal Year 2021-22 Budget" below.

***Conditional Approval of Fiscal Year 2021-22 Budget.*** By letter dated September 15, 2021, the County Office of Education conditionally approved the District's adopted budget for Fiscal Year 2021-22 (the "2021-22 District Budget"). The County Office of Education concluded that the 2021-22 District Budget did not provide adequate assurance that the District was a going concern and could meet its future obligations. The County Office of Education noted that the 2021-22 District Budget projected a significant

drop in funded ADA in fiscal year 2021-22, as result of the expiration of the hold-harmless provisions instituted by State budgetary legislation in response to the COVID-19 pandemic, with continuing projected decreases in fiscal years 2022-23 and 2023-24. Coupled with projected increases in ongoing costs, the unrestricted general fund balance was projected to decrease by \$6.7 million in fiscal year 2021-22, and by \$18.2 million and \$24.9 million in fiscal years 2022-23 and 2023-24, respectively. Recognizing that the District required additional time to identify mea to eliminate the structural deficit, the County Office of Education issued a conditional approval in lieu of disapproving the 2021-22 District Budget, with a requirement that the District submit a board-approved financial plan that would enable the District to meet its future obligations, including (i) identifying areas of overstaffing and aligning staffing with enrollment and associated revenues, (ii) identifying areas of significant cost growth and strategies to reduce them, and (iii) identifying additional cost savings to eliminate the structural deficit over the multi-year forecast period. This financial plan was required to be delivered no later than December 15, 2021.

***First Interim Report for Fiscal Year 2021-22 and Fiscal Recovery Plan.*** On December 16, 2021, the District Board approved the 2021-22 First Interim. The 2021-22 First Interim projected District general fund revenues of \$711.3 million (an increase of \$152.1 million from the 2021-22 District Budget) and expenditures of \$715.7 million (an increase of \$125.8 million from the 2021-22 District Budget). In particular, federal revenues increased approximately \$132 million from the prior level, while the most significant increases in expenditures were on books and supplies (an increase of \$48.6 million from the prior level) and other services and operating expenses (an increase of \$51.8 million from the prior level). The 2021-22 First Interim reflected the major assumptions built into the State budget for the current year. See “—State Budget Measures” herein.

The 2021-22 First Interim projected a current-year operating deficit of \$2.35 million. For fiscal years 2022-23 and 2023-24, the 2021-21 First Interim projected deficits of \$19.5 million and \$26.2 million, respectively. The District was projected to satisfy the minimum required general fund reserve level of 2% in all three years. The projected deficits are primarily due to declining enrollment, and funding levels included in the 2021-22 First Interim do not reflect any increased costs from any bargaining unit settlement that the District might reach. See “SACRAMENTO CITY UNIFIED SCHOOL DISTRICT – Bargaining Units” herein.

Concurrently with the 2021-22 First Interim, the District Board approved a revised Fiscal Recovery Plan to address the conditional approval of the current year budget. See “—Conditional Approval of Fiscal Year 2021-22 Budget” herein. The Fiscal Recovery Plan reported that, although an emergency State apportionment is not projected to be required in fiscal year 2021-22, on-going reductions of \$26.2 million would be required in order to balance the District’s budget, meet the minimum required reserve levels and maintain fiscal solvency. The District projects having a positive cash balance through June of 2024, however, due to deficit spending, cash balances are projected to decline. The Fiscal Recovery Plan includes the following proposed revenue and expenditure measures:

1. Approve non-negotiated staffing reductions to align with enrollment declines, as well as shifting certain one-time expenses to restricted sources, which would be effective July 1, 2022 (\$7.9 million in projected savings).
2. Reserve one-time unrestricted general fund savings resulting from unexpended budget categories (\$14.2 million in projected savings).
3. Apply any additional unrestricted general funds provided by the adopted State budget for fiscal year 2022-23 to the deficit, and refrain from allocating any such funds to expenses until the deficit is eliminated.

4. Implement budgetary measures requiring negotiation with the District’s bargaining units, including reducing District contributions to health, vision and dental benefits (approximately \$43.1 million in projected savings), as well as a 1% salary reduction and eliminating one furlough day.
5. Revisit central office and school site staffing reductions, as needed, to address the deficit (\$14.1 million in projected savings).

No representation can be made that the proposed expenditure reductions and revenues measures in the Fiscal Recovery Plan can be achieved.

***Second Interim Report for Fiscal Year 2021-22.*** The 2021-22 Second Interim was approved by the Board on March 17, 2022 with a “qualified” certification. Generally, the 2021-22 Second Interim reports that the District has made some progress in reducing the District’s structural deficit and no longer has an imminent need for a State loan. This progress resulted from budgetary reductions, strategic use of restricted resources, aligning FTES counts to enrollment and budget monitoring to capture savings when possible.

The 2021-22 Second Interim projects a current-year operating surplus of \$4.3 million, growing to \$10.5 million in fiscal year 2022-23. However, the District is projecting a general fund deficit of \$6.2 million in fiscal year 2023-24, necessitating the need for further budgetary solutions. The District is projected to satisfy the minimum required general fund reserve level of 2% in all three years, as well as the additional 3% reserve required by District Board policies. Finally, the District is projected to have a positive cash balance through June of 2024. The District’s revenue projections are based on the funding levels built into the proposed State budget for fiscal year 2022-23 (see “—State Budget Measures” herein), including the proposal to amend the LCFF calculation to consider the greater of a school district’s current year, prior year or average of three prior years’ ADA. The District, however, can make no representation whether some or any of the Governor’s proposals will be enacted.

Finally, the 2021-22 Second Interim continued to include a matrix showing the progress the District has made in addressing findings made by FCMAT. See “—FCMAT Fiscal Health Risk Analysis” herein. As of the date of the 2021-22 Second Interim, the District had reported that it had addressed 34 of FCMAT’s recommendations, with 26 findings left to be fully addressed.

***Recent Financial Trends.*** The on the next page summarizes the District’s adopted general fund budgets for fiscal years 2018-19 through 2021-22, ending results for fiscal years 2017-18 through 2020-21, and projected results for fiscal year 2021-22.

[REMAINDER OF PAGE LEFT BLANK]

**GENERAL FUND BUDGETING**  
**Fiscal Years 2018-19 through 2021-22**  
**Sacramento City Unified School District**

	<b>Fiscal Year 2018-19</b>		<b>Fiscal Year 2019-20</b>		<b>Fiscal Year 2020-21</b>		<b>Fiscal Year 2021-22</b>	
	<b><u>Budgeted</u><sup>(1)</sup></b>	<b><u>Ending</u><sup>(1)</sup></b>	<b><u>Budgeted</u><sup>(1)</sup></b>	<b><u>Ending</u><sup>(1)</sup></b>	<b><u>Budgeted</u><sup>(1)</sup></b>	<b><u>Ending</u><sup>(1)</sup></b>	<b><u>Budgeted</u><sup>(2)</sup></b>	<b><u>Projected</u><sup>(3)</sup></b>
<b>REVENUES</b>								
LCFF	\$398,504,903	\$398,672,584	\$411,797,231	\$413,709,116	\$412,231,565	\$412,682,736	\$432,750,059	\$436,724,894
Federal	53,970,361	47,850,158	66,583,550	51,917,179	116,834,764	106,543,983	46,193,654	181,366,094
Other state	67,215,792	91,644,448	72,319,786	78,372,218	75,048,088	99,545,932	73,939,718	90,458,354
Other local	<u>6,694,121</u>	<u>11,661,233</u>	<u>9,090,755</u>	<u>9,950,079</u>	<u>9,685,814</u>	<u>7,979,528</u>	<u>6,385,645</u>	<u>8,756,074</u>
<b>Total Revenues</b>	526,385,177	549,828,423	559,791,322	553,948,592	613,800,231	626,752,179	559,269,075	717,305,415
<b>EXPENDITURES</b>								
Current								
Certificates salaries	210,175,812	211,749,238	222,800,621	209,808,827	215,532,888	213,345,658	225,805,852	231,715,946
Classified salaries	66,138,347	63,096,658	62,778,941	60,163,620	58,460,874	62,484,309	61,720,315	66,391,505
Employee benefits	172,109,818	186,303,443	177,606,806	175,948,151	181,174,974	177,007,077	189,329,145	189,585,230
Books and supplies	22,899,370	14,459,073	41,196,691	11,145,790	101,259,537	56,495,308	29,444,199	78,649,370
Contract services and operating expenditures	82,011,585	70,305,279	75,194,802	65,548,240	84,007,765	76,546,897	82,045,873	134,868,159
Other outgo	--	689,233	471,000	1,150,697	1,100,000	1,265,463	1,150,000	1,150,000
Transfers of indirect costs	--	--	--	--	--	--	(1,300,180)	(1,156,139)
Capital outlay	5,328,453	6,855,740	627,792	8,361,223	484,435	4,423,302	1,781,522	13,848,193
Debt service								
Principal retirement	2,626,713	31,643	10,300	2,820	--	--	--	--
Interest	<u>2,378,333</u>	<u>808</u>	--	--	--	--	--	--
<b>Total Expenditures</b>	563,668,431	553,491,115	580,686,953	532,129,368	642,020,473	591,568,014	589,976,725	715,052,263
<b>(Deficiency) excess of revenues (under) over expenditures</b>	(37,283,254)	(3,662,692)	(20,895,631)	21,819,224	(28,220,242)	35,184,165	(30,707,650)	2,253,152
<b>Other financing sources (uses)</b>								
Transfers in	4,208,003	3,850,573	4,022,539	3,598,304	3,798,264	3,181,213	2,316,301	2,291,754
Transfers out	(2,875,207)	(1,719,449)	(1,833,785)	(2,698,262)	(1,981,864)	(5,507,272)	(266,000)	(266,000)
Proceeds from the sale of land/buildings	--	<u>1,360,162</u>	--	--	--	--	--	--
<b>Other Financing Sources (Uses)</b>	1,332,796	3,491,286	2,188,754	900,042	1,816,400	(2,326,059)	2,050,301	2,025,754
<b>Net Change in Fund Balances</b>	(35,950,458)	(171,406)	(18,706,877)	22,719,266	(26,403,842)	32,858,106	(28,657,349)	4,278,906
<b>Fund Balances – July 1</b>	<u>70,500,751</u>	<u>70,500,751</u>	<u>70,329,345</u>	<u>70,329,345</u>	<u>93,048,611</u>	<u>93,048,611</u>	<u>125,906,717</u>	<u>125,906,717</u>
<b>Fund Balances – June 30</b>	<u>\$34,550,293</u>	<u>\$70,329,345</u>	<u>\$51,622,468</u>	<u>\$93,048,611</u>	<u>\$66,644,769</u>	<u>\$125,906,717</u>	<u>\$97,249,369</u>	<u>\$130,185,623</u>

(1) From the District's audited financial statements in each fiscal year.

(2) Reflects the District's original adopted budget for fiscal year 2021-22, approved on June 24, 2021.

(3) From the District's second interim financial report for fiscal year 2021-22, approved on March 17, 2022.

Source: Sacramento City Unified School District.

## **FCMAT Fiscal Health Risk Analysis**

Following the disapproval of its 2018-19 budget, in September 2018 the District entered into an agreement for FCMAT to conduct a fiscal health risk analysis (the “FHRA”) of the District. The FRHA is a metrics-based scorecard tool developed by FCMAT to evaluate a school district’s fiscal health and risk of insolvency, and is composed of a series of questions in 20 specific areas. The FRHA assigns a total score to the participating district, with 100% being the highest total risk that can be scored. Not all questions within each section carry equal weight; some areas carry a higher risk and are weighted more heavily towards the total score. The District’s FHRA also involved a one-day visit by FCMAT to conduct interviews, collect data and review documents. FCMAT issued a report of its conclusions (the “FCMAT Risk Analysis”) dated December 12, 2018.

The District’s total FRHA score was 44.8%, indicating a high probability of fiscal insolvency in the near future based on the topics covered by the FCMAT Risk Analysis. FCMAT recommended that the District take immediate action to avoid further erosion of the District’s reserves. FCMAT identified several signs of fiscal distress for the District, including deficit spending, substantial reductions in fund balance, inadequate reserve levels, approval of a bargaining agreement beyond cost-of-living adjustments, large increases in contributions to restricted programs (especially in special education), lack of a strong position control system, and leadership issues.

The full FCMAT Risk Analysis is available at <http://www.fcmat.org/>, however the information presented on such website is not incorporated herein by any reference. In response to the FCMAT Risk Analysis, the District established its Fiscal Transparency and Accountability Committee to review the District’s budget based on District priorities and goals, review and advise on budget versus actual expenditure variances, and evaluate the budget based on student performance and outcome indicators. This committee consists of three members of the Board and began meeting regularly in February 2019.

Although FCMAT’s oversight and review of the District ended after the Fiscal Risk Analysis was presented to the Board, the District and FCMAT entered into an agreement for FCMAT to review the District’s budget and develop independent multiyear financial projections and cash flow analysis for 2019-20 and the two subsequent fiscal years, to determine whether the District will need an emergency appropriation from the State. FCMAT issued a set of recommendations to the District and found that, without substantial corrective action to the District budget, an emergency appropriation from the State would be likely necessary in fiscal year 2021-22. The District does not project the need for such an emergency appropriation in the current fiscal year. The District’s interim financial reports include a matrix showing the District’s self-reported progress in addressing findings made by FCMAT. See “— District Budgets and County Oversight – *First Interim Report for Fiscal Year 2021-22 and Fiscal Recovery Plan*” herein.

## **State Audit**

The California Joint Legislative Audit Committee directed that a California State Auditor conduct a performance audit (the “State Audit”) of the District’s finances for the fiscal year period of 2013-14 through 2019-20 and identify causes of the District’s fiscal distress. The State Audit was released in December 2019, finding that the District failed to take sufficient action to control its costs in three main areas—teacher salaries, employee benefits, and special education. The State Audit found that the District (i) increased its spending by \$31 million annually when it approved a new labor contract with its teachers union in 2017, despite warnings from the County Office of Education that this agreement was potentially unaffordable, (ii) failed to control the costs of its employee benefits, which increased by 52% from fiscal years 2013–14 through 2017–18, and (iii) lacked clear policies to guide staff on appropriate expenditures for special education, limiting its ability to control such costs.

To address the District's fiscal issues as of December 2019, the State Audit recommended that the District (i) adopt a detailed plan to resolve its fiscal crisis, (ii) revise its multiyear projections, with at least quarterly updates, until sufficient budgetary measures could be implemented to eliminate the structure deficit, (iii) adopt a multiyear projection methodology, with assumptions and rationale used to estimate changes in salaries, benefits, contributions, and LCFF revenue, and (iv) before it imposes an agreement on its teachers union or accepts state assistance, publicly disclose the likely effects that such actions will have on the District's students, faculty, and the community, and its plans to address these effects. The State Audit also recommended that the District (i) develop a long-term funding plan to address its retiree health benefits liability, (ii) adopt a policy that guides staff on steps they should take to ensure that special education expenditures are cost-effective, (iii) annually apply for available state funding for its extraordinary special education costs, (iv) develop and adopt a succession plan that ensures that it has staff who have the training and knowledge necessary to assume critical roles in the case of turnover, and (v) develop effective employee orientation programs, including mentorship.

By letter dated November 14, 2019, the District responded to the State Audit and confirmed that its findings ultimately align with those of the District, namely that the primary solutions to the District's budget imbalance exist through negotiations with its labor partners and recognized that such relationship has not been productive or collaborative for a number of years.

The full State Audit is available at <https://www.bsa.ca.gov/pdfs/reports/2019-108.pdf>, however the information presented on such website is not incorporated herein by any reference.

### **Accounting Practices**

The accounting policies of the District conform to generally accepted accounting principles and are in accordance with the policies and procedures of the California School Accounting Manual. This manual, according to Education Code Section 4010, is to be followed by all California school districts.

Revenue is recorded on an accrual basis except for taxes allocable to the District, which are considered revenue in the year collections are made and, therefore, are fully reserved. Expenditures are recorded according to receipt of goods and services on an accrual basis. Differences between estimated and actual accounts receivable and payable, as of the beginning of the year, are reflected as adjustments to the fund balance.

### **Financial Statements**

The District's general fund finances the legally authorized activities of the District for which restricted funds are not provided. General fund revenues are derived from such sources as State school fund apportionments, taxes, use of money and property, and aid from other governmental agencies. Audited financial statements for the District for the fiscal year ended June 30, 2021, and prior fiscal years are on file with the District and available for public inspection at the Office of the Chief Business and Operations Officer, 5735 47th Avenue, Sacramento, California 95824, telephone: (916) 643-4700.

The table on the following page summarizes the District's audited statement of revenues, expenditures and fund balances for fiscal years 2016-17 through 2020-21.

**STATEMENT OF GENERAL FUND REVENUES,  
EXPENDITURES AND FUND BALANCES  
Fiscal Years 2016-17 through 2020-21  
Sacramento City Unified School District**

	<u>Fiscal Year 2016-17</u>	<u>Fiscal Year 2017-18</u>	<u>Fiscal Year 2018-19</u>	<u>Fiscal Year 2019-20</u>	<u>Fiscal Year 2020-21</u>
<b>REVENUES</b>					
Local Control Funding Formula (LCFF)					
State apportionment	\$283,664,516	\$287,546,461	\$307,178,947	\$313,649,770	\$307,220,871
Local sources	<u>79,238,343</u>	<u>85,807,376</u>	<u>91,493,637</u>	<u>100,059,346</u>	<u>105,461,865</u>
Total LCFF	362,902,859	373,353,837	398,672,584	413,709,116	412,682,736
Federal	41,219,643	49,249,342	47,850,158	51,917,179	106,543,983
Other state	83,134,267	70,050,430	91,644,448	78,372,218	99,545,932
Other local	<u>10,843,677</u>	<u>11,881,019</u>	<u>11,661,233</u>	<u>9,950,079</u>	<u>7,979,528</u>
<b>Total Revenues</b>	498,100,446	504,534,628	549,828,423	553,948,592	626,752,179
<b>EXPENDITURES</b>					
Current					
Certificates salaries	192,501,260	196,143,370	211,749,238	209,808,827	213,345,658
Classified salaries	58,343,622	63,562,086	63,096,658	60,163,620	62,484,309
Employee benefits	141,343,139	160,839,811	186,303,443	175,948,151	177,007,077
Books and supplies	12,897,800	19,147,391	14,459,073	11,145,790	56,495,308
Contract services and operating expenditures	87,290,180	71,049,494	70,305,279	65,548,240	76,546,897
Other outgo	216,459	659,827	689,233	1,150,697	1,265,463
Capital outlay	23,010,286	2,202,829	6,855,740	8,361,223	4,423,302
Debt service					
Principal retirement	65,426	2,218,576	31,643	2,820	--
Interest	<u>2,785</u>	<u>2,185,174</u>	<u>808</u>	--	--
<b>Total Expenditures</b>	515,670,957	518,008,558	553,491,115	532,129,368	591,568,014
<b>(Deficiency) excess of revenues (under) over expenditures</b>	(17,570,511)	(13,473,930)	(3,662,692)	21,819,224	35,184,165
<b>Other financing sources (uses)</b>					
Transfers in	3,126,985	3,755,901	3,850,573	3,598,304	3,181,213
Transfers out	(2,022,282)	(1,248,027)	(1,719,449)	(2,698,262)	(5,507,272)
Proceeds from the sale of land/buildings	--	--	<u>1,360,162</u>	--	--
<b>Other Financing Sources (Uses)</b>	1,104,703	2,507,874	3,491,286	900,042	(2,326,059)
<b>Net Change in Fund Balances</b>	(16,465,808)	(10,966,056)	(171,406)	22,719,266	32,858,106
<b>Fund Balances – July 1</b>	<u>97,932,615</u>	<u>81,466,807</u>	<u>70,500,751</u>	<u>70,329,345</u>	<u>93,048,611</u>
<b>Fund Balances – June 30</b>	<u>\$81,466,807</u>	<u>\$70,500,751</u>	<u>\$70,329,345</u>	<u>\$93,048,611</u>	<u>\$125,906,717</u>

Source: Sacramento City Unified School District.

**SACRAMENTO CITY UNIFIED SCHOOL DISTRICT**

*The information in this section concerning the operations of the District and the District’s finances are provided as supplementary information only, and it should not be inferred from the inclusion of this information in this Official Statement that the principal of and interest on the Bonds is payable from the general fund of the District. The Bonds are payable only from the revenues generated by an ad valorem property tax levied by the County for the payment thereof. See “THE BONDS – Security and Sources of Payment” herein.*

**Introduction**

The District is located in the County and spans 70 square miles. The District was established in 1854 and is the 13th largest school district in the State, as measured by student enrollment. The District provides educational services to approximately 350,000 residents in and around the City. The District operates 42 elementary schools for grades K-6, seven K-8 schools, six middle schools for grades seven through eight, two middle/high schools for grades seven through twelve, seven comprehensive high schools for grades nine through twelve, three alternative schools, two special education centers, two adult education centers, 15 charter schools (including five dependent charter schools) and 42 children’s centers/preschools. For fiscal year 2021-22, the District’s funded ADA is projected to be \_\_\_\_\_ students and enrollment is projected to be \_\_\_ students. Taxable property within the District has a fiscal year 2021-22 total assessed valuation of \$42,389,941,073. The District’s actual ADA and enrollment, and the assessed valuation of taxable property within the District, may be affected by the ongoing COVID-19 pandemic. See “DISTRICT FINANCIAL INFORMATION – Considerations Regarding COVID-19” herein.

Unless otherwise indicated, the following financial, statistical and demographic data has been provided by the District. Additional information concerning the district and copies of the most recent and subsequent audited financial reports of the District may be obtained by contacting: Sacramento City Unified School District, 5735 47th Avenue, Sacramento, California 95824, Attention: Chief Business & Operations Officer.

**Administration**

The District is governed by a seven-member Board of Education, the members of which are elected by trustee areas to serve four-year terms. Elections for positions to the Board are held every two years, alternating between three and four available positions. Current members of the Board, together with their offices and the date each member’s term expires, are listed below:

**BOARD OF EDUCATION  
Sacramento City Unified School District**

<u>Board Member</u>	<u>Office</u>	<u>Term Expires</u>
Christina Pritchett	President	December, 2024
Leticia Garcia	First Vice President	December, 2022
Chinua Rhodes	Second Vice President	December, 2024
Lisa Murawski	Member	December, 2022
Lavinia Grace Phillips	Member	December, 2024
Jamee Villa	Member	December, 2024
Darrel Woo	Member	December, 2022

Day-to-day management and supervisory responsibilities with respect to District operations currently rest with the Superintendent. Brief biographies of the Superintendent, the Deputy Superintendent and the Chief Business Official follow:

***Jorge A. Aguilar, Esq., Superintendent.*** Mr. Aguilar was appointed Superintendent of the District on July 1, 2017. Prior to serving as Superintendent, Mr. Aguilar served as the Associate Superintendent for Equity and Access at Fresno Unified School District. Mr. Aguilar also previously served as the Association Vice Chancellor for Educational and Community Partnerships, and Special Assistant to the Chancellor, at the University of California, Merced. His other prior positions include serving as a Spanish teacher at Los Angeles Unified School District and as a legislative fellow at the State capital. Mr. Aguilar has over 20 years of experience in education. He earned his Bachelor of Arts degree from the University of California, Berkeley, and a Juris Doctorate degree from Loyola Law School.

***Lisa Allen, Deputy Superintendent.*** Ms. Allen has served as the Deputy Superintendent of the District since 2017. Prior to serving as the Deputy Superintendent, Ms. Allen held various positions within the District, including the Interim Chief of Schools, Assistant Superintendent of Accountability, Administrator of Curriculum and Professional Development, and Director of Multilingual/Multicultural, Equity, Access and Achievement. Prior to serving the District, Ms. Allen held the position of Private School Specialist in both State and Federal Department for 10 years. Ms. Allen earned a Bachelor of Science in Elementary Education from Indiana State University and her Masters of Art in Educational Leadership from California State University, Sacramento. She also holds professional licenses in both Indiana and California; a Professional Clear Administrative Credential and Professional Clear Multiple Subjects Teaching Credential.

***Rose Ramos, Chief Business and Operations Officer.*** Ms. Ramos has served as the Chief Business and Operations Officer of the District since September, 2019. Prior to the District, Ms. Ramos served as the Chief Business Officer of Mt. Diablo Unified School District. She previously served as the Vice-Chancellor of Finance for Los Rios Community College District, Assistant Superintendent of Business Services for Woodland Joint Unified School District and Chief Business Officer of River Delta Unified School District. She also previously served the District as the Director of Accounting. Ms. Ramos earned both her Bachelor of Science in Finance Degree and her Master of Business Administration Degree from California State University at Sacramento.

In the past, District leadership, staffing and turnover have been identified as potential weaknesses by both FCMAT and the State Auditor. See “DISTRICT FINANCIAL INFORMATION – FCMAT Fiscal Health Risks Analysis” and “DISTRICT FINANCIAL INFORMATION – State Audit.” The ability of the District to continue to reform past deficiencies and implement corrective actions will require both the ongoing commitment of the senior staff, as well as their ability to execute such corrective actions. No assurances can be given that the corrective actions described herein will be extended by any subsequent administrative team. Nor can any assurances be given that the District's current administrators will remain in their positions for any certain period of time. To the extent turnover occurs in senior level positions, no assurance can be given that any progress made in the District's fiscal recovery can be sustained.

## Labor Relations

The District currently employs \_\_\_ full-time equivalent (“FTE”) certificated employees and \_\_\_ FTE classified employees, as well as \_\_\_ management employees. District employees, except management and some part-time employees, are represented by two bargaining units as noted below.

### BARGAINING UNITS Sacramento City Unified School District

<u>Labor Organization</u>	<u>Contract Expiration Date</u>
Sacramento City Teachers Association <sup>(1)</sup>	June 30, 2020
Teamsters Classified Supervisor <sup>(2)</sup>	June 30, 2020
United Professional Educators <sup>(3)</sup>	June 30, 2019
Teamsters Union, Local 150 <sup>(4)</sup>	June 30, 2020
Service Employee International Union, Local 1021 <sup>(5)</sup>	June 30, 2017

<sup>(1)</sup> Represents certificated instructional employees. [Contract status to come].

<sup>(2)</sup> Represents certain classified employees. [Contract status to come].

<sup>(3)</sup> Represents certain District employees, including school site principals, assistant principals and coordinators. [Contract status to come].

<sup>(4)</sup> Represents food process workers, warehouseman and assistants. [Contract status to come].

<sup>(5)</sup> Represents certain service employees. [Contract status to come].

*Source: Sacramento City Unified School District.*

[TO BE UPDATED]. Currently, four out of five District labor unions have initiated contract negotiations with the District and formed a labor-management consortium (“LMC”) focused on reducing spending on benefits. The LMC is comprised of Service Employee International Union, Local 1021, United Professional Educators, Teamsters Local 150 and Teamsters Classified Supervisor. The Sacramento City Teachers Association has not yet accepted the invitation to join the LMC.

## Retirement Programs

*The information set forth below regarding the STRS and PERS programs, other than the information provided by the District regarding its annual contributions thereto, has been obtained from publicly available sources which are believed to be reliable but are not guaranteed as to accuracy or completeness, and should not to be construed as a representation by either the District or the Underwriters.*

**STRS.** All full-time certificated employees, as well as certain classified employees, are members of the California State Teachers' Retirement System ("STRS"). STRS provides retirement, disability and survivor benefits to plan members and beneficiaries under a defined benefit program (the "STRS Defined Benefit Program"). The STRS Defined Benefit Program is funded through a combination of investment earnings and statutorily set contributions from three sources: employees, employers, and the State. Benefit provisions and contribution amounts are established by State statutes, as legislatively amended from time to time.

Prior to fiscal year 2014-15, and unlike typical defined benefit programs, none of the employee, employer nor State contribution rates to the STRS Defined Benefit Program varied annually to make up funding shortfalls or assess credits for actuarial surpluses. In recent years, the combined employer, employee and State contributions to the STRS Defined Benefit Program have not been sufficient to pay actuarially required amounts. As a result, and due to significant investment losses, the unfunded actuarial liability of the STRS Defined Benefit Program has increased significantly in recent fiscal years. In September 2013, STRS projected that the STRS Defined Benefit Program would be depleted in 31 years assuming existing contribution rates continued, and other significant actuarial assumptions were realized. In an effort to reduce the unfunded actuarial liability of the STRS Defined Benefit Program, the State passed the legislation described below to increase contribution rates.

Prior to July 1, 2014, K-14 school districts were required by such statutes to contribute 8.25% of eligible salary expenditures, while participants contributed 8% of their respective salaries. On June 24, 2014, the Governor signed AB 1469 ("AB 1469") into law as a part of the State's fiscal year 2014-15 budget. AB 1469 seeks to fully fund the unfunded actuarial obligation with respect to service credited to members of the STRS Defined Benefit Program before July 1, 2014 (the "2014 Liability"), within 32 years, by increasing member, K-14 school district and State contributions to STRS. Commencing July 1, 2014, the employee contribution rate increased over a three-year phase-in period in accordance with the following schedule:

### MEMBER CONTRIBUTION RATES STRS (Defined Benefit Program)

<u>Effective Date</u>	<u>STRS Members Hired Prior to January 1, 2013</u>	<u>STRS Members Hired After January 1, 2013</u>
July 1, 2014	8.150%	8.150%
July 1, 2015	9.200	8.560
July 1, 2016	10.250	9.205

*Source: AB 1469.*

Pursuant to the Reform Act (defined below), the contribution rates for members hired after the Implementation Date (defined below) will be adjusted if the normal cost increases by more than 1% since the last time the member contribution was set. The contribution rate for employees hired after the Implementation Date (defined below) increased from 9.205% of creditable compensation for fiscal year commencing July 1, 2017 to 10.205% of creditable compensation effective July 1, 2018. For fiscal year

commencing July 1, 2021, the contribution rate is 10.250% for employees hired before the Implementation Date and 10.205% for employees hired after the Implementation Date, which remain unchanged the past two fiscal years.

Pursuant to AB 1469, K-14 school districts’ contribution rate increased over a seven-year phase-in period in accordance with the following schedule:

**K-14 SCHOOL DISTRICT CONTRIBUTION RATES  
STRS (Defined Benefit Program)**

<u>Effective Date</u>	<u>K-14 school districts</u>
July 1, 2014	8.88%
July 1, 2015	10.73
July 1, 2016	12.58
July 1, 2017	14.43
July 1, 2018	16.28
July 1, 2019	18.13
July 1, 2020	19.10

*Source: AB 1469.*

Based upon the recommendation from its actuary, for fiscal year 2021-22 and each fiscal year thereafter the STRS Teachers’ Retirement Board (the “STRS Board”), is required to increase or decrease the K-14 school districts’ contribution rate to reflect the contribution required to eliminate the remaining 2014 Liability by June 30, 2046; provided that the rate cannot change in any fiscal year by more than 1% of creditable compensation upon which members’ contributions to the STRS Defined Benefit Program are based; and provided further that such contribution rate cannot exceed a maximum of 20.25%. In addition to the increased contribution rates discussed above, AB 1469 also requires the STRS Board to report to the State Legislature every five years (commencing with a report due on or before July 1, 2019) on the fiscal health of the STRS Defined Benefit Program and the unfunded actuarial obligation with respect to service credited to members of that program before July 1, 2014. The reports are also required to identify adjustments required in contribution rates for K-14 school districts and the State in order to eliminate the 2014 Liability.

On June 27, 2019, the Governor signed SB 90 (“SB 90”) into law as a part of the 2019-20 Budget. Pursuant to SB 90, the State Legislature appropriated \$2.246 billion to be transferred to the Teacher’s Retirement Fund for the STRS Defined Benefit Program to pay in advance, on behalf of employers, part of the contributions required for fiscal years 2019-20 and 2020-21, resulting in K-14 school districts having to contribute 1.03% less in fiscal year 2019-20 and 0.70% less in fiscal year 2020-21, resulting in employer contribution rates of 17.1% in fiscal year 2019-20 and 18.4% in fiscal year 2020-21. In addition, the State made a contribution of \$1.117 billion to be allocated to reduce the employer’s share of the unfunded actuarial obligation determined by the STRS Board upon recommendation from its actuary. This additional payment was reflected in the June 30, 2020 actuarial valuation. Subsequently, the State’s 2020-21 Budget redirected \$2.3 billion previously appropriated to STRS and PERS pursuant to SB 90 for long-term unfunded liabilities to further reduce the employer contribution rates in fiscal year 2020-21 and 2021-22. As a result, the effective employer contribution rate was 16.15% in fiscal year 2020-21 and is 16.92% in fiscal year 2021-22. See also “DISTRICT FINANCIAL INFORMATION – State Budget Measures” herein.

The District’s contributions to STRS were \$ \_\_\_\_\_ in fiscal year 2016-17, \$ \_\_\_\_\_ for fiscal year 2017-18, \$ \_\_\_\_\_ in fiscal year 2018-19, \$ \_\_\_\_\_ in fiscal year 2019-20, and \$ \_\_\_\_\_ in fiscal year

2020-21. The District has currently projects \$ \_\_\_\_\_ for its contribution to STRS for fiscal year 2021-22.

The State also contributes to STRS, currently in an amount equal to 8.328% for fiscal year 2021-22. The State’s contribution reflects a base contribution rate of 2.017%, and a supplemental contribution rate that will vary from year to year based on statutory criteria. Based upon the recommendation from its actuary, for fiscal year 2017-18 and each fiscal year thereafter, the STRS Board is required, with certain limitations, to increase or decrease the State’s contribution rates to reflect the contribution required to eliminate the unfunded actuarial accrued liability attributed to benefits in effect before July 1, 1990. The STRS Board approved State supplemental contribution rate for fiscal year 2021-22 reflects an increase of 0.5% of payroll, the maximum allowed under current law.

In addition, the State is currently required to make an annual general fund contribution up to 2.5% of the fiscal year covered STRS member payroll to the Supplemental Benefit Protection Account (the “SBPA”), which was established by statute to provide supplemental payments to beneficiaries whose purchasing power has fallen below 85% of the purchasing power of their initial allowance.

**PERS.** Classified employees working four or more hours per day are members of the California Public Employees’ Retirement System (“PERS”). PERS provides retirement and disability benefits, annual cost-of-living adjustments, and death benefits to plan members and beneficiaries. Benefit provisions are established by the State statutes, as legislatively amended from time to time. PERS operates a number of retirement plans including the Public Employees Retirement Fund (“PERF”). PERF is a multiple-employer defined benefit retirement plan. In addition to the State, employer participants at June 30, 2021 included 1,608 public agencies and 1,329 K-14 school districts and charter schools. PERS acts as the common investment and administrative agent for the member agencies. The State and K-14 school districts (for “classified employees,” which generally consist of school employees other than teachers) are required by law to participate in PERF. Employees participating in PERF generally become fully vested in their retirement benefits earned to date after five years of credited service. One of the plans operated by PERS is for K-14 school districts throughout the State (the “Schools Pool”).

Contributions by employers to the Schools Pool are based upon an actuarial rate determined annually and contributions by plan members vary based upon their date of hire. Pursuant to SB 90, the State Legislature appropriated \$904 million to the Schools Pool, including transfers in fiscal years 2019-20 and 2020-21 to the Public Employees Retirement Fund to pay, in advance on behalf of K-14 school district employers, part of the contributions required for K-14 school district employers for such fiscal years, as well as additional amounts to be applied toward certain unfunded liabilities for K-14 school district employers. In June 2020, SB 90 was amended by Assembly Bill 84/Senate Bill 111 (“AB 84”). Under AB 84, \$144 million of the State contribution under SB 90 was deemed to satisfy a portion of the State’s required contribution in fiscal year 2019-20, and the amounts previously allocated toward future liabilities were redirected such that, \$430 million will satisfy a portion of the employer contribution rate in fiscal year 2020-21, and \$330 million will satisfy a portion of the employer contribution rate in fiscal year 2021-22. As a result of the payments made by the State pursuant to SB 90, as amended by AB 84, the employer contribution rate was 19.721% for fiscal year 2019-20, 20.7% in fiscal year 2020-21, and 22.91% for fiscal year 2021-22. See also “DISTRICT FINANCIAL INFORMATION – State Budget Measures” herein.. Participants enrolled in PERS prior to January 1, 2013 contribute at a rate established by statute, which is 7% of their respective salaries in fiscal year 2021-22, while participants enrolled after January 1, 2013 contribute at an actuarially determined rate, which is 7% in fiscal year 2021-22. See “— California Public Employees’ Pension Reform Act of 2013” herein.

The District’s contributions to PERS were \$ \_\_\_\_\_ in fiscal year 2016-17, \$ \_\_\_\_\_ for fiscal year 2017-18, \$ \_\_\_\_\_ in fiscal year 2018-19, \$ \_\_\_\_\_ in fiscal year 2019-20, and \$ \_\_\_\_\_ in fiscal year

2020-21. The District has currently projects \$ \_\_\_\_\_ for its contribution to PERS for fiscal year 2021-22.

***State Pension Trusts.*** Each of STRS and PERS issues a separate comprehensive financial report that includes financial statements and required supplemental information. Copies of such financial reports may be obtained from each of STRS and PERS as follows: (i) STRS, P.O. Box 15275, Sacramento, California 95851-0275; (ii) PERS, P.O. Box 942703, Sacramento, California 94229-2703. Moreover, each of STRS and PERS maintains a website, as follows: (i) STRS: [www.calstrs.com](http://www.calstrs.com); (ii) PERS: [www.calpers.ca.gov](http://www.calpers.ca.gov). However, the information presented in such financial reports or on such websites is not incorporated into this Official Statement by any reference.

Both STRS and PERS have substantial statewide unfunded liabilities. The amount of these unfunded liabilities will vary depending on actuarial assumptions, returns on investments, salary scales and participant contributions. The following table summarizes information regarding the actuarially-determined accrued liability for both STRS and PERS. Actuarial assessments are “forward-looking” information that reflect the judgment of the fiduciaries of the pension plans, and are based upon a variety of assumptions, one or more of which may not materialize or be changed in the future. Actuarial assessments will change with the future experience of the pension plans.

[REMAINDER OF PAGE LEFT BLANK]

**FUNDED STATUS**  
**STRS (Defined Benefit Program) and PERS (Schools Pool)**  
**(Dollar Amounts in Millions) <sup>(1)</sup>**  
**Fiscal Years 2010-11 through 2019-20**

<u>STRS</u>					
<u>Fiscal Year</u>	<u>Accrued Liability</u>	<u>Value of Trust Assets (MVA)<sup>(2)</sup></u>	<u>Unfunded Liability (MVA)<sup>(2)</sup></u>	<u>Value of Trust Assets (AVA)<sup>(3)</sup></u>	<u>Unfunded Liability (AVA)<sup>(3)</sup></u>
2010-11	\$208,405	\$147,140	\$68,365	\$143,930	\$64,475
2011-12	215,189	143,118	80,354	144,232	70,957
2012-13	222,281	157,176	74,374	148,614	73,667
2013-14	231,213	179,749	61,807	158,495	72,718
2014-15	241,753	180,633	72,626	165,553	76,200
2015-16	266,704	177,914	101,586	169,976	96,728
2016-17	286,950	197,718	103,468	179,689	107,261
2017-18	297,603	211,367	101,992	190,451	107,152
2018-19	310,719	225,466	102,636	205,016	105,703
2019-20	322,127	233,253	107,999	216,252	105,875

<u>PERS</u>					
<u>Fiscal Year</u>	<u>Accrued Liability</u>	<u>Value of Trust Assets (MVA)</u>	<u>Unfunded Liability (MVA)</u>	<u>Value of Trust Assets (AVA)<sup>(3)</sup></u>	<u>Unfunded Liability (AVA)<sup>(3)</sup></u>
2010-11	\$58,358	\$45,901	\$12,457	\$51,547	\$6,811
2011-12	59,439	44,854	14,585	53,791	5,648
2012-13	61,487	49,482	12,005	56,250	5,237
2013-14	65,600	56,838	8,761	-- <sup>(4)</sup>	-- <sup>(4)</sup>
2014-15	73,325	56,814	16,511	-- <sup>(4)</sup>	-- <sup>(4)</sup>
2015-16	77,544	55,785	21,759	-- <sup>(4)</sup>	-- <sup>(4)</sup>
2016-17	84,416	60,865	23,551	-- <sup>(4)</sup>	-- <sup>(4)</sup>
2017-18	92,071	64,846	27,225	-- <sup>(4)</sup>	-- <sup>(4)</sup>
2018-19 <sup>(5)</sup>	99,528	68,177	31,351	-- <sup>(4)</sup>	-- <sup>(4)</sup>
2019-20 <sup>(6)</sup>	104,062	71,400	32,662	-- <sup>(4)</sup>	-- <sup>(4)</sup>

(1) Amounts may not add due to rounding.

(2) Reflects market value of assets, including the assets allocated to the SBPA reserve. Since the benefits provided through the SBPA are not a part of the projected benefits included in the actuarial valuations summarized above, the SBPA reserve is subtracted from the STRS Defined Benefit Program assets to arrive at the value of assets available to support benefits included in the respective actuarial valuations.

(3) Reflects actuarial value of assets.

(4) Effective for the June 30, 2014 actuarial valuation, PERS no longer uses an actuarial value of assets.

(5) For fiscal year 2020-21, the additional \$430 million State contribution made pursuant to AB 84 did not directly impact the actuarially determined contribution as it was not yet in the Schools Pool by the June 30, 2019 actuarial valuation date. The additional State contribution was treated as an advance payment toward the unfunded accrued liability contribution with required employer contribution rate correspondingly reduced.

(6) For fiscal year 2021-22, the impact of the additional \$330 million State contribution made pursuant to AB 84 is directly reflected in the actuarially determined contribution, because the additional payment was in the Schools Pool as of the June 30, 2020 actuarial valuation date, which served to reduce the required employer contribution rate by 2.16% of payroll.

Source: PERS Schools Pool Actuarial Valuation; STRS Defined Benefit Program Actuarial Valuation.

The STRS Board has sole authority to determine the actuarial assumptions and methods used for the valuation of the STRS Defined Benefit Program. Based on the multi-year CalSTRS Experience Analysis (spanning from July 1, 2010, through June 30, 2015) (the “2017 Experience Analysis”), on

February 1, 2017, the STRS Board adopted a new set of actuarial assumptions that reflect member's increasing life expectancies and current economic trends. These new assumptions were first reflected in the STRS Defined Benefit Program Actuarial Valuation, as of June 30, 2016 (the "2016 STRS Actuarial Valuation"). The new actuarial assumptions include, but are not limited to: (i) adopting a generational mortality methodology to reflect past improvements in life expectancies and provide a more dynamic assessment of future life spans, (ii) decreasing the investment rate of return (net of investment and administrative expenses) to 7.25% for the 2016 STRS Actuarial Valuation and 7.00% for the June 30, 2017 actuarial evaluation, and (iii) decreasing the projected wage growth to 3.50% and the projected inflation rate to 2.75%.

Based on the multi-year CalSTRS Experience Analysis (spanning from July 1, 2015, through June 30, 2018) (the "2020 Experience Analysis"), on January 31, 2020, the STRS Board adopted a new set of actuarial assumptions that were first reflected in the STRS Defined Benefit Program Actuarial Valuation, as of June 30, 2019 (the "2019 STRS Actuarial Valuation"). While no changes were made to the actuarial assumptions discussed above, which were established as a result of the 2017 Experience Analysis, certain demographic changes were made, including: (i) lowering the termination rates to reflect a continued trend of lower than expected teachers leaving their employment prior to retirement, and (ii) adopting changes to the retirement rates for both employees hire before the Implementation Date and after the Implementation Date to better reflect the anticipated impact of years of service on retirements. The 2019 STRS Actuarial Valuation continues using the Entry Age Normal Actuarial Cost Method.

The STRS Defined Benefit Program Actuarial Valuation, as of June 30, 2020 (the "2020 STRS Actuarial Valuation") reports that the unfunded actuarial obligation increased by \$172 million since the 2019 STRS Actuarial Valuation and the funded ratio increased by 1.1% to 67.1% over such time period. The increase in the funded ratio is primarily due to salary increases less than assumed, additional State contributions, and contributions to pay down the unfunded actuarial obligation under the STRS Board's valuation policy.

According to the 2020 STRS Actuarial Valuation, the future revenues from contributions and appropriations for the STRS Defined Benefit Program are projected to be approximately sufficient to finance its obligations with a projected ending funded ratio in fiscal year ending June 30, 2046 of 99.6%, except for a small portion of the unfunded actuarial obligation related to service accrued on or after July 1, 2014 for member benefits adopted after 1990, for which AB 1469 provides no authority to the STRS Board to adjust rates to pay down that portion of the unfunded actuarial obligation. This finding reflects the scheduled contribution rate increases directed by statute, assumes additional increases in the scheduled contribution rates allowed under the current law will be made, and is based on the valuation assumptions and valuation policy adopted by the STRS Board, including a 7.00% investment rate of return assumption.

In the STRS 2020 Review of Funding Levels and Risks, STRS noted that COVID-19 has the potential to affect investment performance, the number of teachers working in California and the longevity of STRS members, which are the three main risks to long-term funding that STRS has been monitoring for the last few years. See also "DISTRICT FINANCIAL INFORMATION – Considerations Regarding COVID-19" herein. In the 2020 STRS Actuarial Report, the actuary reports that a potential decline in the number of teachers and a slower growth in total payroll constitute the largest risk facing employers with respect to STRS. For the 2020 STRS Actuarial Valuation, the number of teachers actively working dropped from 451,000 on June 30, 2019, to about 448,000 on June 30, 2020. This drop in the number of working teachers, combined with salary increases, resulted in the payroll increasing by approximately 2.8% between 2019 and 2020, below the assumed 3.5% annual payroll growth. The actuary notes that the assumed growth in the total payroll was a key component of the employer contribution rate calculated in the 2020 STRS Actuarial Valuation, and that a slower growth will require a

higher employer contribution rate to be able to collect the same amount of contributions. The actuary notes that the number of active teachers could be impacted in the future by K-12 enrollment, as well as teacher retirements. Based on CDE reports, net enrollment in K-12 school districts decreased by 3% (160,000 students) in 2020-21, the largest drop in 20 years, and the Department of Finance projects enrollment will continue to decline in the State over the next decade. In addition, in the first half of the fiscal year, STRS has seen a 26% increase in the number of retirements, and while an increase in retirements would normally not impact long-term funding, decisions made by employers about whether or not to replace the teachers who have retired could impact STRS ability to reach full funding by 2046, especially if it leads to an overall reduction in the number of teachers working in the State and a reduction in total payroll.

In recent years, the PERS Board of Administration (the “PERS Board”) has taken several steps, as described below, intended to reduce the amount of the unfunded accrued actuarial liability of its plans, including the Schools Pool.

On March 14, 2012, the PERS Board voted to lower the PERS’ rate of expected price inflation and its investment rate of return (net of administrative expenses) (the “PERS Discount Rate”) from 7.75% to 7.5%. On February 18, 2014, the PERS Board voted to keep the PERS Discount Rate unchanged at 7.5%. On November 17, 2015, the PERS Board approved a new funding risk mitigation policy to incrementally lower the PERS Discount Rate by establishing a mechanism whereby such rate is reduced by a minimum of 0.05% to a maximum of 0.25% in years when investment returns outperform the existing PERS Discount Rate by at least four percentage points. On December 21, 2016, the PERS Board voted to lower the PERS Discount Rate to 7.0% over a three year phase-in period in accordance with the following schedule: 7.375% for the June 30, 2017 actuarial valuation, 7.25% for the June 30, 2018 actuarial valuation and 7.00% for the June 30, 2019 actuarial valuation. The new discount rate went into effect July 1, 2017 for the State and July 1, 2018 for K-14 school districts and other public agencies. Lowering the PERS Discount Rate means employers that contract with PERS to administer their pension plans will see increases in their normal costs and unfunded actuarial liabilities. Active members hired after January 1, 2013, under the Reform Act (defined below) will also see their contribution rates rise. The PERS Funding Risk Mitigation Policy recently triggered an automatic decrease of 0.2% in the PERS Discount Rate due to the investment return in fiscal year 2020-21, lowering such rate to 6.8%.

On April 17, 2013, the PERS Board approved new actuarial policies aimed at returning PERS to fully-funded status within 30 years. The policies included a rate smoothing method with a 30-year fixed amortization period for gains and losses, a five-year increase of public agency contribution rates, including the contribution rate at the onset of such amortization period, and a five year reduction of public agency contribution rates at the end of such amortization period. The new actuarial policies were first included in the June 30, 2014 actuarial valuation and were implemented with respect the State, K-14 school districts and all other public agencies in fiscal year 2015-16.

Also, on February 20, 2014, the PERS Board approved new demographic assumptions reflecting (i) expected longer life spans of public agency employees and related increases in costs for the PERS system and (ii) trends of higher rates of retirement for certain public agency employee classes, including police officers and firefighters. The new actuarial assumptions were first reflected in the Schools Pool in the June 30, 2015 actuarial valuation. The increase in liability due to the new assumptions will be amortized over 20 years with increases phased in over five years, beginning with the contribution requirement for fiscal year 2016-17. The new demographic assumptions affect the State, K-14 school districts and all other public agencies.

The PERS Board is required to undertake an experience study every four years under its Actuarial Assumptions Policy and State law. As a result of the most recent experience study, on November 17,

2021 (the “2021 Experience Study”), the PERS Board approved new actuarial assumptions, including (i) lowering the inflation rate to 2.30% per year, (ii) increasing the assumed real wage inflation assumption to 0.5%, which results in a total wage inflation of 2.80%, (iii) increasing the payroll growth rate to 2.80%, and (iii) certain changes to demographic assumptions relating to modifications to the mortality rates, retirement rates, and disability rates (both work and non-work related), and rates of salary increases due to seniority and promotion. These actuarial assumptions will be incorporated into the actuarial valuation for fiscal year ending June 30, 2021 and will first impact contribution rates for school districts in fiscal year 2022-23. Based on the timing of the study, the member data used in the analysis, which runs through June 30, 2019, does not include the impacts of COVID-19. Preliminary analysis of the system experience since the beginning of the pandemic has shown demographic experience (e.g. retirements, deaths, etc.) did differ from the current actuarial assumptions in some areas, which will be more precisely quantified in future actuarial valuations. However, as of November 2021, PERS did not believe that the demographic impacts of COVID-19 would have a material impact on the system experience going forward.

On February 14, 2018, the PERS Board approved a new actuarial amortization policy with an effective date for actuarial valuations beginning on or after June 30, 2019, which includes (i) shortening the period over which actuarial gains and losses are amortized from 30 years to 20 years, (ii) requiring that amortization payments for all unfunded accrued liability bases established after the effective date be computed to remain a level dollar amount throughout the amortization period, (iii) removing the 5-year ramp-up and ramp-down on unfunded accrued liability bases attributable to assumptions changes and non-investment gains/losses established on or after the effective date and (iv) removing the 5-year ramp-down on investment gains/losses established after the effective date. While PERS expects that reducing the amortization period for certain sources of unfunded liability will increase future average funding ratios, provide faster recovery of funded status following market downturns, decrease expected cumulative contributions, and mitigate concerns over intergenerational equity, such changes may result in increases in future employer contribution rates.

The Schools Pool Actuarial Valuation as of June 30, 2020 (the “2020 PERS Actuarial Valuation”), reported that from June 30, 2019 to June 30, 2020 the funded ratio of the Schools Pool increased by 0.1% (from 68.5% to 68.6%), which was primarily due to the additional State contribution in July 2019 offset partially by the lower than expected investment return in fiscal year 2019-20. In addition, the 2020 PERS Actuarial Valuation reported that (i) the return on assets for fiscal year ending June 30, 2020, was approximately 4.7% reduced for administrative expenses, which was lower than the assumed return of 7.0%, leading to an investment experience loss, (ii) the overall demographic experience produced a nominal liability experience gain, and (iii) the normal cost declined slightly as the share of the active population of employees hired after the Implementation Date (defined below) continued to increase. On November 15, 2021, the PERS Board selected a new asset allocation mix through its periodic Asset Liability Management Study that will guide the fund’s investment portfolio for the next four years, retained the current 6.8% discount rate and approved adding 5% leverage to increase diversification. The new asset allocation takes effect July 1, 2022 and will impact contribution rates for employers and employees hired after the Implementation Date beginning in fiscal year 2022-23. In January 2022, an addendum to the 2020 PERS Actuarial Valuation (the “2020 PERS Actuarial Valuation Addendum”) was produced to provide additional information on projected future contribution rates that take into account information that was not available when the 2020 PERS Actuarial Valuation was initially released. The 2020 PERS Actuarial Valuation Addendum reports that the contribution rate for fiscal year 2022-23 is projected to be 25.4%, the contribution rate for fiscal year 2023-24 is projected to be 25.2%, the contribution rate for fiscal year 2024-25 is projected to be 24.6%, the contribution rate for fiscal year 2025-26 is projected to be 23.6%, and the contribution rate for fiscal year 2026-27 is projected to be 22.5%. The projected contribution rates in the 2020 PERS Actuarial Valuation Addendum reflect the actual investment performance through June 30, 2021, the anticipated decrease in normal cost due to new hires entering lower cost benefit tiers, as well as the demographic and economic assumptions adopted

through the 2021 Experience Study, including an investment return of 6.8% per year beginning with fiscal year 2021-22. The projections assume that all actuarial assumptions will be realized and that no further changes to assumptions, contributions, benefits or funding will occur during the projection period.

The District can make no representations regarding the future program liabilities of STRS, or whether the District will be required to make additional contributions to STRS in the future above those amounts required under AB 1469. The District can also provide no assurances that the District's required contributions to PERS will not increase in the future.

***California Public Employees' Pension Reform Act of 2013.*** On September 12, 2012, the Governor signed into law the California Public Employees' Pension Reform Act of 2013 (the "Reform Act"), which makes changes to both STRS and PERS, most substantially affecting new employees hired after January 1, 2013 (the "Implementation Date"). For STRS participants hired after the Implementation Date, the Reform Act changes the normal retirement age by increasing the eligibility for the 2% age factor (the age factor is the percent of final compensation to which an employee is entitled for each year of service) from age 60 to 62 and increasing the eligibility of the maximum age factor of 2.4% from age 63 to 65. Similarly, for non-safety PERS participants hired after the Implementation Date, the Reform Act changes the normal retirement age by increasing the eligibility for the 2% age factor from age 55 to 62 and increases the eligibility requirement for the maximum age factor of 2.5% to age 67. Among the other changes to PERS and STRS, the Reform Act also: (i) requires all new participants enrolled in PERS and STRS after the Implementation Date to contribute at least 50% of the total annual normal cost of their pension benefit each year as determined by an actuary, (ii) requires STRS and PERS to determine the final compensation amount for employees based upon the highest annual compensation earnable averaged over a consecutive 36-month period as the basis for calculating retirement benefits for new participants enrolled after the Implementation Date (previously 12 months for STRS members who retire with 25 years of service), and (iii) caps "pensionable compensation" for new participants enrolled after the Implementation Date at 100% of the federal Social Security contribution (to be adjusted annually based on changes to the Consumer Price Index for all Urban Consumers) and benefit base for members participating in Social Security or 120% for members not participating in social security (to be adjusted annually based on changes to the Consumer Price Index for all Urban Consumers), while excluding previously allowed forms of compensation under the formula such as payments for unused vacation, annual leave, personal leave, sick leave, or compensatory time off.

***GASB Statement Nos. 67 and 68.*** On June 25, 2012, GASB approved Statements Nos. 67 and 68 ("Statements") with respect to pension accounting and financial reporting standards for state and local governments and pension plans. The new Statements, No. 67 and No. 68, replace GASB Statement No. 27 and most of Statements No. 25 and No. 50. The changes impact the accounting treatment of pension plans in which state and local governments participate. Major changes include: (1) the inclusion of unfunded pension liabilities on the government's balance sheet (currently, such unfunded liabilities are typically included as notes to the government's financial statements); (2) more components of full pension costs being shown as expenses regardless of actual contribution levels; (3) lower actuarial discount rates being required to be used for underfunded plans in certain cases for purposes of the financial statements; (4) closed amortization periods for unfunded liabilities being required to be used for certain purposes of the financial statements; and (5) the difference between expected and actual investment returns being recognized over a closed five-year smoothing period. In addition, according to GASB, Statement No. 68 means that, for pensions within the scope of the Statement, a cost-sharing employer that does not have a special funding situation is required to recognize a net pension liability, deferred outflows of resources, deferred inflows of resources related to pensions and pension expense based on its proportionate share of the net pension liability for benefits provided through the pension plan. Because the accounting standards do not require changes in funding policies, the full extent of the effect of the new standards on the District is not known at this time. The reporting requirements for pension

plans took effect for the fiscal year beginning July 1, 2013 and the reporting requirements for government employers, including the District, took effect for the fiscal year beginning July 1, 2014.

As of June 20, 2021, the District's share of the net pension liabilities for the STRS and PERS programs were reported as \$364,571,000 and \$145,701,000, respectively. See also "APPENDIX B – AUDITED FINANCIAL STATEMENTS OF THE DISTRICT FOR FISCAL YEAR 2020-21 – Note 8" and "—Note 9" attached hereto.

### **Other Post-employment Benefits**

**Benefits Plan.** The District administers a single-employer defined benefit health care plan (the "Plan") pursuant to which the District provides medical insurance benefits (collectively, the "Post-Employment Benefits") to certain retirees of the District. Currently, eligible retirees receive benefits that are paid 100% by the District. District teachers qualify for benefits after reaching age 55 with at least five years of service to the District, age 50 with 30 years of service (if a member prior to January 1, 2013) or approved disability retirement with five years of service to the District. CalPERS employees qualify for benefits after attaining age 50 (or 52, if a member of CalPERS on or after January 1, 2013) with five years of State or public agency service, or approved disability. The Board retains the authority to establish or amend the terms offered by the Plan.

The District funds the Plan on a "pay-as-you-go" basis to cover cost of insurance premiums for current retirees, together with annual contributions to the OPEB Trust (defined herein) to begin funding its accrued liability for Post-Employment Benefits. For fiscal years 2018-19 through 2020-21, the District's contributions to the Plan were \$\_\_\_\_\_, \$\_\_\_\_\_ and \$\_\_\_\_\_, respectively. For fiscal year 2021-22, the District estimates a contribution of \$\_\_\_\_\_ to the Plan.

The District has established an irrevocable, GASB-qualifying trust (the "OPEB Trust") administered by CalPERS to begin funding its accrued liability for Post-Employment Benefits. As of \_\_\_\_\_, 2022, the balance in the OPEB Trust was \$\_\_\_\_\_.

**Accrued Liability.** Pursuant to *Governmental Accounting Standards Board Statement #74, Financial Reporting for Postemployment Benefit Plans Other Than Pensions* ("GASB 74") and *Accounting and Financial Reporting for Postemployment Benefits Other Than Pensions* ("GASB 75"), the District has commissioned and received an actuarial study of its liability with respect to the Post-Employment Benefits. The requirements of GASB 74 and 75, as further discussed below, include biennial actuarial valuations for all plans. The District's most recent actuarial study, dated as of July 1, 2019 (the "Study"), calculated, among other things, the Total OPEB Liability (the "TOL"), Fiduciary Net Position ("FNP") and Net OPEB Liability ("NOL") of the District with respect to the Post-Employment Benefits, pursuant to GASB 75. The TOL is the amount of the actuarial present value of projected benefits payments attributable to employees' past service based on the actuarial cost method used. The FNP are the net assets (or liability) of any qualifying irrevocable trust or equivalent arrangement. The NOL is TOL minus the value of any trust assets. As of the June 30, 2020 valuation date, the District's TOL was \$654,240,872, the FNP was \$86,333,843 and the NOL was \$567,907,029.

**GASB Statement Nos. 74 and 75.** On June 2, 2015, GASB approved Statements Nos. 74 and 75 with respect to pension accounting and financial reporting standards for public sector post-retirement benefit programs and the employers that sponsor them. GASB 74 replaces GASB Statements No. 43 and 57 and GASB 75 replaces GASB Statement No. 45.

Most of GASB 74 applies to plans administered through trusts, contributions in which contributions are irrevocable such that trust assets are dedicated to providing other post-employment

benefits to plan members and are legally protected from creditors. GASB 74 and 75 will require a liability for post-employment obligations, the NOL, to be recognized on the balance sheet of the plan and the participating employer's financial statements. In addition, an Other Post-Employment Benefit expense will be recognized in the income statement of the participating employers. In the notes to its financial statements, employers providing other post-employment benefits will also have to include information regarding the year-to-year change in the NOL and a sensitivity analysis of the NOL to changes in the discount rate and healthcare trend rate. The required supplementary information will also be required to show a 10-year schedule of the plan's NOL reconciliation and related ratios, and any actuarially determined contributions and investment returns, if any.

Under GASB 74, the measurement date must be the same as the plan's fiscal year end, but the actuarial valuation date may be any date up to 24 months prior to the measurement date. For the TOL, if the valuation date is before the measurement date, the results must be projected forward from the valuation date to the measurement date using standard actuarial roll-forward techniques. For plans that are unfunded or have assets insufficient to cover the projected benefit payments, a discount rate reflecting a 20-year tax-exempt municipal bond yield or index rate must be used. For plans with assets that meet GASB 74 requirements, a projection of the benefit payments and future FNP is performed based on the funding policy and assumptions of the plan, along with the methodology specified in GASB 74.

GASB 74 had an effective date for plan fiscal years beginning after June 15, 2016 and GASB 75 became effective for employer fiscal years beginning after June 15, 2017. See "APPENDIX B – AUDITED FINANCIAL STATEMENTS OF THE DISTRICT FOR FISCAL YEAR 2020-21 – Note 10" attached hereto.

## **Risk Management**

The District is exposed to various risks of loss related to property, general liability, workers' compensation, cyber intrusions and employee benefits. These risks are mitigated through a combination of commercial insurance, self-insurance, and participation in certain public entity risk pools, as described below.

The District currently participates in a joint powers agreement with Schools Insurance Authority ("SIA") for excess general liability, property and workers compensation coverage. SIA enters into insurance agreements for coverage above certain self-insured retention lawyers, whereby it cedes various amounts of risk to other insurance companies. SIA's property, liability and workers compensation programs provide self-insured retention of \$100,000, \$750,000 and \$1,000,000 per incident, respectively. The District pays a premium to SIA for excess coverage, and shares in SIA's deficits and surpluses in proportion to its participation therein. As such, SIA is not a component unit of the District for financial reporting purposes.

**District Debt Structure**

**Short-Term Debt.** [TO COME].

**Long-Term Debt.** A schedule of changes in long-term debt for the year ended June 30, 2021 is show below.

	<u>Balance</u> <u>July 1, 2020</u>	<u>Additions</u>	<u>Deletions</u>	<u>Balance</u> <u>June 30, 2021</u>
Debt:				
General Obligation Bonds	\$465,127,966	--	\$28,705,000	\$436,422,966
Accreted Interest	20,661,016	\$2,208,384	--	22,869,400
Lease Revenue Bonds	60,550,000	--	2,695,000	57,855,000
Premium on Issuance	33,031,114	--	2,530,870	30,500,244
Other Long-Term Liabilities:				
Net Pension Liability	551,057,000	--	785,000	510,272,000
Net OPEB Liability	567,907,029	--	250,168,760	317,738,269
Compensated Absences	<u>4,970,473</u>	<u>358,390</u>	<u>--</u>	<u>5,328,863</u>
Total	<u>\$1,663,304,598</u>	<u>\$2,566,774</u>	<u>\$284,884,630</u>	<u>\$1,380,986,742</u>

*Source: Sacramento City Unified School District.*

**Lease Revenue Bonds.** On February 4, 2014, the Sacramento City Schools Joint Powers Financing Authority (the “Authority”) issued \$44,825,000 of its Lease Revenue Refunding Bonds, 2014 Series A, and \$29,460,000 of its Lease Revenue Refunding Bonds, 2014 Series B, (collectively, the “Lease Revenue Bonds”), to prepay certain outstanding certificates of participation of the District. The Lease Revenue Bonds are secured by certain base rental payments and additional payments to be made by the District pursuant to certain facility sublease agreements by and between the District and the Authority. Future payments in connection with the Lease Revenue Bonds are shown in the table below:

<u>Year Ending</u> <u>June 30</u>	<u>Series A Lease</u> <u>Revenue Bonds</u>	<u>Series B Lease</u> <u>Revenue Bonds</u>	<u>Total</u> <u>Lease Payments</u>
--------------------------------------	---	---	---------------------------------------

**General Obligation Bonds.** The District has previously issued general obligation bonds pursuant to several voter-approved authorizations, as well as refunding general obligation bonds to refinance portions of outstanding bonded indebtedness. The following table summarizes the outstanding general obligation bond issuances by the District.

<u>Issuance</u>	<u>Initial Principal Amount</u>	<u>Principal Outstanding</u> <sup>(1)</sup>	<u>Date of Delivery</u>
<b>2002 Authorization (Measure I)</b>			
Series 2007	\$79,585,000		6/30/2011
<b>2012 Authorizations (Measures Q and R)</b>			
2013 Series A (Measures Q and R) <sup>(2)</sup>	30,000,000		7/16/2013
2013 Series B (Measures Q and R) <sup>(2)(3)</sup>	40,000,000		7/16/2013
2015 Series C (Measure Q)	90,000,000		6/14/2015
2016 Series D (Measure Q)	14,000,000		6/8/2015
2017 Series E (Measure Q)	112,000,000		5/25/2017
2017 Series C (Measure R)	10,000,000		5/25/2017
2018 Series F (Measure Q)	10,000,000		7/25/2018
2019 Series D (Measure R)	30,000,000		12/12/2019
2021 Series G (Measure Q)	77,100,000		7/8/2021
<b>Refunding Issuances</b>			
2012 Refunding Bonds	113,245,000		6/14/2012
2014 Refunding Bonds	44,535,000		1/30/2014
2015 Refunding Bonds	32,740,000		1/28/2015
2021 Refunding Bonds	33,355,000		7/8/2021

<sup>(1)</sup> As of \_\_\_\_\_, 2022

<sup>(2)</sup> Composite issues that allocated portions of the initial principal amount amongst two outstanding bond authorizations.

<sup>(3)</sup> Designated as federally-taxable “Qualified School Construction Bonds” pursuant to an irrevocable election by the District to have Sections 54AA and Section 54AA(g) of the Code apply thereto. The District expects to receive a federal subsidy equal to a portion of the debt service due on the Bonds. See following page for additional information.

The following tables show the debt service schedules for all of the District’s prior outstanding general obligation bonded debt (assuming no optional redemptions). For a combined debt service schedule including the Bonds, see “THE BONDS – Annual Debt Service” herein.

**ANNUAL GENERAL OBLIGATION BOND DEBT SERVICE (MEASURES I, Q AND R)  
Sacramento City Unified School District**

<b>Year Ending Aug. 1</b>	<b>2002 <u>Series 2007</u><sup>(1)</sup></b>	<b>2013 <u>Series A</u><sup>(2)</sup></b>	<b>2013 <u>Series B</u><sup>(2)(3)</sup></b>	<b>2015 <u>Series C</u><sup>(2)</sup></b>	<b>2016 <u>Series D</u><sup>(2)</sup></b>	<b>2017 <u>Series E</u><sup>(2)</sup></b>	<b>2017 <u>Series C</u><sup>(2)</sup></b>	<b>2018 <u>Series F</u><sup>(2)</sup></b>	<b>2019 <u>Series D</u><sup>(2)</sup></b>	<b>2021 <u>Series G</u><sup>(2)</sup></b>
2022										
2023										
2024										
2025										
2026										
2027										
2028										
2029										
2030										
2031										
2032										
2033										
2034										
2035										
2036										
2037										
2038										
2039										
2040										
2041										
2042										
2043										
2044										
2045										
2046										
2047										
2048										
2049										
Total										

<sup>(1)</sup> Interest payable on January 1 and July of each year. Principal payable on July 1 of each year.

<sup>(2)</sup> Interest payable on February 1 and August 1 of each year. Principal payable on August 1 of each year.

<sup>(3)</sup> Represents gross debt service thereon. The 2013 Series B Bonds were designated as federally-taxable “Build America Bonds” pursuant to an irrevocable election by the District to have Sections 54AA and Section 54AA(g) of the Code apply thereto. The District expects to receive cash subsidy payments (“Subsidy Payments”) from the United States Department of the Treasury equal to a portion of the interest payable on such bonds on or about each respective semi-annual interest payment date. Such Subsidy Payments are required to be deposited, as and when received, in the respective interest and sinking funds for such bonds, to be used as a credit against future debt service thereon. Subsidy Payments are subject to reduction (each, a “Sequestration Reduction”) pursuant to the federal Balanced Budget and Emergency Deficit Control Act of 1985, as amended. In the absence of action by the United States Congress, the rate of the Sequestration Reduction is subject to change in the following federal fiscal year. The District cannot predict whether or how subsequent sequestration actions may affect Subsidy Payments currently scheduled for receipt in future federal fiscal years. However, notwithstanding any such reduction, the County is empowered to levy an *ad valorem* property tax sufficient to pay principal of and interest on such bonds.

**ANNUAL GENERAL OBLIGATION REFUNDING BOND DEBT SERVICE <sup>\*(1)</sup>  
Sacramento City Unified School District**

<b>Year Ending Aug. 1</b>	<b>2014 Refunding<sup>(2)</sup></b>	<b>2015 Refunding<sup>(2)</sup></b>	<b>2021 Refunding<sup>(3)</sup></b>	<b>The Bonds</b>
2021				
2022				
2023				
2024				
2025				
2026				
2027				
2028				
2029				
2030				
2031				
2032				
2033				
2034				
2035				
2036				
2037				
2038				
2039				
2040				
2041				
2042				
2043				
2044				
2045				
2046				

\* Preliminary, subject to change.

- (1) Does not include debt service on the Refunded Bonds.
- (2) Interest payable on January 1 and July of each year. Principal payable on July 1 of each year.
- (3) Interest payable on February 1 and August 1 of each year. Principal payable on August 1 of each year.

## TAX MATTERS

In the opinion of Stradling Yocca Carlson & Rauth, a Professional Corporation, San Francisco, California (“Bond Counsel”), under existing statutes, regulations, rulings and judicial decisions, and assuming the accuracy of certain representations and compliance with certain covenants and requirements described herein, interest on the Bonds is excluded from gross income for federal income tax purposes and is not an item of tax preference for purposes of calculating the federal alternative minimum tax imposed on individuals. In the further opinion of Bond Counsel, interest on the Bonds is exempt from State of California personal income tax.

The difference between the issue price of a Bond (the first price at which a substantial amount of the Bonds of the same series and maturity is to be sold to the public) and the stated redemption price at maturity with respect to such Bond (to the extent that the redemption price is greater than the issue price) constitutes original issue discount. Original issue discount accrues under a constant yield method, and original issue discount will accrue to a Bond Owner before receipt of cash attributable to such excludable income. The amount of original issue discount deemed received by the Bond Owner will increase the Bond Owner’s basis in the Bond. In the opinion of Bond Counsel, the amount of original issue discount that accrues to the owner of the Bond is excluded from the gross income of such owner for federal income tax purposes, is not an item of tax preference for purposes of the federal alternative minimum tax imposed on individuals, and is exempt from State of California personal income tax.

Bond Counsel’s opinion as to the exclusion from gross income of interest (and original issue discount) on the Bonds is based upon certain representations of fact and certifications made by the District and others and is subject to the condition that the District complies with all requirements of the Internal Revenue Code of 1986, as amended (the “Code”), that must be satisfied subsequent to the issuance of the Bonds to assure that interest (and original issue discount) on the Bonds will not become includable in gross income for federal income tax purposes. Failure to comply with such requirements of the Code might cause the interest (and original issue discount) on the Bonds to be included in gross income for federal income tax purposes retroactive to the date of issuance of the Bonds. The District has covenanted to comply with all such requirements.

The amount by which a Bond Owner’s original basis for determining loss on sale or exchange in the applicable Bond (generally, the purchase price) exceeds the amount payable on maturity (or on an earlier call date) constitutes amortizable Bond premium, which must be amortized under Section 171 of the Code; such amortizable Bond premium reduces the Bond Owner’s basis in the applicable Bond (and the amount of tax-exempt interest received), and is not deductible for federal income tax purposes. The basis reduction as a result of the amortization of Bond premium may result in a Bond Owner realizing a taxable gain when a Bond is sold by the Owner for an amount equal to or less (under certain circumstances) than the original cost of the Bond to the Owner. Purchasers of the Bonds should consult their own tax advisors as to the treatment, computation and collateral consequences of amortizable Bond premium.

The Internal Revenue Service (the “IRS”) has initiated an expanded program for the auditing of tax-exempt bond issues, including both random and targeted audits. It is possible that the Bonds will be selected for audit by the IRS. It is also possible that the market value of the Bonds might be affected as a result of such an audit of the Bonds (or by an audit of similar bonds). No assurance can be given that in the course of an audit, as a result of an audit, or otherwise, Congress or the IRS might not change the Code (or interpretation thereof) subsequent to the issuance of the Bonds to the extent that it adversely affects the exclusion from gross income of interest on the Bonds or their market value.

SUBSEQUENT TO THE ISSUANCE OF THE BONDS, THERE MIGHT BE FEDERAL, STATE OR LOCAL STATUTORY CHANGES (OR JUDICIAL OR REGULATORY INTERPRETATIONS OF FEDERAL, STATE OR LOCAL LAW) THAT AFFECT THE FEDERAL, STATE OR LOCAL TAX TREATMENT OF THE INTEREST ON THE BONDS OR THE MARKET VALUE OF THE BONDS. PROPOSED LEGISLATIVE CHANGES OR OTHER CHANGES WHICH MIGHT BE INTRODUCED IN CONGRESS COULD ADVERSELY AFFECT THE MARKET VALUE OR LIQUIDITY OF THE BONDS. IT IS POSSIBLE THAT LEGISLATIVE CHANGES WILL BE INTRODUCED WHICH, IF ENACTED, WOULD RESULT IN ADDITIONAL FEDERAL INCOME OR STATE INCOME TAX BEING IMPOSED ON OWNERS OF TAX-EXEMPT STATE OR LOCAL OBLIGATIONS, SUCH AS THE BONDS. NO ASSURANCE CAN BE GIVEN THAT, SUBSEQUENT TO THE ISSUANCE OF THE BONDS, SUCH CHANGES (OR OTHER CHANGES) WILL NOT BE INTRODUCED OR ENACTED OR INTERPRETATIONS WILL NOT OCCUR. BEFORE PURCHASING ANY OF THE BONDS, ALL POTENTIAL PURCHASERS SHOULD CONSULT THEIR TAX ADVISORS REGARDING POSSIBLE STATUTORY CHANGES OR JUDICIAL OR REGULATORY CHANGES OR INTERPRETATIONS, AND THEIR COLLATERAL TAX CONSEQUENCES RELATING TO THE BONDS.

Bond Counsel's opinions may be affected by actions taken (or not taken) or events occurring (or not occurring) after the date hereof. Bond Counsel has not undertaken to determine, or to inform any person, whether any such actions or events are taken or do occur. The District Resolution and the Tax Certificate relating to the Bonds permit certain actions to be taken or to be omitted if a favorable opinion of Bond Counsel is provided with respect thereto. Bond Counsel expresses no opinion as to the effect on the exclusion from gross income of interest (and original issue discount) on the Bonds for federal income tax purposes with respect to any Bond if any such action is taken or omitted based upon the advice of counsel other than Stradling Yocca Carlson & Rauth.

Although Bond Counsel has rendered an opinion that interest (and original issue discount) on the Bonds is excluded from gross income for federal income tax purposes provided that the District continues to comply with certain requirements of the Code, the ownership of the Bonds and the accrual or receipt of interest (and original issue discount) with respect to the Bonds may otherwise affect the tax liability of certain persons. Bond Counsel expresses no opinion regarding any such tax consequences. Accordingly, before purchasing any of the Bonds, all potential purchasers should consult their tax advisors with respect to collateral tax consequences relating to the Bonds.

A copy of the proposed form of opinion of Bond Counsel for the Bonds is attached hereto as APPENDIX A.

## **LIMITATION ON REMEDIES; BANKRUPTCY**

### **General**

State law contains certain safeguards to protect the financial solvency of school districts. See "DISTRICT FINANCIAL INFORMATION – State Funding of Education" herein. If the safeguards are not successful in preventing a school district from becoming insolvent, the State Superintendent, operating through an administrator appointed thereby, may be authorized under State law to file a petition under Chapter 9 of the United States Bankruptcy Code (the "Bankruptcy Code") on behalf of the school district for the adjustment of its debts, assuming that the school district meets certain other requirements contained in the Bankruptcy Code necessary for filing such a petition. School districts are not themselves authorized to file a bankruptcy proceeding, and they are not subject to involuntary bankruptcy.

Bankruptcy courts are courts of equity and as such have broad discretionary powers. If the District were to become the debtor in a proceeding under Chapter 9 of the Bankruptcy Code, the automatic stay provisions of Bankruptcy Code Sections 362 and 922 generally would prohibit creditors from taking any action to collect amounts due from the District or to enforce any obligation of the District related to such amounts due, without consent of the District or authorization of the bankruptcy court (although such stays would not operate to block creditor application of pledged special revenues to payment of indebtedness secured by such revenues). In addition, as part of its plan of adjustment in a chapter 9 bankruptcy case, the District may be able to alter the priority, interest rate, principal amount, payment terms, collateral, maturity dates, payment sources, covenants (including tax-related covenants), and other terms or provisions of the Bonds and other transaction documents related to the Bonds, as long as the bankruptcy court determines that the alterations are fair and equitable. There also may be other possible effects of a bankruptcy of the District that could result in delays or reductions in payments on the Bonds. Moreover, regardless of any specific adverse determinations in any District bankruptcy proceeding, the fact of a District bankruptcy proceeding could have an adverse effect on the liquidity and market price of the Bonds.

### **Statutory Lien**

Pursuant to Government Code Section 53515, the Bonds are secured by a statutory lien on all revenues received pursuant to the levy and collection of the tax, and such lien automatically arises, without the need for any action or authorization by the local agency or its governing board, and is valid and binding from the time the Bonds are executed and delivered. See “THE BONDS – Statutory Lien” herein. Although a statutory lien would not be automatically terminated by the filing of a Chapter 9 bankruptcy petition by the District, the automatic stay provisions of the Bankruptcy Code would apply and payments that become due and owing on the Bonds during the pendency of the Chapter 9 proceeding could be delayed, unless the Bonds are determined to be secured by a pledge of “special revenues” within the meaning of the Bankruptcy Code and the pledged *ad valorem* property taxes are applied to pay the Bonds in a manner consistent with the Bankruptcy Code.

### **Special Revenues**

If the *ad valorem* property tax revenues that are pledged to the payment of the Bonds are determined to be “special revenues” within the meaning of the Bankruptcy Code, then the application in a manner consistent with the Bankruptcy Code of the pledged *ad valorem* revenues should not be subject to the automatic stay. “Special revenues” are defined to include, among others, taxes specifically levied to finance one or more projects or systems of the debtor, but excluding receipts from general property, sales, or income taxes levied to finance the general purposes of the debtor. State law prohibits the use of the tax proceeds for any purpose other than payment of the Bonds and the Bond proceeds can only be used to finance or refinance the acquisition or improvement of real property and other capital expenditures included in the proposition, so such tax revenues appear to fit the definition of special revenues. However, there is no binding judicial precedent dealing with the treatment in bankruptcy proceedings of *ad valorem* property tax revenues collected for the payments of bonds in California, so no assurance can be given that a bankruptcy court would not hold otherwise.

### **Possession of Tax Revenues; Remedies**

The County on behalf of the District is expected to be in possession of the annual *ad valorem* property taxes and certain funds to repay the Bonds and may invest these funds in the County’s pooled investment fund, as described in “THE BONDS – Application and Investment of Bond Proceeds” herein and “APPENDIX E – SACRAMENTO COUNTY TREASURY POOL” attached hereto. If the County goes into bankruptcy and has possession of tax revenues (whether collected before or after

commencement of the bankruptcy), and if the County does not voluntarily pay such tax revenues to the owners of the Bonds, it is not entirely clear what procedures the owners of the Bonds would have to follow to attempt to obtain possession of such tax revenues, how much time it would take for such procedures to be completed, or whether such procedures would ultimately be successful. Further, should those investments suffer any losses, there may be delays or reductions in payments on the Bonds.

### **Opinion of Bond Counsel Qualified by Reference to Bankruptcy, Insolvency and Other Laws Relating to or Affecting Creditor's Rights**

The proposed form of the approving opinion of Bond Counsel attached hereto as APPENDIX A is qualified by reference to bankruptcy, insolvency and other laws relating to or affecting creditor's rights. Bankruptcy proceedings, if initiated, could subject the owners of the Bonds to judicial discretion and interpretation of their rights in bankruptcy or otherwise, and consequently may entail risks of delay, limitation, or modification of their rights

## **LEGAL MATTERS**

### **Legality for Investment in California**

Under provisions of the State Financial Code, the Bonds are legal investments for commercial banks in the State to the extent that the Bonds, in the informed opinion of the bank, are prudent for the investment of funds of depositors, and, under provisions of the Government Code, are eligible for security for deposits of public moneys in the State.

### **Enhanced Reporting Requirements**

Under Section 6049 of the Internal Revenue Code of 1986, as amended by Tax Increase Prevention and Reconciliation Act of 2005 ("TIPRA"), interest paid on tax-exempt obligations will be subject to information reporting in a manner similar to interest paid on taxable obligations. The effective date for this provision is for interest paid after December 31, 2005, regardless of when the tax-exempt obligations were issued. The purpose of this change was to assist in relevant information gathering for the IRS relating to other applicable tax provisions. TIPRA provides that backup withholding may apply to such interest payments made after March 31, 2007 to any bondholder who fails to file an accurate Form W-9 or who meets certain other criteria. The information reporting and backup withholding requirements of TIPRA do not affect the excludability of such interest from gross income for federal income tax purposes.

### **Escrow Verification**

Upon delivery of the Bonds, the Verification Agent will deliver a report on the mathematical accuracy of certain computations based upon certain information and assertions provided to them by the Underwriters relating to the adequacy of funds on deposit in the Escrow Fund to pay the redemption price of and interest on the Refunded Bonds.

### **Continuing Disclosure**

***Current Undertaking.*** Pursuant to the Continuing Disclosure Certificate, the District has covenanted for the benefit of the Owners and Beneficial Owners of the Bonds to provide certain financial information and operating data relating to the District (the "Annual Report") by not later than nine months following the end of the District's fiscal year (which currently ends June 30), commencing with the report for the 2021-22 Fiscal Year, and to provide notices of the occurrence of certain listed events. The Annual Report and notices of listed events will be filed by the District in accordance with the requirements of the

Rule. The specific nature of the information to be contained in the Annual Report or the notices of listed events is included in “APPENDIX D – FORM OF CONTINUING DISCLOSURE CERTIFICATE” attached hereto. These covenants have been made in order to assist the Underwriters in complying with the Rule.

*Prior Undertakings.* [TO COME].

### **Litigation**

No litigation is pending or threatened concerning the validity of the Bonds, and a certificate to that effect will be furnished to purchasers at the time of the original delivery of the Bonds. The District is not aware of any litigation pending or threatened questioning the political existence of the District or contesting the District’s ability to receive *ad valorem* property taxes or to collect other revenues or contesting the District’s ability to issue and retire the Bonds.

### **Financial Statements**

The financial statements with supplemental information for the year ended June 30, 2021, the independent auditor’s report of the District, and the related statements of activities and of cash flows for the year then ended, and the report dated January 27, 2022 of Crowe LLP, the Auditor, are included in this Official Statement as APPENDIX B. In connection with the inclusion of the financial statements and the report of the Auditor thereon in APPENDIX B to this Official Statement, the District did not request the Auditor to, and the Auditor has not undertaken to, update its report or to take any action intended or likely to elicit information concerning the accuracy, completeness or fairness of the statements made in this Official Statement, and no opinion is expressed by the Auditor with respect to any event subsequent to the date of its report.

### **Legal Opinion**

The legal opinion of Bond Counsel, approving the validity of the Bonds, will be supplied to the original purchasers of the Bonds without cost. A copy of the proposed form of such legal opinion is attached to this Official Statement as APPENDIX A.

## **MISCELLANEOUS**

### **Ratings**

The Bonds are expected to be assigned a rating of “\_\_” by S&P, based upon the issuance of the Policy by the Insurer at the time the Bonds are delivered. [Moody’s][S&P] has also assigned an underlying rating of “\_\_” to the Bonds. Such ratings reflects only the views of the rating agencies and any desired explanation of the significance of such rating should be obtained therefrom. There is no assurance such ratings will continue for any given period of time or that such ratings will not be revised downward or withdrawn entirely by the rating agencies, if in the judgment of the rating agencies, circumstances so warrant. Any such downward revision or withdrawal of such ratings may have an adverse effect on the market price for the Bonds.

Generally, rating agencies base their ratings on information and materials furnished to them (which may include information and material from the District which is not included in this Official Statement) and on investigations, studies and assumptions by the rating agencies.

The District has covenanted in a Continuing Disclosure Certificate to file notices of any ratings changes on the Bonds. See the caption “LEGAL MATTERS – Continuing Disclosure” above and “APPENDIX C – FORM OF CONTINUING DISCLOSURE CERTIFICATE” attached hereto. Notwithstanding such covenant, information relating to ratings changes on the Bonds may be publicly available from S&P and Moody’s prior to such information being provided to the District and prior to the date the District is obligated to file a notice of rating change pursuant to the Rule. Purchasers of the Bonds are directed to S&P and Moody’s, their websites and official media outlets for the most current ratings changes with respect to the Bonds after the initial issuance thereof.

### **Considerations Regarding Bond Insurance**

Concurrently with issuance of the Bonds, the Insurer will issue the Policy for the Bonds. The Policy unconditionally guarantees the payment of the principal of and interest on the Bonds that has become due for payment but that is unpaid. See “THE BONDS – Bond Insurance” and “APPENDIX F – SPECIMEN MUNICIPAL BOND INSURANCE POLICY” attached hereto.

In the event of a default in the payment of principal or interest on the Bonds, when all or some becomes due, any Owner of a Bond may have a claim under the Policy. The Policy would not insure against redemption premium, if any, with respect to the Bonds. In the event that the Insurer is unable to make payment of principal or interest on Bonds as such payments become due under the Policy, the Bonds will be payable solely as otherwise described herein. In the event that the Insurer becomes obligated to make payments on the Bonds, no assurance can be given that such event would not adversely affect the market price of the Bonds or the marketability (liquidity) of the Bonds.

Neither the District nor the Underwriters will make an independent investigation of the claims paying ability of the Insurer, and no assurance or representation regarding the financial strength or projected financial strength thereof is being made by the District, the Municipal Advisor or the Underwriters in this Official Statement. Therefore, when making an investment decision with respect to the Bonds, potential investors should carefully consider the ability of the District to pay principal and interest on the Bonds, assuming that the Policy is not available, and the claims-paying ability of the Insurer through final maturity of the Bonds.

### **Underwriting**

[Senior Underwriter], on behalf of its self and [Co-Manager] (collectively, the “Underwriters”) has agreed, pursuant to a bond purchase agreement relating to the Bonds, to purchase all of the Bonds for a price of \$ \_\_\_\_\_, which is equal to the initial principal amount of the Bonds of \$ \_\_\_\_\_, plus original issue premium of \$ \_\_\_\_\_, less \$ \_\_\_\_\_ of underwriting discount.

The purchase agreement relating to the Bonds provide that the Underwriters will purchase all of the Bonds if any are purchased, the obligation to make such purchases being subject to certain terms and conditions set forth in such purchase agreement, the approval of certain legal matters by Bond Counsel and certain other conditions. The initial offering prices stated on the inside cover of this Official Statement may be changed from time to time by the Underwriters. The Underwriters may offer and sell Bonds to certain dealers and others at prices lower than such initial offering prices.

**ADDITIONAL INFORMATION**

The purpose of this Official Statement is to supply information to prospective buyers of the Bonds. Quotations from and summaries and explanations of the Bonds, the Resolution providing for issuance of the Bonds, and the constitutional provisions, statutes and other documents referenced herein, do not purport to be complete, and reference is made to said documents, constitutional provisions and statutes for full and complete statements of their provisions.

All data contained herein has been taken or constructed from District records. Appropriate District officials, acting in their official capacities, have reviewed this Official Statement and have determined that, as of the date hereof, the information contained herein is, to the best of their knowledge and belief, true and correct in all material respects and does not contain an untrue statement of a material fact or omit to state a material fact necessary in order to make the statements made herein, in light of the circumstances under which they were made, not misleading. This Official Statement has been approved by the District.

**SACRAMENTO CITY UNIFIED SCHOOL DISTRICT**

By: \_\_\_\_\_

Jorge A. Aguilar  
Superintendent

## APPENDIX A

### FORM OF OPINION OF BOND COUNSEL FOR THE BONDS

*Upon issuance and delivery of the Bonds, Stradling Yocca Carlson & Rauth, Bond Counsel, proposes to render its final approving opinion with respect thereto substantially in the following form:*

\_\_\_\_\_, 2022

Board of Trustees  
Sacramento City Unified School District

Members of the Board of Trustees:

We have examined a certified copy of the record of the proceedings relative to the issuance and sale of \$ \_\_\_\_\_ Sacramento City Unified School District (Sacramento County, California) 2022 General Obligation Refunding Bonds (the “Bonds”). As to questions of fact material to our opinion, we have relied upon the certified proceedings and other certifications of public officials furnished to us without undertaking to verify the same by independent investigation.

Based on our examination as bond counsel of existing law, certified copies of such legal proceedings and such other proofs as we deem necessary to render this opinion, we are of the opinion, as of the date hereof and under existing law, that:

1. Such proceedings and proofs show lawful authority for the issuance and sale of the Bonds pursuant to Articles 9 and 11 of Chapter 3 of Part 1 of Division 2 of Title 5 of the Government Code, and a resolution (the “Resolution”) of the Board of Education of the El Monte City School District (the “District”) adopted on April 7, 2022.
2. The Bonds constitute valid and binding general obligations of the District, payable as to both principal and interest from the proceeds of a levy of *ad valorem* property taxes on all property subject to such taxes in the District, which taxes are unlimited as to rate or amount.
3. Under existing statutes, regulations, rulings and judicial decisions, interest on the Bonds is excluded from gross income for federal income tax purposes and is not an item of tax preference for purposes of calculating the federal alternative minimum tax imposed on individuals.
4. Interest on the Bonds is exempt from State of California personal income tax.
5. The excess of the stated redemption price at maturity of a Bond over the issue price of a Bond (the first price at which a substantial amount of the Bonds of a maturity is to be sold to the public) and the stated redemption price at maturity with respect to such Bonds constitutes original issue discount. Original issue discount accrues under a constant yield method, and original issue discount will accrue to a Bondowner before receipt of cash attributable to such excludable income. The amount of original issue discount deemed received by a Bondowner will increase the Bondowner’s basis in the applicable Bond. Original issue discount that accrues to the Bondowner is excluded from the gross income of such owner for federal income tax purposes, is not an item of tax preference for purposes of the federal alternative

minimum tax imposed on individuals, and is exempt from State of California personal income tax.

6. The amount by which a Bondowner's original basis for determining gain or loss on sale or exchange of the applicable Bond (generally, the purchase price) exceeds the amount payable on maturity (or on an earlier call date) constitutes amortizable Bond premium, which must be amortized under Section 171 of the Internal Revenue Code of 1986, as amended (the "Code"); such amortizable Bond premium reduces the Bondowner's basis in the applicable Bond (and the amount of tax-exempt interest received), and is not deductible for federal income tax purposes. The basis reduction as a result of the amortization of Bond premium may result in a Bondowner realizing a taxable gain when a Bond is sold by the Bondowner for an amount equal to or less (under certain circumstances) than the original cost of the Bond to the Bondowner. Purchasers of the Bonds should consult their own tax advisors as to the treatment, computation and collateral consequences of amortizable Bond premium.

The opinions expressed herein may be affected by actions taken (or not taken) or events occurring (or not occurring) after the date hereof. We have not undertaken to determine, or to inform any person, whether any such actions or events are taken or do occur. The Resolution and the Tax Certificate relating to the Bonds permit certain actions to be taken or to be omitted if a favorable opinion of Bond Counsel is provided with respect thereto. No opinion is expressed herein as to the effect on the exclusion from gross income of interest (and original issue discount) for federal income tax purposes with respect to any Bond if any such action is taken or omitted based upon the advice of counsel other than ourselves. Other than expressly stated herein, we express no opinion regarding tax consequences with respect to the Bonds.

The opinions expressed herein as to the exclusion from gross income of interest (and original issue discount) on the Bonds are based upon certain representations of fact and certifications made by the District and others and are subject to the condition that the District complies with all requirements of the Code, that must be satisfied subsequent to the issuance of the Bonds to assure that such interest (and original issue discount) will not become includable in gross income for federal income tax purposes. Failure to comply with such requirements of the Code might cause interest (and original issue discount) on the Bonds to be included in gross income for federal income tax purposes retroactive to the date of issuance of the Bonds. The District has covenanted to comply with all such requirements.

It is possible that subsequent to the issuance of the Bonds there might be federal, state, or local statutory changes (or judicial or regulatory interpretations of federal, state, or local law) that affect the federal, state, or local tax treatment of the Bonds or the market value of the Bonds. No assurance can be given that subsequent to the issuance of the Bonds such changes or interpretations will not occur.

The rights of the owners of the Bonds and the enforceability thereof may be subject to bankruptcy, insolvency, reorganization, moratorium and other similar laws affecting creditors' rights heretofore or hereafter enacted to the extent constitutionally applicable and their enforcement may also be subject to the exercise of judicial discretion in appropriate cases and by the limitations on legal remedies against public agencies in the State of California.

Respectfully submitted,

Stradling Yocca Carlson & Rauth

**APPENDIX B**  
**AUDITED FINANCIAL STATEMENTS OF THE DISTRICT**  
**FOR FISCAL YEAR 2020-21**

## APPENDIX C

### FORM OF CONTINUING DISCLOSURE CERTIFICATE

This Continuing Disclosure Certificate (the “Disclosure Certificate”) is executed and delivered by the Sacramento City Unified School District (the “District”) in connection with the issuance of the District’s 2022 General Obligation Refunding Bonds (collectively, the “Bonds”). The Bonds are being issued pursuant to a resolution of the Board of Education of the District adopted on April 7, 2022 (the “Resolution”). The District covenants and agrees as follows:

SECTION 1. Purpose of the Disclosure Certificate. This Disclosure Certificate is being executed and delivered by the District for the benefit of the Holders and Beneficial Owners of the Bonds and in order to assist the Participating Underwriters in complying with S.E.C. Rule 15c2-12(b)(5).

SECTION 2. Definitions. In addition to the definitions set forth in the Resolution, which apply to any capitalized term used in this Disclosure Certificate unless otherwise defined in this Section, the following capitalized terms shall have the following meanings:

“Annual Report” shall mean any Annual Report provided by the District pursuant to, and as described in, Sections 3 and 4 of this Disclosure Certificate.

“Beneficial Owner” shall mean any person which (a) has the power, directly or indirectly, to vote or consent with respect to, or to dispose of ownership of, any Bonds (including persons holding Bonds through nominees, depositories or other intermediaries), or (b) is treated as the owner of any Bonds for federal income tax purposes.

“Dissemination Agent” shall mean initially Dale Scott & Company, Inc., or any successor Dissemination Agent designated in writing by the District (which may be the District) and which has filed with the District a written acceptance of such designation.

“Financial Obligation” means: (a) a debt obligation; (b) a derivative instrument entered into in connection with, or pledged as security or a source of payment for, an existing or planned debt obligation; or (c) guarantee of (a) or (b). The term “Financial Obligation” does not include municipal securities as to which a final official statement has been provided to the Repository consistent with the Rule.

“Holders” shall mean registered owners of the Bonds.

“Listed Events” shall mean any of the events listed in Section 5(a) and 5(b) of this Disclosure Certificate.

“Participating Underwriters” shall mean any of the original underwriters of the Bonds required to comply with the Rule in connection with offering of the Bonds.

“Repository” shall mean the Municipal Securities Rulemaking Board, which can be found at <http://emma.msrb.org/>, or any other repository of disclosure information that may be designated by the Securities and Exchange Commission as such for purposes of the Rule in the future.

“Rule” shall mean Rule 15c2-12(b)(5) adopted by the Securities and Exchange Commission under the Securities Exchange Act of 1934, as the same may be amended from time to time.

“State” shall mean the State of California.

SECTION 3. Provision of Annual Reports.

(a) The District shall, or shall cause the Dissemination Agent to, not later than nine months after the end of the District's fiscal year (presently ending June 30), commencing with the report for the 2021-22 Fiscal Year, provide to the Repository an Annual Report which is consistent with the requirements of Section 4 of this Disclosure Certificate. The Annual Report may be submitted as a single document or as separate documents comprising a package, and may cross-reference other information as provided in Section 4 of this Disclosure Certificate; *provided* that the audited financial statements of the District may be submitted separately from the balance of the Annual Report and later than the date required above for the filing of the Annual Report if they are not available by that date. If the District's fiscal year changes, it shall give notice of such change in the same manner as for a Listed Event under Section 5(d).

(b) Not later than 30 days (nor more than 60 days) prior to said date the Dissemination Agent shall give notice to the District that the Annual Report shall be required to be filed in accordance with the terms of this Disclosure Certificate. Not later than 15 Business Days prior to said date, the District shall provide the Annual Report in a format suitable for reporting to the Repository to the Dissemination Agent (if other than the District). If the District is unable to provide to the Repository an Annual Report by the date required in subsection (a), the District shall, in a timely manner, send a notice to the Repository in substantially the form attached as Exhibit A with a copy to the Dissemination Agent. The Dissemination Agent shall not be required to file a Notice to Repository of Failure to File an Annual Report.

(c) The Dissemination Agent shall file a report with the District stating it has filed the Annual Report in accordance with its obligations hereunder, stating the date it was provided.

SECTION 4. Content and Form of Annual Reports.

(a) The District's Annual Report shall contain or include by reference the following:

1. The audited financial statements of the District for the fiscal year, prepared in accordance with generally accepted accounting principles as promulgated to apply to governmental entities from time to time by the Governmental Accounting Standards Board. If the District's audited financial statements are not available by the time the Annual Report is required to be filed pursuant to Section 3(a), the Annual Report shall contain unaudited financial statements in a format similar to the financial statements contained in the final Official Statement, and the audited financial statements shall be filed in the same manner as the Annual Report when they become available.

2. Material financial information and operating data with respect to the District of the type included in the Official Statement in the following categories (to the extent not included in the District's audited financial statements):

- (A) State funding received by the District for the last completed fiscal year;
- (B) Average daily attendance of the District for the last completed fiscal year;
- (C) Outstanding District indebtedness;
- (D) Summary financial information on revenues, expenditures and fund balances for the District's general fund reflecting adopted budget for the current fiscal year;

- (E) Total assessed valuation of taxable property within the District, for the current fiscal year;
- (F) Secured tax charges and delinquencies for *ad valorem* property tax levies for the District's outstanding bonded indebtedness, for the most recently completed fiscal year; and
- (G) Assessed valuation of taxable property for the top twenty taxpayers within the District for the current fiscal year.

Any or all of the items listed above may be included by specific reference to other documents, including official statements of debt issues of the District or related public entities, which have been submitted to the Repository or the Securities and Exchange Commission. If the document included by reference is a final official statement, it must be available from the Municipal Securities Rulemaking Board. The District shall clearly identify each such other document so included by reference.

(b) The Annual Report shall be filed in an electronic format accompanied by identifying information prescribed by the Municipal Securities Rulemaking Board.

#### SECTION 5. Reporting of Significant Events.

(a) Pursuant to the provisions of this Section 5(a), the District shall give, or cause to be given, notice of the occurrence of any of the following events with respect to the Bonds in a timely manner not in excess of 10 business days after the occurrence of the event:

1. principal and interest payment delinquencies.
2. tender offers.
3. defeasances.
4. rating changes.
5. adverse tax opinions, the issuance by the Internal Revenue Service of proposed or final determinations of taxability, or Notices of Proposed Issue (IRS Form 5701-TEB).
6. unscheduled draws on the debt service reserves reflecting financial difficulties.
7. unscheduled draws on credit enhancement reflecting financial difficulties.
8. substitution of the credit or liquidity providers or their failure to perform.
9. default, event of acceleration, termination event, modification of terms, or other similar events under the terms of a Financial Obligation of the District, any of which reflect financial difficulties.
10. bankruptcy, insolvency, receivership or similar event of the District. For the purposes of the event identified in this Section 5(a)(9), the event is considered to occur when any of the following occur: the appointment of a receiver, fiscal agent or similar officer for the District in a proceeding under the U.S. Bankruptcy Code or in any other proceeding under state or federal law in which a court or governmental authority has assumed jurisdiction over substantially all of the assets or business of the District, or if such jurisdiction has been assumed

by leaving the existing governmental body and officials or officers in possession but subject to the supervision and orders of a court or governmental authority, or the entry of an order confirming a plan of reorganization, arrangement or liquidation by a court or governmental authority having supervision or jurisdiction over substantially all of the assets or business of the District.

(b) Pursuant to the provisions of this Section 5(b), the District shall give, or cause to be given, notice of the occurrence of any of the following events with respect to the Bonds, if material:

1. non-payment related defaults.
2. modifications to rights of Bondholders.
3. Bond calls.
4. unless described under Section 5(a)(5) above material notices or determinations with respect to the tax status of the Bonds, or other material events affecting the tax status of the Bonds.
5. release, substitution or sale of property securing repayment of the Bonds.
6. the consummation of a merger, consolidation, or acquisition involving the District or the sale of all or substantially all of the assets of the District, other than in the ordinary course of business, the entry into a definitive agreement to undertake such an action or the termination of a definitive agreement relating to any such actions, other than pursuant to its terms.
7. appointment of a successor or additional trustee or paying agent with respect to the Bonds or the change of name of such a trustee or paying agent.
8. incurrence of a Financial Obligation of the District, or agreement to covenants, events of default, remedies, priority rights, or other similar terms of a Financial Obligation of the District, any of which affect Bondowners.

(c) Whenever the District obtains knowledge of the occurrence of a Listed Event under Section 5(b) hereof, the District shall as soon as possible determine if such event would be material under applicable federal securities laws.

(d) If the District determines that knowledge of the occurrence of a Listed Event under Section 5(b) hereof would be material under applicable federal securities laws, the District shall (i) file a notice of such occurrence with the Repository in a timely manner not in excess of 10 business days after the occurrence of the event or (ii) provide notice of such reportable event to the Dissemination Agent in format suitable for filing with the Repository in a timely manner not in excess of 10 business days after the occurrence of the event. The Dissemination Agent shall have no duty to independently prepare or file any report of Listed Events. The Dissemination Agent may conclusively rely on the District's determination of materiality pursuant to Section 5(c).

**SECTION 6. Termination of Reporting Obligation.** The District's obligations under this Disclosure Certificate shall terminate upon the legal defeasance, prior redemption or payment in full of all of the Bonds. If such termination occurs prior to the final maturity of the Bonds, the District shall give notice of such termination in the same manner as for a Listed Event under Section 5(a) or 5(b).

SECTION 7. Dissemination Agent. The District may, from time to time, appoint or engage a Dissemination Agent (or substitute Dissemination Agent) to assist it in carrying out its obligations under this Disclosure Certificate, and may discharge any such Agent, with or without appointing a successor Dissemination Agent. The Dissemination Agent may resign upon 15 days written notice to the District. Upon such resignation, the District shall act as its own Dissemination Agent until it appoints a successor. The Dissemination Agent shall not be responsible in any manner for the content of any notice or report prepared by the District pursuant to this Disclosure Certificate and shall not be responsible to verify the accuracy, completeness or materiality of any continuing disclosure information provided by the District. The District shall compensate the Dissemination Agent for its fees and expenses hereunder as agreed by the parties. Any entity succeeding to all or substantially all of the Dissemination Agent's corporate trust business shall be the successor Dissemination Agent without the execution or filing of any paper or further act.

SECTION 8. Amendment; Waiver. Notwithstanding any other provision of this Disclosure Certificate, the District may amend this Disclosure Certificate, and any provision of this Disclosure Certificate may be waived, provided that the following conditions are satisfied:

(a) If the amendment or waiver relates to the provisions of Sections 3(a), 4, 5(a) or 5(b), it may only be made in connection with a change in circumstances that arises from a change in legal requirements, change in law, or change in the identity, nature or status of an obligated person with respect to the Bonds, or the type of business conducted;

(b) The undertaking, as amended or taking into account such waiver, would, in the opinion of nationally recognized bond counsel, have complied with the requirements of the Rule at the time of the original issuance of the Bonds, after taking into account any amendments or interpretations of the Rule, as well as any change in circumstances;

(c) The amendment or waiver does not, in the opinion of nationally recognized bond counsel, materially impair the interests of the Holders or Beneficial Owners of the Bonds; and

(d) No duties of the Dissemination Agent hereunder shall be amended without its written consent thereto.

In the event of any amendment or waiver of a provision of this Disclosure Certificate, the District shall describe such amendment in the next Annual Report, and shall include, as applicable, a narrative explanation of the reason for the amendment or waiver and its impact on the type (or in the case of a change of accounting principles, on the presentation) of financial information or operating data being presented by the District. In addition, if the amendment relates to the accounting principles to be followed in preparing financial statements, (i) notice of such change shall be given in the same manner as for a Listed Event under Section 5(b), and (ii) the Annual Report for the year in which the change is made should present a comparison (in narrative form and also, if feasible, in quantitative form) between the financial statements as prepared on the basis of the new accounting principles and those prepared on the basis of the former accounting principles.

SECTION 9. Additional Information. Nothing in this Disclosure Certificate shall be deemed to prevent the District from disseminating any other information, using the means of dissemination set forth in this Disclosure Certificate or any other means of communication, or including any other information in any Annual Report or notice of occurrence of a Listed Event, in addition to that which is required by this Disclosure Certificate. If the District chooses to include any information in any Annual Report or notice of occurrence of a Listed Event in addition to that which is specifically required by this Disclosure

Certificate, the District shall have no obligation under this Certificate to update such information or include it in any future Annual Report or notice of occurrence of a Listed Event.

SECTION 10. Default. In the event of a failure of the District to comply with any provision of this Disclosure Certificate any Holder or Beneficial Owner of the Bonds may take such actions as may be necessary and appropriate, including seeking mandate or specific performance by court order, to cause the District to comply with its obligations under this Disclosure Certificate. A default under this Disclosure Certificate shall not be deemed an event of default under the Resolution, and the sole remedy under this Disclosure Certificate in the event of any failure of the District to comply with this Disclosure Certificate shall be an action to compel performance.

SECTION 11. Duties, Immunities and Liabilities of Dissemination Agent. The Dissemination Agent shall have only such duties as are specifically set forth in this Disclosure Certificate. The Dissemination Agent acts hereunder solely for the benefit of the District; this Disclosure Certificate shall confer no duties on the Dissemination Agent to the Participating Underwriters, the Holders and the Beneficial Owners. The District agrees to indemnify and save the Dissemination Agent, its officers, directors, employees and agents, harmless against any loss, expense and liabilities which it may incur arising out of or in the exercise or performance of its powers and duties hereunder, including the costs and expenses (including attorneys fees) of defending against any claim of liability, but excluding liabilities due to the Dissemination Agent's negligence or willful misconduct. The obligations of the District under this Section shall survive resignation or removal of the Dissemination Agent and payment of the Bonds. The Dissemination Agent shall have no liability for the failure to report any event or any financial information as to which the District has not provided an information report in format suitable for filing with the Repository. The Dissemination Agent shall not be required to monitor or enforce the District's duty to comply with its continuing disclosure requirements hereunder.

SECTION 12. Beneficiaries. This Disclosure Certificate shall inure solely to the benefit of the District, the Dissemination Agent, the Participating Underwriters and Holders and Beneficial Owners from time to time of the Bonds, and shall create no rights in any other person or entity.

Dated: \_\_\_\_\_, 2022

SACRAMENTO CITY UNIFIED SCHOOL DISTRICT

By \_\_\_\_\_  
Authorized Officer

**EXHIBIT A**

NOTICE TO REPOSITORY OF FAILURE TO FILE ANNUAL REPORT

Name of District: SACRAMENTO CITY UNIFIED SCHOOL DISTRICT

Name of Bond Issue: 2022 General Obligation Refunding Bonds

Date of Issuance:

NOTICE IS HEREBY GIVEN that the District has not provided an Annual Report with respect to the above-named Bonds as required by the Continuing Disclosure Certificate relating to the Bonds. The District anticipates that the Annual Report will be filed by \_\_\_\_\_.

Dated: \_\_\_\_\_

SACRAMENTO CITY UNIFIED SCHOOL DISTRICT

By \_\_\_\_\_ [form only; no signature required]

## APPENDIX D

### ECONOMIC AND DEMOGRAPHIC INFORMATION FOR THE CITY OF SACRAMENTO AND SACRAMENTO COUNTY

*The following information regarding the City of Sacramento (the “City”), and Sacramento County (the “County”) is included only for the purpose of supplying general information regarding the local community and economy. The Bonds are not a debt of the City or of the County. This material has been prepared by or excerpted from the sources as noted herein and has not been reviewed for accuracy by the District or Bond Counsel. This Appendix includes information that is generally as of dates and for periods before the economic impacts of the COVID-19 (as defined in the front part of this Official Statement) pandemic and the measures instituted in response thereto. The COVID-19 pandemic is ongoing, and as result the geographic spread or mutation of the virus (notwithstanding the general availability of vaccines to combat the virus), the duration and severity of the outbreak, and the economic and other actions that may be taken by governmental authorities to contain the outbreak or to treat its impact are uncertain. The ultimate adverse impact of COVID-19 on the operations and finances of the District is unknown.*

## APPENDIX E

### SACRAMENTO COUNTY TREASURY POOL

*The following information concerning the Sacramento County Treasury Pool (the “Treasury Pool”) has been provided by the Director of Finance, and has not been confirmed or verified by the District, the Municipal Advisor or the Underwriters. The District, the Municipal Advisor and the Underwriters have not made an independent investigation of the investments in the Treasury Pool and have made no assessment of the current County investment policy. The value of the various investments in the Treasury Pool will fluctuate on a daily basis as a result of a multitude of factors, including generally prevailing interest rates and other economic conditions. Additionally, the Director of Finance, with the consent of the County Board of Supervisors may change the County investment policy at any time. Therefore, there can be no assurance that the values of the various investments in the Treasury Pool will not vary significantly from the values described herein. Finally, neither the District, the Municipal Advisor nor the Underwriters make any representation as to the accuracy or adequacy of such information or as to the absence of material adverse changes in such information subsequent to the date hereof, or that the information contained or incorporated hereby by reference is correct as of any time subsequent to its date. Additional information regarding the Treasury Pool may be obtained from the Director of Finance at <https://finance.sacounty.gov/Investments/Pages/RptMonthly.aspx>, however, the information presented on such website is not incorporated herein by any reference.*

**APPENDIX F**

**SPECIMEN MUNICIPAL BOND INSURANCE POLICY**



# SACRAMENTO CITY UNIFIED SCHOOL DISTRICT BOARD OF EDUCATION

Agenda Item# 10.1

**Meeting Date:** April 7, 2022

**Subject:** **Resolution No. 3265: Authorization for Government Contract Code 4217 for Energy Service Contract**

- Information Item Only
- Approval on Consent Agenda
- Conference (for discussion only)
- Conference/First Reading (Action Anticipated: \_\_\_\_\_)
- Conference/Action
- Action
- Public Hearing

**Division:** Facilities Support Services

**Recommendation:** Hold a public hearing on the authorization and approval of an Energy Services Contract. Additionally, after the public hearing, approve Resolution No. 3265, to authorize and approve a contract between the district and Efficient Lighting Design, Inc. using Government Code 4217.10 *et seq.*

**Background/Rationale:** Government Code section 4217.10 *et seq.* allows public agencies to develop energy conservation, cogeneration, and alternate energy supply sources at the facilities of public agencies if its governing body determines the purchase is in the best interests of the public agency at a public hearing held at a regularly scheduled Board meeting. In addition, the governing body must determine that the anticipated cost to the District for the energy generating facility under the energy service contract will be less than the anticipated cost to the District of electrical energy costs that would have been consumed by the District in the absence of this purchase.

District staff seeks to enter into an energy service contract with Efficient Lighting Design, Inc. ("Provider"), where Provider proposes to design, install, and implement certain energy conservation measures on a District-wide basis including, without limitation, work involving LED lighting retrofitting at various sites ("Project").

Before entering into an energy service contract, Government Code section 4217.12 requires the Board to hold a public hearing at its regularly scheduled Board meeting to determine whether the Project and the proposed energy service contract is in the best interests of the District. The energy cost savings analysis for the Project, provided by Provider and reviewed by District staff, shows that the anticipated cost to the District for

the Project will be less than the anticipated marginal cost to the District of electrical or other energy that would have been consumed by the District if such Project was not completed. As required by statute, on March 24, 2022, at least two weeks prior to the regularly scheduled public meeting, District staff posted the notice of its intent to conduct a public hearing.

The purpose of this agenda item is for the Board to conduct a public hearing to provide an opportunity for public comment on the proposed Project and on the question of the District entering into an Energy Service Contract.

Additionally, this agenda item is for the Board to consider adoption of Resolution No. 3265 to make required findings and approve an agreement with Efficient Lighting Design, Inc. ("Provider") to implement certain energy conservation measures by installing lighting retrofitting (collectively, "Project") using an energy service contract ("Contract") pursuant to Government Code section 4217.10 *et seq.*

In accordance with Government Code section 4217.12, the Resolution finds that, based on available information, the cost of the Project will be offset and will be less than the anticipated marginal cost to District of electrical or other energy that would have been consumed by District if such Project was not completed, and that it is in the best interests of the District to enter into the Contract with Provider.

**Financial Considerations:** Measure Q funding; \$2,353,350

**LCAP Goal(s):** Safe, Physically and Emotionally Healthy Learning Environment, Maximize Organization Processes as Effectively and Efficiently as Possible.

**Documents Attached:**

1. Exhibit 1 – LED Lighting financial analysis
2. Exhibit 2 – Efficient Lighting Design Contract
3. Exhibit 3 – List of sites
4. Exhibit 4 - Notice of Public Hearing
5. Resolution 3265 – Authorization and approve energy service contract

<p><b>Estimated Time of Presentation:</b> 5 minutes <b>Submitted by:</b> Rose Ramos, Chief Business and Operations Officer Chris Ralston, Director III, Facilities Management <b>Approved by:</b> Jorge A. Aguilar, Superintendent</p>
--

**FIFTEEN YEAR FINANCIAL ANALYSIS  
SCUSD OD LED PROJECT PHASE 1**

*Project Investment:* \$2,388,164  
*Performance Bond:* \$57,399  
*Utility Incentive:* \$92,213  
 Net Investment less Incentive : **\$2,353,350**

*First Year Savings:* \$295,920  
*Maintenance Savings:* \$19,206

*Energy Inflation Rate:* 3.00%  
*Simple Payback:* 7.5  
*Internal Rate of Return:* 12%

PLA

YEAR	ENERGY COST AVOIDANCE	MAINT COST AVOIDANCE	NET COST AVOIDANCE
ONE	\$295,920	\$19,206	\$315,126
TWO	\$304,798	\$19,590	\$324,388
THREE	\$313,942	\$19,982	\$333,923
FOUR	\$323,360	\$20,382	\$343,741
FIVE	\$333,061	\$20,789	\$353,850
SIX	\$343,052	\$21,205	\$364,257
SEVEN	\$353,344	\$21,629	\$374,973
EIGHT	\$363,944	\$22,062	\$386,006
NINE	\$374,863	\$22,503	\$397,365
TEN	\$386,108	\$22,953	\$409,061
ELEVEN	\$397,692	\$21,805	\$419,497
TWELVE	\$409,622	\$20,715	\$430,338
THIRTEEN	\$421,911	\$19,679	\$441,590
FOURTEEN	\$434,568	\$18,695	\$453,264
FIFTEEN	\$447,606	\$17,761	\$465,366
<b>TOTAL</b>	<b>\$5,503,791</b>	<b>\$308,956</b>	<b>\$5,812,746</b>

**ENERGY SERVICES CONTRACT  
FOR DISTRICT-WIDE LIGHTING PROJECT**

This agreement ("Agreement"), dated as of April 7, 2022 ("Effective Date"), is made and entered into by and between Efficient Lighting Design, Inc. ("Contractor"), a corporation duly organized and existing under the laws of the State of California, and Sacramento City Unified School District ("District"), a California public school district (each a "Party" and, together, "Parties").

**RECITALS**

**WHEREAS**, Government Code section 4217.12 authorizes a public agency to enter into an energy service contract with respect to an energy conservation facility on terms that the public agency's governing board determines are in the best interests of the public agency and if the governing board finds that the anticipated cost to the public agency for the energy provided by the energy conservation facility will be less than the anticipated marginal cost to the District of thermal, electrical or other energy that would have been consumed by the public agency in the absence of those purchases;

**WHEREAS**, the District is a public agency under the provision of Government Code section 4217.10 *et seq.* pertaining to energy service contracts;

**WHEREAS**, under Government Code section 4217.11, an "energy service contract" means a public contract that "will provide electrical or thermal energy or conservation services to a public agency from an 'energy conservation facility,'" including "conservation measures located in public buildings" such as "equipment, maintenance, load management techniques and equipment, or other measures to reduce energy use or make for a more efficient use of energy;"

**WHEREAS**, Sacramento City Unified School District ("District") desires to implement energy conservation measures by installing new LED lighting fixtures ("Project");

**WHEREAS**, the Parties intend to enter into this energy service contract as defined by Government Code section 4217.11 ("Agreement");

**WHEREAS**, Contractor represents that it has the expertise and experience to perform the services set forth in this Agreement; and

**WHEREAS**, the Parties have performed all acts, conditions and things required by law to exist, to have happened and to have been performed precedent to and in connection with the execution and entering into of this Agreement and all those conditions precedent do exist, have happened and have been performed in regular and due time, form and manner as required by law, and the Parties hereto are now duly authorized to execute and enter into this Agreement; and

**NOW, THEREFORE**, in consideration of the above recitals and of the mutual covenants hereinafter contained, the Parties hereto do hereby agree as follows:

- 1. Services.** Contractor shall furnish to the District the labor, equipment, material, and services as described in **Exhibit "A"** attached hereto and incorporated herein by this reference ("Services" or "Work"). The Work will be performed at various locations (exhibit 3) (collectively, "Site").

**2. Term.** It is hereby understood and agreed that the work under this contract shall be completed by June 30, 2023 ("Term"). Should the Contractor fail to complete this Agreement, and the Work provided herein, within the time fixed for completion, due allowance being made for the contingencies provided for herein, the Contractor shall become liable to the District for all loss and damage that the District may suffer on account thereof.

**3. Liquidated Damages.** Time is of the essence for all Work under this Agreement. It is hereby understood and agreed that it is and will be difficult and/or impossible to ascertain and determine the actual damage that the District will sustain in the event of and by reason of Contractor's delay; therefore, as "Liquidated Damages," Contractor agrees that it shall pay to the District for each Site, the sum of One Hundred Dollars (\$100) per day for each and every day's delay beyond the applicable Final Completion Date that Final Completion is not achieved.

It is hereby understood and agreed that this amount is not a penalty.

In the event any portion of the Liquidated Damages is not paid to the District, the District may deduct that amount from any money due or that may become due the Contractor under this Agreement, the District may seek recovery of Liquidated Damages from the Contractor's Performance Bond Surety and/or the District may seek recovery of Liquidated Damages from the Contractor or the Performance Bond Surety without having exhausted remedies against the other.

**4. Grants/Rebates/Incentives.** Contractor shall use commercially reasonable efforts to support the District in obtaining or maintaining grants/rebates/incentives for the Site(s). Contractor shall use commercially reasonable efforts to support the District in obtaining an extension, if allowed and if necessary. If the District does not obtain extensions for the rebates on terms satisfactory to the District on its sole discretion, the District may terminate this Agreement for convenience pursuant to the terms of this Agreement.

[REMAINDER OF PAGE INTENTIONALLY LEFT BLANK; CONTINUED ON FOLLOWING PAGE.]

**5. Contract Documents.** The following documents comprise the "Contract Documents" for the Work under this Agreement:

- |   |  |
|---|--|
| <input checked="" type="checkbox"/> Signed Agreement  | <input checked="" type="checkbox"/> Criminal Background Investigation/<br>Fingerprinting Certification |
| <input type="checkbox"/> Proposal   | <input type="checkbox"/> Roofing Project Certification   |
| <input checked="" type="checkbox"/> Notice to Proceed   | <input checked="" type="checkbox"/> COVID-19 Vaccination/Testing<br>Certification                      |
| <input checked="" type="checkbox"/> Noncollusion Declaration  | <input checked="" type="checkbox"/> Insurance Certificates and<br>Endorsements                         |
| <input checked="" type="checkbox"/> Prevailing Wage and Related Labor<br>Requirements Certification | <input checked="" type="checkbox"/> Performance Bond   |
| <input checked="" type="checkbox"/> Workers' Compensation Certification                             | <input checked="" type="checkbox"/> Payment Bond   |
| <input checked="" type="checkbox"/> Iran Contracting Act Certification                              | <input type="checkbox"/> Specifications  |
| <input checked="" type="checkbox"/> Drug-Free Workplace Certification                               | <input checked="" type="checkbox"/> Plans  |
| <input checked="" type="checkbox"/> Tobacco-Free Environment<br>Certification                       | <input checked="" type="checkbox"/> Project Schedule   |
| <input checked="" type="checkbox"/> Hazardous Materials Certification                               | <input checked="" type="checkbox"/> Exhibit "A" ("Scope of Work")                                      |
| <input checked="" type="checkbox"/> Lead-Based Materials Certification                              |  |

The complete Agreement consists of all Contract Documents as identified above and incorporated herein by this reference. Any and all obligations of the District and Contractor are fully set forth and described in the Contract Documents. All Contract Documents are intended to cooperate so that any Work called for in one and not mentioned in the other or vice versa is to be executed the same as if mentioned in all Contract Documents.

Should any question arise concerning the intent or meaning of Contract Documents, including the Drawings or Specifications, the question shall be submitted to the District for interpretation. If a conflict exists in the Contract Documents, modifications, beginning with the most recent, shall control over this Agreement (if any). In no case shall a document calling for lower quality and/or quantity material or workmanship control. The decision of the District in the matter shall be final.

**6. Submittal of Documents.**

- 6.1.** Contractor shall not commence the Work under this Agreement until the Contractor has submitted and the District has approved the performance bond, payment (labor and material) bond, the certificate(s) and affidavit(s), and the endorsement(s) of insurance which shall be submitted to the District for review and approval within seven (7) days after execution of the Agreement.
- 6.2.** Within fifteen (15) days after execution of this Agreement or before any Work commences, whichever is sooner, Contractor shall provide the District with the name and DIR registration number, and any other information required in a PWC-100 form, for Contractor and all tiers of subcontractors. Contractor has a continuing obligation throughout the duration of the Agreement to provide information to update the PWC-100 form for all subsequent subcontractors before their work commences or before their access onto the Site, whichever is earlier.
- 6.3.** Contractor shall prepare and submit the project schedule within fifteen (15) days after the Notice to Proceed.

- 7. Compensation.** As compensation for the Work, the District shall pay to the Contractor TWO MILLION, THREE HUNDRED FIFTY-THREE THOUSAND, THREE HUNDRED FIFTY DOLLARS \$2,353,350.00, as such amount may be amended from time to time in accordance with the terms of this Agreement ("Contract Price"). Such amount shall not be increased without the express approval of the District's Governing Board ("Board").
- 8. Expenses.** District shall not be liable to Contractor for any costs or expenses paid or incurred by Contractor in performing Services for District.
- 9. Payment.** On a monthly basis, Contractor shall submit an application for payment based upon the estimated value for materials delivered and services performed under the Agreement as of the date of submission per a schedule of values to be agreed upon by the Parties ("Application for Payment"). Within thirty (30) days after District's approval of the Application for Payment, Contractor shall be paid a sum equal to ninety-five percent (95%), unless a higher retention amount is required pursuant to Public Contract Code section 7201(b)(4), of the value of the Work performed (as verified by District's designated representative and Inspector and certified by Contractor) up to the last day of the previous month, less the aggregate of previous payments and amount to be withheld. The District may deduct from any payment an amount necessary to protect the District from loss because of: (1) any sums expended by the District in performing any of Contractor's obligations under the Agreement which Contractor has failed to perform or has performed inadequately; (2) defective Work not remedied; (3) stop payment notices as allowed by state law; (4) reasonable doubt that the Work can be completed for the unpaid balance of the Total Contract Price or by the Completion date, whichever is applicable; (5) unsatisfactory prosecution of the Work by Contractor (provided that the District has previously notified Contractor in writing of such unsatisfactory prosecution of the Work); (6) unauthorized deviations from the Agreement; (7) failure of the Contractor to maintain or submit on a timely basis proper and sufficient documentation as required by the Agreement or by District during the prosecution of the Work; (8) erroneous or false estimates by the Contractor of the value of the Work performed; (9) any sums representing expenses, losses, or damages, as determined by the District, incurred by the District for which Contractor is liable under the Agreement; and (10) any other sums which the District is entitled to recover from Contractor under the terms of the Agreement or pursuant to state law, including section 1727 of the Labor Code. The failure by the District to deduct any of these sums from a progress payment shall not constitute a waiver of the District's right to such sums. The District shall retain five percent (5%) from all amounts owing as retention. Retention shall be paid pursuant to Public Contract Code sections 7107 and 7200.
- 10. Audit.** Contractor shall establish and maintain books, records, and systems of account, in accordance with generally accepted accounting principles, reflecting all business operations of Contractor transacted under this Agreement. Contractor shall retain these books, records, and systems of account during the Term of this Agreement and for three (3) years thereafter. Contractor shall permit the District, its agent, other representatives, or an independent auditor to audit, examine, and make excerpts, copies, and transcripts from all books and records, and to make audit(s) of all billing statements, invoices, records, and other data related to the Services covered by this Agreement. Audit(s) may be performed at any time, provided that the District shall give reasonable prior notice to Contractor and shall conduct audit(s) during Contractor's normal business hours, unless Contractor otherwise consents.
- 11. Independent Contractor.** Contractor represents and warrants that Contractor is an independent contractor or business entity that is: (i) free from the control and direction

of the District in connection with the performance of the Work, (ii) performing Work that are outside the usual course of the District's business, and (iii) customarily engaged in an independently established trade, occupation, or business of the same nature as that involved in the Work performed, District being interested only in the results obtained. . Contractor understands and agrees that he/she and all of his/her employees shall not be considered officers, employees, agents, partner, or joint venture of the District, and are not entitled to benefits of any kind or nature normally provided employees of the District and/or to which District's employees are normally entitled, including, but not limited to, State Unemployment Compensation or Workers' Compensation. Contractor shall assume full responsibility for payment of all federal, state and local taxes or contributions, including unemployment insurance, social security and income taxes with respect to Contractor's employees. Contractor shall be liable for its own actions, including its negligence or gross negligence, and shall be liable for the acts, omissions, or errors of its agents or employees.

**12. Conflict of Interest.** Contractor represents that it has no existing interest and will not acquire any interest, direct or indirect, which could conflict in any manner of degree with the performance of the Work required under this Agreement and that no person having any such interest shall be employed by Contractor.

**13. Licensing.** Contractor certifies that it is properly certified or licensed under the laws and regulations of the State of California to provide the professional services that it has herein agreed to perform. Contractor and all subcontractors shall be properly licensed and regulated by the Contractors State License Board, 3132 Bradshaw Road, Post Office Box 2600, Sacramento, California 98826, <http://www.cslb.ca.gov>, throughout the duration of the Work. Contractor hereby acknowledges that it or its subcontractors performing the work hold valid license(s).

**14. Registration as Public Works Contractor:** Contractor and all subcontractors currently are registered as public works contractors with the Department of Industrial Relations, State of California, in accordance with Labor Code section 1771.4. Contractor further acknowledges and agrees that it shall timely submit updated Registered Subcontractors List, included with this Agreement and as detailed further therein.

**15. Standard of Care.** Contractor's Services will be performed, findings obtained, reports and recommendations prepared in accordance with generally and currently accepted principles and practices of Solar Practices and all Applicable Law, including the applicable provisions of California Code of Regulations, Title 24, Division of State Architect ("DSA"), and any applicable District standards. Contractor represents and warrants that it is fully experienced in projects of the nature and scope of Work, and that it is properly qualified, licensed and equipped to supply and perform the Work. The Work completed herein must meet the approval of the District and shall be subject to the District's general right of inspection and supervision to secure the satisfactory completion thereof.

**15.1. Energy Conservation.** To the extent feasible, Contractor shall design and construct the Project to maximize the efficient use of energy. Contractor shall comply with the American Society of Heating, Refrigerating, and Air Conditioning Engineers (ASHRAE), including ASHRAE-90 A-1980 (Sections 1-9), ASHRAE-90 B-1975 (Sections 10-11), and ASHRAE-90 C-1977 (Section 12) in designing and constructing the Project (34 CFR §75.616).

**16. Originality of Services.** Contractor agrees that all technologies, formulae, procedures, processes, methods, writings, ideas, dialogue, compositions, recordings, teleplays and

video productions prepared for, written for, or submitted to the District and/or used in connection with this Agreement, shall not infringe on the intellectual property rights of any person, except that submitted to Contractor by District as a basis for such Services.

**17. Ownership of Data.** Pursuant to Education Code section 17316, this Agreement creates a non-exclusive and perpetual license for the District to use, at its discretion, all plans including, but not limited to, record drawings, specifications, estimates and other documents that Contractor prepared or caused to be prepared pursuant to this Agreement, for the limited purpose of owning, operating, maintaining, and repairing the System, or, with regard to drawings, specifications and system performance data only, for educational use. Contractor retains all rights to all copyrights over designs and other intellectual property embodied in the plans, record drawings, specifications, estimates, and other documents that Contractor prepares or causes to be prepared pursuant to this Agreement.

Except as provided above, the District shall not change or use any fully or partially completed documents without Contractor's express written consent. In the event that the District changes or uses any such documents without Contractor's consent, other than as provided above, then, in addition to any remedies to which Contractor is entitled in law or equity, the District agrees to release Contractor of responsibility for such changes, and shall hold Contractor harmless from and against any and all claims on account of any damages or losses to property or persons, or economic losses, arising out of that change or use.

**18. Notice to Proceed with Work.** After execution of the Agreement and Contractor's submittal of all required Contract Documents, the District shall provide a Notice to Proceed with the Work to Contractor at which time Contractor shall proceed with the Work and shall have access to the Site.

**19. Site Examination.** Contractor has examined the Site and certifies that it accepts all measurements, specifications and conditions affecting the Work to be performed at the Site. By submitting its quote, Contractor warrants that it has made all Site examination(s) that it deems necessary as to the condition of the Site, its accessibility for materials, workers and utilities, and Contractor's ability to protect existing surface and subsurface improvements. No claim for allowance of time or money will be allowed as to any other undiscovered condition on the Site.

**20. Materials.** Contractor shall furnish, at its own expense, all labor, materials, equipment, supplies and other items necessary to complete the services to be provided pursuant to this Agreement. Contractor shall use all new components and materials that have not been previously placed in service in any other location or for any other application. Rebuilt, refurbished, or relocated equipment is not acceptable under this Agreement.

**20.1. Anti-Trust Claim.** Contractor and its subcontractor(s) agree to assign to the District all rights, title, and interest in and to all causes of action they may have under Section 4 of the Clayton Act (15 U.S.C. Sec. 15) or under the Cartwright Act (Chapter 2 (commencing with Section 16700) of Part 2 of Division 7 of the Business and Professions Code), arising from purchases of goods, services, or materials pursuant to the Agreement or a subcontract. This assignment shall be made and become effective at the time the District tenders final payment to the Contractor, without further acknowledgment by the Parties.

**20.2. Substitutions.** No substitutions of material from those specified in the Work Specifications shall be made without the prior written approval of the District.

**20.3. Codes, Standards, and Methodologies.** All products and components outlined in this Agreement must conform to all applicable codes, standards, and rating methodologies, including, without limitation, all applicable building codes.

**21. Equipment and Labor.** Contractor shall furnish all tools, equipment, apparatus, facilities, transportation, labor, and material necessary to furnish the services herein described, the services to be performed at such times and places as directed by and subject to the approval of the authorized District representative indicated in the Work specifications attached hereto.

**22. Warranty/Quality.**

**22.1.** Unless a longer warranty is called for elsewhere in this Agreement, the Contractor, manufacturer, or their assigned agents shall guarantee the workmanship, product or service performed against defective workmanship, defects or failures of materials for a minimum period of one (1) year from filing the Notice of Completion for each Project Site with the county in which the Project Site is located. All workmanship and merchandise must be warranted to be in compliance with applicable California energy, conservation, environmental, and educational standards.

**22.2.** Contractor shall provide a copy of the installation and product warranties prior to installation, along with the Updated Fixture Counts for the Project Site. Upon completion of the Project, Contractor shall transfer and convey to the District, all remaining warranty documentation, along with the total Updated Fixture Counts, and shall assist the District in completing any warranty or submittal forms which are required in order to effectuate coverage of the warranties required herein and all my otherwise be available to the District.

**23. Correction of Errors.** Contractor shall perform, at its own cost and expense and without reimbursement from the District, any work necessary to correct errors or omissions which are caused by the Contractor's failure to comply with the standard of care required herein. Notwithstanding the expiration of the warranty period, Contractor may still have liability to District as allowed under California law for breach of the standard of care, or any latent or patent defect pursuant to California Code of Civil Procedure, sections 337.1 and 337.15.

**24. Safety and Health Standards; Lead-Based Paint.** Pursuant to the requirements of the Federal Occupational Safety and Health Administration ("Fed/OSHA") and the California Division of Occupational Safety and Health ("Cal/OSHA") and other applicable law, no lead-based paint, lead plumbing and solders, or other potential sources of lead contamination shall be utilized on this Work, and only trained and state-certified contractors, inspectors and workers shall undertake any action to abate existing risk factors for lead. Contractor must execute the Lead-Based Materials Certification, if applicable.

**25. Change in Scope of Work.** Any change in the scope of the Work, method of performance, nature of materials or price thereof, or any other matter materially affecting the performance or nature of the Work shall not be paid for or accepted unless such change, addition, or deletion is approved in advance and in writing by a valid change order executed by the District. Contractor specifically understands, acknowledges, and agrees that the District shall have the right to request any alterations, deviations, reductions, or additions to the Project and the cost thereof shall be added to or deducted from the amount of the Total Contract Price by fair and reasonable valuations. Contractor also agrees to provide the District with all information requested to substantiate the cost of

the change order and to inform the District whether the Work will be done by the Contractor or a subcontractor. In addition to any other information requested, Contractor shall submit, prior to approval of the change order, its request for a time extension (if any), as well as all information necessary to substantiate its belief that such change will delay the completion of the Work. If Contractor fails to submit its request for a time extension or the necessary supporting information, it shall be deemed to have waived its right to request such extension.

For all approved changes in the scope of work that result in a net increase in costs to Contractor, the following format shall be used, supported by attached documentation.

	<b><u>WORK PERFORMED OTHER THAN BY CONTRACTOR</u></b>	<b><u>ADD</u></b>	<b><u>DEDUCT</u></b>
(a)	<b><u>Material</u></b> (attach suppliers' invoice or itemized quantity and unit cost plus sales tax)		
(b)	<b><u>Add Labor</u></b> (attach itemized hours and rates, fully Burdened, and specify the hourly rate for each additional labor burden, for example, payroll taxes, fringe benefits, etc.)		
(c)	<b><u>Add Equipment</u></b> (attach suppliers' invoice)		
(d)	<b><u>Subtotal</u></b>		
(e)	<b><u>Add Overhead and Profit for any and all tiers of Subcontractor</u></b> , the total not to exceed ten percent (10%) of Item (d)		
(f)	<b><u>Subtotal</u></b>		
(g)	<b><u>Add General Conditions Cost</u></b> (if Time is Compensable) (attach supporting documentation)		
(h)	<b><u>Subtotal</u></b>		
(i)	<b><u>Add Overhead and Profit for Contractor</u></b> , not to exceed five percent (5%) of Item (h)		
(j)	<b><u>Subtotal</u></b>		
(k)	<b><u>Add Bond and Insurance</u></b> , not to exceed two percent (2%) of Item (j)		
(l)	<b><u>TOTAL</u></b>		
(m)	<b><u>Time</u></b> (zero unless indicated; "TBD" not permitted)	<b><u>_____ Calendar Days</u></b>	

[REMAINDER OF PAGE INTENTIONALLY LEFT BLANK; CONTINUED ON FOLLOWING PAGE]

	<b>WORK PERFORMED BY CONTRACTOR</b>	<b>ADD</b>	<b>DEDUCT</b>
(a)	<b>Material</b> (attach itemized quantity and unit cost plus sales tax)		
(b)	<b>Add Labor</b> (attach itemized hours and rates, fully Burdened, and specify the hourly rate for each additional labor burden, for example, payroll taxes, fringe benefits, etc.)		
(c)	<b>Add Equipment</b> (attach suppliers' invoice)		
(d)	<b>Add General Conditions Cost</b> (if Time is Compensable) (attach supporting documentation)		
(e)	<b>Subtotal</b>		
(f)	<b>Add Overhead and Profit for Contractor</b> , not to exceed fifteen percent (15%) of Item (e)		
(g)	<b>Subtotal</b>		
(h)	<b>Add Bond and Insurance</b> , not to exceed two percent (2%) of Item (g)		
(i)	<b>TOTAL</b>		
(j)	<b>Time</b> (zero unless indicated; "TBD" not permitted)		<b>Calendar Days</b>

All deductive Change Order(s) must be prepared pursuant to the provisions herein. Where a portion of the Work is deleted from the scope of Work, the reasonable value of the deducted Work less the value of Work performed shall be considered the appropriate deduction. The amount submitted on the Application for Payment shall be used to calculate the credit amount unless the bid documentation is being held in escrow as part of the Contract Documents. Unit Prices, if any, may be used in District's discretion in calculating reasonable value. If Contractor offers a proposed amount for a deductive Change Order(s), Contractor shall include a minimum of five percent (5%) total profit and overhead to be deducted with the amount of the Work of the Change Order(s). If subcontractor work is involved, subcontractors shall also include a minimum of five percent (5%) profit and overhead to be deducted with the amount of its deducted work. Any deviation from this provision shall not be allowed.

**26. Workers.** Contractor shall at all times enforce strict discipline and good order among its employees and the employees of its subcontractors and shall not employ or work any unfit person or anyone not skilled in work assigned to him or her. The District may evaluate the Contractor in any manner which is permissible under the law. Any person in the employ of the Contractor or a subcontractor whom the District may deem incompetent or unfit shall be dismissed from the Site and shall not again be employed at Site without written consent from the District.

**27. Supervision.** Contractor shall provide competent supervision of personnel employed on the job Site, use of equipment, and quality of workmanship.

**28. Fingerprinting.** The Fingerprinting/Criminal Background Investigation Certification must be completed and attached to this Agreement prior to Consultant's performing of any portion of the Services. Consultant expressly acknowledges that the following conditions shall apply to any work performed by Consultant and/or Consultant's employees on a school site:

**28.1.** All site visits shall be arranged through the District;

- 28.2.** Consultant and Consultant's employees shall inform District of their proposed activities and location at the school site, allowing District time to arrange site visits without a disruption to the educational process;
- 28.3.** Consultant and/or Consultant's employees shall check in with the school office each day immediately upon arriving at the school site;
- 28.4.** Once at such location, Consultant and Consultant's employees shall not change locations without contacting the District;
- 28.5.** Consultant and Consultant's employees shall not use student restroom facilities; and
- 28.6.** If Consultant and Consultant's employees find themselves alone with a student, Consultant and Consultant's employees shall immediately contact the school office and request that a member of the school staff be assigned to the work location.
- 29. Employee Identification.** At all times during the Project, while on District property, Contractor, and all of its individual employees, agents, consultants, suppliers and subcontractors shall wear a name badge with their name clearly written as well as the firm with whom they are employed. Contractor shall ensure that only those necessary individual employees, agents, consultants, suppliers and subcontractors possess the name badge and shall collect the name badge from its individual employees, agents, consultants, suppliers and subcontractors once their work has been completed.
- 30. Safety and Security.** Contractor is responsible for maintaining safety in the performance of this Agreement, including, conditions at the Work site. Contractor shall be responsible to ascertain from the District the rules and regulations pertaining to safety, security, and driving on campus grounds.
- 31. Clean Up.** Debris shall be removed from the Site. The Site shall be in order at all times when work is not actually being performed and shall be maintained in a reasonably clean condition.
- 32. Site Access.** District shall provide Contractor with reasonable access to the Site for purposes of Contractor's timely and efficient performance of the Work under this Agreement.
- 33. Access to Work.** District representatives, including inspectors, shall at all times have access to the Work wherever it is in preparation or in progress, including storage and fabrication. Contractor shall provide safe and proper facilities for such access.
- 34. Project Inspection.** Project inspection and acceptance of the Work shall be performed by Sacramento City Unified School District. Project Inspector shall have free access to any or all parts of Work at any time. Contractor shall furnish the District's inspector reasonable opportunities for obtaining such information as may be necessary to keep her fully informed respecting progress, manner of Work, and character of materials. The Contractor shall be liable for any delay caused by its non-compliant Work or its failure to provide proper notification for inspection. Contractor hereby acknowledges that the Project Manager(s), the Project Inspector(s), and the Division of the State Architect have authority to approve and/or suspend the Work if the Contractor's Work does not comply with the requirements of the Contract Documents, Title 24 of the California Code of

Regulations, and all applicable laws. Contractor shall be liable for any delay caused by its non-compliant Work.

**35. Protection of Work and Property.** Contractor shall erect and properly maintain at all times, as required by conditions and progress of the Work, all necessary safeguards, signs, barriers, lights, and security persons for protection of workers and the public, and shall post danger signs warning against hazards created by the Work. In an emergency affecting life and safety of life or of Work or of adjoining property, Contractor, without special instruction or authorization from District, is permitted to act at his discretion to prevent such threatened loss or injury.

**36. Occupancy.** District reserves the right to occupy buildings at any time before formal project completion and such occupancy shall not constitute final acceptance or approval of any part of the Work covered by this Agreement, nor shall such occupancy extend the date specified for completion of the Work.

**37. No Disruption of Service.** Contractor shall ensure that the facilities at the Site are not without power at any time while school or school-related activities are in session. All Work must be coordinated with operations staff at the District and on-Site to ensure continuity of service.

**38. Force Majeure.** Contractor shall be excused from performance hereunder during the time and to the extent that it is prevented from obtaining delivery, or performing by act of God, fire, strike, loss, or shortage of transportation facilities, lock-out, commandeering of materials, product, plant, or facilities by the government, when satisfactory evidence thereof is presented to the District, provided that it is satisfactorily established that the non-performance is not due to the fault or neglect of the Contractor.

**39. Termination.**

**39.1. For Convenience by District.** District may, at any time, with or without reason, terminate this Agreement. Written notice by District shall be sufficient to stop further performance of services by Contractor. Notice shall be deemed given when received by the Contractor or no later than three (3) days after the day of mailing, whichever is sooner. In the event that District terminates this Agreement pursuant to this section, District shall compensate Contractor for work completed to date as a pro-rata amount of the full fees, costs, and expenses necessarily incurred, including, but not limited to the following: (a) Work performed (including materials and equipment delivered to the Site) through the date of termination; (b) materials and equipment not yet delivered to the Site but in transit or in fabrication as of the date of termination, provided that such materials and equipment cannot be returned and refunded; (c) any transportation and storage costs incurred by Contractor in connection with a return of materials or equipment, with the exception of transportation and restocking fees and storage costs for solar panels; and (d) reasonable demobilization costs and fees payable to subcontractors arising out of such early termination. All fees, costs and expenses must be justified, properly documented, and submitted to District for validation. Contractor will use commercially practicable efforts to mitigate these fees, costs, and expenses.

**39.2. For Cause by District.** District may terminate this Agreement upon giving of written notice of intention to terminate for cause. Cause shall include:

**39.2.1.** material violation of this Agreement by the Contractor; or

- 39.2.2.** any act by Contractor exposing the District to liability to others for personal injury or property damage; or
- 39.2.3.** Contractor makes a general assignment for the benefit of creditors or a receiver is appointed on account of Contractor's insolvency.

Written notice by District shall contain the reasons for such intention to terminate and unless within three (3) calendar days after that notice the condition or violation shall cease, or satisfactory arrangements for the correction thereof be made, this Agreement shall upon the expiration of the three (3) calendar days cease and terminate. In the event of this termination, the District may secure the required services from another Contractor. If the expense, fees, and costs to the District exceed the cost of providing the service pursuant to this Agreement, Contractor shall immediately pay the excess expense, fees, and/or costs to the District upon the receipt of the District's notice of these expense, fees, and/or costs. The foregoing provisions are in addition to and not a limitation of any other rights or remedies available to District.

- 39.3.** Upon termination, Contractor shall provide the District with all documents produced maintained or collected by Contractor pursuant to this Agreement, whether or not such documents are final or draft documents.

#### **40. Indemnification.**

**40.1. Indemnification by Contractor.** To the furthest extent permitted by California law, Contractor shall, at its sole expense, defend, indemnify, and hold harmless the District, the State of California, and their agents, representatives, officers, consultants, employees, trustees, and volunteers (the "District Indemnified Parties") from any and all demands, losses, liabilities, claims, suits, actions, costs, and expenses of any kind, nature, and description, including, but not limited to, reasonable attorneys' fees, consultants' fees, and litigation costs (collectively, "losses") arising from third-party claims of personal injury, wrongful death, or property damage, to the extent such claims are caused by Contractor's active negligence or its performance or nonperformance under this Agreement; provided, however, in no event will Contractor be responsible for any losses arising from such claims to the extent such claims are caused by the District or third parties or other causes beyond Contractor's control. With regard to Contractor's duty to defend, the District shall have the right to accept or reject any legal representation that Contractor proposes to defend the District Indemnified Parties, provided that such acceptance shall not be unreasonably withheld.

**40.2. Survival.** The defense and indemnification obligations hereunder shall survive the completion of Work, including the warranty/guarantee period, and/or the termination of this Agreement.

#### **41. Insurance.**

**41.1.** Contractor shall procure and maintain at all times it performs any portion of the Services the following insurance:

**41.1.1. General Liability.** One Million Dollars (\$1,000,000) per occurrence, Two Million Dollars (\$2,000,000) aggregate, for bodily injury, personal injury and property damage in the form of Comprehensive General Liability and

Contractual Liability. If Commercial General Liability or other form with a general aggregate limit is used, either the general aggregate limit shall apply separately to each project/location or the general aggregate limit shall be twice the required occurrence limit.

**41.1.2. Automobile Liability Insurance.** One Million Dollars (\$1,000,000) combined single limit per occurrence for any automobile that shall protect the Contractor and the District from all claims of bodily injury, property damage, personal injury, death, and medical payments arising performing any portion of the Services by Contractor.

**41.1.3. Workers' Compensation and Employers' Liability Insurance.** For all of the Contractor's employees who are subject to this Agreement and to the extent required by the applicable state or federal law, Contractor shall keep in full force and effect, a Workers' Compensation policy. That policy shall provide employers' liability coverage with minimum liability coverage of One Million Dollars (\$1,000,000) per accident for bodily injury or disease. Contractor shall provide an endorsement that the insurer waives the right of subrogation against the District and its respective elected officials, officers, employees, agents, representatives, consultants, trustees, and volunteers.

**41.1.4. Excess Liability.** Two Million Dollars (\$2,000,000) per occurrence to meet the policy limit requirements of the required policies if Contractor's underlying policy limits are less than required. There shall be no gap between the per occurrence amount of any underlying policy and the start of the coverage under the Umbrella Liability Insurance Policy. Any Excess Liability Insurance Policy shall protect Contractor, District, State, and Project Manager(s) in amounts, and that complies with all requirements for Commercial General Liability and Automobile Liability and Employers' Liability Insurance.

**41.2. Proof of Insurance.** The Contractor shall not commence performing any portion of the Services until all required insurance has been obtained and certificates indicating the required coverage have been delivered in duplicate to the District and approved by the District. Certificates and insurance policies shall include the following:

**41.2.1.** Language stating in particular those insured, extent of insurance, location and operation to which insurance applies, expiration date, to whom cancellation notice will be sent, and length of notice period.

**41.2.2.** A clause stating: "This policy shall not be canceled until notice has been mailed to the District, stating date of cancellation. Date of cancellation shall not be less than thirty (30) days after date of mailing notice."

**41.2.3.** An endorsement stating that the District and its Governing Board, agents, representatives, employees, trustees, officers, consultants, and volunteers are named additional insured under all policies except Workers' Compensation Insurance, and Employers' Liability Insurance.

**41.2.4.** All policies except the Workers' Compensation Insurance, and Employers' Liability Insurance Policies shall be written on an occurrence form.

**41.2.5.** An endorsement stating that Contractor's insurance policies shall be primary to any insurance or self-insurance maintained by District.

**41.2.6.** An endorsement stating that there shall be a waiver of any subrogation.

**41.2.7.** Contractor's insurance limit shall apply separately to each insured against whom a claim is made or suit is brought.

**41.3. Acceptability of Insurers.** Insurance is to be placed with insurers with a current A.M. Best's rating of no less than A:VII, unless otherwise acceptable to the District.

**42. Payment Bond and Performance Bond.** Contractor shall not commence the Work until it has provided to the District, in a form acceptable to the District, a Payment (Labor and Material) Bond and a Performance Bond, each in an amount equivalent to one hundred percent (100%) of the Contract Price issued by a surety admitted to issue bonds in the State of California and otherwise acceptable to the District.

**43. Permits and Licenses.** Contractor and all Contractor's employees or agents shall secure and maintain in force, at Contractor's sole cost and expense, such permits and licenses as are required by law in connection with the furnishing of materials, supplies, or services pursuant to this Agreement.

**44. Assignment.** The rights, burdens, duties, or obligations of Contractor pursuant to this Agreement shall not be assigned by the Contractor without the prior written consent of the District.

**45. Subcontractors.** Subcontractors, if any, engaged by the Contractor for any Service or Work under this Agreement shall be subject to the approval of the District. Contractor agrees to bind every subcontractor by the terms of the Agreement as far as such terms are applicable to subcontractor's work, including, without limitation, all indemnification, insurance, bond, and warranty requirements. If Contractor shall subcontract any part of this Agreement, Contractor shall be fully responsible to the District for acts and omissions of its subcontractor and of persons either directly or indirectly employed by itself, including, subcontractor-caused project delays. Nothing contained in this Agreement shall create any contractual relations between any subcontractor and the District.

**46. Compliance with Laws.** Contractor shall observe and comply with all rules and regulations of the governing board of the District and all federal, state, and local laws, ordinances and regulations. Contractor shall give all notices required by any law, ordinance, rule and regulation bearing on conduct of the Work as indicated or specified. If Contractor observes that any of the Work required by this Agreement is at variance with any such laws, ordinance, rules or regulations, Contractor shall notify the District, in writing, and, at the sole option of the District, any necessary changes to the scope of the Work shall be made and this Agreement shall be appropriately amended in writing, or this Agreement shall be terminated effective upon Contractor's receipt of a written termination notice from the District. If Contractor performs any work that is in violation of any laws, ordinances, rules or regulations, without first notifying the District of the violation, Contractor shall bear all costs arising therefrom.

**46.1. Labor Code Requirements.** Contractor shall comply with all applicable provisions of the Labor Code, Division 3, Part 7, Chapter 1, Articles 1-5, including, without limitation, the payment of the general prevailing per diem wage rates for public work projects of more than one thousand dollars (\$1,000). Copies of the prevailing

rate of per diem wages are on file with the District. In addition, the Contractor and each subcontractor shall comply with Chapter 1 of Division 2, Part 7 of the Labor Code, beginning with Section 1720, and including Section 1735, 1777.5 and 1777.6, forbidding discrimination, and Sections 1776, 1777.5 and 1777.6 concerning the employment of apprentices by Contractor or subcontractors. Willful failure to comply may result in penalties, including loss of the right to bid on or receive public works contracts.

**46.1.1. Certified Payroll Records.** Contractor and its subcontractor(s) shall keep accurate certified payroll records of employees. Contractor shall upload, and shall cause each Subcontractor performing any portion of the Work under this Contract to upload, an accurate and complete certified payroll record ("CPR") electronically using DIR's eCPR System by uploading the CPRs by electronic XML file or entering each record manually using the DIR's iform (or current form) online on a weekly basis at <http://www.dir.ca.gov/Public-Works/Certified-Payroll-Reporting.html> or current application and URL, showing the name, address, social security number, work classification, straight-time, and overtime hours worked each day and week, and the actual per diem wages paid to each journeyman, apprentice, worker, or other employee employed by the Contractor and/or each subcontractor in connection with the Work.

**46.1.2. Labor Compliance.** The Work under this Agreement is subject to labor compliance monitoring and enforcement by the Department of Industrial Relations ("DIR") pursuant to Labor Code section 1771.4 and Title 8 of the California Code of Regulations. Contractor specifically acknowledges and understands that it shall perform the Work of this Agreement while complying with all the applicable provisions of Division 2, Part 7, Chapter 1, of the Labor Code, including, without limitation, the requirement that the Contractor and all of its Subcontractors shall timely submit complete and accurate electronic certified payroll records as required by the Contract Documents, or the District may not issue payment.

**46.1.3. Registered Subcontractor List:** Within 30 days of the award of contract or prior to commencing the Work under this Contract, whichever occurs first, Contractor shall provide District all information required by Labor Code section 1773.3, as amended by Stats. 2017, Ch. 28, Sec. 21, for Company and all tiers of Subcontractors to enable District to provide notice to the Department of Industrial Relations (DIR) of the Contract (PWC-100 form). Contractor shall submit and maintain an updated Registered Subcontractor List including all Subcontractors of any tier furnishing labor, material, or equipment to the Project.

**46.2. COVID-19 Safety and Social Distancing Requirements:** Contractor shall, at its cost, timely comply with all applicable federal, State, and local requirements including, without limitation, Cal/OSHA's COVID-19 prevention emergency temporary standards and County Public Health Department Orders, relating to COVID-19 or other public health emergency/epidemic/pandemic compliance including, without limitation, preparing, posting, and implementing a Social Distancing Protocol, as required.

## 47. COVID-19 Vaccination / Testing Requirements

### *Vaccination Requirements*

Consultant shall fill out, sign, date and submit to District the COVID-19 Vaccination/Testing Certification Form, attached hereto.

According to the August 11, 2021, California Department of Public Health ("CDPH") State Public Health Officer Order ("Order"), a person is "fully vaccinated" for COVID-19 if two weeks or more have passed since they have received the second dose in a 2-dose series (Pfizer-BioNTech or Moderna or vaccine authorized by the World Health Organization), or two weeks or more have passed since they received a single-dose vaccine (Johnson and Johnson[J&J]/Janssen).

On October 12, 2021, the Board of Education of the Sacramento City Unified School District ("SCUSD") approved Resolution No. 3233: Mandatory COVID-19 Vaccination for Eligible, Non-Exempt Students and Staff, providing that "all non-exempt SCUSD staff (including SCUSD partners, contractors, and other individuals who work directly with students and SCUSD staff on SCUSD facilities)" must be fully vaccinated by January 31, 2022, or any time prior to providing services at a District facility, as a condition of employment and a requirement for contracted services.

Pursuant to the CDPH Guidance for Vaccine Records Guidelines & Standards, Consultant shall only accept the following as proof of vaccination:

- (a) COVID-19 Vaccination Record Card (issued by the Department of Health and Human Services Centers for Disease Control & Prevention or WHO Yellow Card which includes name of person vaccinated, type of vaccine provided and date last dose administered);
- (b) a photo of a Vaccination Record Card as a separate document;
- (c) a photo of a Vaccination Record Card stored on a phone or electronic device;
- (d) documentation of COVID-19 vaccination from a health care provider;
- (e) digital record that includes a QR code that when scanned by a SMART Health Card reader displays to the reader name, date of birth, vaccine dates and vaccine type; or
- (f) documentation of vaccination from other contracted employers who follow these vaccination records guidelines and standards.

In the absence of knowledge to the contrary, Consultant may accept the documentation presented in (a) through (f) above as valid.

Consultant shall have a plan in place for tracking verified Consultant personnel vaccination status. Records of vaccination verification must be made available, upon request, to the local health jurisdiction for purposes of case investigation.

Consultant personnel, including any and all tiers of subcontractor, supplier, and any other personnel entering the project site, who are not fully vaccinated, or for whom vaccine status is unknown or documentation is not provided, must be considered unvaccinated.

### *Weekly Testing Requirements*

Consultant shall ensure that Consultant personnel, including any and all tiers of subcontractor, supplier, and any other worker entering the project site, who are unvaccinated or who are not fully vaccinated and have filed a valid exemption with Contractor are required to undergo diagnostic screening testing, as specified below:

(a) Consultant personnel may be tested with either antigen or molecular tests to satisfy this requirement, but unvaccinated or incompletely vaccinated workers must be tested at least once weekly with either PCR testing or antigen testing. Any PCR (molecular) or antigen test used must either have Emergency Use Authorization by the U.S. Food and Drug Administration or be operating per the Laboratory Developed Test requirements by the U.S. Centers for Medicare and Medicaid Services.

(b) Unvaccinated or not fully vaccinated Consultant personnel must also observe all other infection control requirements, and are not exempted from the testing requirement even if they have a medical contraindication to vaccination, since they are still potentially able to spread the illness. Previous history of COVID-19 from which the individual recovered more than 90 days earlier, or a previous positive antibody test for COVID-19, do not waive this requirement for testing.

Consultant shall have a plan in place for tracking test results and conducting workplace contact tracing, and must report results to local public health departments, if applicable.

**48. Non-Discrimination.** Contractor agrees not to discriminate in its recruiting, hiring, promotion, demotion, or termination practices on the basis of race, religious creed, color, national origin, ancestry, physical disability, mental disability, medical condition, genetic information, marital status, sex, gender, gender identity, gender expression, age, sexual orientation, or veteran or military status in the performance of this Agreement and to comply with the provisions of the California Fair Employment and Housing Act as set forth in part 2.8 of division 3 of the California Government Code, commencing at section 12900; the Federal Civil Rights Act of 1964, as set forth in Public Law 88-352, and all amendments thereto; Executive Order 11246; and all administrative rules and regulations found to be applicable to Contractor and subcontractor.

**49. Environmental Financial Incentives.** "Environmental Financial Incentives" shall mean each of the following financial rebates and incentives that is in effect as of the date of this Agreement or may come into effect in the future: (i) performance-based incentives, rebates and any other incentive programs offered by or in the State of California (or any political subdivision thereof) under the federal government's, any municipality's, any utility's or any other state's solar program or initiative, incentives under the Self Generation Incentive Program (SGIP), incentive tax credits, rebates, and/or deductions (including, without limitation, the federal Energy-Efficient Commercial Buildings Deduction (more commonly known as section 179D of the tax code), investment tax credits arising under the Code), other tax benefits or grants in lieu thereof (including, without limitation, the monetization of tax benefits), and accelerated depreciation (collectively, "incentives"), howsoever named or referred to, with respect to any and all fuel, emissions, air quality, or other environmental or energy characteristics, resulting from the construction, ownership or operation of the energy conservation facilities; and (ii) all reporting rights with respect to such incentives.

**50. Limitations of District Liability.** Other than as provided in this Agreement, District's financial obligations under this Agreement shall be limited to the payment of the compensation provided in this Agreement. Notwithstanding any other provision of this Agreement, in no event, shall District be liable, regardless of whether any claim is based on contract or tort, for any special, consequential, indirect or incidental damages, including, but not limited to, lost profits or revenue, arising out of or in connection with this Agreement for the services performed in connection with this Agreement. The limitations contained in this Section shall not apply to any damages to the extent caused by the gross negligence or willful misconduct of the defaulting Party, nor shall they apply to third party claims subject to the indemnification provisions of this Agreement, or insurance claims.

**51. Confidentiality.** Contractor and all Contractor's agents, personnel, employee(s), and/or subcontractor(s) shall maintain the confidentiality of all information received in the course of performing the Services to the extent allowed by law. This requirement to maintain confidentiality shall extend beyond the termination of this Agreement.

**52. Claims & Disputes.** In the event of any demand by Contractor for (A) a time extension, including, without limitation, for relief from damages or penalties for delay assessed by the District under the Agreement, (B) payment by the District of money or damages arising from work done by, or on behalf of, the Contractor pursuant to the Agreement and payment of which is not otherwise expressly provided for or to which Contractor is not otherwise entitled to, or (C) an amount of payment disputed by the District, the parties shall attempt to resolve the dispute by those procedures set forth in Public Contract Code section 9204 and/or Article 1.5 (commencing with section 20104) of Chapter 1, Part, 3, Division 2, of the Public Contract Code, if applicable, the provisions of which are each attached hereto and incorporated herein by this reference. If a claim, or any portion thereof, remains in dispute upon satisfaction of all applicable dispute resolution requirements, the Contractor shall comply with all claims presentation requirements as provided in Chapter 1 (commencing with section 900) and Chapter 2 (commencing with section 910) of Part 3 of Division 3.6 of Title 1 of Government Code as a condition precedent to the Contractor's right to bring a civil action against the District. For purposes of those provisions, the running of the time within which a claim must be presented to the District shall be tolled from the time the Contractor submits its written claim until the time the claim is denied, including any time utilized by any applicable meet and confer process. Pending resolution of the dispute, Contractor and its subcontractors shall continue to perform the Work under the Agreement and shall not cause a delay of the Work during any dispute, claim, negotiation, mediation, or arbitration proceeding, except by written agreement of the District.

**53. Attorney Fees and Costs.** Should litigation be necessary to enforce any terms or provisions of this Agreement, then each party shall bear its own litigation and collection expenses, witness fees, court costs, and attorney's fees.

**54. Notice.** Any notice required or permitted to be given under this Agreement shall be deemed to have been given, served, and received if given in writing and either personally delivered or deposited in the United States mail, registered or certified mail, postage prepaid, return receipt required, or sent by overnight delivery service or email, addressed as follows:

**If to District:**

Sacramento City Unified School District  
ATTN: Chris Ralston  
425 1<sup>st</sup> Avenue  
Sacramento, CA 95818  
EML:chris-ralston@scusd.edu

**If to Contractor:**

Efficient Lighting Design  
ATTN: Rick Konkel  
101 Parkshore Drive  
Folsom, CA 95630  
EML: rkonkel@eld-inc.com

Any notice personally or email given shall be effective upon receipt. Any notice sent by overnight delivery service shall be effective the business day next following delivery thereof to the overnight delivery service. Any notice given by mail shall be effective three (3) days after deposit in the United States mail.

**55. Governing Law.** This Agreement shall be governed by and the rights, duties and obligations of the Parties shall be determined and enforced in accordance with the laws of the State of California. The Parties further agree that any action or proceeding brought to enforce the terms and conditions of this Agreement shall be maintained in county in which the District's administrative offices are located.

**56. Severability.** If any term, condition or provision of this Agreement is held by a court of competent jurisdiction to be invalid, void or unenforceable, the remaining provisions will nevertheless continue in full force and effect, and shall not be affected, impaired or invalidated in any way.

**57. Waiver.** The waiver by either party of any breach of any term, covenant, or condition herein contained shall not be deemed to be a waiver of such term, covenant, condition, or any subsequent breach of the same or any other term, covenant, or condition herein contained.

**58. Captions and Interpretations.** Paragraph headings in this Agreement are used solely for convenience, and shall be wholly disregarded in the construction of this Agreement. No provision of this Agreement shall be interpreted for or against a party because that party of its legal representative drafted such provision, and this Agreement shall be construed as if jointly prepared by the Parties.

**59. Incorporation of Recitals and Exhibits.** The Recitals and each exhibit attached hereto are hereby incorporated herein by reference.

**60. Cooperation.** The Parties hereby agree to execute all such other documents and to take all such other action as may be reasonably necessary to effect the purposes of this Agreement.

**61. Binding Contract.** This Agreement shall be binding upon the Parties and upon their successors and assigns, and shall inure to the benefit of said Parties and their successors and assigns.

- 62. Authority to Bind Parties.** Neither party in the performance of any and all duties under this Agreement, except as otherwise provided in this Agreement, has any authority to bind the other to any agreements or undertakings.
- 63. No Rights in Third Parties.** This Agreement does not create any rights in, or inure to the benefit of, any third party except as expressly provided herein.
- 64. Signature Authority.** Each party has the full power and authority to enter into and perform this Agreement, and the person signing this Agreement on behalf of each party has been properly authorized and empowered to enter into this Agreement.
- 65. Counterparts.** This Agreement and all amendments to it may be executed in counterparts together shall be construed as one document. A facsimile or electronic signature shall be deemed to be the equivalent of the actual original signature. All counterparts so executed shall constitute one (1) Agreement binding all the Parties hereto.
- 66. Provisions Required By Law Deemed Inserted.** Each and every provision of law and clause required by law to be inserted in this Agreement shall be deemed to be inserted herein and this Agreement shall be read and enforced as though it were included therein.
- 67. Entire Contract.** This Agreement sets forth the entire contract between the Parties and fully supersedes any and all prior agreements, understanding, written or oral, between the Parties pertaining to the subject matter thereof. This Agreement may be modified only in writing upon mutual consent.

[SIGNATURES ON FOLLOWING PAGE]

IN WITNESS WHEREOF, the Parties hereto have executed this Agreement on the date indicated below.

**SACRAMENTO CITY UNIFIED SCHOOL DISTRICT**

Date: \_\_\_\_\_, 20\_\_  
By: \_\_\_\_\_  
Print Name: Rose Ramos  
Print Title: CBO  
Address: 425 1<sup>st</sup> Ave, Sacramento, CA 95818  
Telephone: 916-395-3970  
E-Mail: rose-f-ramos@scusd.edu

**Efficient Lighting Design, Inc.**

Date: \_\_\_\_\_, 20\_\_  
By: \_\_\_\_\_  
Print Name: \_\_\_\_\_  
Print Title: \_\_\_\_\_  
License No.: \_\_\_\_\_  
Address: \_\_\_\_\_  
Telephone: \_\_\_\_\_  
Facsimile: \_\_\_\_\_  
E-Mail: \_\_\_\_\_

---

**Information regarding Contractor:**

Proper Name: \_\_\_\_\_  
License No.: \_\_\_\_\_  
Address: \_\_\_\_\_  
Telephone: \_\_\_\_\_  
Facsimile: \_\_\_\_\_  
E-Mail: \_\_\_\_\_  
Type of Business Entity:  
\_\_\_\_ Individual  
\_\_\_\_ Sole Proprietorship  
\_\_\_\_ Partnership  
\_\_\_\_ Limited Partnership  
\_\_\_\_ Corporation, State: \_\_\_\_  
\_\_\_\_ Limited Liability Company  
\_\_\_\_ Other: \_\_\_\_\_

\_\_\_\_\_  
Employer Identification and/or Social Security Number

**NOTE: Section 6041 of the Internal Revenue Code (26 U.S.C. 6041) and Section 1.6041-1 of Title 26 of the Code of Federal Regulations (26 C.F.R. 1.6041-1) requires the recipients of \$600.00 or more to furnish their taxpayer information to the payer. In order to comply with these requirements, the District requires the Contractor to furnish the information requested in this section.**

**Public Contract Code section 9204**

(a) The Legislature finds and declares that it is in the best interests of the state and its citizens to ensure that all construction business performed on a public works project in the state that is complete and not in dispute is paid in full and in a timely manner.

(b) Notwithstanding any other law, including, but not limited to, Article 7.1 (commencing with Section 10240) of Chapter 1 of Part 2, Chapter 10 (commencing with Section 19100) of Part 2, and Article 1.5 (commencing with Section 20104) of Chapter 1 of Part 3, this section shall apply to any claim by a contractor in connection with a public works project.

(c) For purposes of this section:

(1) "Claim" means a separate demand by a contractor sent by registered mail or certified mail with return receipt requested, for one or more of the following:

(A) A time extension, including, without limitation, for relief from damages or penalties for delay assessed by a public entity under a contract for a public works project.

(B) Payment by the public entity of money or damages arising from work done by, or on behalf of, the contractor pursuant to the contract for a public works project and payment for which is not otherwise expressly provided or to which the claimant is not otherwise entitled.

(C) Payment of an amount that is disputed by the public entity.

(2) "Contractor" means any type of contractor within the meaning of Chapter 9 (commencing with Section 7000) of Division 3 of the Business and Professions Code who has entered into a direct contract with a public entity for a public works project.

(3) (A) "Public entity" means, without limitation, except as provided in subparagraph (B), a state agency, department, office, division, bureau, board, or commission, the California State University, the University of California, a city, including a charter city, county, including a charter county, city and county, including a charter city and county, district, special district, public authority, political subdivision, public corporation, or nonprofit transit corporation wholly owned by a public agency and formed to carry out the purposes of the public agency.

(B) "Public entity" shall not include the following:

(i) The Department of Water Resources as to any project under the jurisdiction of that department.

(ii) The Department of Transportation as to any project under the jurisdiction of that department.

(iii) The Department of Parks and Recreation as to any project under the jurisdiction of that department.

(iv) The Department of Corrections and Rehabilitation with respect to any project under its jurisdiction pursuant to Chapter 11 (commencing with Section 7000) of Title 7 of Part 3 of the Penal Code.

(v) The Military Department as to any project under the jurisdiction of that department.

(vi) The Department of General Services as to all other projects.

(vii) The High-Speed Rail Authority.

(4) "Public works project" means the erection, construction, alteration, repair, or improvement of any public structure, building, road, or other public improvement of any kind.

(5) "Subcontractor" means any type of contractor within the meaning of Chapter 9 (commencing with Section 7000) of Division 3 of the Business and Professions Code who either is in direct contract with a contractor or is a lower tier subcontractor.

(d) (1) (A) Upon receipt of a claim pursuant to this section, the public entity to which the claim applies shall conduct a reasonable review of the claim and, within a period not to exceed 45 days, shall provide the claimant a written statement identifying what portion of the claim is disputed and what portion is undisputed. Upon receipt of a claim, a public entity and a contractor may, by mutual agreement, extend the time period provided in this subdivision.

(B) The claimant shall furnish reasonable documentation to support the claim.

(C) If the public entity needs approval from its governing body to provide the claimant a written statement identifying the disputed portion and the undisputed portion of the claim, and the governing body does not meet within the 45 days or within the mutually agreed to extension of time following receipt of a claim sent by registered mail or certified mail, return receipt requested, the public entity shall have up to three days following the next duly publicly noticed meeting of the governing body after the 45-day period, or extension, expires to provide the claimant a written statement identifying the disputed portion and the undisputed portion.

(D) Any payment due on an undisputed portion of the claim shall be processed and made within 60 days after the public entity issues its written statement. If the public entity fails to issue a written statement, paragraph (3) shall apply.

(2) (A) If the claimant disputes the public entity's written response, or if the public entity fails to respond to a claim issued pursuant to this section within the time prescribed, the claimant may demand in writing an informal conference to meet and confer for settlement of the issues in dispute. Upon receipt of a demand in writing sent by registered mail or certified mail, return receipt requested, the public entity shall schedule a meet and confer conference within 30 days for settlement of the dispute.

(B) Within 10 business days following the conclusion of the meet and confer conference, if the claim or any portion of the claim remains in dispute, the public entity shall provide the claimant a written statement identifying the portion of the claim that remains in dispute and the portion that is undisputed. Any payment due on an undisputed portion of the claim shall be processed and made within 60 days after the public entity issues its written statement. Any disputed portion of the claim, as identified by the contractor in writing, shall be submitted to nonbinding mediation, with the public entity and the claimant sharing the associated costs equally. The public entity and claimant shall mutually agree to a mediator within 10 business days after the disputed portion of the claim has been identified in writing. If the parties cannot agree upon a mediator, each party shall select a mediator and those mediators shall select a qualified neutral third party to mediate with regard to the disputed portion of the claim. Each party shall bear the fees and costs charged by its respective mediator in connection with the selection of the neutral mediator. If mediation is unsuccessful, the parts of the claim remaining in dispute shall be subject to applicable procedures outside this section.

(C) For purposes of this section, mediation includes any nonbinding process, including, but not limited to, neutral evaluation or a dispute review board, in which an independent third party or board assists the parties in dispute resolution through negotiation or by issuance of an evaluation. Any mediation utilized shall conform to the timeframes in this section.

(D) Unless otherwise agreed to by the public entity and the contractor in writing, the mediation conducted pursuant to this section shall excuse any further obligation under Section 20104.4 to mediate after litigation has been commenced.

(E) This section does not preclude a public entity from requiring arbitration of disputes under private arbitration or the Public Works Contract Arbitration Program, if mediation under this section does not resolve the parties' dispute.

(3) Failure by the public entity to respond to a claim from a contractor within the time periods described in this subdivision or to otherwise meet the time requirements of this section shall result in the claim being deemed rejected in its entirety. A claim that is denied by reason of the public entity's failure to have responded to a claim, or its failure to otherwise meet the time requirements of this section, shall not constitute an adverse finding with regard to the merits of the claim or the responsibility or qualifications of the claimant.

(4) Amounts not paid in a timely manner as required by this section shall bear interest at 7 percent per annum.

(5) If a subcontractor or a lower tier subcontractor lacks legal standing to assert a claim against a public entity because privity of contract does not exist, the contractor may present to the public entity a claim on behalf of a subcontractor or lower tier subcontractor. A subcontractor may request in writing, either on his or her own behalf or on behalf of a lower tier subcontractor, that the contractor present a claim for work which was performed by the subcontractor or by a lower tier subcontractor on behalf of the subcontractor. The subcontractor requesting that the claim be presented to the public entity shall furnish reasonable documentation to support the claim. Within 45 days of receipt of this written request, the contractor shall notify the subcontractor in writing as to whether the contractor presented the claim to the public entity and, if the original contractor did not present the claim, provide the subcontractor with a statement of the reasons for not having done so.

(e) The text of this section or a summary of it shall be set forth in the plans or specifications for any public works project that may give rise to a claim under this section.

(f) A waiver of the rights granted by this section is void and contrary to public policy, provided, however, that (1) upon receipt of a claim, the parties may mutually agree to waive, in writing, mediation and proceed directly to the commencement of a civil action or binding arbitration, as applicable; and (2) a public entity may prescribe reasonable change order, claim, and dispute resolution procedures and requirements in addition to the provisions of this section, so long as the contractual provisions do not conflict with or otherwise impair the timeframes and procedures set forth in this section.

(g) This section applies to contracts entered into on or after January 1, 2017.

(h) Nothing in this section shall impose liability upon a public entity that makes loans or grants available through a competitive application process, for the failure of an awardee to meet its contractual obligations.

(i) This section shall remain in effect only until January 1, 2027, and as of that date is repealed, unless a later enacted statute that is enacted before January 1, 2027, deletes or extends that date.

**Public Contract Code sections 20104 – 20104.6**

**§ 20104.**

(a) (1) This article applies to all public works claims of three hundred seventy-five thousand dollars (\$375,000) or less which arise between a contractor and a local agency.

(2) This article shall not apply to any claims resulting from a contract between a contractor and a public agency when the public agency has elected to resolve any disputes pursuant to Article 7.1 (commencing with Section 10240) of Chapter 1 of Part 2.

(b) (1) "Public work" means "public works contract" as defined in Section 1101 but does not include any work or improvement contracted for by the state or the Regents of the University of California.

(2) "Claim" means a separate demand by the contractor for (A) a time extension, (B) payment of money or damages arising from work done by, or on behalf of, the contractor pursuant to the contract for a public work and payment of which is not otherwise expressly provided for or the claimant is not otherwise entitled to, or (C) an amount the payment of which is disputed by the local agency.

(c) The provisions of this article or a summary thereof shall be set forth in the plans or specifications for any work which may give rise to a claim under this article.

(d) This article applies only to contracts entered into on or after January 1, 1991.

**§ 20104.2.**

For any claim subject to this article, the following requirements apply:

(a) The claim shall be in writing and include the documents necessary to substantiate the claim. Claims must be filed on or before the date of final payment. Nothing in this subdivision is intended to extend the time limit or supersede notice requirements otherwise provided by contract for the filing of claims.

(b) (1) For claims of less than fifty thousand dollars (\$50,000), the local agency shall respond in writing to any written claim within 45 days of receipt of the claim, or may request, in writing, within 30 days of receipt of the claim, any additional documentation supporting the claim or relating to defenses to the claim the local agency may have against the claimant.

(2) If additional information is thereafter required, it shall be requested and provided pursuant to this subdivision, upon mutual agreement of the local agency and the claimant.

(3) The local agency's written response to the claim, as further documented, shall be submitted to the claimant within 15 days after receipt of the further documentation or within a period of time no greater than that taken by the claimant in producing the additional information, whichever is greater.

(c) (1) For claims of over fifty thousand dollars (\$50,000) and less than or equal to three hundred seventy-five thousand dollars (\$375,000), the local agency shall respond in writing to all written claims within 60 days of receipt of the claim, or may request, in writing, within 30 days of receipt of the claim, any additional documentation supporting the claim or relating to defenses to the claim the local agency may have against the claimant.

(2) If additional information is thereafter required, it shall be requested and provided pursuant to this subdivision, upon mutual agreement of the local agency and the claimant.

(3) The local agency's written response to the claim, as further documented, shall be submitted to the claimant within 30 days after receipt of the further documentation, or within a period of time no greater than that taken by the claimant in producing the additional information or requested documentation, whichever is greater.

(d) If the claimant disputes the local agency's written response, or the local agency fails to respond within the time prescribed, the claimant may so notify the local agency, in writing, either within 15 days of receipt of the local agency's response or within 15 days of the local agency's failure to respond within the time prescribed, respectively, and demand an informal conference to meet and confer for settlement of the issues in dispute. Upon a demand, the local agency shall schedule a meet and confer conference within 30 days for settlement of the dispute.

(e) Following the meet and confer conference, if the claim or any portion remains in dispute, the claimant may file a claim as provided in Chapter 1 (commencing with Section 900) and Chapter 2 (commencing with Section 910) of Part 3 of Division 3.6 of Title 1 of the Government Code. For purposes of those provisions, the running of the period of time within which a claim must be filed shall be tolled from the time the claimant submits his or her written claim pursuant to subdivision (a) until the time that claim is denied as a result of the meet and confer process, including any period of time utilized by the meet and confer process.

(f) This article does not apply to tort claims and nothing in this article is intended nor shall be construed to change the time periods for filing tort claims or actions specified by Chapter 1 (commencing with Section 900) and Chapter 2 (commencing with Section 910) of Part 3 of Division 3.6 of Title 1 of the Government Code.

**§ 20104.4.**

The following procedures are established for all civil actions filed to resolve claims subject to this article:

(a) Within 60 days, but no earlier than 30 days, following the filing or responsive pleadings, the court shall submit the matter to nonbinding mediation unless waived by mutual stipulation of both parties. The mediation process shall provide for the selection within 15 days by both parties of a disinterested third person as mediator, shall be commenced within 30 days of the submittal, and shall be concluded within 15 days from the commencement of the mediation unless a time requirement is extended upon a good cause showing to the court or by stipulation of both parties. If the parties fail to select a mediator within the 15-day period, any party may petition the court to appoint the mediator.

(b) (1) If the matter remains in dispute, the case shall be submitted to judicial arbitration pursuant to Chapter 2.5 (commencing with Section 1141.10) of Title 3 of Part 3 of the Code of Civil Procedure, notwithstanding Section 1141.11 of that code. The Civil Discovery Act (Title 4 (commencing with Section 2016.010) of Part 4 of the Code of Civil Procedure) shall apply to any proceeding brought under this subdivision consistent with the rules pertaining to judicial arbitration.

(2) Notwithstanding any other provision of law, upon stipulation of the parties, arbitrators appointed for purposes of this article shall be experienced in construction law, and, upon stipulation of the parties, mediators and arbitrators shall be paid necessary and reasonable hourly rates of pay not to exceed their customary rate, and such fees and expenses shall be paid equally by the parties, except in the case of arbitration where the arbitrator, for good cause, determines a different division. In no event shall these fees or expenses be paid by state or county funds.

(3) In addition to Chapter 2.5 (commencing with Section 1141.10) of Title 3 of Part 3 of the Code of Civil Procedure, any party who after receiving an arbitration award requests a trial de novo but does not obtain a more favorable judgment shall, in addition to payment of costs and fees under that chapter, pay the attorney's fees of the other party arising out of the trial de novo.

(c) The court may, upon request by any party, order any witnesses to participate in the mediation or arbitration process.

**§ 20104.6.**

(a) No local agency shall fail to pay money as to any portion of a claim which is undisputed except as otherwise provided in the contract.

(b) In any suit filed under Section 20104.4, the local agency shall pay interest at the legal rate on any arbitration award or judgment. The interest shall begin to accrue on the date the suit is filed in a court of law.

END OF CLAIMS PROVISIONS

**Exhibit "A"**  
**Scope of Work**

## Scope of Work

SCUSD ROSEMONT HS

Quantity	Existing Type	Retrofit Type	Fixture ID
40	LED CANOPY	PRT30/WS	1
80	50WHPS,CANOPY	PRT30N/WS	2
118	50WHPS,WP	WP234L/WS	3
16	150HPS,AREA/CIR	ALED5S78/MS	4
52	400HPS,AREA,SQ	A173T150/MS	5
150	LEDHB	IBG18000L	6
15	400W,MH,FLOOD,SF	X17FA105SF	7
20	2-42CFL,RECESS	PRT30N/WS/PLATE	8
20	70HPS,RECESS	PRT30/WHITE/WS	9

## Scope of Work

SCUSD EINSTEIN MS

Quantity	Existing Type	Retrofit Type	Fixture ID
4	1000,MH,FLOOD	X17FXU,250W	1
40	250W,HPS,WP	WP375L/WS	2
10	60W,INC,WP	WP234L/WS	3
190	50W,HPS,CANOPY	PRT30N/WS	4
20	4-4'T5HO,HB	IBG18000L,HB,WG	5

## Scope of Work

SCUSD GOLDEN EMPIRE

Quantity	Existing Type	Retrofit Type	Fixture ID
40	32WCFL,WP	WP234L/WS	1
12	42WCFL,CANOPY	PRT30N/WS	2
4	250W,MH,WP	WP375L,WS	3
1	250W,HPS,CIR	ALED5S78/WS	4

## Scope of Work

SCUSD CAMELIA BASIC

Quantity	Existing Type	Retrofit Type	Fixture ID
55	250W,HPS,WP	WP375L/WS	1
5	70WHPS,CANOPY	PRT30/WS	2

## Scope of Work

SCUSD SERNA / ENROLLMENT CENTER

Quantity	Existing Type	Retrofit Type	Fixture ID
65	42W,CFL,WP	WP234L/WS	1
14	70W,HPS,WP	WP234L/WS	2
2	150W,MH,AREA	A-173T100/WS	3
25	2-42CF,RECESS CAN,8"	CD8/PS22	4
68	400W,MH,AREA	A-173T150/WS	5

## Scope of Work

SCUSD JOHN STILL MS

Quantity	Existing Type	Retrofit Type	Fixture ID
30	250W, HPS, WP	WP375L/WS	1
6	100W, HPS, TR-FLOOD	X17FXU60, TR	2
206	50W, HPS, CANOPY	PRT30/WS	3
20	4-4'T5HO, HB, SUSP	IBG18000L, SUSP	4

## Scope of Work

SCUSD JOHN STILL ES

Quantity	Existing Type	Retrofit Type	Fixture ID
70	30WLED, WP	WP234L/WS	1
30	400W, HPS, AREA	A-173T150/WS	2

## Scope of Work

SCUSD ROSA PARKS MS

Quantity	Existing Type	Retrofit Type	Fixture ID
2	1000WHPS,FLOOD,TR	X17FXU250/PC	1
30	250W,HPS,WP	WP375L/WS	2
204	50W,HPS,CANOPY	PRT30/WS	3
6	150W,HPS,AREA	A-173T100,WS	4
5	70W,HPS,WP	WP234L/WS	5
25	4-4'T5HO,HB,SUSP	IBG18000L/SUSP	6

## Scope of Work

SCUSD JOHN BIDWELL

Quantity	Existing Type	Retrofit Type	Fixture ID
10	250WHPS,WP	WP234L/WS	1
30	50WHPS,CANOPY	PRT30/WS	2
30	70WHPS,WP	WP234L/WS	3
1	400WHPS,WP	WPS75L,WS	4

## Scope of Work

SCUSD PONY EXPRESS

Quantity	Existing Type	Retrofit Type	Fixture ID
48	70HPS,WP,PIPE	PRT30/WS	1
8	250W,HPS,WP	WP375L/WS	2
25	70W,HPS,WP	WP234L/WS	3
1	1000W,MH,TR-FLOOD	X17FXU250/TR	4
1	250W,HPS,AREA,SF	A-173T100/WS	5

## Scope of Work

SCUSD WENZEL

Quantity	Existing Type	Retrofit Type	Fixture ID
22	250W,HPS,WP	WP375L/WS	1
20	50W,HPS,WP	WP234L/WS	2
4	100W,HPS,AREA,SF	A-173T100,SF/WS	3
2	400W,HPS,AREA,SF	A-173T150,SF,WS	4

## Scope of Work

SCUSD SCHOOL OF ENG

Quantity	Existing Type	Retrofit Type	Fixture ID
44	250HPS,AREA,SQ	A-173T100/WS	1
32	150W,HPS,CIR,AREA	ESL-MUR75-840	2
76	2-42W,CFL,WP,WB	WP375L/WS	3
54	42W,CFL,8"RECESS	CD8,PS22	4
12	8"RECESS EMX	8"RECESS EMX	5

## Scope of Work

SCUSD KENNEDY HS

Quantity	Existing Type	Retrofit Type	Fixture ID
52	4-4'T5HO,HB,SURF	IBG18000L,WG	1
16	60WAI9	LED A19	2
38	50W,HPS,WP	WP234L/WS	3
180	2-4'T8,EB,VT	PRT30/WS	4
50	250W,HPS,WP	WP375L/WS	5
14	250W,MH,SF-FLOOD	X17FXU80SF	6
15	LED,TR,FLOOD	X17FXU60,TR	8
14	2-42W,CFL,IND-DR,WP	CDLED40W,50,940	9
8	60W,INCJJ	PRT30/WS	10
12	75WMR16,1/2NPT FLOOD	BHLED13,FLOOD	11
4	42WCFL,UPLIGHT,WP	HBLED13,FLOOD	12
4	150W,MH,CIR	ALED5S78/WS	13
8	250W,HPS,AREA	A-173T100/WS	14
5	150W,MH,AREA,CIR	ALED5S78T/WS	15
4	400W,MH,TR-FLOOD	X17105TR,FLOOD	16
6	LED TR,FLOOD	X17FXU40,TR	17

## Scope of Work

SCUSD SUTTERVILLE ES

Quantity	Existing Type	Retrofit Type	Fixture ID
3	250W,HPS,WP	WP375L/WS	1
30	LED,WP	WP234L/WS	2
22	42W,CFL,CANOPY	WP234L/WS	3
2	LED,SF,FLOOD	FXU60SF	4
6	42W,CFL,WP	WP234L/WS	5

## Scope of Work

SCUSD HOLLYWOOD PARK

Quantity	Existing Type	Retrofit Type	Fixture ID
35	LED,CANOPY	PRT30/WS	1
20	250W,HPS WP	WP375L,WS	2

## Scope of Work

SCUSD LEONARDO DAVINCI

Quantity	Existing Type	Retrofit Type	Fixture ID
45	3-4'T8,EB	3-4'IF,ISL	1
15	3-4'T8,EB,WRAP,OLD	NEW LBL,LED WRAP	2
8	2-60W,INC,SURF	SM9420840 LED SURF	3
15	TOGGLE SWITCH	PW100,OCC SEN	4
200	2-8'T8HO,EB	2-8'CORE-PRO-840	5
10	400W,MH,2X2	HID115-V-E39-840	6
75	60W,INC	LED A19	7
48	250W,HPS,WP	WP375L/WS	8
44	LED,CANOPY	PRT30/WS	9
160	2-4'T8,EB	2-4'IF,ISL	10
152	4-4'T8,EB	4-4'IF,ISL	11
14	42W,CFL,WP	WP234L/WS	12
50	3-4'T8,EB,TROFFER	3-4'IF,ISL	13
20	4-4'T5HO,HB,SUREF	IBG18000L,WG,THUN	14
8	8-4'T8,EB	8-4'IF,ISL	15
3	4-8'T12,SB	2-8'IF,EB	16

## Scope of Work

SCUSD MCCLATCHY HS

Quantity	Existing Type	Retrofit Type	Fixture ID
24	8-4'T5HO,HB,SURF	IBG36000L,HB,WG,THUN	1
26	4-4'T5HO,HB	IBG18000L,WG,THUN	2
8	1000W,MH,SF-FLOOD	X17FXU250,SF-FLOOD	3
70	42W,CFL,RECESS	PRT30/WS,PLATE	4
55	150W,HPS,WP	WP234L/WS	5
3	1000W,MH,TR-FLOOD	X17FXU250TR-FLOOD	6
2	400W,HPS,SF-FLOOD	X17FA105/SF/FLOOD	7
5	400W,HPS,TR-FLOOD	X17FA105-TR-FLOOD	8

## Scope of Work

SCUSD LEATAATA FLOYD

Quantity	Existing Type	Retrofit Type	Fixture ID
85	4-4'T8,EB,WRAP	4-4'IF,ISL	1
65	2-4'T8,EB	2-4'IF,ISL	2
1	1-8'T12,SB	LINMORE STRIP	3
20	TOGGLE SWITCH	PW-100W	4
5	40W,INC,SURF	SKXL20840	5
54	70W,HPS,WP	WP234L/WS	6
34	42W,CFL,CANOPY	PRT30/WS	7
125	2-8'T8HO,EB	2-8'CORE-PRO,R17-840	8
4	250W,HPS,WP	WP375L/WS	9
44	3-4'T8,EB	3-4'IF,ISL	10
2	400W,HPS,SF-FLOOD	X17FA105,SF-FLOOD	11
6	65WBR30	LED BR30	12

## Scope of Work

SCUSD SUTTER MS

Quantity	Existing Type	Retrofit Type	Fixture ID
18	4-4'T5HO,HB,SURF	IBG18000L,WG,THUN	1
8	70W,HPS,WP	WP234L/WS	2
20	150W,HPS,WP	WP234L/WS	3
32	70W,HPS,CANOPY	PRT30/WS	4

## Scope of Work

SCUSD JUDAH

Quantity	Existing Type	Retrofit Type	Fixture ID
42	50W,HPS,WP	WP234L/WS	1
15	50W,HPS,CANOPY	PRT30/WS	2
3	150W,HPS,TR-FLOOD	X17FXU60,TR-FLOOD	3
2	100W,HPS,AREA,CIR	ALED5S78/WS	4

## Scope of Work

SCUSD SAC HS

Quantity	Existing Type	Retrofit Type	Fixture ID
10	2-4'T5HOEB,HB	IBG12000L,WG,THUN	1
14	4-4'T5HO,HB	IBG18000L,WG,THUN	2
10	6-4'T5HO,EB,HB	IBG36000L,WG,THUN	3
104	150W,MH,WP	WP234L/WS	4
14	50W,HPS,CANOPY	PRT30/WS	5
6	LED,AREA	A173T70/WS	6
12	LED AREA SF	A173T70/WS	7
36	3-4'T5,HO,HB	IBG18000L,WG,THUN	8
2	400W,HPS,AREA,SF	A173T150SF/WS	9
8	LED,TR	X17FXU40/TR	10
14	LED,SF,AREA	X17FXU40/SF	11

## Scope of Work

SCUSD MARK TWAIN

Quantity	Existing Type	Retrofit Type	Fixture ID
42	70W,HPS,WP	PRT30/WS	1
12	70W,HPS,CANOPY	PRT30/WS	2

## Scope of Work

SCUSD CHARLES JONES

Quantity	Existing Type	Retrofit Type	Fixture ID
20	150W,HPS,AREA	ESL-MUR75,840	1
28	400W,HPS,AREA	A173T150/WS	2
62	70W,HPS,WP	WP234L/WS	3
16	70W,HPS,RECESS,8"	CD8/PS22/840	4
4	70W,HPS,TR-FLOOD	X17FXU40,TR-FLOOD	5
14	70W,HPS,RECESS,10"	CD10/PS33	6

## Scope of Work

SCUSD CB WIRE

Quantity	Existing Type	Retrofit Type	Fixture ID
12	250W,HPS,WP	WP375L/WS	1
48	32W,CFL,WP	WP234L/WS	2
3	400W,HPS,AREA	A173T150/WS	3

**PREVAILING WAGE AND  
RELATED LABOR REQUIREMENTS CERTIFICATION**

PROJECT/CONTRACT NO.: \_\_\_\_\_ between Sacramento City Unified School District ("District") and \_\_\_\_\_ ("Contractor") ("Contract" or "Project").

I hereby certify that I will conform to the State of California Public Works Contract requirements regarding prevailing wages, benefits, on-site audits with 48-hours' notice, payroll records, and apprentice and trainee employment requirements, for all work on the above Project, including, without limitation, labor compliance monitoring and enforcement by the Department of Industrial Relations.

Date: \_\_\_\_\_

Proper Name of Contractor: \_\_\_\_\_

Signature: \_\_\_\_\_

Print Name: \_\_\_\_\_

Title: \_\_\_\_\_

END OF DOCUMENT

**WORKERS' COMPENSATION CERTIFICATION**

PROJECT/CONTRACT NO.: \_\_\_\_\_ between Sacramento City Unified School District ("District") and \_\_\_\_\_ ("Contractor") ("Contract" or "Project").

Labor Code section 3700 in relevant part provides:

Every employer except the State shall secure the payment of compensation in one or more of the following ways:

- a. By being insured against liability to pay compensation by one or more insurers duly authorized to write compensation insurance in this state; and/or
- b. By securing from the Director of Industrial Relations a certificate of consent to self-insure, which may be given upon furnishing proof satisfactory to the Director of Industrial Relations of ability to self-insure and to pay any compensation that may become due to his employees.

I am aware of the provisions of section 3700 of the Labor Code which require every employer to be insured against liability for workers' compensation or to undertake self-insurance in accordance with the provisions of that code, and I will comply with such provisions before commencing the performance of the work of this Contract.

Date: \_\_\_\_\_

Proper Name of Contractor: \_\_\_\_\_

Signature: \_\_\_\_\_

Print Name: \_\_\_\_\_

Title: \_\_\_\_\_

(In accordance with Labor Code sections 1860 and 1861, the above certificate must be signed and filed with the awarding body prior to performing any work under this Contract.)

END OF DOCUMENT

**CRIMINAL BACKGROUND INVESTIGATION/FINGERPRINTING CERTIFICATION**

PROJECT/CONTRACT NO.: \_\_\_\_\_ between Sacramento City Unified School District ("District") and \_\_\_\_\_ ("Contractor") ("Contract" or "Project").

The undersigned does hereby certify to the District that I am a representative of the Contractor currently under contract with the District; that I am familiar with the facts herein certified; and that I am authorized and qualified to execute this certificate on behalf of Contractor.

Contractor certifies that it has taken at least one of the following actions (check all that apply):

- Pursuant to Education Code section 45125.2(a), Contractor has installed or will install, prior to commencement of Work, a physical barrier at the Work Site, that will limit contact between Contractor's employees, Subcontractors or suppliers and District pupils at all times; and/or
- Pursuant to Education Code section 45125.2(a), Contractor certifies that all employees will be under the continual supervision of, and monitored by, an employee of the Contractor who the California Department of Justice ("DOJ") has ascertained, or as described below, will ascertain, has not been convicted of a violent or serious felony. The name and title of the employee who will be supervising Contractor's and its subcontractors' or suppliers' employees is:

Name: \_\_\_\_\_

Title: \_\_\_\_\_

**NOTE:** If Contractor is a sole proprietor, and elects the above option, Contractor must have the above-named employee's fingerprints prepared and submitted by District for submission to the DOJ, in accordance with Education Code section 45125.1(h). No work shall commence until such determination by DOJ has been made.

- Pursuant to Education Code section 45125.2(a), the District will take appropriate steps to protect the safety of any pupils that may come in contact with Contractor's employees, subcontractors or suppliers so that the fingerprinting and criminal background investigation requirements of Education Code section 45125.2 shall not apply to Contractor under the Contract.
- The Work on the Contract is either (i) at an unoccupied school site and no employee of Contractor and/or subcontractor or supplier of any tier of the Contract shall come in contact with the District pupils or (ii) if Contractor's employees or any subcontractor or supplier of any tier of the Contract interacts with pupils, such interaction shall only take place under the immediate supervision and control of the pupil's parent or guardian or a school employee, so that the fingerprinting and criminal background investigation requirements of Education Code section 45125.1 shall not apply to Contractor under the Contract.

- The Contractor, who is not a sole proprietor, has complied with the fingerprinting requirements of Education Code section 45125.1 with respect to all Contractor's employees and all of its Subcontractors' employees who may have contact with District pupils in the course of providing services pursuant to the Contract, and the DOJ has determined (A) that none of those employees has been convicted of a felony, as that term is defined in Education Code section 45122.1 and/or (B) that the prohibition does not apply to an employee as provided by Education Code section 45125.1(e)(2) or (3). When the Contractor performs the criminal background check, it shall immediately provide any subsequent arrest and conviction information it receives to the District pursuant to the subsequent arrest service. No work shall commence until the Department of Justice ascertains that Contractor's employees and any subcontractors' employees have not been convicted of a felony as defined in Government Code Section 45122.1.

**A complete and accurate list of Contractor's employees and of all of its subcontractors' employees who may come in contact with District pupils during the course and scope of the Contract is attached hereto as ATTACHMENT "A;" and/or**

- The Contractor is a sole proprietor and intends to comply with the fingerprinting requirements of Education Code section 45125.1(h) with respect to all Contractor's employees who may have contact with District pupils in the course of providing services pursuant to the Contract, and hereby agrees to the District's preparation and submission of fingerprints such that the DOJ may determine (A) that none of those employees has been convicted of a felony, as that term is defined in Education Code section 45122.1 and/or (B) that the prohibition does not apply to an employee as provided by Education Code section 45125.1(e)(2) or (3). No work shall commence until the Department of Justice ascertains that Contractor's employees and any subcontractors' employees have not been convicted of a felony as defined in Government Code Section 45122.1.

Contractor's responsibility for background clearance extends to all of its employees, Subcontractors or suppliers, and employees of Subcontractors or suppliers coming into contact with District pupils regardless of whether they are designated as employees or acting as independent contractors of the Contractor.

[CONTINUED ON NEXT PAGE]

**ATTACHMENT "A"**

**List of Employees/Subcontractors**

**Name/Company:** \_\_\_\_\_

If further space is required for the list of employees/subcontractors, attach additional copies of this page.

Date: \_\_\_\_\_

Proper Name of Contractor: \_\_\_\_\_

Signature: \_\_\_\_\_

Print Name: \_\_\_\_\_

Title: \_\_\_\_\_

END OF DOCUMENT

**COVID-19 VACCINATION/TESTING CERTIFICATION**

PROJECT/CONTRACT NO.: \_\_\_\_\_ between Sacramento City Unified School District ("District") and \_\_\_\_\_ ("Contractor") ("Contract" or "Project").

**Contractor:** \_\_\_\_\_

The California Department of Public Health ("CDPH") requires, pursuant to its August 11, 2021, Order ("Order"), that all public and private schools serving students in transitional kindergarten through grade twelve, unless exempt, are required to verify the vaccine status of all K-12 school workers, effective October 15, 2021. Further, pursuant to the Order, all such schools are required to verify that all workers are either fully vaccinated or undergo weekly diagnostic testing.

On October 12, 2021, the Board of Education of the Sacramento City Unified School District ("SCUSD") approved Resolution No. 3233: Mandatory COVID-19 Vaccination for Eligible, Non-Exempt Students and Staff, providing that "all non-exempt SCUSD staff (including SCUSD partners, contractors, and other individuals who work directly with students and SCUSD staff on SCUSD facilities) must receive their first or second dose by November 30, 2021 as a condition of employment and a requirement for contracted services."

In light of these requirements, Contractor certifies that the following entity:

\_\_\_\_\_ has verified that the Contractor's and its subcontractors' personnel providing services at District's Project site(s):

- Have all been fully vaccinated in accordance with the District's Policy.
- Have not all been fully vaccinated, but those who are unvaccinated or not fully vaccinated undergo weekly diagnostic testing in accordance with the District's Policy.
- Have not been fully vaccinated and do not undergo weekly diagnostic testing in accordance with the District's Policy.

Contractor understands that the District's Project site will need to comply with the District's COVID-19 requirements for fully vaccinated personnel or unvaccinated personnel. Contractor will comply with the District policy, and all applicable state and local laws for vaccinated and unvaccinated personnel.

**CERTIFICATION**

I, \_\_\_\_\_, certify that I am Contractor's \_\_\_\_\_ and that I have made a diligent effort to ascertain the facts with regard to the representations made herein.

Date: \_\_\_\_\_

Proper Name of Contractor: \_\_\_\_\_

Signature: \_\_\_\_\_

Print Name: \_\_\_\_\_

Title: \_\_\_\_\_

END OF DOCUMENT

**HAZARDOUS MATERIALS CERTIFICATION**

PROJECT/CONTRACT NO.: \_\_\_\_\_ between Sacramento City Unified School District ("District") and \_\_\_\_\_ ("Contractor") ("Contract" or "Project").

1. Contractor hereby certifies that no asbestos, or asbestos-containing materials, polychlorinated biphenyl (PCB), or any material listed by the federal or state Environmental Protection Agency or federal or state health agencies as a hazardous material, or any other material defined as being hazardous under federal or state laws, rules, or regulations ("New Material Hazardous"), shall be furnished, installed, or incorporated in any way into the Project or in any tools, devices, clothing, or equipment used to affect any portion of Contractor's work on the Project for District.
2. Contractor further certifies that it has instructed its employees with respect to the above-mentioned standards, hazards, risks, and liabilities.
3. Asbestos and/or asbestos-containing material shall be defined as all items containing but not limited to chrysotile, crocidolite, amosite, anthophyllite, tremolite, and actinolite. Any or all material containing greater than one-tenth of one percent (.1%) asbestos shall be defined as asbestos-containing material.
4. Any disputes involving the question of whether or not material is New Hazardous Material shall be settled by electron microscopy or other appropriate and recognized testing procedure, at the District's determination. The costs of any such tests shall be paid by Contractor if the material is found to be New Hazardous Material.
5. All work or materials found to be New Hazardous Material or work or material installed with "New Hazardous Material" containing equipment will be immediately rejected and this work will be removed at Contractor's expense at no additional cost to the District.
6. Contractor has read and understood the document Hazardous Materials Procedures & Requirements, and shall comply with all the provisions outlined therein. Contractor certifies that it is knowledgeable of, and shall comply with, all laws applicable to the work, including, but not limited to, all federal, state, and local laws, statutes, standards, rules, regulations, and ordinances applicable to the Project.

Date: \_\_\_\_\_

Name of Contractor: \_\_\_\_\_

Signature: \_\_\_\_\_

Print Name: \_\_\_\_\_

Title: \_\_\_\_\_

END OF DOCUMENT

## **LEAD-BASED MATERIALS CERTIFICATION**

PROJECT/CONTRACT NO.: \_\_\_\_\_ between Sacramento City Unified School District ("District") and \_\_\_\_\_ ("Contractor") ("Contract" or "Project").

This certification provides notice to the Contractor that:

- (1) Contractor's work may disturb lead-containing building materials.
- (2) Contractor shall notify the District if any work may result in the disturbance of lead-containing building materials.
- (3) Contractor shall comply with the Renovation, Repair and Painting Rule, if lead-based paint is disturbed in a six-square-foot or greater area indoors or a 20-square-foot or greater area outdoors.

### **1. Overview of Law**

Both the Federal Occupational Safety and Health Administration ("Fed/OSHA") and the California Division of Occupational Safety and Health ("Cal/OSHA") have implemented safety orders applicable to all construction work where a contractor's employee may be occupationally exposed to lead.

The OSHA Regulations apply to all construction work where a contractor's employee may be occupationally exposed to lead. The OSHA Regulations contain specific and detailed requirements imposed on contractors subject to those regulations. The OSHA Regulations define construction work as work for construction, alteration, and/or repair, including painting and decorating. Regulated construction work includes, but is not limited to, the following:

- a. Demolition or salvage of structures where lead or materials containing lead are present;
- b. Removal or encapsulation of materials containing lead;
- c. New construction, alteration, repair, or renovation of structures, substrates, or portions thereof, that contain lead, or materials containing lead;
- d. Installation of products containing lead;
- e. Lead contamination/emergency cleanup;
- f. Transportation, disposal, storage, or containment of lead or materials containing lead on the Site or location at which construction activities are performed; and
- g. Maintenance operations associated with the construction activities described in the subsection.

Because it is assumed by the District that all painted surfaces (interior as well as exterior) within the District contain some level of lead, it is imperative that the Contractor, its workers and subcontractors fully and adequately comply with all applicable laws, rules and regulations governing lead-based materials (including title 8, California Code of Regulations, section 1532.1).

**Contractor shall notify the District if any work may result in the disturbance of lead-containing building materials. Any and all work that may result in the disturbance of lead-containing building materials shall be coordinated through the District. A signed copy of this Certification shall be on file prior to beginning work on the Project, along with all current insurance certificates.**

**2. Renovation, Repair and Painting Rule, Section 402(c)(3) of the Toxic Substances Control Act**

The EPA requires lead safe work practices to reduce exposure to lead hazards created by renovation, repair and painting activities that disturb lead-based paint. Pursuant to the Renovation, Repair and Painting Rule (RRP), renovations in homes, childcare facilities, and schools built prior to 1978 must be conducted by certified renovations firms, using renovators with training by a EPA-accredited training provider, and fully and adequately complying with all applicable laws, rules and regulations governing lead-based materials, including those rules and regulations appearing within title 40 of the Code of Federal Regulations as part 745 (40 CFR 745).

If failure to comply with these laws, rules, and regulations results in a Site or worker contamination, Contractor will be held solely responsible for all costs involved in any required corrective actions, and shall defend, indemnify and hold harmless the District, pursuant to the indemnification provisions of the Contract, for all damages and other claims arising therefrom. If lead disturbance is anticipated in the Work, only persons with appropriate accreditation, registrations, licenses and training shall conduct this Work.

The RRP requirements apply to all contractors who disturb lead-based paint in a six-square-foot or greater area indoors or a 20-square-foot or greater area outdoors. If a DPH-certified inspector or risk assessor determines that a home constructed before 1978 is lead-free, the federal certification is not required for anyone working on that particular building.

**3. Contractor's Liability**

If the Contractor fails to comply with any applicable laws, rules, or regulations, and that failure results in a Site or worker contamination, the Contractor will be held solely responsible for all costs involved in any required corrective actions, and shall defend, indemnify, and hold harmless the District, pursuant to the indemnification provisions of the Contract, for all damages and other claims arising therefrom.

If lead disturbance is anticipated in the work, only persons with appropriate accreditation, registrations, licenses, and training shall conduct this work.

It shall be the responsibility of the Contractor to properly dispose of any and all waste products, including but not limited to, paint chips, any collected residue, or any other visual material that may occur from the prepping of any painted surface. It will be the responsibility of Contractor to provide the proper disposal of any hazardous waste by a certified hazardous waste hauler. This company shall be registered with the Department of Transportation (DOT)

and shall be able to issue a current manifest number upon transporting any hazardous material from any school site within the District.

The Contractor shall provide the District with any sample results prior to beginning work, during the work, and after completion of the work. The District may request to examine, prior to commencement of the work, the lead training records of each employee of the Contractor.

THE CONTRACTOR HEREBY ACKNOWLEDGES, UNDER PENALTY OF PERJURY, THAT IT:

- 1.** HAS RECEIVED NOTIFICATION OF POTENTIAL LEAD-BASED MATERIALS ON THE DISTRICT'S PROPERTY;
- 2.** IS KNOWLEDGEABLE REGARDING AND WILL COMPLY WITH ALL APPLICABLE LAWS, RULES, AND REGULATIONS GOVERNING WORK WITH, AND DISPOSAL, OF LEAD.

THE UNDERSIGNED WARRANTS THAT HE OR SHE HAS THE AUTHORITY TO SIGN ON BEHALF OF AND BIND THE CONTRACTOR. THE DISTRICT MAY REQUIRE PROOF OF SUCH AUTHORITY.

Date: \_\_\_\_\_

Proper Name of Contractor: \_\_\_\_\_

Signature: \_\_\_\_\_

Print Name: \_\_\_\_\_

Title: \_\_\_\_\_

END OF DOCUMENT

## **DRUG-FREE WORKPLACE CERTIFICATION**

This Drug-Free Workplace Certification form is required from the successful Bidder pursuant to Government Code section 8350 et seq., the Drug-Free Workplace Act of 1990. The Drug-Free Workplace Act of 1990 requires that every person or organization awarded a contract or grant for the procurement of any property or service from any state agency must certify that it will provide a drug-free workplace by doing certain specified acts. In addition, the Act provides that each contract or grant awarded by a state agency may be subject to suspension of payments or termination of the contract or grant, and the contractor or grantee may be subject to debarment from future contracting, if the contracting agency determines that specified acts have occurred.

The District is not a "state agency" as defined in the applicable section(s) of the Government Code, but the District is a local agency and public school district under California law and requires all contractors on District projects to comply with the provisions and requirements of the Drug-Free Workplace Act of 1990.

Contractor must also comply with the provisions of Health & Safety Code section 11362.3 which prohibits the consumption or possession of cannabis or cannabis products in any public place, including school grounds, and specifically on school grounds while children are present.

Contractor shall certify that it will provide a drug-free workplace by doing all of the following:

- a. Publishing a statement notifying employees that the unlawful manufacture, distribution, dispensation, possession, or use of a controlled substance is prohibited in the person's or organization's workplace and specifying actions which will be taken against employees for violations of the prohibition.
- b. Establishing a drug-free awareness program to inform employees about all of the following:
  - (1) The dangers of drug abuse in the workplace.
  - (2) The person's or organization's policy of maintaining a drug-free workplace.
  - (3) The availability of drug counseling, rehabilitation, and employee-assistance programs.
  - (4) The penalties that may be imposed upon employees for drug abuse violations.
- c. Requiring that each employee engaged in the performance of the contract or grant be given a copy of the statement required above, and that, as a condition of employment on the contract or grant, the employee agrees to abide by the terms of the statement.

I, the undersigned, agree to fulfill the terms and requirements of Government Code section 8355 listed above and will publish a statement notifying employees concerning (a) the prohibition of controlled substance at the workplace, (b) establishing a drug-free awareness program, and (c) requiring that each employee engaged in the performance of the Contract be given a copy of the statement required by section 8355(a), and requiring that the employee agree to abide by the terms of that statement.

I also understand that if the District determines that I have either (a) made a false certification herein, or (b) violated this certification by failing to carry out the requirements of section 8355, that the Contract awarded herein is subject to termination, suspension of payments, or both. I further understand that, should I violate the terms of the Drug-Free Workplace Act of 1990, I may be subject to debarment in accordance with the requirements of the aforementioned Act.

I acknowledge that I am aware of the provisions of and hereby certify that I will adhere to the requirements of the Drug-Free Workplace Act of 1990 and Health and Safety Code section 11362.3.

Date: \_\_\_\_\_

Proper Name of Contractor: \_\_\_\_\_

Signature: \_\_\_\_\_

Print Name: \_\_\_\_\_

Title: \_\_\_\_\_

END OF DOCUMENT

**TOBACCO-FREE ENVIRONMENT CERTIFICATION**

Pursuant to, without limitation, 20 U.S.C section 6083, Labor Code section 6400 et seq., Health & Safety Code section 104350 et seq., Business and Professions Code section 22950 et seq., and District Board policies, all District sites, including the Project site, are tobacco-free environments. Smoking and the use of tobacco products by all persons is prohibited on or in District property. District property includes school buildings, school grounds, school-owned vehicles and vehicles owned by others while on District property. The prohibition on smoking includes the use of any electronic smoking device that creates an aerosol or vapor, in any manner or in any form, and the use of any oral smoking device for the purpose of circumventing the prohibition of tobacco smoking. Further, Health & Safety Code section 11362.3 prohibits the smoking or use of cannabis or cannabis products in any place where smoking tobacco is prohibited.

I acknowledge that I am aware of the District’s policy regarding tobacco-free environments at District sites, including the Project site and hereby certify that I will adhere to the requirements of that policy and not permit any of my firm’s employees, agents, subcontractors, or my firm’s subcontractors’ employees or agents, to use tobacco and/or smoke on the Project site.

Date: \_\_\_\_\_

Proper Name of Contractor: \_\_\_\_\_

Signature: \_\_\_\_\_

Print Name: \_\_\_\_\_

Title: \_\_\_\_\_

END OF DOCUMENT

**PERFORMANCE BOND**  
**(100% of Contract Price)**

**(Note: Contractor must use this form, NOT a surety company form.)**

KNOW ALL PERSONS BY THESE PRESENTS:

WHEREAS, the Governing Board ("Board") of the Sacramento City Unified School District ("District") and \_\_\_\_\_ ("Principal") have entered into a contract for the furnishing of all materials and labor, services and transportation, necessary, convenient, and proper to perform the following project:

\_\_\_\_\_ ("Project" or "Contract") which Contract dated \_\_\_\_\_, 20\_\_\_\_, and all of the Contract Documents attached to or forming a part of the Contract, are hereby referred to and made a part hereof; and

WHEREAS, said Principal is required under the terms of the Contract to furnish a bond for the faithful performance of the Contract.

NOW, THEREFORE, the Principal and \_\_\_\_\_ ("Surety") are held and firmly bound unto the Board of the District in the penal sum of \_\_\_\_\_ DOLLARS (\$\_\_\_\_\_), lawful money of the United States, for the payment of which sum well and truly to be made we bind ourselves, our heirs, executors, administrators, successors, and assigns jointly and severally, firmly by these presents, to:

- Promptly perform all the work required to complete the Project; and
- Pay to the District all damages the District incurs as a result of the Principal's failure to perform all the Work required to complete the Project.

Or, at the District's reasonable discretion and election, the Surety shall obtain a bid or bids for completing the Contract in accordance with its terms and conditions, and upon determination by the District of the lowest responsible bidder, arrange for a contract between such bidder and the District and make available as Work progresses sufficient funds to pay the cost of completion less the "balance of the Total Contract Price," and to pay and perform all obligations of Principals under the Contract, including, without limitation, all obligations with respect to warranties, guarantees and the payment of liquidated damages. The term "balance of the Total Contract Price," as used in this paragraph, shall mean the total amount payable to Principal by the District under the Contract and any modifications thereto, less the amount previously paid by the District to the Principal, less any withholdings by the District allowed under the Contract. The Surety cannot award the completion contract, without the District's consent, to the Principal or any of its subcontractors.

The condition of the obligation is such that, if the above bound Principal, its heirs, executors, administrators, successors, or assigns, shall in all things stand to and abide by, and well and truly keep and perform the covenants, conditions, and agreements in the Contract and any alteration thereof made as therein provided, on its part to be kept and performed at the time and in the intent and meaning, including all contractual guarantees and warranties of materials and workmanship, and shall indemnify and save harmless the District, its trustees, officers and agents, as therein stipulated, then this obligation shall become null and void, otherwise it shall be and remain in full force and virtue.

Surety expressly agrees that the District may reject any contractor or subcontractor which may be proposed by Surety in fulfillment of its obligations in the event of default by the Principal. Surety shall not utilize Principal in completing the Project nor shall Surety accept a Bid from Principal for completion of the Work if the District, when declaring the Principal in default, notifies Surety of the District's objection to Principal's further participation in the completion of the Work.

As a condition precedent to the satisfactory completion of the Contract, the above obligation shall hold good for a period ending one year after the date of Final Completion during which time Surety's obligation shall continue if Contractor shall fail to make full, complete, and satisfactory repair and replacements and totally protect the District from loss or damage resulting from or caused by defective materials or faulty workmanship. The above obligation is separate from and does not affect to the obligations under any performance guarantee agreement, any operations and maintenance agreement, or any warranty obligations that are effective for any period longer than one year following the Final Completion date. Nothing herein shall limit the District's rights or the Contractor or Surety's obligations under the Contract, law or equity, including, but not limited to, the District's rights against Contractor under California Code of Civil Procedure section 337.15.

The Surety, for value received, hereby stipulates and agrees that no change, extension of time, alteration, or addition to the terms of the Contract or to the work to be performed thereunder or the specifications accompanying the same shall in any way affect its obligation on this bond. The Surety also stipulates and agrees that it shall not be exonerated or released from the obligation of this bond by any overpayment or underpayment by the District that is based upon estimates approved by the architect. The Surety does hereby waive notice of any such change, extension of time, alteration, or addition to the terms of the Contract or to the work or to the specifications.

IN WITNESS WHEREOF, two (2) identical counterparts of this instrument, each of which shall for all purposes be deemed an original thereof, have been duly executed by the Principal and Surety above named, on the \_\_\_\_\_ day of \_\_\_\_\_, 20\_\_.

_____	_____
PRINCIPAL	SURETY
_____	_____
BY	BY
	_____
	NAME OF CALIFORNIA AGENT OF SURETY
	_____
	ADDRESS OF CALIFORNIA AGENT OF SURETY
	_____
	TELEPHONE NO. OF CALIFORNIA AGENT OF SURETY

**Contractor must attach a Notarial Acknowledgment for all Surety's signatures and a Power of Attorney and Certificate of Authority for Surety. The California Department of Insurance must authorize the Surety to be an admitted surety insurer.**

END OF DOCUMENT

**PAYMENT BOND**  
**Contractor's Labor & Material Bond**  
**(100% of Contract Price)**

**(Note: Contractor must use this form, NOT a surety company form.)**

KNOW ALL PERSONS BY THESE PRESENTS:

WHEREAS, the Governing Board ("Board") of the Sacramento City Unified School District ("District"), and \_\_\_\_\_, ("Principal") have entered into a contract for the furnishing of all materials and labor, services and transportation, necessary, convenient, and proper to perform the following project:

\_\_\_\_\_ ("Project" or "Contract")  
which Contract dated \_\_\_\_\_, 20\_\_\_\_, and all of the Contract Documents attached to or forming a part of the Contract, are hereby referred to and made a part hereof; and

WHEREAS, pursuant to law and the Contract, the Principal is required, before entering upon the performance of the work, to file a good and sufficient bond with the body by which the Contract is awarded in an amount equal to one hundred percent (100%) of the Contract price, to secure the claims to which reference is made in sections 9000 through 9510 and 9550 through 9566 of the Civil Code, and division 2, part 7, of the Labor Code.

NOW, THEREFORE, the Principal and \_\_\_\_\_, ("Surety") are held and firmly bound unto all laborers, material men, and other persons referred to in said statutes in the sum of \_\_\_\_\_ Dollars (\$\_\_\_\_\_), lawful money of the United States, being a sum not less than the total amount payable by the terms of Contract, for the payment of which sum well and truly to be made, we bind ourselves, our heirs, executors, administrators, successors, or assigns, jointly and severally, by these presents.

The condition of this obligation is that if the Principal or any of its subcontractors, or the heirs, executors, administrators, successors, or assigns of any, all, or either of them shall fail to pay for any labor, materials, provisions, or other supplies, used in, upon, for or about the performance of the work contracted to be done, or for any work or labor thereon of any kind, or for amounts required to be deducted, withheld, and paid over to the Employment Development Department from the wages of employees of the Principal or any of its subcontractors of any tier under section 13020 of the Unemployment Insurance Code with respect to such work or labor, that the Surety will pay the same in an amount not exceeding the amount herein above set forth, and also in case suit is brought upon this bond, will pay a reasonable attorney's fee to be awarded and fixed by the court, and to be taxed as costs and to be included in the judgment therein rendered.

It is hereby expressly stipulated and agreed that this bond shall inure to the benefit of any and all persons, companies, and corporations entitled to file claims under section 9100 of the Civil Code, so as to give a right of action to them or their assigns in any suit brought upon this bond.

Should the condition of this bond be fully performed, then this obligation shall become null and void; otherwise it shall be and remain in full force and affect.

And the Surety, for value received, hereby stipulates and agrees that no change, extension of time, alteration, or addition to the terms of Contract or the specifications accompanying the same shall in any manner affect its obligations on this bond, and it does hereby waive notice of any such change, extension, alteration, or addition.

IN WITNESS WHEREOF, two (2) identical counterparts of this instrument, each of which shall for all purposes be deemed an original thereof, have been duly executed by the Principal and Surety above named, on the \_\_\_\_\_ day of \_\_\_\_\_, 20\_\_\_\_.

---

PRINCIPAL

---

SURETY

---

BY

---

BY

---

NAME OF CALIFORNIA AGENT OF SURETY

---

ADDRESS OF CALIFORNIA AGENT OF SURETY

---

TELEPHONE NO. OF CALIFORNIA AGENT OF  
SURETY

**Contractor must attach a Notarial Acknowledgment for all Surety's signatures and a Power of Attorney and Certificate of Authority for Surety. The California Department of Insurance must authorize the Surety to be an admitted surety insurer.**

END OF DOCUMENT

**REGISTERED SUBCONTRACTORS LIST  
(Labor Code Section 1771.1)**

PROJECT: Exterior Lighting LED retrofit **Project**

Date Submitted (for Updates): \_\_\_\_\_

Contractor acknowledges and agrees that it must clearly set forth below the name and Department of Industrial Relations (DIR) registration number of each subcontractor **for all tiers** who will perform work or labor or render service to Contractor or its subcontractors in or about the construction of the Work **at least two (2) weeks before the subcontractor is scheduled to perform work.** This document is to be updated as all tiers of subcontractors are identified.

Contractor acknowledges and agrees that, if Contractor fails to list as to any subcontractor of any tier who performs any portion of Work, the Agreement is subject to cancellation and the Contractor will be subjected to penalty under applicable law.

If further space is required for the list of proposed subcontractors, attach additional copies of page 2 showing the required information, as indicated below.

**Subcontractor Name:** \_\_\_\_\_

DIR Registration #: \_\_\_\_\_

Portion of Work: \_\_\_\_\_

**Subcontractor Name:** \_\_\_\_\_

DIR Registration #: \_\_\_\_\_

Portion of Work: \_\_\_\_\_

**Subcontractor Name:** \_\_\_\_\_

DIR Registration #: \_\_\_\_\_

Portion of Work: \_\_\_\_\_

**Subcontractor Name:** \_\_\_\_\_

DIR Registration #: \_\_\_\_\_

Portion of Work: \_\_\_\_\_

**Subcontractor Name:** \_\_\_\_\_

DIR Registration #: \_\_\_\_\_

Portion of Work: \_\_\_\_\_

**Subcontractor Name:** \_\_\_\_\_

DIR Registration #: \_\_\_\_\_

Portion of Work: \_\_\_\_\_

**Subcontractor Name:** \_\_\_\_\_

DIR Registration #: \_\_\_\_\_

Portion of Work: \_\_\_\_\_

**Subcontractor Name:** \_\_\_\_\_

DIR Registration #: \_\_\_\_\_

Portion of Work: \_\_\_\_\_

**Subcontractor Name:** \_\_\_\_\_

DIR Registration #: \_\_\_\_\_

Portion of Work: \_\_\_\_\_

**Subcontractor Name:** \_\_\_\_\_

DIR Registration #: \_\_\_\_\_

Portion of Work: \_\_\_\_\_

**Subcontractor Name:** \_\_\_\_\_

DIR Registration #: \_\_\_\_\_

Portion of Work: \_\_\_\_\_

**Subcontractor Name:** \_\_\_\_\_

DIR Registration #: \_\_\_\_\_

Portion of Work: \_\_\_\_\_

**Subcontractor Name:** \_\_\_\_\_

DIR Registration #: \_\_\_\_\_

Portion of Work: \_\_\_\_\_

**Submitted on and by:**

Date: \_\_\_\_\_

Proper Name of Contractor: \_\_\_\_\_

Signature: \_\_\_\_\_

Print Name: \_\_\_\_\_

Title: \_\_\_\_\_

END OF DOCUMENT

- 1) Serna Center
- 2) Enrollment Center (school attached to Serna Center)
- 3) Leataata Floyd
- 4) Leonardo Da Vinci
- 5) Hollywood Park
- 6) Mark Twain
- 7) Rosemont HS
- 8) McClatchy HS
- 9) Charles A. Jones Skill Center
- 10) Einstein MS
- 11) Rosa Parks K-8
- 12) John Still MS
- 13) John Still ES
- 14) Kennedy HS
- 15) Bidwell ES
- 16) Sutter MS
- 17) Pony Express ES
- 18) Camellia Basic
- 19) Wenzel K-8
- 20) Golden Empire ES
- 21) Sutterville ES
- 22) School of Engineering and Science
- 23) Sacramento HS
- 24) Judah ES
- 25) CB Wire

**NOTICE OF PUBLIC HEARING  
ON SACRAMENTO CITY UNIFIED SCHOOL DISTRICT  
ENTERING INTO AN ENERGY SERVICE CONTRACT**

**NOTICE IS HEREBY GIVEN** of the intention of the Board of Education of the Sacramento City Unified School District ("District") to consider entering into an energy service contract ("Agreement") with Efficient Lighting Design Inc to provide energy audit and inventory and construct a lighting retrofitting project at multiple District campuses and properties, pursuant to the terms of Government Code section 4217.12.

The time for the public hearing on the intention of the Board to consider entering into the Agreement is **April 7, 2022, at 6:00 p.m.**, or as soon thereafter as practicable, during the Board's regular meeting. As a consequence of the local emergency, and pursuant to AB 361, the Board of Education found that the District shall conduct their Board meetings without compliance with paragraph (3) of subdivision (b) of Government Code section 54953, as authorized by subdivision (e) of section 54953, and in compliance with the requirements to provide the public with access to the meetings as prescribed in paragraph (2) of subdivision (e) of section 54953. The meeting will be held via ZOOM WEBINAR and can be accessed by clicking on the following link: [www.scusd.edu](http://www.scusd.edu)

Public comments may be made remotely by submitting a Public Comments form at the following link before the board meeting and up through this item on the agenda: <https://www.scusd.edu/pod/contact-board-education>. Those that submit a public comment form will have their Public Comment read during the meeting so that it is part of the meeting record. Public Comments will be limited to 3 minutes. In the event of several Public Comment requests, the Board reserves the right to lower the allotted time to 2 minutes.

At such time the testimony of all interested persons for or against the proposed Agreement will be heard. Any protest pertaining to the regularity or sufficiency of the proceedings shall be in writing and shall clearly set forth the irregularities and defects to which the objection is made. Any written protest shall be filed with the Clerk of the District on or before the time set for the hearing. The District may waive any irregularities in the form or content of any written notice and at the hearing may correct minor defects in the proceedings. Written protests may be withdrawn, in writing, at any time before the conclusion of the hearing.

DATED: March 24, 2022

Chris Ralston  
Director III, Facilities Management  
Sacramento City Unified School District

**RESOLUTION NO. 3265  
OF THE BOARD OF EDUCATION OF THE SACRAMENTO CITY UNIFIED SCHOOL  
DISTRICT TO AUTHORIZE AND APPROVE ENERGY SERVICES CONTRACT  
WITH EFFICIENT LIGHTING DESIGN, INC.**

WHEREAS, Sacramento City Unified School District ("District") desires to implement energy conservation measures by constructing a lighting retrofit ("Project") at multiple District campuses and properties ("Premises");

WHEREAS, Government Code section 4217.12, authorizes a school district to enter into an energy service contract if its governing board determines, at a regularly scheduled public hearing, public notice of which is given at least two weeks in advance, that "the anticipated cost to the public agency for thermal or electrical energy or conservation services provided by the energy conservation facility under the contract will be less than the anticipated marginal cost to the public agency of thermal, electrical, or other energy that would have been consumed by the public agency in the absence of those purchases;"

WHEREAS, under Government Code section 4217.11, an "energy service contract" means a public contract that "will provide electrical or thermal energy or conservation services to a public agency from an energy conservation facility," an "energy conservation facility" includes "conservation measures located in public buildings" such as "equipment, maintenance, load management techniques and equipment, or other measures to reduce energy use or make for a more efficient use of energy;"

WHEREAS, based on qualifications and overall proposed Project cost and cost-savings, among other factors, the District has selected Efficient Lighting Design, inc. ("Provider") to perform and complete the Project pursuant to an energy services contract ("Contract");

WHEREAS, at the April 7, 2022 Board meeting, Provider represented that Provider's provision of the Project on the Premises will result in a reduction in consumption of or demand for nonrenewable energy that will result in net cost savings to the District attached as **Exhibit 1** and made part hereof by this reference ("Analysis");

WHEREAS, in accordance with Government Code section 4217.12, on March 24, 2022, the District published the notice of a public hearing at which the Board of Education would consider this Resolution, and on April 7, 2022, has held the public hearing and provided an opportunity for public comment on the Project;

WHEREAS, based on the Analysis by Provider, the anticipated cost to the District for the energy or conservation services provided by the energy conservation Project under the Contract will be less than the anticipated marginal cost to the District of the electrical or other energy that would have been consumed by the District in the absence of the Project; and

WHEREAS, the District desires to enter into the Contract with Provider, through which Provider would construct and install the Project pursuant to the terms and conditions of the Contract, a copy of which is attached hereto as **Exhibit 2**.

NOW, THEREFORE, the District's Board of Education does hereby determine, resolve, and order as follows:

Section 1. That the recitals set forth above are true and correct.

Section 2. That this Resolution is adopted following a public hearing at a regularly scheduled meeting of the Board for which at least two weeks' public notice has been duly given.

Section 3. That pursuant to Government Code section 4217.12, and based on available information, including, but not limited to the data provided in the Analysis, the Board hereby determines that the anticipated cost to the District for the Project will be less than the anticipated marginal cost to District of electrical or other energy that would have been consumed by District if such Project was not completed, and that it is in the best interests of the District to enter into the Contract with Provider.

Section 4. That the Contract with Provider, in substantially the form attached hereto as **Exhibit 2**, is hereby approved.

Section 5. That the Superintendent and designees are authorized pursuant to this Resolution to take any and all actions that are necessary to carry out, give effect to, and comply with the terms and intent of this Resolution including, without limitation, finalizing and executing the Contract with Provider on behalf of the District.

PASSED AND ADOPTED this 7 day of April, 2022, by the following vote of the Board:

AYES:

NOES:

ABSENT:

ABSTAIN:

SIGNED:

\_\_\_\_\_  
Christina Pritchett  
President, Board of Education

ATTEST:

\_\_\_\_\_  
Jorge A. Aguilar  
Superintendent

**Exhibit 1**

**Analysis**

**Exhibit 2**

**Contract**

[Attach starting on next page]



# SACRAMENTO CITY UNIFIED SCHOOL DISTRICT BOARD OF EDUCATION

Agenda Item# 10.2

**Meeting Date:** April 7, 2022

**Subject:** Public Hearing: AB 1200 Disclosure and Approval of Teamsters Union, Local 150 and Teamsters Classified Supervisors COVID-19 Employee Leave and Hazard Pay MOUs 2021-2022

- Information Item Only
- Approval on Consent Agenda
- Conference (for discussion only)
- Conference/First Reading (Action Anticipated: \_\_\_\_\_)
- Conference/Action
- Action
- Public Hearing

**Division:** Legal Services; Business Services

**Recommendation:** Approve MOUs between SCUSD and Teamsters Union, Local 150 (“Teamsters”) and SCUSD and Teamsters Classified Supervisors (“TCS”) regarding COVID-19 Employee Leave and Hazard Pay Fiscal Year 2021-22

**Background/Rationale:** The MOUs for Teamsters and TCS was fully executed on March 21, 2022. It is non-precedent setting. Among other provisions, the MOUs provides:

- Teamsters & TCS employees who are fully vaccinated by February 28, 2022 will receive a one-time stipend \$1,250 within 90 days of the parties executing the MOU; and
- From February 1, 2022 through June 30, 2022, Teamsters & TCS employees who are fully vaccinated and who work between 90%-100% of all workdays beginning February 1, 2022 through June 30, 2022 will receive a one-time stipend \$1,200 by August 31, 2022.
- TCS employees who are fully vaccinated and who work as Supervisors IVs will received a one-time stipend of \$750 by August 31, 2022.

**Financial Considerations:** ESSER one-time funding source to fund one-time costs of \$ 327,092 in salaries and benefits.

**LCAP Goals:** College, Career and Life Ready Graduates; Safe, Emotionally Healthy and Engaged Students; Family and Community Empowerment; Operational Excellence.

**Documents Attached:**

1. Teamsters MOU
2. TCS MOU
3. AB 1200 Disclosure

<p><b>Estimated Time of Presentation:</b> 5 Minutes <b>Submitted by:</b> Rose Ramos, Chief Business &amp; Operations Officer <b>Approved by:</b> Jorge A. Aguilar, Superintendent</p>
---

**Memorandum of Understanding  
Between  
Teamsters Classified Supervisors  
and the  
Sacramento City Unified School District**

This Memorandum of Understanding ("MOU") is entered into between Teamsters Classified Supervisors, ("TCS" or "Union") and the Sacramento City Unified School District ("District") (collectively "Parties") regarding recognition of duties completed in light of the COVID-19 pandemic, the surge of the omicron variant, and unprecedented staffing shortages across campuses.

WHEREAS, the Parties recognize that TCS members have provided invaluable and essential work since March 2020 and addressing the statutory obligations of district initiatives and state mandates.

WHEREAS, TCS members have fulfilled all necessary roles and responsibilities, as described above, without additional compensation.

THEREFORE, the Parties agree as follows:

**1. COVID-19 Leave for Employee.**

This Memorandum of Understanding ("MOU") is entered into between TCS and the Sacramento City Unified School District ("District") (collectively "Parties") regarding employee leave and in light of the COVID-19 pandemic and surge of the omicron variant.

WHEREAS, the Parties are committed to working together to support the safety and wellbeing of students and staff during the COVID-19 pandemic;

WHEREAS, the Parties recognize the invaluable and essential work TCS perform daily to keep the District running during the pandemic;

THEREFORE, the Parties agree as follow:

From January 1, 2022 through the expiration of SB 114 (California's New Supplemental Paid Sick Leave Law), the District will provide a total of up to 80 hours of COVID-19 supplemental paid sick leave subject to the exceptions and requirements under SB 114.

Nothing in this MOU shall supersede or conflict with Article 7 - Leaves of Absence in the parties' Collective Bargaining Agreement and specifically, Section 12.2.10 ("Quarantine") which states:

Any employee absent from work due to quarantine enforced by public health authorities, but who is not personally sick, gets leave with full pay and the absence shall not be charged against accumulated or current sick leave credit. However, if the employee is sick and is under medical quarantine, the days of absence shall be counted against accumulated and current sick leave earnings. If the employee's illness develops after quarantine restrictions have been established, illness absence shall be charged against accumulated or current sick-leave credit. A statement from a qualified physician or the public health authorities relative to the quarantine restrictions shall be required.

For purposes of this MOU, time spent on documented, paid, and approved leaves and documented, paid, and approved sick leaves will be considered time worked.

### **2. One-time Stipend for Hazard Pay:**

The District shall provide a one-time stipend to all bargaining unit employees who are fully vaccinated February 28, 2022, in the amount of \$1,250 and will receive the stipend within 90 days of the parties executing this MOU. The District shall execute this agreement within 7 days of the Union's execution of this agreement.

For purposes of this MOU, "fully vaccinated" means individuals who have received two doses of Moderna or Pfizer or a single dose of J&J by February 28, 2022.

Members will be eligible for the stipend in Section 2 if they are part of the bargaining unit as of the date the parties execute this MOU.

### **3. One-time Stipend for 90%-100% Attendance:**

The District shall provide a one-time stipend to all fully vaccinated bargaining unit employees who work between 90%-100% of all workdays beginning February 1, 2022 through June 30, 2022 in the amount of \$1,200 and they will receive the stipend by August 31, 2022.

Members will be eligible for the stipend in Section 3 if they are part of the bargaining unit as of June 30, 2022.

### **4. One-time Stipend for Supervisor IVs:**

The District shall provide a one-time stipend to all fully vaccinated bargaining unit employees who work as Supervisor IVs in the amount of \$750 and they will receive the stipend by August 31, 2022.

Members will be eligible for the stipend in Section 4 if they are part of the bargaining unit as of the date the parties execute this MOU.

The stipends referenced in this MOU will be subject to all applicable State and Federal statutory taxes, unemployment insurance, worker's compensation and STRS or PERS. Members on an unpaid leave of absence will not be eligible for the stipends.

All components of all existing agreements, including side letters, between TCS and the District not addressed by the terms of this MOU shall remain in full effect.

This MOU applies to the 2021-2022 school year only and is not intended to establish a precedent or past practice. If the State of California or Federal Government institutes COVID-related leave legislation, this MOU may be extended to the date provided by the State of California or Federal Government and no later upon a mutual agreement by the parties.

*Alan Daurie* 3/21/22

Alan Daurie,  
Business Agent, Teamsters Classified Supervisors

Jorge Aguilar  
Superintendent, SCUUSD

**Memorandum of Understanding  
Between  
Teamsters Union, Local 150  
and the  
Sacramento City Unified School District**

This Memorandum of Understanding ("MOU") is entered into between Teamsters Union, Local 150 ("Teamsters" or "Union") and the Sacramento City Unified School District ("District") (collectively "Parties") regarding recognition of duties completed in light of the COVID-19 pandemic, the surge of the omicron variant, and unprecedented staffing shortages across campuses.

WHEREAS, the Parties recognize that Teamsters members have provided invaluable and essential work since March 2020 and addressing the statutory obligations of district initiatives and state mandates.

WHEREAS, Teamsters members have fulfilled all necessary roles and responsibilities, as described above, without additional compensation.

THEREFORE, the Parties agree as follows:

**I. COVID-19 Leave for Employee.**

This Memorandum of Understanding ("MOU") is entered into between Teamsters and the Sacramento City Unified School District ("District") (collectively "Parties") regarding employee leave and in light of the COVID-19 pandemic and surge of the omicron variant.

WHEREAS, the Parties are committed to working together to support the safety and wellbeing of students and staff during the COVID-19 pandemic;

WHEREAS, the Parties recognize the invaluable and essential work Teamsters perform daily to keep the District running during the pandemic;

THEREFORE, the Parties agree as follow:

From January 1, 2022 through the expiration of SB 114 (California's New Supplemental Paid Sick Leave Law), the District will provide a total of up to 80 hours of COVID-19 supplemental paid sick leave subject to the exceptions and requirements under SB 114.

Nothing in this MOU shall supersede or conflict with Article 7 – Leaves of Absence in the parties' Collective Bargaining Agreement and specifically, Section 12.2.10 ("Quarantine") which states:

Any employee absent from work due to quarantine enforced by public health authorities, but who is not personally sick, gets leave with full pay and the absence shall not be charged against accumulated or current sick leave credit. However, if the employee is sick and is under medical quarantine, the days of absence shall be counted against accumulated and current sick leave earnings. If the employee's illness develops after quarantine restrictions have been established, illness absence shall be charged against accumulated or current sick-leave credit. A statement from a qualified physician or the public health authorities relative to the quarantine restrictions shall be required.

For purposes of this MOU, time spent on documented, paid, and approved leaves and documented, paid, and approved sick leaves will be considered time worked.

**2. One-time Stipend for Hazard Pay:**

The District shall provide a one-time stipend to all bargaining unit employees who are fully vaccinated February 28, 2022, in the amount of \$1,250 and will receive the stipend within 90 days of the parties executing this MOU. The District shall execute this agreement within 7 days of the Union's execution of this agreement.

For purposes of this MOU, "fully vaccinated" means individuals who have received two doses of Moderna or Pfizer or a single dose of J&J by February 28, 2022.

Members will be eligible for the stipend in Section 2 if they are part of the bargaining unit as of the date the parties execute this MOU

**3. One-time Stipend for 90%-100% Attendance:**

The District shall provide a one-time stipend to all fully vaccinated bargaining unit employees who work between 90%-100% of all workdays beginning February 1, 2022 through June 30, 2022 in the amount of \$1,200 and they will receive the stipend by August 31, 2022.

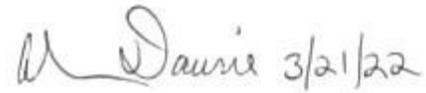
Members will be eligible for the stipend in Section 3 if they are part of the bargaining unit as of June 30, 2022.

The stipends referenced in this MOU will be subject to all applicable State and Federal statutory taxes, unemployment insurance, worker's compensation and STRS or PERS. Members on an unpaid leave of absence will not be eligible for the stipends

All components of all existing agreements, including side letters, between Teamsters and the District not addressed by the terms of this MOU shall remain in full effect.

---

This MOU applies to the 2021-2022 school year only and is not intended to establish a precedent or past practice. If the State of California or Federal Government institutes COVID-19-related leave legislation, this MOU may be extended to the date provided by the State of California or Federal Government and no later upon a mutual agreement by the parties.

 3/21/22

Alan Daurie,  
Business Agent, Teamsters-Local 150

Jorge Aguilar  
Superintendent, SCUSD

# SACRAMENTO COUNTY OFFICE OF EDUCATION

## PUBLIC DISCLOSURE OF COLLECTIVE BARGAINING AGREEMENT

In Accordance with AB 1200 (Chapter 1213/1991), GC 3547.5, and CCR, Title V, Section 15449

Name of School District: **Sacramento City Unified School District**

Name of Bargaining Unit: **Teamsters Classified Supervisors (TCS)**

Certificated, Classified, Other: **Classified**

The proposed agreement covers the period beginning: **September 1, 2021** and ending: **June 30, 2022**

(date)

(date)

The Governing Board will act upon the agreement on: **April 7, 2022**

(date)

Note: This form, along with a copy of the proposed agreement, must be submitted to the County Office at least ten (10) working days prior to the date the Governing Board will take action.

### A. Proposed Change in Compensation

Compensation		Annual	Fiscal Impact of Proposed Agreement		
			Year 1	Year 2	Year 3
		Cost Prior to	Increase (Decrease)	Increase (Decrease)	Increase (Decrease)
		Proposed Agreement			
		FY 21-22	FY 21-22	FY 22-23	FY 23-24
1	Salary Schedule (This is to include Step and Columns, which is also reported separately in Item 6)	\$1,100,423.00			
			0.00%	0.00%	0.00%
2	Other Compensation <b>Stipends</b>		\$69,150.00		
				0.00%	0.00%
	Description of other compensation				
3	Statutory Benefits - STRS, PERS, FICA WE, UI, Medicare, etc.	\$412,175.00	\$22,515.00		
			5.46%	0.00%	0.00%
4	Health/Welfare Plans	\$161,791.00			
5	Total Compensation - Add Items 1 through 4 to equal 5	\$1,674,389.00	\$91,665.00	\$0.00	\$0.00
			5.47%	0.00%	0.00%
6	Step and Column - Due to movement plus any changes due to settlement. This is a subset of Item No. 1	\$0.00	\$0.00		
7	Total Number of Represented Employees (Use FTEs if appropriate)	22.00	22.00		
8	Total Compensation <u>Average</u> Cost per Employee	\$76,108.59	\$4,166.59	0.00	0.00
			5.47%	0.00%	0.00%

- 9 . **What was the negotiated percentage increase approved? For example, if the increase in "Year 1" was for less than a full year, what is the annualized percentage of that increase for "Year 1"?**  
TCS members fully vaccinated by February 28, 2022 will receive a \$1250 stipend. In addition, TCS members shall receive a \$1,200 stipend for all fully vaccinated bargaining unit members who work between 90 and 100% of all workdays beginning February 1, 2022 through June 30, 2022. Additionally, Supervisor IV bargaining unit employees shall receive a \$750 stipend.
- 10 . **Were any additional steps, columns, or range added to the schedule? (If yes, please explain.)**  
N/A
- 11 . **Please include comments and explanations as necessary. (If more room is necessary, please attach an additional sheet.)**  
N/A
- 12 . **Does this bargaining unit have a negotiated cap for Health & Welfare**      Yes  | No
- If yes, please describe the cap amount.**  
For TCS, the District pays 100% Kaiser employee only rate, 100% Kaiser Emp + 1 rate and up to the Kaiser Emp + 1 rate for Family medical plans.
- B. **Proposed Negotiated Changes in Noncompensation Items (i.e., class size adjustments, staff development days, teacher prep time, classified staffing ratios, etc.)**  
NA
- C. **What are the specific impacts (positive or negative) on instructional and support programs accommodate the settlement? Include the impact of changes such as staff reductions or increases, program reductions or increases, elimination or expansion of other services or programs (i.e., counselors, librarians, custodial staff, etc.)**  
The intent of the MOU is to address the challenges brought on by the COVID-19 pandemic and Omicron variant surge and its impact on staff and students. SCUSD and TCS recognize the invaluable and essential work staff perform daily to keep the District running and are committed to working together to support the safety and wellbeing of students and staff during the COVID-19 pandemic.

**D. What contingency language is included in the proposed agreement (e.g., reopeners, etc.)?**

N/A

**E. Will this agreement create, or decrease deficit financing in the current or subsequent year(s)? "Deficit Financing" is defined to exist when a fund's expenditures and other financing uses exceed its revenue and other financing sources in a given year. If yes, explain the amounts and justification for doing so.**

No

**F. Identify other major provisions that do not directly affect the district's costs, such as binding arbitrations, grievance procedures, etc.**

N/A

**G. Source of Funding for Proposed Agreement**

**1. Current Year**

The District will be utilizing restricted federal CARES Act & state COVID relief funds to cover the projected costs related to this MOU.

**2. If this is a single year agreement, how will the ongoing cost of the proposed agreement be funded in subsequent years (i.e., what will allow the district to afford this contract)?**

This MOU will expire on the last day of the fiscal year, June 30 2022

**3. If this is a multiyear agreement, what is the source of funding, including assumptions used, to fund these obligations in subsequent years? (Remember to include compounding effects in meeting obligations.)**

N/A

|

**H. IMPACT OF PROPOSED AGREEMENT ON CURRENT YEAR OPERATING BUDGET**

**Unrestricted General Fund  
TCS**

Enter Bargaining Unit:

	Column 1	Column 2	Column 3	Column 4
	Latest Board - Approved Budget Before Settlement (As of 3/17/2022)	Adjustments as a Result of Settlement	Other Revisions	Total Current Budget (Columns 1+2+3)
<b>REVENUES</b>				
Revenue Limit Sources (8010-8099)	\$434,484,520			\$434,484,520
Remaining Revenues (8100-8799)	\$13,469,837			\$13,469,837
<b>TOTAL REVENUES</b>	\$447,954,357	\$0	\$0	\$447,954,357
<b>EXPENDITURES</b>				
Certificated Salaries (1000-1999)	\$163,470,967			\$163,470,967
Classified Salaries (2000-2999)	\$36,265,771			\$36,265,771
Employee Benefits (3000-3999)	\$113,246,588			\$113,246,588
Books and Supplies (4000-4999)	\$11,365,824			\$11,365,824
Services, Other Operating Expenses (5000-5999)	\$22,461,337			\$22,461,337
Capital Outlay (6000-6999)	\$374,340			\$374,340
Other Outgo (7100-7299) (7400-7499)	\$1,150,000			\$1,150,000
Direct Support/Indirect Cost (7300-7399)	-\$10,544,449			-\$10,544,449
Other Adjustments	\$0			\$0
<b>TOTAL EXPENDITURES</b>	\$337,790,379	\$0	\$0	\$337,790,379
<b>OPERATING SURPLUS (DEFICIT)</b>	\$110,163,978	\$0	\$0	\$110,163,978
<b>TRANSFERS IN &amp; OTHER SOURCES (8910-8979)</b>	\$2,025,754			\$2,025,754
<b>TRANSFERS OUT &amp; OTHER USES (7610-7699)</b>	\$0			\$0
<b>CONTRIBUTIONS (8980-8999)</b>	-\$92,324,656			-\$92,324,656
<b>CURRENT YEAR INCREASE (DECREASE) IN FUND BALANCE</b>	\$19,865,076	\$0	\$0	\$19,865,076
<b>BEGINNING BALANCE</b>	\$103,708,114			\$103,708,114
Prior-Year Adjustments/Restatements (9793/9795)				\$0
<b>CURRENT-YEAR ENDING BALANCE</b>	\$123,573,190	\$0	\$0	\$123,573,190
<b>COMPONENTS OF ENDING BALANCE:</b>				
Reserved Amounts (9711-9740)	\$328,869			\$328,869
Reserved for Economic Uncertainties (9770)	\$14,260,530			\$14,260,530
Designated Amounts (9775-9780)				\$0
Unappropriated Amounts (9790)	\$108,983,791	\$0	\$0	\$108,983,791

**H. IMPACT OF PROPOSED AGREEMENT ON CURRENT YEAR OPERATING BUDGET**

**Restricted General Fund  
TCS**

Enter Bargaining Unit:

	Column 1	Column 2	Column 3	Column 4
	Latest Board - Approved Budget Before Settlement (As of 3/17/2022)	Adjustments as a Result of Settlement	Other Revisions	Total Current Budget (Columns 1+2+3)
<b>REVENUES</b>				
Revenue Limit Sources (8010-8099)	\$2,240,374			\$2,240,374
Remaining Revenues (8100-8799)	\$267,110,685			\$267,110,685
<b>TOTAL REVENUES</b>	\$269,351,059	\$0	\$0	\$269,351,059
<b>EXPENDITURES</b>				
Certificated Salaries (1000-1999)	\$68,244,978			\$68,244,978
Classified Salaries (2000-2999)	\$30,125,734	\$69,150		\$30,194,884
Employee Benefits (3000-3999)	\$76,338,642	\$22,515		\$76,361,157
Books and Supplies (4000-4999)	\$67,283,546	-\$91,665		\$67,191,881
Services, Other Operating Expenses (5000-5999)	\$112,406,822			\$112,406,822
Capital Outlay (6000-6999)	\$13,473,853			\$13,473,853
Other Outgo (7100-7299) (7400-7499)	\$0			\$0
Direct Support/Indirect Cost (7300-7399)	\$9,388,310			\$9,388,310
Other Adjustments				\$0
<b>TOTAL EXPENDITURES</b>	\$377,261,885	\$0	\$0	\$377,261,885
<b>OPERATING SURPLUS (DEFICIT)</b>	-\$107,910,826	\$0	\$0	-\$107,910,826
<b>TRANSFERS IN &amp; OTHER SOURCES (8910-8979)</b>				\$0
<b>TRANSFERS OUT &amp; OTHER USES (7610-7699)</b>				\$0
<b>CONTRIBUTIONS (8980-8999)</b>	\$92,324,656			\$92,324,656
<b>CURRENT YEAR INCREASE (DECREASE) IN FUND BALANCE</b>	-\$15,586,170	\$0	\$0	-\$15,586,170
<b>BEGINNING BALANCE</b>	\$22,198,603			\$22,198,603
Prior-Year Adjustments/Restatements (9793/9795)				\$0
<b>CURRENT-YEAR ENDING BALANCE</b>	\$6,612,433	\$0	\$0	\$6,612,433
<b>COMPONENTS OF ENDING BALANCE:</b>				
Reserved Amounts (9711-9740)				\$0
Reserved for Economic Uncertainties (9770)				\$0
Designated Amounts (9775-9780)				\$0
Unappropriated Amounts (9790)	\$6,612,433	\$0	\$0	\$6,612,433

**H. IMPACT OF PROPOSED AGREEMENT ON CURRENT YEAR OPERATING BUDGET**

**Enter Bargaining Unit: Combined General Fund  
TCS**

	Column 1	Column 2	Column 3	Column 4
	Latest Board - Approved Budget Before Settlement (As of 3/17/2022)	Adjustments as a Result of Settlement	Other Revisions	Total Current Budget (Columns 1+2+3)
<b>REVENUES</b>				
Revenue Limit Sources (8010-8099)	\$436,724,894	\$0	\$0	\$436,724,894
Remaining Revenues (8100-8799)	\$280,580,522	\$0	\$0	\$280,580,522
<b>TOTAL REVENUES</b>	<b>\$717,305,416</b>	<b>\$0</b>	<b>\$0</b>	<b>\$717,305,416</b>
<b>EXPENDITURES</b>				
Certificated Salaries (1000-1999)	\$231,715,946	\$0	\$0	\$231,715,946
Classified Salaries (2000-2999)	\$66,391,505	\$69,150	\$0	\$66,460,655
Employee Benefits (3000-3999)	\$189,585,230	\$22,515	\$0	\$189,607,745
Books and Supplies (4000-4999)	\$78,649,370	-\$91,665	\$0	\$78,557,705
Services, Other Operating Expenses (5000-5999)	\$134,868,159	\$0	\$0	\$134,868,159
Capital Outlay (6000-6999)	\$13,848,193	\$0	\$0	\$13,848,193
Other Outgo (7100-7299) (7400-7499)	\$1,150,000	\$0	\$0	\$1,150,000
Direct Support/Indirect Cost (7300-7399)	-\$1,156,139	\$0	\$0	-\$1,156,139
Other Adjustments	\$0	\$0	\$0	\$0
<b>TOTAL EXPENDITURES</b>	<b>\$715,052,263</b>	<b>\$0</b>	<b>\$0</b>	<b>\$715,052,263</b>
<b>OPERATING SURPLUS (DEFICIT)</b>	<b>\$2,253,153</b>	<b>\$0</b>	<b>\$0</b>	<b>\$2,253,153</b>
<b>TRANSFERS IN &amp; OTHER SOURCES (8910-8979)</b>	<b>\$2,025,754</b>	<b>\$0</b>	<b>\$0</b>	<b>\$2,025,754</b>
<b>TRANSFERS OUT &amp; OTHER USES (7610-7699)</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>
<b>CONTRIBUTIONS (8980-8999)</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>
<b>CURRENT YEAR INCREASE (DECREASE) IN FUND BALANCE</b>	<b>\$4,278,907</b>	<b>\$0</b>	<b>\$0</b>	<b>\$4,278,907</b>
<b>BEGINNING BALANCE</b>	<b>\$125,906,717</b>			<b>\$125,906,717</b>
Prior-Year Adjustments/Restatements (9793/9795)	\$0			\$0
<b>CURRENT-YEAR ENDING BALANCE</b>	<b>\$130,185,624</b>	<b>\$0</b>	<b>\$0</b>	<b>\$130,185,624</b>
<b>COMPONENTS OF ENDING BALANCE:</b>	<b>\$0</b>			
Reserved Amounts (9711-9740)	\$328,869	\$0	\$0	\$328,869
Reserved for Economic Uncertainties (9770)	\$14,260,530	\$0	\$0	\$14,260,530
Designated Amounts (9775-9780)	\$0	\$0	\$0	\$0
Unappropriated Amounts - Unrestricted (9790)	\$108,983,791	\$0	\$0	\$108,983,791
Unappropriated Amounts - Restricted (9790)	\$6,612,433	\$0	\$0	\$6,612,433
Reserve for Economic Uncertainties Percentage	2.0%			2.0%

**I. IMPACT OF PROPOSED AGREEMENT ON SUBSEQUENT YEARS**

Enter Bargaining Unit:	Combined General Fund TCS		
	Total Current Budget After Settlement	First Subsequent Year After Settlement	Second Subsequent Year After Settlement
<b>REVENUES</b>			
Revenue Limit Sources (8010-8099)	\$436,724,894	\$444,248,375	\$444,256,130
Remaining Revenues (8100-8799)	\$280,580,522	\$178,413,081	\$179,084,165
<b>TOTAL REVENUES</b>	<b>\$717,305,416</b>	<b>\$622,661,456</b>	<b>\$623,340,295</b>
<b>EXPENDITURES</b>			
Certificated Salaries (1000-1999)	\$231,715,946	\$218,925,875	\$223,252,252
Classified Salaries (2000-2999)	\$66,460,655	\$62,155,053	\$63,129,085
Employee Benefits (3000-3999)	\$189,607,745	\$195,470,169	\$202,289,713
Books and Supplies (4000-4999)	\$78,557,705	\$42,153,561	\$46,917,769
Services, Other Operating Expenses (5000-5999)	\$134,868,159	\$89,492,144	\$91,079,351
Capital Outlay (6000-6999)	\$13,848,193	\$7,911,932	\$7,911,932
Other Outgo (7100-7299) (7400-7499)	\$1,150,000	\$1,150,000	\$1,150,000
Direct Support/Indirect Cost (7300-7399)	-\$1,156,139	-\$474,716	-\$474,716
Other Adjustments	\$0	-\$2,548,344	-\$3,716,548
<b>TOTAL EXPENDITURES</b>	<b>\$715,052,263</b>	<b>\$614,235,675</b>	<b>\$631,538,837</b>
<b>OPERATING SURPLUS (DEFICIT)</b>	<b>\$2,253,153</b>	<b>\$8,425,781</b>	<b>-\$8,198,542</b>
<b>TRANSFERS IN &amp; OTHER SOURCES (8910-8979)</b>	<b>\$2,025,754</b>	<b>\$2,025,754</b>	<b>\$2,025,754</b>
<b>TRANSFERS OUT &amp; OTHER USES (7610-7699)</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>
<b>CONTRIBUTIONS (8980-8999)</b>			
<b>CURRENT YEAR INCREASE (DECREASE) IN FUND BALANCE</b>	<b>\$4,278,907</b>	<b>\$10,451,535</b>	<b>-\$6,172,788</b>
<b>BEGINNING BALANCE</b>	<b>\$125,906,717</b>	<b>\$130,185,624</b>	<b>\$140,637,159</b>
<b>CURRENT-YEAR ENDING BALANCE</b>	<b>\$130,185,624</b>	<b>\$140,637,159</b>	<b>\$134,464,371</b>
<b>COMPONENTS OF ENDING BALANCE:</b>			
Reserved Amounts (9711-9740)	\$328,869	\$328,869	\$328,869
Reserved for Economic Uncertainties - Unrestricted (9770)	\$14,260,530	\$12,244,198	\$12,590,262
Reserved for Economic Uncertainties - Restricted (9770)	\$0		
Board Designated Amounts (9775-9780)	\$0	\$0	\$0
Unappropriated Amounts - Unrestricted (9790)	\$108,983,791	\$128,064,092	\$121,545,240
Unappropriated Amounts - Restricted (9790)	\$6,612,433	\$0	\$0

**J. IMPACT OF PROPOSED AGREEMENT ON UNRESTRICTED RESERVES**

**1. State Reserve Standard**

a.	Total Expenditures, Transfers Out, and Uses (Including Cost of Proposed Agreement)	\$715,052,263	\$614,235,675	\$631,538,837
b.	State Standard Minimum Reserve Percentage for this District enter percentage:	2%	2%	2%
c.	State Standard Minimum Reserve Amount for this District (For districts with less than 1,001 ADA, this is the greater of Line a, times Line b, OR \$50,000	\$14,301,045	\$12,284,713	\$12,630,777

**2. Budgeted Unrestricted Reserve (After Impact of Proposed Agreement)**

a.	General Fund Budgeted Unrestricted Designated for Economic Uncertainties (9770)	\$0	\$0	\$0
b.	General Fund Budgeted Unrestricted Unappropriated Amount (9790)	\$108,983,791	\$128,064,092	\$121,545,240
c.	Special Reserve Fund (Fund 17) Budgeted Designated for Economic Uncertainties (9770)	\$0	\$0	\$0
d.	Special Reserve Fund (Fund 17) Budgeted Unappropriate Amount (9790)			
g.	Total Available Reserves	\$108,983,791	\$128,064,092	\$121,545,240
h.	Reserve for Economic Uncertainties Percentage	15.2%	20.8%	19.2%

**3. Do unrestricted reserves meet the state minimum reserve amount?**

FY 21-22	Yes	<input checked="" type="checkbox"/>	No	<input type="checkbox"/>
FY 22-23	Yes	<input checked="" type="checkbox"/>	No	<input type="checkbox"/>
FY 23-24	Yes	<input checked="" type="checkbox"/>	No	<input type="checkbox"/>

**4. If no, how do you plan to restore your reserves?**

N/A

**5. If the total amount of the adjustment in Column 2 on Page 4 does not agree with the amount of the Total Compensation Increase in Section A, Line 5, Page 1 (i.e., increase was partially budgeted), explain the variance below: N/A**

**6. Please include any additional comments and explanation of Page 4 if necessary:**

**L. CERTIFICATION NO. 1: CERTIFICATION OF THE DISTRICTS ABILITY TO MEET THE COSTS OF COLLECTIVE BARGAINING AGREEMENT**

The disclosure document must be signed by the district Superintendent and Chief Business Officer at the time of public disclosure.

In accordance with the requirements of Government Code Section 3547.5, the Superintendent and Chief Business Officer of Sacramento City Unified School District, hereby certify that the District can meet the costs incurred under the Memorandum of Understanding between the District and Teamsters Classified Supervisors, during the term of the agreement from September 1, 2021 to June 30, 2022

The budget revisions necessary to meet the costs of the agreement is each year of its term are as follows:

<u>Budget Adjustment Categories:</u>	<u>Budget Adjustment Increase (Decrease)</u>
<u>Revenues/Other Financing Sources</u>	_____
<u>Expenditures/Other Financing Uses</u>	_____
<u>Ending Balance Increase (Decrease)</u>	_____

N/A \_\_\_\_\_ (No budget revisions necessary)

\_\_\_\_\_  
District Superintendent  
(Signature)

\_\_\_\_\_  
Date

\_\_\_\_\_  
Chief Business Officer  
(Signature)

\_\_\_\_\_  
Date

**M. CERTIFICATION NO. 2**

The disclosure document must be signed by the district Superintendent or designee at the time of public disclosure and by the President or Clerk of the Governing Board at the time of formal board action on the proposed agreement..

The information provided in this document summarizes the financial implications of the proposed agreement and is submitted to the Governing Board for public disclosure of the major provisions of the agreement (as provided in the "Public Disclosure of Proposed Bargaining Agreement") in accordance with the requirements of AB 1200 and Government Code Section 3547.5.

\_\_\_\_\_  
District Superintendent  
(Signature)

\_\_\_\_\_  
Date

\_\_\_\_\_  
Contact Person

\_\_\_\_\_  
Phone

After public disclosure of the major provisions contained in this summary, the Governing Board at its meeting on April 7, 2022, took action to approve the proposed Agreement with the Bargaining Unit.

\_\_\_\_\_  
President (or Clerk), Governing Board  
(Signature)

\_\_\_\_\_  
Date

|

# SACRAMENTO COUNTY OFFICE OF EDUCATION

## PUBLIC DISCLOSURE OF COLLECTIVE BARGAINING AGREEMENT

In Accordance with AB 1200 (Chapter 1213/1991), GC 3547.5, and CCR, Title V, Section 15449

Name of School District: **Sacramento City Unified School District**

Name of Bargaining Unit: **Teamsters**

Certificated, Classified, Other: **Classified**

The proposed agreement covers the period beginning: **September 1, 2021** and ending: **June 30, 2022**

(date) (date)

The Governing Board will act upon the agreement on: **April 7, 2022**

(date)

Note: This form, along with a copy of the proposed agreement, must be submitted to the County Office at least ten (10) working days prior to the date the Governing Board will take action.

### A. Proposed Change in Compensation

Compensation		Annual	Fiscal Impact of Proposed Agreement		
			Year 1	Year 2	Year 3
		Cost Prior to	Increase (Decrease)	Increase (Decrease)	Increase (Decrease)
		Proposed Agreement			
		FY 21-22	FY 21-22	FY 22-23	FY 23-24
1	Salary Schedule (This is to include Step and Columns, which is also reported separately in Item 6)	\$3,581,028.00			
			0.00%	0.00%	0.00%
2	Other Compensation <b>Stipends</b>		\$177,600.00		
				0.00%	0.00%
	Description of other compensation				
3	Statutory Benefits - STRS, PERS, FICA WE, UI, Medicare, etc.	\$1,512,070.00	\$57,827.00		
			3.82%	0.00%	0.00%
4	Health/Welfare Plans	\$1,496,270.00			
5	Total Compensation - Add Items 1 through 4 to equal 5	\$6,589,368.00	\$235,427.00	\$0.00	\$0.00
			3.57%	0.00%	0.00%
6	Step and Column - Due to movement plus any changes due to settlement. This is a subset of Item No. 1	\$0.00	\$0.00		
7	Total Number of Represented Employees (Use FTEs if appropriate)	73.00	73.00		
8	Total Compensation <u>Average</u> Cost per Employee	\$90,265.32	\$3,225.03	0.00	0.00
			3.57%	0.00%	0.00%

9 . **What was the negotiated percentage increase approved? For example, if the increase in "Year 1" was for less than a full year, what is the annualized percentage of that increase for "Year 1"?**

Teamsters members fully vaccinated by February 28, 2022 will receive a \$1250 stipend. In addition, Teamsters members shall receive a \$1,200 stipend for all fully vaccinated bargaining unit members who work between 90 and 100% of all workdays beginning February 1, 2022 through June 30, 2022.

10 . **Were any additional steps, columns, or range added to the schedule? (If yes, please explain.)**

N/A

11 . **Please include comments and explanations as necessary. (If more room is necessary, please attach an additional sheet.)**

N/A

12 . **Does this bargaining unit have a negotiated cap for Health & Welfare**      Yes  | No

**If yes, please describe the cap amount.**

For Teamsters, the District pays 100% Kaiser employee only rate, 100% Kaiser Emp + 1 rate and up to the Kaiser Emp + 1 rate for Family medical plans.

B. **Proposed Negotiated Changes in Noncompensation Items (i.e., class size adjustments, staff development days, teacher prep time, classified staffing rations, etc.)**

NA

C. **What are the specific impacts (positive or negative) on instructional and support programs accommodate the settlement? Include the impact of changes such as staff reductions or increases, program reductions or increases, elimination or expansion of other services or programs (i.e., counselors, librarians, custodial staff, etc.)**

The intent of the MOU is to address the challenges brought on by the COVID-19 pandemic and Omicron variant surge and its impact on staff and students. SCUSD and Teamsters recognize the invaluable and essential work staff perform daily to keep the District running and are committed to working together to support the safety and wellbeing of students and staff during the COVID-19 pandemic.

**D. What contingency language is included in the proposed agreement (e.g., reopeners, etc.)?**

N/A

**E. Will this agreement create, or decrease deficit financing in the current or subsequent year(s)? "Deficit Financing" is defined to exist when a fund's expenditures and other financing uses exceed its revenue and other financing sources in a given year. If yes, explain the amounts and justification for doing so.**

No

**F. Identify other major provisions that do not directly affect the district's costs, such as binding arbitrations, grievance procedures, etc.**

N/A

**G. Source of Funding for Proposed Agreement**

**1. Current Year**

The District will be utilizing restricted federal CARES Act & state COVID relief funds to cover the projected costs related to this MOU.

**2. If this is a single year agreement, how will the ongoing cost of the proposed agreement be funded in subsequent years (i.e., what will allow the district to afford this contract)?**

This MOU will expire on the last day of the fiscal year, June 30 2022

**3. If this is a multiyear agreement, what is the source of funding, including assumptions used, to fund these obligations in subsequent years? (Remember to include compounding effects in meeting obligations.)**

N/A

|



**H. IMPACT OF PROPOSED AGREEMENT ON CURRENT YEAR OPERATING BUDGET**

**Restricted General Fund  
Teamsters**

Enter Bargaining Unit:

	Column 1	Column 2	Column 3	Column 4
	Latest Board - Approved Budget Before Settlement (As of 3/17/2022)	Adjustments as a Result of Settlement	Other Revisions	Total Current Budget (Columns 1+2+3)
<b>REVENUES</b>				
Revenue Limit Sources (8010-8099)	\$2,240,374			\$2,240,374
Remaining Revenues (8100-8799)	\$267,110,685			\$267,110,685
<b>TOTAL REVENUES</b>	\$269,351,059	\$0	\$0	\$269,351,059
<b>EXPENDITURES</b>				
Certificated Salaries (1000-1999)	\$68,244,978			\$68,244,978
Classified Salaries (2000-2999)	\$30,125,734	\$177,600		\$30,303,334
Employee Benefits (3000-3999)	\$76,338,642	\$57,827		\$76,396,469
Books and Supplies (4000-4999)	\$67,283,546	-\$235,427		\$67,048,119
Services, Other Operating Expenses (5000-5999)	\$112,406,822			\$112,406,822
Capital Outlay (6000-6999)	\$13,473,853			\$13,473,853
Other Outgo (7100-7299) (7400-7499)	\$0			\$0
Direct Support/Indirect Cost (7300-7399)	\$9,388,310			\$9,388,310
Other Adjustments				\$0
<b>TOTAL EXPENDITURES</b>	\$377,261,885	\$0	\$0	\$377,261,885
<b>OPERATING SURPLUS (DEFICIT)</b>	-\$107,910,826	\$0	\$0	-\$107,910,826
<b>TRANSFERS IN &amp; OTHER SOURCES (8910-8979)</b>				\$0
<b>TRANSFERS OUT &amp; OTHER USES (7610-7699)</b>				\$0
CONTRIBUTIONS (8980-8999)	\$92,324,656			\$92,324,656
<b>CURRENT YEAR INCREASE (DECREASE) IN FUND BALANCE</b>	-\$15,586,170	\$0	\$0	-\$15,586,170
<b>BEGINNING BALANCE</b>	\$22,198,603			\$22,198,603
Prior-Year Adjustments/Restatements (9793/9795)				\$0
<b>CURRENT-YEAR ENDING BALANCE</b>	\$6,612,433	\$0	\$0	\$6,612,433
<b>COMPONENTS OF ENDING BALANCE:</b>				
Reserved Amounts (9711-9740)				\$0
Reserved for Economic Uncertainties (9770)				\$0
Designated Amounts (9775-9780)				\$0
Unappropriated Amounts (9790)	\$6,612,433	\$0	\$0	\$6,612,433

**H. IMPACT OF PROPOSED AGREEMENT ON CURRENT YEAR OPERATING BUDGET**

**Enter Bargaining Unit:** **Combined General Fund  
Teamsters**

	Column 1	Column 2	Column 3	Column 4
	Latest Board - Approved Budget Before Settlement (As of 3/17/2022)	Adjustments as a Result of Settlement	Other Revisions	Total Current Budget (Columns 1+2+3)
<b>REVENUES</b>				
Revenue Limit Sources (8010-8099)	\$436,724,894	\$0	\$0	\$436,724,894
Remaining Revenues (8100-8799)	\$280,580,522	\$0	\$0	\$280,580,522
<b>TOTAL REVENUES</b>	<b>\$717,305,416</b>	<b>\$0</b>	<b>\$0</b>	<b>\$717,305,416</b>
<b>EXPENDITURES</b>				
Certificated Salaries (1000-1999)	\$231,715,946	\$0	\$0	\$231,715,946
Classified Salaries (2000-2999)	\$66,391,505	\$177,600	\$0	\$66,569,105
Employee Benefits (3000-3999)	\$189,585,230	\$57,827	\$0	\$189,643,057
Books and Supplies (4000-4999)	\$78,649,370	-\$235,427	\$0	\$78,413,943
Services, Other Operating Expenses (5000-5999)	\$134,868,159	\$0	\$0	\$134,868,159
Capital Outlay (6000-6999)	\$13,848,193	\$0	\$0	\$13,848,193
Other Outgo (7100-7299) (7400-7499)	\$1,150,000	\$0	\$0	\$1,150,000
Direct Support/Indirect Cost (7300-7399)	-\$1,156,139	\$0	\$0	-\$1,156,139
Other Adjustments	\$0	\$0	\$0	\$0
<b>TOTAL EXPENDITURES</b>	<b>\$715,052,263</b>	<b>\$0</b>	<b>\$0</b>	<b>\$715,052,263</b>
<b>OPERATING SURPLUS (DEFICIT)</b>	<b>\$2,253,153</b>	<b>\$0</b>	<b>\$0</b>	<b>\$2,253,153</b>
<b>TRANSFERS IN &amp; OTHER SOURCES (8910-8979)</b>	<b>\$2,025,754</b>	<b>\$0</b>	<b>\$0</b>	<b>\$2,025,754</b>
<b>TRANSFERS OUT &amp; OTHER USES (7610-7699)</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>
<b>CONTRIBUTIONS (8980-8999)</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>
<b>CURRENT YEAR INCREASE (DECREASE) IN FUND BALANCE</b>	<b>\$4,278,907</b>	<b>\$0</b>	<b>\$0</b>	<b>\$4,278,907</b>
<b>BEGINNING BALANCE</b>	<b>\$125,906,717</b>			<b>\$125,906,717</b>
Prior-Year Adjustments/Restatements (9793/9795)	\$0			\$0
<b>CURRENT-YEAR ENDING BALANCE</b>	<b>\$130,185,624</b>	<b>\$0</b>	<b>\$0</b>	<b>\$130,185,624</b>
<b>COMPONENTS OF ENDING BALANCE:</b>	<b>\$0</b>			
Reserved Amounts (9711-9740)	\$328,869	\$0	\$0	\$328,869
Reserved for Economic Uncertainties (9770)	\$14,260,530	\$0	\$0	\$14,260,530
Designated Amounts (9775-9780)	\$0	\$0	\$0	\$0
Unappropriated Amounts - Unrestricted (9790)	\$108,983,791	\$0	\$0	\$108,983,791
Unappropriated Amounts - Restricted (9790)	\$6,612,433	\$0	\$0	\$6,612,433
Reserve for Economic Uncertainties Percentage	2.0%			2.0%

**I. IMPACT OF PROPOSED AGREEMENT ON SUBSEQUENT YEARS**

Enter Bargaining Unit:	Combined General Fund Teamsters		
	Total Current Budget After Settlement	First Subsequent Year After Settlement	Second Subsequent Year After Settlement
<b>REVENUES</b>			
Revenue Limit Sources (8010-8099)	\$436,724,894	\$444,248,375	\$444,256,130
Remaining Revenues (8100-8799)	\$280,580,522	\$178,413,081	\$179,084,165
<b>TOTAL REVENUES</b>	<b>\$717,305,416</b>	<b>\$622,661,456</b>	<b>\$623,340,295</b>
<b>EXPENDITURES</b>			
Certificated Salaries (1000-1999)	\$231,715,946	\$218,925,875	\$223,252,252
Classified Salaries (2000-2999)	\$66,569,105	\$62,155,053	\$63,129,085
Employee Benefits (3000-3999)	\$189,643,057	\$195,470,169	\$202,289,713
Books and Supplies (4000-4999)	\$78,413,943	\$42,153,561	\$46,917,769
Services, Other Operating Expenses (5000-5999)	\$134,868,159	\$89,492,144	\$91,079,351
Capital Outlay (6000-6999)	\$13,848,193	\$7,911,932	\$7,911,932
Other Outgo (7100-7299) (7400-7499)	\$1,150,000	\$1,150,000	\$1,150,000
Direct Support/Indirect Cost (7300-7399)	-\$1,156,139	-\$474,716	-\$474,716
Other Adjustments	\$0	-\$2,548,344	-\$3,716,548
<b>TOTAL EXPENDITURES</b>	<b>\$715,052,263</b>	<b>\$614,235,675</b>	<b>\$631,538,837</b>
<b>OPERATING SURPLUS (DEFICIT)</b>	<b>\$2,253,153</b>	<b>\$8,425,781</b>	<b>-\$8,198,542</b>
<b>TRANSFERS IN &amp; OTHER SOURCES (8910-8979)</b>	<b>\$2,025,754</b>	<b>\$2,025,754</b>	<b>\$2,025,754</b>
<b>TRANSFERS OUT &amp; OTHER USES (7610-7699)</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>
<b>CONTRIBUTIONS (8980-8999)</b>			
<b>CURRENT YEAR INCREASE (DECREASE) IN FUND BALANCE</b>	<b>\$4,278,907</b>	<b>\$10,451,535</b>	<b>-\$6,172,788</b>
<b>BEGINNING BALANCE</b>	<b>\$125,906,717</b>	<b>\$130,185,624</b>	<b>\$140,637,159</b>
<b>CURRENT-YEAR ENDING BALANCE</b>	<b>\$130,185,624</b>	<b>\$140,637,159</b>	<b>\$134,464,371</b>
<b>COMPONENTS OF ENDING BALANCE:</b>			
Reserved Amounts (9711-9740)	\$328,869	\$328,869	\$328,869
Reserved for Economic Uncertainties - Unrestricted (9770)	\$14,260,530	\$12,244,198	\$12,590,262
Reserved for Economic Uncertainties - Restricted (9770)	\$0		
Board Designated Amounts (9775-9780)	\$0	\$0	\$0
Unappropriated Amounts - Unrestricted (9790)	\$108,983,791	\$128,064,092	\$121,545,240
Unappropriated Amounts - Restricted (9790)	\$6,612,433	\$0	\$0

**J. IMPACT OF PROPOSED AGREEMENT ON UNRESTRICTED RESERVES**

**1. State Reserve Standard**

a.	Total Expenditures, Transfers Out, and Uses (Including Cost of Proposed Agreement)	\$715,052,263	\$614,235,675	\$631,538,837
b.	State Standard Minimum Reserve Percentage for this District enter percentage:	2%	2%	2%
c.	State Standard Minimum Reserve Amount for this District (For districts with less than 1,001 ADA, this is the greater of Line a, times Line b, OR \$50,000	\$14,301,045	\$12,284,713	\$12,630,777

**2. Budgeted Unrestricted Reserve (After Impact of Proposed Agreement)**

a.	General Fund Budgeted Unrestricted Designated for Economic Uncertainties (9770)	\$0	\$0	\$0
b.	General Fund Budgeted Unrestricted Unappropriated Amount (9790)	\$108,983,791	\$128,064,092	\$121,545,240
c.	Special Reserve Fund (Fund 17) Budgeted Designated for Economic Uncertainties (9770)	\$0	\$0	\$0
d.	Special Reserve Fund (Fund 17) Budgeted Unappropriate Amount (9790)			
g.	Total Available Reserves	\$108,983,791	\$128,064,092	\$121,545,240
h.	Reserve for Economic Uncertainties Percentage	15.2%	20.8%	19.2%

**3. Do unrestricted reserves meet the state minimum reserve amount?**

FY 21-22	Yes	<input checked="" type="checkbox"/>	No	<input type="checkbox"/>
FY 22-23	Yes	<input checked="" type="checkbox"/>	No	<input type="checkbox"/>
FY 23-24	Yes	<input checked="" type="checkbox"/>	No	<input type="checkbox"/>

**4. If no, how do you plan to restore your reserves?**

N/A

**5. If the total amount of the adjustment in Column 2 on Page 4 does not agree with the amount of the Total Compensation Increase in Section A, Line 5, Page 1 (i.e., increase was partially budgeted), explain the variance below: N/A**

**6. Please include any additional comments and explanation of Page 4 if necessary:**

**L. CERTIFICATION NO. 1: CERTIFICATION OF THE DISTRICTS ABILITY TO MEET THE COSTS OF COLLECTIVE BARGAINING AGREEMENT**

The disclosure document must be signed by the district Superintendent and Chief Business Officer at the time of public disclosure.

In accordance with the requirements of Government Code Section 3547.5, the Superintendent and Chief Business Officer of Sacramento City Unified School District, hereby certify that the District can meet the costs incurred under the Memorandum of Understanding between the District and Teamsters, during the term of the agreement from September 1, 2021 to June 30, 2022

The budget revisions necessary to meet the costs of the agreement is each year of its term are as follows:

<u>Budget Adjustment Categories:</u>	<u>Budget Adjustment Increase (Decrease)</u>
<u>Revenues/Other Financing Sources</u>	_____
<u>Expenditures/Other Financing Uses</u>	_____
<u>Ending Balance Increase (Decrease)</u>	_____

N/A \_\_\_\_\_ (No budget revisions necessary)

\_\_\_\_\_  
District Superintendent  
(Signature)

\_\_\_\_\_  
Date

\_\_\_\_\_  
Chief Business Officer  
(Signature)

\_\_\_\_\_  
Date

**M. CERTIFICATION NO. 2**

The disclosure document must be signed by the district Superintendent or designee at the time of public disclosure and by the President or Clerk of the Governing Board at the time of formal board action on the proposed agreement..

The information provided in this document summarizes the financial implications of the proposed agreement and is submitted to the Governing Board for public disclosure of the major provisions of the agreement (as provided in the "Public Disclosure of Proposed Bargaining Agreement") in accordance with the requirements of AB 1200 and Government Code Section 3547.5.

\_\_\_\_\_  
District Superintendent  
(Signature)

\_\_\_\_\_  
Date

\_\_\_\_\_  
Contact Person

\_\_\_\_\_  
Phone

After public disclosure of the major provisions contained in this summary, the Governing Board at its meeting on April 7, 2022, took action to approve the proposed Agreement with the Bargaining Unit.

\_\_\_\_\_  
President (or Clerk), Governing Board  
(Signature)

\_\_\_\_\_  
Date



# SACRAMENTO CITY UNIFIED SCHOOL DISTRICT BOARD OF EDUCATION

Agenda Item# 12.1a

**Meeting Date:** April 7, 2022

**Subject:** Approval/Ratification of Grants, Entitlements, and Other Income Agreements  
Approval/Ratification of Other Agreements  
Approval of Bid Awards  
Approval of Declared Surplus Materials and Equipment  
Change Notices  
Notices of Completion

- Information Item Only
- Approval on Consent Agenda
- Conference (for discussion only)
- Conference/First Reading (Action Anticipated: \_\_\_\_\_)
- Conference/Action
- Action
- Public Hearing

**Division:** Business Services

**Recommendation:** Recommend approval of items submitted.

**Background/Rationale:**

**Financial Considerations:** See attached.

**LCAP Goal(s):** College, Career and Life Ready Graduates; Safe, Emotionally Healthy, Engaged Students; Family and Community Empowerment; Operational Excellence

**Documents Attached:**

1. Grants, Entitlements, and Other Income Agreements
2. Expenditure and Other Agreements
3. Non-Fiscal (Zero-Dollar) Agreements
4. Approval of Declared Surplus Materials and Equipment
5. Recommended Bid Awards – Facilities Projects

<p><b>Estimated Time of Presentation:</b> N/A <b>Submitted by:</b> Rose Ramos, Chief Business Officer Jessica Sulli, Contract Specialist <b>Approved by:</b> Jorge A. Aguilar, Superintendent</p>
---

## GRANTS, ENTITLEMENTS AND OTHER INCOME AGREEMENTS – REVENUE

<u>Contractor</u>	<u>New Grant</u>	<u>Amount</u>
<b><u>SPECIAL EDUCATION</u></b>		
California Department of Rehabilitation A22-00069	<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No, received grant in 2021/22	\$592,698 Cash Match: \$201,831 Special Education Funds
<p>7/1/22 – 6/30/25: Cooperative Service Delivery Agreement with the Department of Rehabilitation (DOR) for high school students with disabilities who have an IEP or a 504 plan. Students will be referred to DOR during their sophomore, junior or senior year of high school with the expectation that the District's Transition Partnership Program (TPP) will provide "Student Services" (as defined by DOR) during their year(s) of high school, and may apply for "Vocational Rehabilitation Services" in post-secondary settings through completion of the Individualized Plan for Employment. District TPP staff will work closely with DOR throughout the referral, eligibility, planning, and follow-up processes to ensure coordinated services leading to successful employment outcomes. District support resources include vocational training programs.</p>		
California Department of Education A22-00075	<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No, received grant in 2020/21	\$2,475 No Match
<p>7/1/21 – 9/30/23: Grant for Special Education Preschool Program Staff Development. Funding for training days and associated costs, including registration, substitute staff, materials, and presenter fees.</p>		
California Department of Education A22-00076 and A22-00079	<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No, received grant in 2020/21	\$11,288,245 No Match
<p>7/1/21 – 9/30/23: Local Assistance Entitlements Grant in the amount of \$9,393,879 per the Individuals with Disabilities Education Act. This is a federal entitlement grant that is distributed to the District SELPA (Special Education Local Plan Areas) in order to provide a full continuum of services for students with special needs. Funds are used to support sites with special education services in terms of allocations to fund certificated and classified positions that support the District's special education programs. An additional \$1,894,366 is allocated through the American Rescue Plan (IDEA/ARP) as COVID-19 relief.</p>		
California Department of Education A22-00077	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No	\$162,317 No Match
<p>7/1/21 – 9/30/23: Individuals with Disabilities Education Act/American Rescue Plan (IDEA/ARP) Federal Preschool Programs grant funds are specifically allocated for special education and services to students with disabilities for preschool children ages three, four and five. These are additional funds allocated as COVID-19 relief.</p>		
California Department of Education A22-00078	<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No, received grant in 2020/21	\$15,000 No Match
<p>7/1/21 – 9/30/23: The Supporting Inclusive Practices (SIP) Grant specific to increasing access to the general education environment for students with disabilities is designed to assist District in: (1) improving educational results and functional outcomes for students with disabilities; and (2) ensuring District meets compliance and State Performance Plan program requirements specific to Least Restrictive Environment (LRE).</p>		

**YOUTH DEVELOPMENT**

California Department of Education A22-00072	<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No, received grant in 2020/21	\$9,160,217.43 33% Match
---	---	-----------------------------

7/1/21-12/31/22: One after School Education and Safety (ASES) Grant. Program components include educational and enrichment elements focusing on activities that reinforce and complement the academic programs, as well as recreational and youth development. ASES grant provides funding for programming at 50 program sites. \$8,816,868.83 for after school and \$343,348.60 for supplemental (summer) programs. The matching requirement will be fulfilled through in-kind services including facilities usage and serving supper during Expanded Learning, administrative costs and in-kind donations from the Expanded Learning providers equal to 15% of their contracts.

California Department of Education A22-00073	<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No, received grant in 2020/21	\$2,321,856.50 No Match
---	---	----------------------------

7/1/21-12/31/22: Two 21st Century Learning Centers K-8 Core Grants and two after School Safety and Enrichment for Teens (ASSETs) Grants. Program components include educational and literacy elements focusing on activities that reinforce and complement the academic programs, as well as recreational and youth development. Programs provide expansion of number of students served at elementary school sites, summer enrichment and before school programs at two sites. This program compliments the After School Education and Safety (ASES) Core programs at the following elementary and K-8 sites:

Cesar Chavez Elementary (30 After School slots and 40 Before School slots), Ethel Phillips Elementary (30 After School slots), Isador Cohen Elementary (30 After School slots and 40 Before School slots), Leataata Floyd Elementary (83 After School slots and 20 Before School slots) and Martin Luther King, JR. K-8 (84 slots). Ethel Phillips, Isador Cohen, Leataata Floyd and Martin Luther King, JR. K-8 also receive \$177,902.70 supplemental funding to run summer programs.

ASSETs: Arthur A. Benjamin Health Professions High School (75 slots), Rosemont High School (250 slots), Hiram Johnson High School (250 slots), American Legion (50 slots), Sacramento Charter High (200 slots), Burbank High (250 slots), John F. Kennedy (250 slots).

California Department of Education A22-00074	<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No, received grant in 2020/21	\$100,000 No Match
---	---	-----------------------

7/1/21-12/31/22: One 21st Century K-8 grant and two 21st Century High School After School Safety and Enrichment for Teens (ASSETs) grants provide funds for supplementing the core grant funds at Cesar Chavez, American Legion, Hiram Johnson and Luther Burbank High Schools. Funds are to be used to provide exposure, equitable access and participation in 21st Century after school programs.

**EXPENDITURE AND OTHER AGREEMENTS**

**Restricted Funds**

<u>Contractor</u>	<u>Description</u>	<u>Amount</u>
-------------------	--------------------	---------------

**FACILITIES SUPPORT SERVICES**

Vanir Construction Management SA22-00404	2/1/22 – 2/28/23: Project and construction management services for the HVAC replacement projects for Albert Einstein Middle School and Kit Carson International Academy campuses and the gymnasiums at Fern Bacon Middle School, and John Still, Leonardo da Vinci, and Rosa Parks K-8 Schools.	\$1,103,952 COVID Relief Funds
New Contract: <input checked="" type="checkbox"/> Yes <input type="checkbox"/> No		

**STUDENT SUPPORT & HEALTH SERVICES**

Addiction Treatment Technologies dba Care Solace SA22-00437 4/1/22 – 6/30/23: Provide web-based navigation system and services to assist District and District’s students and parents in locating and connecting with mental health treatment providers. \$187,500 COVID Relief Funds

New Contract:  Yes  No  
 Care Solace’s care navigation system uses proprietary technology and the largest database of behavioral and mental healthcare resources in California to find carefully vetted local therapists and programs in minutes. Families of the District will also have access to an around-the-clock Care Concierge team, where experts guide families through processes related to insurance, provider availability, wait times and scheduling.

Care Solace will manage and operate a District branded website to authorized District users (staff, students and parents) on a Software-as-a-Service basis. Care Solace will facilitate a process called the “Warm Handoff” whereby District staff provide Care Solace contact information of a student or family in need of mental health treatment providers. Working with the parent/guardian, Care Solace will connect the student to treatment providers.

The Care Concierge Team will provide users with telephone and email access to a Care Companion, experienced in customer service, with support for over 200 languages, and trained to navigate the mental health system and health insurance in order to coordinate care and remove barriers to accessing treatment.

**YOUTH DEVELOPMENT**

Expanded Learning Program 2021/22 8/23/21 – 6/30/22: Approval is requested to amend Expanded Learning contracts for 10 providers. The California Department of Education (CDE) has increased the reimbursement rate for After School Enrichment and Safety (ASES), After School Safety and Enrichment for Teens (ASSETs) and 21<sup>st</sup> Century Community Learning Center providers which necessitates an increase to their contracts. Because the official grant awards from CDE were not received until the spring, for services that began in the fall, the providers’ contracts were written with the rates in effect for 2020/21 with the expectation that they would be adjusted once final funding information was received from CDE. This information was finally received in March.

Original Amount: \$8,006,279  
 Increase: \$2,137,773  
 New Total: \$10,144,052  
 ASES, ASSETs and 21<sup>st</sup> CCLC Funds

2021/22 Expanded Learning Contracts		Original Amount	New Amount
SA22-00108	Boys & Girls Club of Gr. Sacramento	\$234,614	\$268,867
SA22-00110	Center for Fathers & Families	\$507,788	\$581,925
SA22-00109	City of Sacramento	\$150,925	\$172,960
SA22-00114	Empowering Possibilities Unlimited	\$534,268	\$608,527
SA22-00107	Leaders of Tomorrow	\$295,013	\$426,834
SA22-00113	New Hope Comm. Dev. Center	\$164,494	\$181,020
SA22-00115	Roberts Family Dev. Center	\$225,466	\$279,727

SA22-00112	Rose Family Creative Empowerment	\$646,319	\$723,171
SA22-00111	Sacramento Chinese CSC	\$5,132,334	\$6,769,164
SA22-00116	Sol Aureus College Prep	\$115,058	\$131,857

**NON-FISCAL (ZERO-DOLLAR) AGREEMENTS**

<u>Contractor</u>	<u>Description</u>	<u>Site/Department</u>	<u>Period</u>
SMUD and NBI	MOU for SMUD to provide funding for New Buildings Institute (NBI) to assist District in advancing zero net energy and carbon buildings by participating in the Facilities Master Plan core planning process. The ZNE/ZNC guidelines developed by NBI will align with SMUD’s decarbonization efforts.	Facilities	3/10/22 – 11/30/22

**APPROVAL OF DECLARED SURPLUS MATERIALS AND EQUIPMENT**

<u>SITE/DEPT</u>	<u>ITEM</u>
Hiram Johnson Children’s Center, Hubert Bancroft, Pacific, Nicholas, Martin Luther King Jr	<p>BACKGROUND: The Education Code regulates the procedures by which a school district can dispose of personal property. Education Code section 17546 provides that the governing board may, by unanimous vote, dispose of items valued at \$2,500 or less by private sale without advertising, by selling the items at public auction, or if the board finds that the property is of insufficient value to defray the costs of arranging a sale, the property may be donated to a charitable organization deemed appropriate by the board, or it may be disposed of in the local public dump. The District has held previous auctions, but they have generally cost more than they have netted for the District.</p> <p>STATUS: The District has 96 Chromebooks, 58 computers, 30 monitors, 18 printers, 2 projectors, 4 laptops and 2 tablets that are not repairable nor useable.</p> <p>RECOMMENDATION: It is recommended that the Board of Education approve the salvage of the listed items per Education Code section 17546.</p>
<u>TOTAL VALUE</u>	
\$0.00	
<u>DISPOSAL METHOD</u>	
Salvage	

**RECOMMENDED BID AWARDS – FACILITIES PROJECTS**

**Bid No:** 452-2, COVID Drinking Fountain Upgrades – Bid Package 2  
**Bids received:** March 10, 2022  
**Recommendation:** Award to KYA Services, LLC  
**Funding Source:** COVID Relief Funds

<u>BIDDER</u>	<u>BIDDER LOCATION</u>	<u>AMOUNT</u>
KYA Services, LLC	Rancho Cordova, CA	\$444,400
Buskirk Construction, Inc.	Newcastle, CA	\$494,725
JPB Designs, Inc.	Orangevale, CA	\$500,000

## **RECOMMENDED BID AWARDS – FACILITIES PROJECTS**

**Project:** Lease-Leaseback Construction Services for Hiram Johnson Stadium Lighting/Bleachers/Concession-Restroom Buildings and Plaza

**Recommendation:** Approve lease-leaseback contract with A.M. Stephens Construction Co. for preconstruction services of \$54,600 for this project. Authorize staff to pursue a lease-leaseback contract with A.M. Stephens for construction services for this project using a fee-based contract with a percentage fee of 4.25%. The cost of construction is estimated at \$4,600,000. Once the final construction cost has been determined the construction contract will be submitted to the Board for approval.

**Amount/Funding:** \$54,600; Measure Q Funds

State legislation (AB2316) made significant changes to K-12 lease-leaseback statutes, Education Code §17400 et seq. AB2316 requires a competitive process in selecting the lease-leaseback contractor, and authorizes pre-construction services by the same lease-leaseback contractor.

Per AB2316, staff solicited a “Request for Qualifications and Proposals” by advertising and sending notices directly to contractors. 3 proposals were received, evaluated and ranked by a Selection Advisory Committee composed of District operational staff, the project Architect and Construction Manager, based on scoring criteria outlined in the RFQ to determine “best value”.

STATE OF CALIFORNIA - DEPARTMENT OF GENERAL SERVICES

**STANDARD AGREEMENT**

STD 213 (Rev. 04/2020)

AGREEMENT NUMBER <b>31970</b>	PURCHASING AUTHORITY NUMBER (If Applicable)
----------------------------------	---

1. This Agreement is entered into between the Contracting Agency and the Contractor named below:

CONTRACTING AGENCY NAME

Department of Rehabilitation

CONTRACTOR NAME

Sacramento City Unified School District

2. The term of this Agreement is:

START DATE

July 1, 2022

THROUGH END DATE

June, 30, 2025

3. The maximum amount of this Agreement is:

\$592,698.00

Cash Match: \$201,831.00

4. The parties agree to comply with the terms and conditions of the following exhibits, which are by this reference made a part of the Agreement.

Exhibits	Title	Pages
Exhibit A	Scope of Work	1
Exhibit A.1	Contractor's Description of Services/Deliverables	11
Exhibit B	Budget Detail and Payment Provisions	4
+ - Exhibit B.1	Contractor's Program Budget(s) and Narrative(s)	11
+ - Exhibit C	General Terms and Conditions (GTC 4/2017)	1
+ - Exhibit D	Special Terms and Conditions	7
+ - Exhibit E	Additional Provisions - Federally Funded Agreements	3
+ - Exhibit F	Additional Provisions - TPCA	3
+ - Exhibit G	Additional Provisions	1

Items shown with an asterisk (\*), are hereby incorporated by reference and made part of this agreement as if attached hereto.

These documents can be viewed at <https://www.dgs.ca.gov/OLS/Resources>

IN WITNESS WHEREOF, THIS AGREEMENT HAS BEEN EXECUTED BY THE PARTIES HERETO.

**CONTRACTOR**

CONTRACTOR NAME (if other than an individual, state whether a corporation, partnership, etc.)

Sacramento City Unified School District

CONTRACTOR BUSINESS ADDRESS

5735 47th Avenue

CITY

Sacramento

STATE

CA

ZIP

95824

PRINTED NAME OF PERSON SIGNING

Rose Ramos

TITLE

Chief Business Officer

CONTRACTOR AUTHORIZED SIGNATURE

DATE SIGNED

STATE OF CALIFORNIA - DEPARTMENT OF GENERAL SERVICES

**STANDARD AGREEMENT**

STD 213 (Rev. 04/2020)

AGREEMENT NUMBER <b>31970</b>	PURCHASING AUTHORITY NUMBER (If Applicable)
----------------------------------	---

**STATE OF CALIFORNIA**

CONTRACTING AGENCY NAME

Department of Rehabilitation

CONTRACTING AGENCY ADDRESS

721 Capitol Mall, 6th Floor

CITY

Sacramento

STATE

CA

ZIP

95814

PRINTED NAME OF PERSON SIGNING

TITLE

CONTRACTING AGENCY AUTHORIZED SIGNATURE

DATE SIGNED

CALIFORNIA DEPARTMENT OF GENERAL SERVICES APPROVAL

EXEMPTION (If Applicable)

**EXHIBIT A**  
**(Standard Agreement - Subvention)**  
**Scope of Work**

**1. PURPOSE**

Third Party Cooperative Agreement

**2. AUTHORITY**

Law: 29 U.S.C. §§ 721(a)(3), 730, 731, and 733; California Welfare and Institutions Code sections 19008 and 19013.

Regulations: 34 C.F.R. 361.28

Assistance Listing Number: 84.126

**3. CONTRACT REPRESENTATIVES**

Direct all inquiries during the term of this Agreement to the Contract Administrators listed herein:

Department of Rehabilitation	Sacramento City Unified School District
Annette Martinez Contract Administrator 721 Capitol Mall Ste. 110 Sacramento, CA 95814 Tel: (916) 558-5308 e-mail: annette.martinez@dor.ca.gov	Dr. Leslie Hernandez Program Contract Administrator 5735 47th Ave Sacramento, CA 95824 Tel: (916) 730-1769 e-mail: leslie-hernandez@scusd.edu

**4. DESCRIPTION OF SERVICES/DELIVERABLES**

**See attached program description – EXHIBIT A.1**

**EXHIBIT A.1**  
**(Standard Agreement - Subvention)**  
**Contractor's Description of Services/Deliverables**  
**Sacramento City Unified School District**  
**Transition Partnership Program (TPP)**

**SCOPE OF WORK**

**I. Introduction**

This contract is between Sacramento City Unified School District (henceforth known as “the Program”) or SCUSD TPP, which is a State or local public agency, and the California Department of Rehabilitation (DOR). This third-party cooperative agreement (TPCA) is designed to jointly serve the mutual applicants and/or recipients of DOR services (henceforth known as “participants”) receiving services from the Program and DOR’s Northern Sierra District offices. Services will also be made available to DOR Consumers of the Blind Field Services (BFS) District as appropriate. Under this cooperative agreement, the Program will ensure that the services provided are not the customary or typical services provided by that Program but rather are new services that have a vocational rehabilitation focus or are existing services that have been modified, adapted, expanded, or reconfigured to have a vocational rehabilitation focus. The following SCUSD high school sites will be served under this cooperative program:

American Legion High School, Arthur Benjamin Health Professions High School, C.K. McClatchy High School, Sacramento Accelerated Academy, Hiram Johnson High School, John F. Kennedy High School, Luther Burbank High School, New Tech High School, Rosemont High School, School of Engineering and Sciences, The Met, Johnson West Campus, and George Washington Carver High School.

Sacramento City Unified School District Students ages 16-21 with disabilities will be referred to DOR for services. Students are referred to the Program by Site Coordinators staff at district school sites. Program services will be provided to Sophomores, Juniors, and Seniors in high school. Students who are participating in DOR Student Services in high school are eligible to request VR employment services. Program participants who have exited high school, and adults being referred from DOR (returning students, DOR referrals, etc.) are also eligible to request VR Employment Services.

The Program staff will work closely with the DOR Counselors throughout the referral, eligibility, planning, and follow-up processes to ensure coordinated DOR Student Services and VR Employment Services. Cooperative processes include sharing of pertinent participant information to assist in evaluation and planning; collaborative intake and planning meetings; linkages to school-based vocational training programs and other support resources for in-school participants; and follow-up services for post-secondary participants to support training and employment goals.

DOR authorizes the following services to be provided under this agreement:

- Job Exploration Counseling
- Workplace Readiness Training
- Work-based Learning Experiences
- Instruction in Self Advocacy
- Counseling on Post-Secondary Education
- Employment Preparation
- Job Development, Placement and Follow-up
- Short-Term Supports

The Program may provide DOR Student Services to students who are not younger than 16 nor older than 21 years, unless the student is participating in a special education program and receiving services beyond the age of 21 (for students participating in secondary education programs such as adult transition programs), but not beyond the point at which a secondary school student exits their special education program

The Program will provide information to the participant with ID/DD ages 16-21 regarding Employment First, opportunities for employment, and supports to achieve Competitive Integrated Employment.

## **DOR STUDENT SERVICES**

For fiscal year 2022-2023, a total of 80 unduplicated participants with disabilities will receive **DOR Student Services** through this contract.

It is expected that DOR will open 50 new cases from the referrals made by the Program.

For fiscal year 2023-2024, a total of 80 unduplicated participants with disabilities will receive **DOR Student Services** through this contract.

It is expected that DOR will open 50 new cases from the referrals made by the Program.

For fiscal year 2024-2025, a total of 80 unduplicated participants with disabilities will receive **DOR Student Services** through this contract.

It is expected that DOR will open 50 new cases from the referrals made by the Program.

## **VOCATIONAL REHABILITATION (VR) EMPLOYMENT SERVICES**

For fiscal year 2022-2023, a total of 26 unduplicated participants with disabilities will receive **Vocational Rehabilitation (VR) Employment Services** through this contract. As a result of services provided through this contract, it is expected that DOR will:

- Open 12 new cases from the referrals made by the Program
- Close 8 cases successfully for those individuals with disabilities who achieve an employment outcome

For fiscal year 2023-2024, a total of 26 unduplicated participants with disabilities will receive **Vocational Rehabilitation (VR) Employment Services** through this contract. As a result of services provided through this contract, it is expected that DOR will:

- Open 12 new cases from the referrals made by the Program
- Close 8 cases successfully for those individuals with disabilities who achieve an employment outcome

For fiscal year 2024-2025, a total of 26 unduplicated participants with disabilities will receive **Vocational Rehabilitation (VR) Employment Services** through this contract. As a result of services provided through this contract, it is expected that DOR will:

- Open 12 new cases from the referrals made by the Program
- Close 8 cases successfully for those individuals with disabilities who achieve an employment outcome

## **II. Assurances**

The Program makes the following assurances as identified in 361.28(a):

- (1) The services provided by the Program, as the public cooperating agency, are not the customary or typical services provided by that agency but are new services that have a vocational rehabilitation focus or existing services that have been modified, adapted, expanded, or reconfigured to have a vocational rehabilitation focus.
- (2) The services provided by the Program, as the cooperating agency, are only available to applicants for, or recipients of, services from DOR.
- (3) Program expenditures and staff providing services under the cooperative arrangement are under the administrative supervision of DOR (e.g., the Program will provide only those services that have been authorized by DOR under this cooperating arrangement); and
- (4) All requirements of the vocational rehabilitation services portion of the Unified or Combined State Plan, including a State's order of selection, will apply to all services provided under the cooperative arrangement.

### **III. Services to be Provided**

#### **DOR Student Services**

TPP DOR Student Services are a coordinated set of services available for students with disabilities, to provide transition services to students from the age of 16 through 21. DOR Student Services may be delivered in a classroom, community, or individual setting. Upon the Program participant's exit from high school TPP DOR Student Services will end.

The coordinated DOR Student Services activities shall include DOR, the school, and other appropriate agencies that may provide services to the Program participant including Regional Centers, the One Stop system, and Social Security administration. DOR Student Services are based upon the individual participant's needs, preferences, and interests, and shall include instruction, and community experiences.

The following DOR Student Services will be provided by the Program in accordance with this agreement, as authorized by DOR for each individual with a disability and individualized to each Program participant's needs, preferences, and interests as well as their DOR Individualized Plan for Employment (IPE) goals and objectives, as appropriate.

The services described in sections 1-5 are DOR Student Services, designed to support students with disabilities in exploring transition from school and preparing for successful employment and/or postsecondary education.

DOR Student Services are available to students who are potentially eligible or students who have been determined eligible for VR services. Program participants will primarily be provided services as potentially eligible. Participants who require additional services to participate in DOR Student Services may need to apply for VR services. Participants who have been determined eligible for the VR services may be provided with DOR Student Services either pre- or post-IPE development.

#### **1. DOR Student Services Job Exploration Counseling**

##### **a. Description**

Job Exploration Counseling services provide an individualized, timely, and systematic process by which a participant seeking employment gains knowledge of career paths and job opportunities and learns to identify strengths, barriers to employment, viable vocational options, and objectives necessary to achieve one or more employment goals. Job exploration

counseling will be provided in conjunction with the counseling provided by the DOR counselor. Job Exploration Counseling may include discussion, analysis, or information on:

- The local labor markets
- In-demand industries and occupations
- Non-traditional employment options
- Interest in post-secondary training or education
- Career aptitude, career skills, and vocational interest inventories
- The participant's vocational interest inventory results
- Identification of career pathways of interest to the participant, and the skills and qualifications necessary to be successful in these occupations.
- The participant's prior work experience and transferable skills
- Career speakers

Reporting of job exploration activities completed, findings, and recommendations will be provided to the referring DOR Counselor.

The TPP Service Coordinator, TPP Employment Placement Specialist and TPP Employment Assistant will provide Job Exploration Counseling services at the students' school site.

#### b. Service Goals/Number Served

- For fiscal year 2022-2023, a total of 60 unduplicated participants will receive this service
- For fiscal year 2023-2024, a total of 60 unduplicated participants will receive this service
- For fiscal year 2024-2025, a total of 60 unduplicated participants will receive this service

## 2. DOR Student Services Workplace Readiness Training

### a. Description

Workplace Readiness Training services consist of instruction with curricular supports which can be provided in a classroom, group, or individual setting. Workplace readiness skills are a set of skills and behaviors that are necessary for any job. This secondary school instruction is intended to support goals and objectives and will typically be provided until the student exits the secondary school system, in accordance with the needs and informed choice of the student. Workplace Readiness training can be provided through instruction or other activities where the Program participant can learn and apply the knowledge.

Workplace readiness training may include, but not limited to, training in the following subject matters:

- Soft skills needed for successful employment including:
  - Communication with coworkers
  - Attitudes about work
  - Decision making while on the job
  - Conflict resolution skills

- Problem solving techniques
- Appropriate workplace written communication skills
- Interviewing techniques
- Resume development
- Application preparation
- Appropriate work behaviors including:
  - Grooming and hygiene while on the job
  - Use of a cell phone
  - Social media professionalism
  - Maintaining a healthy lifestyle while at work
  - Time management
  - Developing friendships with coworkers
  - Community safety
- Employer expectations such as punctuality and performance
- Relevant work practices
- Travel training
- Financial literacy
  - Money management
  - Assistance in becoming knowledgeable regarding the impact of employment on a participant's disability and benefits

Reporting on workplace readiness training activities will be provided to the referring DOR counselor.

The TPP Service Coordinator, TPP Employment Specialist and TPP Employment Assistant provide Workplace Readiness Training services at the students' school site

**b. Service Goals/Number Served**

- For fiscal year 2022-2023, a total of 60 unduplicated participants will receive this service
- For fiscal year 2023-2024, a total of 60 unduplicated participants will receive this service
- For fiscal year 2024-2025, a total of 60 unduplicated participants will receive this service

**3. DOR Student Services Work-based Learning Experiences**

**a. Description**

Work-based learning experiences use real work settings to provide participants with an opportunity to explore work in a competitive integrated environment. Work-based learning experiences provide participants with the knowledge and skills that will help them connect school experiences to real-life work activities and future career opportunities. Participants may participate in more than one work-based learning experience, as appropriate for the participant. Work-based learning experiences are intended to be temporary placements to gain experience in the workplace. They may also result in the development of any of the following: vocational direction, appropriate work attitudes, ethics, interpersonal skills, speed, and accuracy, foundational employment skills.

Work based learning experiences include work experience services consisting of short-term placements both on and off campus and monitoring the participant's performance in the work environment. Work experience may include:

- Paid/unpaid internships
- Paid/unpaid placement
- Summer work experience
- Apprenticeships (informal)
- Informational interviews
- Workplace tours
- Job shadowing

Any paid or non-paid work experience activities will comply with the Department of Labor regulations. Work Experience supervisors will evaluate participants and submit written reports to the DOR counselor on a monthly basis.

The TPP Employment Placement Specialist and TPP Employment Assistant provide Work-based Learning Experiences.

b. Service Goals/Number Served

- For fiscal year 2022-2023, a total of 30 unduplicated participants will receive this service
- 15 unduplicated participants will participate in a Work Experience placement.
- 
- For fiscal year 2023-2024, a total of 30 unduplicated participants will receive this service
- 15 unduplicated participants will participate in a Work Experience placement.
- 
- For fiscal year 2024-2025, a total of 30 unduplicated participants will receive this service
- 15 unduplicated participants will participate in a Work Experience placement.

#### **4. DOR Student Services Instruction in Self-Advocacy**

a. Description

Instruction in Self-Advocacy services may be provided in a classroom, group, or individual setting to assist participants to effectively communicate, convey, negotiate, or assert his/her own interests and/or desires. Instruction may be provided through mentorships including peer, disability, or group mentoring. Self-Advocacy instruction may train participants in the following skills as they relate to successful employment:

- Self-awareness
- Disability understanding and disclosure
- Self-determination

- Setting goals
- Reasonable accommodation factors
- Utilizing available resources and support systems
- Taking a leadership role in the IEP, 504, or other person-centered planning process
- Positive self-talk
- Understanding workplace rights
- Understanding workplace responsibilities
- Effective communication and interpersonal skills

Reporting on Self-Advocacy instruction activities will be provided to the referring DOR counselor.

The TPP Service Coordinator and TPP Employment Assistant provide Instruction in Self-Advocacy activities at the students' school site.

b. Service Goals/Number Served

- For fiscal year 2022-2023, a total of 60 unduplicated participants will receive this service
- For fiscal year 2023-2024, a total of 60 unduplicated participants will receive this service
- For fiscal year 2024-2025, a total of 60 unduplicated participants will receive this service

## 5. DOR Student Services Counseling on Post-Secondary Education

a. Description

Counseling on post-secondary education services include instruction with curricular supports which can be provided in a classroom, group, or individual setting. Participants interested in careers requiring post-secondary education may receive guidance on how skill development and knowledge relate to future opportunities in post-secondary education settings and employment. Counseling on post-secondary education may include instruction in the following subject matters:

- Explore career & post-secondary education options
- Learn about career pathways
- Discover post-secondary education resources and disability support services
- Assist with application/enrollment process
- Identify financial aid options
- Identify technology needs
- Attend college fairs & tours

The TPP Service Coordinators and TPP Employment Assistant provide Counseling on Post-Secondary Education services at the students' school site.

b. Service Goals/Number Served

- For fiscal year 2022-2023, a total of 60 unduplicated participants will receive this service
- For fiscal year 2023-2024, a total of 60 unduplicated participants will receive this service
- For fiscal year 2024-2025, a total of 60 unduplicated participants will receive this service

### **Vocational Rehabilitation Employment Services**

Vocational Rehabilitation (VR) Employment Services assist a DOR consumer prepare for, obtain, and retain employment. A continuum of services provides guidance and direction to a recipient of DOR services in the development of job search techniques and appropriate work-related behaviors that will enhance the consumer's employability. VR Employment Services components aid in the development of job search skills, coordination of job search activities, and identification of appropriate job openings. Services are designed to support DOR consumers and employers in achieving successful employment.

The following vocational rehabilitation services will be provided by the Program in accordance with this agreement, as authorized by DOR for each individual with a disability and individualized to each Program participant's needs, preferences, and interests as well as their DOR IPE goals and objectives, as appropriate.

## **6. Employment Preparation**

a. Description

Employment Preparation services will be in concert with the DOR IPE to support plan activities, goals, and objectives.

Activities may include instruction regarding techniques for obtaining and maintaining employment, such as:

- Mock Interviewing
- Tailored resume development
- Job Search techniques related to the vocational goal
- Assistance with completing applications specific to the vocational goal
- Appropriate work behaviors/soft skills
- Relevant work practices specific to the vocational goal
- Appropriate grooming and hygiene
- Self-Advocacy
- Identification of additional support needs
- Assistance in becoming knowledgeable regarding the impact of employment on a student/DOR consumer's disability and benefits

Reporting on employment preparation activities will be provided to the referring DOR counselor on a monthly basis.

The TPP Employment Placement Specialist and TPP Employment Assistant will provide Employment Preparation services

b. Service Goals/Number Served

- For fiscal year 2022-2023, a total of 26 unduplicated participants will receive this service
- For fiscal year 2023-2024, a total of 26 unduplicated participants will receive this service
- For fiscal year 2024-2025, a total of 26 unduplicated participants will receive this service

## 7. Job Development, Placement and Follow-up

a. Description

Program staff will assist job-ready Program participants, both in school and out-of-school, to obtain permanent employment in the community by identifying specific job openings that are appropriate for each participant. Program staff will assist the participant through appropriate job placement and will provide continued follow-up and aid to the participant through job orientation and identification of and application of specific ongoing support and resource needs.

Activities include:

- Contacting employers and build networks to develop and/or identify job opportunities
- Work site analysis, as needed
- Job site consultation to identify or modify barriers
- Negotiating job accommodations
- Negotiating customized employment placement
- Maintaining an organized system of current job openings
- Assisting recipient of DOR services to find jobs which match their Individual Plan for Employment vocational goal
- Providing instruction in self-advocacy
- Assisting a recipient of DOR services to become knowledgeable regarding the conditions of their employment, such as:
  - Job description
  - Name of immediate supervisor
  - Responsibilities of the employee
  - Wage payment practices
  - Benefits
  - Conflict resolution procedures
  - Health and safety practices
- No less than two contacts per month with the Program participant and/or their employer post-placement to ensure job satisfaction upon acceptance of employment.

The TPP Employment Placement Specialist and TPP Employment Assistant will provide Job Development, Placement, and Follow-up services

b. Service Goals/Number Served

- For fiscal year 2022-2023, a total of 26 unduplicated participants will receive this service
- As a result of services provided under this contract, it is expected that 13 unduplicated participants will be placed in employment consistent with the IPE goal.
- For fiscal year 2023-2024, a total of 26 unduplicated participants will receive this service
- As a result of services provided under this contract, it is expected that 13 unduplicated participants will be placed in employment consistent with the IPE goal.
- For fiscal year 2024-2025, a total of 26 unduplicated participants will receive this service
- As a result of services provided under this contract, it is expected that 13 unduplicated participants will be placed in employment consistent with the IPE goal.

## 8. Short-Term Supports Service

a. Description

The Short-Term Supports (STS) service is provided to the Program participant upon placement into a Competitive Integrated Employment (CIE) setting. Employment settings include but are not limited to: Work-Based Learning Experiences, or placement into a permanent job.

This service is time-limited, proactive, and individualized to match the participant's employment-related needs. The STS service focuses on assisting the recipient of DOR services to learn job duties, adjust to the work environment, and maintain CIE by developing natural supports within the employment setting. STS is completed within 90 days unless additional support is needed to ensure stabilization in the employment setting.

The TPP Employment Placement Specialist and TPP Employment Assistant will provide short term supports service

b. Service Goals/Number Served

- For fiscal year 2022-2023, a total of 9 unduplicated participants will receive this service
- For fiscal year 2023-2024, a total of 9 unduplicated participants will receive this service
- For fiscal year 2024-2025, a total of 9 unduplicated participants will receive this service

#### IV. DOR and Program Contacts

<b>Organization</b>	Dept. of Rehabilitation	Sacramento City Unified School District
<b>Contact Person</b>	Annette Martinez	Dr. Leslie Hernandez
<b>Title</b>	DOR Contract Administrator	Program Contract Administrator
<b>Telephone</b>	(916) 558-5308	(916) 730-1769
<b>Email Address</b>	annette.martinez@dor.ca.gov	leslie-hernandez@scusd.edu
<b>Mailing Address</b>	721 Capitol Mall Ste. 110 Sacramento, CA 95814	5735 47 <sup>th</sup> Ave Sacramento, CA 95824

#### V. Linkages to Other Community Agencies

The Program has regular contact and ongoing working relationships with the following agencies to increase opportunities for unduplicated applicants and/or recipients of DOR services and avoid duplication of services

In alignment with section 101(a)(11) of the Rehabilitation Act, DOR and the Program has regular contact and ongoing working relationships with the following agencies to increase opportunities for DOR student/consumers and avoid duplication of services:

- Regional Center
- America's Job Center of California
- Los Rios Community College District and Sierra College
- Sacramento Area WIOA Programs
- Local Chamber of Commerce
- Local Business Leaders Network

#### V. In Service Training

Twice a year or more frequently as needed, in-service trainings will be conducted to cross-train the Program and DOR staff in each agency's mission, goals, services, policies, procedures, and professional approaches. This may be done through quarterly meetings, monthly staff meetings, and other program related meetings.

**EXHIBIT B**  
**(Standard Agreement - Subvention)**  
**Budget Detail and Payment Provisions**

**1. INVOICING AND PAYMENT**

**A. Service Budget Payment of Expenditure**

1. This is a cost reimbursement Agreement for subvention services. For services satisfactorily completed by the Program consistent with those authorized by DOR, and upon receipt and approval of the invoices by DOR, DOR agrees to reimburse the Program for actual expenditures incurred subject to the approved Scope of Work, Service Budget, Budget Narrative, approved invoices, and applicable regulations as attached or referenced hereto and made a part of this Agreement.
2. All expenses shall be reviewed and approved by the DOR Contract Administrator before payment can be made to the Program.
3. The Service Budget must set forth in detail the reimbursable items, unit rates and extended total amounts for each line item. The Program's Service Budget shall include items directly related to this Agreement to include a Budget Narrative that fully explains why and how the costs are necessary, reasonable, and allocable to the Agreement.

**B. Submission of Invoice(s)**

1. Monthly invoices must be completed using the DR 801B Service Invoice form (DR801B) and shall provide an actual line-item detail of expenditure(s) that supports the approved Service Budget and Budget Narrative. The DR801B shall include the Agreement Number and be submitted in duplicate not more frequently than monthly in arrears to the DOR Contract Administrator or designee (listed in Exhibit A).
2. An original DR801B must be submitted and signed by authorized personnel as listed on the Signature Authorization (DR 325) form.
3. Supporting documentation must be available upon request at any time by DOR staff, or other State and Federal representatives.
4. Federal and State funds are time limited; therefore, invoices (service and certified match) must be submitted as soon as possible, but no later than 60 days after the service month. Final submission of all fiscal year-end invoices is due no later than November 1<sup>st</sup>, to allow for payment and draw down prior to the close out of Federal/State funds.
5. If budgetary funds revert due to failure to submit timely invoices or failure to submit a properly prepared invoice, related Federal and State funds will no longer be available for use which will require the contractor to submit a claim through the California Department of General Services' Government Claims Program, where approval to pay is not guaranteed.
6. The DOR is committed to issue payments as quickly as possible following the receipt of an accurate and complete invoice of allowable costs as approved by the DOR Contract Administrator.

### C. **Appropriate Expenditures**

Budgets must not contain line items that are or will be reimbursed/paid by another source of funding during the period covered by this Agreement. Budgeted amounts that have not been utilized during a fiscal year shall not be carried over to another fiscal year.

### D. **Invoice Claim Adjustments**

1. Budgeted amounts remaining for a given line item, within a fiscal year budget, may be used to defray allowable costs under the approved budget line items contained **within the same fiscal year**. A claim adjustment is required on the Service Invoice (DOR 801B) with an attached brief narrative explaining each line item impacted and may not exceed up to a cumulative amount of ten percent (10%) of the total annual contract Service Budget for all budget years as long, as there is neither an increase nor decrease of the total annual contract Service Budget. A formal amendment is required if it does not meet the above criteria.
2. Staff line item salary ranges and percentage of time are projected estimates and are subject to change based on actual salary and chargeable time costs. Claim adjustments are allowable as long as the annualized total line item costs do not exceed what is allowed in Item 1 above.

### E. **Budget Contract Amendments**

A contract amendment between both parties is required for any budget changes not covered in Section D above. This includes any major category or detailed line item description changes to the approved Service Budget and Budget Narrative as outlined below:

- Adding and deleting a major category budget or detailed line item.
- Line item adjustments that exceed a cumulative amount of 10%.
- Decrease/increase to the total annual budget award or the total Agreement award for all budget years.
- Any word for word changes to the written budget narrative or budget cost detail.  
(Note: ALL changes must be made in **bold**.)

### F. **Travel Reimbursements**

If travel is reimbursable, the Program agrees that all travel expenses and per diem rates paid to its employees under this Agreement shall be reimbursed at actual costs not to exceed the California Department of Human Resources (CalHR) designated rates for excluded employees. Go to CalHR website at <http://www.calhr.ca.gov/employees/pages/travel-reimbursements.aspx>. No travel outside the State of California except for bordering California States shall be reimbursed without prior documented written authorization from DOR.

Upon request from DOR, the Program will provide sufficient documentation to support travel expenditures such as travel claims, mileage logs, and receipts for lodging, transportation, and meal costs. Travel costs that benefit more than one cost objective will be allocated to this agreement in proportion to the benefit received by DOR.

## 2. **BUDGET CONTINGENCY CLAUSE**

- A. It is mutually agreed that if the Budget Act of the current year and/or any subsequent years covered under this Agreement does not appropriate sufficient funds for the Program, this Agreement shall have no further force and effect. In this event, the State shall have no liability

to pay any funds whatsoever to the Program or to furnish any other considerations under this Agreement and the Program shall not be obligated to perform any provisions of this Agreement.

- B. If funding for any fiscal year is reduced or deleted by the Budget Act for purposes of this program, the State shall have the option to either cancel this Agreement with no liability occurring to the State or offer an Agreement amendment to the Program to reflect the reduced amount.

### **3. BUDGET CONTINGENCY CLAUSE FOR FEDERALLY FUNDED AGREEMENTS**

- A. It is mutually understood between the parties that this Agreement may have been written for the mutual benefit of both parties before ascertaining the availability of congressional appropriation of funds to avoid program and fiscal delays that would occur if the Agreement were executed after that determination was made.
- B. This Agreement is valid and enforceable only if sufficient funds are made available to the State by the United States Government for the current year and/or any subsequent year for the purpose of this program. In addition, this Agreement is subject to any additional restrictions, limitations, or conditions enacted by Congress or to any statute enacted by Congress that may affect the provisions, terms, or funding of this Agreement in any manner.
- C. The parties mutually agree that if Congress does not appropriate sufficient funds for the program, this Agreement shall be amended to reflect any reduction in funds.

### **4. PROMPT PAYMENT CLAUSE**

Payment will be made in accordance with, and within the time specified in, Government Code Chapter 4.5, commencing with section 927.

### **5. PRINCIPLES AND STANDARDS FOR DETERMINING ALLOWABLE COSTS, INCLUDING REQUIREMENTS FOR DOCUMENTING PERSONNEL ACTIVITY CHARGEABLE TO THE AGREEMENT**

Agreements awarded by DOR shall be subject to actual costs for services rendered under this Agreement. Allowable costs under this Agreement must meet the following general criteria:

- Be generally recognized and necessary for the provision of services identified in this Agreement.
- Be reasonable for the performance of the Agreement, including acceptable sound business practices.
- Be subject to the terms and conditions of the Agreement and approved DOR budgeted line items.
- Not be used for general expenses required to carry out other responsibilities of the Program.
- Be properly documented and supported.
- Be allocable to the services provided under the cooperative arrangement so that costs charged to the agreement are proportional to the benefits received by DOR.

Documenting and supporting the distribution of all costs, including the allocation of time chargeable to the Agreement, is required. The Program agrees to comply with the 2 CFR part 200 Federal cost principles regarding documentation for the support of personnel activity chargeable to the Agreement.

## **6. ACCOUNTING SYSTEM REQUIREMENTS**

- A. The Program must maintain an appropriate fund accounting system that accurately accumulates and segregates reasonable, allocable, and allowable costs in compliance with State and Federal regulations, and generally accepted accounting principles. The Program's financial management system shall provide:
- Accurate, current, and complete disclosure of the financial results of each federally sponsored project.
  - Records that identify adequately the source and application of funds for federally sponsored activities.
  - Written procedures for determining the reasonableness, allocable, and allowable costs in accordance with the provisions of the applicable federal cost principles and the terms and conditions of the Agreement.
  - Accurate fund accounting records that track the revenues received from funders/sources and the expenditures paid to vendors for goods and services, and that are supported by adequate source documentation.
- B. The Program shall submit to State such reports, accounts, and records as deemed necessary by the State to discharge its obligation under State and Federal laws and regulations

Exhibit B.1

**Sacramento City Unified School District**

**DOR Program Budget**  
**July 1, 2022 - June 30, 2025**

<u>ITEM</u>	<u>FTE</u> <u>EXPENDITURE</u>	FY 7/1/2022 to 6/30/2023 TOTAL	FY 7/1/2023 to 6/30/2024 TOTAL	FY 7/1/2024 to 6/30/2025 TOTAL
Rehabilitation Team Unit 1 FTE = \$110,377	Units	0.90	0.90	0.90
		\$99,339	\$99,339	\$99,339
Case Services (Individual Consumer Expenses)		18,950	18,950	18,950
	<b>SUBTOTAL</b>	<b>\$118,289</b>	<b>\$118,289</b>	<b>\$118,289</b>
<b>TOTAL DOR PROGRAM COST</b>		<b>\$118,289</b>	<b>\$118,289</b>	<b>\$118,289</b>

**Sacramento City Unified School District**  
**Program Budget and Match Summary**  
**July 1, 2022 - June 30, 2025**

	FY 7/1/2022 to 6/30/2023 <u>TOTALS</u>	FY 7/1/2023 to 6/30/2024 <u>TOTALS</u>	FY 7/1/2024 to 6/30/2025 <u>TOTALS</u>
DOR PROGRAM COSTS (From DOR Program Budget)	\$118,289	\$118,289	\$118,289
DOR Student Services Service Budget	\$149,230.00	\$149,230.00	\$149,230.00
VR Employment Services Service Budget (If Applicable)	\$48,336.00	\$48,336.00	\$48,336.00
<b>TOTAL PAYMENT BY DOR TO CONTRACTOR</b> (From Service Budget)	<b>\$197,566</b>	<b>\$197,566</b>	<b>\$197,566</b>
<b>TOTAL FEDERAL COSTS</b>	<b>\$315,855</b>	<b>\$315,855</b>	<b>\$315,855</b>
Certified Match (If applicable)	0%	0%	0%
Total Federal Share	\$0 0%	\$0 0%	\$0 0%
Cash Match (If applicable)	\$67,277 21.3%	\$67,277 21.3%	\$67,277 21.3%
Total Federal Share	\$248,577 78.7%	\$248,577 78.7%	\$248,577 78.7%
<b>TOTAL STATE MATCH</b>	<b>\$67,277</b>	<b>\$67,277</b>	<b>\$67,277</b>

Cooperative agency certified match expenditure and cash match expenditure must be from non-federal funds and cannot be used to draw down other federal funds. The cash match expenditure must equal at least 21.3% of the designated share and the certified match expenditure must equal at least 25% of the designated share.

STATE OF CALIFORNIA  
 TPP DOR STUDENT SERVICES SERVICE BUDGET

DEPARTMENT OF REHABILITATION

Original       Amendment

Contractor Name and Address		Contract Number			Federal ID Number			Page 1 of 1		
Sacramento City Unified School District 5735 47th Ave. Sacramento, CA 95824		31970			94-6002491					
		Budget Period			Budget Period			Budget Period		
		July 1, 2022-June 30, 2023			July 1, 2023-June 30, 2024			July 1, 2024-June 30, 2025		
		Effective Date (Amendments Only)			Effective Date (Amendments Only)			Effective Date (Amendments Only)		
Line No.	PERSONNEL-Position Title & Time Base	Annual Salary Per FTE	Annual FTE	Amount Budgeted	Annual Salary Per FTE	Annual FTE	Amount Budgeted	Annual Salary Per FTE	Annual FTE	Amount Budgeted
<b>Administrative Personnel</b>										
1	TPP Service Coordinator (3 Positions) 1 FTE= 40 hours/week, 10 months + benefits	\$192,083.76	0.0009	\$172.88	\$198,791.70	0.0006	\$119.28	\$ 199,302.78	0.0003	\$59.79
2	TPP Service Coordinator (3 Positions) 1 FTE= 40 hours/week, 10 months + benefits	\$244,014.71	0.0009	\$219.61	\$253,417.53	0.0006	\$152.05	\$ 254,015.07	0.0003	\$76.20
3	TPP Employment Placement Specialist 1FTE= 40 hours/week, 11 months + benefits	\$74,512.08	0.03175	\$2,365.76	\$77,073.01	0.03175	\$2,447.07	\$ 77,273.80	0.03175	\$2,453.44
4	TPP Employment Assistant 1 FTE 40 hours/week 11 months	\$93,910.25	0.04	\$3,756.41	\$97,378.41	0.0406	\$3,953.56	\$ 97,617.27	0.04065	\$3,968.14
5	<b>Admin Subtotal</b>			\$6,514.66			\$6,671.96			\$6,557.58
<b>DOR Student Services Direct Service Personnel</b>										
6	TPP Service Coordinator (3 Positions) 1 FTE= 40 hours/week, 10 months + benefits	\$192,083.76	0.03	\$5,762.51	\$198,791.70	0.0194	\$3,856.56	\$ 199,302.78	0.01921	\$3,828.61
7	TPP Service Coordinator (3 Positions) 1 FTE= 40 hours/week, 10 months + benefits	\$244,014.71	0.03	\$7,320.44	\$253,417.53	0.0194	\$4,916.30	\$ 254,015.07	0.0192	\$4,877.09
8	TPP Employment Placement Specialist 1FTE= 40 hours/week, 11 months + benefits	\$74,512.08	0.60325	\$44,949.41	\$77,073.01	0.60325	\$46,494.29	\$ 77,273.80	0.60325	\$46,615.42
9	TPP Employment Assistant 1 FTE 40 hours/week 11 months	\$93,910.25	0.76	\$71,371.79	\$97,378.41	0.7714	\$75,117.71	\$ 97,617.27	0.77235	\$75,394.70
10										
11										
12	<b>DOR Student Services Subtotal</b>			\$129,404.16			\$130,384.86			\$130,715.81
13	<b>Personnel Subtotal</b>			\$135,918.81			\$137,056.81			\$137,273.39
<b>OPERATING EXPENSES</b>										
14	Office Supplies			\$320.00			\$60.00			\$60.00
15	Printing			\$150.00			\$60.00			\$60.00
16	Training			\$200.00			\$230.00			\$150.00
17	Travel/Mileage			\$170.00			\$230.00			\$100.00
18	Instructional Materials			\$400.00			\$257.00			\$250.00
19	Theft Sensitive Items			\$735.00						
20	<b>Operating Subtotal</b>			\$1,975.00			\$837.00			\$620.00
21	<b>Personnel and Operating Subtotal</b>			\$137,893.81			\$137,893.81			\$137,893.39
22	<b>Indirect Rate Percentage</b>			3.87%			3.87%			3.87%
23	<b>Indirect Cost</b>			\$5,336.49			\$5,336.49			\$5,336.47
24	<b>Workplace Readiness Training</b>			\$6,000.00			\$6,000.00			\$6,000.00
25	<b>Work-based Learning</b>									
26	<b>TOTAL (rounded to nearest dollar)</b>			\$149,230			\$149,230			\$149,230

**SACRAMENTO CITY UNIFIED SCHOOL DISTRICT**  
**STUDENT SERVICE BUDGET NARRATIVE**

**BENEFITS**

Benefits are calculated at a range of 69% to 71%. Sacramento City Unified School District provides PERS (22.91%), Social Security (6.2%), Medicare (1.45%), Medical Retirement (22.91%), SCTA: \$6,408; SEIU: \$5,040, Worker's Compensation (1.5%), Unemployment Insurance (.05%), and Medical, Dental, Vision and Life Package.

This Service Budget narrative is to describe how services expenditures for the Sacramento City Unified School District (hereinafter referred to as 'Program') will be allocated for the provision of services to unduplicated individuals and/or participants in DOR Services (hereinafter referred to as "participants").

**PERSONNEL**

**TPP Service Coordinator:**

Cooperative Program Duties must be new services that have a VR focus or existing services that have been modified, adapted, expanded, or reconfigured to have a VR focus in accordance with 34 C.F.R. § 361.28(a)(1).

Allowable Activities Under this Agreement Include:

Administrative Duties:

- Maintains and completes Program paperwork
- Attends TPP quarterly meetings

Direct Service Duties:

Provides Student Services, including Job Exploration Counseling, Instruction in Self-Advocacy and Counseling on Post-Secondary Education and provides supports for them in Workplace Readiness.

- Provides and/or coordinates DOR Student Services activities to participants
- Provides pertinent information to assist in the planning or evaluation of DOR Student Services

Unallowable Traditional Duties that are the customary or typical services provided by the public agency

Activities include:

- Coordinates with special education teachers, parents, students, and WorkAbility I staff to assess students' vocational interests and needs
- Provide career exploration activities, training linkages, and transition supports to special education students in assigned high schools
- Assist special education teachers to facilitate Individual Transition Plan development and implementation for students ages 16 - 22
- Provide secondary special education staff information and resources pertaining to transition requirements, programs, and services
- Provides information and support to students and families on post-school options and supports in education, employment, and independent living
- Maintains and provides student information on WorkAbility I services for annual state report

**TPP Employment Placement Specialist:**

Cooperative Program Duties must be new services that have a VR focus or existing services that have been modified, adapted, expanded, or reconfigured to have a VR focus in accordance with 34 C.F.R. § 361.28(a)(1).

Allowable Activities Under this Agreement Include:

Administrative Duties:

- Maintain contact with DOR staff and Program Staff
- Attend DOR meetings such as quarterlies

Direct Service Duties:

Provides Workplace Readiness Training, Work-Based Learning Experiences and Job Exploration Counseling to Program participants

- Establish and maintain linkages between employers and Program participants to identify appropriate job matches for work-based learning experiences
- Provide and coordinate workplace readiness training and job exploration services to participants
- Provide employer education and support
- Maintain and complete participant paperwork and reports, such as case notes and progress reports.

This is a full-time contract position; therefore, there are no non-contract duties. The remainder of this position's time is spent on the VR Employment Services Budget.

**TPP Employment Assistant:**

Cooperative Program Duties must be new services that have a VR focus or existing services that have been modified, adapted, expanded, or reconfigured to have a VR focus in accordance with 34 C.F.R. § 361.28(a)(1).

Allowable Activities Under this Agreement Include:

Administrative Duties:

- Maintain contact with DOR staff and Program Staff
- Attend DOR meetings such as quarterlies

Direct Service Duties:

Provides Job Exploration Counseling, Counseling on Post-Secondary Education, and Instruction in Self-Advocacy to participants and assists them in Workplace Readiness Training and Work-based Learning Experiences to Program participants.

- Coordinate support services with Program staff, agency personnel and community-based organizations
- Provide and coordinate Student Services activities for participants
- Assist the Employment Placement Specialist in follow-up activities for participants engaging in work-based learning experience placements
- Maintain and complete participant paperwork and reports, such as case notes and progress reports.

This is a full-time contract position; therefore, there are no non-contract duties. The remainder of this position's time is spent on the VR Employment Services Budget.

## OPERATING EXPENSES

Printing – Informational materials for use by participants and their families, such as brochures, handbooks or newsletters and business cards for Program staff. Although the total contract budget is split approximately 75/25 between DOR Student Services and VR Employment Services, the provision of Student Services relies more on Printing, which is reflected in the line item.

Office Supplies – Consumable standard office supplies including but not limited to binders, paper, paper clips, pencils, pens, envelopes, printer cartridges, file folders and labels, portfolio folders, correction fluid, staples, scotch tape, memo pads, highlighters, and pushpins. Although the total contract budget is split approximately 75/25 between DOR Student Services and VR Employment Services, the provision of Student Services relies more on Office Supplies, which is reflected in the line item.

Training – Registration and fees for Program staff to attend training or to bring in a trainer to provide training related contract services. Training must be pre-approved in writing by the DOR Contract Administrator and may require Rehabilitation Services Administration (RSA) Prior-Approval. Training is limited to \$500 per FTE for budgeting purposes and costs are subject to allocation across applicable programs.

Travel/Mileage – Funds in this line item include per diem costs and will be used for travel to program related training activities which Program staff attend. Any travel costs will be pre-approved in writing by DOR Contract Administrator.

Funds will also be used to pay the mileage incurred in the provision of contract services from Program staff using their own personal vehicles.

Travel and mileage expenses are reimbursed at actual costs not to exceed the CalHR designated rates.

Instructional Materials – Materials for use in the provision of DOR Student Services that have an instructional classroom component. May include vocational curriculum, videos, vocational and career assessment materials, or portfolio development materials. Although the total contract budget is split approximately 75/25 between DOR Student Services and VR Employment Services, the provision of Student Services relies more on Instructional Materials, which is reflected in the line item.

Theft-Sensitive Items – Nonexpendable items purchase with contract funds that have a normal life expectancy of one year but have a purchase price of less than \$5000 per item. These items, such as a (1) Laptop will be utilized to assist participants to develop employment documents, access online employment information, job search, mock interview, and prepare for job interviews. Estimated cost is \$1050 which will be budgeted across Fiscal Year 22/23 of the contract and split between the DOR Student Services Budget and VR Employment Services Budget with 70% allocated to the Student Services budget.

## INDIRECT COST

Percentage of direct program costs for general management and support. This includes the SCUSD Budget Department, Accounting Department, Human Resources, Operations Department, and Maintenance. Rate used is the rate calculated and approved annually by CDE. All personnel and operating expense line-item expenditures are included when determining the monthly indirect cost.

Workplace Readiness Training – Costs for the purchase of bus passes to support travel training instruction as part of Workplace Readiness Training services. Total amount budgeted is based on the anticipated number of participants receiving transportation training multiplied by the prevailing local student bus pass rates.

Sacramento City USD TPP budgets \$100.00 per participant, and the program has a goal of providing Workplace Readiness Training to 60 participants. Therefore, the total budgeted amount will be set at \$6000.00.

STATE OF CALIFORNIA  
 TPP SERVICE BUDGET - VR EMPLOYMENT SERVICES

DEPARTMENT OF REHABILITATION

Original       Amendment

Contractor Name and Address		Contract Number			Federal ID Number			Page 1 of 1		
Sacramento City Unified School District 5735 47th Ave. Sacramento, CA 95824		31970			94-6002491					
		<b>Budget Period</b>			<b>Budget Period</b>			<b>Budget Period</b>		
		July 1, 2022 - June 30, 2023			July 1, 2023 - June 30, 2024			July 1, 2024 - June 30, 2025		
		<b>Effective Date (Amendments Only)</b>			<b>Effective Date (Amendments Only)</b>			<b>Effective Date (Amendments Only)</b>		
Line No.	PERSONNEL-Position Title & Time Base	Annual Salary Per FTE	Annual FTE	Amount Budgeted	Annual Salary Per FTE	Annual FTE	Amount Budgeted	Annual Salary Per FTE	Annual FTE	Amount Budgeted
1	TPP Employment Placement Specialist 1FTE= 40 hours/week, 11 months + benefits	\$74,512.08	0.365	\$27,196.91	\$77,073.01	0.3650	\$28,131.65	\$ 77,273.80	0.3650	\$28,204.94
2	TPP Employment Assistant 1 FTE 40 hours/week 11 months	\$93,910.25	0.20	\$18,782.05	\$97,378.41	0.188	\$18,307.14	\$ 97,617.27	0.187	\$18,254.43
3	<b>Subtotal</b>			\$45,978.96			\$46,438.79			\$46,459.36
<b>OPERATING EXPENSES</b>										
4	Office Supplies			\$50.00			\$22.00			\$21.00
5	Printing			\$31.00			\$20.00			\$21.00
6	Training			\$50.00						
7	Travel/Mileage			\$50.00						
8	Instructional Materials			\$60.00			\$54.00			\$34.00
9	Theft-Sensitive Items			\$315.00						
10										
11										
12	<b>Operating Subtotal</b>			\$556.00			\$96.00			\$76.00
13	<b>Personnel and Operating Subtotal</b>			\$46,534.96			\$46,534.79			\$46,535.36
14	<b>Indirect Rate Percentage</b>			3.87%			3.87%			3.87%
15	<b>Indirect Cost</b>			\$1,800.90			\$1,800.90			\$1,800.92
16	<b>TOTAL (rounded to nearest dollar)</b>			\$48,336			\$48,336			\$48,336

**SACRAMENTO CITY UNIFIED SCHOOL DISTRICT**  
**VR SERVICE BUDGET NARRATIVE**

**BENEFITS**

Benefits are calculated at a range of 69% to 71%. Sacramento City Unified School District provides PERS (22.91%), Social Security (6.2%), Medicare (1.45%), Medical Retirement (22.91%), SCTA: \$6,408; SEIU: \$5,040, Worker's Compensation (1.5%), Unemployment Insurance (.05%), and Medical, Dental, Vision and Life Package.

This Service Budget narrative is to describe how services expenditures for the Sacramento City Unified School District (hereinafter referred to as 'Program') will be allocated for the provision of services to unduplicated individuals and/or participants in DOR Services (hereinafter referred to as "participants").

**PERSONNEL**

**TPP Employment Placement Specialist:**

Cooperative Program Duties must be new services that have a VR focus or existing services that have been modified, adapted, expanded, or reconfigured to have a VR focus in accordance with 34 C.F.R. § 361.28(a)(1).

Allowable Activities Under this Agreement include:

Provides Employment Preparation, Job Development, Placement and Follow-up services and Short-Term Supports Service to Program Participants.

- Establishes and maintains linkages and ongoing contact with local employers for the Program.
- Identifies appropriate job openings in competitive employment consistent with participants' IPE's
- Maintains and completes Program/DOR paperwork
- Maintains accurate participant case files and records for the Program for VR service provision.
- Completes individual participant progress reports on VR services provided and submits to DOR Counselors.
- Provides guidance and support to participants to assist in personal and social adjustment, job search and job maintenance
- In cooperation with DOR Counselor, provides linkages to employment training, transportation assistance and other needed supports to enable participants to participate effectively in targeted job search and job placement
- Monitors progress of participants on the job
- Provides short-term supports and follow-up services to facilitate participants success in employment placement
- Provides employer education and support
- Maintains regular contact with DOR Counselor regarding progress of participant through VR services
- Coordinates support services with Program staff, agency personnel and community-based organizations.

This is a full-time contract position; therefore, there are no non-contract duties. The remainder of this position's time is spent on the DOR Student Services Budget.

### **TPP Employment Assistant:**

Cooperative Program Duties must be new services that have a VR focus or existing services that have been modified, adapted, expanded, or reconfigured to have a VR focus in accordance with 34 C.F.R. § 361.28(a)(1).

Allowable Activities Under this Agreement include:

Provides Employment Preparation, Job Development, Placement and Follow-up services, and Short Term Supports to participants.

Allowable Activities Under this Agreement include:

- Assists in gathering educational, psychological, and functional information to be utilized by the DOR Counselor in the evaluation and planning process for participants
- Maintains and completes Program/DOR paperwork pertaining to VR service provision
- Provides pertinent information to the DOR Counselor on participants to assist in evaluation after the Program participant's case is opened with DOR.
- In cooperation with the DOR Counselor, provides linkages to employment training, transportation assistance and other needed supports to enable participants to participate effectively on targeted job search and job placement.
- Provides guidance and support to participants to assist in personal and social adjustment, job search and job maintenance
- Maintains regular contact with DOR Counselor regarding progress of participants through VR services.
- Assist with short-term supports for participants in a work experience and/or competitive employment
- Assist Employment Placement Specialist in follow-up activities

This is a full-time contract position; therefore, there are no non-contract duties. The remainder of this position's time is spent on the DOR Student Services Budget.

### OPERATING EXPENSES

Printing – Informational materials for use by participants and their families, such as brochures, handbooks or newsletters and business cards for Program staff. Although the total contract budget is split approximately 75/25 between Student Services and VR Employment Services, the provision of VR Employment Services relies less on Printing, which is reflected in the line item.

Office Supplies – Consumable standard office supplies including but not limited to binders, paper, paper clips, pencils, pens, envelopes, printer cartridges, file folders and labels, portfolio folders, correction fluid, staples, scotch tape, memo pads, highlighters, and pushpins. Although the total contract budget is split approximately 75/25 between Student Services and VR Employment Services, the provision of VR Employment Services relies less on Office Supplies, which is reflected in the line item.

Training – Registration and fees for contract staff to attend training or to bring in a trainer to provide training related contract services. Training must be pre-approved in writing by the DOR Contract Administrator and may require Rehabilitation Services Administration (RSA) Prior-Approval. Training is limited to \$500 per FTE for budgeting purposes and costs are subject to allocation across applicable programs.

Travel/Mileage – Funds in this line item include per diem costs and will be used for travel to program related training activities in which TPP staff attend. Any travel costs will be pre-approved in writing by DOR Contract Administrator.

Funds will also be used to pay the mileage incurred in the provision of contract services from TPP staff using their own personal vehicles.

Travel and mileage expenses are reimbursed at actual costs not to exceed the CalHR designated rates.

Instructional Materials – Materials for use in employment preparation instruction and activities with participants such as assessments. Although the total contract budget is split approximately 75/25 between Student Services and VR Employment Services, the provision of VR Employment Services relies less on Instructional Materials, which is reflected in the line item.

Theft-Sensitive Items – Nonexpendable items purchase with contract funds that have a normal life expectancy of one year but have a purchase price of less than \$5000 per item. These items, such as a (1) Laptop will be utilized to assist participants to develop employment documents, access online employment information, job search, mock interview, and prepare for job interviews. Estimated cost is \$1050, which will be budgeted across Fiscal Year 22/23 of the contract and split between the VR Employment Services Budget and the DOR Student Services Budget with 30% allocated to the VR Service budget.

#### INDIRECT COST

Percentage of direct program costs for general management and support. This includes the SCUSD Budget Department, Accounting Department, Human Resources, Operations Department, and Maintenance. Rate used is the rate calculated and approved annually by CDE. All personnel and operating expense line-item expenditures are included when determining the monthly indirect cost.

**EXHIBIT C**  
**(Standard Agreement - Subvention)**  
**General Terms and Conditions (GTC 4/2017)**

PLEASE NOTE: The General Terms and Conditions will be included in the Agreement by reference, you can view them at the Department of General Services, Office of Legal Services website at: <https://www.dgs.ca.gov/OLS/Resources/Page-Content/Office-of-Legal-Services-Resources-List-Folder/Standard-Contract-Language>. Go to Resources, click on the Standard Contract Language section to expand, then click on GTC 4/2017.

**EXHIBIT D**  
**(Standard Agreement - Subvention)**  
**Special Terms and Conditions**

**1. NOTIFICATION AND COMPLIANCE**

All notices required by either party shall be in writing and sent by email, mail, or personally delivered to the appropriate address. Mailing addresses may be changed by written notice.

The Program agrees to comply with all laws, regulations, ordinances, and policies of any governmental unit having jurisdiction over the rehabilitation program with regards to construction, medicine, health, safety, wages, hours, working conditions, workers' compensation, licensing and all other activities requiring compliance. The Program shall accept financial responsibilities in the event of non-compliance.

**2. DISPUTES**

If the Program believes that there is a dispute or grievance between the Program and the State arising out of or relating to this Agreement, the Program shall first discuss and attempt to resolve the issue informally with the DOR Contract Administrator. If the issue cannot be resolved at this level, the Program shall follow the following procedures:

- A. If the issue cannot be resolved informally with the DOR Contract Administrator, the Program shall submit, in writing, a grievance report together with any evidence to the DOR Contract Administrator's Supervisor. The grievance report must State the issues in the dispute, the legal authority, or other basis for the Program's position and the remedy sought. Within ten (10) working days of receipt of the written grievance report from the Program, the DOR Supervisor shall make a determination on the problem and shall respond in writing to the Program indicating the decision and reasons, therefore. Should the Program disagree with the Supervisor's decision, the Program may appeal to the next level following the procedure in "Disputes", paragraph B listed below.
- B. The Program's letter of appeal must be submitted within ten (10) working days of the receipt of the DOR Contract Administrator's Supervisor's written decision. The Program must submit a letter of appeal to the DOR Contract Officer explaining the disagreement with the Contract Administrator's Supervisor's decision. The letter must include, as an attachment, copies of the Program's original grievance report, evidence originally submitted, and response from the Supervisor. The Contracting Officer shall, within twenty (20) working days of receipt of Program's letter of appeal, review the issues raised and shall render a written decision to the Program. The decision of the Director or designee shall be final.

**3. RIGHT TO TERMINATE**

- A. Either party reserves the right to terminate this Agreement subject to 30 days written notice.
- B. However, the Agreement can be immediately terminated by DOR for cause. The term "for cause" shall mean that the Program fails to meet the terms, conditions, and/or responsibilities of the Agreement. In this instance, the Agreement termination shall be effective as of the date indicated on the State's notification to the Program.

**4. CORRECTIVE ACTION**

If the Program is not able to meet the service goals outlined in the Scope of Work, DOR reserves the right to reduce the Service Budget in alignment with an amended Scope of Work to reflect

updated service goals that are achievable for the Program after review by the DOR Contract Administrator.

## **5. TRAINING SEMINARS, WORKSHOPS OR CONFERENCES**

If the Program provides training seminars, workshops, or conferences, the Program must obtain prior DOR approval for the location, costs, dates, agenda, instructors, instructional materials, and attendees at any reimbursable training seminar, workshop, or conference pursuant to this Agreement and of any reimbursable publicity or educational materials to be made available for distribution. The Program shall acknowledge the support of the State whenever publicizing the work under this Agreement in any media. The provision does not apply to necessary staff meetings or training sessions held for the staff of the Program to conduct routine business matters.

## **6. INSURANCE REQUIREMENTS**

### **General Provisions Applying to All Policies**

- A. Coverage Term** – Coverage needs to be in force for the complete term of the contract. If insurance expires during the term of the contract, a new certificate must be received by the State within ten (10) days of the expiration of this insurance. Any new insurance must still comply with the original terms of the contract.
- B. Policy Cancellation or Termination & Notice of Non-Renewal** – The Program is responsible to notify the State within five business days before the effective date of any cancellation, non-renewal, or material change that affects required insurance coverage. In the event the Program fails to keep in effect the specified insurance coverage, the State may, in addition to any other remedies it may have, terminate this Contract upon the occurrence of such event, subject to the provisions of this Contract.
- C. Deductible** – The Program is responsible for any deductible or self-insured retention contained within their insurance program.
- D. Insurance Carrier Required Rating** – All insurance companies must carry a rating acceptable to the Office of Risk and Insurance Management. If the Program is self-insured for a portion or all of its insurance, review of financial information including a letter of credit may be required.
- E. Inadequate Insurance** – Inadequate or lack of insurance does not negate the Program obligations under the contract.
- F. Satisfying a Self-Insured Retention (SIR)** – All insurance required by this contract must allow the State to pay and/or act as the Program's agent in satisfying any SIR. The choice to pay and/or act as the Program's agent in satisfying any SIR is at the State's discretion.
- G. Available Coverages/Limits** – All coverage and limits available to the Program shall also be available and applicable to the State.
- H. Subcontractors** – In the case of the Program's utilization of subcontractors to complete the contracted scope of work, the Program shall include all subcontractors as insured under the Program's insurance or supply evidence of insurance to the State equal to policies, coverages and limits required of the Program.
- I. Hazardous Activity**

If applicable under this contract transportation is considered a hazardous activity. The Program agrees that the bodily injury liability insurance herein provided for shall be in effect at all times during the term of this contract. In the event said insurance coverage expires at any time or times during the time of this contract, the Program agrees to provide, at least 30 days before said expiration date, a new certificate of insurance evidencing insurance coverage as provided for herein for not less than the remainder of the term of the contract or for a period of not less than one year. New certificates of insurance are subject to the approval of DGS/ORIM, and the Program agrees that no work or services shall be performed prior to such approval.

The State may, in addition to any other remedies it may have, terminate this contract should Program fail to comply with these provisions.

- i. Commercial General Liability – The Program shall maintain general liability on an occurrence form with limits not less than \$1,000,000 per occurrence for bodily injury and property damage liability combined with a \$2,000,000 annual policy aggregate. The policy shall include coverage for liabilities arising out of premises, operations, independent Programs, products, completed operations, personal & advertising injury, and liability assumed under an insured Agreement. This insurance shall apply separately to each insured against whom claim is made or suit is brought subject to the Program’s limit of liability.

**The following must be included as part of the policy and must be noted on the certificate of insurance:** *The State of California, its officers, agents, and employees as additional insured, but only with respect to work performed under the Agreement.*

**\*\*Endorsements must be provided to the DOR prior to release of the executed contract. The endorsement must be acceptable to the Department of Rehabilitation.\*\***

- ii. Automobile Liability (If Applicable) – For DOR consumers being provided transportation under said Agreement, the Program shall maintain motor vehicle liability with limits not less than \$1,000,000 combined single limit per accident. Such insurance shall cover liability arising out of a motor vehicle including owned, hired and non-owned motor vehicles to include the following additional insurance coverage below:

- For public schools and other State or local public agencies: Automobile Liability insurance must include Any-Auto, Hired-Autos, Non-Owned Autos, and any other auto used in performing services under the Agreement. For **seating capacity up to 7 people** (includes driver), the Program’s certificate of insurance shall State a limit of liability of not less than **\$1,000,000** per occurrence for bodily injury and property damage liability combined. For **seating capacity for 8 to 15 people** (includes driver) the certificate of insurance shall State a limit of liability of not less than **\$1,500,000** per occurrence for bodily injury and property damage liability combined. For **seating capacity for 16 passengers** or more the certificate of insurance shall State a limit of liability of not less than **\$5,000,000** per occurrence for bodily injury and property damage liability combined.

**The following must be included as part of the policy and must be noted on the certificate of insurance:** *The State of California, its officers, agents, and employees as additional insured, but only with respect to work performed under the Agreement.*

**\*\*Endorsements must be provided to the DOR prior to the release of the executed contract. The endorsement must be acceptable to the Department of Rehabilitation.\*\***

- iii. Workers’ Compensation and Employers Liability – The Program shall maintain statutory workers’ compensation and employer’s liability coverage for all its employees who will be engaged in the performance of the Agreement. Employer’s liability limits of \$1,000,000 are required.

**The workers’ compensation policy shall contain a waiver of subrogation in favor of the State.**

**\*\*The waiver of subrogation endorsement must be provided to the DOR prior to release of the executed contract. The waiver of subrogation endorsement must be acceptable to the Department of Rehabilitation.\*\***

Self-insurance – The Program shall supply the consent letter of self-insurance or the Certificate of Consent to Self-Insure. The Waiver of Subrogation is not required.

## **7. CONTRACTOR STAFFING REQUIREMENT**

The Program certifies that its employees meet the qualifications as outlined in the job posting for the position listed on the budget. The program further certifies that staff providing services under this agreement meet the specific requirements. The Program will provide key staff resumes or duty statements for the positions identified under this agreement at DOR's request. request at the time of program reviews as outlined in the DOR Contract Handbook.

## **8. CONFLICT OF INTEREST**

- A. The Program certifies that its employees and the officers of its governing body shall avoid any actual or potential conflicts of interest and that no officer or employee who exercises any functions or responsibilities in connection with this Agreement shall have any personal financial interest or benefit which either directly or indirectly arises from this Agreement.
- B. The Program shall establish safeguards to prohibit its employees or its officers from using their positions for a purpose which could result in private gain, or which gives the appearance of being motivated for private gain for themselves or others, particularly those with whom they have family, business, or other ties.

## **9. CONFIDENTIALITY**

- A. The Program agrees to comply with the provisions applicable to consumer information as set forth in 34 Code of Federal Regulations section 361.38 and Title 9, California Code of Regulations, section 7140 et seq., and personal information as set forth in the Information Practices Act of 1977 (California Civil Code section 1798 et seq.).
- B. The Program agrees that any personal information, as defined by the Information Practices Act of 1977 (California Civil Code section 1798 et seq.) and this Agreement, obtained in the performance of this Agreement is classified as confidential and shall not be subject to disclosure to any source except as required by this contract or otherwise authorized by DOR.
- C. The Program agrees to remove all confidential, sensitive, or personal information from any reports, publications, or other materials created during the performance of this contract prior to being released to the scientific and academic community, or other individuals or entities. The removal method(s) must be reasonable and appropriate to ensure that any confidential, sensitive, or personal information cannot be recovered, accessed, used or disclosed, which would result in a security breach or an information security incident.
- D. Subject to the applicable requirements of the regulations cited above, the Program agrees to report any security breach or information security incident involving confidential, sensitive, or personal information (e.g., consumer information) obtained in the performance of this contract to the DOR's Contract Administrator and the DOR's Information Security Officer. The DOR's Information Security Officer can be contacted via e-mail at [iso@dor.ca.gov](mailto:iso@dor.ca.gov).
- E. Security breaches or information security incidents that shall be reported include, but are not limited to:

1. Inappropriate use or unauthorized disclosure of confidential, sensitive, or personal information (e.g., consumer information) obtained in the performance of this contract by the Program or the Program's assignees. Disclosure methods include, but are not limited to, electronic, paper, and verbal.
  2. Unauthorized access to confidential, sensitive, or personal information (e.g., consumer information) obtained in the performance of this contract. Information can be held in medium that includes, but is not limited to, electronic and paper.
  3. Loss or theft of information technology (IT) equipment, electronic devices/media, paper media, or data containing confidential, sensitive, or personal information (e.g., consumer information) obtained in the performance of this contract. IT equipment and electronic devices/media include, but are not limited to, computers (e.g., laptops, desktops, tablets), smartphones, cell phones, CDs, DVDs, USB flash drives, servers, printers, peripherals, assistive technology devices (e.g., notetakers, videophones), and copiers. Data can be held in medium that includes, but is not limited to, electronic and paper.
- F. The Program agrees to provide annual security and privacy training for all individuals who have access to confidential, sensitive, or personal information (e.g., consumer information) obtained in the performance of this contract.
- G. The Program agrees to obtain and maintain acknowledgements from all individuals to evidence their understanding of the consequences of violating California privacy laws and the Program's information privacy and security policies.
- H. For Programs that do not have a security program that includes annual security and privacy training, a self-training manual is available on the DOR website in the "Requirements for Becoming a Service Provider" section under "Annual Security and Privacy Training for VR Service Providers." The self-training manual is named "Protecting Privacy in State Government" and can be downloaded at the following link:  
<https://www.dor.ca.gov/Home/SecurityandPrivacy>.
- I. Additional training and awareness tools are available at the California Information Security Office (CISO) website and the California Department of Justice – Privacy Enforcement and Protection website. These State entities created the self-training manual, "Protecting Privacy in State Government" that DOR revised to meet its business needs.

## **10. AUDIT AND REVIEW REQUIREMENTS**

### **A. General Audit and Review Requirements**

1. The State shall have the right to conduct inspections, reviews, and/or audits of the Program to determine whether the services provided, and the expenditures invoiced by the Program were in compliance with this Agreement and other applicable federal or State statutes and regulations.
2. The Program agrees that DOR, State Controller's Office, Department of General Services, Bureau of State Audits, Federal Department of Education Auditors, or their designated representatives shall have the right to review and to copy any records and supporting documentation pertaining to the performance of the Agreement, including but not limited to, accounting records, consumer service records, records and evaluations of individuals referred to the program, and other supporting documentation that may be relevant to the audit or investigation.

3. The Program shall submit to the State such reports, accounts, and records deemed necessary by the State to discharge its obligation under State and Federal laws and regulations, including the applicable Federal Office of Management and Budget (OMB) cost principles and administrative requirements.
4. The Program agrees to allow the auditors access to such records during normal business hours and to allow interviews of any employees who might reasonably have information related to such records.
5. The Program agrees to maintain such records for possible audit for a minimum of seven (7) years after final payment or until resolution of all issues which may arise as a result of any litigation, claim, negotiation, audit, or any other action involving the records prior to expiration of the seven (7) year period, whichever is later.

B. Annual Federal Audit (For Agreements that received Federal Funds \$750,000 and above):

1. In addition to the General Audit and Review Requirements above, the Program agrees to provide an annual audit as required by the federal "Single Audit Act" of 1994, as amended. These annual audit documents shall be maintained by the Program and provided to the auditing agency when requested. This audit shall be made in accordance with 2 CFR 200.

## **11. COMPETITIVE BIDDING AND PROCUREMENTS**

- A. The Program shall comply with applicable laws and regulations regarding securing competitive bids and undertaking negotiations in Program's agreements with other entities for acquisition of goods and services with funds provided by the State or Federal under this Agreement. A minimum of two competitive quotations is required for any purchase order or subcontract for services over \$2,500, and should be submitted to the DOR Contract Administrator or adequate justification provided for the absence of bidding.
- B. The Program must maintain a copy of the narrative description of the procurement systems guidelines, rules or regulations that will be used to make purchases under this Agreement. The State reserves the right to request a copy of these documents and to inspect the purchasing practices of the Program at any time.
- C. The Program should seek prior approval for any purchase or subcontract exceeding \$2,500 per unit or more for commodities, supplies, and services related to this Agreement. The Program must provide in its request for approval all particulars necessary, as specified by DOR, for evaluating the necessity or desirability of incurring such costs.
- D. For all purchases made, subject to this Agreement, the Program must maintain copies of all paid vendor invoices, documents, bids and other information used in vendor selection, for inspection or audit.

## **12. CONTRACT AMENDMENTS**

In the event that additional program services must be performed which was wholly unanticipated and is not specified in the written Scope of Work, but is, in the opinion of both parties necessary to the successful accomplishment of the general scope of work outlined, an amendment to the Agreement is required.

## **13. SOFTWARE**

The Program certifies that it has appropriate systems and controls in place to ensure that State funds will not be used in the performance of this contract for the acquisition, operation or maintenance of computer software in violation of copyright laws.

#### **14. THEFT SENSITIVE ITEMS**

The DOR is requiring nonexpendable electronic items purchased to be listed under a separate line item titled "Theft Sensitive Items". The Program shall maintain an inventory record for each nonexpendable item purchased or built with funds provided under the terms of the contract. The inventory record of each item shall include the date acquired, total cost, serial number, model identification and any other information or description necessary to identify said item. A copy of the inventory record must be submitted annually to the DOR Contract Administrator.

The following items, regardless of cost must be inventoried:

1. Computers/printers
2. Laptops/tablets
3. Copiers/fax
4. Smart phones/cell phones
5. Other electronic items required to provide contract services

Upon termination of the agreement, DOR may request equipment be returned to DOR or authorize the continued use of equipment for work to be performed under a different agreement.

The DOR reserves title to equipment purchased under this agreement that are not fully consumed during the life of the agreement.

#### **15. ATTRIBUTION**

The Program agrees to acknowledge the sponsorship of DOR with respect to any public Statement, press release, news item, or publication related to a program funded all or in part with funds from DOR. The Program further agrees to identify the role of DOR with respect to any individual highlighted or publicized by or through Program, when such individual is a DOR consumer.

#### **16. UNRUH CIVIL RIGHTS ACT AND THE FAIR EMPLOYMENT & HOUSING ACT**

Pursuant to Public Contract Code section 2010, if a bidder or proposer executes or renews a contract over \$100,000 on or after January 1, 2017, the bidder or proposer hereby certifies compliance with the following:

The Program certifies compliance with the Unruh Civil Rights Act (Section 51 of the Civil Code) and the Fair Employment and Housing Act (Section 12960 of the Government Code); and

If the Program has an internal policy against a sovereign nation or peoples recognized by the United States government, the Program certifies that such policies are not used in violation of the Unruh Civil Rights Act (Section 51 of the Civil Code) or the Fair Employment and Housing Act (Section 12960 of the Government Code).

**EXHIBIT E**  
**(Standard Agreement - Subvention)**  
**Additional Provisions - Federally Funded Agreements**

**1. FEDERAL REQUIREMENTS**

The Federal Office of Management and Budget (OMB) has established uniform administrative requirements and cost principles for determining allowable costs chargeable to Federal awards. The Contractor agrees to abide by the Title 2 Code of Federal Regulations, Part 200 (2 CFR 200), except where the Agreement is more restrictive. The federal regulations are available for review on the Internet at [www.ecfr.gov](http://www.ecfr.gov) under Title 2-Grants and Agreements.

**2. FEDERAL FUNDING INTELLECTUAL PROPERTY**

- A. In any Agreement funded in whole or in part by the federal government, DOR may acquire and maintain the Intellectual Property rights, title and ownership, which results directly and indirectly from the Agreement. However, the federal government shall have non-exclusive, non-transferable, irrevocable, paid-up license throughout the world to use, duplicate, or dispose of such Intellectual Property throughout the world in any manner for governmental purposes and to have and permit others to do so.
- B. Evaluation of Discovery or Invention: If any discovery or invention arises as a result of funded work, the Program must refer the discovery or invention to DOR. The Rehabilitation Services Administration (RSA) and its representatives have the sole and exclusive power to determine whether or not and where a patent should be filed and the disposition of all rights, including title and license rights, which may result. The RSA's determination of these issues shall be considered final. In addition, DOR and RSA shall acquire at least an irrevocable, non-exclusive, and royalty-free license to utilize for government purposes of any of these inventions. By signing this Agreement, the Program agrees that determinations of rights to inventions made in the course of or under the Agreement shall be made by RSA or its authorized representative.
- C. Copyrights and Patents: The Federal awarding agency and/or DOR reserves a royalty-free, nonexclusive, and irrevocable license to reproduce, publish or otherwise use, and to authorize others to use, for Federal Government purposes:
1. The copyright in any work developed under a grant, subgrant, or Agreement under a grant or subgrant; and
  2. Any rights of copyright to which a grantee, subgrantee or a contractor purchases ownership with grant support.

**3. DEBARMENT, SUSPENSION, INELIGIBILITY AND VOLUNTARY EXCLUSION**

Federal and State agencies shall not award assistance to applicants that are debarred or suspended, or otherwise excluded from or ineligible for participation in Federal assistance programs under Executive Order 12549. By signing this Agreement, the Program certifies that neither it nor its principals or subcontractors are presently debarred, suspended, proposed for debarment, declared ineligible, or voluntarily excluded from participation in this transaction by any Federal department of agency.

#### **4. PROHIBITION ON TAX DELINQUENCY**

Any Agreement that a State agency enters into after July 1, 2012, is void if the contract is between a State agency and a contractor, or subcontractor, whose name appears on either list of the 500 largest tax delinquencies pursuant to Section 7063 or 19195 of the Revenue and Taxation Code. In accordance with Public Contract Code section 10295.4, agencies are required to cancel Agreements with entities that appear on either list.

(Franchise Tax Board) <https://www.ftb.ca.gov/about-ftb/newsroom/top-500-past-due-balances/index.html>

(Department of Tax and Fee Administration) <https://www.cdtfa.ca.gov/taxes-and-fees/top500.htm>

#### **5. THE FOLLOWING PROVISIONS ARE SUBJECT TO THIS AGREEMENT**

- A. Equal Employment Opportunity--All Agreements require compliance with E.O. 11246--Equal Employment Opportunity, as amended by E.O. 1137--Amending Executive Order 11246 Relating to Equal Employment Opportunity, and as supplemented by regulations at 41 CFR Chapter 60 Office of Federal Contract Compliance Programs, Equal Employment Opportunity, Department of Labor, Part 60-1 Obligations of Contractors and Subcontractors, Subpart A. Preliminary Matters; Equal Opportunity Clause; Compliance Reports.
- B. Clean Air Act (42 U.S.C. 7401 et seq.) and the Federal Water Pollution Control Act (33 U.S.C. 1251 et seq.), as amended--Agreements of amounts in excess of \$100,000 shall require the Contractor to agree to comply with all applicable standards, orders, or regulations issued pursuant to the Clean Air Act (42 U.S.C. 7401 et seq.) and the Federal Water Pollution Control Act as amended (33 U.S.C. 1251 et seq.). Violations shall be reported to ED and the Regional Office of the Environmental Protection Agency (EPA).
- C. Byrd Anti-Lobbying Amendment (31 U.S.C. 1352)--By signing this Agreement, the Contractor who is awarded an Agreement of \$100,000 or more certifies that it will not and has not used Federal appropriated funds to pay any person or organization for influencing or attempting to influence an officer or employee of any agency, a member of Congress, officer or employee of Congress, or an employee of a member of Congress in connection with obtaining any Federal contract, grant, or any other award covered by 31 U.S.C. 1352. Contractor shall also disclose any lobbying with non-Federal funds that takes place in connection with obtaining any Federal award.
- D. All contractors shall comply with the following statutes and regulations:
1. Subject: Discrimination on the basis of race, color, or national origin.  
Statute: Title VI of the Civil Rights Act of 1964 (45 U.S.C. 2000 through 2000d-4).  
Regulation: 34 CFR part 100.
  2. Subject: Discrimination on the basis of sex  
Statute: Title IX of the Education Amendments of 1972 (20 U.S.C. 1681-1683).  
Regulations: 34 CFR part 106.
  3. Subject: Discrimination on the basis of handicap.  
Statute: Section 504 of the Rehabilitation Act of 1973 (29U.S.C. 794).  
Regulation: 34 CFR part 104handicap.
  4. Subject: Discrimination on the basis of age.  
Statute: The Age Discrimination Act (42 U.S.C. 6101 et seq.).  
Regulation: 34 CFR part 110

#### **6. RETURN OF INAPPROPRIATE USE OF FUNDS**

By signing this Agreement, the Program shall certify that in the event of funds used inappropriately, funds must be returned to DOR.

**7. AMERICANS WITH DISABILITIES ACT (ADA)**

By signing this Agreement, the Program agrees to comply with the Americans with Disabilities Act (ADA) of 1990, which prohibits discrimination on the basis of disability, as well as all applicable regulations and guidelines issued pursuant to the ADA (42 U.S.C. 12101 et seq.). In compliance with the Rehabilitation Act of 1973, 29 U.S.C. §794 et seq. and Government Code, Section 11135 et seq.; Section 504 imposes affirmative disability-related responsibilities on recipients of federal financial assistance as well as federal programs and activities and prohibits disability-based discrimination; and Section 508, requires electronic and information technology be accessible to people with disabilities.

**EXHIBIT F**  
**(Standard Agreement – Subvention)**  
**Additional Provisions - TPCA**

**1. MATCH REQUIREMENTS**

The Program shall submit the certified expenditure invoice on a timely basis (i.e. same time as submission of service budget invoice) for proper DOR processing. To ensure sufficient match is available to leverage federal funding, the contractor is required to submit 100% of their obligated certified/cash match to meet their full budgeted amount by the end of each fiscal year. Refer to the Contract Handbook for Case Services and Cooperative Program Agreements for more information regarding certified/cash match requirements.

For Agreements that include **CERTIFIED EXPENDITURE MATCH**:

- A. The Program shall certify to the State, on a monthly basis as specified in Exhibit B and G, the Program's allowable costs to provide the cooperative program services identified in the Scope of Work, in accordance with the Cooperative Agency Certified Expenditure Budget Summary and Narrative, and applicable Federal regulations. All such expenditures shall be under the administrative supervision of the State and no portion of the certified expenditures shall come from Federal funds. The State shall not be obligated to pay the Program for any contributions made by the Program in accordance with the Cooperative Agency Certified Expenditure Budget Summary.
- B. The total Cooperative Agency certified expenditure share will be matched to Federal funds at no less than 25%, as indicated on the DOR Program Budget Summary. If the value of the certified expenditures by the Program is below 25% of the actual total program cost, the Service Budget may be reduced after review by the DOR Contract Administrator. The State will not pay the Program for actual costs claimed on the Service Invoice (DOR 801B) until the certified expenditure summary for the same period has been submitted.
- C. The Program's contributions, including any excess of the amount specified in the "Cooperative Agency Certified Expenditure Budget Summary", will be used by the State to obtain Federal funds under Section 110 of the Rehabilitation Act of 1973, as amended. Federal funds obtained in excess of the "Total Program Cost" as identified on the "DOR Program Budget Summary" shall accrue to the State.

Certified match only includes:

Certified personnel expenditures for the time Program staff spend providing direct VR services under the TPCA. This may include the allocable portion of staff salary and fringe benefits based upon the amount of time cooperating agency staff directly spend providing services under the arrangement.

Third-party in-kind contributions are an unallowable source of match in the VR program whether provided via this agreement or other mechanism (34 C.F.R. § 361.60(b)(2)). This includes:

- A. Certified time for individuals not directly providing VR services, such as principals, administrators, secretaries and supervisors; and
- B. Certified expenditures for the costs incurred by the TPCA not directly for the provision of VR services, such as, indirect costs, depreciation, existing utilities and space donated for use under the TPCA.

For Agreements that include **CASH MATCH**:

- A. Each fiscal year the Program will pay to State, no less than quarterly and in advance, upon receipt of an invoice from the State, all those cash matching funds which are identified within the Program Budget Summary for that fiscal year. The State shall not be obligated to pay the Contractor for any contributions made by the Program in accordance with the approved budget, it being understood that all matching funds obtained by the State from the Program shall be exclusive funds of the State and no portion of the cash match shall come from Federal funds.
- B. The total Cooperative Agency cash share will be matched to Federal funds at no less than 21.3% as indicated on the "DOR Program Budget Summary."

**2. INDIRECT COSTS**

Indirect costs are allowable expenses incurred by an organization which support the activities of a program or contract but are not directly assigned to the specific program or contract and are allocated to the program or contract using a method in compliance with 2 CFR 200. The allocation method must be fully explained in the contract budget narrative and must be supported by actual costs incurred and paid by the organization. The allocation of indirect costs cannot be based on an arbitrary fixed rate and there is a 15% cap on the service budget. State

**3. CONTRACT HANDBOOK**

The Program acknowledges and agrees with the policies requirements and conditions of the DOR Contract Handbook and its additional policy requirements and conditions for Case Services/Cooperative Program Agreements as applicable for the Fiscal Year(s) covered under this Agreement. Match requirements are applicable to Cooperative Programs Agreements only.

**4. DOR'S CONTRACT MONITORING**

The DOR Contract Administrator will monitor and document the Program's performance to ensure compliance with all Agreement provisions. The DOR Contractor Administrator will:

- A. Maintain documentation on all Agreement activities, including the performance of the Agreement services, invoice reviews and approvals, monitoring activities, and other Agreement administration activities.
- B. Monitor the Agreement to ensure services were performed according to the quality, quantity, objectives, timeframes, and manner specified in the Agreement, and that the Program prepares and submits adequate documentation by the Program to support the services provided, expenditures reimbursements, and/or any applicable match requirements. Appropriate documentation may include, but is not limited to the Program's goal outcomes, consumer progress reports, a monthly client list of consumers provided services, and a corresponding monthly Service Invoice(s) (DR801B) and Certified Expenditure Summaries as appropriate.
- C. Review and approve invoices for payment to substantiate expenditures for the work performed, including verification that costs invoiced for the provision of services to DOR applicants/consumers during the Agreement period, including costs paid by the Program are based on reasonable costs, and that the invoices are current, correct, and timely.
- D. Ensure that all Service Invoices (DR801B) and Certified Expenditure Summaries, if applicable, are received no later than November 1<sup>st</sup>, to allow for payment and draw down prior to the close out of Federal/State funds.

- E. Verify that the Program has fulfilled all requirements of the Agreement before approving the final invoice.
- F. Ensure there are sufficient funds to pay for all services rendered as required by the Agreement.
- G. Ensure, by the end of the second quarter, that the projected certified expenditure match will be sufficient to support the budgets as outlined in this Agreement. If not, contact the appropriate Collaborative Services Program Specialist. (Cooperative Program Agreements only)
- H. Identify low usage levels and consider partial disencumbrance of Agreement funds.
- I. Periodically review personnel activity reports for staff funded by the Agreement to ensure that the Program is preparing and maintaining personnel activity reports in compliance with the applicable cost principles in 2.C.F.R. part 200.
- J. Verify that all Agreement staff are providing services in accordance with their duties and qualifications specified in the Agreement, including ensuring that:
  - Personnel duty statements or a copy of the Agreement Budget Narrative/Agreement Duty statement has been provided to each staff person to communicate the specific duties to be performed under the Agreement.
  - Verify that job duties, as provided by the Agreement staff, match Agreement duty statements and service descriptions.
  - Ensure that the Program has submitted to DOR appropriate documentation that supports the services provided to DOR applicants/consumers, including monthly (or otherwise specified) progress reports, consumer listings, utilization/service reports, and/or other agreed-upon documentation.
  - Verify that Contract staff provide services only to authorized DOR consumers.

**EXHIBIT G**  
**(Standard Agreement - Subvention)**  
**Additional Provisions**

**I.CONTRACT MONITORING AND REPORTING**

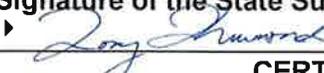
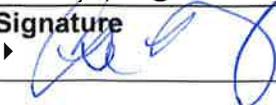
The Program Contract Administrator shall monitor the contract by:

- Submitting Service Invoices (801B) on a monthly basis, with a list of DOR applicants and/or recipients of DOR services (henceforth known as “participants” served that month.
- Ensuring Program Personnel Activity Reports or time reporting documents and a list of participants served are prepared and maintained by the Program staff in accordance with 2 CFR 200 and reflect accurate reporting, on a monthly basis in accordance with invoicing requirements stipulated in Exhibit B. These documents can be reviewed and maintained electronically to allow for flexibility in either on-site or off-site monitoring, as needed.
- Submitting Program Personnel Activity Reports or time reporting documents, supporting documentation, and a list of participants served, as requested by the DOR Contract Administrator.
- Meeting with the DOR Contract Administrator and program staff to discuss contract progress at Quarterly Meetings.
- Reporting the current and cumulative achievement of contract service goals and outcomes as part of the Quarterly Meetings or more often as directed by the DOR Contract Administrator.
- Preparing and submitting to the assigned vocational rehabilitation counselor monthly progress reports for the participants receiving contract services. Progress reports should include the participant’s name and other necessary or required information to document the services provided and the individual participant’s progress in those services.

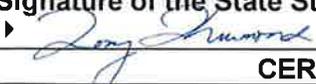
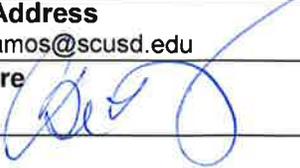
**II.TRANSPORTATION**

The Program will not provide transportation to participants.

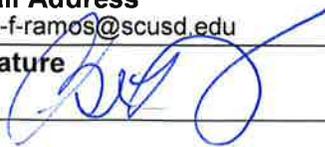
### Grant Award Notification

<b>GRANTEE NAME AND ADDRESS</b> Sacramento City Unified School District PO Box 246870 Sacramento, CA 95824-6870			<b>CDE GRANT NUMBER</b>			
			<b>FY</b>	<b>PCA</b>	<b>Vendor Number</b>	<b>Suffix</b>
			21	13431	67439	01
<b>Attention</b> Jorge Aguilar, Superintendent			<b>STANDARDIZED ACCOUNT CODE STRUCTURE</b>			<b>COUNTY</b>
<b>Program Office</b> Sacramento City Unified SELPA 3412			<b>Resource Code</b>	<b>Revenue Object Code</b>	34	
<b>Telephone</b> 916-643-4528			3345	8182	<b>INDEX</b>	
<b>Name of Grant Program</b> 2021-22 Preschool Staff Development					0663	
<b>GRANT DETAILS</b>	<b>Original/Prior Amendments</b>	<b>Amendment Amount</b>	<b>Total</b>	<b>Amend. No.</b>	<b>Award Starting Date</b>	<b>Award Ending Date</b>
	\$2,475		\$2,475		07/01/2021	09/30/2023
<b>CFDA Number</b>	<b>Federal Grant Number</b>	<b>Federal Grant Name</b>			<b>Federal Agency</b>	
84.173A	H173A210120	Individuals with Disabilities Education Act Part B, Section 619			United States Department of Education	
<p>I am pleased to inform you that you have been funded for the Preschool Staff Development grant.</p> <p>This award is made contingent upon the availability of funds. If the Legislature takes action to reduce or defer the funding upon which this award is based, then this award will be amended accordingly.</p> <p>Please return the original, signed Grant Award Notification form (AO-400) to:</p> <p style="text-align: center;">Programs and Partnerships Unit                  Special Education Division                  California Department of Education                  1430 N Street, Room 2401                  Sacramento, CA 95814-5901</p> <p>Please also scan and email a copy of the signed Grant Award Notification to <a href="mailto:PPL@cde.ca.gov">PPL@cde.ca.gov</a>.</p>						
<b>California Department of Education Contact</b> Annie Baccay				<b>Job Title</b> Education Programs Consultant		
<b>E-mail Address</b> <a href="mailto:ABaccay@cde.ca.gov">ABaccay@cde.ca.gov</a>				<b>Telephone</b> 916-322-3048		
<b>Signature of the State Superintendent of Public Instruction or Designee</b> ▶ 				<b>Date</b> February 16, 2022		
<b>CERTIFICATION OF ACCEPTANCE OF GRANT REQUIREMENTS</b>						
<i>On behalf of the grantee named above, I accept this grant award. I have read the applicable certifications, assurances, terms, and conditions identified on the grant application (for grants with an application process) or in this document or both; and I agree to comply with all requirements as a condition of funding.</i>						
<b>Printed Name of Authorized Agent</b> Rose Ramos				<b>Title</b> Chief Business Officer		
<b>E-mail Address</b> rose-f-ramos@scusd.edu				<b>Telephone</b> 916-643-9055		
<b>Signature</b> ▶ 				<b>Date</b> 3/25/22		

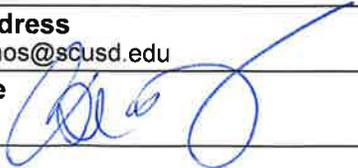
**Grant Award Notification**

<b>GRANTEE NAME AND ADDRESS</b> Sacramento City Unified School District PO Box 246870 Sacramento, CA 95824-6870		<b>CDE GRANT NUMBER</b>				
		<b>FY</b>	<b>PCA</b>	<b>Vendor Number</b>	<b>Suffix</b>	
<b>Attention</b> Jorge Aguilar, Superintendent		21	13379	67439	01	
<b>Program Office</b> Sacramento City Unified SELPA 3412		<b>STANDARDIZED ACCOUNT CODE STRUCTURE</b>			<b>COUNTY</b>	
<b>Telephone</b> 916-643-9000		<b>Resource Code</b>	<b>Revenue Object Code</b>	34		
		3310	8181	<b>INDEX</b>		
<b>Name of Grant Program</b> 2021-22 IDEA 611 Local Assistance Entitlements					0663	
<b>GRANT DETAILS</b>	<b>Original/Prior Amendments</b>	<b>Amendment Amount</b>	<b>Total</b>	<b>Amend. No.</b>	<b>Award Starting Date</b>	<b>Award Ending Date</b>
	\$9,393,879		\$9,393,879		07/01/2021	09/30/2023
<b>CFDA Number</b>	<b>Federal Grant Number</b>	<b>Federal Grant Name</b>			<b>Federal Agency</b>	
84.027A	H027A210116	Individuals with Disabilities Education Act Part B, Section 611			United States Department of Education	
<p>I am pleased to inform you that you have been funded for an IDEA 611 Local Assistance Entitlements grant to support the expense of educating identified students with disabilities.</p> <p>This award is made contingent upon the availability of funds. If the Legislature takes action to reduce or defer the funding upon which this award is based, then this award will be amended accordingly.</p> <p>Please return the original, signed Grant Award Notification (form AO-400) to:</p> <p style="text-align: center;">Emily Bunnell, Education Programs Consultant          California Department of Education          1430 N Street, Room 2401          Sacramento, CA 95814-5901</p>						
<b>California Department of Education Contact</b> Emily Bunnell				<b>Job Title</b> Education Programs Consultant		
<b>E-mail Address</b> <a href="mailto:EBunnell@cde.ca.gov">EBunnell@cde.ca.gov</a>				<b>Telephone</b> 916-327-3536		
<b>Signature of the State Superintendent of Public Instruction or Designee</b> ▶ 				<b>Date</b> January 18, 2022		
<b>CERTIFICATION OF ACCEPTANCE OF GRANT REQUIREMENTS</b>						
<i>On behalf of the grantee named above, I accept this grant award. I have read the applicable certifications, assurances, terms, and conditions identified on the grant application (for grants with an application process) or in this document or both; and I agree to comply with all requirements as a condition of funding.</i>						
<b>Printed Name of Authorized Agent</b> Rose Ramos				<b>Title</b> Chief Business Officer		
<b>E-mail Address</b> rose-f-ramos@scusd.edu				<b>Telephone</b> 916-643-9055		
<b>Signature</b> ▶ 				<b>Date</b> 3/25/22		

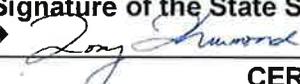
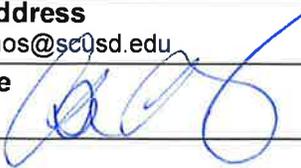
**Grant Award Notification**

<b>GRANTEE NAME AND ADDRESS</b> Sacramento City Unified School District PO Box 246870 Sacramento, CA 95824-6870			<b>CDE GRANT NUMBER</b>			
			<b>FY</b> 21	<b>PCA</b> 15638	<b>Vendor Number</b> 67439	<b>Suffix</b> 01
<b>Attention</b> Jorge Aguilar, Superintendent			<b>STANDARDIZED ACCOUNT CODE STRUCTURE</b>		<b>COUNTY</b>	
<b>Program Office</b> Sacramento City Unified SELPA 3412			<b>Resource Code</b> 3305	<b>Revenue Object Code</b> 8182	<b>INDEX</b> 34	
<b>Telephone</b> 916-643-9000						
<b>Name of Grant Program</b> 2021–22 IDEA/ARP 611 Local Assistance Entitlements					<b>INDEX</b> 0663	
<b>GRANT DETAILS</b>	<b>Original/Prior Amendments</b>	<b>Amendment Amount</b>	<b>Total</b>	<b>Amend. No.</b>	<b>Award Starting Date</b>	<b>Award Ending Date</b>
	\$1,894,366		\$1,894,366		07/01/2021	09/30/2023
<b>CFDA Number</b>	<b>Federal Grant Number</b>	<b>Federal Grant Name</b>		<b>Federal Agency</b>		
84.027X	H027X210116	Individuals with Disabilities Education Act/American Rescue Plan Act of 2021 Part B, Section 611		United States Department of Education		
I am pleased to inform you that you have been funded for the IDEA/ARP 611 Local Assistance Entitlements grant to support the expense of educating identified students with disabilities.  This award is made contingent upon the availability of funds. If the Legislature takes action to reduce or defer the funding upon which this award is based, then this award will be amended accordingly.  Please return the original, signed Grant Award Notification (form AO-400) to:  California Department of Education Emily Bunnell, Education Programs Consultant 1430 N Street, Room 2401 Sacramento, CA 95814-5901						
<b>California Department of Education Contact</b> Emily Bunnell, Special Education Division				<b>Job Title</b> Education Programs Consultant		
<b>E-mail Address</b> <a href="mailto:EBunnell@cde.ca.gov">EBunnell@cde.ca.gov</a>				<b>Telephone</b> 916-327-3536		
<b>Signature of the State Superintendent of Public Instruction or Designee</b> 				<b>Date</b> February 11, 2022		
<b>CERTIFICATION OF ACCEPTANCE OF GRANT REQUIREMENTS</b>						
<i>On behalf of the grantee named above, I accept this grant award. I have read the applicable certifications, assurances, terms, and conditions identified on the grant application (for grants with an application process) or in this document or both; and I agree to comply with all requirements as a condition of funding.</i>						
<b>Printed Name of Authorized Agent</b> Rose Ramos				<b>Title</b> Chief Business Officer		
<b>E-mail Address</b> <a href="mailto:rose-f-ramos@scusd.edu">rose-f-ramos@scusd.edu</a>				<b>Telephone</b> 916-643-9055		
<b>Signature</b> 				<b>Date</b> 3/29/22		

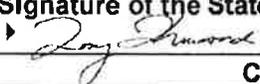
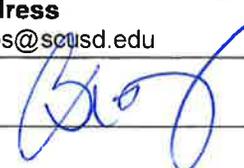
**Grant Award Notification**

<b>GRANTEE NAME AND ADDRESS</b> Sacramento City Unified School District PO Box 246870 Sacramento, CA 95824-6870			<b>CDE GRANT NUMBER</b>			
			<b>FY</b>	<b>PCA</b>	<b>Vendor Number</b>	<b>Suffix</b>
			21	15639	67439	01
<b>Attention</b> Jorge Aguilar, Superintendent			<b>STANDARDIZED ACCOUNT CODE STRUCTURE</b>		<b>COUNTY</b>	
<b>Program Office</b> Sacramento City Unified SELPA, 3412			<b>Resource Code</b>	<b>Revenue Object Code</b>	34	
<b>Telephone</b> 916-643-9000			3308	8182	<b>INDEX</b>	
<b>Name of Grant Program</b> 2021-22 IDEA/ARP 619 Federal Preschool Programs Grant					0663	
<b>GRANT DETAILS</b>	<b>Original/Prior Amendments</b>	<b>Amendment Amount</b>	<b>Total</b>	<b>Amend. No.</b>	<b>Award Starting Date</b>	<b>Award Ending Date</b>
	\$162,317		\$162,317		07/01/2021	09/30/2023
<b>CFDA Number</b>	<b>Federal Grant Number</b>	<b>Federal Grant Name</b>			<b>Federal Agency</b>	
84.173X	H173X210120	Individuals with Disabilities Education Act/American Rescue Plan Act of 2021 Part B, Section 619			United States Department of Education	
<p>I am pleased to inform you that you have been funded for the Individuals with Disabilities Education Act/American Rescue Plan (IDEA/ARP) 619 Federal Preschool Programs Grant.</p> <p>This award is made contingent upon the availability of funds. If the Legislature takes action to reduce or defer the funding upon which this award is based, then this award will be amended accordingly.</p> <p>Please return the original Grant Award Notification form (AO-400) with original signature to:</p> <p style="text-align: center;">California Department of Education          Emily Bunnell, Education Programs Consultant          1430 N Street, Room 2401          Sacramento, CA 95814-5901</p>						
<b>California Department of Education Contact</b> Emily Bunnell, Special Education Division				<b>Job Title</b> Education Programs Consultant		
<b>Email Address</b> <a href="mailto:EBunnell@cde.ca.gov">EBunnell@cde.ca.gov</a>					<b>Telephone</b> 916-327-3536	
<b>Signature of the State Superintendent of Public Instruction or Designee</b> 					<b>Date</b> February 3, 2022	
<b>CERTIFICATION OF ACCEPTANCE OF GRANT REQUIREMENTS</b>						
<i>On behalf of the grantee named above, I accept this grant award. I have read the applicable certifications, assurances, terms, and conditions identified on the grant application (for grants with an application process) or in this document or both; and I agree to comply with all requirements as a condition of funding.</i>						
<b>Printed Name of Authorized Agent</b> Rose Ramos				<b>Title</b> Chief Business Officer		
<b>Email Address</b> <a href="mailto:rose-f-ramos@scusd.edu">rose-f-ramos@scusd.edu</a>					<b>Telephone</b> 916-643-9055	
<b>Signature</b> 					<b>Date</b> 3/25/22	

**Grant Award Notification**

<b>GRANTEE NAME AND ADDRESS</b> Sacramento City Unified School District PO Box 246870 Sacramento, CA 95824-6870			<b>CDE GRANT NUMBER</b>			
			<b>FY</b>	<b>PCA</b>	<b>Vendor Number</b>	<b>Suffix</b>
			21	13693	67439	01
<b>Attention</b> Jorge Aguilar, Superintendent			<b>STANDARDIZED ACCOUNT CODE STRUCTURE</b>			<b>COUNTY</b>
<b>Program Office</b> Sacramento City Unified School District			<b>Resource Code</b>	<b>Revenue Object Code</b>	34	
<b>Telephone</b> 916-643-9000			3386	8182	<b>INDEX</b>	
<b>Name of Grant Program</b> 2021–22 Supporting Inclusive Practices					0663	
<b>GRANT DETAILS</b>	<b>Original/Prior Amendments</b>	<b>Amendment Amount</b>	<b>Total</b>	<b>Amend. No.</b>	<b>Award Starting Date</b>	<b>Award Ending Date</b>
	\$15,000		\$15,000		07/01/2021	09/30/2023
<b>CFDA Number</b>	<b>Federal Grant Number</b>	<b>Federal Grant Name</b>			<b>Federal Agency</b>	
84.027A	H027A210116	Individuals with Disabilities Education Act Part B, Section 611			United States Department of Education	
<p>I am pleased to inform you that you have been funded for the Supporting Inclusive Practices grant. Funds will be used to support districts to increase access to and achievement in general education environment for students with disabilities.</p> <p>This award is made contingent upon the availability of funds. If the Legislature takes action to reduce or defer the funding upon which this award is based, then this award will be amended accordingly.</p> <p>Please return the original, signed Grant Award Notification (AO-400) to:</p> <p style="text-align: center;">Nellie Amaro, Associate Governmental Program Analyst                  California Department of Education                  1430 N Street, Room 2401                  Sacramento, CA 95814-5901</p> <p>Please also scan and email a copy of the signed Grant Award Notification to <a href="mailto:NAmaro@cde.ca.gov">NAmaro@cde.ca.gov</a>.</p>						
<b>California Department of Education Contact</b> Erin Rodrigues, Special Education Division				<b>Job Title</b> Education Programs Consultant		
<b>E-mail Address</b> <a href="mailto:ERodrigues@cde.ca.gov">ERodrigues@cde.ca.gov</a>					<b>Telephone</b> 916-455-4559	
<b>Signature of the State Superintendent of Public Instruction or Designee</b> 					<b>Date</b> December 6, 2021	
<b>CERTIFICATION OF ACCEPTANCE OF GRANT REQUIREMENTS</b>						
<i>On behalf of the grantee named above, I accept this grant award. I have read the applicable certifications, assurances, terms, and conditions identified on the grant application (for grants with an application process) or in this document or both; and I agree to comply with all requirements as a condition of funding.</i>						
<b>Printed Name of Authorized Agent</b> Rose Ramos				<b>Title</b> Chief Business Officer		
<b>E-mail Address</b> rose-f-ramos@sc0sd.edu					<b>Telephone</b> 916-643-9055	
<b>Signature</b> 					<b>Date</b> 3/25/22	

**Grant Award Notification**

<b>GRANTEE NAME AND ADDRESS</b> Jorge Aguilar, Superintendent Sacramento City Unified PO Box 246870 Sacramento, CA 95824-6870			<b>CDE GRANT NUMBER</b>			
			<b>FY</b>	<b>PCA</b>	<b>Vendor Number</b>	<b>Suffix</b>
			21	15649	67439	EZ
<b>Attention</b> Expanded Learning Programs Coordinator			<b>STANDARDIZED ACCOUNT CODE STRUCTURE</b>			<b>COUNTY</b>
<b>Program Office</b> Expanded Learning Office			<b>Resource Code</b>	<b>Revenue Object Code</b>	34	
<b>Telephone</b> 916-643-9000			3226	8290	<b>INDEX</b>	
<b>Name of Grant Program</b> After School Education and Safety Program					0150	
<b>GRANT DETAILS</b>	<b>Original/Prior Amendments</b>	<b>Amendment Amount</b>	<b>Total</b>	<b>Amend. No.</b>	<b>Award Starting Date</b>	<b>Award Ending Date</b>
	\$9,160,217.43		\$9,160,217.43		07/01/2021	12/31/2022
<b>CFDA Number</b>	<b>Federal Grant Number</b>	<b>Federal Grant Name</b>			<b>Federal Agency</b>	
<p>I am pleased to inform you that you have been funded for the After School Education and Safety Program.</p> <p>This award is made contingent upon the availability of funds. If the Legislature takes action to reduce or defer the funding upon which this award is based, then this award will be amended accordingly.</p> <p>Please email the original, signed Grant Award Notification (AO-400) to:</p> <p style="text-align: center;">Raquel Monteiro at <a href="mailto:rmonteiro@cde.ca.gov">rmonteiro@cde.ca.gov</a>                  California Department of Education                  1430 N Street, Suite 3400                  Sacramento, CA 95814-5901</p>						
<b>California Department of Education Contact</b> Raquel Monteiro				<b>Job Title</b> Associate Governmental Program Analyst		
<b>E-mail Address</b> <a href="mailto:rmonteiro@cde.ca.gov">rmonteiro@cde.ca.gov</a>				<b>Telephone</b> 916-319-0540		
<b>Signature of the State Superintendent of Public Instruction or Designee</b> 				<b>Date</b> February 23, 2022		
<b>CERTIFICATION OF ACCEPTANCE OF GRANT REQUIREMENTS</b>						
<p><i>On behalf of the grantee named above, I accept this grant award. I have read the applicable certifications, assurances, terms, and conditions identified on the grant application (for grants with an application process) or in this document or both; and I agree to comply with all requirements as a condition of funding.</i></p>						
<b>Printed Name of Authorized Agent</b> Rose Ramos				<b>Title</b> Chief Business Officer		
<b>E-mail Address</b> <a href="mailto:rose-f-ramos@scusd.edu">rose-f-ramos@scusd.edu</a>				<b>Telephone</b> 916-643-9055		
<b>Signature</b> 				<b>Date</b> 3/24/22		

**Grant Award Notification**

<b>GRANTEE NAME AND ADDRESS</b> Jorge Aguilar, Superintendent Sacramento City Unified PO Box 246870 Sacramento, CA 95824-6870	<b>CDE GRANT NUMBER</b>			
	<b>FY</b>	<b>PCA</b>	<b>Vendor Number</b>	<b>Suffix</b>
	21	15651	67439	0A
<b>Attention</b> Expanded Learning Programs Coordinator	<b>STANDARDIZED ACCOUNT CODE STRUCTURE</b>		<b>COUNTY</b>	
<b>Program Office</b> Expanded Learning Office	<b>Resource Code</b>	<b>Revenue Object Code</b>	34	
<b>Telephone</b> (916) 643-9000	3227	8290	<b>INDEX</b>	
<b>Name of Grant Program</b> 21 <sup>st</sup> Century Community Learning Centers (CCLC)—Core			0150	

<b>GRANT DETAILS</b>	<b>Original/Prior Amendments</b>	<b>Amendment Amount</b>	<b>Total</b>	<b>Amend. No.</b>	<b>Award Starting Date</b>	<b>Award Ending Date</b>
	\$225,940.50		\$225,940.50		07/1/2021	12/31/2022
<b>CFDA Number</b>	<b>Federal Grant Number</b>	<b>Federal Grant Name</b>		<b>Federal Agency</b>		
84.287C	S287C210005	21st Century Community Learning Centers Program		U.S. Dept. of Education		

I am pleased to inform you that you have been funded for the 21<sup>st</sup> CCLC Program Grant—Core.

This award is made contingent upon the availability of funds. If the Legislature takes action to reduce or defer the funding upon which this award is based, then this award will be amended accordingly. The grant is from July 1, 2017, through December 31, 2022. The grant may be reviewed after one year based on the federal allocation. Grant Award Notifications are sent annually.

Please email the original, signed Grant Award Notification to:

Raquel Monteiro at [rmonteiro@cde.ca.gov](mailto:rmonteiro@cde.ca.gov)  
 California Department of Education  
 1430 N Street, Room 3400  
 Sacramento, CA 95814-5901

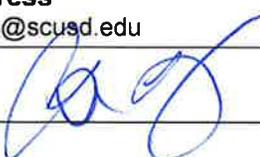
<b>California Department of Education Contact</b> Raquel Monteiro	<b>Job Title</b> Associate Governmental Program Analyst
<b>E-mail Address</b> <a href="mailto:rmonteiro@cde.ca.gov">rmonteiro@cde.ca.gov</a>	<b>Telephone</b> 916-319-0540
<b>Signature of the State Superintendent of Public Instruction or Designee</b> 	<b>Date</b> March 1, 2022

**CERTIFICATION OF ACCEPTANCE OF GRANT REQUIREMENTS**

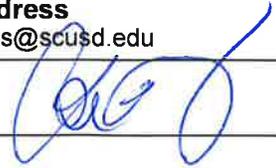
*On behalf of the grantee named above, I accept this grant award. I have read the applicable certifications, assurances, terms, and conditions identified on the grant application (for grants with an application process) or in this document or both; and I agree to comply with all requirements as a condition of funding.*

<b>Printed Name of Authorized Agent</b> Rose Ramos	<b>Title</b> Chief Business Officer
<b>E-mail Address</b> <a href="mailto:rose-f-ramos@scusd.edu">rose-f-ramos@scusd.edu</a>	<b>Telephone</b> 916-643-9055
<b>Signature</b> 	<b>Date</b> 3/24/22

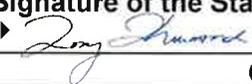
**Grant Award Notification**

<b>GRANTEE NAME AND ADDRESS</b> Jorge Aguilar, Superintendent Sacramento City Unified PO Box 246870 Sacramento, CA 95824-6870			<b>CDE GRANT NUMBER</b>			
			<b>FY</b>	<b>PCA</b>	<b>Vendor Number</b>	<b>Suffix</b>
			21	14349	67439	1A
<b>Attention</b> Expanded Learning Programs Coordinator			<b>STANDARDIZED ACCOUNT CODE STRUCTURE</b>		<b>COUNTY</b>	
<b>Program Office</b> Expanded Learning Office			<b>Resource Code</b>	<b>Revenue Object Code</b>	34	
<b>Telephone</b> (916) 643-9000			4124	8290	<b>INDEX</b>	
<b>Name of Grant Program</b> 21 <sup>st</sup> Century Community Learning Centers (CCLC)—Core					0150	
<b>GRANT DETAILS</b>	<b>Original/Prior Amendments</b>	<b>Amendment Amount</b>	<b>Total</b>	<b>Amend. No.</b>	<b>Award Starting Date</b>	<b>Award Ending Date</b>
	\$594,366.00		\$594,366.00		07/1/2021	12/31/2022
<b>CFDA Number</b>	<b>Federal Grant Number</b>	<b>Federal Grant Name</b>			<b>Federal Agency</b>	
84.287C	S287C210005	21st Century Community Learning Centers Program			U.S. Dept. of Education	
<p>I am pleased to inform you that you have been funded for the 21<sup>st</sup> CCLC Program Grant—Core.</p> <p>This award is made contingent upon the availability of funds. If the Legislature takes action to reduce or defer the funding upon which this award is based, then this award will be amended accordingly. The grant is from July 01, 2018, through June 30, 2023. The grant may be reviewed after one year based on the federal allocation. Grant Award Notifications are sent annually.</p> <p>Please email the original, signed Grant Award Notification to:</p> <p style="text-align: center;">Raquel Monteiro at <a href="mailto:rmonteiro@cde.ca.gov">rmonteiro@cde.ca.gov</a>          California Department of Education          1430 N Street, Room 3400          Sacramento, CA 95814-5901</p>						
<b>California Department of Education Contact</b> Raquel Monteiro				<b>Job Title</b> Associate Governmental Program Analyst		
<b>E-mail Address</b> <a href="mailto:rmonteiro@cde.ca.gov">rmonteiro@cde.ca.gov</a>				<b>Telephone</b> 916-319-0540		
<b>Signature of the State Superintendent of Public Instruction or Designee</b> 				<b>Date</b> March 1, 2022		
<b>CERTIFICATION OF ACCEPTANCE OF GRANT REQUIREMENTS</b>						
<i>On behalf of the grantee named above, I accept this grant award. I have read the applicable certifications, assurances, terms, and conditions identified on the grant application (for grants with an application process) or in this document or both; and I agree to comply with all requirements as a condition of funding.</i>						
<b>Printed Name of Authorized Agent</b> Rose Ramos				<b>Title</b> Chief Business Officer		
<b>E-mail Address</b> <a href="mailto:rose-f-ramos@scusd.edu">rose-f-ramos@scusd.edu</a>				<b>Telephone</b> 916-643-9055		
<b>Signature</b> 				<b>Date</b> 3/24/22		

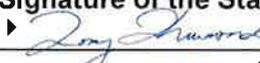
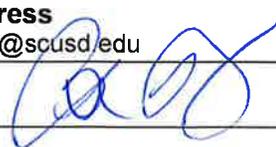
**Grant Award Notification**

<b>GRANTEE NAME AND ADDRESS</b> Jorge Aguilar, Superintendent Sacramento City Unified PO Box 246870 Sacramento, CA 95824-6870				<b>CDE GRANT NUMBER</b>			
				<b>FY</b>	<b>PCA</b>	<b>Vendor Number</b>	<b>Suffix</b>
				21	14535	67439	1A
<b>Attention</b> Expanded Learning Programs Coordinator				<b>STANDARDIZED ACCOUNT CODE STRUCTURE</b>		<b>COUNTY</b>	
<b>Program Office</b> Expanded Learning Office				<b>Resource Code</b>	<b>Revenue Object Code</b>	34	
<b>Telephone</b> (916) 643-9000				4124	8290	<b>INDEX</b>	
<b>Name of Grant Program</b> 21st Century High School After School Safety and Enrichment for Teens (ASSETs)—Core						0150	
<b>GRANT DETAILS</b>	<b>Original/Prior Amendments</b>	<b>Amendment Amount</b>	<b>Total</b>	<b>Amend. No.</b>	<b>Award Starting Date</b>	<b>Award Ending Date</b>	
	\$992,550.00		\$992,550.00		07/1/2021	12/31/2022	
<b>CFDA Number</b>	<b>Federal Grant Number</b>	<b>Grant Name</b>			<b>Federal Agency</b>		
84.287C	S287C210005	21st Century Community Learning Centers Program			U.S. Dept. of Education		
I am pleased to inform you that you have been funded for the 21st Century High School ASSETs—Core Program grant.  This award is made contingent upon the availability of funds. If the Legislature takes action to reduce or defer the funding upon which this award is based, then this award will be amended accordingly. The grant is from July 01, 2018, through June 30, 2023. The grant may be reviewed after one year based on the federal allocation. Grant Award Notifications are sent annually.  Please email the signed Grant Award Notification to:  <div style="text-align: center;">                     Raquel Monteiro at <a href="mailto:rmonteiro@cde.ca.gov">rmonteiro@cde.ca.gov</a>                      California Department of Education                      1430 N Street, Room 3400                      Sacramento, CA 95814-5901                 </div>							
<b>California Department of Education Contact</b> Raquel Monteiro				<b>Job Title</b> Associate Governmental Program Analyst			
<b>E-mail Address</b> <a href="mailto:rmonteiro@cde.ca.gov">rmonteiro@cde.ca.gov</a>					<b>Telephone</b> 916-319-0540		
<b>Signature of the State Superintendent of Public Instruction or Designee</b> 					<b>Date</b> March 3, 2022		
<b>CERTIFICATION OF ACCEPTANCE OF GRANT REQUIREMENTS</b>							
<i>On behalf of the grantee named above, I accept this grant award. I have read the applicable certifications, assurances, terms, and conditions identified on the grant application (for grants with an application process) or in this document or both; and I agree to comply with all requirements as a condition of funding.</i>							
<b>Printed Name of Authorized Agent</b> Rose Ramos				<b>Title</b> Chief Business Officer			
<b>E-mail Address</b> <a href="mailto:rose-f-ramos@scusd.edu">rose-f-ramos@scusd.edu</a>					<b>Telephone</b> 916-643-9055		
<b>Signature</b> 					<b>Date</b> 3/24/22		

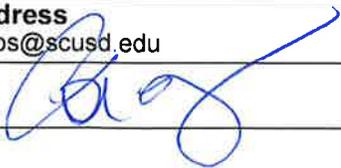
**Grant Award Notification**

<b>GRANTEE NAME AND ADDRESS</b> Jorge Aguilar, Superintendent Sacramento City Unified PO Box 246870 Sacramento, CA 95824-6870				<b>CDE GRANT NUMBER</b>			
				<b>FY</b>	<b>PCA</b>	<b>Vendor Number</b>	<b>Suffix</b>
				21	14535	67439	2A
<b>Attention</b> Expanded Learning Programs Coordinator				<b>STANDARDIZED ACCOUNT CODE STRUCTURE</b>		<b>COUNTY</b>	
<b>Program Office</b> Expanded Learning Office				<b>Resource Code</b>	<b>Revenue Object Code</b>	34	
<b>Telephone</b> (916) 643-9000				4124	8290	<b>INDEX</b>	
<b>Name of Grant Program</b> 21st Century High School After School Safety and Enrichment for Teens (ASSETs)—Core						0150	
<b>GRANT DETAILS</b>	<b>Original/Prior Amendments</b>	<b>Amendment Amount</b>	<b>Total</b>	<b>Amend. No.</b>	<b>Award Starting Date</b>	<b>Award Ending Date</b>	
	\$509,000.00		\$509,000.00		07/1/2021	12/31/2022	
<b>CFDA Number</b>	<b>Federal Grant Number</b>	<b>Grant Name</b>			<b>Federal Agency</b>		
84.287C	S287C210005	21st Century Community Learning Centers Program			U.S. Dept. of Education		
I am pleased to inform you that you have been funded for the 21st Century High School ASSETs—Core Program grant.  This award is made contingent upon the availability of funds. If the Legislature takes action to reduce or defer the funding upon which this award is based, then this award will be amended accordingly. The grant is from July 01, 2019, through June 30, 2024. The grant may be reviewed after one year based on the federal allocation. Grant Award Notifications are sent annually.  Please email the signed Grant Award Notification to:  <div style="text-align: center;">                     Raquel Monteiro at <a href="mailto:rmonteiro@cde.ca.gov">rmonteiro@cde.ca.gov</a>                      California Department of Education                      1430 N Street, Room 3400                      Sacramento, CA 95814-5901                 </div>							
<b>California Department of Education Contact</b> Raquel Monteiro				<b>Job Title</b> Associate Governmental Program Analyst			
<b>E-mail Address</b> <a href="mailto:rmonteiro@cde.ca.gov">rmonteiro@cde.ca.gov</a>					<b>Telephone</b> 916-319-0540		
<b>Signature of the State Superintendent of Public Instruction or Designee</b> 					<b>Date</b> March 3, 2022		
<b>CERTIFICATION OF ACCEPTANCE OF GRANT REQUIREMENTS</b>							
<i>On behalf of the grantee named above, I accept this grant award. I have read the applicable certifications, assurances, terms, and conditions identified on the grant application (for grants with an application process) or in this document or both; and I agree to comply with all requirements as a condition of funding.</i>							
<b>Printed Name of Authorized Agent</b> Rose Ramos				<b>Title</b> Chief Business Officer			
<b>E-mail Address</b> <a href="mailto:rose-f-ramos@scusd.edu">rose-f-ramos@scusd.edu</a>					<b>Telephone</b> 916-643-9055		
<b>Signature</b> 					<b>Date</b> 3/24/22		

**Grant Award Notification**

<b>GRANTEE NAME AND ADDRESS</b> Jorge Aguilar, Superintendent Sacramento City Unified PO Box 246870 Sacramento, CA 95824-6870			<b>CDE GRANT NUMBER</b>			
			<b>FY</b>	<b>PCA</b>	<b>Vendor Number</b>	<b>Suffix</b>
			21	14603	67439	2A
<b>Attention</b> Expanded Learning Programs Coordinator			<b>STANDARDIZED ACCOUNT CODE STRUCTURE</b>		<b>COUNTY</b>	
<b>Program Office</b> Expanded Learning Office			<b>Resource Code</b>	<b>Revenue Object Code</b>	34	
<b>Telephone</b> (916) 643-9000			4124	8290	<b>INDEX</b>	
<b>Name of Grant Program</b> 21st Century High School After School Safety and Enrichment for Teens—Equitable Access					0150	
<b>GRANT DETAILS</b>	<b>Original/Prior Amendments</b>	<b>Amendment Amount</b>	<b>Total</b>	<b>Amend. No.</b>	<b>Award Starting Date</b>	<b>Award Ending Date</b>
	\$25,000.00		\$25,000.00		07/1/2021	12/31/2022
<b>CFDA Number</b>	<b>Federal Grant Number</b>	<b>Federal Grant Name</b>			<b>Federal Agency</b>	
84.287C	S287C210005	21st Century Community Learning Centers Program			U.S. Dept. of Education	
I am pleased to inform you that you have been funded for the 21 <sup>st</sup> Century High School After School Safety and Enrichment for Teens (ASSETs) Program Grant—Equitable Access. This award is made contingent upon the availability of funds. If the Legislature takes an action to reduce or defer the funding upon which this award is based, then this award will be amended accordingly. The grant is from July 01, 2019, through June 30, 2024. The grant may be reviewed after one year based on the federal allocation. Grant Award Notifications are sent annually. Please sign and email the Grant Award Notification to: <div style="text-align: center;">                     Raquel Monteiro at <a href="mailto:rmonteiro@cde.ca.gov">rmonteiro@cde.ca.gov</a>                      California Department of Education                      1430 N Street, Room 3400                      Sacramento, CA 95814-5901                 </div>						
<b>California Department of Education Contact</b> Raquel Monteiro			<b>Job Title</b> Associate Governmental Program Analyst			
<b>E-mail Address</b> <a href="mailto:rmonteiro@cde.ca.gov">rmonteiro@cde.ca.gov</a>				<b>Telephone</b> 916-319-0540		
<b>Signature of the State Superintendent of Public Instruction or Designee</b> 				<b>Date</b> March 3, 2022		
<b>CERTIFICATION OF ACCEPTANCE OF GRANT REQUIREMENTS</b>						
<i>On behalf of the grantee named above, I accept this grant award. I have read the applicable certifications, assurances, terms, and conditions identified on the grant application (for grants with an application process) or in this document or both; and I agree to comply with all requirements as a condition of funding.</i>						
<b>Printed Name of Authorized Agent</b> Rose Ramos			<b>Title</b> Chief Business Officer			
<b>E-mail Address</b> <a href="mailto:rose-f-ramos@scusd.edu">rose-f-ramos@scusd.edu</a>				<b>Telephone</b> 916-643-9055		
<b>Signature</b> 				<b>Date</b> 3/24/22		

**Grant Award Notification**

<b>GRANTEE NAME AND ADDRESS</b> Jorge Aguilar, Superintendent Sacramento City Unified PO Box 246870 Sacramento, CA 95824-6870			<b>CDE GRANT NUMBER</b>			
			<b>FY</b>	<b>PCA</b>	<b>Vendor Number</b>	<b>Suffix</b>
<b>Attention</b> Expanded Learning Programs Coordinator			<b>STANDARDIZED ACCOUNT CODE STRUCTURE</b>		<b>COUNTY</b>	
			<b>Resource Code</b>	<b>Revenue Object Code</b>	34	
<b>Program Office</b> Expanded Learning Office			21	14603	67439	1A
<b>Telephone</b> (916) 643-9000			4124	8290	<b>INDEX</b>	
<b>Name of Grant Program</b> 21st Century High School After School Safety and Enrichment for Teens—Equitable Access					0150	
<b>GRANT DETAILS</b>	<b>Original/Prior Amendments</b>	<b>Amendment Amount</b>	<b>Total</b>	<b>Amend. No.</b>	<b>Award Starting Date</b>	<b>Award Ending Date</b>
	\$50,000.00		\$50,000.00		07/1/2021	12/31/2022
<b>CFDA Number</b>	<b>Federal Grant Number</b>	<b>Federal Grant Name</b>			<b>Federal Agency</b>	
84.287C	S287C210005	21st Century Community Learning Centers Program			U.S. Dept. of Education	
<p>I am pleased to inform you that you have been funded for the 21<sup>st</sup> Century High School After School Safety and Enrichment for Teens (ASSETs) Program Grant—Equitable Access.</p> <p>This award is made contingent upon the availability of funds. If the Legislature takes an action to reduce or defer the funding upon which this award is based, then this award will be amended accordingly. The grant is from July 01, 2018, through June 30, 2023. The grant may be reviewed after one year based on the federal allocation. Grant Award Notifications are sent annually.</p> <p>Please sign and email the Grant Award Notification to:</p> <p style="text-align: center;">Raquel Monteiro at <a href="mailto:rmonteiro@cde.ca.gov">rmonteiro@cde.ca.gov</a>          California Department of Education          1430 N Street, Room 3400          Sacramento, CA 95814-5901</p>						
<b>California Department of Education Contact</b> Raquel Monteiro			<b>Job Title</b> Associate Governmental Program Analyst			
<b>E-mail Address</b> <a href="mailto:rmonteiro@cde.ca.gov">rmonteiro@cde.ca.gov</a>				<b>Telephone</b> 916-319-0540		
<b>Signature of the State Superintendent of Public Instruction or Designee</b> 				<b>Date</b> March 3, 2022		
<b>CERTIFICATION OF ACCEPTANCE OF GRANT REQUIREMENTS</b>						
<i>On behalf of the grantee named above, I accept this grant award. I have read the applicable certifications, assurances, terms, and conditions identified on the grant application (for grants with an application process) or in this document or both; and I agree to comply with all requirements as a condition of funding.</i>						
<b>Printed Name of Authorized Agent</b> Rose Ramos			<b>Title</b> Chief Business Officer			
<b>E-mail Address</b> <a href="mailto:rose-f-ramos@scusd.edu">rose-f-ramos@scusd.edu</a>				<b>Telephone</b> 916-643-9055		
<b>Signature</b> 				<b>Date</b> 3/24/22		

### Grant Award Notification

<b>GRANTEE NAME AND ADDRESS</b> Jorge Aguilar, Superintendent Sacramento City Unified PO Box 246870 Sacramento, CA 95824-6870			<b>CDE GRANT NUMBER</b>			
			<b>FY</b>	<b>PCA</b>	<b>Vendor Number</b>	<b>Suffix</b>
			21	14765	67439	1A
<b>Attention</b> Expanded Learning Programs Coordinator			<b>STANDARDIZED ACCOUNT CODE STRUCTURE</b>			<b>COUNTY</b>
<b>Program Office</b> Expanded Learning Office			<b>Resource Code</b>	<b>Revenue Object Code</b>		34
<b>Telephone</b> (916) 643-9000			4124	8290		<b>INDEX</b>
<b>Name of Grant Program</b> 21 <sup>st</sup> Century Community Learning Centers (CCLC)—Equitable Access					0150	
<b>GRANT DETAILS</b>	<b>Original/Prior Amendments</b>	<b>Amendment Amount</b>	<b>Total</b>	<b>Amend. No.</b>	<b>Award Starting Date</b>	<b>Award Ending Date</b>
	\$25,000.00		\$25,000.00		07/11/2021	12/31/2022
<b>CFDA Number</b>	<b>Federal Grant Number</b>	<b>Federal Grant Name</b>			<b>Federal Agency</b>	
84.287C	S287C210005	21st Century Community Learning Centers Program			U.S. Dept. of Education	
I am pleased to inform you that you have been funded for the 21st CCLC Program Grant—Equitable Access.  This award is made contingent upon the availability of funds. If the Legislature takes action to reduce or defer the funding upon which this award is based, then this award will be amended accordingly. The grant is from July 01, 2018, through June 30, 2023. The grant may be reviewed after one year based on the federal allocation. Grant Award Notifications are sent annually.  Please email the signed Grant Award Notification to:  <div style="text-align: center;">                     Raquel Monteiro at <a href="mailto:rmonteiro@cde.ca.gov">rmonteiro@cde.ca.gov</a>                      California Department of Education                      1430 N Street, Room 3400                      Sacramento, CA 95814-5901                 </div>						
<b>California Department of Education Contact</b> Raquel Monteiro				<b>Job Title</b> Associate Governmental Program Analyst		
<b>E-mail Address</b> <a href="mailto:rmonteiro@cde.ca.gov">rmonteiro@cde.ca.gov</a>					<b>Telephone</b> 916-319-0540	
<b>Signature of the State Superintendent of Public Instruction or Designee</b> 					<b>Date</b> March 1, 2022	
<b>CERTIFICATION OF ACCEPTANCE OF GRANT REQUIREMENTS</b>						
<i>On behalf of the grantee named above, I accept this grant award. I have read the applicable certifications, assurances, terms, and conditions identified on the grant application (for grants with an application process) or in this document or both; and I agree to comply with all requirements as a condition of funding.</i>						
<b>Printed Name of Authorized Agent</b> Rose Ramos				<b>Title</b> Chief Business Officer		
<b>E-mail Address</b> <a href="mailto:rose-f-ramos@scusd.edu">rose-f-ramos@scusd.edu</a>					<b>Telephone</b> 916-643-9055	
<b>Signature</b> 					<b>Date</b> 3/24/22	



**Agreement for Construction Management Services**

**between**

**Sacramento City Unified School District**

**and**

**Vanir Construction Management, Inc.**

**Fern Bacon, Kit Carson, John Still, Albert Einstein,  
Leonardo da Vinci and Rosa Parks HVAC Replacement  
Projects**

**Dated: March 22, 2022**

## TABLE OF CONTENTS

ARTICLE 1.	Definitions.....	1
ARTICLE 2.	Term .....	3
ARTICLE 3.	Scope, Responsibilities and Services of CM .....	3
ARTICLE 4.	CM Staff .....	5
ARTICLE 5.	Schedule of Work.....	5
ARTICLE 6.	Construction Cost Budget .....	6
ARTICLE 7.	Fee and Method of Payment for Basic Services.....	7
ARTICLE 8.	Payment for Extra Services .....	7
ARTICLE 9.	Ownership of Data.....	8
ARTICLE 10.	Termination of Contract .....	8
ARTICLE 11.	Indemnity .....	10
ARTICLE 12.	Conduct on Project Site and Fingerprinting .....	10
ARTICLE 13.	Responsibilities of the District .....	11
ARTICLE 14.	Liability of District .....	11
ARTICLE 15.	Insurance .....	12
ARTICLE 16.	Nondiscrimination .....	15
ARTICLE 17.	Covenant Against Contingent Fees .....	16
ARTICLE 18.	Entire Agreement/Modification .....	16
ARTICLE 19.	Non-Assignment of Agreement.....	16
ARTICLE 20.	Law, Venue.....	16
ARTICLE 21.	Alternative Dispute Resolution .....	16
ARTICLE 22.	Tolling of Claims.....	17
ARTICLE 23.	Severability .....	17

ARTICLE 24.	Employment Status .....	17
ARTICLE 25.	Warranty of CM .....	18
ARTICLE 26.	Cost Disclosure - Documents and Written Reports .....	19
ARTICLE 27.	Communications / Notice.....	19
ARTICLE 28.	Disabled Veteran Business Enterprise Participation.....	19
ARTICLE 29.	District’s Right to Audit .....	19
ARTICLE 30.	Other Provisions .....	20
ARTICLE 31.	Exhibits.....	21

**EXHIBITS “A” – “F”**

## AGREEMENT FOR CONSTRUCTION MANAGEMENT SERVICES

This Agreement for Construction Management Services ("Agreement") is made as of March 1, 2022, between the Sacramento City Unified School District, a California public school district ("District"), and Vanir Construction Management, Inc. ("CM") (both collectively "Parties"), for the following project ("Project"):

The construction administration of the Fern Bacon, Kit Carson, John Still, Albert Einstein, Leonardo da Vinci and Rosa Parks HVAC Replacement Projects located at 4140 Cuny Avenue, 5301 N Street, 2250 John Still Drive, 9325 Mirandy Drive, 4701 Joaquin Way, and 2250 68<sup>th</sup> Avenue, Sacramento, CA, respectively.

See **Exhibit "A"** for detailed Project scope.

The Project may include multiple components. Any one of the components or combination thereof may be changed, including terminated, as indicated herein, without changing in any way the remaining component(s) or this Agreement. The provisions of this Agreement shall apply to each component without regard to the status of the remaining component(s). CM shall invoice for each component separately and District shall compensate CM for each component separately on a proportionate basis based on the level and scope of work completed for each component.

For and in consideration of the mutual covenants herein contained, the Parties hereto agree as follows:

### ARTICLE 1. Definitions

- 1.1 In addition to the definitions above, the following definitions for words or phrases shall apply when used in this Agreement, including all Exhibits:
  - 1.1.1 **Agreement:** The Agreement consists exclusively of this document and all identified exhibits attached and incorporated by reference.
  - 1.1.2 **Architect:** The architect(s) that the District designates as being the architect(s) for all or a portion of the Project, including all consultants to the Architect(s).
  - 1.1.3 **As-Built Drawings ("As-Built's"):** Any document prepared and submitted by District Contractor that details on a Conforming Set, the actual construction performed during the Project, including changes necessitated by Construction Change Documents and change orders, and detailed by the District's construction Contractor on a Conforming Set.
  - 1.1.4 **Board:** The District's Governing Board.
  - 1.1.5 **Conforming Set:** The plans, drawings, and specifications at the end of the Bidding Phase that incorporate all addenda, if any, issued during the Bidding Phase.
  - 1.1.6 **Construction Budget:** The total amount indicated by the District for the Project plus all other costs, including design, construction, administration, financing, and all other costs.

- 1.1.7 **Construction Change Documents (“CCD”)**: The documentation of changes to the DSA-approved construction documents.
- 1.1.8 **Construction Cost Budget**: The total cost to District of all elements of a Project designed or specified by the Architect, as adjusted during and at the end of the design phase in accordance with this Agreement and the Agreement for Architectural Services. The Construction Cost Budget does not include the compensation of the Project Design Team, the Program Manager, the CM and any subconsultants, the cost of the land, rights-of-way, or financing which are the responsibility of the District.
- 1.1.9 **Construction Manager**: The entity listed in the first paragraph of this Agreement.
- 1.1.10 **Consultant(s)**: Any and all consultant(s), sub-consultant(s), subcontractor(s), or agent(s) to the CM.
- 1.1.11 **Contractor**: One or more licensed and registered contractors under contract with the District for construction of all or a portion of the Project.
- 1.1.12 **Design Team**: The Architect(s) that the District designates as being the architect(s) for all or a portion of the Project, including all consultants to the Architect(s), plus all engineer(s) or other designer(s), who have a responsibility to the District to design all or a portion of the Project either directly or as a subconsultant or subcontractor. The term Design Team includes the Design Professional in General Responsible Charge on this Project.
- 1.1.13 **DIR**: California Department of Industrial Relations.
- 1.1.14 **District**: The Sacramento City Unified School District.
- 1.1.15 **District’s Representative**: The individual identified herein that is authorized to act on the District’s behalf with respect to the Project. The initial District’s Representative shall be Chris Ralston, Director of Facilities. District may change the District’s Representative by notice as set forth herein.
- 1.1.16 **DSA**: Division of the State Architect in the California Department of General Services.
- 1.1.17 **Extra Services**: District-authorized Services outside of the scope in **Exhibit “A”** or District-authorized reimbursables not included in CM’s fee.
- 1.1.18 **Fee**: The CM’s Fee is defined in Article 7 and payable as set forth in **Exhibit “D.”**

- 1.1.19 **Program Manager:** Any program manager hired to perform program management services for the District, including all Consultant(s) to the Program Manager.
- 1.1.20 **Project Inspector, Inspector of Record, IOR:** The agent of the DSA at the project site whose primary responsibility will be to insure that the project is constructed in compliance with current codes; DSA-approved plans and specifications relating to fire life safety, structure, and accessibility; and quality controls required of a public works facility. The IOR will report to both the DSA and the Architect.
- 1.1.21 **Record Drawings:** A final set of drawings prepared by the Architect incorporating all changes from all As-Builts, sketches, details, and clarifications.
- 1.1.22 **Service(s):** All labor, materials, supervision, services, tasks, and work that the CM is required to perform and that are required by, or reasonably inferred from, the Agreement, and that are necessary for the design and completion of the Project.

**ARTICLE 2. Term**

- 2.1 **Term:** This Agreement shall become effective upon final execution and, except as otherwise provided herein, will continue in effect until December 31, 2023.

**ARTICLE 3. Scope, Responsibilities and Services of CM**

- 3.1 **Scope:** CM shall provide the Services described herein and under **Exhibit "A"** for the Project.
- 3.2 **Standard of Care:** CM, its officers, agents, employees, subcontractors, Consultants and any persons or entities for whom CM is responsible, shall provide all Services pursuant to this Agreement in accordance with the requirements of this Agreement and in a manner consistent with the standard of care under California law applicable to those who specialize in providing the same services for projects of the type, scope, and complexity of the Project. The District's review, approval of, or payment for any of the Services required under this Agreement shall not be construed as assent that CM has complied, nor in any way relieve the CM of compliance, with (i) the applicable standard of care, or (ii) applicable statutes, regulations, rules, guidelines and requirements.
- 3.3 **Coordination:** In the performance of CM's services under this Agreement, CM agrees that it will maintain coordination with District-designated representatives as may be requested and desirable. This shall include, without limitation, coordination with all members of the District's Design Team, the Project Inspector, and the Program Manager.

- 3.4 **Other Consultants:** If the CM employs sub-consultant(s), the CM shall ensure that its contract(s) with its sub-consultant(s) include language incorporating the terms of this Agreement.
- 3.5 **CM's as District Representative:** CM will act as the District's agent to render the Services and furnish the work as described in **Exhibit "A,"** commencing with the receipt of a written Notice to Proceed signed by the District Representative. CM's services will be completed in accordance with the schedule attached as **Exhibit "C."** During the Project's Construction Phase, the District may require that the Contractors submit all notices and communication relating to the Project directly to the CM.
- 3.6 **Review of General Obligation Bond Program Report and District's Facilities Master Plan:** CM will review the District's Facilities Master Plan for the District and other written materials the District makes available by the District to CM to understand fully the nature, extent and intent of the Facilities Plan and the Project.
- 3.7 **Review of Measure H:** CM will review Measure H and other written materials made available by the District to CM that relate to Measure H to fully understand the extent of funding available to implement the District's Master Facilities Plan for the District, the anticipated schedule for issuance of Bonds under Measure H relative to the anticipated design, bidding and construction of projects.
- 3.8 **Expansion of Work based on Additional Funds:** Should the Board decide to expand the scope of the Project and/or supplement the Construction Budget based upon availability of additional funds, Construction Manager agrees to perform the additional scope of work under the fee and cost terms of this Agreement.
- 3.9 **Conflicts of Interest Prohibited:**
- 3.9.1 CM understands that District officials and employees are prohibited from involvement in decisions in which they may have a financial interest pursuant to Government Code sections 1090 and 87100 et seq., and certifies that it does not know of any facts indicating that any District official or employee has an ownership or other financial interest, direct or indirect, in this Agreement. Further, CM hereby certifies that no current District official or employee of the District, and no one who has been a District official or employee of the District within the past two years has participated in bidding, selling or promoting this Agreement. CM understands that in addition to the remedies available at law, that any failure to provide an accurate certification or any violation of this provision shall make the Agreement voidable by District.
- 3.9.2 CM shall not be permitted to submit proposals or otherwise seek contracts for the following services to be procured by the District in connection with any project covered by this Agreement: Design

Professional, IORs or Test/Inspection. If CM identifies potential Design Professionals, Project Inspectors or Test/Inspection services in connection with a project, CM shall affirmatively and unequivocally represent and warrant to the District that neither CM nor any person who holds equity interest in CM's organization is a former or current holder of any equity interest in the firm identified or has any financial interest in the firm identified. District reserves the sole discretion to waive this subsection's requirements on a case-by-case basis.

**ARTICLE 4. CM Staff**

- 4.1 The District selected CM to perform the Services because of the CM's skills and expertise of key personnel.
- 4.2 CM agrees that the following key personnel in CM's firm shall be associated with the Project and perform the Services in the following capacities:
  - Principal In Charge: Tom Tracy
  - Project Director: Jordi Rodriguez
  - Senior Project Manager Meridith Holloway
  - Construction Manager: TBD (Will determine prior to construction phase)
- 4.3 CM shall not change any of the key personnel listed above without the District's prior written approval, unless said personnel cease to be employed by CM. Regardless of the reason for the change in key personnel, District shall be allowed to interview and retains the right to approve replacement personnel.
- 4.4 If any designated lead or key person fails to perform to the satisfaction of the District, then upon the District's written notice, the CM will have seven (7) calendar days to remove that person from the Project and shall provide a replacement person acceptable to the District.
  - 4.4.1 All lead or key personnel for any Consultant must also be designated by the Consultant and are subject to all conditions stated in this Agreement.
- 4.5 CM represents that the Construction Manager has no existing interest and will not acquire any interest, direct or indirect, that could conflict in any manner or degree with the performance of Services required under this Agreement. CM agrees further that no person having any such interest shall be employed by CM.

**ARTICLE 5. Schedule of Work**

CM shall commence work under this Agreement upon receipt of a Notice to Proceed and shall prosecute the work diligently as described in **Exhibit "A"** so as to proceed

with and complete the Services in compliance with the schedule attached as **Exhibit "C."** Time is of the essence and failure of CM to perform work on time as specified in this Agreement is a material breach of this Agreement.

**ARTICLE 6. Construction Cost Budget**

- 6.1 CM shall have responsibility, along with the Architect, to develop, review, and reconcile the Construction Cost Budget per Project with the Architect and the District throughout the design process and construction.
- 6.2 The Construction Cost Budget shall be the total cost to District of all Project elements the Design Team designs or specifies.
- 6.3 CM shall work cooperatively with the Project Design Team throughout the Project, including but not limited to, the Schematic Design Phase, Design Development Phase, and Construction Documents Phase, as described in **Exhibit "A,"** so that the Project's construction cost as designed by the Project Design Team will not exceed the Construction Cost Budget, as may be adjusted subsequently with the District's written approval. CM shall notify the District if it believes the Project's construction cost of the work by the Project Design Team will exceed the Construction Cost Budget, and/or if it believes the construction cost as designed will exceed the Construction Cost Budget. CM, however, shall not perform or be responsible for any design or architectural services.
- 6.4 Evaluations of the District's Construction Budget, and CM's preliminary and detailed cost estimates, represent the CM's best judgment as a professional familiar with the construction industry.
- 6.5 If the Bidding Phase has not commenced within ninety (90) days after DSA approval of the plans and specifications, the Construction Cost Budget may be adjusted at District's request to reflect changes in the general level of prices in the construction industry between the date of submission of the Construction Documents to the District and the date on which proposals are sought.
- 6.6 The District may, in its sole discretion, do one, or a combination, of the following if any of the events in Article 6.7 occur:
  - 6.6.1 Give CM written approval of an agreed adjustment to the Construction Cost Budget.
  - 6.6.2 Authorize CM to re-negotiate and/or re-bid the Project, when appropriate, within three (3) months' time of receipt of bids, at no additional cost to the District (exclusive of District and other agencies' review time).
  - 6.6.3 Terminate this Agreement if the Project is abandoned by the District without further obligation by either party.
  - 6.6.4 Within three (3) months of receipt of bids, instruct Design Team to revise the drawings and specifications (in scope and quality as

approved by the District) to bring the Project within the Construction Cost Budget for re-bidding. CM will perform cost estimation, value engineering, constructability reviews, and/or bidding support at no additional cost to the District.

- 6.7 If any of the following events occur, the District may exercise any one, or any combination, of the actions set forth in Article 6.6 above:
- 6.7.1 The lowest responsive base bid received is five percent (5%) or more in excess of the Construction Cost Budget or
  - 6.7.2 The combined total of base bid and all additive alternates equal or exceed ten percent (10%) of the Construction Cost Budget; or
  - 6.7.3 The Construction Cost Budget increases in phases subsequent to the Schematic Design Phase due to reasonably foreseeable changes in the condition of the construction market in the Sacramento Area, in so far as these have not been caused by Acts of God, earthquakes, strikes, war, or energy shortages due to uncontrollable events in the world economy.

**ARTICLE 7. Fee and Method of Payment for Basic Services**

- 7.1 District shall pay CM an amount not to exceed One Million, One Hundred Three Thousand Nine Hundred Fifty-Two Dollars (\$1,103,952) for all services contracted for under this Agreement and based on the Fee Schedule set forth in **Exhibit D.**
- 7.2 District shall pay CM the Fee pursuant to the provisions herein and the method of payment set forth in **Exhibit "D."**
- 7.3 CM shall bill its work under this Agreement on an hourly basis in accordance with **Exhibit "D."**
- 7.4 No increase in fee will be due from change orders generated during the construction period to the extent caused by CM's error(s) or omission(s).
- 7.5 The CM's fee set forth in this Agreement shall be full compensation for all of CM's Services incurred in the performance hereof as indicated in **Exhibit "D,"** including, without limitation, all costs for personnel, travel within two hundred (200) miles of the Project location, offices, per diem expenses, printing, providing or shipping of deliverables in the quantities set forth in **Exhibit "A."**

**ARTICLE 8. Payment for Extra Services**

- 8.1 Any charges for Extra Services shall be paid by the District as described in **Exhibit "B"** at the rates set forth in **Exhibit "D"** only upon certification of the District's prior written authorization of the claimed Extra Services and the Extra Services have been satisfactorily completed.

- 8.2 CM shall submit to District a written proposal describing the proposed scope of services and listing the personnel, labor duration, rates, and cost. CM shall proceed with Extra Services only upon receiving the District's prior written authorization. CM will not be entitled to any compensation for Extra Services performed prior to receiving District's written authorization.
- 8.3 If CM performs any Extra Services without the District's authorized representative's prior written authorization, the District will not be obligated to pay for such Extra Services. The foregoing provision notwithstanding, CM will be paid by the District as described in **Exhibit "B"** for Extra Services the District's authorized representative verbally requests, provided CM confirms such request in writing pursuant to the notice requirements of this Agreement, and proceeds with such Extra Services not earlier than two (2) business days after the District receives CM's written confirmation of the request.

**ARTICLE 9. Ownership of Data**

- 9.1 All of CM's work product prepared or generated in connection with this Agreement is the District's property.
- 9.2 Upon the District's request, the CM shall make available to the District all work product completed or in progress at the time of such a request.
- 9.3 After Project completion or, if the District exercises the right to terminate this Agreement pursuant to the Agreement terms, CM shall assemble and deliver to District within five (5) calendar days of the District's written request, all of CM's work product of the generated, prepared, reviewed or compiled in connection with this Agreement and the Services and authorized Extra Services hereunder. This includes, without limitation, all CM generated documents, copies of all documents CM exchanged with or copied to or from all other Project participants, and all closeout documents. CM shall be index and organize appropriately said Project records for easy use by District personnel.
- 9.4 All Project records are District property, whether or not those records are in the CM's possession. District retains all rights to all copyrights, designs, and other intellectual property embodied in the plans, record drawings, specifications, estimates, and other documents that CM or its Consultants prepare or cause to be prepared pursuant to this Agreement. Notwithstanding the preceding sentence, CM and its Consultants shall be entitled to reuse work product generated under this Agreement.

**ARTICLE 10. Termination of Contract**

- 10.1 District's Request for Assurances: If District at any time reasonably believes CM is or may be in default under this Agreement, District may in its sole discretion notify CM of this fact and request written assurances from CM of performance of Services and a written plan from CM to remedy any potential default under the terms this Agreement that the District may advise CM of in writing. CM shall, within ten (10) calendar days of District's request, deliver a written cure plan that meets the District's requirements in its request for assurances. CM's

failure to provide such written assurances of performance and the required written plan, within ten (10) calendar days of request, will constitute a material breach of this Agreement sufficient to justify termination for cause.

- 10.2 District's Termination of CM for Cause: If CM fails to perform CM's duties to the District's satisfaction, or if CM fails to fulfill in a timely and professional manner CM's material obligations under this Agreement, or if CM violates any of the material terms or provisions of this Agreement, the District shall have the right to terminate this Agreement effective immediately upon the District giving CM written notice thereof. In the event of a termination pursuant to this subdivision, CM may invoice District for all work performed until the notice of termination, but District shall have the right to withhold payment and deduct any amounts equal to the District's costs because of CM's actions, errors, or omissions.
- 10.3 District's Termination of CM for Convenience: District shall have the right in its sole discretion to terminate this Agreement for its own convenience. In the event of a termination for convenience, CM may invoice District and District shall pay all undisputed invoice(s) for work performed until the notice of termination. This shall be the only amount(s) potentially owing to CM if there is a termination for convenience.
- 10.4 CM's Termination of Agreement for Cause: CM has the right to terminate this Agreement if the District does not fulfill its material obligations under this Agreement and fails to cure such material default within sixty (60) days of receipt of written notice of said defaults, or if the default cannot be cured within sixty (60) days, commence to cure such default, diligently pursue such cure, and complete the cure within a reasonable time following written notice and demand from CM. Such termination shall be effective after receipt of written notice from CM to the District.
- 10.5 Effect on Pre-Termination Services: Except as indicated in this Article, termination shall have no effect upon any of the rights and obligations of the Parties arising out of any transaction occurring prior to the effective date of such termination.
- 10.6 Ceasing Services upon Termination: If, at any time in the progress of performing Services under this Agreement, the District determines that CM's Services should be terminated, the CM, upon the District's written notice of such termination, shall immediately cease providing Services, except to transfer files as directed by the District. The District shall pay CM only the fee associated with the Services provided and approved by District since the last paid invoice and up to the notice of termination.
- 10.7 Project Suspension: If the Project is suspended by the District for more than one hundred and eighty (180) consecutive days, the CM shall be compensated for services performed prior to notice of such suspension. When the Project is resumed, the schedule shall be adjusted and the CM's compensation shall be equitably adjusted to provide for expenses incurred in the resumption of the

CM's Services. CM shall make every effort to maintain the same Project personnel after suspension.

**ARTICLE 11. Indemnity**

- 11.1 To the furthest extent permitted by California law, CM shall indemnify and hold free and harmless the District, its Governing Board, agents, representatives, officers, consultants, employees, trustees, and volunteers ("the Indemnified Parties") from any and all claims, demands, causes of action, costs, expenses, liability, loss, damage or injury of any kind, in law or equity ("Claim") that arise out of, pertain to, or relate to the negligence, recklessness, or willful misconduct of the CM, its officers, employees, subcontractors, consultants, or agents, including without limitation, the payment of all consequential damages. CM shall also, to the furthest extent permitted by California law, defend the Indemnified Parties at CM's own expense, including attorneys' fees and costs, from any and all Claim(s) and allegations relating thereto with counsel approved by District where such approval is not to be unreasonably withheld.
- 11.2 CM shall pay and satisfy any judgment, award, or decree that may be rendered against the Indemnified Parties in any Claim. CM's obligation pursuant to Article 11.1 includes reimbursing the District for the cost of any settlement paid by the Indemnified Parties and for any and all fees and costs, including but not limited to, legal fees and costs, expert witness fees, and consultant fees, incurred by the Indemnified Parties in the defense of any Claim(s), or to enforce the indemnity herein. CM's obligation to indemnify shall not be restricted to insurance proceeds.
- 11.3 District may withhold from amounts owing to CM any and all costs that arise out of, pertain to, or relate to the negligence, recklessness, or willful misconduct of the CM.

**ARTICLE 12. Conduct on Project Site and Fingerprinting**

- 12.1 Unacceptable and/or loud language will not be tolerated. "Cat calls" or other derogatory language toward students or public will not be allowed.
- 12.2 Drugs, alcohol, and smoking on District property are strictly prohibited. No drugs, alcohol and/or smoking are allowed at any time in any building and/or grounds on District's property. No students, staff, visitors or contractors are to use drugs on District's property.
- 12.3 Pursuant to Education Code section 45125.2, the District has determined on the basis of the scope of Services in this Agreement that CM and its subcontractors and employees will have only limited contact with pupils. CM will promptly notify the District in writing of any facts or circumstances which might reasonably lead the District to determine that contact will be more than limited. Should there be more than limited contact, CM shall comply with the provisions of Education Code section 45125.1 regarding the submission of employee fingerprints to the California Department of Justice and the

completion of criminal background investigations of its employees. CM shall not permit any employee to have any contact with District pupils until such time as the CM has verified in writing to the governing board of the District that the employee has not been convicted of a felony, as defined in Education Code section 45122.1. CM's responsibility shall extend to all employees, agents, and employees or agents of its Consultants regardless of whether those individuals are paid or unpaid, concurrently employed by the District, or acting as CM's independent contractors. CM shall provide to District verification of compliance with this section by submitting an executed Criminal Background Investigation Certification (**Exhibit "E"**).

- 12.4 For all workers on District property, CM shall comply with all applicable federal, state and local laws regarding COVID-19, including but not limited to the CDPH's State Public Health Officer Orders. CM shall provide to District verification of compliance with this section by submitting an executed COVID-19 Vaccination/Testing Certification (**Exhibit "F"**).

### **ARTICLE 13. Responsibilities of the District**

- 13.1 The District shall examine the documents submitted by the CM and shall render decisions so as to avoid unreasonable delay in the process of the CM's Services.
- 13.2 The District shall provide to the CM as complete information as is available to District regarding the District's Project requirements.
- 13.3 The District shall retain design professional(s) whose services, duties and responsibilities will be described in written agreement(s) between the District and design professional(s).
- 13.4 Unless the contract documents require that Contractor provide any of the following, the District shall, in a timely manner, and with CM's assistance, secure, submit and pay for necessary approvals, easements, assessments, permits and charges required for the construction, use, or occupancy of permanent structures or for permanent changes in existing facilities, subject to CM's and/or the Design Team's duties to recommend or provide same.
- 13.5 The District, its representatives, and consultants shall communicate with the Contractor either directly or through the CM.
- 13.6 The District shall designate an officer, employee and/or other authorized representatives to act on the District's behalf with respect to the Project. The District's Project representative shall be available during working hours and as often as may be required to render decisions and to furnish information in a timely manner.

### **ARTICLE 14. Liability of District**

- 14.1 Other than as provided in this Agreement, District's obligations under this Agreement shall be limited to the payment of the compensation as provided in this Agreement. Notwithstanding any other provision of this Agreement, in

no event shall District be liable, regardless of whether any claim is based on contract or tort, for any special, consequential, indirect or incidental damages, including but not limited to, lost profits or revenue, arising out of or in connection with this Agreement for the services performed in connection with this Agreement.

- 14.2 CM shall pay to District any and all costs incurred by District, or for which District may become liable, to the extent caused by negligent delays, acts, or omissions of CM in its performance of its Services.
- 14.3 District shall not be responsible for any damage to persons or property as a result of the use, misuse or failure of any equipment used by CM, or by its employees, even though such equipment be furnished or loaned to CM by District.
- 14.4 CM hereby waives any and all claim(s) for recovery from the District under this Agreement, which loss or damage is covered by valid and collectible insurance policies. CM agrees to have its required insurance policies endorsed to prevent the invalidation of insurance coverages by reason of this waiver. This waiver shall extend to claims paid, or expenses incurred, by CM's insurance company on the District's behalf.

**ARTICLE 15. Insurance**

- 15.1 CM shall procure, prior to commencement of Services, and will maintain for the duration of the Agreement insurance against claims for injuries to persons or damages to property which may arise from or in connection with the performance of the work hereunder by the CM, their agents, representatives, employees and sub-consultant(s). CM's liabilities, including but not limited to, CM's indemnity or defense obligations under this Agreement, shall not be deemed limited in any way to the insurance coverage required herein. Maintenance of specified insurance coverage is a material element of this Agreement and CM's failure to maintain or renew coverage or to provide evidence of renewal during the term of this Agreement, as required or when requested, may be treated by the District, subject to its sole discretion, as a material breach of contract.
- 15.2 **Minimum Scope and Limits of Insurance:** Coverage shall be at least as broad as the following scopes and limits:
  - 15.2.1 **Commercial General Liability.** Two million dollars (\$2,000,000) per occurrence for bodily injury, personal injury, property damage, death, advertising injury, and medical payments arising from the performance of any portion of the Services. If Commercial General Liability or other form with a general aggregate limit is used, either the general aggregate limit shall apply separately to this Project/location or the general aggregate limit shall be twice the required occurrence limit.

- 15.2.2 **Commercial Automobile Liability, Any Auto.** One million dollars (\$1,000,000) per occurrence.
- 15.2.3 **Workers' Compensation.** Statutory limits required by the State of California. For all of the CM's employees who are subject to this Agreement and to the extent required by the applicable state or federal law, CM shall keep in full force and effect, a Workers' Compensation policy. CM shall provide an endorsement that the insurer waives the right of subrogation against the District and its respective elected officials, officers, employees, agents, representatives, consultants, trustees, and volunteers.
- 15.2.4 **Employer's Liability.** One million dollars (\$1,000,000) per accident for bodily injury or disease. For all of the CM's employees who are subject to this Agreement, CM shall keep in full force and effect, an Employers' Liability policy. That policy shall provide employers' liability coverage with minimum liability coverage of Two million dollars (\$2,000,000) per occurrence. CM shall provide an endorsement that the insurer waives the right of subrogation against the District and its respective elected officials, officers, employees, agents, representatives, consultants, trustees, and volunteers.
- 15.2.5 **Professional Liability.** This insurance shall cover the CM and its sub-consultant(s), if any, for one million dollars (\$1,000,000) aggregate limit subject to no claim deductible, coverage to continue through completion of construction plus two years thereafter. The policy must contain terms or endorsements extending coverage that requires the insurer to defend and indemnify for acts which happen before the effective date of the policy provided the claim is first made during the policy period.
- 15.3 The District reserves the right to modify the limits and coverages described herein, with appropriate credits or charges to be negotiated for such changes.
- 15.4 **Deductibles and Self-Insured Retention:** Any deductibles or self-insured retention exceeding Twenty-Five Thousand Dollars (\$25,000) must be declared to and approved by the District. At the option of the District, either:
  - 15.4.1 The District can accept the higher deductible;
  - 15.4.2 CM's insurer shall reduce or eliminate such deductibles or self-insured retention as respects the District, its officers, officials, employees and volunteers; or
  - 15.4.3 CM shall procure a bond guaranteeing payment of losses and related investigations, claim administration and defense expenses.
- 15.5 **Other Insurance Provisions:** The general liability and automobile liability policies are to contain, or be endorsed to contain, the following provisions:

- 15.5.1 All policies except for the worker's compensation, employer's liability and professional liability insurance policy shall be written on an occurrence form.
- 15.5.2 The District, its representatives, consultants, trustees, officers, officials, employees, agents, and volunteers ("Additional Insureds") are to be covered as additional insureds as respects liability arising out of activities performed by or on behalf of the CM; Instruments of Service and completed operations of the CM; premises owned, occupied or used by the CM; or automobiles owned, leased, hired or borrowed by the CM. The coverage shall contain no special limitations on the scope of protection afforded to the Additional Insureds. All endorsements shall waive any right to subrogation against any of the Additional Insureds.
- 15.5.3 Any failure to comply with reporting or other provisions of the policies including breaches of warranties shall not affect coverage provided to the Additional Insureds.
- 15.5.4 CM shall pay all insurance premiums, including any charges for required waivers of subrogation or the endorsement of additional insureds. If CM fails to maintain insurance, District may take out comparable insurance, and deduct and retain amount of premium from any sums due CM under the Agreement.
- 15.5.5 The CM's insurance shall apply separately to each insured against whom claim is made or suit is brought, except with respect to the limits of the insurer's liability.
- 15.5.6 Each insurance policy required by this clause shall be endorsed to state that coverage shall not be canceled, not renewed, or material change in coverage except after thirty (30) days prior written notice by certified mail, return receipt requested, has been given to the District.
- 15.5.7 CM's insurance coverage shall be primary and non-contributory insurance as respects the Additional Insureds with respect to any claims related to, arising out of, or connected with the Project. Any insurance or self-insurance maintained by the Additional Insureds shall be in excess of the CM's insurance and shall not contribute with it.
- 15.5.8 Construction Manager shall provide an endorsement that the insurer waives the right of subrogation against the District and its respective elected officials, officers, employees, agents, representatives, consultants, trustees, and volunteers.
- 15.5.9 CM shall require all subconsultants to maintain the level of insurance CM deems appropriate with respect to the consultant's scope of the Work unless otherwise indicated in the Agreement.

CM shall cause the subconsultants to furnish proof thereof to District within ten (10) days of District's request. Should CM not require subconsultants to provide the same level of insurance as is required of CM, as provided in this Agreement, CM is not relieved of its indemnity obligations to District or fulfilling its insurance requirements as provided in this Agreement.

15.5.10 If CM normally carries insurance in an amount greater than the minimum amounts required herein, that greater amount shall become the minimum required amount of insurance for purposes of the Agreement. Therefore, CM hereby acknowledges and agrees that all insurance carried by it shall be deemed liability coverage for all actions it performs in connection with the Agreement.

15.6 **Acceptability of Insurers:** Insurance is to be placed with insurers admitted in California with a current A.M. Best's rating of no less than A:VII. CM shall inform the District in writing if any of its insurer(s) have an A.M. Best's rating less than A:VII. At the option of the District, the District may either:

15.6.1 Accept the lower rating; or

15.6.2 Require CM to procure insurance from another insurer.

15.7 **Verification of Coverage:** Prior to commencing with its provision of Services under this Agreement, but no later than three (3) calendar after the Notice of Award, CM shall furnish the District with:

15.7.1 Certificates of insurance showing maintenance of the required insurance coverage;

15.7.2 Original endorsements affecting coverage. The endorsements are to be signed by a person authorized by that insurer to bind coverage on its behalf. All endorsements are to be received and approved by the District before work commences.

15.8 **Copy of Insurance Policy(ies):** Upon the District's request, CM will furnish District with a copy of all insurance policies related to its provision of Services under this Agreement.

## **ARTICLE 16. Nondiscrimination**

CM agrees to comply with the provisions of the California Fair Employment and Housing Act as set forth in part 2.8 of division 3 of the California Government Code, commencing at section 12900; the Federal Civil Rights Act of 1964, as set forth in Public Law 88-352, and all amendments thereto; Executive Order 11246; and all administrative rules and regulations found to be applicable to Consultant and all of its subcontractors. In addition, Consultant agrees to require like compliance by all of its subcontractor(s).

**ARTICLE 17. Covenant Against Contingent Fees**

CM warrants that it has not employed or retained any company or person, other than a bona fide employee working solely for the CM, to solicit or secure this Agreement, and that it has not paid or agreed to pay any company or person, other than a bona fide employee working solely for the CM, any fee, commission, percentage, brokerage fee, gift, or any other consideration contingent on or resulting from the award or making of this Agreement. For breach or violation of this warranty, the District shall have the right to annul this Agreement without liability, or in its discretion, to deduct from the contract price or consideration or otherwise recover the full amount of such fee, commission, percentage fee, gift, or contingency.

**ARTICLE 18. Entire Agreement/Modification**

This Agreement, including the Exhibits hereto, supersedes all previous contracts and constitutes the entire understanding of the Parties hereto. CM shall be entitled to no benefit other than those specified herein. No changes, amendments or alterations shall be effective unless in writing and signed by both Parties. CM specifically acknowledges that in entering into this Agreement, CM relies solely upon the provisions contained in this Agreement and no others.

**ARTICLE 19. Non-Assignment of Agreement**

This Agreement is intended to secure the CM's specialized services. CM may not assign, transfer, delegate or sublet any interest therein without the District's prior written consent. Any assignment, transfer, delegation or sublease without the District's prior written consent shall be considered null and void.

**ARTICLE 20. Law, Venue**

- 20.1 This Agreement has been executed and delivered in the State of California and the validity, enforceability and interpretation of any of the clauses of this Agreement shall be determined and governed by the laws of the State of California.
- 20.2 To the fullest extent permitted by California law, Sacramento County shall be the venue for any action or proceeding that may be brought or arise out of, in connection with or by reason of this Agreement.

**ARTICLE 21. Alternative Dispute Resolution**

- 21.1 All claims, disputes or controversies arising out of, or in relation to the interpretation, application or enforcement of this Agreement may be decided through mediation as the first method of resolution. Notice of the demand for mediation of a dispute shall be filed in writing with the other party to the Agreement. The demand for mediation shall be made within a reasonable time after written notice of the dispute has been provided to the other party, but in no case longer than ninety (90) days after initial written notice.
- 21.2 If a claim, or any portion thereof, remains in dispute upon satisfaction of all applicable dispute resolution requirements, the Consultant shall comply with

all claims presentation requirements as provided in Chapter 1 (commencing with section 900) and Chapter 2 (commencing with section 910) of Part 3 of Division 3.6 of Title 1 of Government Code as a condition precedent to the Consultant's right to bring a civil action against the District. For purposes of those provisions, the running of the time within which a claim must be presented to the District shall be tolled from the time the Consultant submits its written claim until the time the claim is denied, including any time utilized by any applicable meet and confer process.

- 21.3 Notwithstanding any disputes, claims or other disagreements between the CM and the District, CM shall continue to provide and perform Services hereunder pending a subsequent resolution of such disputes.

**ARTICLE 22. Tolling of Claims**

CM agrees to toll all statutes of limitations for District's assertion of claims against CM that arise out of, pertain to, or relate to Contractors' or subcontractors' claims against District involving CM's work, until the Contractors' or subcontractors' claims are finally resolved.

**ARTICLE 23. Severability**

If any term, covenant, condition or provision of this Agreement is held by a court of competent jurisdiction to be invalid, void or unenforceable, the remainder of the provisions hereof shall remain in full force and effect and shall in no way be affected, impaired or invalidated thereby.

**ARTICLE 24. Employment Status**

- 24.1 CM shall, during the entire term of Agreement, be construed to be an independent contractor and nothing in this Agreement is intended nor shall it be construed to create an employer-employee relationship, a joint venture relationship, or to allow District to exercise discretion or control over the professional manner in which CM performs the Services which are the subject matter of this Agreement; provided always, however, that the Services to be provided by CM shall be provided in a manner consistent with all applicable standards and regulations governing such Services.
- 24.2 CM understands and agrees that CM's personnel are not and will not be eligible for: membership in, or to receive any benefits from, any District group plan for hospital, surgical or medical insurance; membership in any District retirement program; paid vacation, paid sick leave or other leave, with or without pay; or any other benefits which accrue to a District employee.
- 24.3 Should District, in its discretion, or a relevant taxing authority such as the Internal Revenue Service or the State Employment Development Department, or both, determine that CM or any employee of CM is an employee of District for purposes of collection of any employment taxes, the amounts payable under this Agreement shall be reduced by amounts equal to both the employee and employer portions of the tax due (and offsetting any credits for

amounts already paid by CM which can be applied against this liability). District shall then forward those amounts to the relevant taxing authority.

- 24.4 Should a relevant taxing authority determine a liability for past services performed by CM for District, upon notification of such fact by District, CM shall promptly remit the amount due or arrange with District to have the amount due withheld from future payments to CM under this Agreement (again, offsetting any amounts already paid by CM which can be applied as a credit against that liability).
- 24.5 A determination of employment status pursuant to the preceding two paragraphs shall be solely for the purposes of the particular tax in question, and for all other purposes of this Agreement, CM shall not be considered an employee of District. Notwithstanding the foregoing, should any court, arbitrator, or administrative authority determine CM is an employee for any other purpose, then CM agrees to a reduction in District's liability resulting from this Agreement pursuant to principles similar to those stated in the foregoing paragraphs so that the total expenses of District under this Agreement shall not be greater than they would have been had the court, arbitrator, or administrative authority determined CM was not an employee.
- 24.6 Nothing in this Agreement shall operate to confer rights or benefits on persons or entities not a party to this Agreement.

**ARTICLE 25. Warranty of CM**

- 25.1 CM warrants that CM is properly licensed and/or certified under the laws and regulations of the State of California to provide the Services that it has herein agreed to perform. CM further warrants that all of the work CM performs under this Agreement shall comply with all applicable laws, rules, regulations and codes of the United States and the State of California. CM also warrants that it shall comply with all applicable ordinances, regulations, and resolutions of Sacramento County.
- 25.2 CM certifies that it is aware of the provisions of the California Labor Code of the State of California, requiring every employer to be insured against liability for workers compensation or to undertake self-insurance in accordance with the provisions of that code, and it certifies that, if applicable, it will comply with those provisions before commencing the performance of the work of this Agreement.
- 25.3 To the extent that the work performed under this contract is subject to labor compliance and enforcement by the DIR, CM specifically acknowledges and understands that it shall perform the Services while complying with all applicable provisions of Division 2, Part 7, Chapter 1 of the Labor Code and Title 8 of the California Code of Regulations, including all applicable prevailing wage requirements.

**ARTICLE 26. Cost Disclosure - Documents and Written Reports**

CM shall be responsible for compliance with California Government Code section 7550, if the total cost of the Agreement is over five thousand dollars (\$5,000).

**ARTICLE 27. Communications / Notice**

Notices and communications between the Parties to this Agreement may be sent to the following addresses by registered or certified mail with postage prepaid, return receipt requested, by overnight delivery service, or by personal delivery:

**District:**

Sacramento City Unified School District  
5735 47th Avenue  
Sacramento, CA 95824  
ATTN: Contracts Office

**CM:**

Vanir Construction Management, Inc.  
4540 Duckhorn Dr Ste 300  
Sacramento, CA 95834  
ATTN: Tom Tracy, Principal-in-Charge

If notice is given by registered or certified mail with postage prepaid, return receipt requested, it shall be considered delivered on the day the notice is signed for. If notice is given by overnight delivery service, it shall be considered delivered on the date stated in the proof of delivery.

CM and District, by notice given hereunder, may designate different addresses to which subsequent notices, certificates or other communications will be sent.

**ARTICLE 28. [RESERVED]**

**ARTICLE 29. District's Right to Audit**

- 29.1 District retains the right to review and audit, and the reasonable right of access to CM's and any Consultant's premises to review and audit the CM's compliance with the provisions of this Agreement ("District's Right"). The District's Right includes the right to inspect, photocopy, and to retain copies, outside of CM's premises, of any and all Project-related records and other information with appropriate safeguards, if such retention is deemed necessary by the District in its sole discretion. The District shall keep this information confidential, as allowed by applicable law.
- 29.2 The District's Right includes the right to examine any and all books, records, documents and any other evidence of procedures and practices that the District determines is necessary to discover and verify whether CM is in compliance with all requirements of this Agreement.
- 29.3 If there is a claim for additional compensation or for Extra Services, the District's Right includes the right to examine books, records, documents, and any and all other evidence and accounting procedures and practices that the District determines is necessary to discover and verify all direct and indirect costs, of whatever nature, which are claimed to have been incurred, or anticipated to be incurred.

- 29.4 CM shall maintain complete and accurate records in accordance with generally accepted accounting practices in the industry. CM shall make available to the District for review and audit all Project-related accounting records and documents and any other financial data. Upon District's request, CM shall submit exact duplicates of originals of all requested records to the District.
- 29.5 CM shall include audit provisions in any and all of its subcontracts, and shall ensure that these sections are binding upon all Consultants.
- 29.6 CM shall comply with these provisions within fifteen (15) days of the District's written request to review and audit any or all of CM's Project-related records and information.

**ARTICLE 30. Other Provisions**

- 30.1 CM shall be responsible for the cost of construction change orders caused directly by CM's willful misconduct or negligent acts, errors or omissions. Without limiting CM's liability for indirect or consequential cost impacts, the direct costs for which CM shall be liable shall equal its proportionate share of the difference between the cost of the change order and the reasonable cost of the work had such work been a part of the originally prepared Construction Documents. These amounts shall be paid by CM to District or the District may withhold those costs from amounts due or to become due to CM.
- 30.2 Neither the District's review, approval of, nor payment for, any of the Services required under this Agreement shall be construed to operate as a waiver of any rights under this Agreement, and CM shall remain liable to the District in accordance with this Agreement for all damages to the District caused by CM's failure to perform any of the Services furnished under this Agreement to the standard of care of the CM for its Services, which shall be, at a minimum, the standard of care of construction managers performing similar work for California public school districts at or around the same time and in or around the same geographic area of the District.
- 30.3 CM shall share, credit, or reimburse District fifty percent (50%) of the amount of any tax deduction and/or credit CM receives for District Projects under the Commercial Buildings Energy-Efficiency Tax Deduction, 26 U.S. Code § 179D ("Section 179D"). CM shall provide District with all necessary documentation to enable District to verify the amounts of the Section 179D tax deduction. CM shall notify District in writing of the Section 179D tax deduction within 30 days of when CM receives IRS notice of the Section 179D tax deduction or receives the Section 179D tax refund, whichever occurs first.
- 30.4 Each party warrants that it has had the opportunity to consult counsel and understands the terms of this Agreement and the consequences of executing it. In addition, each party acknowledges that the drafting of this Agreement was the product of negotiation, that no party is the author of this Agreement, and that this Agreement shall not be construed against any party as the drafter of the Agreement.

30.5 The individual executing this Agreement on behalf of CM warrants and represents that she/he is authorized to execute this Agreement and bind the CM to all terms hereof.

30.6 This Agreement may be executed in one or more counterparts, each of which shall be deemed an original. A facsimile or electronic signature shall be deemed to be the equivalent of the actual original signature. All counterparts so executed shall constitute one Agreement binding all the Parties hereto.

**ARTICLE 31. Exhibits.**

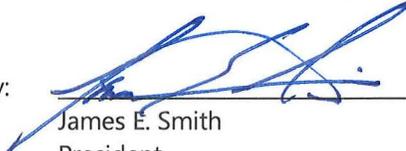
Exhibits "A" through "F" attached hereto are hereby incorporated by this reference and made a part of this Agreement.

IN WITNESS WHEREOF, the parties hereto have executed this Agreement on the date(s) indicated below.

**SACRAMENTO CITY UNIFIED SCHOOL DISTRICT**

**VANIR CONSTRUCTION MANAGEMENT, INC.**

By: \_\_\_\_\_  
Rose Ramos  
Chief Business Officer

By:   
James E. Smith  
President

Date: \_\_\_\_\_

Date: MARCH 30, 2022

**EXHIBIT "A"**

**RESPONSIBILITIES AND SERVICES OF CONSTRUCTION MANAGER**

	<b><u>Page</u></b>
1. BASIC SERVICES.....	1
2. GENERAL PROJECT SERVICES .....	4
3. PRECONSTRUCTION PHASE.....	5
4. PRE-BID PHASE.....	7
5. BIDDING PHASE .....	7
6. CONSTRUCTION PHASE .....	8
7. PROJECT COMPLETION .....	11
8. FINAL DOCUMENTS.....	12

## EXHIBIT "A"

### **RESPONSIBILITIES AND SERVICES OF CONSTRUCTION MANAGER**

As applicable to the specific scope and phase of each specific project, Construction Manager ("CM") may be asked to provide professional services necessary for completing the following:

#### **1. BASIC SERVICES**

- 1.1. Provide work which shall comply with professional standards and applicable requirements of federal, state, and local law.
- 1.2. Monitor and advise the District as to all material developments in the Project. Maintain reporting systems for scope, sequencing, scheduling, budgets and communication for the Project using existing District software.
- 1.3. Be the focal point of all communication to and from construction Contractor(s).
- 1.4. Implement methods to budget and track all expenditures on the Project. CM shall generate monthly reports to the District reflecting this information.
- 1.5. Prepare methods to track and report on schedule status for the Project. CM shall develop master schedules and milestone schedules for the Project, and shall report on same each month to the District.
- 1.6. CM shall work cooperatively with District to anticipate and maintain a schedule of upcoming Board information and action items and shall prepare reports, background materials, and preliminary materials in District-specified format.
- 1.7. CM shall work cooperatively with the Design Team and the District to:
  - 1.7.1. Define and schedule the Project.
  - 1.7.2. Provide Services that will result in the development of an overall Project strategy with regard to phases, construction schedules, timing, budget, prequalification, contactor and consultant procurement, construction materials, building systems, and equipment.
- 1.8. Organize an initial planning workshop to create baseline parameters for the Project(s), to define overall building requirements, Project(s) strategy, conceptual budget and schedule. Pursuant to understandings reached at these meetings, CM will develop an implementation plan that identifies the various phases of the Project(s), coordination among phases, and budget and time constraints for each phase of the Project. The plan will include a detailed strategy, Project Budget and Project schedule as well as identification of critical events and milestone activities.
- 1.9. Perform constructability reviews, determine construction feasibility, availability of materials and labor, time requirements for installation and construction, and factors related to cost, including costs of alternative designs, of materials, preliminary budgets, and possible economies.

- 1.10. Interface with the Contractor and all subcontractors during construction to ensure that the District is provided with an acceptable Project and the best value for taxpayer dollars.
- 1.11. Advise the District as to the regulatory agencies that have jurisdiction over any portion or all of the Project, and as to coordination with and implementation of the requirements of the regulatory agencies, including without limitation DSA.
- 1.12. Contract for or employ, at CM's expense, sub-consultant(s) to the extent deemed necessary for CM's services. Nothing in the foregoing shall create any contractual relationship between the District and any sub-consultant(s) employed by the CM under terms of this Agreement.
- 1.13. Cooperate with the District, Board, and other professionals employed by the District for the design, coordination or management of other work related to the Project, including District staff and consultants, project manager(s), citizens' oversight committee, other District committees, and the community to facilitate the timely completion of the Project within Board-approved budgets and to District design standards.
- 1.14. Chair, conduct and take minutes of periodic meetings between District and its design professional(s), the Site Committee meetings, and construction meetings during the course of the Project. CM shall invite the District and/or its representative and the Project Inspector to participate in these meetings. CM shall keep meeting minutes to document comments generated in these meetings.
- 1.15. Develop for District approval a Project time schedule at the start of Project development that does the following:
  - 1.15.1. Provides sufficient time for prequalification, and if necessary the resolution of any appeals, bidding, and, if necessary, rebidding, or negotiating if applicable, the Project;
  - 1.15.2. Coordinates and integrates the design professional(s)' design efforts with bidding schedules;
  - 1.15.3. Includes realistic activity sequences and durations, allocation of labor and materials and delivery of products requiring long lead-time procurement; and
  - 1.15.4. Takes into account the District's occupancy requirements (showing portions of the Project having occupancy priority and ongoing operational occupancy requirements).
- 1.16. Be responsible for the professional quality and technical accuracy of all cost estimates, constructability reviews, studies, reports, projections, opinions of the probable cost of construction, and other services furnished by CM under this Agreement as well as coordination with all Master Plans, studies, reports and other information provided by District to CM. CM shall, without additional compensation, correct or revise any errors or omissions in materials it generates.
- 1.17. Maintain a log of all meetings, site visits or discussions held in conjunction with the work of the Project, with documentation of major discussion points, observations, decisions,

questions or comments. These shall be furnished to the District and/or its representative for inclusion in the overall Project documentation.

- 1.18. Coordinate transmittal of documents to regulatory agencies for review and advise the District of potential problems in completion of such reviews.
- 1.19. Prepare a bidders list for each bid package for approval by the District.
- 1.20. Assistance with administration of the prequalification process;
- 1.21. Assistance in development of documents necessary or appropriate for bidding the Construction Contract for the Project;
- 1.22. Development of bidders' interest in a Project, including but not limited to telephonic and correspondence campaigns and preparing and placing notices and advertisements to solicit bids for the Project(s);
- 1.23. Assistance in conducting job walks and bidders' conferences and the maintenance and preparation of minutes of job walks or bidder's conferences;
- 1.24. Assistance in responding to bidders' inquiries and the development of bid addenda as necessary or appropriate;
- 1.25. Review of bid proposals for responsiveness to bid requirements, evaluation of bidder responsibility, and analysis of completed questionnaires;
- 1.26. Interviewing possible bidders, references, bonding agents and financial institutions;
- 1.27. Preparing recommendations for the District for pre-qualification of prospective bidders;
- 1.28. Tabulations and evaluation of bid results along with a recommendation for award of the Construction Contract for a Project;
- 1.29. Assisting with resolution of any appeals;
- 1.30. For Lease Leaseback projects, coordinate Request for Qualifications/Proposals ("RFP") process and assist in negotiation of agreements, including, Site Lease and Facilities Lease with guaranteed maximum price; and
- 1.31. Preparation of agenda items for Board approval.
- 1.32. Provide documentation, pictures, and other information and assistance to the District for the District's use on a website for public access to show Project status.
- 1.33. Provide direction and planning to ensure Project adherence to applicable environmental requirements, such as those emanating from the Environmental Protection Agency ("EPA"), Cal/EPA, the California Environmental Quality Act ("CEQA"), and State of California laws, regulations and rules. CM shall comply with, and ensure that all Consultants, all Contractors and their subcontractors and design professionals and their subconsultants comply with, any storm water pollution prevention plans, other storm water management program and other environmental impact mitigation requirements that are approved by the District and applicable to the Project, at no additional cost to the District.

- 1.34. Cooperate and implement District's reporting to and interface with the Labor Commissioner's Office, including but not limited to:
  - 1.34.1. Registering public works project with the Department of Industrial Relations (DIR) within thirty (30) days of the award, but in no event later than the first day in which a contractor has workers employed upon the public work;
  - 1.34.2. Requiring proof of public works contractor registration before accepting a bid or awarding a contract; and
  - 1.34.3. Reporting any suspected public works violations to the Labor Commissioner.
- 1.35. CM shall maintain accurate Project cost accounting records maintained with generally accepted accounting principles ("GAAP") on authorized work performed under unit costs, actual costs for labor and material, or other basis for maintaining required accounting records. CM shall provide accounting records to the District on a monthly basis, or as reasonably requested by District. CM shall afford the District access to these records and preserve these records for a period of three (3) years after final payment, at no cost to the District.
- 1.36. Assist Architect with the preparation of an estimate of costs for all addenda and coordinate with Architect to submit the estimate to the District for approval. Assist and coordinate with Architect as required to adjust the Construction Cost Budget and other Project costs as indicated in this Agreement and as required in the Agreement for Architectural Services.
- 1.37. Provide and maintain a management presence on the Project site.
- 1.38. CM is **NOT** responsible for:
  - 1.38.1. Ground contamination or hazardous material analysis.
  - 1.38.2. Any asbestos testing, design or abatement; however, it shall coordinate and integrate its work with any such information provided by District.
  - 1.38.3. Compliance with the California Environmental Quality Act ("CEQA"), except that CM agrees to coordinate its work with that of any CEQA consultants retained by the District, and the work of Contractor and the Design Team to provide current information for use in CEQA compliance documents and to identify and carry out mitigation measures.
  - 1.38.4. Historical significance report.
  - 1.38.5. Soils investigation.
  - 1.38.6. Geotechnical hazard report.
  - 1.38.7. Topographic survey, including utility locating services.

## 2. GENERAL PROJECT SERVICES

- 2.1 **General:** Monitor and advise the District and Program Manager as to all material developments on the Project. CM shall implement with District approval reporting methods developed by Program Manager for schedules, cost and budget status. The CM shall be

the focal point of all communication to and from construction Contractor and shall be copied on all communications between the District and its Design Team.

- 2.2 **Scheduling:** Track and report on schedule status for Project. The CM shall develop Project master schedules and milestone schedules, and review and approve Contractor project schedules and milestone schedules for the project per specifications, and shall report on same each month to the District and Program Manager.
- 2.3 **Cost Controls:** Implement methods to track construction expenditures on the Project using methods developed by Program Manager. The CM shall generate monthly reports to the District reflecting this information.

### 3. PRECONSTRUCTION PHASE

- 3.1 To the extent requested by District or Program Manager, assist with providing overall coordination of the Project; serve as the focal point of communication, transmitting information to the District and Design Team on general aspects of the Project, including planning, scheduling, cost management, progress reporting, design review, dispute resolution, and documentation. Communications from the construction Contractor to the District and Design Team shall be through the CM. The CM shall receive simultaneous copies of all written communications from the District or the Design Team to the construction Contractor.
- 3.2 To the extent requested by District or Program Manager, assist with the detailed definition of project scope, budget, and schedule, as needed. Review and reconcile cost estimates from the assigned architect and coordinate peer review estimates when requested by the District. Advise the District regarding owner-supplied equipment and other potential cost-saving measures.
- 3.3 To the extent requested by District or Program Manager, assist the District in the solicitation and retention of design and engineering consultants, and coordinate design consultants' activities and delivery schedules, as needed. Provide value engineering and life cycle cost analysis.
- 3.4 Provide design-phase services in conjunction with the architecture firms awarded the Project by the District. Work with the Architect to conform and refine designs to correlate designs to budget and Facilities Master Plan, if applicable. Review design documents for constructability, scheduling, consistency, and coordination during schematic and design development phases of work. Perform constructability reviews at appropriate stages of design. Assist with verification of site conditions. Expedite design reviews, including modifications. Keep accurate documentation of all discussions with users regarding scope and resolution.
- 3.5 Prepare and maintain a Construction Management schedule for the Project. Prepare a procurement plan and move in occupancy planning, where required.
- 3.6 To the extent requested by District or Program Manager, assist with monitoring and reporting to the District on status of design and state approval in relation to the schedule for the Project. Attend meetings to coordinate design efforts for the Project. Assist in identifying and obtaining all necessary approvals.

- 3.7 To the extent requested by District or Program Manager, assist with soliciting proposals, evaluate, and recommend other professional consultants needed to complete the Project.
- 3.8 Implement District-approved implementation procedures, forms and reporting requirements for the Project that involve all members of the Project team, including the District, Design Team, and construction Contractor.
- 3.9 Work with the Design Team and District to develop the final sizes, choice of materials, services and utilities and other detailed design and performance criteria of the Project.
- 3.10 To the extent requested by District or Program Manager, provide value engineering at the Schematic Design and/or 100% Design Development Phase. This evaluation will consist of a review of the proposed materials, equipment, systems and other items depicted in the design documents and shall be coordinated with the District's design guidelines and design professional(s). The CM will prepare a value engineering report documenting the results of the evaluation and make recommendations to the District with respect to alternatives, deletions, or amendments of such proposed items that pertain to the anticipated construction costs, useful life, maintenance and operational costs and efficiencies. The CM shall provide to the District value engineering recommendations and cost/benefit analysis of those recommendations.
- 3.11 Perform or subcontract for constructability reviews of the Project at the Design Development Phase and at 90% of the Construction Documents Phase. The CM shall review the design documents for clarity, consistency, constructability and coordination. The results of the review shall be provided in writing and as notations on the documents to the District. The CM shall also make recommendations to the District with respect to constructability, construction cost, sequence of construction, and construction duration.
- 3.12 Develop master bid/award schedule(s) including construction milestones for the Project through the completion of construction, as directed by the District, in coordination with design professional(s) and advise and consult with the District. CM shall review and approve construction Contractor's schedules, but shall not dictate any construction Contractor's means and/or methods of performance.
- 3.13 Establish schedules for any Consultant, and for any hazardous materials or other testing, and review costs, estimates, and invoices of each.
- 3.14 Implement a management control system to support such functions as planning, organizing, scheduling, budgeting, reporting progress, and identifying and documenting problems and solutions for the Project. Prepare monthly progress reports for the District regarding the schedule for the Project.
- 3.15 To the extent requested by District or Program Manager, organize an initial planning workshop to create baseline parameters for the Project, to define overall building requirements, Project strategy, conceptual budget and schedule. Pursuant to understandings reached at these meetings, Construction Manager will develop an implementation plan that identifies the various phases of the Project, coordination among phases, and budget and time constraints for each phase of the Project. The plan will include a detailed strategy, master budget and master schedule as well as identification of critical events and milestone activities.

- 3.16 To the extent requested by District or Program Manager, provide updated cost estimates for the Project at the Schematic Design, Design Development, and Construction Documents Phases as directed by District; coordinate with design professional(s) and reconcile cost estimates with design professional(s)' estimates.
- 3.17 Advise District regarding "green building" technology and lifecycle costing, when applicable.
- 3.18 Fully coordinate all changes requested by any utility company needed to complete the Project.
- 3.19 Review and tailor the District's front end documents for the Project. Recommend the number of days required for the construction phase (and any sub-phases, such as hazardous material abatement) and recommend the amount of the liquidated damages.

#### **4. PRE-BID PHASE**

- 4.1 Develop master schedules and construction schedules for the Project. Develop budget(s) for the Project based on construction cost estimates.
- 4.2 In consultation with the District and according to District-approved policies, procedures, and standards, implement procedures, forms, and reporting requirements for the Project. Establish, accordingly, a communications procedure for the Project that allows for decision making at appropriate levels of responsibility and accountability.
- 4.3 Work with the Program Manager and Design Team to modify or add to standard, special, or general conditions for contract documents that might be needed for unique Project or contract conditions, for the District's approval, and/or assist in the development of documents necessary for the bidding phase.
- 4.4 To the extent requested by District or Program Manager, make recommendations for development and implementation of procedures to comply with applicable bidding or RFP requirements for the Project as applicable and for expediting completion of the bidding process for the Project. The scope of the foregoing includes without limitation, recommendations of CM with respect to: (a) pre-qualification of potential contractors; (b) combination of two or more of the Projects for design, bidding and/or construction purposes; and (c) alternative construction delivery approaches for the Project, including consideration of a single general contractor and/or Lease Leaseback approach to construction for each Project.

#### **5. BIDDING PHASE**

- 5.1 To the extent requested by District or Program Manager, assist with pre-qualification process for the selection of prime and/or sub-contractors based on the detailed definition of Project scope, budget, schedule, and programming support. Develop a list of pre-qualified prime and sub-contractors, as required.
- 5.2 Develop bidders' interest in the Project. Coordinate all bid phase activities with District departments. Conduct pre-bid conferences to familiarize bidders with the bidding

documents, and any special systems, materials or methods and with Project procedures. Conduct job walks and bidders' conferences, maintain and prepare minutes of job walks or bidder's conferences. Field questions from bidders, referring questions to Design Team and District as required. Coordinate with Design Team to respond to bidder questions by addenda.

- 5.3 Prepare public solicitation notices for District approval. Review, coordinate, and estimate cost of bid phase addenda.
- 5.4 Review bid proposals for responsiveness to bid requirements, evaluate bidder responsibility, and conduct reference checks. Prepare bid analyses and advise the District on compliance of bidders with District requirements and bid requirements. Report and recommend to the District after review and evaluation. Make recommendations to the District for prequalification of bidders and award of contracts or rejection of bids.
- 5.5 Conduct post-bid conferences as required. Assist and advise regarding bid protests.
- 5.6 If appropriate, coordinate contracting with Contractor awarded the contract, including evaluating bonds and insurance, and negotiate final terms of construction contractor's contract(s), if applicable.
- 5.7 Conduct pre-award conferences with successful bidders.
- 5.8 Schedule and conduct preconstruction meetings. Maintain, prepare, and distribute minutes.
- 5.9 Assist with the preparation of agenda items for Board approval. Coordinate submittals required by governing agencies.

## **6. CONSTRUCTION PHASE**

- 6.1 Administer the construction Contract.
- 6.2 Develop detailed construction schedules or review Contractor's submitted schedules, as needed. Administer and coordinate the work of Contractor on a daily basis. Enforce performance, scheduling, and notice requirements. Review Contractor's schedule submittals and make recommendations to the District.
- 6.3 Monitor schedule and cost information for Contractor. Document the progress and costs of the Project. Report and advise proactively on potential schedule and budget variances and impacts. Recommend potential solutions to schedule and cost problems. Work cooperatively with the District, Architect, and Contractor to ensure that Project is delivered on time and within budget. Review construction progress and prepare reports.
- 6.4 Verify permits, approvals, bonds, insurances, and schedules of values. Coordinate with DSA Project Inspector, and ensure compliance with all DSA reporting and closeout requirements. Submit necessary reports to state and local authorities.
- 6.5 Monitor the construction Contractor to verify that tools, equipment, and labor are furnished and work performed and completed within the time required or indicated by the plans and specifications, under the direction and to the satisfaction of the District. The CM expressly

agrees to verify that the specifications are met, observed, performed, and followed in accordance with the professional standards of care for construction management.

- 6.6 Coordinate work of the construction Contractor and effectively manage the Project to achieve the District's objectives in relation to cost, time and quality.
- 6.7 Provide continuous on-site construction management personnel, as needed. Conduct construction meetings for the Project to discuss and resolve such matters as progress, quality and scheduling. Said meetings shall be weekly unless Project conditions do not require that frequency. Prepare and promptly distribute minutes. When required by field or other conditions, construction progress, or the quality of workmanship, conduct special construction meetings; record, prepare, and distribute minutes of these meetings to the District, the affected construction Contractor, and Design Team.
- 6.8 Establish and implement team communication procedures.
- 6.9 Ensure that construction Contractor provides construction schedules as required by the construction Contracts, including activity sequences and durations, submittal schedule, or procurement schedule for products that require long lead time. The CM shall review construction Contractor's construction schedules for conformity with the requirements of the construction Contract and conformity with the overall schedule for the Project. Where construction Contractor's construction schedules do not so conform, the CM will take appropriate measures to secure compliance, subject to District approval.
- 6.10 Ensure construction Contractor's compliance with the requirements of the respective construction Contract for updating, revising, and other obligations relative to their respective construction schedules.
- 6.11 Cost Control. CM shall develop and monitor an effective system of construction cost control for the Project. CM shall identify variances between actual and budgeted or estimated costs and advise District and design professional(s) whenever a Project cost exceeds budgets or estimates. CM shall manage the construction bids and contracts in accordance with the Construction Budget.
- 6.12 Continually monitor whether construction contract requirements are being fulfilled and recommend courses of action to the District when Contractor fails to fulfill contractual requirements.
- 6.13 The CM may authorize minor variations in the work from the requirements of the contract documents that do not involve an adjustment in the contract price or the contract time or design and which are consistent with the overall intent of the contract documents. The CM shall provide to the design professional(s) and the District copies of these authorizations.
- 6.14 Evaluate and process payment applications and verify progress.
- 6.15 Verify that safety programs are developed and submitted by the construction Contractor as required by the Contract. Neither CM, Project Manager nor District shall be responsible for or have any liability for Contractor's failure to provide, comply with, or enforce said safety programs.

- 6.16 Implement quality control program, including As-Built Drawings accuracy. Coordinate and evaluate Contractor's recovery schedules.
- 6.17 Record the progress of the Project by a log.
- 6.18 Monitor ongoing Project costs to verify that projected costs do not exceed approved budget and provide the District timely notice of any potential increase in costs in excess of approved budgets provided to CM.
- 6.19 Negotiate Contractor's proposals and review change orders prepared by Design Team, with Design Team's input as needed, for approval by the District.
- 6.20 Evaluate and process change order requests. Make recommendations to the District. Determine cost and schedule effects of change orders. Prepare change order reports and maintain a change order log for the Project and implement procedures to expedite processing of change orders.
- 6.21 Assist the District in coordinating the services of special consultants and testing laboratories on the Project.
- 6.22 In conjunction with the Design Team, monitor work of the construction Contractor to determine that the work is being performed in accordance with the requirements of the respective construction documents for the Project, including but not limited to the plans, specifications, addenda, and all other contract documents, as well as all applicable laws, regulations and directives of agencies with jurisdiction over any of the Project. As appropriate, with assistance of Design Team, make recommendations to the District and Program Manager regarding special inspection or testing of work that is not in accordance with the provisions of the contract documents.
- 6.23 To guard District against defects in the work of the construction Contractor, the CM shall implement a quality control program to monitor the quality and workmanship of construction for conformity with:
  - 6.23.1 Accepted industry standards;
  - 6.23.2 Applicable laws, rules, or ordinances; and
  - 6.23.3 The design documents and contract documents.
- 6.24 Where the work of a construction Contractor does not conform as set forth above, the CM shall, with the input of Design Team:
  - 6.24.1 Notify the District of any non-conforming work observed by the CM;
  - 6.24.2 Reject the non-conforming work; and
  - 6.24.3 Take any and all action(s) necessary to compel the construction Contractor to correct the work.
- 6.25 Evaluate, track, and maintain logs of requests for information ("RFI") from construction Contractor and responses, shop drawings, samples, and other submittals, based, in part, on

information obtained from the design professional(s). Advise District and Program Manager as to status and criticality of RFIs.

- 6.26 Implement procedures, in collaboration with the District, Program Manager and Design Team, for expediting the processing and approval of shop drawings, product data, samples, and other submittals for each contract. Receive and transmit all submittals from the construction Contractor to the Design Team for review and approval. Maintain submittal and shop drawing logs.
- 6.27 Record the progress of work at the Project. When present, prepare daily reports for the Project containing a record of weather, construction Contractor(s) present and their number of workers, work accomplished, problems encountered, and other relevant data.
- 6.28 Prepare and distribute monthly project status reports for the Project including updates on project activities, progress of work, outstanding issues, potential problems, schedule, and status of RFIs, change orders, and submittals.
- 6.29 Coordinate, assist, and support Architect during construction administration phase as required.
- 6.30 CM shall maintain records of principal building layout lines, elevations of the bottom of footings, floor levels, and key site elevations as provided by the construction Contractor. At the completion of the Project, deliver all such records to District. Construction Contractor and design professional(s) share responsibility to prepare Record Drawings and As-Built Drawings.
- 6.31 Coordinate the move into the Projects.
- 6.32 Work with District team to develop lists of incomplete or unsatisfactory work ("punch lists").
- 6.33 Fully document and prepare deductive change orders for extra services of consultants that are the responsibility of a Contractor or another consultant. Present such a change order for signature by the Contractor or consultant.
- 6.34 Determine final completion and payment. Determine completion dates, final payments, and release of retention. Coordinate procurement and installation of Furniture, Fixtures, and Equipment ("FF&E").

## **7. PROJECT COMPLETION**

- 7.1 The CM shall observe the construction Contractor's check-outs of utilities, operational systems and equipment, and start-up and testing. The CM shall maintain records of start-up and testing as provided by the construction Contractor and shall ensure the District of compliance with applicable provisions of the Contract, that all work has been performed and accepted, and that all systems are complete and operative.
- 7.2 At the punch list phase of the Project or designated portions thereof, CM, in consultation with the Architect, shall ensure the preparation of a list of incomplete or unsatisfactory work or work which does not conform to the requirements of the contract documents ("punch list work") and a schedule for the completion of the punch list work. CM shall provide this list to the construction Contractor. CM shall coordinate construction

Contractor's performance and completion of punch list work. CM shall review, with the Architect and District, the completed punch list work. CM shall ensure that, with input of the Architect, the completed punch list work complies with applicable provisions of the construction Contract.

- 7.3 CM shall determine, with the Architect and District, when the Project or designated portions thereof are complete.
- 7.4 CM shall conduct, with the Architect and District, final inspections of the Project or designated portions thereof. CM shall notify the District of final completion.
- 7.5 CM shall consult with the Architect and District and shall determine when the Project and the construction Contractor's work are finally completed. CM shall assist with the issuance of a Certificate of Final Completion, and shall provide to the District a written recommendation regarding payment to the Contractor.
- 7.6 CM shall coordinate close-out procedures, including personnel training. Advise District staff on systems operations, training and close-out of Project.
- 7.7 CM shall coordinate and expedite Contractor close-out requirements, including guarantees/warranties, certificates, keys, manuals, As-Built Drawings, Record Drawings, specifications, daily logs, and verified reports. Ensure that all other project participants submit necessary close-out documentation.
- 7.8 CM shall coordinate operational safety reviews with District post occupancy and manage corrective work as necessary.
- 7.9 CM shall ensure that all building commissioning requirements have been fulfilled in a timely manner through District commissioning agents.
- 7.10 CM shall obtain occupancy permits (where required), coordinate final testing, documentation, and regulatory inspections. Prepare occupancy plan report.
- 7.11 CM shall prepare final accounting reports.

## **8. FINAL DOCUMENTS**

The Construction Manager shall review and monitor all As-Built Drawings, maintenance and operations manuals, and other closeout documents to be sure that all required documents meeting contract requirements are provided, and shall secure and transmit to the District and Program Manager those documents and all required guarantees, keys, manuals, record drawings, and daily logs. The Construction Manager shall also forward all documents and plans to the District upon completion of the project and ensure all such plans and documents are well organized for any appropriate audit or review of the Project.

## **9. WARRANTY**

The Construction Manager shall assist Program Manager as necessary to implement a Warranty Inspection and Warranty Work procedure for the Project that Contractor must follow. The procedure shall include a twelve (12) month call back period and a final warranty inspection eleven

(11) months after Project completion to inspect the Project and identify any outstanding warranty work (Excluded from the fee proposal).

**10. PROJECT CLOSEOUT**

To the extent requested by District or Program Manager, the Construction Manager shall assist District, Architect, and Program Manager as necessary to ensure all information and documentation necessary for Project closeout with the DSA is complete and the Project is timely closed out with DSA. This includes but is not limited to reports from independent consultants, inspectors, testing laboratories, and corresponding or required DSA forms.

[REMAINDER OF PAGE INTENTIONALLY LEFT BLANK]

**EXHIBIT "B"**

**CRITERIA AND BILLING FOR EXTRA SERVICES**

The following Extra Services to this Agreement shall be performed by CM if needed and requested by District:

1. Providing services required because of significant documented changes in the Project initiated by the District, including but not limited to size, quality, complexity, or the District's schedule.
2. Providing consultation concerning replacement of work damaged by fire or other cause during construction and furnishing services required in connection with replacement of such work.
3. Providing services made necessary by the default of Contractor, or by major defects or deficiencies in the work of the Contractor, or by failure of performance of the District's consultants.
4. Seeking variances or changes to agency guidelines on behalf of the District when so directed by the District.
5. Preparing to serve or serving as a witness in connection with any public hearing, dispute resolution proceeding or legal proceeding, other than that necessitated by the negligent acts, errors or omissions of CM or where the CM is a party thereto, except for a Contractor's hearing necessitated by a bid protest or by a Contractor's request to substitute a subcontractor, or by handling of any stop payment notices.
6. Performing technical inspection and testing.
7. Providing other services not otherwise included in this Agreement and not customarily furnished in accordance with the generally accepted scope of construction management practice.

**Format and Content of Invoices**

CM acknowledges that the District requires CM's invoices to include detailed explanations of the Services performed. For example, a six hour charge for the entire day is unacceptable and will not be payable. A more detailed explanation describing specific tasks is required.

**Hourly Rates for Extra Services**

1. The following rates, which include overhead, administrative cost and profit, shall be utilized in arriving at the fee for Extra Services and shall not be changed for the term of the Agreement. CM shall bill in quarter-hour increments for all Extra Services. The following rates are

<u>Job Title</u>	<u>Hourly Rate</u>
Project Director	\$230
Sr. Project/Construction Manager	\$200
Construction Manager	\$189
Constructability Reviewer	\$184
Scheduler	\$184
Field Engineer	\$147
Field Coordinator	\$140
Construction Administrator	\$140

2. The mark-up on any approved item of Extra Services performed by sub-consultant(s) or subcontractor(s) shall not exceed five percent (5%).

**EXHIBIT "C"**  
**SCHEDULE OF WORK**

Attached.







**EXHIBIT "D"**

**FEE SCHEDULE**

**Compensation**

1. The CM's fee set forth in this Agreement shall be full compensation for all of CM's Services incurred in its performance, including, without limitation, all costs for personnel, travel within two hundred (200) miles of the Project location (travel reimbursements must be approved by District prior to travel), offices, per diem expenses, office supplies, printing, providing, or shipping of deliverables in the quantities set forth in **Exhibit "A."**
2. The amount of compensation shall be the amount set forth in the Agreement, including all billed expenses. No compensation will be paid or due, without advance written approval of the District.

**Method of Payment of Basic Services**

1. CM shall submit monthly invoices for the actual hours worked reflecting the services performed and costs incurred for each respective month. In no event shall the total payments exceed the CM's fee set forth in Article 7 this Agreement except as authorized under **Exhibit "B."**
2. CM shall submit these invoices in duplicate to the District via the District's authorized representative.
3. CM shall submit to District on a monthly basis documentation showing proof that payments were made to his/her sub-consultants.
4. Upon receipt and approval of CM's invoices, the District agrees to make payments on all undisputed amounts no later than thirty (30) days from receipt of the invoice.
5. The District may withhold or deduct from amounts otherwise due CM hereunder if CM fails to timely and completely perform material obligations to be performed on its part under this Agreement, with the amounts withheld or deducted being released after CM has fully cured such failure of performance, less costs, damages or losses sustained by the District resulting therefrom.

**EXHIBIT "E"**

×

**CRIMINAL BACKGROUND INVESTIGATION/FINGERPRINTING CERTIFICATION**

PROJECT/CONTRACT NO.: SA22-00404 between the Sacramento City Unified School District ("District") and Vanir Construction Management, Inc. ("CM") for construction management services for the Fern Bacon, Kit Carson and Leonardo da Vinci HVAC Replacement Projects ("Contract" or "Project").

The undersigned does hereby certify to the governing board of the District as follows:

That I am a representative of the CM currently under contract with the District; that I am familiar with the facts herein certified; and that I am authorized and qualified to execute this certificate on behalf of CM.

CM certifies that it has taken at least one of the following actions with respect to the Project that are the subject of the Contract (check all that apply):

- Pursuant to Education Code section 45125.2, CM has installed or will install, prior to commencement of Work, a physical barrier at the Work Site, that will limit contact between CM's employees and District pupils at all times; and/or
- Pursuant to Education Code section 45125.2, CM certifies that all employees will be under the continual supervision of, and monitored by, an employee of the CM who the California Department of Justice ("DOJ") has ascertained, or as described below, will ascertain, has not been convicted of a violent or serious felony. The name and title of the employee who will be supervising CM's and its subcontractors' employees is:

Name: Esmeralda Peña

Title: Director of Human Resources

**NOTE:** If the CM is a sole proprietor, and elects the above option, CM must have the above-named employee's fingerprints prepared and submitted by the District, in accordance with Education Code section 45125.1(h). No work shall commence until such determination by the DOJ has been made.

As an authorized District official, I am familiar with the facts herein certified, and am authorized to execute this certificate on behalf of the District and undertake to prepare and submit CM's fingerprints as if he or she was an employee of the District.

Date: \_\_\_\_\_

District Representative's Name and Title: \_\_\_\_\_

District Representative's Signature: \_\_\_\_\_

- The Work on the Contract is either (i) at an unoccupied school site and no employee and/or subcontractor or supplier of any tier of the Contract shall come in contact with the District pupils or (ii) CM's employees or any subcontractor or supplier of any tier of the Contract will have only limited contact, if any, with District pupils and the District will take appropriate steps to protect the safety of any pupils that may come in contact with Consultant's employees, subcontractors or suppliers so that the fingerprinting and criminal background investigation requirements of Education Code section 45125.1 shall not apply to CM under the Contract.

As an authorized District official, I am familiar with the facts herein certified, and am authorized to execute this certificate on behalf of the District.

Date: \_\_\_\_\_

District Representative's Name and Title: \_\_\_\_\_

District Representative's Signature: \_\_\_\_\_

- The CM, who is not a sole proprietor, has complied with the fingerprinting requirements of Education Code section 45125.1 with respect to all CM's employees and all of its subcontractors' employees who may have contact with District pupils in the course of providing services pursuant to the Contract, and the DOJ has determined that none of those employees has been convicted of a felony, as that term is defined in Education Code section 45122.1. A complete and accurate list of CM's employees and of all of its subcontractors' employees who may come in contact with District pupils during the course and scope of the Contract is attached hereto; and/or
- The CM is a sole proprietor and intends to comply with the fingerprinting requirements of Education Code section 45125.1(h) with respect to all CM's employees who may have contact with District pupils in the course of providing services pursuant to the Contract, and hereby agrees to the District's preparation and submission of fingerprints such that the DOJ may determine that none of those employees has been convicted of a felony, as that term is defined in Education Code section 45122.1. No work shall commence until such determination by the DOJ has been made.

As an authorized District official, I am familiar with the facts herein certified, and am authorized to execute this certificate on behalf of the District and undertake to prepare and submit CM's fingerprints as if he or she was an employee of the District.

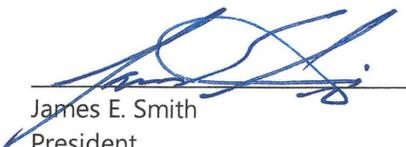
Date: \_\_\_\_\_

District Representative's Name and Title: \_\_\_\_\_

District Representative's Signature: \_\_\_\_\_

CM's responsibility for background clearance extends to all of its employees, subcontractors or suppliers, and employees of subcontractors or suppliers coming into contact with District pupils regardless of whether they are designated as employees or acting as independent contractors of the CM.

**VANIR CONSTRUCTION MANAGEMENT, INC.**

By:   
James E. Smith  
President

Date: MARCH 30, 2022

**EXHIBIT "F"**  
**COVID-19 VACCINATION/TESTING CERTIFICATION**

**Construction Manager ("CM"): Vanir Construction Management, Inc.**

The California Department of Public Health ("CDPH") requires, pursuant to its August 11, 2021, Order ("Order"), that all public and private schools serving students in transitional kindergarten through grade twelve, unless exempt, are required to verify the vaccine status of all K-12 school workers, effective October 15, 2021. Further, pursuant to the Order, all such schools are required to verify that all workers are either fully vaccinated or undergo weekly diagnostic testing.

On October 12, 2021, the Board of Education of the Sacramento City Unified School District ("SCUSD") approved Resolution No. 3233: Mandatory COVID-19 Vaccination for Eligible, Non-Exempt Students and Staff, providing that as of January 31, 2022, "all non-exempt SCUSD staff (including SCUSD partners, contractors, and other individuals who work directly with students and SCUSD staff on SCUSD facilities" must be fully vaccinated prior to performing services at District facilities.

In light of these requirements, CM certifies that personnel providing services at District's Project site(s):

- Have all been fully vaccinated in accordance with the District's Policy.
- Have not all been fully vaccinated, but those who are unvaccinated or not fully vaccinated have filed a valid exemption from vaccination with CM and will undergo weekly diagnostic testing in accordance with the District's Policy..

CM understands that the District's Project site will need to comply with the District's COVID-19 requirements for fully vaccinated personnel or unvaccinated personnel. CM will comply with District policy, and all applicable state and local laws for vaccinated and unvaccinated personnel.

**CERTIFICATION**

I, James Smith, certify that I am CM's President and that I have made a diligent effort to ascertain the facts with regard to the representations made herein.

**VANIR CONSTRUCTION MANAGEMENT, INC.**

By:   
James E. Smith  
President

Date: MARCH 30, 2022

END OF DOCUMENT

## SERVICE AGREEMENT

This Service Agreement (the “**Agreement**”) is dated the 9th of March, 2022 between Sacramento City Unified School District, a California Public school district (hereinafter “**School District**”), and Addiction Treatment Technologies, LLC DBA Care Solace, a Delaware limited liability company (hereinafter “**Care Solace**”). School District and Care Solace may be referred to individually as “**Party**,” or collectively as “**Parties**.”

### RECITALS

**WHEREAS**, Care Solace provides a web-based navigation system to assist its school district clients and the districts’ students and parents in locating and connecting with mental health treatment providers (hereinafter the “**Services**”), and agrees to provide the Services to School District on the terms and conditions set forth in this Agreement; and

**WHEREAS**, School District desires for Care Solace to assist it in connecting students and families with mental health treatment providers.

### TERMS AND CONDITIONS

**NOW, THEREFORE**, in consideration of the matters described above and of the mutual benefits and obligations set forth in this Agreement, the receipt and sufficiency of which are hereby acknowledged, the Parties agree as follows:

#### Scope of Services

1. Care Solace shall provide the Services as follows:

1.1 Care Solace owns and operates a website located at the URL [caresolace.org](http://caresolace.org) which provides information related to mental health treatment providers (hereinafter the “**Main Site**”). As part of this Agreement, Care Solace will manage and operate a version of the Main Site that is branded with School District’s name (hereinafter the “**Branded Site**”). Care Solace will take all reasonable steps to ensure the Branded Site is live in April 2022. Care Solace will provide access to the Branded Site to users authorized by the School District, including School District staff, students, and parents (hereinafter the “**Authorized Users**”), on a Software-as-a-Service (“**SaaS**”) basis pursuant to the terms and conditions set forth in Paragraphs 26-34, *infra*.

1.2 Care Solace shall facilitate a process called the “**Warm Handoff®**,” whereby School District staff or third-party contractors, consultants, or other parties to whom School District has outsourced institutional services (hereinafter “**Independent Contractors**”) designated as school officials pursuant to 34 CFR § 99.31(a)(1)(i)(B) provide Care Solace with contact information of a student or family in need of mental health treatment providers (hereinafter the “**Treatment Providers**”). The family contact shall be a parent, legal guardian, or other adult primary contact as directed by School District. Care Solace will then work directly with the primary contact to connect the student to Treatment Providers.

1.3 In addition to providing Authorized Users with access to the Branded Site, Care Solace will also provide Authorized Users with telephone and email access to a Care Companion™. The Care Companions are care coordinators with experience in customer service, trained to navigate the mental health system and health insurance.

The Care Companions are not licensed mental health professionals and do not diagnose, assess or evaluate. No provider-patient relationship is formed by provision of services by a Care Companion to an Authorized User. The Care Companions are not a crisis response team. The Care Companions are available to work directly with students and families to connect them with Treatment Providers. Care Companions are available 24 hours per day, 7 days per week.

1.4 Care Solace connects Authorized Users with Treatment Providers based on criteria such as geographic proximity, whether the provider accepts the Authorized User's insurance, and whether the provider is accepting new patients. Care Solace will use reasonable efforts to have each Treatment Provider it refers to Authorized Users reviewed through Care Solace's verification process. The information available on Treatment Providers through the verification process may vary significantly.

### **Care Solace is Not a Treatment Provider**

**2. Care Solace is not a mental health treatment provider or a provider network, and does not provide mental health treatment or other health care treatment to Authorized Users. Rather, Care Solace acts solely as a care coordinator by connecting Authorized Users to Treatment Providers. Care Solace does not represent, warrant or guarantee that Treatment Providers are of a particular quality. Care Solace shall not be liable for the quality of care provided by Treatment Providers.**

### **Implementation Process**

3. Care Solace will provide an onsite or virtual walk-through of the Services to School District representatives designated by School District in order to demonstrate the features and functionality of the Services.

4. Care Solace will conduct initial on-boarding training sessions with School District staff designated by School District in order to explain and demonstrate the Services.

5. Care Solace will provide training and on-going support concerning the use and functionality of the Services to key stakeholders of School District as requested by School District. Key stakeholders may include, but are not limited to: School District's mental health team, psychologists, counselors, assistant principals, principals, human resources staff, district leadership, and parent-teacher associations.

6. Care Solace will assist in providing access to the Branded Site on School District's website as well as individual school websites, as requested by School District.

7. Care Solace will provide backpack mailer templates and email/text templates for School District to deliver to students and parents quarterly, or four times per year, to remind them of the Services and provide the URL for the Branded Site.

8. School District shall designate one of its employees as its principal contact for communicating with Care Solace regarding technical issues in the provision of the Services, and shall notify Care Solace of such designation in writing within fifteen (15) days of the execution of this Agreement. School District may change its principal contact from time to time by providing written notice to Care Solace pursuant to Paragraph 54, *infra*.

### **Term of Agreement and Fees**

9. This Agreement shall be effective as of March 9, 2022 (hereinafter the “Effective Date”).

10. The initial term of this Agreement (hereinafter the “Introductory Term”) will begin on April 1, 2022 and continue through June 30, 2022. This Agreement will automatically renew for a full one-year term (hereinafter, “First Annual Term”) on July 1, 2022, following the Introductory Term. This Agreement may then be renewed for up to three additional one-year terms following the First Annual Term (hereinafter the “Renewal Terms”), after which time a new Agreement must be executed. In California, the maximum term of this Agreement is five years per Cal. Educ. Code § 17596.

11. In exchange for the Services contemplated under this Agreement, School District will compensate Care Solace as follows:

11.1. For the Introductory Term, April 1, 2022 to June 30, 2022, School District will be invoiced \$37,625 upon execution of this Agreement.

11.2. For the First Annual Term July 1, 2022 thru June 30, 2023 on or around the renewal date, School District will be invoiced \$150,500 (based on a student enrollment of 43,000 to be confirmed by School District).

11.3. In the event that School District wishes to renew this Agreement for any Renewal Term beyond June 30, 2023, pricing for any Renewal Term will be determined and agreed to by the Parties at or around the time of renewal on a price-per-student basis and then-current enrollment figures.

12. The fees set forth in Paragraph 11, supra, shall be earned by Care Solace when paid and shall not be subject to a prorated refund in the event of a termination without cause by School District of this Agreement prior to the end of the Initial Term or any Renewal Term.

13. To ensure continuity of the Services, Care Solace will continue to provide the Services for a grace period of ninety (90) days after expiration of the First Annual Term or any Renewal Term to allow for negotiation of a subsequent Renewal Term or new Agreement. During this grace period, all terms of the Agreement shall remain in full force and effect, and any Renewal Term or new Agreement beginning after this grace period shall be retroactive to the expiration date.

14. Except as otherwise provided in this Agreement, all monetary amounts referred to in this Agreement are in USD (United States Dollars) with Net 30 Terms.

### **Termination of Agreement**

15. School District may terminate without cause an Initial Term or a Renewal Term pursuant to this Agreement at any time after providing Care Solace with sixty (60) days written notice, pursuant to Paragraph 54, infra. In the event of

termination without cause of an Initial Term or a Renewal Term by School District pursuant to this paragraph, the fees paid by School District shall not be subject to a prorated refund.

16. In the event that Care Solace determines, in its sole and absolute discretion, to cease to offer the Services to new clients and to discontinue support of the Services for existing clients, Care Solace may terminate without cause an Initial Term or a Renewal Term pursuant to this Agreement by providing School District with sixty (60) days written notice pursuant to Paragraph 54, *infra*. In the event of termination without cause of an Initial Term or a Renewal Term by Care Solace pursuant to this paragraph, the fees paid by School District shall be subject to a prorated refund.

17. If either Party fails to comply with any of the material terms and conditions of this Agreement, including, without limitation, the payment of any fee to Care Solace, the non-breaching Party may terminate this Agreement with cause upon thirty (30) days written notice to the breaching Party specifying the breach(es). Upon receiving written notice of a specified breach, the breaching Party shall have a thirty (30) day cure period to remedy the specified breaches. The written notice must be provided in accordance with Paragraph 54, *infra*.

17.1. Only in the event that a Party fails to remedy a specified breach within the thirty (30) day cure period shall such a breach be considered a "Dispute" subject to the dispute resolution provisions set forth in Paragraphs 42-49, *infra*.

17.2. The written notice to a breaching Party specifying any breach(es) of the material terms of this Agreement and the thirty (30) day cure period set forth in this Paragraph 16 are conditions precedent to any Party's ability to provide the other Party with notice of a Dispute under Paragraph 41, *infra*.

### **Data and Information Privacy**

18. Care Solace and School District each agree to comply with all data privacy laws and requirements, state and federal, to which they are each subject, which may include, without limitation, the Student Online Personal Information Protection Act, Cal. Bus. & Prof. Code § 22584 (hereinafter "SOPIPA"), the Children's Online Privacy Protection Act, 15 U.S.C. §§ 6501-6506 (hereinafter "COPPA"), and The Family Educational Rights and Privacy Act, 20 U.S.C. § 1232g; 34 CFR Part 99 (hereinafter, "FERPA").

19. The Branded Site will include links to a privacy policy and terms of use which will comply with applicable law.

20. The Parties expect that, in many instances, only education records constituting "directory information," as that term is defined by FERPA at 20 U.S.C. § 1232g(a)(5)(A), would be conveyed to Care Solace by School District. In order to ensure compliance and that Care Solace is able to perform the Services, School District designates Care Solace a school official pursuant to 34 CFR § 99.31(a)(1)(i)(B) for the limited purposes of providing the Services.

21. The Parties expressly understand and agree that: (1) the Services are an institutional service or function that would otherwise be performed by employees of School District, such as counselors or principals; (2) Care Solace is under the direct control of School District with respect to the use and maintenance of "education records," as that term is defined at 34 CFR § 99.3; (3) Care Solace shall comply with the obligations imposed by 34 CFR § 99.33(a) regarding the redisclosure of any information relating to students and families obtained in providing the Services; (4) School District

has determined that Care Solace has legitimate educational interests in any education records provided to it; and (5) School District has provided parents and eligible students with the annual notice required by 34 C.F.R §99.7(a)(3)(iii) regarding its criteria for determining who is a school official and what constitutes a legitimate educational interest in education records.

22. School District represents and warrants that any Independent Contractor that is provided with access to the Warm Hand-Off or is otherwise responsible for transmitting directory information or education records to Care Solace has also been designated as a school official pursuant to 34 CFR § 99.31(a)(1)(i)(B) and that School District has provided parents and eligible students with the annual notice required by 34 C.F.R §99.7(a)(3)(iii)

23. Care Solace reserves the right to internally monitor School District's and Authorized Users' usage of the Branded Site and Services.

24. Care Solace will provide access to School District to the following non-personally identifiable information collected from Authorized Users: number of visitors, matches, and phone appointments. If School District desires to obtain personally identifiable information from Care Solace related to a particular Authorized User's use of the Services, School District shall obtain and deliver to Care Solace a duly executed written authorization from the Authorized User, or his or her legal guardian if applicable, in a form that complies with applicable law.

25. Care Solace shall ensure that: (i) all data and information provided by School District is stored on files that are separate from those of other Care Solace clients, or (ii) all files containing data and information provided by School District are partitioned from the information and data provided by other clients sufficient to protect the security and privacy of such information and data.

### **Software-as-a-Service Terms**

26. Care Solace grants School District a non-exclusive, non-transferable, limited, revocable and royalty-free license to provide a hypertext reference link (hereinafter the "**Link**") to the initial, top-level display of the Branded Site solely for the purpose of linking any website owned or controlled by School District to the Branded Site.

27. Use Restrictions. School District covenants and agrees that its use of the Services will be in a manner consistent with this Agreement and with all applicable laws and regulations, including trade secret, copyright, trademark, and export control laws. Without limiting the generality of the foregoing, School District will not, directly or indirectly, do any of the following: reverse engineer, decompile, disassemble, or otherwise attempt to discover the source code, object code, or underlying structure, ideas, or algorithms of or included in the Services or any software, documentation or data related to the Services (hereinafter "**Software**"); modify, translate or create derivative works based on the Services or any Software; or copy (except for archival purposes), distribute, pledge, assign or otherwise transfer or encumber rights to the Services or any Software; use the Services or any Software for timesharing or service bureau purposes or otherwise for the benefit of a third party; or remove any proprietary notices or labels.

28. Security. School District and the Authorized Users shall be solely responsible for acquiring and maintaining technology and procedures for maintaining the security of their connections to the Internet. As part of the Services, Care Solace shall implement reasonable security procedures consistent with prevailing industry standards to protect information provided by School District and Authorized Users from unauthorized access. The Parties agree that Care

Solace shall not, under any circumstances, be held responsible or liable for situations in which: (i) data or transmissions are accessed by third parties through illegal or illicit means, or (ii) the data or transmissions are accessed through the exploitation of security gaps, weaknesses, or flaws unknown to Care Solace at the time, provided Care Solace complies with its obligations in this paragraph.

29. Unauthorized Access. Care Solace will promptly report to School District any unauthorized access to data or information provided by School District upon discovery of such access by Care Solace, and Care Solace will use diligent efforts to promptly remedy any breach of security that permitted the unauthorized access to occur. In the event that Care Solace was solely responsible for the breach and to the extent that Care Solace has an obligation imposed by law or statute to notify any individuals whose information was provided to Care Solace by School District, Care Solace shall be solely responsible for any and all such notifications at its expense. In the event the School District was solely responsible for the breach, the School District shall reimburse Care Solace for time and expenses incurred to assist School District with any required notifications to affected individuals. In the event that Care Solace and School District are jointly responsible for the breach, the Parties will attempt to reach an informal resolution as to expenses and, if unable to do so, it will be considered a "Dispute" subject to the dispute resolution provisions set forth in paragraphs 42-49, *infra*.

30. Ownership of Proprietary Rights. Ownership of any and all rights, whether registered or unregistered, in and with respect to patents, copyrights, confidential information, know-how, trade secrets, moral rights, contract or licensing rights, confidential and proprietary information protected under contract or otherwise under law, trade names, domain names, trade dress, logos, animated characters, trademarks, service marks, and other similar rights or interests in intellectual or industrial property (hereinafter "**Proprietary Rights**") embodied in the Branded Site, the Services, and the computer hardware, software and other tangible equipment and intangible computer code necessary to deploy and serve the Services (hereinafter the "**Technology**") shall remain exclusively vested in and be the sole and exclusive property of Care Solace and its licensors. In addition School District hereby transfers and assigns to Care Solace any rights School District may have to any suggestions, ideas, enhancement requests, feedback, recommendations or other information provided by School District personnel relating to the Branded Site, the Services, or the Technology.

31. Mutual Exchange of Confidential Information. The Parties desire to establish terms governing the use and protection of certain confidential information one Party (hereinafter "**Owner**") may disclose to the other Party (hereinafter "**Recipient**"). For purposes of this Agreement, the term "Confidential Information" means (i) the terms and conditions of this Agreement, subject to a valid request under the applicable state's open records act (ii) non-public aspects of the Branded Site and the operation thereof, the Technology, the Services, and Care Solace's business and technical information and data, and (iii) School District's information or other data processed, stored or transmitted by, in or through the Services (hereinafter "**School District Data**"). In addition, Confidential Information includes information which, although not related to the Services or this Agreement, is nevertheless disclosed hereunder and which is disclosed by an Owner or an affiliate to a Recipient in documentary or other tangible form bearing an appropriate label indicating that it is confidential or proprietary in nature, or which, if initially disclosed orally or visually is identified as confidential at the time of disclosure and a written summary hereof, also marked with such a label, is provided to Recipient within fifteen (15) days of the initial disclosure. Recipient may use Confidential Information of Owner only for the purposes of fulfilling the obligations contemplated in this Agreement and shall protect such Confidential Information from disclosure to others, using the same degree of care used to protect its own

proprietary information of like importance, but in any case using no less than a reasonable degree of care. Recipient may disclose Confidential Information received hereunder only as reasonably required to perform its obligations under this Agreement and only to its employees who have a need to know for such purposes and who are bound by signed, written agreements to protect the received Confidential Information from unauthorized use and disclosure. The restrictions of this Agreement on use and disclosure of Confidential Information shall not apply to information that: (i) is in the possession or control of Recipient at the time of its disclosure hereunder; (ii) is, or becomes publicly known, through no wrongful act of Recipient; (iii) is received by Recipient from a third party free to disclose it without obligation to Owner, (iv) is independently developed by a Party as evidenced by its written and dated records and without any breach of this Agreement; or (v) is the subject of a written permission to disclose provided by Owner. The Recipient may disclose Confidential Information of Owner pursuant to the requirements of a governmental agency or by operation of law, provided that such Recipient gives Owner written notice thereof as soon as practicable to allow sufficient time for Owner to object to disclosure of such Confidential Information.

32. General Skills and Knowledge. Notwithstanding anything to the contrary in this Agreement, School District agrees that Care Solace is not prohibited from utilizing any skills or knowledge of a general nature acquired during the course of providing the Services, including information publicly known or available or that could reasonably be acquired in similar work performed for another client of Care Solace.

33. Publicity and Branding. School District agrees that Care Solace may (a) publicize School District's name, the fact of the Branded Site, and School District's use of the Services; and (b) brand the Branded Site with a "powered by Caresolace.com" or similar legend and/or copyright notice.

34. Options for Infringement Claims. If any Party is enjoined from using the Technology, or if Care Solace believes that the Technology may become the subject of a claim of intellectual property infringement, Care Solace, at its own option and expense, may: (i) procure the right for School District to continue to use the Services; (ii) replace or modify the Technology so as to make it non-infringing; or (iii) terminate this Agreement, in which case Care Solace shall provide a prorated refund to School District of any and all fees paid in advance for the Initial Term or any Renewal Term by School District for those Services not provided by Care Solace. This Paragraph and the preceding Paragraph set forth the entire liability of Care Solace to School District for any infringement by the Technology or Services of any intellectual property right of any third party.

### **Representations and Warranties**

35. School District represents and warrants that: (a) any information it provides to Care Solace does not and will not infringe, misappropriate, or otherwise violate any intellectual property right or right of privacy or publicity of any third party; (b) School District has provided parents with the notice required by 34 CFR § 99.7(a)(3)(iii) regarding the criteria used to determine who constitutes a school official and what constitutes a legitimate educational interest; and (c) the performance of its obligations as set forth in this Agreement and the use of the Services by School District and its Authorized Users will not (i) violate any applicable laws or regulations, or (ii) cause a breach of any agreements with any third parties. In the event of any breach by School District of any of the foregoing representations and warranties set forth in this Paragraph 35, in addition to any other remedies available at law or in equity, Care Solace

will have the right to suspend immediately any Services if deemed reasonably necessary by Care Solace to prevent any harm to Care Solace and its business. Care Solace will provide written notice of any breach of the foregoing representations and warranties to School District in accordance with Paragraph 54, *infra*, and a reasonable time period to cure, if practicable, depending on the nature of the breach.

36. Care Solace represents and warrants that it will comply with all state and federal healthcare referral and anti-kickback statutes, and that it does not have an ownership interest in any of the Treatment Providers to whom it refers Authorized Users. In the event of any breach by Care Solace of the foregoing representations and warranties set forth in this Paragraph 36, School District will provide written notice of the breach to Care Solace in accordance with Paragraph 54, *infra*, and a reasonable time period to cure, if practicable, depending on the nature of the breach.

37. Except as expressly set forth herein, the Services are provided on an "as is" and "as available" basis, and without warranties of any kind either express or implied. Care Solace hereby disclaims all warranties, express or implied. Care Solace does not warrant that the services will be uninterrupted or error free or that defects will be corrected. Care Solace does not offer a warranty or make any representation regarding the results or the use of the Services in terms of their correctness, accuracy, reliability, risk of injury to School District's or any Authorized User's computer, network, market, or customer base or commercial advantage.

### **Insurance and Indemnification**

38. **Insurance.** During the term of this Agreement, Care Solace shall obtain and maintain liability insurance with policy limits having minimum coverage of \$1,000,000 per occurrence, which can be met through an umbrella or standard policy or any combination thereof. The insurance shall be evidenced by a Certificate of Insurance reflecting the minimum coverage limits.

39. **Defense and Indemnity.** Care Solace or its insurer shall defend and indemnify School District and its officers, agents, employees and volunteers (collectively "**School District Parties**") against any and all claims, demands, liability, judgments, awards, losses, damages, expenses or costs of any kind or character (hereinafter collectively referred to as "**Claims**"), to the extent arising out of any act, error, omission, negligence, or willful misconduct of Care Solace or its officers, employees, agents, contractors, licensees, or servants connected to the Services covered by this Agreement. Care Solace or its insurer shall have no obligation, however, to defend or indemnify School District Parties from a Claim if it is determined that such Claim was caused by the sole negligence or willful misconduct of School District Parties.

39.1 **Additional Insured.** Care Solace shall cause School District to be named as an "Additional Insured" under the liability insurance policy obtained and maintained as set forth in Paragraph 38, *supra*. Notwithstanding School District's coverage as an Additional Insured, in no event shall Care Solace or its insurer be held liable for School District's sole negligence or willful misconduct. Under no circumstances is any Additional Insured entitled to any coverage beyond the contractual indemnification provisions in Paragraph 39, *infra*.

40. A School District seeking defense and/or indemnification hereunder shall promptly notify Care Solace in writing of the Claim in accordance with Paragraph 54, *infra*, and shall cooperate with Care Solace or its insurer at Care Solace's or its insurer's sole cost and expense. Care Solace or its insurer shall control the defense and

investigation of the Claim and shall employ counsel of its choice to handle and defend the same, at Care Solace's or its insurer's sole cost and expense. The obligations and responsibilities set forth in this Paragraph 39 shall apply only in the event that Care Solace or its insurer agree to provide a defense and/or indemnification.

41. If requested by School District, Care Solace may cause School District to be named as an additional insured under the liability policy obtained and maintained as set forth in Paragraph 37. Naming a School District as an additional insured does not alter the limitations, obligations and conditions set forth in paragraphs 38 and 39 and in no circumstances will School District be entitled to coverage beyond the contracted for amount of \$1,000,000 per occurrence contained in Paragraph 37.

### **Dispute Resolution**

42. Any and all disputes, controversies, or Claims arising out of or relating to this Agreement or a breach thereof, including without limitation Claims based on contract, tort, or statute (hereinafter a "**Dispute**"), shall be determined by binding arbitration as set forth in this section, consisting of Paragraphs 42-49, *infra* (hereinafter the "**Arbitration Agreement**").

43. An aggrieved Party shall notify the other Party of a Dispute within fifteen (15) days of being made aware of the Dispute; however, no Party may provide notification of a Dispute prior to the termination of the thirty day cure period described in Paragraph 16, *supra*. Notice shall be provided in accordance with the requirements of Paragraph 54, *infra*. The date that notice is received by the opposing Party shall hereinafter be referred to as the "**Notification Date**."

44. If the Parties are unable to informally resolve the Dispute within thirty (30) days of the Notification Date, the Parties agree to engage in mediation in good faith. The requirement to engage in mediation is a condition precedent to the initiation of arbitration pursuant to this Arbitration Agreement. Mediation must occur within 120 days of the Notification Date. The 120-day deadline may be waived by mutual agreement of the Parties. Mediation shall be conducted according to the following terms:

44.1 Mediation shall be conducted by a single mediator from JAMS, or another mediation service agreed to by the Parties (hereinafter "Mediation Service").

44.2 The Parties will cooperate with the Mediation Service and one another in selecting a mediator from the Mediation Service's panel of neutrals and in scheduling mediation proceedings. In the event that the Parties are unable to agree upon the selection of a mediator, the Parties shall request that the Mediation Service assign a mediator from its panel of neutrals with experience as a state or federal court judge.

44.3 The Parties agree that they will participate in the mediation in good faith and that they will share equally in the costs of mediation.

45. If the Parties are unable to resolve the Dispute through mediation, the Parties shall submit the Dispute to binding arbitration pursuant to the Federal Arbitration Act, 9 U.S.C. § 1, *et seq.* (hereinafter the "**FAA**"). Notwithstanding any other provisions of this Agreement regarding applicable law, the Parties agree that the substantive and procedural

provisions of the FAA will apply to this Arbitration Agreement, to the exclusion of any state-specific substantive and procedural law regarding arbitration.

46. Arbitration shall be initiated by the aggrieved Party within thirty (30) days of the conclusion of mediation. In no event shall arbitration be demanded after the date the Claim would be barred by the applicable statute of limitations. Arbitration shall be conducted in accordance with the following terms:

46.1. Arbitration shall be conducted by a single neutral arbitrator from the National Roster of Arbitrators and administered according to the American Arbitration Association's ("AAA's") Commercial Arbitration Rules and Mediation Procedures then in effect, except as modified by this Agreement or as otherwise agreed to in writing by the Parties. A copy of the AAA's current Commercial Arbitration Rules and Mediation Procedures may be viewed at this link: [https://home.caresolace.com/contracts/AAA- Commercial-Arbitration-Rules-and-Mediation-Procedures-020121.pdf](https://home.caresolace.com/contracts/AAA-Commercial-Arbitration-Rules-and-Mediation-Procedures-020121.pdf)

46.2. In rendering the award, the arbitrator will determine the rights and obligations of the parties in accordance with the substantive law of the State of Delaware, subject to the limitations on damages set forth in Paragraphs 46-49, *infra*.

46.3. The arbitrator shall award the prevailing Party the costs of mediation and arbitration.

46.4. This Arbitration Agreement is intended to be binding on and to inure to the benefit of the Parties, their principals, successors, assigns, affiliates, partners, employees, parent or subsidiary entities, and to any other persons or entities whose claims or defenses may arise out of or relate to this agreement, including third party beneficiaries.

46.5. In the event a Dispute involves a third-party beneficiary of this Agreement, the third-party beneficiary shall be excused from compliance with the notice and opportunity to cure requirements of Paragraphs 16 and 42, *supra* and shall also be excused from the mediation required under Paragraph 43, *supra*. The costs of any arbitration involving a Party and a third-party beneficiary of this Agreement shall be borne solely by the Party involved in the Dispute, unless such Dispute involves both Parties, in which case the Parties shall share equally in the costs of arbitration. In no event shall a third-party beneficiary be responsible for the costs of arbitration pursuant to this Arbitration Agreement.

46.6. Any arbitration award shall be binding on the Parties and on any third-party beneficiaries. This binding Arbitration will not be subject to appeal.

### **Limitation on Damages**

47. As a result of any Dispute, no Party shall be liable to the other Party or to any third-party beneficiary for any indirect, incidental, or consequential damages under any theory, even if the Party allegedly causing such damages has been advised of the possibility of such damages. The Parties waive any right to recover such damages.

48. As a result of any Dispute, in no event shall any Party be liable to the other Party or to any third-party beneficiary for punitive or exemplary damages, unless specifically provided by statute. The Parties waive any right to recover such damages unless specifically provided by statute.

49. In the event that Care Solace is found liable to School District or any third-party beneficiary as the result of a Dispute, or in the event that School District is found liable to any third-party beneficiary, liability shall not exceed the total general liability insurance amount in Care Solace's certificate of insurance pursuant to this Agreement. In no event shall Care Solace be held liable for the sole negligence of any other Party, including School District.

50. The prevailing Party in any Dispute will be entitled to recover, in addition to costs and any other damages or award, all reasonable attorneys' fees associated with the action.

### **Miscellaneous Terms**

51. Performance. The Parties agree to do everything necessary to ensure that the terms of this Agreement take effect and each Party will use its best efforts to ensure that Authorized Users are made aware of the Services and their ability to access the Branded Site.

52. Governing Law. This Agreement shall be governed by and construed in accordance with the laws of California without giving effect to any choice or conflict of law provision or rule (whether of California or any other jurisdiction) that would cause the application of laws of any jurisdiction other than those of the California. The sole exception to this Paragraph is that the Arbitration Agreement set forth in Paragraphs 42-49, *supra*, shall be governed by the procedural and substantive provisions of the FAA.

53. Venue for Arbitration. Arbitration conducted as set forth in Paragraphs 42-50, *supra*, shall take place in Sacramento County, CA.

54. Notices. All notices, requests, demands or other communications required by this Agreement between Care Solace and School District shall be in writing and shall be deemed given and served upon delivery, if delivered personally or by email, or three (3) days after mailing by U.S. mail as follows:

If to School District:

Sacramento City Unified School District

5735 47th Avenue

Sacramento, CA 95824

Attention: Jorge Aguilar

Superintendent of Schools

Email: jaguilar@scusd.edu

If to Care Solace:

Addiction Treatment Technologies, LLC DBA: Care Solace

237 A St. PMB 94660

San Diego, California 92101-4003

Attention: Chad A. Castruita

Email: chad@caresolace.org

Any Party may change the address or persons to which notice is to be provided by giving written notice of the change of address or persons to the other Party in the manner provided for giving notice in this paragraph.

55. Third-Party Beneficiaries. The Parties agree that this Agreement is intended to benefit Authorized Users as third-party beneficiaries and that the Parties mutual intent to confer a benefit upon Authorized Users as third-party beneficiaries of this Agreement is a material part of the Agreement's purpose. The Parties expressly agree that it is their intention by this Agreement that all Claims, as that term is defined in Paragraph 38, supra, brought by third-party beneficiaries including, but not limited to Authorized Users, shall be subject to the Arbitration Agreement set forth in Paragraphs 42-49, *supra*.

56. Waiver. The waiver by either Party of a breach, default, delay or omission of any of the provisions of this Agreement by the other Party shall not be construed as a waiver of any subsequent breach of the same or any other provision of this Agreement.

57. Continuing Obligations. The following obligations shall survive the expiration or termination of this Agreement: (i) any and all warranty disclaimers, limitations of liability and indemnities granted by either Party herein; (iv) any covenant granted herein for the purpose of determining ownership of, or protecting, the Proprietary Rights, including without limitation, the Confidential Information of either Party, or any remedy for breach thereof; and (v) the payment of any money due to Care Solace.

58. Force Majeure. Neither Party shall be liable for damages for any delay or failure to perform any obligation imposed by this Agreement if such delay or failure arises out of causes beyond the Party's reasonable control and without their fault or negligence, including, but not limited to, acts of God, acts of civil or military authority, fires, riots, wars, national or regional emergencies, pandemics, embargoes, Internet disruptions, hacker attacks, any action taken by a governmental authority, or telecommunications failures. A Party whose performance is affected by any of the foregoing shall give written notice to the other Party stating the period of time the occurrence is expected to continue, and shall use diligent efforts to end the failure or delay and minimize the effects of such delay. Notwithstanding anything to the contrary contained herein, if either Party is unable to perform hereunder for a period of thirty (30) consecutive days, then the other Party may terminate this Agreement immediately by providing ten (10) days written notice. Should the application of this Paragraph 57 become the source of a Dispute between the Parties, then either Party may immediately initiate the dispute resolution process outlined in the Arbitration Agreement, Paragraphs 42-49, *supra*, without first providing notice and an opportunity to cure as set forth in Paragraphs 16 and 42, *supra*. Any written notice under this Paragraph 58 must comply with the written notice requirements of Paragraph 54, *supra*.

59. Modification of Agreement. Any amendment or modification of this Agreement will only be binding if evidenced in writing and signed by each Party or an authorized representative of each Party with authority to bind the Party. Any amendment or modification must comply with the notice requirements of Paragraph 54, *supra*.

60. Assignment. Care Solace will not assign or otherwise transfer its obligations under this Agreement without the written consent of School District.

61. Entire Agreement. This Agreement contains the entire agreement with respect to the subject matter hereof and supersedes all prior negotiations, understandings, or agreements, written or oral. It is agreed that there is no representation, warranty, collateral agreement or condition affecting this Agreement except as expressly provided in this Agreement.

62. Titles/Headings. Titles and Headings are utilized in this Agreement for the convenience of the Parties only and are not to be considered when interpreting this Agreement.

63. Severability. In the event that any of the provisions of this Agreement are held to be invalid or unenforceable in whole or in part, all other provisions will nevertheless continue to be valid and enforceable with the invalid or unenforceable parts severed from the remainder of this Agreement.

64. Counterparts. This Agreement may be executed in counterparts which, taken together, shall constitute one original document.

65. Authority to Execute Agreement. Each individual signing this Agreement warrants and represents that he or she has been authorized to enter into this Agreement on behalf of the Party.

**SIGNATURES ON NEXT PAGE – REMAINDER OF PAGE INTENTIONALLY BLANK**

**IN WITNESS WHEREOF** the Parties hereto have executed this Agreement as of the date first set forth above.

**Addiction Treatment Technologies, LLC**  
**(“Provider”) DBA: Care Solace**

Printed Full Name: Mike Dodge

Title: COO

Signature: \_\_\_\_\_

**Sacramento City Unified School District (“Client”)**

Printed Full Name: \_\_\_\_\_

Title: \_\_\_\_\_

Signature: \_\_\_\_\_

**Accounts Payable Information:**

School District Dept: \_\_\_\_\_

Accounts Payable contact:

Name: \_\_\_\_\_

Email: \_\_\_\_\_

Phone: \_\_\_\_\_

**AGREEMENT FOR SERVICES**  
**Between**  
**SACRAMENTO CITY UNIFIED SCHOOL DISTRICT**  
**Youth Development Support Services Department**  
**And**  
**Boys and Girls Club of Greater Sacramento**

**Amendment No. 1**

The agreement between Sacramento City Unified School District ("District" or "SCUSD") and Boys and Girls Club of Greater Sacramento ("BGC"), dated August 23, 2021 is hereby amended as follows:

B. Payment. For provision of services pursuant to this Agreement, District shall reimburse City of Sac for direct services not to exceed **\$268,867.25**, which represents an increase of **\$34,253.59** to the agreement. Increase is the result of the California Department of Education increase to ASES funding which is being passed through to Expanded Learning providers on a pro rata basis.

Breakdown:

Funding	School Name	# of Students to be Served 180 Attendance Days	Original Amount	Increase	New Amount
ASES	Edward Kemble	83	\$112,741.47	\$16,460.25	\$129,201.72
ASES	Ethel I Baker	90	\$121,872.19	\$17,793.34	\$139,665.53

All other provisions of the Agreement remain unchanged.

**IN WITNESS WHEREOF, the Parties have caused this Amendment to be executed.**

District:

\_\_\_\_\_  
Rose Ramos  
Chief Business Officer

\_\_\_\_\_  
Date

Boys and Girls Club of Greater Sacramento:

\_\_\_\_\_  
Kimberly Key  
CEO

\_\_\_\_\_  
Signature

\_\_\_\_\_  
Date

2/24/2022

**AGREEMENT FOR SERVICES**  
**Between**  
**SACRAMENTO CITY UNIFIED SCHOOL DISTRICT**  
**Youth Development Support Services Department**  
**And**  
**Center for Fathers and Families**

**Amendment No. 1**

The agreement between Sacramento City Unified School District ("District" or "SCUSD") and Center for Fathers and Families ("CFF"), dated August 23, 2021 is hereby amended as follows:

B. Payment. For provision of services pursuant to this Agreement, District shall reimburse City of Sac for direct services not to exceed **\$581,925.33**, which represents an increase of **\$74,137.09** to the agreement. Increase is the result of the California Department of Education increase to ASES funding which is being passed through to Expanded Learning providers on a pro rata basis.

Breakdown:

Funding	School Name	# of Students to be Served 180 Attendance Days	Original Amount	Increase	New Amount
ASES	Father Keith B. Kenny	103	\$140,360.55	\$20,492.64	\$160,853.19
ASES	Harkness	97	\$131,430.80	\$19,188.90	\$150,619.70
ASES	New Joseph Bonnheim	83	\$112,741.21	\$16,460.22	\$129,201.43
ASES	Oak Ridge	91	\$123,255.68	\$17,995.33	\$141,251.01

All other provisions of the Agreement remain unchanged.

**IN WITNESS WHEREOF, the Parties have caused this Amendment to be executed.**

District:

\_\_\_\_\_  
 Rose Ramos  
 Chief Business Officer

\_\_\_\_\_  
 Date

Center for Fathers and Families:

\_\_\_\_\_  
 Richard T. Jennings II  
 CEO

\_\_\_\_\_  
 Signature

\_\_\_\_\_  
 Date

*FEBRUARY 23, 2022*

**AGREEMENT FOR SERVICES**  
**Between**  
**SACRAMENTO CITY UNIFIED SCHOOL DISTRICT**  
**Youth Development Support Services Department**  
**And**  
**City of Sacramento, Youth, Parks and Community Enrichment**

**Amendment No. 1**

The agreement between Sacramento City Unified School District (“District” or “SCUSD”) and City of Sacramento, Youth, Parks and Community Enrichment (“City of Sac”), dated August 23, 2021 is hereby amended as follows:

B. Payment. For provision of services pursuant to this Agreement, District shall reimburse City of Sac for direct services not to exceed **\$172,960.42**, which represents an increase of **\$22,035.10** to the agreement. Increase is the result of the California Department of Education increase to ASES funding which is being passed through to Expanded Learning providers on a pro rata basis.

Breakdown:

Funding	School Name	# of Students to be Served 180 Attendance Days	Original Amount	Increase	New Amount
ASES	Sam Brannan Middle	111	\$150,925.32	\$22,035.10	\$172,960.42

All other provisions of the Agreement remain unchanged.

**IN WITNESS WHEREOF, the Parties have caused this Amendment to be executed.**

District:

\_\_\_\_\_  
Rose Ramos  
Chief Business Officer

\_\_\_\_\_  
Date

City of Sacramento, Youth, Parks and Community Enrichment:

\_\_\_\_\_  
Name and Title

\_\_\_\_\_  
Signature

\_\_\_\_\_  
Date

**AGREEMENT FOR SERVICES**  
**Between**  
**SACRAMENTO CITY UNIFIED SCHOOL DISTRICT**  
**Youth Development Support Services Department**  
**And**  
**Empowering Possibilities Unlimited**

**Amendment No. 1**

The agreement between Sacramento City Unified School District (“District” or “SCUSD”) and Empowering Possibilities Unlimited (“EPU”), dated August 23, 2021 is hereby amended as follows:

B. Payment. For provision of services pursuant to this Agreement, District shall reimburse EPU for direct services not to exceed **\$608,526.60**, which represents an increase of **\$74,258.27** to the agreement. Increase is the result of the California Department of Education increase to ASES funding which is being passed through to Expanded Learning providers on a pro rata basis.

Breakdown:

Funding	School Name	# of Students to be Served 180 Attendance Days	Original Amount	Increase	New Amount
ASES	Bret Harte	97	\$131,305.03	\$19,170.53	\$150,475.56
CARES/ELO	Bret Harte	30	\$25,650.00	N/A	\$25,650.00
ASES	James Marshall	83	\$113,193.99	\$16,526.32	\$129,720.31
ASES	Mark Twain	83	\$113,193.99	\$16,526.32	\$129,720.31
ASES	Rosa Parks	111	\$150,925.32	\$22,035.10	\$172,960.42

All other provisions of the Agreement remain unchanged.

**IN WITNESS WHEREOF, the Parties have caused this Amendment to be executed.**

District:

\_\_\_\_\_  
Rose Ramos  
Chief Business Officer

\_\_\_\_\_  
Date

Empowering Possibilities Unlimited:

\_\_\_\_\_  
Angela Love, ED  
Angela Love, Executive Director

  
\_\_\_\_\_  
Signature

\_\_\_\_\_  
February 22, 2022  
Date

**AGREEMENT FOR SERVICES**  
**Between**  
**SACRAMENTO CITY UNIFIED SCHOOL DISTRICT**  
**Youth Development Support Services Department**  
**And**  
**Leaders of Tomorrow**

**Amendment No. 1**

The agreement between Sacramento City Unified School District ("District" or "SCUSD") and Leaders of Tomorrow ("LOT"), dated August 23, 2021 is hereby amended as follows:

B. Payment. For provision of services pursuant to this Agreement, District shall reimburse LOT for direct services not to exceed **\$426,834.33**, which represents an increase of **\$131,821.35** to the agreement. Increase is the result of the California Department of Education increase to ASES and 21<sup>st</sup> CCLC funding which is being passed through to Expanded Learning providers on a pro rata basis. This amendment also includes new funding for St. Hope Public School 7 (PS7) Elementary School Expanded Learning program, which LOT will serve beginning on February 15, 2022.

Breakdown:

Funding	School Name	# of Students to be Served 180 Attendance Days	Original Amount	Increase	New Amount
ASES	Isador Cohen Elementary	83	\$113,193.99	\$16,526.32	\$129,720.31
21 <sup>st</sup> CCLC	Isador Cohen After School	30	\$34,425.00	\$12,289.73	\$46,714.73
21 <sup>st</sup> CCLC	Isador Cohen Before School	40	\$34,200.00	\$7,324.20	\$41,524.20
ASES	John Sloat Elementary	83	\$113,193.99	\$16,526.32	\$129,720.31
ASES	PS7 Elementary	111*	N/A	N/A	\$79,154.78

\*PS7 program under LOT's contract will have 67 attendance days from February 15 to June 2.

All other provisions of the Agreement remain unchanged.

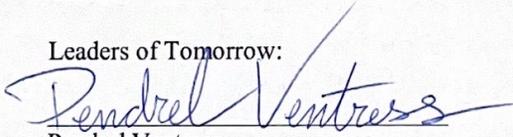
**IN WITNESS WHEREOF, the Parties have caused this Amendment to be executed.**

District:

\_\_\_\_\_  
 Rose Ramos  
 Chief Business Officer

\_\_\_\_\_  
 Date

Leaders of Tomorrow:

  
 Pendrel Ventress  
 CEO

Feb 22, 2022  
 Date

**AGREEMENT FOR SERVICES**  
**Between**  
**SACRAMENTO CITY UNIFIED SCHOOL DISTRICT**  
**Youth Development Support Services Department**  
**And**  
**NEW HOPE COMMUNITY DEVELOPMENT CORPORATION**

**Amendment No. 1**

The agreement between Sacramento City Unified School District (“District” or “SCUSD”) and New Hope Community Development Corporation (“NHCDC”), dated August 23, 2021 is hereby amended as follows:

B. Payment. For provision of services pursuant to this Agreement, District shall reimburse NHCDC for direct services not to exceed **\$181,020.31**, which represents an increase of **\$16,526.32** to the agreement. Increase is the result of the California Department of Education increase to ASES funding which is being passed through to Expanded Learning providers on a pro rata basis.

Breakdown:

Funding	School Name	# of Students to be Served 180 Attendance Days	Original Amount	Increase	New Amount
ASES	Hollywood Park	83	\$113,193.99	\$16,526.32	\$129,720.31
CARES/ELO	William Land	60	\$51,300.00	N/A	\$51,300.00

All other provisions of the Agreement remain unchanged.

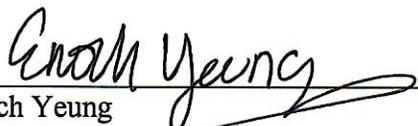
**IN WITNESS WHEREOF, the Parties have caused this Amendment to be executed.**

District:

\_\_\_\_\_  
Rose Ramos  
Chief Business Officer

\_\_\_\_\_  
Date

New Hope Community Development Corporation:

  
\_\_\_\_\_  
Enoch Yeung  
Executive Director

2/18/22  
\_\_\_\_\_  
Date

**AGREEMENT FOR SERVICES**  
**Between**  
**SACRAMENTO CITY UNIFIED SCHOOL DISTRICT**  
**Youth Development Support Services Department**  
**And**  
**Roberts Family Development Center**

**Amendment No. 1**

The agreement between Sacramento City Unified School District (“District” or “SCUSD”) and Roberts Family Development Center (“RFDC”), dated August 23, 2021 is hereby amended as follows:

B. Payment. For provision of services pursuant to this Agreement, District shall reimburse RFDC for direct services not to exceed \$279,726.66 which represents an increase of \$54,260.45 to the agreement. Increase is the result of the California Department of Education increase to ASES and 21<sup>st</sup> CCLC funding which is being passed through to Expanded Learning providers on a pro rata basis.

**Breakdown:**

Funding	School Name	# of Students to be Served 180 Attendance Days	Original Amount	Increase	New Amount
ASES	Leataata Floyd	83	\$112,741.21	\$16,460.22	\$129,201.43
21 <sup>st</sup> CCLC	Leataata Floyd	83	\$95,625.00	\$34,138.13	\$129,763.13
21 <sup>st</sup> CCLC	Leataata Floyd	20	\$17,100.00	\$3,662.10	\$20,762.10

All other provisions of the Agreement remain unchanged.

**IN WITNESS WHEREOF, the Parties have caused this Amendment to be executed.**

District:

\_\_\_\_\_  
Rose Ramos  
Chief Business Officer

\_\_\_\_\_  
Date

Roberts Family Development Center:

  
\_\_\_\_\_  
Darrel Roberts  
Executive Director

  
\_\_\_\_\_  
Date

**AGREEMENT FOR SERVICES**  
**Between**  
**SACRAMENTO CITY UNIFIED SCHOOL DISTRICT**  
**Youth Development Support Services Department**  
**And**  
**Rose Family Creative Empowerment Center**

**Amendment No. 1**

The agreement between Sacramento City Unified School District (“District” or “SCUSD”) and Rose Family Creative Empowerment Center (“RFCEC”), dated August 23, 2021 is hereby amended as follows:

B. Payment. For provision of services pursuant to this Agreement, District shall reimburse City of Sac for direct services not to exceed **\$723,171.26**, which represents an increase of **\$76,851.80** to the agreement. Increase is the result of the California Department of Education increase to ASES and 21<sup>st</sup> Century ASSETs funding which is being passed through to Expanded Learning providers on a pro rata basis.

Breakdown:

Funding	School Name	# of Students to be Served 180 Attendance Days	Original Amount	Increase	New Amount
ASES	John Still K-8	129	\$175,824.97	\$25,670.45	\$201,495.42
ASES	Parkway	92	\$125,494.40	\$18,322.18	\$143,816.58
ELO/CARES	Phoenix Park	30	\$40,759.20	N/A	\$40,759.20
ASES	Susan B. Anthony	143	\$194,240.89	\$28,359.17	\$222,600.06
21 <sup>st</sup> Century ASSETs	Luther Burbank	250	\$110,000.00	\$4,500.00	\$114,500.00

All other provisions of the Agreement remain unchanged.

**IN WITNESS WHEREOF, the Parties have caused this Amendment to be executed.**

District:

\_\_\_\_\_  
 Rose Ramos  
 Chief Business Officer

\_\_\_\_\_  
 Date

Rose Family Creative Empowerment Center:

Jackie Rose  
 Jackie Rose, CEO/Director

Jackie Rose  
 Signature

2/22/2022  
 Date

**AGREEMENT FOR SERVICES**  
**Between**  
**SACRAMENTO CITY UNIFIED SCHOOL DISTRICT**  
**Youth Development Support Services Department**  
**And**  
**Sacramento Chinese Community Service Center**

**Amendment No. 1**

The agreement between Sacramento City Unified School District (“District” or “SCUSD”) and Sacramento Chinese Community Service Center (“SCCSC”), dated August 23, 2021 is hereby amended as follows:

B. Payment. For provision of services pursuant to this Agreement, District shall reimburse SCCSC for direct services not to exceed **\$6,769,163.83**, which represents an increase of **\$1,636,829.76** to the agreement. Increase is the result of the California Department of Education increase to ASES and 21<sup>st</sup> Century funding which is being passed through to Expanded Learning providers on a pro rata basis. This amendment also includes a reduction for services at PS7 as SCCSC is ceasing its operation of the St. Hope Public School 7 Expanded Learning program; and an additional amount has been added for sites that were added after the original agreement was drafted.

Breakdown:

Funding	School Name	Original Amount	# of Students to be Served 180 Attendance Days	Increase	New Amount
ASES	A.M. Winn K-8	\$131,305.03	97	\$19,170.53	\$150,475.56
ASES	Abraham Lincoln	\$113,193.99	83	\$16,526.32	\$129,720.31
ASES	Albert Einstein	\$150,925.32	90	\$22,035.10	\$172,960.42
ASES	Bowling Green	\$113,697.07	84	\$16,599.77	\$130,296.84
ASES	Cal Middle	\$150,774.39	111	\$22,013.07	\$172,787.46
ASES	Camellia Basic	\$113,193.99	83	\$16,526.32	\$129,720.31
ASES	Caroline Wenzel	\$112,741.21	83	\$16,460.22	\$129,201.43
ASES	Cesar Chavez	\$113,193.99	83	\$16,526.32	\$129,720.31
ASES	David Lubin	\$83,473.77	61	\$12,187.17	\$95,660.94
ASES	Earl Warren	\$113,193.99	83	\$16,526.32	\$129,720.31
ASES	Elder Creek	\$285,479.77	210	\$41,680.04	\$327,159.81
ASES	Ethel Phillips	\$113,193.99	83	\$16,526.32	\$129,720.31
ASES	Fern Bacon	\$150,925.32	111	\$22,035.10	\$172,960.42
ASES	Golden Empire	\$113,193.99	83	\$16,526.32	\$129,720.31
ASES	Hubert . Bancroft	\$97,799.61	72	\$14,278.74	\$112,078.35
ASES	John Bidwell	\$113,193.99	83	\$16,526.32	\$129,720.31
ASES	John Cabrillo	\$113,193.99	83	\$16,526.32	\$129,720.31
ASES	Kit Carson	\$97,401.92	72	\$14,220.69	\$111,622.61
ASES	Martin Luther King, Jr.	\$113,193.99	83	\$16,526.32	\$129,720.31
ASES	Nicholas	\$115,457.87	85	\$16,856.85	\$132,314.72

ASES	O.W. Erlewine	\$113,193.99	83	\$16,526.32	\$129,720.31
ASES	Pacific	\$115,457.87	85	\$16,856.85	\$132,314.72
ASES	Peter Burnett	\$137,191.12	101	\$20,029.90	\$157,221.02
ASES	Pony Express	\$113,193.99	83	\$16,526.32	\$129,720.31
ASES	School of Engineering and Science	\$95,082.96	70	\$13,882.11	\$108,965.07
ASES	Sequoia Elementary	\$113,193.99	83	\$16,526.32	\$129,720.31
ASES	St. Hope PS7	\$150,925.32	111	-47,149.07	\$103,776.25
ASES	Tahoe	\$113,193.99	83	\$16,526.32	\$129,720.31
ASES	Theodore Judah	\$113,193.99	83	\$16,526.32	\$129,720.31
ASES	Washington	\$113,193.99	83	\$16,526.32	\$129,720.31
ASES	Will C Wood	\$150,925.32	111	\$22,035.10	\$172,960.42
ASES	William Land	\$130,399.48	96	\$19,038.32	\$149,437.80
ASES	Woodbine	\$113,193.99	83	\$16,526.32	\$129,720.31
21 <sup>st</sup> CCLC – After School	Cesar Chavez	\$34,425.00	30	\$12,289.73	\$46,714.73
21 <sup>st</sup> CCLC – Before School	Cesar Chavez	\$34,200.00	40	\$7,324.20	\$41,524.20
21 <sup>st</sup> CCLC	Ethel Phillips	\$34,425.00	30	\$12,289.73	\$46,714.73
21 <sup>st</sup> CCLC	Martin Luther King, Jr.	\$96,390.00	83	\$34,411.23	\$130,801.23
21 <sup>st</sup> Century ASSETs	American Legion	\$65,000.00	50	\$1,620.00	\$66,620.00
21 <sup>st</sup> Century ASSETs	Hiram Johnson	\$110,000.00	250	\$4,500.00	\$114,500.00
21 <sup>st</sup> Century ASSETs	John F. Kennedy	\$110,000.00	250	\$4,500.00	\$114,500.00
21 <sup>st</sup> Century ASSETs	Rosemont	\$110,000.00	250	\$4,500.00	\$114,500.00
ELO/CARES	C.K. McClatchy	\$110,000.00	200	N/A	\$110,000.00
ELO/CARES	Pacific Before School	\$34,200.00	40	N/A	\$34,200.00
ELO/CARES	Peter Burnett Before School	\$25,650.00	30	N/A	\$25,650.00
ELO/CARES	Washington – After School Additional Slots	\$104,615.28	77	N/A	\$104,615.28
ELO/CARES	Washington – Before School	\$94,050.00	110	N/A	\$94,050.00
ELO/CARES	William Land After School Additional Slots	\$88,311.60	65	N/A	\$88,311.60
<b>Subtotal</b>				<b>\$655,235.57</b>	<b>\$5,740,420.57</b>

Additional Sites/Tasks	School Name	Number of Students to be Served	Contracted Days	Amount
ELO/CARES	Caroline Wenzel – Before School	40	180	\$34,200.00
ELO/CARES	Tahoe – Before School	40	180	\$34,200.00
ELO/CARES	Alice Birney – After School	80	180	\$108,691.20
ELO/CARES	Caleb Greenwood – After School	80	180	\$108,691.20
ELO/CARES	Genevieve Didion – After School	80	180	\$108,691.20
ELO/CARES	Matsuyama – After School	80	180	\$108,691.20
ELO/CARES	Phoebe Hearst – After School	80	180	\$108,691.20
ELO/CARES	Sutterville – After School	80	180	\$108,691.20
ELO/CARES	Leonardo da Vinci – After School	80	159	\$96,010.56
ELO/CARES	David Lubin – Additional Slots	70	180	\$95,104.80
ELO/CARES	Pacific – Additional Slots	40	110	\$33,211.20
ELO/CARES	ASSETs – Campus Safety x 4 sites	N/A	148	\$31,968.00
ELO/CARES	ASES – Campus Safety x 2	N/A	123	\$13,284.00
ELO/CARES	Earl Warren – Before School	20	73	\$6,935.00
ELO/CARES	Nicholas – Before School	30	125	\$17,812.50
ELO/CARES	Pony Express – Before School	20	73	\$6,935.00
ELO/CARES	Woodbine – Before School	20	73	\$6,935.00
<b>Total Amount for Additional Sites</b>				<b>\$1,028,743.26</b>
<b>New Total Contract Amount</b>				<b>\$6,769,163.83</b>

All other provisions of the Agreement remain unchanged.

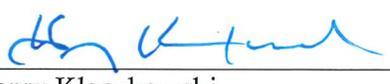
**IN WITNESS WHEREOF, the Parties have caused this Amendment to be executed.**

District:

\_\_\_\_\_  
Rose Ramos  
Chief Business Officer

\_\_\_\_\_  
Date

Sacramento Chinese Community Service Center:

  
\_\_\_\_\_  
Henry Kloczkowski  
CEO/Executive Director

3/9/2022  
Date

**AGREEMENT FOR SERVICES**  
**Between**  
**SACRAMENTO CITY UNIFIED SCHOOL DISTRICT**  
**Youth Development Support Services Department**  
**And**  
**Sol Aureus College Preparatory K-8**

**Amendment No. 1**

The agreement between Sacramento City Unified School District (“District” or “SCUSD”) and Sol Aureus College Preparatory K-8, dated August 3, 2021 is hereby amended as follows:

B. Payment. For provision of services pursuant to this Agreement, District shall reimburse Sol Aureus College Preparatory K-8 for After School Education and Safety (ASES) grant not to exceed **\$131,856.87**, which represents an increase of **\$16,798.52** to the agreement. Increase is the result of the California Department of Education increase to ASES funding which is being passed through to Expanded Learning providers on a pro rata basis.

Breakdown:

Funding	School Name	# of Students to be Served 180 Attendance Days	Original Amount	Increase	New Amount
ASES	Sol Aureus	80	\$115,058.35	\$16,798.52	\$131,856.87

All other provisions of the Agreement remain unchanged.

**IN WITNESS WHEREOF, the Parties have caused this Amendment to be executed.**

District:

\_\_\_\_\_  
Rose Ramos  
Chief Business Officer

\_\_\_\_\_  
Date

Sol Aureus College Preparatory K-8:

\_\_\_\_\_  
Norman Hernandez  
Principal

\_\_\_\_\_  
Date

## **Memorandum of Understanding**

Sacramento City Unified School District  
Facility Master Planning Support for Zero Net Energy and Carbon (ZNE and ZNC)  
Provided by  
Sacramento Municipal Utility District

This Memorandum of Understanding (“MOU”) is entered by and between the Sacramento Municipal Utility District (“SMUD”), New Buildings Institute (“NBI”), and Sacramento City Unified School District (SCUSD) (hereinafter the signing entities are referred to individually as “Party” or collectively as “Parties”).

### **RECITALS**

This MOU is entered with reference to the following facts:

- A. WHEREAS, SMUD is a community-owned electric utility engaged in the business of generation, transmission and distribution of electric power to customer-owners principally in the greater Sacramento area.
- B. WHEREAS, specifically, SMUD is committed to carbon emission reductions, and the implementation of renewables and all-electric technologies when and where possible.
- C. WHEREAS, SCUSD is a public school system in the city of Sacramento with an enrollment of over 47,000 students at 81 campuses.
- D. WHEREAS, SCUSD desires to have SMUD provide funds to NBI to assist SCUSD in advancing zero net energy and carbon buildings by participating in the SCUSD Facility Master Plan core planning process. The ZNE/ZNC guidelines developed by NBI for SCUSD will align with SMUD’s decarbonization efforts and shape future construction for the school district’s portfolio of buildings to create a comprehensive and future focused Facility Master Plan.
- E. WHEREAS, NBI is a nonprofit organization working to improve the energy performance of commercial buildings. They work collaboratively with entities to promote advanced design practices, innovative technologies, public policies and programs that improve energy efficiency. They develop and offer guidance and tools to support the design and construction of ZNE/ZNC buildings.

- F. WHEREAS, this MOU supports a broader SMUD-SCUSD Partnership that is being established to formalize the cooperative relationship between SMUD and SCUSD. Under the auspices of the partnership, representatives from the two entities will meet regularly to increase communication and collaboration, develop and implement joint projects, and help further their respective visions.

NOW, THEREFORE, in consideration of the above-mentioned recitals, the covenants herein, the Parties mutually agree as follows:

## **MOU**

### **I. PURPOSE**

The purpose of this MOU and the intent of the Parties is to provide NBI with funding to support SCUSD's development of guidelines for achieving zero net energy and carbon across its portfolio for its Facility Master Plan and establish performance targets for the school district's buildings, as particularly described in Exhibit A (Participating Facility) attached hereto and by this reference incorporated herein.

### **II. RESPONSIBILITIES**

#### **A. SCUSD shall do the following:**

- i. Hire NBI to serve as a technical subject matter expert for SCUSD in advancing zero net energy and carbon buildings by participating in the SCUSD Facility Master Plan core planning process. NBI will work with SCUSD and other key internal and external stakeholders to participate in core planning meetings and draft absolute energy targets (EUI) and energy design guidelines which will be incorporated into the final Facility Master Plan.
- ii. Provide NBI access to the Zero Net Energy ASHRAE Level II Audits that were developed as part of the Facilities Master Plan.
- iii. Provide SMUD access to NBI's staff for informational presentations on SMUD's 2030 Clean Energy Plan (when available).
- iv. Provide SMUD with quarterly and final draft review of the Facility Master Plan to ensure alignment with SMUD's 2030 Clean Energy Plan (when available).

#### **B. SMUD Responsibilities. SMUD will provide SCUSD with the following:**

i. ZNE and ZNC subject matter expertise for NBI as EUI performance targets and guidelines are developed to ensure alignment with SMUD's 2030 Clean Energy Plan (when available).

ii. Periodic and final review of NBI's deliverables.

Funding paid to NBI to directly assist SCUSD with their Facility Master Plan, as more particularly described in Exhibit B (NBI's Scope of Work). SMUD's total financial support under this MOU shall not exceed \$28,350; any costs more than this amount are SCUSD's sole responsibility. Before payment to NBI at the end of project completion, SMUD will seek written approval from SCUSD to pay.

C. NBI Responsibilities. NBI shall do the following.

- i. NBI will act as the technical service provider for SCUSD in advancing zero net energy and carbon buildings by participating in the SCUSD Facility Master Plan core planning process. NBI will work with SCUSD and other key internal and external stakeholders to participate in core planning meetings and draft absolute energy targets (EUI) and energy design guidelines which will be incorporated into the final Facility Master Plan.
- ii. NBI will research and recommend new construction and major renovation energy intensity (EUI) targets for individual buildings as well as portfolio-wide energy targets for SCUSD.
- iii. NBI's deliverables will include a single packet of information, which will include the following: a) Site Energy Use Performance Targets (EUI targets) for SCUSD District Facilities, b) ZNE/ZNC guidelines, c) ZNE/ZNC guidelines incorporated into the Facility Master Plan, and d) ZNE/ZNC guidelines fact sheet or checklist.
- iv. Invoice SMUD for payment of deliverables.

### III. GENERAL TERMS AND CONDITIONS

- A. Term and Termination. The term of this MOU shall be effective the first business date following the date of last execution by the authorized representative for the parties and shall continue until November 30, 2022.
- B. Early Termination for Convenience. Any party may terminate this MOU at any time for any reason by giving at least sixty (60) days' written notice. In the event of termination, payment shall not be made by SMUD to NBI unless

project has been completed and SCUSD provides approval for payment before the date of termination.

- C. Notices. Any notice or communication subject to the terms of the MOU shall be in writing and either personally delivered or sent via e-mail, facsimile or certified mail, postage prepaid and return receipt requested at the address specified below or such other address designated in writing.

If to SMUD: Sacramento Municipal Utility District  
Attention: Erik Krause  
P.O. Box 15830, MS A-104  
Sacramento CA 95852-1830  
Email: Erik.Krause@smud.org

If to SCUSD: Sacramento City Unified School District  
Nathaniel Browning, Director of Capital Projects,  
Facilities, and Resource Management  
425 1<sup>st</sup> Avenue  
Sacramento, CA 95818  
Email: Nathaniel-Browning@scusd.edu

If to NBI: New Buildings Institute  
Reilly Loveland, Program Manager  
623 SW Oak St.  
Portland, OR 97205  
Email: Reilly@newbuildings.org

No change of address shall be binding upon the other party hereto until such party receives, at the address shown herein, written notice thereof. All notices shall be in English and shall be effective upon receipt.

- D. Payment. SMUD shall pay NBI according to Section II B.iii and upon receipt of an invoice from NBI according to the schedule outlined. SCUSD shall facilitate payment instructions for SMUD's payment to NBI.
- E. Disclaimer. SMUD's payment to NBI for purposes of SCUSD's retention of NBI's services is a financial incentive only.
- F. Indemnification. To the extent authorized by California law, SCUSD agrees to indemnify, defend and hold harmless all Parties to this Agreement, and its past, present and future directors, officers, representatives, agents, and employees, from and against any liability, loss, expense (including reasonable attorneys' fees) or claim for injury or damages arising out of the performance of this MOU by SCUSD, its directors, officers, representative, agents, and employees, excepting any injury/damage caused by the negligence or willful misconduct of any other Party.

To the extent authorized by California law, NBI agrees to indemnify, defend and hold harmless all Parties to this Agreement, and its past, present and future directors, officers, representatives, agents, and employees, from and against any liability, loss, expense (including reasonable attorneys' fees) or claim for injury or damages arising out of the performance of this MOU by NBI, its directors, officers, representative, agents, and employees, excepting any injury/damage caused by the negligence or willful misconduct of any other Party.

To the extent authorized by California law, SMUD agrees to indemnify, defend and hold harmless SCUSD, and its past, present and future directors, officers, representatives, agents, and employees, from and against any liability, loss, expense (including reasonable attorneys' fees) or claim for injury or damages arising out of the performance of this MOU by SMUD, its directors, officers, representative, agents, and employees, excepting any injury/damage caused by the negligence or willful misconduct of any other Party not to exceed the value of this Agreement of \$28,350.

SCUSD NBI, and SMUD agree to maintain, at its own cost and expense, throughout the life of this MOU, adequate insurance, resources and/or processes adequate to cover the contractual liability herein.

- G. No Business Relationship. Nothing contained in this MOU shall be construed to constitute the Parties as partners, joint venturers, co-owners, agents or otherwise as participants in a joint or common undertaking.
- H. Audit. SCUSD and NBI shall maintain, for a period of three years following the termination of this MOU, all records in connection with the scope of work hereunder. SMUD shall have the right, during SCUSD's and NBI's normal business hours for the duration of this MOU and for a period of three (3) years thereafter, to conduct audits, either on SMUD property or at Contractor's offices, as SMUD may deem necessary or appropriate:
- Such audits shall be performed either by SMUD personnel or by an independent third party whom SMUD may use for the purpose of making such audits. SMUD, SCUSD, and NBI shall establish procedures for performing such audits and shall preserve the confidential and proprietary status of audited documents and information.
- I. Governing Law. This MOU shall be governed by and construed in accordance with the laws of the State of California, without regard to its choice of law provisions.
- J. Successors and Assigns. This MOU shall be binding upon and inure to the benefit of the Parties and their respective successors and assigns. No assignment or delegation of the obligation to make any payment or

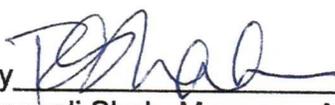
reimbursement hereunder will release the assigning Party without the prior consent of the other Party.

- K. Force Majeure. No Party shall be considered in default in the performance of its obligations under this MOU to the extent that the performance of any obligation is prevented or delayed by any cause, existing or future, which is beyond the reasonable control of the affected Party.
- L. Waiver. The waiver by no party of a breach or a default of any provision of this MOU by the other party shall not be construed as a waiver of any succeeding breach of the same or any other provision, nor shall any delay or omission on the part of either party to exercise or avail itself of any right, power or privilege that it has, or may have hereunder, operate as a waiver of any right, power or privilege by such party.
- M. Integration. This MOU constitutes the entire understanding among the Parties pertaining to the subject matter hereof and supersedes all prior understandings and representations of the Parties with respect to the subject matter hereof. Any representation, promise, or condition not incorporated into this MOU shall not be binding on any Party.
- N. Construction. In the event of a dispute between the Parties as to the language of this MOU or the construction or meaning of any term hereof, this MOU shall be deemed to have been drafted by the Parties in equal parts so that no presumptions or inferences concerning its terms or interpretation may be construed against any Party to this MOU.
- O. Definitions. Terms which are defined in any part of this MOU shall have the defined meaning whenever used with initial capital letters throughout this MOU.
- P. Headings. The subject headings of the sections of this MOU are included for the purposes of convenience and shall not affect the construction and interpretation of any of its provisions.
- Q. Severability. If any provision of this MOU is deemed invalid or unenforceable, the balance of this MOU shall remain in full force and effect.
- R. Amendment. This MOU may not be modified, amended or supplemented, or otherwise changed except by the written agreement of each of the Parties.
- S. Warranty of Authority. Each person signing this MOU represents and warrants that he or she has been duly authorized to enter into this MOU by the entity on whose behalf it is indicated the person is signing.

T. Execution and Counterparts. This MOU may be executed and delivered in facsimile counterparts, each of which when so executed and delivered shall be deemed an original and all of which taken together shall constitute one and the same MOU. Any Party executing and delivering this MOU by facsimile shall deliver an original signature page to the other Party hereto as soon as practicable. However, the failure by such Party to deliver such original signature shall have no effect on the validity, binding effect or enforceability of this MOU as to such Party.

IN WITNESS WHEREOF, the Parties hereto have caused their duly authorized representatives to execute this MOU as of the date shown below.

**SACRAMENTO MUNICIPAL UTILITY DISTRICT**

By  Date 3/10/22  
Roopali Shah, Manager, Account Management and Sales  
Sacramento Municipal Utility District - SMUD

**Sacramento City Unified School District**

DocuSigned by:  
By Rose Ramos Date 03/08/2022  
Rose Ramos, Chief Business Officer  
Sacramento City Unified School District

**New Buildings Institute**

By  Date Mar 4, 2022  
Ralph DiNola, Chief Executive Officer  
New Buildings Institute

**EXHIBIT A**  
**PARTICIPATING FACILITY**

<b>Building</b>	<b>Street Address</b>	<b>City</b>	<b>State</b>	<b>Zip</b>
A. Warren McClaskey Adult Center	5241 J Street	Sacramento	CA	96819
A.M. Winn Public Waldorf	3351 Explorer Drive	Sacramento	CA	95827
Abraham Lincoln Elementary School	3324 Glenmoor Drive	Sacramento	CA	95827
Albert Einstein School	9325 Mirandy Drive	Sacramento	CA	95826
Alice Birney Public Waldorf	6251 13th Street	Sacramento	CA	95831
American Legion	3801 Broadway	Sacramento	CA	95817
Arthur A. Benjamin Health Professions	451 McClatchy Way	Sacramento	CA	95818
Bowling Green Chacon Language & Science Academy	6807 Franklin Boulevard	Sacramento	CA	95823
Bowling Green McCoy Academy for Excellence	4211 Turnbridge Drive	Sacramento	CA	95823
Bret Harte Elementary School	2751 9th Avenue	Sacramento	CA	95818
C.K. McClatchy High School	3066 Freeport Boulevard	Sacramento	CA	95818
Caleb Greenwood IB World School	5457 Carlson Drive	Sacramento	CA	95819
California Middle School	1600 Vallejo Way	Sacramento	CA	95818
California Montessori Project - Capitol Campus	2635 Chestnut Hill Drive	Sacramento	CA	95826
Camellia Basic Elementary School	6600 Cougar Drive	Sacramento	CA	95828
Capital City School (Independent Study)	7222 24th Street	Sacramento	CA	95822
Capitol Collegiate Academy	2118 Meadowview Road	Sacramento	CA	95832
Caroline Wenzel Elementary School	6870 Greenhaven Drive	Sacramento	CA	95831
Cesar E. Chavez Elementary School	7500 32nd Street	Sacramento	CA	95822
Charles A. Jones Career & Education Center	5451 Lemon Hill Avenue	Sacramento	CA	95824
Clayton B. Wire (Closed and Leased)	5100 El Paraiso Avenue	Sacramento	CA	95824
Collis P. Huntington (Closed and Preschool)	5921 26th Street	Sacramento	CA	95822
Crocker/Riverside Elementary School	2970 Riverside Boulevard	Sacramento	CA	95818
David Lubin Elementary School	3535 M Street	Sacramento	CA	95816
Earl Warren Elementary School	5420 Lowell Street	Sacramento	CA	95820
Edward Kelly Preschool	3340 Bradshaw Road	Sacramento	CA	95827
Edward Kemble Elementary School	7495 29th Street	Sacramento	CA	95822
Elder Creek Elementary School	7934 Lemon Hill Avenue	Sacramento	CA	95824
Ethel I. Baker Elementary School	5717 Laurine Way	Sacramento	CA	95824
Ethel Phillips Elementary School	2930 21st Avenue	Sacramento	CA	95820
Father Keith B. Kenny School	3525 Martin L. King Jr. Blvd	Sacramento	CA	95817
Fern Bacon Middle School	4140 Cuny Avenue	Sacramento	CA	95823
Fruit Ridge (Closed, Leased & Preschool)	4625 44th Street	Sacramento	CA	95820
G.W. Carver School of Arts and Science	10101 Systems Parkway	Sacramento	CA	95827
Genevieve F. Didion School	6490 Harmon Drive	Sacramento	CA	95831

Golden Empire Elementary School	9045 Canberra Drive	Sacramento	CA	95826
H.W. Harkness Elementary School	2147 54th Avenue	Sacramento	CA	95822
Hiram Johnson Family Education Center	3535 65th Street	Sacramento	CA	95820
Hiram Johnson High School	6879 14th Avenue	Sacramento	CA	95820
Hollywood Park Elementary School	4915 Harte Way	Sacramento	CA	95822
Hubert H. Bancroft Elementary School	2929 Belmar Street	Sacramento	CA	95826
Isador Cohen Elementary School	9025 Salmon Falls Drive	Sacramento	CA	95826
James W. Marshall Elementary School	9525 Goethe Road	Sacramento	CA	95827
John Bidwell Elementary School	1730 65th Avenue	Sacramento	CA	95822
John Cabrillo Elementary School	1141 Seamas Avenue	Sacramento	CA	95822
John D. Sloat Elementary School	7525 Candlewood Way	Sacramento	CA	95822
John F. Kennedy High School	6715 Gloria Drive	Sacramento	CA	95831
John Morse Therapeutic Center	1901 60th Avenue	Sacramento	CA	95822
John Still Elementary (West Campus)	2200 John Still Drive	Sacramento	CA	95832
John Still Middle (East Campus)	2250 John Still Drive	Sacramento	CA	95832
Kit Carson International Academy	5301 N Street	Sacramento	CA	95819
Language Academy of Sacramento	2850 49th Street	Sacramento	CA	95817
Leataata Floyd Elementary School	401 McClatchy Way	Sacramento	CA	95818
Leonardo da Vinci School	4701 Joaquin Way	Sacramento	CA	95822
Luther Burbank High School	3500 Florin Road	Sacramento	CA	95823
Maintenance and Operations	425 1st Avenue	Sacramento	CA	95818
Maple Elementary (Closed and Leased)*	3301 37th Avenue	Sacramento	CA	95824
Mark Twain Elementary School	4914 58th Street	Sacramento	CA	95820
Martin Luther King Jr. School	480 Little River Way	Sacramento	CA	95831
Matsuyama Elementary School	7680 Windbridge Drive	Sacramento	CA	95831
New Joseph Bonnheim Community Charter	7300 Marin Avenue	Sacramento	CA	95820
Nicholas Elementary School	6601 Steiner Drive	Sacramento	CA	95823
O.W. Erlewine Elementary School	2441 Stansberry Way	Sacramento	CA	95826
Oak Ridge Elementary School	4501 Martin L. King Jr. Blvd	Sacramento	CA	95820
Pacific Elementary School	6201 41st Street	Sacramento	CA	95824
Parkway Elementary School	4720 Forest Parkway	Sacramento	CA	95823
Peter Burnett Elementary School	6032 36th Avenue	Sacramento	CA	95824
Phoebe A. Hearst Elementary School	1410 60th Street	Sacramento	CA	95819
Pony Express Elementary School	1250 56th Avenue	Sacramento	CA	95831
Print Shop/Nutrition Services	3051 Redding Avenue	Sacramento	CA	95820
Rosa Parks School	2250 68th Avenue	Sacramento	CA	95822
Rosemont High School	9594 Kiefer Boulevard	Sacramento	CA	95827
Sacramento Accelerated Academy	5601 47th Avenue	Sacramento	CA	95824
Sacramento Charter High School	2315 34th Street	Sacramento	CA	95817
Sacramento New Technology	1400 Dickson Street	Sacramento	CA	95822
Sam Brannan Middle School	5301 Elmer Way	Sacramento	CA	95822
School of Engineering and Sciences	7345 Gloria Drive	Sacramento	CA	95831
Sequoia Elementary School	3333 Rosemont Drive	Sacramento	CA	95826

Serna Center	5735 47th Avenue	Sacramento	CA	95824
Sol Aureus College Prep	6620 Gloria Drive	Sacramento	CA	95831
Success Academy	2221 Matson Drive	Sacramento	CA	95822
Susan B. Anthony Elementary School	7864 Detroit Boulevard	Sacramento	CA	95832
Sutter Middle School	3150 I Street	Sacramento	CA	95816
Sutterville Elementary School	4967 Monterey Way	Sacramento	CA	95822
Tahoe Elementary School	3110 60th Street	Sacramento	CA	95820
The MET Sacramento	810 V Street	Sacramento	CA	95818
Theodore Judah Elementary School	3919 McKinley Blvd	Sacramento	CA	95819
Washington Elementary School	520 18th Street	Sacramento	CA	95811
West Campus High School	5022 58th Street	Sacramento	CA	95820
Will C. Wood Middle School	6201 Lemon Hill Avenue	Sacramento	CA	95824
William Land Elementary School	2120 12th Street	Sacramento	CA	95818
Woodbine Elementary School	2500 52nd Avenue	Sacramento	CA	95822
Yav Pem Suab Academy	7555 South Land Park Dr	Sacramento	CA	95831

**EXHIBIT B**  
NBI Scope of Work

NBI will perform the following scope of work:

1. Participate in the SCUSD Facilities Master Plan (FMP) “Core Planning Group” (CPG) meetings;  
Expected Completion Date: September 30, 2022
2. Review the energy assessments for all teaching sites provided by others, and coordinate their work with the other consulting teams as necessary;  
Expected Completion Date: Two months after execution of MOU
3. Recommend appropriate project specific energy targets (EUI) for each of the District’s sites and facilities based on the potential type of construction: new construction, major modernization, or retrofit. This will be applicable to all facilities at the time of construction;  
Expected Completion Date: Two months after execution of MOU
4. Write the energy design guidelines which will be incorporated into the final FMP;  
Expected Completion Date: Three months after execution of MOU
5. Recommend new construction and major renovation energy intensity (EUI) targets for individual buildings; and  
Expected Completion Date: Three months after execution of MOU
6. Recommend additional program-wide energy targets (and/or projects) for the Measure H capital improvement program.  
Expected Completion Date: Three months after execution of MOU

Deliverables will be presented in a PDF document, which includes the following:

7. Site Energy Use Performance Targets (EUI targets) for all District Facilities based on specific construction types, and at the time of construction;
8. ZNE/ZNC guidelines, coordinated with the FMP document/deliverable; and
9. ZNE/ZNC guidelines in a summary format (such as a fact sheet, FAQ summary sheet, or checklist) for easy distribution.

Full deliverables package due by November 15, 2022

## **AGREEMENT**

THIS AGREEMENT IS MADE AND ENTERED INTO THIS 7th DAY OF APRIL, 2022, by and between the Sacramento City Unified School District ("District") and KYA Services, LLC ("Contractor") ("Agreement").

**WITNESSETH:** That the parties hereto have mutually covenanted and agreed, and by these presents do covenant and agree with each other, as follows:

- 1. The Work:** Contractor agrees to furnish all tools, equipment, apparatus, facilities, labor, and material necessary to perform and complete in a good and workmanlike manner, the work of the following project:

**PROJECT: SCUSD - COVID DRINKING FOUNTAIN UPGRADES - BID PACKAGE 2**

It is understood and agreed that the Work shall be performed and completed as required in the Contract Documents including, without limitation, the Drawings and Specifications and submission of all documents required to secure funding or by the Division of the State Architect for close-out of the Project, under the direction and supervision of, and subject to the approval of, the District or its authorized representative.

- 2. The Contract Documents:** The complete Contract consists of all Contract Documents as defined in the General Conditions and incorporated herein by this reference. Any and all obligations of the District and Contractor are fully set forth and described in the Contract Documents. All Contract Documents are intended to cooperate so that any Work called for in one and not mentioned in the other or vice versa is to be executed the same as if mentioned in all Contract Documents.
- 3. Interpretation of Contract Documents:** Should any question arise concerning the intent or meaning of Contract Documents, including the Drawings or Specifications, the question shall be submitted to the District for interpretation. If a conflict exists in the Contract Documents, modifications, beginning with the most recent, shall control over this Agreement (if any), which shall control over the Special Conditions, which shall control over any Supplemental Conditions, which shall control over the General Conditions, which shall control over the remaining Division 0 documents, which shall control over Division 1 Documents which shall control over Division 2 through Division 18 documents, which shall control over figured dimensions, which shall control over large-scale drawings, which shall control over small-scale drawings. In no case shall a document calling for lower quality and/or quantity material or workmanship control. The decision of the District in the matter shall be final.
- 4. Time for Completion:** It is hereby understood and agreed that the work under this contract shall be completed within ninety-five (95) consecutive calendar days ("Contract Time") from the date specified in the District's Notice to Proceed.
- 5. Completion-Extension of Time:** Should the Contractor fail to complete this Contract, and the Work provided herein, within the time fixed for completion, due allowance being made for the contingencies provided for herein, the Contractor shall become liable to the District for all loss and damage that the District may suffer on

account thereof. The Contractor shall coordinate its work with the Work of all other contractors. The District shall not be liable for delays resulting from Contractor's failure to coordinate its Work with other contractors in a manner that will allow timely completion of Contractor's Work. Contractor shall be liable for delays to other contractors caused by Contractor's failure to coordinate its Work with the work of other contractors.

- 6. Liquidated Damages:** Time is of the essence for all work under this Agreement. It is hereby understood and agreed that it is and will be difficult and/or impossible to ascertain and determine the actual damage that the District will sustain in the event of and by reason of Contractor's delay; therefore, Contractor agrees that it shall pay to the District the sum of Five Hundred dollars (\$500) per day as liquidated damages for each and every day's delay beyond the time herein prescribed in finishing the Work. It is hereby understood and agreed that this amount is not a penalty.

In the event that any portion of the liquidated damages is not paid to the District, the District may deduct that amount from any money due or that may become due the Contractor under this Agreement. The District's right to assess liquidated damages is as indicated herein and in the General Conditions.

The time during which the Contract is delayed for cause as hereinafter specified may extend the time of completion for a reasonable time as the District may grant. This provision does not exclude the recovery of damages for delay by either party under other provisions in the Contract Documents.

- 7. Loss Or Damage:** The District and its authorized representatives shall not in any way or manner be answerable or suffer loss, damage, expense, or liability for any loss or damage that may happen to the Work, or any part thereof, or in or about the same during its construction and before acceptance, and the Contractor shall assume all liabilities of every kind or nature arising from the Work, either by accident, negligence, theft, vandalism, or any cause whatever; and shall hold the District and its authorized representatives harmless from all liability of every kind and nature arising from accident, negligence, or any cause whatever.
- 8. Insurance and Bonds:** Before commencing the Work, Contractor shall provide all required certificates of insurance, and payment and performance bonds as evidence thereof.
- 9. Prosecution of Work:** If the Contractor should neglect to prosecute the Work properly or fail to perform any provisions of this contract, the District, may, pursuant to the General Conditions and without prejudice to any other remedy it may have, make good such deficiencies and may deduct the cost thereof from the payment then or thereafter due the Contractor.
- 10. Authority of Architect, Project Inspector, and DSA:** Contractor hereby acknowledges that the Architect(s), the Project Inspector(s), and the Division of the State Architect have authority to approve and/or stop Work if the Contractor's Work does not comply with the requirements of the Contract Documents, Title 24 of the California Code of Regulations, and all applicable laws. The Contractor shall be liable for any delay caused by its non-compliant Work.

- 11. Assignment of Contract:** Neither the Contract, nor any part thereof, nor any moneys due or to become due thereunder, may be assigned by the Contractor without the written approval of the District, nor without the written consent of the Surety on the Contractor's Performance Bond (the "Surety"), unless the Surety has waived in writing its right to notice of assignment.
- 12. Classification of Contractor's License:** Contractor hereby acknowledges that it currently holds valid Type B - General Building Contractor's license(s) issued by the State of California, Contractor's State Licensing Board, in accordance with division 3, chapter 9, of the Business and Professions Code and in the classification called for in the Contract Documents.
- 13. Registration as Public Works Contractor:** The Contractor and all Subcontractors currently are registered as public works contractors with the Department of Industrial Relations, State of California, in accordance with Labor Code section 1771.4.
- 14. Payment of Prevailing Wages:** The Contractor and all Subcontractors shall pay all workers on all Work performed pursuant to this Contract not less than the general prevailing rate of per diem wages and the general prevailing rate for holiday and overtime work as determined by the Director of the Department of Industrial Relations, State of California, for the type of work performed and the locality in which the work is to be performed within the boundaries of the District, pursuant to sections 1770 et seq. of the California Labor Code. The Contractor and all Subcontractors shall comply with the Davis Bacon Act, applicable reporting requirements, and any other applicable requirements for federal funding. If a conflict exists, the more stringent provision shall control over this Agreement.]
- 15. Labor Compliance:** This Project is subject to labor compliance monitoring and enforcement by the Department of Industrial Relations pursuant to Labor Code section 1771.4 and Title 8 of the California Code of Regulations. Contractor specifically acknowledges and understands that it shall perform the Work of this Agreement while complying with all the applicable provisions of Division 2, Part 7, Chapter 1, of the Labor Code, including, without limitation, the requirement that the Contractor and all of its Subcontractors shall timely submit complete and accurate electronic certified payroll records as required by the Contract Documents, or the District may not issue payment.
- 16. Contract Price:** In consideration of the foregoing covenants, promises, and agreements on the part of the Contractor, and the strict and literal fulfillment of each and every covenant, promise, and agreement, and as compensation agreed upon for the Work and construction, erection, and completion as aforesaid, the District covenants, promises, and agrees that it will well and truly pay and cause to be paid to the Contractor in full, and as the full Contract Price and compensation for construction, erection, and completion of the Work hereinabove agreed to be performed by the Contractor, the following price:

**Four Hundred Forty-Four Thousand Four Hundred Dollars (\$444,400)**  
(Includes 10% Owner's Contingency)

in lawful money of the United States, which sum is to be paid according to the schedule provided by the Contractor and accepted by the District and subject to

additions and deductions as provided in the Contract. This amount supersedes any previously stated and/or agreed to amount(s).

- 17. Severability:** If any term, covenant, condition, or provision in any of the Contract Documents is held by a court of competent jurisdiction to be invalid, void or unenforceable, the remainder of the provisions in the Contract Documents shall remain in full force and effect and shall in no way be affected, impaired, or invalidated thereby.

IN WITNESS WHEREOF, accepted and agreed on the date indicated above:

**KYA SERVICES, LLC**

**SACRAMENTO CITY UNIFIED  
SCHOOL DISTRICT**

---

By: Brooks Berry

---

By: Rose Ramos

Title: CFO

Title: Chief Business Officer

Date: \_\_\_\_\_

Date: April 7, 2022

NOTE: If the party executing this Contract is a corporation, a certified copy of the by-laws, or of the resolution of the Board of Directors, authorizing the officers of said corporation to execute the Contract and the bonds required thereby must be attached hereto.

END OF DOCUMENT

**FACILITIES LEASE**

**For all or a portion of the following Site:**

**Hiram Johnson HS – Stadium Lighting/Bleachers/Concession-Restroom Buildings  
and Plaza**

**6879 14<sup>th</sup> Ave., Sacramento, CA 95820**

APN: 01503010010000

**By and between**

Sacramento City Unified School District  
5735 47<sup>th</sup> Avenue  
Sacramento, CA 95824

**And**

AM Stephens Construction Co., Inc  
PO Box 1867  
Lodi, CA 95241

Dated as of April 7, 2022

TABLE OF CONTENTS

	<u>Page</u>
1. Definitions .....	2
2. Exhibits .....	3
3. Lease of Project and Site.....	3
4. Term .....	4
5. Payment .....	5
6. Title .....	5
7. Quiet Enjoyment .....	5
8. Representations of the District .....	5
9. Representations of the Developer .....	6
10. Pre-construction Services .....	7
11. Construction of Project.....	15
12. Maintenance.....	16
13. Utilities.....	16
14. Taxes and Other Impositions .....	16
15. Insurance .....	17
16. Indemnification and Defense.....	23
17. Eminent Domain .....	25
18. Damage and Destruction.....	26
19. Abatement.....	26
20. Access .....	26
21. Assignment, Subleasing .....	27
22. Termination, Default And Suspension .....	27
23. Notices .....	35
24. Binding Effect .....	36
25. No Additional Waiver Implied by One Waiver.....	36
26. Severability.....	36
27. Amendments, Changes and Modifications .....	36
28. Net-Net-Net Lease .....	36
29. Execution in Counterparts .....	37
30. Developer and District Representatives .....	37
31. Applicable Law.....	37
32. Attorney's Fees.....	37
33. Captions .....	37

34.	Prior Agreements .....	37
35.	Further Assurances.....	37
36.	Recitals and Exhibits Incorporated .....	37
37.	Time of the Essence .....	37
38.	Force Majeure.....	38
39.	Interpretation .....	38

**Exhibits A - H**

## **FACILITIES LEASE**

This facilities lease ("Facilities Lease"), dated as of **April 7, 2022** ("Effective Date"), is made and entered into by and between AM Stephens Construction Co., Inc. ("Developer"), a California corporation duly organized and existing under the laws of the State of California, as sublessor, and Sacramento City Unified School District, a school district duly organized and validly existing under the laws of the State of California, as sublessee ("District") (together, the "Parties").

### **RECITALS**

**WHEREAS**, the District is authorized under Section 17406 of the Education Code of the State of California to lease a site to a developer and to have that developer develop and construct the project on the site and to lease back to the District the completed project and site; and

**WHEREAS**, on the date hereof, the District has leased to Developer, a parcel of land located at **6879 14<sup>th</sup> Ave., Sacramento, CA 95820**, known as **Hiram Johnson High School**, particularly described in **Exhibit A** and shown on **Exhibit B** attached hereto and incorporated herein by reference ("Site"); and

**WHEREAS**, District and Developer have executed a site lease at the same time as this Facilities Lease whereby the District is leasing the Site to Developer ("Site Lease"); and

**WHEREAS**, the District desires to provide for the development and construction of certain work to be performed on portions of the Site which will include construction of improvements to be known as the **Hiram Johnson HS - Stadium Lighting/Bleachers/Concession-Restroom Buildings and Plaza** Project ("Project"); and

**WHEREAS**, District has retained **Verde Design, Inc.** ("Architect") to prepare plans and specifications for the Project ("Plans and Specifications") and to act as the Design Professional in General Responsible Charge for the Project; and

**WHEREAS**, the Governing Board of the District ("Board") has determined that it is in the best interests of the District and for the common benefit of the citizens residing in the District to construct the Project by leasing the Site to Developer and by simultaneously entering into this Facilities Lease under which the District will lease back the completed Project and site from Developer and if necessary, make Lease Payments; and

**WHEREAS**, the District further acknowledges and agrees that it has entered into the Site Lease and the Facilities Lease pursuant to Education Code Section 17406 as the best available and most expeditious means for the District to satisfy its substantial need for the facilities to be provided by the Project and to accommodate and educate District students and to utilize its facilities proceeds expeditiously; and

**WHEREAS**, this Site Lease and Facilities Lease are awarded based a competitive solicitation process pursuant to Education Code section 17406 and in compliance with the required procedures and guidelines for evaluating the qualifications of proposers adopted and published by the Board to the proposer providing the best value to the school district, taking into consideration the proposer's demonstrated competence and professional qualifications necessary for the satisfactory performance of the services required; and

**WHEREAS**, the selection of Developer was conducted in a fair and impartial manner;  
and

**WHEREAS**, Developer has reviewed the Lease Documents; and

**WHEREAS**, Developer represents that it has the expertise and experience to perform the services set forth in this Facilities Lease; and

**WHEREAS**, the Parties have performed all acts, conditions and things required by law to exist, to have happened and to have been performed precedent to and in connection with the execution and entering into of this Facilities Lease and all those conditions precedent to exist, have happened and have been performed in regular and due time, form and manner as required by law, and the Parties hereto are now duly authorized to execute and enter into this Facilities Lease; and

**WHEREAS**, Developer is authorized to lease the Site as lessee and to develop the Project by constructing the Project on the Site and to lease the completed Project and Site back to the District, and has duly authorized the execution and delivery of this Facilities Lease.

**NOW, THEREFORE**, in consideration of the above recitals and of the mutual covenants hereinafter contained, the Parties hereto do hereby agree as follows:

## **1. Definitions**

In addition to the terms and entities defined above or in subsequent provisions, and unless the context otherwise requires, the terms defined in this section shall, for all purposes of this Facilities Lease, have the meanings herein specified.

**1.1 "Developer" or "Lessor"** means AM Stephens Construction Co., Inc., a California corporation, organized and existing under the laws of the State of California, Contractor's license number #404723 issued by the State of California, Contractors' State License Board, in accordance with division 3, chapter 9, of the Business and Professions Code, and its successors and assigns.

**1.2 "Developer's Representative"** means the Managing Member of Developer, or any person authorized to act on behalf of Developer under or with respect to this Facilities Lease.

**1.3 "Contract Documents"** are defined in **Exhibit D** to this Facilities Lease.

**1.4 "District" or "Lessee"** means the Sacramento City Unified School District, a school district duly organized and existing under the laws of the State of California.

**1.5 "District Representative"** means the Superintendent of the District, or any other person authorized by the Governing Board of the District to act on behalf of the District under or with respect to this Facilities Lease.

**1.6 "Permitted Encumbrances"** means, as of any particular time:

**1.6.1** Liens for general ad valorem taxes and assessments, if any, not then delinquent, or which the District may permit to remain unpaid;

**1.6.2** The Site Lease.

**1.6.3** This Facilities Lease.

**1.6.4** Easements, rights of way, mineral rights, drilling rights and other rights, reservations, covenants, conditions or restrictions which exist of record as of the date of this Facilities Lease.

**1.6.5** Easements, rights of way, mineral rights, drilling rights and other rights, reservations, covenants, conditions or restrictions established following the date of recordation of this Facilities Lease and to which Developer and the District consent in writing which will not impair or impede the operation of the Site.

## **2. Exhibits**

The following Exhibits are attached to and by reference incorporated and made a part of this Facilities Lease:

**2.1 Exhibit A - Legal Description of the Site:** The description of the real property constituting the Site.

**2.2 Exhibit B - Description of the Project:** The map or diagram depiction of the Project.

**2.3 Exhibit C - Guaranteed Maximum Price and Other Project Cost, Funding, and Payment Provisions:** A detailed description of the Guaranteed Maximum Price and the provisions related to the payment of that amount to Developer, including Attachment 3, the Schedule of Lease Payments and Payoff Dates and Amounts.

**2.4 Exhibit D - General Construction Provisions:** The provisions generally describing the Project's construction.

**2.5 Exhibit D-1 - Special Conditions Provisions:** The provisions describing conditions specific to the Project's construction.

**2.6 Exhibit E - Memorandum of Commencement Date:** The Memorandum which will memorialize the commencement and expiration dates of the Lease Term.

**2.7 Exhibit F - Construction Schedule**

**2.8 Exhibit G - Schedule of Values**

**2.9 Exhibit H - Project Labor Agreement**

## **3. Lease of Project and Site**

**3.1** Developer hereby leases the completed Project to the District, and the District hereby leases said completed Project and Site from Developer upon the terms and conditions set forth in this Facilities Lease.

**3.2** The leasing by Developer to the District of the completed Project and Site shall not affect or result in a merger of the District's leasehold estate pursuant to this Facilities Lease and its fee estate as lessor under the Site Lease. Developer shall

continue to have and hold a leasehold estate in the Site pursuant to the Site Lease throughout the Term thereof and the Term of this Facilities Lease.

**3.3** As to the Site, this Facilities Lease shall be deemed and constitute a sublease.

#### **4. Term**

##### **4.1 Facilities Lease is Legally Binding**

This Facilities Lease is legally binding on the Parties upon execution by the Parties and the District Board's approval of this Facilities Lease. The "Term" of this Facilities Lease for the purposes of District's obligation to make Lease Payments shall commence on the date when Developer delivers possession of the Project to District and when all improvements to be provided by Developer are determined by the District to be completed as set forth in **Exhibit D** to this Facilities Lease.

Unless earlier terminated pursuant to the provisions of the Contract Documents, the Term of this Facilities Lease for the purposes of District's obligations to make Lease Payments shall terminate **six (6) months** thereafter or upon payment of the final lease payment.

**4.2** After Developer has completed construction of the Project and the District has accepted the Project, the Parties shall execute the Memorandum of Commencement Date attached hereto as **Exhibit E** to memorialize the commencement date of the Lease Payments and expiration date of the Term. Notwithstanding this Term, the Parties hereby acknowledge that each has obligations, duties, and rights under this Facilities Lease that exist upon execution of this Facilities Lease and prior to the beginning of the Lease Payment obligations.

**4.3** The Term may be extended or shortened upon the occurrence of the earliest of any of the following events, which shall constitute the end of the Term:

**4.3.1** An Event of Default by District as defined herein and Developer's election to terminate this Facilities Lease as permitted herein; or

**4.3.2** An Event of Default by Developer as defined herein and District's election to terminate this Facilities Lease as permitted herein; or

**4.3.3** Consummation of the District's purchase option pursuant to the Guaranteed Maximum Price and Other Project Cost, Funding, and Payment Provisions indicated in **Exhibit C** ("Guaranteed Maximum Price Provisions"); or

**4.3.4** A third-party taking of the Project under Eminent Domain, only if the Term is ended as indicated more specifically herein; or

**4.3.5** Damage or destruction of the Project, only if the Term is ended as indicated more specifically herein.

## **5. Payment**

In consideration for the lease of the completed Project and Site by Developer back to the District and for other good and valuable consideration, the District shall make all necessary payments pursuant to the Guaranteed Maximum Price Provisions indicated in **Exhibit C**.

## **6. Title**

**6.1** During the Term of this Facilities Lease, the District shall hold fee title to the Site, including the Project, and nothing in this Facilities Lease or the Site Lease shall change, in any way, the District's ownership interest.

**6.2** During the Term of this Facilities Lease, Developer shall have a leasehold interest in the Site pursuant to the Site Lease.

**6.3** During the Term of this Facilities Lease, Developer shall hold title to the Project improvements provided by Developer which comprise fixtures, repairs, replacements or modifications thereto.

**6.4** If the District exercises its Purchase Option pursuant to the Guaranteed Maximum Price Provisions indicated in **Exhibit C** or if District makes all necessary payments under the Guaranteed Maximum Price Provisions indicated in **Exhibit C**, all right, title and interest of Developer, its assigns and successors in interest in and to the Project and the Site shall be transferred to and vested in the District at the end of the Term. Title shall be transferred to and vested in the District hereunder without the necessity for any further instrument of transfer; provided, however, that Developer agrees to execute any instrument requested by District to memorialize the termination of this Facilities Lease and transfer of title to the Project.

## **7. Quiet Enjoyment**

Upon District's possession of the Project, Developer shall thereafter provide the District with quiet use and enjoyment of the Project, and the District shall during the Term peaceably and quietly have and hold and enjoy the Project, without suit, trouble or hindrance from Developer, except as otherwise may be set forth in this Facilities Lease. Developer will, at the request of the District and at Developer's cost, join in any legal action in which the District asserts its right to such possession and enjoyment to the extent Developer may lawfully do so. Notwithstanding the foregoing, Developer shall have the right to inspect the Project and the Site as provided herein.

## **8. Representations of the District**

The District represents, covenants and warrants to Developer as follows:

### **8.1 Due Organization and Existence**

The District is a school district, duly organized and existing under the Constitution and laws of the State of California.

## **8.2 Authorization**

The District has the full power and authority to enter into, to execute and to deliver this Facilities Lease, and to perform all of its duties and obligations hereunder, and has duly authorized the execution of this Facilities Lease.

## **8.3 No Violations**

Neither the execution and delivery of this Facilities Lease nor the Site Lease, nor the fulfillment of or compliance with the terms and conditions hereof or thereof, nor the consummation of the transactions contemplated hereby or thereby, conflicts with or results in a breach of the terms, conditions or provisions of any restriction or any agreement or instrument to which the District is now a party or by which the District is bound, or constitutes a default under any of the foregoing, or results in the creation or imposition of any lien, charge or encumbrance whatsoever upon any of the property or assets of the District, or upon the Site, except Permitted Encumbrances.

## **8.4 Condemnation Proceedings**

**8.4.1** District covenants and agrees, but only to the extent that it may lawfully do so, that so long as this Facilities Lease remains in effect, the District will not seek to exercise the power of eminent domain with respect to the Project so as to cause a full or partial termination of this Facilities Lease.

**8.4.2** If for any reason the foregoing covenant is determined to be unenforceable or in some way invalid, or if District should fail or refuse to abide by such covenant, then, to the extent it may lawfully do so, District agrees that the financial interest of Developer shall be as indicated in this Facilities Lease.

## **9. Representations of Developer**

Developer represents, covenants and warrants to the District as follows:

### **9.1 Due Organization and Existence**

Developer is a California company duly organized and existing under the laws of the State of California, has the power to enter into this Facilities Lease and the Site Lease; is possessed of full power to lease, lease back, and hold real and personal property and has duly authorized the execution and delivery of all of the aforesaid agreements.

### **9.2 Authorization**

Developer has the full power and authority to enter into, to execute and to deliver this Facilities Lease, and to perform all of its duties and obligations hereunder, and has duly authorized the execution of this Facilities Lease.

### **9.3 No Violations**

Neither the execution and delivery of this Facilities Lease and the Site Lease, nor the fulfillment of or compliance with the terms and conditions hereof or thereof, nor the consummation of the transactions contemplated hereby or thereby, conflicts with or results in a breach of the terms, conditions or provisions of any restriction or any agreement or instrument to which Developer is now a party or by which Developer is

bound, or constitutes a default under any of the foregoing, or results in the creation or imposition of any lien, charge or encumbrance whatsoever upon any of the property or assets of Developer, or upon the Site, except Permitted Encumbrances.

#### **9.4 No Bankruptcy**

Developer is not now nor has it ever been in bankruptcy or receivership.

#### **9.5 No Encumbrances**

Developer shall not pledge any District payments of any kind, related to the Site Lease, this Facilities Lease, or in any way derived from the Site, and shall not mortgage or encumber the Site, except as may be specifically permitted pursuant to the provisions of this Facilities Lease related to Developer's financing the construction of the project.

#### **9.6 Continued Existence**

Developer shall not voluntarily commence any act intended to dissolve or terminate the legal existence of Developer, at or before the latest of the following:

**9.6.1** Eighteen (18) months following completion of the Project.

**9.6.2** One (1) year following expiration or earlier termination of the Term.

**9.6.3** After dismissal and final resolution of any and all disputes between the Parties and/or any third-party claims related, in any way, to the Project.

While the lease documents are in effect, Developer shall give District one hundred twenty (120) days written notice prior to dissolving or terminating the legal existence of Developer.

### **10. Preconstruction Services**

#### **10.1 Scope of the Preconstruction Services**

Developer shall perform management and coordination services, plan and specification constructability reviews, provide value-engineering reviews and recommendations and other reviews as necessary to verify that the drawings and specifications are clear and reasonably accurate to minimize the need for changes during the construction phase of the project, including but not limited to the following:

##### **10.1.1 General Services**

**10.1.1.1** Developer shall attend meetings between the Architect, the District, District site personnel, and any other applicable consultants of the District as required to discuss the Project, including budget, scope and schedule.

**10.1.1.2** Developer shall assist the Architect with making formal presentations to the governing board of District. Such assistance is anticipated to include floor plans and elevations necessary for any architectural presentation.

**10.1.1.3** Developer shall prepare a rough schedule in a format acceptable to District, and update as necessary.

**10.1.1.4** Developer shall prepare and update the components of the Guaranteed Maximum Price and shall be primarily responsible for ensuring that the Project can and is constructed for no more than that amount.

**10.1.1.5** While the Architect is anticipated to provide primary assistance, Developer shall assist District with City land use issues.

**10.1.1.6** Architect shall act as lead and Developer will assist District and Architect with DSA review, input, and timeframe for same.

**10.1.1.7** Architect shall act as lead and Developer will assist with review and comment upon geotechnical / soils investigation and report.

**10.1.1.8** Architect shall act as lead and Developer will assist with review and comment upon survey of the Site for the Project.

**10.1.1.9** When requested, Developer will prepare meeting minutes.

**10.1.1.10** Prepare schedule for preconstruction deliverables, subject to District's approval, and provide preconstruction deliverables within time frames of approved preconstruction schedule.

## **10.1.2 Review of Design Documents.**

**10.1.2.1** Review Project design and budget with District and Architect based on the 100% Construction Documents submitted to DSA to:

**10.1.2.1.1** Provide recommendations on site use and improvements, selection of materials, building systems and equipment and methods of Project delivery;

**10.1.2.1.2** Provide recommendations on relative feasibility of construction methods, availability of materials and labor, time requirements for procurement, installation and construction of the Project and subparts thereof if requested, and factors relating to cost including, but not limited to, construction costs of alternate designs of materials, preliminary budgets and possible economics that could be achieved through alternate methods or substitutions;

**10.1.2.1.3** Provide recommendations on relative feasibility of construction methods, availability of materials and labor, time requirements for procurement, installation and construction of the Project and subparts thereof if requested, and factors relating to cost including, but not limited to, construction costs of alternate designs of materials, preliminary budgets and possible economics that could be achieved through alternate methods or substitutions;

**10.1.2.1.4** Provide plan review.

**10.1.2.1.5 Value-engineering.** Prepare a value-engineering report for District review and approval that:

**10.1.2.1.5.1** Details areas of cost saving (e.g. construction processes/procedures, specified materials and equipment, and equipment or other aspects of the design documents that can be modified to reduce costs and/or the time for achieving final completion of the Project and/or to extend life-cycle and/or to reduce maintenance/operations costs, without diminution in the quality of materials/equipment/workmanship, scope or intended purposes of the Project);

**10.1.2.1.5.2** Provides detailed estimate for proposed value-engineering items;

**10.1.2.1.5.3** Defines methodology or approaches that maximize value; and

**10.1.2.1.5.4** Identifies design choices that can be more economically delivered.

**10.1.2.1.6 Constructability Review.** Prepare detailed interdisciplinary constructability review within Fourteen (14) days of receipt of the plans from the District that:

**10.1.2.1.6.1** Ensures construction documents are well coordinated and reviewed for errors;

**10.1.2.1.6.2** Identifies to the extent known, construction deficiencies and areas of concern;

**10.1.2.1.6.3** Back-checks design drawings for inclusion of modifications; and

**10.1.2.1.6.4** Provides the District with written confirmation that:

**10.1.2.1.6.4.1** Requirements noted in the design documents prepared for the Project are consistent with and conform to the District's Project requirements and design standards.

**10.1.2.1.6.4.2** Various components have been coordinated and are consistent with each other so as to minimize conflicts within or between components of the design documents.

**10.1.2.2** Confirm Modifications to Design Drawings. If the District accepts Developer's comments, including the value-engineering and/or constructability review comments, review the design documents to

confirm that those comments are properly incorporated into the final design documents.

**10.1.2.3** In doing so, it is recognized that Developer is not acting in the capacity of a licensed design professional, and that Developer's examination is made in good faith to facilitate construction and does not create an affirmative responsibility of a design professional to detect errors, omissions or inconsistencies in the Contract Documents or to ascertain compliance with applicable laws, building codes or regulations. However, nothing in this provision shall abrogate Developer's responsibilities for discovering and reporting any error, inconsistency, or omission pursuant to the Contract within the Developer's standard of care including, without limitation, any applicable laws, ordinance, rules, or regulations.

### **10.1.3 Budget of Project Costs.**

**10.1.3.1** At each stage of plan review indicated above, Developer will update and refine the budget of the Guaranteed Maximum Price based on the most recent set of design documents. Developer shall also advise the District and the Architect if it appears that the total construction costs may exceed the Guaranteed Maximum Price established by the District and shall make recommendations for corrective action. Developer will further provide input to the District and Architect relative to value of construction, means and methods for construction, duration of construction of various building methods and constructability.

**10.1.3.2** In each budget of the Guaranteed Maximum Price, Developer shall include values of scopes of work subdivided into component parts in sufficient detail to serve as the basis for progress payments during construction. This budget of the Guaranteed Maximum Price shall include, at a minimum, the following information divided into at least the following categories for each site:

**10.1.3.2.1** Overhead and profit;

**10.1.3.2.2** Supervision;

**10.1.3.2.3** General conditions;

**10.1.3.2.4** Layout & Mobilization (not more than 1%);

**10.1.3.2.5** Submittals, samples, shop drawings (not more than 3%);

**10.1.3.2.6** Bonds and insurance (% is based on the RFQ/P fee proposal);

**10.1.3.2.7** Close-out documentation (not less than 3%);

**10.1.3.2.8** Demolition;

**10.1.3.2.9** Installation;

- 10.1.3.2.10** Rough-in;
- 10.1.3.2.11** Finishes;
- 10.1.3.2.12** Testing;
- 10.1.3.2.13** Owner and Maintenance Manuals; and
- 10.1.3.2.14** Punchlist and District acceptance.

#### **10.1.4 Construction Schedule and Phasing Plan**

Developer shall prepare a preconstruction schedule to guide the design team through to bid dates. That schedule shall show the multiple phases and interrelations of design, constructability review, and estimating. Developer shall also prepare a full construction schedule for the Project detailing the construction activities. Developer shall further investigate, recommend and prepare a schedule for the purchase of materials and equipment requiring long lead time procurement, and coordinate the schedule with the early preparation of portions of the Contract Documents by the Architect.

#### **10.1.5 Construction Planning and Bidding**

**10.1.5.1** For all of Developer's activities relating to construction planning and bidding, Developer shall comply with all applicable legal requirements, including but not limited to those set forth in Education Code section 17406.

**10.1.5.2** Consult with District staff in relation to the existing site. Selected developer should make site visits, as needed to review the current site conditions. During this evaluation, Respondent may make recommendations relating to soils investigations and utility locations and capacities, in order to minimize unforeseen conditions.

**10.1.5.3** Attend meetings at the Site with the Architect and the design team as needed.

**10.1.5.4** Provide plan review and constructability services with an emphasis on ensuring that the Project can be completed within the established schedule and within the available budget.

**10.1.5.5** Provide a detailed analysis of all major Project systems with an emphasis on possible value engineering possibilities.

**10.1.5.6** Prepare and distribute specifications and drawings provided by District to facilitate bidding to Developer's subcontractors.

**10.1.5.7** Review the drawings and specifications to eliminate areas of conflict and overlapping in the work to be performed by various subcontractors, and with a view to eliminating change order requests by the Architect or subcontractors.

**10.1.5.8** Conduct pre-bid conferences. Coordinate with District and the Architect in responding to subcontractor questions or providing clarification to all subcontractors.

**10.1.5.9** DSA approved plans shall be utilized to receive subcontractor bids and develop the GMP in accordance with the lease-leaseback agreement forms, including the requirement that Developer engage in competitive bidding for subcontractors for all scopes of work on the Project that constitute more than one half of one percent (0.5%) of the GMP. The District representative shall be present during the receipt of bids from subcontractors.

**10.1.5.10** Each phase GMP shall be presented to the District in the following manner within a three ring binder as well as electronically on an external memory device such as a CD, USB drive, or other comparable device:

**10.1.5.10.1** Cover sheet, signed by Developer indicating the GMP dollar amount with a certification, indicating that the GMP is all inclusive per the plans, specifications and addenda (contract documents). Also include certification stating, "Developer hereby certifies that they have reviewed all subcontractor proposals and whether the subcontractor excluded portions of their scope Developer has included all costs for a complete GMP in accordance with plans, specifications and addenda."

**10.1.5.10.2** A bid tabulation sheet indicating the breakdown by subcontractor/trade along with the appropriate general condition amount, other fees (as submitted with the response to the RFQ/P).

**10.1.5.10.3** Behind the bid tabulation sheet mentioned in subdivision 10.1.5.5.2 above should be a sheet that indicates what is included in the general conditions, which should match what was submitted in the response to the RFQ/P.

**10.1.5.10.4** Copies of all subcontractor bids received divided by trade that corresponds to the final spread sheet with a cover sheet indicating the scope and subcontractors that provided bids as well as those that were asked to bid, but did not submit a proposal. This sheet should have the dollar amounts for each subcontractor that provided a bid with the first column being the proposed subcontractor for that trade.

**10.1.5.10.5** Behind subdivision 10.1.5.5.4 above should be the bids for that trade with the proposed subcontractor bid on top and the other subcontractor bids in descending order based on best value score.

**10.1.5.10.6** The minimum number of bona fide bids from contractors for a specific trade shall be as follows:

**10.1.5.10.6.1** Two (2) bids for subcontracts up to One Hundred Thousand Dollars (\$100,000);

**10.1.5.10.6.2** Three (3) bids for subcontracts over One Hundred Thousand Dollars (\$100,000).

**10.1.5.10.7** If Developer intends to propose to self-perform portion(s) of the construction of the Project, it must receive the District's prior written approval. If approved, Developer must provide its pricing (its bid) to the District twenty-four (24) hours prior to Developer's receipt of Subcontractor bids for those portion(s) of the Work.

**10.1.5.10.7.1** Regardless of the scope of work and not in any way reducing the number of Subcontractor bids based on the other requirements of the Contract Documents, the minimum number of bona fide bids from Subcontractors for scope(s) of Work that Developer is bidding to self-perform shall be Two (2) Bids, not including Developer's pricing/bid.

**10.1.5.11** Produce detailed construction CPM schedules to be incorporated into the Project documents including identification of the Project critical path and agency approvals.

**10.1.5.12** Plan the phases and staging of construction, staging areas, temporary fencing, office trailer placement, access, etc. as required.

**10.1.5.13** Any other services that are reasonable and necessary to control the budget and schedule. List those areas where subconsultants will be required and where the Respondent has in-house expertise. Provide resumes of persons providing each of these services and for key personnel assigned to the Project.

## **10.2 Schedule**

Preconstruction services outlined above will commence on the date the District issues a Notice to Proceed with Preconstruction Services for the Agreement, and conclude upon approval of the Amendment to the Lease Agreements by District's Board, or termination of this Agreement by either party per the Agreement's terms. Any extension shall be subject to reasonable approval in writing by the Parties.

## **10.3 Ownership of Records**

It is mutually agreed that all materials prepared by Developer under this Agreement shall become the property of the District and Developer shall have no property right therein whatsoever. Developer hereby assigns to District any copyrights associated with the materials prepared pursuant to the Agreement.

#### **10.4 Open Book Policy**

There will be an open book policy with Developer and its construction team. District shall have access to all subcontractor bids, value engineering back-up, contingency breakdown & tracking, and Developer fees.

#### **10.5 Compensation to Developer for Preconstruction Services**

District agrees to reimburse Developer in the total amount not to exceed Fifty Four Thousand Six Hundred DOLLARS, (\$54,600) for the performance of services contemplated by this Agreement. Developer shall be paid monthly for the actual fees and allowed costs and expenses for all time and materials required and expended for work requested and specified by the District as completed. Said amount shall be paid within thirty (30) days upon submittal to and verification by the District of a monthly billing statement showing completion of the tasks for that month on a line item basis. In the event Developer and District continue with the lease/leaseback agreements for the development of the Project, this compensation for services rendered will be included as part of the Guaranteed Maximum Price ("GMP") to be paid to Developer by District.

Developer shall be responsible for any and all costs and expenses incurred by Developer, including but not limited to the costs of hiring sub-consultants, contractors and other professionals, review of the Project's Plans and Specifications, review and preparation of necessary documentation relating to the development of the Project, all travel-related expenses, as well as for meetings with District and its representatives, long distance telephone charges, copying expenses, salaries of Developer staff and employees working on the Project, overhead, and any other reasonable expenses incurred by Developer in performance of the services contemplated by this Agreement.

#### **10.6 Termination before Construction Phase**

**10.6.1** Before the notice to proceed with the Construction Phase is issued by the District, this Agreement may be terminated at any time without cause by District upon fourteen (14) days written notice to Developer. In the event of such a termination by District, the District shall pay Developer for all undisputed services performed and expenses incurred per this Agreement, supported by documentary evidence, including, but not limited to, payroll records, invoices from third parties retained by Developer pursuant to this Agreement, and expense reports up until the date of notice of termination plus any sums due Developer for Board-approved extra services. In ascertaining the services actually rendered hereunder up to the date of termination of this Agreement, consideration shall be given to completed work and work in process that would best serve the District if a completed product was presented.

**10.6.2** In the event that the Parties do not reach an agreement on the GMP, this Agreement will be terminated at that time. In the event of such a termination, the District shall pay Developer no more than the not to exceed amount in Section 10.5 above.

#### **10.7 Construction Phase**

Developer shall not commence work for which a contractor is required to be licensed in accordance with Article 5 (commencing with Section 7065) of Chapter 9 of Division

3 of the Business and Professions Code and for which Division of the State Architect approval is required can be performed before receipt of the required Division of the State Architect approval.

## **11. Construction of Project**

### **11.1 Construction of Project**

**11.1.1** Developer agrees to cause the Project to be developed, constructed, and installed in accordance with the terms hereof and the Construction Provisions set forth in **Exhibit D**, including those things reasonably inferred from the Contract Documents as being within the scope of the Project and necessary to produce the stated result even though no mention is made in the Contract Documents.

#### **11.1.2 Contract Time / Construction Schedule**

It is hereby understood and agreed that the Contract Time for this Project shall be **Five hundred days (500)** calendar days, commencing with the date upon which the Facilities Lease and the Site Lease are fully executed and delivered to both Parties and ending with completion of the Work which will occur no later than **November 30, 2022 (construction) and January 31, 2023 (for punchlist & project acceptance)** ("Contract Time"). The Construction Schedule must be approved by the District.

#### **11.1.3 Schedule of Values**

Developer will provide a schedule of values, approved by the District, which will be attached hereto as **Exhibit G** ("Schedule of Values"). The Schedule of Values must be approved by the District.

#### **11.1.4 Liquidated Damages**

Time is of the essence for all work Developer must perform to complete the Project. It is hereby understood and agreed that it is and will be difficult and/or impossible to ascertain and determine the actual damage that the District will sustain in the event of and by reason of Developer's delay; therefore, Developer agrees that it shall pay to the District the sum of **Three thousand Five hundred Dollars (\$3,500)** per day as liquidated damages for each and every day's delay beyond the Contract Time.

**11.1.4.1** It is hereby understood and agreed that this amount is not a penalty.

**11.1.4.2** In the event any portion of the liquidated damages is not paid to the District, the District may deduct that amount from any money due or that may become due Developer under this Facilities Lease. The District's right to assess liquidated damages is as indicated herein and in **Exhibit D**.

**11.1.4.3** The time during which the construction of the Project is delayed for cause as hereinafter specified may extend the time of completion for a reasonable time as the District may grant.

### **11.1.5 Guaranteed Maximum Price**

Developer will cause the Project to be constructed within the GMP as set forth and defined in the GMP provisions in **Exhibit C**, and Developer will not seek additional compensation from District in excess of that amount.

### **11.1.6 Modifications**

If the DSA requires changes to the Contract Documents submitted by District to Developer, and those changes change the construction costs and/or construction time for the Project, then those changed costs or time will be handled as a modification pursuant to the provisions of **Exhibit D**.

### **11.1.7 Labor Compliance Monitoring and Enforcement by Department of Industrial Relations**

This Project is subject to labor compliance monitoring and enforcement by the Department of Industrial Relations pursuant to Labor Code section 1771.4 and Title 8 of the California Code of Regulations. Developer specifically acknowledges and understands that it shall perform the Work of this Contract while complying with all the applicable provisions of Division 2, Part 7, Chapter 1, of the Labor Code.

## **12. Maintenance**

Following delivery of possession of the Project by Developer to District, the repair, improvement, replacement and maintenance of the Project and the Site shall be at the sole cost and expense and the sole responsibility of the District, subject only to all punch list items and warranties against defects in materials and workmanship of Developer as provided in **Exhibit D**. The District shall pay for or otherwise arrange for the payment of the cost of the repair and replacement of the Project resulting from ordinary wear and tear. The District waives the benefits of subsections 1 and 2 of Section 1932 of the California Civil Code, but such waiver shall not limit any of the rights of the District under the terms of this Facilities Lease.

## **13. Utilities**

Following delivery of possession of the Project by Developer to District, the cost and expenses for all utility services, including, but not limited to, electricity, natural gas, telephone, water, sewer, trash removal, cable television, janitorial service, security, heating, water, internet service, data transmission, and all other utilities of any type shall be paid by District.

## **14. Taxes and Other Impositions**

All ad valorem real property taxes, special taxes, possessory interest taxes, bonds and special lien assessments or other impositions of any kind with respect to the Project, the Site and the improvements thereon, charged to or imposed upon either Developer or the District or their respective interests or estates in the Project, shall at all times be paid by District. In the event any possessory interest tax is levied on Developer, its successors and assigns, by virtue of this Facilities Lease or the Site Lease, District shall pay such possessory interest tax directly, if possible, or shall reimburse Developer, its successors and assigns for the full amount thereof within forty-five (45) days after presentation of proof of payment by Developer.

## **15. Insurance**

### **15.1 Developer's Insurance**

Developer shall comply with the insurance requirements as indicated here and in **Exhibit D**.

#### **15.1.1 Commercial General Liability and Automobile Liability Insurance**

**15.1.1.1** Developer shall procure and maintain, during the life of the Project, Commercial General Liability Insurance and Automobile Liability Insurance that shall protect Developer, District, its Board Members, employees, agents, Construction Manager(s), Project Manager(s), Project Inspector(s), and Architect(s) from all claims for bodily injury, property damage, personal injury, death, advertising injury, and medical payments arising from, or in connection with, operations under the Project. This coverage shall be provided in a form at least as broad as Insurance Services (ISO) Form CG 00 01 11 88. Developer shall ensure that Products Liability and Completed Operations coverage, Fire Damage Liability coverage, and Automobile Liability coverage including owned, non-owned, and hired automobiles, are included within the above policies and at the required limits, or Developer shall procure and maintain these coverages separately.

**15.1.1.2** Developer's deductible or self-insured retention for its Commercial General Liability Insurance policy shall not exceed five thousand dollars (\$5,000) for deductible or twenty-five thousand dollars (\$25,000) for self-insured retention, respectively, unless approved in writing by District.

**15.1.1.3** All such policies shall be written on an occurrence form.

#### **15.1.2 Excess Liability Insurance**

**15.1.2.1** If Developer's underlying policy limits are less than required, subject to 15.1.2.3 below, Developer may procure and maintain, during the life of the Project, an Excess Liability Insurance Policy to meet the policy limit requirements of the required policies in order to satisfy, in aggregate with its underlying policy, the insurance requirements herein.

**15.1.2.2** There shall be no gap between the per occurrence amount of any underlying policy and the start of the coverage under the Excess Liability Insurance Policy. Any Excess Liability Insurance Policy shall protect Developer, District, its Board Members, employees, agents, Construction Manager(s), Project Manager(s), Project Inspector(s), and Architect(s) in amounts and including the provisions as set forth in **Exhibit D** and/or the Supplementary Conditions (if any), and that complies with all requirements for Commercial General Liability and Automobile Liability and Employers' Liability Insurance.

**15.1.2.3** The District, in its sole discretion, may accept the Excess Liability Insurance Policy that brings Developer's primary limits to the minimum requirements herein.

### **15.1.3 Subcontractor**

Developer shall require its Subcontractor(s), if any, to procure and maintain Commercial General Liability Insurance, Automobile Liability Insurance, and Excess Liability Insurance (if Subcontractor elects to satisfy, in part, the insurance required herein by procuring and maintaining an Excess Liability Insurance Policy) with minimum limits at least equal to the amount required of Developer except where smaller minimum limits are permitted as set forth below.

### **15.1.4 Workers' Compensation and Employer's Liability Insurance**

**15.1.4.1** In accordance with provisions of section 3700 of the California Labor Code, Developer and every Subcontractor shall be required to secure the payment of compensation to its employees.

**15.1.4.2** Developer shall procure and maintain, during the life of the Project, Workers' Compensation Insurance and Employer's Liability Insurance for all of its employees engaged in work under the Project, on/or at the Site of the Project. This coverage shall cover, at a minimum, medical and surgical treatment, disability benefits, rehabilitation therapy, and survivors' death benefits. Developer shall require its Subcontractor(s), if any, to procure and maintain Workers' Compensation Insurance and Employer's Liability Insurance for all employees of Subcontractor(s). Any class of employee or employees not covered by a Subcontractor's insurance shall be covered by Developer's insurance. If any class of employee or employees engaged in Work on the Project, on or at the Site of the Project, is not protected under the Workers' Compensation Insurance, Developer shall provide, or shall cause a Subcontractor to provide, adequate insurance coverage for the protection of any employee(s) not otherwise protected before any of those employee(s) commence work.

### **15.1.5 Builder's Risk Insurance: Builder's Risk "All Risk" Insurance**

**15.1.5.1** Developer shall procure and maintain, during the life of this Contract, Builder's Risk (Course of Construction), or similar first party property coverage acceptable to the District, issued on a replacement cost value basis. The cost shall be consistent with the total replacement cost of all insurable Work of the Project included within the Contract Documents. Coverage is to insure against all risks of accidental physical loss and shall include without limitation the perils of vandalism and/or malicious mischief (both without any limitation regarding vacancy or occupancy), sprinkler leakage, civil authority, theft, sonic disturbance, earthquake, flood, collapse, wind, rain, dust, fire, war, terrorism, lightning, smoke, and rioting. Coverage shall include debris removal, demolition, increased costs due to enforcement of all applicable ordinances and/or laws in the

repair and replacement of damaged and undamaged portions of the property, and reasonable costs for the Architect's and engineering services and expenses required as a result of any insured loss upon the Work and Project, including completed Work and Work in progress, to the full insurable value thereof.

#### **15.1.6 Pollution Liability Insurance**

**15.1.6.1** Developer shall procure and maintain Pollution Liability Insurance that shall protect Developer, District, Construction Manager(s), Project Inspector(s), and Architect(s) from all claims for bodily injury, property damage, including natural resource damage, cleanup costs, removal, storage, disposal, and/or use of the pollutant arising from operations under this Facilities Lease, and defense, including costs and expenses incurred in the investigation, defense, or settlement of claims. Coverage shall apply to sudden and/or gradual pollution conditions resulting from the escape or release of smoke, vapors, fumes, acids, alkalis, toxic chemicals, liquids, or gases, natural gas, waste materials, or other irritants, contaminants, or pollutants, including asbestos. This coverage shall be provided in a form at least as broad as Insurance Services Offices, Inc. (ISO) Form CG 2415, or Developer shall procure and maintain these coverages separately.

**15.1.6.2** Developer warrants that any retroactive date applicable to coverage under the policy shall predate the Effective Date of this Facilities Lease and that continuous coverage will be maintained or an extended reporting or discovery period will be exercised for a period of three (3) years, beginning from the time that the Work under the Contract is completed.

**15.1.6.3** If Developer is responsible for removing any pollutants from a site, then Developer shall ensure that Any Auto, including owned, non-owned, and hired, are included within the above policies and at the required limits, to cover its automobile exposure for transporting the pollutants from the site to an approved disposal site. This coverage shall include the Motor Carrier Act Endorsement, MCS 90.

#### **15.1.7 Proof of Carriage of Insurance and Other Requirements Endorsements and Certificates**

**15.1.7.1** Developer shall not commence Work nor shall it allow any Subcontractor to commence Work on the Project, until Developer and its Subcontractor(s) have procured all required insurance and Developer has delivered in duplicate to the District complete endorsements (or entire insurance policies) and certificates indicating the required coverages have been obtained, and the District has approved these documents.

**15.1.7.2** Endorsements, certificates, and insurance policies shall include the following:

**15.1.7.2.1** A clause stating the following, or other language acceptable to the District:

"This policy shall not be canceled and the coverage amounts shall not be reduced until notice has been mailed to District, Architect, and Construction Manager stating date of cancellation by the insurance carrier. Date of cancellation may not be less than thirty (30) days after date of mailing notice."

**15.1.7.2.2** Language stating in particular those insured, extent of insurance, location and operation to which insurance applies, expiration date, to whom cancellation notice will be sent, and length of notice period.

**15.1.7.3** All endorsements, certificates and insurance policies shall state that District, its Board Members, employees and agents, Construction Manager(s), Project Manager(s), Inspector(s) and Architect(s) are named additional insureds under all policies except Workers' Compensation Insurance and Employers' Liability Insurance.

**15.1.7.4** All endorsements shall waive any right to subrogation against any of the named additional insureds.

**15.1.7.5** Developer's and Subcontractors' insurance policy(s) shall be primary and non-contributory to any insurance or self-insurance maintained by District, its Board Members, employees and/or agents, the State of California, Construction Manager(s), Project Manager(s), Inspector(s), and/or Architect(s).

**15.1.7.6** Developer's insurance limit shall apply separately to each insured against whom a claim is made or suit is brought.

**15.1.7.7** No policy shall be amended, canceled, or modified, and the coverage amounts shall not be reduced, until Developer or Developer's broker has provided written notice to District, Architect, and Construction Manager stating date of the amendment, modification, cancellation or reduction, and a description of the change. Date of amendment, modification, cancellation or reduction may not be less than thirty (30) days after date of mailing notice.

**15.1.7.8** Insurance written on a "claims made" basis shall be retroactive to a date that coincides with or precedes Developer's commencement of Work, including subsequent policies purchased as renewals or replacements. Said policy is to be renewed by Developer and all Subcontractors for a period of five (5) years following completion of the Work or termination of this Facilities Lease. Such insurance must have the same coverage and limits as the policy that

was in effect during the term of this Facilities Lease, and will cover Developer and all Subcontractors for all claims made.

**15.1.7.9** Developer's and Subcontractors' insurance policy(s) shall be primary and non-contributory to any insurance or self-insurance maintained by District, its Board Members, employees and/or agents, the State of California, Construction Manager(s), Project Manager(s), Inspector(s), and/or Architect(s).

**15.1.7.10** All endorsements shall waive any right to subrogation against any of the named additional insureds.

**15.1.7.11** All policies shall be written on an occurrence form.

**15.1.7.12** All of Developer's insurance shall be with insurance companies with an A.M. Best rating of no less than A: XI.

**15.1.7.13** The insurance requirements set forth herein shall in no way limit Developer's liability arising out of or relating to the performance of the Work or related activities.

**15.1.7.14** Failure of Developer and/or its Subcontractor(s) to comply with the insurance requirements herein shall be deemed a material breach of the Facilities Lease and constitute a Default by Developer pursuant to this Facilities Lease.

[REMAINDER OF PAGE INTENTIONALLY LEFT BLANK]

### 15.1.8 Insurance Policy Limits

The limits of insurance shall not be less than the following amounts:

COMMERCIAL GENERAL LIABILITY	Product Liability and Completed Operations, Fire Damage Liability – Split Limit	\$2,000,000 per occurrence; \$4,000,000 in aggregate
EXCESS LIABILITY		\$10,000,000 per occurrence; \$10,000,000 annual aggregate
AUTOMOBILE LIABILITY – ANY AUTO	Combined Single Limit	\$1,000,000
WORKERS’ COMPENSATION		Statutory limits pursuant to State law
EMPLOYER’S LIABILITY		\$1,000,000
BUILDER’S RISK (COURSE OF CONSTRUCTION)		Issued for the value and scope of Work indicated herein.
POLLUTION LIABILITY		\$2,000,000 per claim; \$2,000,000 aggregate

If Developer normally carries insurance in an amount greater than the minimum amounts required by District, that greater amount shall become the minimum required amount of insurance for purposes of the Contract. Therefore, Developer hereby acknowledges and agrees that all insurance carried by it shall be deemed liability coverage for all actions it performs in connection with the Contract.

The limits of insurance for those subcontractors whose subcontract does not exceed One Million Dollars (\$1,000,000) shall not be less than the following amounts:

COMMERCIAL GENERAL LIABILITY	Product Liability and Completed Operations, Fire Damage Liability – Split Limit	\$1,000,000 per occurrence; \$2,000,000 in aggregate
EXCESS LIABILITY		\$1,000,000 per occurrence; \$2,000,000 in aggregate
AUTOMOBILE LIABILITY – ANY AUTO	Combined Single Limit	\$1,000,000
WORKERS’ COMPENSATION		Statutory limits pursuant to State law
EMPLOYER’S LIABILITY		\$1,000,000

Notwithstanding anything in this Facilities Lease to the contrary, the above insurance requirements may be modified as appropriate for subcontractors, with District's prior written approval.

## **15.2 District's Insurance**

### **15.2.1 Rental Interruption Insurance**

District shall at all times from and after District's acceptance of the Project, for the benefit of District and Developer, as their interests may appear, maintain rental interruption insurance to cover loss, total or partial, of the use of the Project due to damage or destruction, in an amount at least equal to the maximum estimated Lease Payments payable under this Facilities Lease during the current or any future twenty-four (24) month period. This insurance may be maintained as part of or in conjunction with any other insurance coverage carried by the District, and such insurance may be maintained in whole or in part in the form of participation by the District in a joint powers agency or other program providing pooled insurance. This insurance may not be maintained in the form of self-insurance.

### **15.2.2 Property Insurance**

District shall at all times from and after District's acceptance of the Project, carry and maintain in force a policy of property insurance for 100% of the insurable replacement value with no coinsurance penalty, on the Site and the Project, together with all improvements thereon, under a standard "all risk" contract insuring against loss or damage. Developer shall be named as additional insureds or co-insureds thereon by way of endorsement. District shall have the right to procure the required insurance through a joint powers agency or to self-insure against such losses or portion thereof as is deemed prudent by District.

## **16. Indemnification and Defense**

**16.1** To the fullest extent permitted by California law, Developer shall indemnify, keep and hold harmless the District, the Architect(s) and Construction Manager(s), their respective consultants, separate contractors, board members, officers, representatives, agents, and employees, in both individual and official capacities ("Indemnitees"), against all suits, claims, injury, damages, losses, and expenses ("Claims"), including but not limited to attorney's fees and costs, caused by, arising out of, resulting from, or incidental to, in whole or in part, the performance of the Work under this Contract by Developer or its Subcontractors, vendors and/or suppliers. However, Developer's indemnification and hold harmless obligation shall be reduced by the proportion of the Indemnitees' and/or Architect's liability to the extent the Claim(s) is/are caused wholly by the active negligence or willful misconduct of the Indemnitees, and/or defects in design furnished by the Architect, as found by a court or arbitrator of competent jurisdiction. This indemnification and hold harmless obligation of Developer shall not be construed to negate, abridge, or otherwise reduce any right or obligation of indemnity that would otherwise exist or arise as to any Indemnitee or other person described herein. This indemnification and hold harmless obligation includes, but is not limited to, any failure or alleged failure by Developer to comply with any law and/or provision of the Contract Documents in strict accordance with their terms, and without limitation, any failure or alleged failure of Developers obligations regarding any stop payment notice actions or liens, including Civil Wage and Penalty Assessments and/or Orders by the DIR.

**16.2** To the furthest extent permitted by California law, Developer shall also defend Indemnitees, at its own expense, including but not limited to attorneys' fees and costs, against all Claims caused by, arising out of, resulting from, or incidental to, in whole or in part, the performance of the Work under this Facilities Lease by Developer, its Subcontractors, vendors, or suppliers. However, without impacting Developer's obligation to provide an immediate and ongoing defense of Indemnitees, Developer's defense obligation shall be reduced by the proportion of the Indemnitees' and/or Architect's liability to the extent caused by the sole negligence, active negligence, or willful misconduct of the Indemnitees, and/or defects in design furnished by the Architect, as found by a court or arbitrator of competent jurisdiction. The District shall have the right to accept or reject any legal representation that Developer proposes to defend the Indemnitees. If any Indemnitee provides its own defense due to failure to timely respond to tender of defense, rejection of tender of defense, or conflict of interest of proposed counsel, Developer shall reimburse such Indemnitee for any expenditures. Developer's defense obligation shall not be construed to negate, abridge, or otherwise reduce any right or obligation of defense that would otherwise exist as to any Indemnitee or other person described herein. Developer's defense obligation includes, but is not limited to, any failure or alleged failure by Developer to comply with any provision of law, any failure or alleged failure to timely and properly fulfill all of its obligations under the Contract Documents in strict accordance with their terms, and without limitation, any failure or alleged failure of Developer's obligations regarding any stop payment notice actions or liens, including Civil Wage and Penalty Assessments and/or Orders by the DIR. Developer shall give prompt notice to the District in the event of any Claim(s).

**16.3** Without limitation of the provisions herein, if Developer's obligation to indemnify and hold harmless the Indemnitees or its obligation to defend Indemnitees as provided herein shall be determined to be void or unenforceable, in whole or in part, it is the intention of the Parties that these circumstances shall not otherwise affect the validity or enforceability of Developer's agreement to indemnify, defend, and hold harmless the rest of the Indemnitees, as provided herein. Further, Developer shall be and remain fully liable on its agreements and obligations herein to the fullest extent permitted by law.

**16.4** Pursuant to Public Contract Code section 9201, the District shall provide timely notification to Developer of the receipt of any third-party Claim relating to this Contract. The District shall be entitled to recover its reasonable costs incurred in providing said notification.

**16.5** In any and all Claims against any of the Indemnitees by any employee of Developer, any Subcontractor, anyone directly or indirectly employed by any of them or anyone for whose acts any of them may be liable, Developer's indemnification obligation herein shall not be limited in any way by any limitation on the amount or type of damages, compensation, or benefits payable by or for Developer or any Subcontractor under workers' compensation acts, disability benefit acts, or other employee benefit acts.

**16.6** The District may retain so much of the moneys due to Developer as shall be considered necessary, until disposition of any such Claims or until the District, Architect(s) and Construction Manager(s) have received written agreement from Developer that Developer will unconditionally defend the District, the Architect(s) and Construction Manager(s), their respective officers, agents and employees, and pay any damages due by reason of settlement or judgment.

**16.7** Developer's defense and indemnification obligations hereunder shall survive the completion of Work, including the warranty/guarantee period, and/or the termination of the Contract.

## **17. Eminent Domain**

### **17.1 Total Taking After Project Delivery**

If, following delivery of possession of the Project by Developer to District, all of the Project and the Site is taken permanently under the power of eminent domain, the Term shall cease as of the day possession shall be so taken.

**17.1.1** The financial interest of Developer shall be limited to the amount of principal payments pursuant to the GMP provisions indicated in **Exhibit C** that are then due or past due together with all remaining and succeeding principal payments pursuant to the GMP provisions indicated in **Exhibit C** for the remainder of the original Term. For example, if all of the Project and the Site is taken at the end of the third year of the Term, Developer shall be entitled to receive from the eminent domain award the sum of all principal payments pursuant to the GMP provisions indicated in **Exhibit C** that would have been owing for the fourth year through the end of the Term had there been no taking.

**17.1.2** The balance of the award, if any, shall be paid to the District.

### **17.2 Total Taking Prior to Project Delivery**

If all of the Project and the Site is taken permanently under the power of eminent domain and Developer is still performing the work of the Project and has not yet delivered possession of the Project to District, the Term shall cease as of the day possession shall be so taken. The financial interest of Developer shall be the amount Developer has expended to date for work performed on the Project, subject to documentation reasonably satisfactory to the District.

### **17.3 Partial Taking**

If, following delivery of possession of the Project by Developer to District, less than all of the Project and the Site is taken permanently, or if all of the Project and the Site or any part thereof is taken temporarily, under the power of eminent domain.

**17.3.1** This Facilities Lease shall continue in full force and effect and shall not be terminated by virtue of that partial taking and the Parties waive the benefit of any law to the contrary, and

**17.3.2** There shall be a partial abatement of any principal payments pursuant to the GMP provisions indicated in **Exhibit C** as a result of the application of the net proceeds of any eminent domain award to the prepayment of those payments hereunder. The Parties agree to negotiate, in good faith, for an equitable split of the net proceeds of any eminent domain award and a corresponding reduction in the payments required pursuant to the GMP provisions indicated in **Exhibit C**.

## **18. Damage and Destruction**

If, following delivery of possession of all or a portion of the Project by Developer to District, the Project is totally or partially destroyed due to fire, acts of vandalism, flood, storm, earthquake, Acts of God, or other casualty beyond the control of either party hereto, the Term shall end and District shall no longer be required to make any payments required pursuant to the GMP provisions indicated in **Exhibit C** that are then due or past due or any remaining and succeeding principal payments pursuant to the GMP provisions indicated in **Exhibit C** for the remainder of the original Term.

## **19. Abatement**

**19.1** If, after the Parties have executed the Memorandum of Commencement Date attached hereto as **Exhibit E**, the Project becomes destroyed or damaged beyond repair, the District may determine its use of the Project abated. Thereafter, the District shall have no obligation to make, nor shall Developer have the right to demand, the Lease Payments as indicated in the GMP provisions indicated in **Exhibit C** to this Facilities Lease. The Term shall cease at that time.

**19.2** The Parties hereby agree that the net proceeds of the District's rental interruption insurance that the District must maintain during the Term, as required herein, shall constitute a special fund for the payment of the Lease Payments indicated in the GMP provisions indicated in **Exhibit C**.

**19.3** The District shall as soon as practicable after such event, apply the net proceeds of its insurance policy intended to cover that loss ("Net Proceeds"), either to:

**19.3.1** Repair the Project to full use.

**19.3.2** Replace the Project, at the District's sole cost and expense, with property of equal or greater value to the Project immediately prior to the time of the destruction or damage, and that replacement, once completed, shall be substituted in this Facilities Lease by appropriate endorsement; or

**19.3.3** Exercise the District's purchase option to **Exhibit D** to the Facilities Lease as indicated in the GMP provisions indicated in **Exhibit C** to this Facilities Lease.

**19.4** The District shall notify Developer of which course of action it desires to take within thirty (30) days after the occurrence of the destruction or damage. The Net Proceeds of all insurance payable with respect to the Project shall be available to the District and shall be used to discharge the District's obligations under this Section.

## **20. Access**

### **20.1 By Developer**

Developer shall have the right at all reasonable times to enter upon the Site to construct the Project pursuant to this Facilities Lease. Following the acceptance of the Project by District, Developer may enter the Project at reasonable times with advance notice and arrangement with District for purposes of making any repairs required to be made by Developer.

## **20.2 By District**

The District shall have the right to enter upon the Site at all times. District shall comply with all safety precautions and procedures required by Developer.

## **21. Assignment, Subleasing**

### **21.1 Assignment and Subleasing by the District**

Any assignment or sublease by District shall be subject to all of the following conditions:

**21.1.1** This Facilities Lease and the obligation of the District to make the payments required pursuant to the GMP provisions indicated in **Exhibit C** shall remain obligations of the District; and

**21.1.2** The District shall, within thirty (30) days after the delivery thereof, furnish or cause to be furnished to Developer a true and complete copy of any assignment or sublease.

### **21.2 Assignment by Developer**

Developer may assign its right, title and interest in this Facilities Lease, in whole or in part to one or more assignees, only after the written consent of District, which District will not unreasonably withhold. No assignment shall be effective against the District unless and until the District has consented in writing. Notwithstanding anything to the contrary contained in this Facilities Lease, no consent from the District shall be required in connection with any assignment by Developer to a lender for purposes of financing the Project as long as there are not additional costs to the District.

## **22. Termination, Default And Suspension**

### **22.1 Termination; Lease Terminable Only As Set Forth Herein**

**22.1.1** Except as otherwise expressly provided in this Facilities Lease, this Facilities Lease shall not terminate, nor shall District have any right to terminate this Facilities Lease or be entitled to the abatement of any necessary payments pursuant to the GMP provisions in **Exhibit C** or any reduction thereof. The obligations hereunder of District shall not be otherwise affected by reason of any damage to or destruction of all or any part of the Project; the taking of the Project or any portion thereof by condemnation or otherwise; the prohibition, limitation or restriction of District's use of the Project; the interference with such use by any private person or contractor; the District's acquisition of the ownership of the Project (other than pursuant to an express provision of this Facilities Lease); any present or future law to the contrary notwithstanding. It is the intention of the Parties hereto that all necessary payments pursuant to the GMP provisions indicated in **Exhibit C** shall continue to be payable in all events, and the obligations of the District hereunder shall continue unaffected unless the requirement to pay or perform the same shall be terminated or modified pursuant to an express provision of this Facilities Lease.

**22.1.2** Nothing contained herein shall be deemed a waiver by the District of any rights that it may have to bring a separate action with respect to any Event

of Default by Developer hereunder or under any other agreement to recover the costs and expenses associated with that action. The District covenants and agrees that it will remain obligated under this Facilities Lease in accordance with its terms.

**22.1.3** Following completion of the Project, the District will not take any action to terminate, rescind or avoid this Facilities Lease, notwithstanding the bankruptcy, insolvency, reorganization, composition, readjustment, liquidation, dissolution, winding-up or other proceeding affecting Developer or any assignee of Developer in any such proceeding, and notwithstanding any action with respect to this Facilities Lease which may be taken by any trustee or receiver of Developer or of any assignee of Developer in any such proceeding or by any court in any such proceeding. Following completion of the Project, except as otherwise expressly provided in this Facilities Lease, District waives all rights now or hereafter conferred by law to quit, terminate or surrender this Facilities Lease or the Project or any part thereof.

**22.1.4** District acknowledges that Developer may assign an interest in some or all of the necessary payments pursuant to the GMP provisions indicated in **Exhibit C** to a lender in order to obtain financing for the cost of constructing the Project and that the lender may rely on the foregoing covenants and provisions in connection with such financing.

## **22.2 District's Request for Assurances**

If District at any time reasonably believes Developer is or may be in default under this Contract, District may in its sole discretion notify Developer of this fact and request written assurances from Developer of performance of Work and a written plan from Developer to remedy any potential default under the terms of this Contract that the District may advise Developer of in writing. Developer shall, within ten (10) calendar days of District's request, deliver a written cure plan that meets the District's requirements in its request for assurances. Developer's failure to provide such written assurances of performance and the required written plan, within ten (10) calendar days of request, will constitute a material breach of this Contract sufficient to justify termination for cause.

## **22.3 District's Right to Terminate Developer for Cause**

### **22.3.1 Grounds for Termination**

The District, in its sole discretion, without prejudice to any other right or remedy, may terminate the Site Lease and Facilities Lease and/or terminate Developer's right to perform the work of the Facilities Lease based upon any of the following:

**22.3.1.1** Developer refuses or fails to execute the Work or any separable part thereof; or

**22.3.1.2** Developer fails to complete said Work within the time specified or any extension thereof; or

**22.3.1.3** Developer persistently fails or refuses to perform Work or provide material of sufficient quality as to be in compliance with the Facilities Lease; or

**22.3.1.4** Prior to completion of the Project, Developer is adjudged a bankrupt, files a petition for relief as a debtor, or a petition is filed against Developer without its consent, and the petition not dismissed within sixty (60) days; or

**22.3.1.5** Prior to the completion of the Project, Developer makes a general assignment for the benefit of its creditors, or a receiver is appointed on account of its insolvency; or

**22.3.1.6** Developer persistently or repeatedly refuses and/or fails, except in cases for which extension of time is provided, to supply enough properly skilled workers or proper materials to complete the Work in the time specified; or

**22.3.1.7** Developer fails to make prompt payment to Subcontractors, or for material, or for labor; or

**22.3.1.8** Developer persistently disregards laws, or ordinances, or instructions of District as indicated in **Exhibit D**, or otherwise in violation of **Exhibit D**; or

**22.3.1.9** Developer fails to supply labor, including that of Subcontractors, that is sufficient to prosecute the Work or that can work in harmony with all other elements of labor employed or to be employed on the Work; or

**22.3.1.10** Developer or its Subcontractor(s) is/are otherwise in breach, default, or in substantial violation of any provision of this Facilities Lease, including but not limited to a lapse in licensing or registration.

## **22.3.2 Notification of Termination**

**22.3.2.1** Upon the occurrence at District's sole determination of any of the above conditions, or upon Developer's failure to perform any material covenant, condition or agreement in this Facilities Lease, District may, without prejudice to any other right or remedy, serve written notice upon Developer and its Surety of District's termination of this Facilities Lease and/or Developer's right to perform the Work of this Facilities Lease. This notice will contain the reasons for termination.

**22.3.2.2** Unless, within fifteen (15) days after the service of the notice, any and all condition(s) shall cease, and any and all violation(s) shall cease, or arrangement satisfactory to District for the correction of the condition(s) and/or violation(s) be made, this Facilities Lease and the Site Lease shall cease and terminate; provided, however, if the failure stated in the notice cannot be corrected within fifteen (15) days after the service of notice, District

may consent to an extension of time, provided Developer instituted and diligently pursued corrective action within the applicable fifteen (15)-day period and until the violation is corrected. Upon District determination, Developer shall not be entitled to receive any further payment until the entire Work is finished.

**22.3.2.3** Upon Termination, District may immediately serve written notice of tender upon Surety whereby Surety shall have the right to take over and perform this Facilities Lease only if Surety:

**22.3.2.3.1** Within three (3) days after service upon it of the notice of tender, gives District written notice of Surety's intention to take over and perform this Facilities Lease; and

**22.3.2.3.2** Commences performance of this Facilities Lease within three (3) days from date of serving of its notice to District.

**22.3.2.4** Surety shall not utilize Developer in completing the Project if the District notifies Surety of the District's objection to Developer's further participation in the completion of the Project. Surety expressly agrees that any developer which Surety proposes to fulfill Surety's obligations is subject to District's approval.

**22.3.2.5** If Surety fails to notify District or begin performance as indicated herein, District may take over the Work and execute the Work to completion by any method it may deem advisable at the expense of Developer and/or its Surety. Developer and its Surety shall be liable to District for any excess cost or other damages the District incurs thereby. Time is of the essence in this Facilities Lease. If the District takes over the Work as herein provided, District may, without liability for so doing, take possession of and utilize in completing the Work all materials, appliances, plan, and other property belonging to Developer as may be on the Site of the Work, in bonded storage, or previously paid for.

### **22.3.3 Effect of Termination**

**22.3.3.1** If District terminates the Site Lease and the Facilities Lease pursuant to this section, the Site and any improvements built upon the Site shall vest in District upon termination of the Site Lease and Facilities Lease, and District shall thereafter be required to pay only the principal amounts then due and owing pursuant to the GMP provisions indicated in **Exhibit C**, less any damages incurred by District due to Developer's default, acts, or omissions.

**22.3.3.2** The District shall retain all rights it possesses pursuant to this Facilities Lease including, without limitation.

**22.3.3.2.1** The right to assess liquidated damages due because of any project delay; and

**22.3.3.2.2** All rights the District holds to demand performance pursuant to Developer's required performance bond.

**22.3.3.3** Developer shall, only if ordered to do so by the District, immediately remove from the Site all or any materials and personal property belonging to Developer that have not been incorporated in the construction of the Work, or which are not in place in the Work. The District retains the right, but not the obligation, to keep and use any materials and personal property belonging to Developer that have not been incorporated in the construction of the Work, or which are not in place in the Work. Developer and its Surety shall be liable upon the performance bond for all damages caused the District by reason of Developer's failure to complete the Work under this Facilities Lease.

**22.3.3.4** In the event that the District shall perform any portion of, or the whole of the Work, pursuant to the provisions of the General Conditions, the District shall not be liable nor account to Developer in any way for the time within which, or the manner in which, the Work is performed by the District or for any changes the District may make in the Work or for the money expended by the District in satisfying claims and/or suits and/or other obligations in connection with the Work.

**22.3.3.5** In the event termination for cause is determined to have not been for cause, the termination shall be deemed to have been a termination for convenience effective as of the same date as the purported termination for cause.

**22.3.3.6** In the event that the Site Lease and Facilities Lease are terminated for any reason, no allowances or compensation will be granted for the loss of any anticipated profit by Developer or any impact or impairment of Developer's bonding capacity.

**22.3.3.7** If the expense to the District to finish the Work exceeds the unpaid Guaranteed Maximum Price, Developer and Surety shall pay difference to District within twenty-one (21) days of District's request. District may apply any amounts otherwise due to Developer to this difference.

**22.3.3.8** The District shall have the right (but shall have no obligation) to assume and/or assign to a replacement contractor or construction manager, or other third party who is qualified and has sufficient resources to complete the Work, the rights of Developer under its subcontracts with any or all Subcontractors. In the event of an assumption or assignment by the District, no Subcontractor shall have any claim against the District or third party for Work performed by Subcontractor or other matters arising prior to termination of the Facilities Lease. The District or any third party, as the case may be, shall be liable only for obligations to the Subcontractor arising after assumption or assignment. Should the District so elect, Developer shall execute and deliver all documents

and take all steps, including the legal assignment of its contractual rights, as the District may require, for the purpose of fully vesting in the District the rights and benefits of its Subcontractors under Subcontracts or other obligations or commitments. Developer must include this assignment provision in all of its Facilities Leases with its Subcontractors.

**22.3.3.9** All payments due Developer hereunder shall be subject to a right of offset by the District for expenses, damages, losses, costs, claims, or reimbursements suffered by, or due to, the District as a result of any default, acts, or omissions of Developer.

**22.3.3.10** The foregoing provisions are in addition to and not in limitation of any other rights or remedies available to District.

## **22.4 Termination of Developer for Convenience**

**22.4.1** District in its sole discretion may terminate the Facilities Lease in whole or in part upon three (3) days written notice to Developer.

**22.4.2** Upon notice, Developer shall:

**22.4.2.1** Cease operations as directed by the District in the notice;

**22.4.2.2** Take necessary actions for the protection and preservation of the Work as soon as possible; and

**22.4.2.3** Terminate all existing subcontracts and purchase orders and enter into no further subcontracts and purchase orders.

**22.4.3** Within 30 days of the notice, Developer shall submit to the District a payment application for the actual cost for labor, materials, and services performed, including all Developer's and Subcontractor(s)' mobilization and/or demobilization costs, that is unpaid. Developer shall have no claims against the District except for the actual cost for labor, materials, and services performed that adequately documented through timesheets, invoices, receipts, or otherwise. District shall pay all undisputed invoice(s) for work performed until the notice of termination.

**22.4.4** Under a termination for convenience, the District retains the right to all the options available to the District if there is a termination for cause.

## **22.5 Developer Remedies Upon District Default**

### **22.5.1 Events of Default by District Defined**

The following shall be "Events of Default" of the District under this Facilities Lease. The terms "Event of Default" and "Default," whenever they are used as to the District in the Site Lease or this Facilities Lease, shall only mean one or more of the following events:

**22.5.1.1** Failure by the District to pay payments required pursuant to the GMP provisions in **Exhibit C**, and the continuation of this failure for a period of forty-five (45) days.

**22.5.1.2** Failure by the District to perform any material covenant, condition or agreement in this Facilities Lease and that failure continues for a period of forty-five (45) days after Developer provides District with written notice specifying that failure and requesting that the failure be remedied; provided, however, if the failure stated in the notice cannot be corrected within the applicable period, Developer shall not withhold its consent to an extension of time if corrective action is instituted by the District within the applicable period and diligently pursued until the default is corrected.

## **22.5.2 Remedies on District's Default**

If there has been an Event of Default on the District's part, Developer may exercise any and all remedies granted pursuant to this Facilities Lease; provided, however, there shall be no right under any circumstances to accelerate any of the payments required pursuant to the GMP provisions in **Exhibit C** or otherwise declare those payments not then past due to be immediately due and payable.

**22.5.2.1** Developer may rescind its leaseback of the Project to the District under this Facilities Lease and re-rent the Project and Site to another lessee for the remaining Term for no less than the fair market value for leasing the Project and Site, which shall be:

**22.5.2.1.1** An amount determined by a mutually-agreed upon appraiser; or

**22.5.2.1.2** If an appraiser cannot be agreed to, an amount equal to the mean between a District appraisal and a Developer appraisal for the Project and Site, both prepared by MAI-certified appraisers.

**22.5.2.2** District's obligation to make the payments required pursuant to the GMP provisions indicated in **Exhibit C** shall be:

**22.5.2.2.1** Increased by the amount of costs, expenses, and damages incurred by Developer in re-renting the Project and Site; and

**22.5.2.2.2** Decreased by the amount of rent Developer receives in re-letting the Project and Site.

**22.5.2.3** District agrees that the terms of this Facilities Lease constitute full and sufficient notice of the right of Developer to re-rent the Project and Site in the Event of Default without effecting a surrender of this Facilities Lease, and further agrees that no acts of Developer in re-renting as permitted herein shall constitute a surrender or termination of this Facilities Lease, but that, on the contrary, in the event of an Event of Default by the District the right

to re-rent the Project and Site shall vest in Developer as indicated herein.

### **22.5.3 District's Continuing Obligation**

Unless there has been damage, destruction, a Taking, or Developer has acted, failed to act, or is in default as indicated above providing District with the right to terminate for cause, the District shall continue to remain liable for the payments required pursuant to the GMP provisions in **Exhibit C** and those amounts shall be payable to Developer at the time and in the manner therein provided.

### **22.5.4 No Remedy Exclusive**

No remedy herein conferred upon or reserved to Developer is intended to be exclusive and every such remedy shall be cumulative and shall be in addition to every other remedy given under this Facilities Lease or now or hereafter existing at law or in equity. No delay or omission to exercise any right or power accruing upon any Default shall impair any such right or power or shall be construed to be a waiver thereof, but any such right and power may be exercised from time to time and as often as may be deemed expedient. In order to entitle Developer to exercise any remedy reserved to it in this article, it shall not be necessary to give any notice, other than such notice as may be required in this Article or by law.

## **22.6 Emergency Termination Pursuant to Public Contracts Act of 1949**

**22.6.1** This Facilities Lease is subject to termination as provided by sections 4410 and 4411 of the Government Code of the State of California, being a portion of the Emergency Termination of Public Contracts Act of 1949.

**22.6.1.1** Section 4410 of the Government Code states:

In the event a national emergency occurs, and public work, being performed by contract, is stopped, directly or indirectly, because of the freezing or diversion of materials, equipment or labor, as the result of an order or a proclamation of the President of the United States, or of an order of any federal authority, and the circumstances or conditions are such that it is impracticable within a reasonable time to proceed with a substantial portion of the work, then the public agency and the contractor may, by written agreement, terminate said contract.

**22.6.1.2** Section 4411 of the Government Code states:

Such an agreement shall include the terms and conditions of the termination of the contract and provision for the payment of compensation or money, if any, which either party shall pay to the other or any other person, under the facts and circumstances in the case.

**22.6.2** Compensation to Developer shall be determined at the sole discretion of District on the basis of the reasonable value of the Work done, including preparatory work. As an exception to the foregoing and at the District's discretion, in the case of any fully completed separate item or portion of the Work for which there is a separate previously submitted unit price or item on the accepted schedule of values, that price may control. The District, at its sole discretion, may adopt the Schedule of Values Price as the value of the work done or any portion thereof.

## **22.7 Suspension of Work**

**22.7.1** District in its sole discretion may suspend, delay or interrupt the Work in whole or in part for such period of time as the District may determine upon three (3) days written notice to Developer.

**22.7.1.1** An adjustment may be made for changes in the cost of performance of the Work caused by any suspension, delay or interruption. No adjustment shall be made to the extent:

**22.7.1.1.1** That performance is, was or would have been so suspended, delayed or interrupted by another cause for which Developer is responsible; or

**22.7.1.1.2** That an equitable adjustment is made or denied under another provision of the Site Lease or the Facilities Lease; or

**22.7.1.1.3** That the suspension of Work was the direct or indirect result of Developer's failure to perform any of its obligations hereunder.

**22.7.1.1.4** The delay could not have been avoided or mitigated by Developer's reasonable diligence.

**22.7.1.2** Any adjustments in cost of performance may have a fixed or percentage fee as provided in the section on Format for Proposed Change Order in **Exhibit D**. This amount shall be full compensation for all Developer's and its Subcontractor(s)' changes in the cost of performance of the Facilities Lease caused by any such suspension, delay or interruption.

## **23. Limitation of District Liability**

District's financial obligations under this Contract shall be limited to the payment of the compensation provided in this Contract. Notwithstanding any other provision of this Contract, in no event shall District be liable, regardless of whether any claim is based on contract or tort, for any special, consequential, indirect or incidental damages, including, but not limited to, lost profits or revenue, lost bonding capacity, arising out of or in connection with this Contract for the services performed in connection with this Contract.

## **24. Notices**

All notices, certificates or other communications hereunder shall be sufficiently given and shall be deemed to have been received five (5) days after deposit in the United States mail in registered or certified form with postage fully prepaid or one (1) business day after deposit with an overnight delivery service with proof of actual delivery:

### **If to District:**

Sacramento City Unified School District  
5735 47th Avenue  
Sacramento, CA 95824  
Attn: Contracts Office

### **If to Developer:**

AM Stephens Construction Co., Inc.  
P.O. Box 1867  
Lodi, CA 95240  
Attn: Greg Stephens, President

### **With a copy to:**

Deidree Sakai, Esq.  
Dannis Woliver Kelley  
200 California Street, Suite 400  
San Francisco, CA 94111

Developer and District, by notice given hereunder, may designate different addresses to which subsequent notices, certificates or other communications will be sent.

## **25. Binding Effect**

This Facilities Lease shall inure to the benefit of and shall be binding upon Developer and District and their respective successors, transferees and assigns.

## **26. No Additional Waiver Implied by One Waiver**

In the event any agreement contained in this Facilities Lease should be breached by either party and thereafter waived by the other party, such waiver shall be limited to the particular breach so waived and shall not be deemed to waive any other breach hereunder.

## **27. Severability**

In the event any provision of this Facilities Lease shall be held invalid or unenforceable by any court of competent jurisdiction, that holding shall not invalidate or render unenforceable any other provision hereof, unless elimination of the invalid provision materially alters the rights and obligations embodied in this Facilities Lease or the Site Lease.

## **28. Amendments, Changes and Modifications**

Except as to the termination rights of both Parties as indicated herein, this Facilities Lease may not be amended, changed, modified, altered or terminated without the written agreement of both Parties hereto.

## **29. Net-Net-Net Lease**

This Facilities Lease shall be deemed and construed to be a "net-net-net lease" and the District hereby agrees that all payments it makes pursuant to the GMP provisions in **Exhibit C** shall be an absolute net return to Developer, free and clear of any expenses, charges or set-offs.

**30. Execution in Counterparts**

This Facilities Lease may be executed in several counterparts, each of which shall be an original and all of which shall constitute one and the same instrument.

**31. Developer and District Representatives**

Whenever under the provisions of this Facilities Lease the approval of Developer or the District is required, or Developer or the District is required to take some action at the request of the other, the approval or request shall be given for Developer by Developer's Representative and for the District by the District's Representative, and any party hereto shall be authorized to rely upon any such approval or request.

**32. Applicable Law**

This Facilities Lease shall be governed by and construed in accordance with the laws of the State of California, and venued in the County within which the Site is located.

**33. Attorney's Fees**

If either party brings an action or proceeding involving the Property or to enforce the terms of this Facilities Lease or to declare rights hereunder, each party shall bear the cost of its own attorneys' fees.

**34. Captions**

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

**35. Prior Agreements**

This Facilities Lease and the corresponding Site Lease collectively contain all of the agreements of the Parties hereto with respect to any matter covered or mentioned in this Facilities Lease and no prior agreements or understanding pertaining to any matter shall be effective for any purpose.

**36. Further Assurances**

Parties shall promptly execute and deliver all documents and instruments reasonably requested to give effect to the provisions of this Facilities Lease.

**37. Recitals and Exhibits Incorporated**

The Recitals set forth at the beginning of this Facilities Lease and the attached Exhibits are hereby incorporated into its terms and provisions by this reference.

**38. Time of the Essence**

Time is of the essence with respect to each of the terms, covenants, and conditions of this Facilities Lease.

**39. Force Majeure**

A party shall be excused from the performance of any obligation imposed in this Facilities Lease and the exhibits hereto for any period and to the extent that a party is prevented from performing that obligation, in whole or in part, as a result of delays caused by the other party or third parties, a governmental agency or entity, an act of God, war, terrorism, civil disturbance, forces of nature, fire, flood, earthquake, strikes, or lockouts, and that non-performance will not be a default hereunder or a grounds for termination of this Facilities Lease.

**40. Interpretation**

None of the Parties hereto, nor their respective counsel, shall be deemed the drafters of this Facilities Lease for purposes of construing the provisions thereof. The language in all parts of this Facilities Lease shall in all cases be construed according to its fair meaning, not strictly for or against any of the Parties hereto.

[SIGNATURES ON NEXT PAGE]

**IN WITNESS WHEREOF**, the Parties have caused this Facilities Lease to be executed by their respective officers who are duly authorized, as of the Effective Date.

**ACCEPTED AND AGREED** on the date indicated below:

Dated: April 7, 2022

Dated: April 7, 2022

Sacramento City Unified School District

AM Stephens Construction Co., Inc.

By: \_\_\_\_\_  
Rose Ramos  
Chief Business Officer

By: \_\_\_\_\_  
Greg Stephens  
President

**EXHIBIT A**

**LEGAL DESCRIPTION OF SITE**

**Attached is the Legal Description for:**

**Hiram Johnson HS – Stadium Lighting/Bleachers/Concession-Restroom Buildings and Plaza**

**6879 14<sup>th</sup> Ave., Sacramento, CA 95820**

APN: 01503010010000

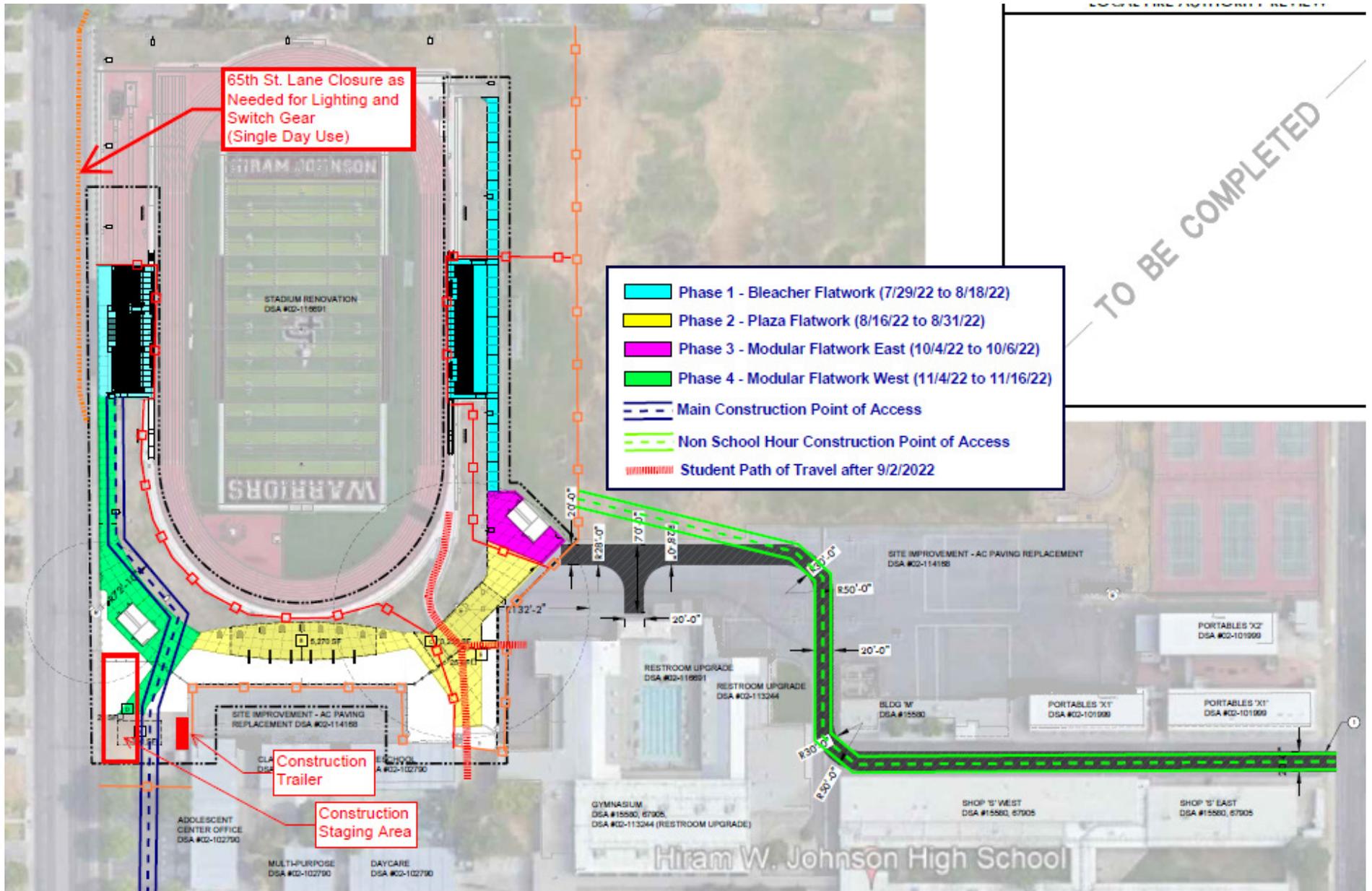
SW 1/4 OF SW 1/4 OF SEC 15 T8NR5E MDB&M EXC R/W PER 960311/8. CONTG 38.30 N AC M/L.

**EXHIBIT B**

**DESCRIPTION OF PROJECT**

**Attached is a map or diagram of the Site that is subject to this Facilities Lease and upon which Developer will construct the Project.**

# Logistics Plan



**EXHIBIT C**

**GUARANTEED MAXIMUM PRICE AND  
OTHER PROJECT COST, FUNDING, AND PAYMENT PROVISIONS**

Attached are the terms and provisions related to Site Lease payments, the Facilities Lease, the Guaranteed Maximum Price and other related cost, funding, and payment provisions.

**EXHIBIT D**

**GENERAL CONSTRUCTION PROVISIONS**

Attached are the general construction terms and conditions for the Project.

**EXHIBIT D**

**GENERAL CONSTRUCTION PROVISIONS  
FOR THE FOLLOWING PROJECT:**

**Hiram Johnson HS – Stadium  
Lighting/Bleachers/Concession-Restroom Buildings  
and Plaza**

**BY AND BETWEEN**

**SACRAMENTO CITY UNIFIED SCHOOL DISTRICT**

**AND**

**AM Stephens Construction Co., Inc.**

Dated as of April 7, 2022

TABLE OF CONTENTS

	<u>Page</u>
1. CONTRACT TERMS AND DEFINITIONS .....	1
2. [RESERVED] .....	10
3. ARCHITECT .....	10
4. CONSTRUCTION MANAGER .....	10
5. INSPECTOR, INSPECTIONS, AND TESTS .....	11
6. DEVELOPER .....	12
7. SUBCONTRACTORS .....	25
8. OTHER CONTRACTS/CONTRACTORS .....	26
9. DRAWINGS AND SPECIFICATIONS .....	27
10. DEVELOPER’S SUBMITTALS AND SCHEDULES .....	28
11. SITE ACCESS, CONDITIONS, AND REQUIREMENTS .....	33
12. TRENCHES .....	36
13. INSURANCE AND BONDS .....	37
14. WARRANTY/GUARANTEE/INDEMNITY .....	38
15. TIME .....	39
16. EXTENSIONS OF TIME – LIQUIDATED DAMAGES, EXCUSABLE DELAYS .....	41
17. CHANGES IN THE WORK .....	44
18. REQUESTS FOR INFORMATION .....	54
19. PAYMENTS .....	54
20. COMPLETION OF THE WORK .....	62
21. FINAL PAYMENT AND RETENTION .....	66
22. UNCOVERING OF WORK .....	67
23. NONCONFORMING WORK AND CORRECTION OF WORK .....	67
24. TERMINATION AND SUSPENSION .....	69
25. CLAIMS PROCESS .....	69
26. STATE LABOR, WAGE & HOUR, APPRENTICE, AND RELATED PROVISIONS .....	77
27. [RESERVED] .....	82
28. MISCELLANEOUS .....	82

## **1. Contract Terms and Definitions**

### **1.1 Definitions**

Wherever used in the Contract Documents, the following terms shall have the meanings indicated, which shall be applicable to both the singular and plural thereof:

**1.1.1 Adverse Weather.** Shall be only weather that satisfies all of the following conditions: (1) unusually severe precipitation, sleet, snow, hail, or extreme temperature or air conditions in excess of the norm for the location and time of year it occurred based on the closest weather station data averaged over the past five years, (2) that is unanticipated and would cause unsafe work conditions and/or is unsuitable for scheduled work that should not be performed during inclement weather (i.e., exterior finishes), and (3) at the Project.

**1.1.2 Allowance Expenditure Directive.** Written authorization for expenditure of allowance, if any.

**1.1.3 Approval, Approved, and/or Accepted.** Written authorization, unless stated otherwise.

**1.1.4 Architect (or "Design Professional in General Responsible Charge").** The individual, partnership, corporation, joint venture, or any combination thereof, named as Architect, who will have the rights and authority assigned to the Architect in the Contract Documents. The term Architect means the Design Professional in General Responsible Charge as defined in DSA PR 13-02 on this Project or the Architect's authorized representative.

**1.1.5 As-Builts.** Digitally prepared and reproducible drawings using the web-based ProCore application, or comparable, to be prepared on a monthly basis pursuant to the Contract Documents, that reflect changes made during the performance of the Work, recording differences between the original design of the Work and the Work as constructed since the preceding monthly submittal. See **Record Drawings**.

**1.1.6 Burdened.** The labor rate for Contractor or any Subcontractor inclusive of any and all burden costs including, but not limited to, health and welfare pay, vacation and holiday pay, pension contributions, training rates, benefits of any kind, insurance of any kind, workers' compensation, liability insurance, truck expenses, supply expenses of any kind, payroll taxes, and any other taxes of any kind.

**1.1.7 Change Order.** A written order to Developer authorizing an addition to, deletion from, or revision in the Work, and/or authorizing an adjustment in the Guaranteed Maximum Price or Contract Time.

**1.1.8 Claim.** A Dispute that remains unresolved at the conclusion of all the applicable Dispute Resolution requirements provided herein.

**1.1.9 Completion.** The earliest of the date of acceptance by the District or the cessation of labor thereon for a continuous period of sixty (60) days.

**1.1.10 Construction Change Directive.** A written order prepared and issued by the District, the Construction Manager, and/or the Architect and signed by the District and the Architect, directing a change in the Work.

**1.1.11 Construction Manager.** The individual, partnership, corporation, joint venture, or any combination thereof, or its authorized representative, named as such by the District. If no Construction Manager is used on the Project that is the subject of this Contract, then all references to Construction Manager herein shall be read to refer to District.

**1.1.12 Construction Schedule.** The progress schedule of construction of the Project as provided by Developer and approved by District.

**1.1.13 Contingency.** The GMP proposal will contain, as part of the estimated cost of the Work, Project's Contingency, a sum mutually agreed upon, controlled by District, and monitored by District and Developer to cover costs that are properly reimbursable as a cost of the Work, but are not the basis for a Change Order. Project's Contingency will not be used for changes in scope or for any item that would be the basis for an increase in the GMP. Developer will provide District with a monthly accounting of charges against Project's Contingency, if applicable, with each application for payment. Any unused Project Contingency belongs to District.

**1.1.14 Contract.** The agreement between the District and Developer contained in the Contract Documents.

**1.1.15 Contract Documents.** The Contract Documents consist exclusively of the documents evidencing the agreement of the District and Developer. The Contract Documents consist of the following documents:

**1.1.15.1** Non-Collusion Declaration

**1.1.15.2** Iran Contracting Act Certification

**1.1.15.3** Site Lease

**1.1.15.4** Facilities Lease, including Exhibits A-G

**1.1.15.4.1** Iran Contracting Act Certification (if applicable)

**1.1.15.4.2** Federal Debarment Certification (if applicable)

**1.1.15.4.3** Federal Byrd Anti-Lobbying Certification (if applicable)

**1.1.15.4.4** Performance Bond

**1.1.15.4.5** Payment Bond (Developer's Labor & Material Bond)

**1.1.15.4.6** Workers' Compensation Certification

**1.1.15.4.7** Prevailing Wage Certification

**1.1.15.4.8** Criminal Background Investigation/Fingerprinting Certification

**1.1.15.4.9** COVID-19 Vaccination/Testing Certification

**1.1.15.4.10** Drug-Free Workplace Certification

- 1.1.15.4.11** Tobacco-Free Environment Certification
- 1.1.15.4.12** Disabled Veterans Business Enterprise Participation Certification (if applicable)
- 1.1.15.4.13** Roofing Project Certification (if applicable)
- 1.1.15.4.14** Hazardous Materials Procedures and Requirements
- 1.1.15.4.15** Hazardous Materials Certification (if applicable)
- 1.1.15.4.16** Lead-Based Materials Certification (if applicable)
- 1.1.15.4.17** Imported Materials Certification (if applicable)
- 1.1.15.4.18** Skilled and Trained Workforce Certification
- 1.1.15.4.19** Project Labor Agreement (if applicable)
- 1.1.15.4.20** Registered Subcontractors List
- 1.1.15.4.21** Escrow Agreement for Security Deposits in Lieu of Retention (if used)
- 1.1.15.4.22** Guarantee Form
- 1.1.15.4.23** Agreement and Release of Any and All Claims

**1.1.15.5** All Plans, Technical Specifications, and Drawings, including the Division of the State Architect approved versions of the foregoing

**1.1.15.6** Any and all addenda to any of the above documents

**1.1.15.7** Any and all change orders or written modifications to the above documents if approved in writing by the District

**1.1.16 Contract Time.** The time period stated in the Facilities Lease for the completion of the Work.

**1.1.17 Daily Job Report(s).** Daily Project reports prepared by Developer's employee(s) who are present on Site, which shall include the information required herein.

**1.1.18 Day(s).** Unless otherwise designated, day(s) means calendar day(s).

**1.1.19 Department of Industrial Relations (or "DIR").** DIR is responsible, among other things, for labor compliance monitoring and enforcement of California prevailing wage laws and regulations for public works contracts.

**1.1.20 Design Professional in General Responsible Charge.** See definition of Architect above.

**1.1.21 Developer.** The person or persons identified in the Facilities Lease as contracting to perform the Work to be done under this Contract, or the legal representative of such a person or persons.

**1.1.22 Dispute.** A separate demand by Developer for a time extension, or payment of money or damages arising from Work done by or on behalf of

Developer pursuant to the Contract and payment of which is not otherwise expressly provided for or Developer is not otherwise entitled to; or an amount of payment disputed by the District.

**1.1.23 District.** The public agency or the school district for which the Work is performed. The governing board of the District or its designees will act for the District in all matters pertaining to the Contract. The District may, at any time:

**1.1.23.1** Direct Developer to communicate with or provide notice to the Construction Manager or the Architect on matters for which the Contract Documents indicate Developer will communicate with or provide notice to the District; and/or

**1.1.23.2** Direct the Construction Manager or the Architect to communicate with or direct Developer on matters for which the Contract Documents indicate the District will communicate with or direct Developer.

**1.1.24 Drawings (or "Plans").** The graphic and pictorial portions of the Contract Documents showing the design, location, scope and dimensions of the Work, generally including plans, elevations, sections, details, schedules, sequence of operation, and diagrams.

**1.1.25 DSA.** Division of the State Architect.

**1.1.26 Force Account Directive.** A process that may be used when the District and Developer cannot agree on a price for a specific portion of work or before Developer prepares a price for a specific portion of work and whereby Developer performs the work as indicated herein on a time and materials basis.

**1.1.27 Guaranteed Maximum Price.** The total monies payable to Developer under the terms and conditions of the Contract Documents.

**1.1.28 Job Cost Reports.** Any and all reports or records detailing the costs associated with work performed on or related to the Project that Developer shall maintain for the Project. Specifically, Job Cost Reports shall contain, but are not limited by or to, the following information: a description of the work performed or to be performed on the Project; quantity, if applicable, of work performed (hours, square feet, cubic yards, pounds, etc.) for the Project; Project budget; costs for the Project to date; estimated costs to complete the Project; and expected costs at completion. The Job Cost Reports shall also reflect all Contract cost codes, change orders, elements of non-conforming work, back charges, and additional services.

**1.1.29 Labor Commissioner's Office (or "Labor Commissioner").** Also known as the Division of Labor Standards Enforcement ("DLSE"): Division of the DIR responsible for adjudicating wage claims, investigating discrimination and public works complaints, and enforcing Labor Code statutes and Industrial Welfare Commission orders.

**1.1.30 Material Safety Data Sheets (or "MSDS").** A form with data regarding the properties for potentially harmful substances handled in the workplace.

**1.1.31 Municipal Separate Storm Sewer System (or "MS4").** A system of conveyances used to collect and/or convey storm water, including, without limitation, catch basins, curbs, gutters, ditches, man-made channels, and storm drains.

**1.1.32 Plans.** See "Drawings".

**1.1.33 Premises.** The real property on which the Site is located.

**1.1.34 Product(s).** New material, machinery, components, equipment, fixtures and systems forming the Work, including existing materials or components required and approved by the District for reuse.

**1.1.35 Product Data.** Illustrations, standard schedules, performance charts, instructions, brochures, diagrams, and other information furnished by Developer to illustrate a material, product, or system for some portion of the Work.

**1.1.36 Program Manager.** The individual, partnership, corporation, joint venture, or any combination thereof, or its authorized representative, named as such by the District. If no Program Manager is designated for the Project that is the subject of the Contract Documents, then all references to Program Manager herein shall be read to refer to District.

**1.1.37 Project.** The planned undertaking as provided for in the Contract Documents.

**1.1.38 Project Inspector (or "Inspector").** The individual(s) retained by the District in accordance with title 24 of the California Code of Regulations to monitor and inspect the Project.

**1.1.39 Project Labor Agreement (or "PLA" or Project Stabilization Agreement or "PSA").** A pre-hire collective bargaining agreement in accordance with Public Contract Code section 2500 *et seq.* that establishes terms and conditions of employment for a specific construction project or projects and/or is an agreement described in Section 158(f) of Title 29 of the United States Code.

**1.1.40 Proposed Change Order (or "PCO").** A written request prepared by Developer requesting that the District, the Construction Manager and the Architect issue a Change Order based upon a proposed change to the Work, to the Guaranteed Maximum Price, and/or to the Contract Time.

**1.1.41 Provide.** Shall include "provide complete in place," that is, "furnish and install," and "provide complete and functioning as intended in place" unless specifically stated otherwise.

**1.1.42 Qualified SWPPP Practitioner (or "QSP").** Certified personnel that attended a State Water Resources Control Board sponsored or approved training class and passed the qualifying exam.

**1.1.43 Record Drawings.** Unless otherwise defined in the Special Conditions, Reproducible drawings (or Plans) prepared pursuant to the requirements of the

Contract Documents, that reflect all changes made during the performance of the Work, recording differences between the original design of the Work and the Work as constructed upon completion of the Project. See also **"As-Builts."**

**1.1.44 Request for Information (or "RFI").** A written request prepared by Developer requesting that the Architect provide additional information necessary to clarify or amplify an item in the Contract Documents that Developer believes is not clearly shown or called for in the Drawings or Specifications or other portions of the Contract Documents, or to address problems that have arisen under field conditions.

**1.1.45 Request for Substitution for Specified Item.** A request by Developer to substitute an equal or superior material, product, thing, or service for a specific material, product, thing, or service that has been designated in the Contract Documents by a specific brand or trade name.

**1.1.46 Safety Orders.** Written and/or verbal orders for construction issued by the California Division of Occupational Safety and Health ("Cal/OSHA") or by the United States Occupational Safety and Health Administration ("OSHA").

**1.1.47 Safety Plan.** Developer's safety plan specifically adapted for the Project. Developer's Safety Plan shall comply with all provisions regarding Project safety, including all applicable provisions in these Construction Provisions.

**1.1.48 Samples.** Physical examples that illustrate materials, products, equipment, finishes, colors, or workmanship and that, when approved in accordance with the Contract Documents, establish standards by which portions of the Work will be judged.

**1.1.49 Shop Drawings.** All drawings, prints, diagrams, illustrations, brochures, schedules, and other data that are prepared by Developer, a subcontractor, manufacturer, supplier, or distributor, that illustrate how specific portions of the Work shall be fabricated or installed.

**1.1.50 Site.** The Project site as shown on the Drawings.

**1.1.51 Specifications.** That portion of the Contract Documents, Division 1 through Division 49, and all technical sections, and addenda to all of these, if any, consisting of written descriptions and requirements of a technical nature of materials, equipment, construction methods and systems, standards, and workmanship.

**1.1.52 State.** The State of California.

**1.1.53 Storm Water Pollution Prevention Plan (or "SWPPP").** A document which identifies sources and activities at a particular facility that may contribute pollutants to storm water and contains specific control measures and time frames to prevent or treat such pollutants.

**1.1.54 Subcontractor.** A contractor and/or supplier who is under contract with Developer or with any other subcontractor, regardless of tier, to perform a portion of the Work of the Project.

**1.1.55 Submittal Schedule.** The schedule of submittals as provided by Developer and approved by District.

**1.1.56 Surety.** The person, firm, or corporation that executes as surety Developer's Performance Bond and Payment Bond, and must be a California admitted surety insurer as defined in the Code of Civil Procedure section 995.120.

**1.1.57 Work.** All labor, materials, equipment, components, appliances, supervision, coordination, and services required by, or reasonably inferred from, the Contract Documents, that are necessary for the construction and completion of the Project.

## **1.2 Laws Concerning the Contract Documents**

The Contract is subject to all provisions of the Constitution and laws of California and the United States governing, controlling, or affecting District, or the property, funds, operations, or powers of District, and such provisions are by this reference made a part hereof. Any provision required by law to be included in this Contract shall be deemed to be inserted.

## **1.3 No Oral Agreements**

No oral agreement or conversation with any officer, agent, or employee of District, either before or after execution of Contract Documents, shall affect or modify any of the terms or obligations contained in any of the documents comprising the Contract Documents.

## **1.4 No Assignment**

Except as specifically permitted in the Facilities Lease, Developer shall not assign the Contract Documents or any part thereof including, without limitation, any services or money to become due hereunder without the prior written consent of the District. Assignment without District's prior written consent shall be null and void. Any assignment of money due or to become due under the Contract Documents shall be subject to a prior lien for services rendered or material supplied for performance of Work called for under the Contract Documents in favor of all persons, firms, or corporations rendering services or supplying material to the extent that claims are filed pursuant to the Civil Code, Code of Civil Procedure, Government Code, Labor Code, and/or Public Contract Code, and shall also be subject to deductions for liquidated damages or withholding of payments as determined by District in accordance with the Contract Documents. Developer shall not assign or transfer in any manner to a Subcontractor or supplier the right to prosecute or maintain an action against the District.

## **1.5 Notice and Service Thereof**

**1.5.1** Any notice from one party to the other or otherwise under the Contract Documents shall be in writing and shall be dated and signed by the party giving notice or by a duly authorized representative of that party. Notice shall not be effective for any purpose whatsoever unless served in one of the following manners:

**1.5.1.1** If notice is given by personal delivery thereof, it shall be considered delivered on the day of delivery.

**1.5.1.2** If notice is given by overnight delivery service, it shall be considered delivered one (1) day after date deposited, as indicated by the delivery service.

**1.5.1.3** If notice is given by depositing same in United States mail, enclosed in a sealed envelope, it shall be considered delivered five (5) days after date deposited, as indicated by the postmarked date.

**1.5.1.4** If notice is given by registered or certified mail with postage prepaid, return receipt requested, it shall be considered delivered on the day the notice is signed for.

## **1.6 No Waiver**

The failure of District in any one or more instances to insist upon strict performance of any of the terms of the Contract Documents or to exercise any option herein conferred shall not be construed as a waiver or relinquishment to any extent of the right to assert or rely upon any such terms or option on any future occasion. No action or failure to act by the District, Architect, or Construction Manager shall constitute a waiver of any right or duty afforded the District under the Contract Documents, nor shall any action or failure to act constitute an approval of or acquiescence on any breach thereunder, except as may be specifically agreed in writing.

## **1.7 Substitutions For Specified Items**

Developer shall not substitute different items for any items identified in the Contract Documents without prior written approval of the District, unless otherwise provided in the Contract Documents.

## **1.8 Materials and Work**

**1.8.1** Except as otherwise specifically stated in the Contract Documents, Developer shall provide and pay for all materials, labor, tools, equipment, transportation, supervision, temporary constructions of every nature, and all other services, management, and facilities of every nature whatsoever necessary to execute and complete the Work, in a good and workmanlike manner, within the Contract Time.

**1.8.2** Unless otherwise specified, all materials shall be new and of the best quality of their respective kinds and grades as noted or specified, and workmanship shall be of high quality, and Developer shall use all diligence to inform itself fully as to the required manufacturer's instructions and to comply therewith.

**1.8.3** Materials shall be furnished in ample quantities and at such times as to ensure uninterrupted progress of Work and shall be stored properly and protected from the elements, theft, vandalism, or other loss or damage as required.

**1.8.4** For all materials and equipment specified or indicated in the Drawings and Specifications, Developer shall provide all labor, materials, equipment, and services necessary for complete assemblies and complete working systems, functioning as intended. Incidental items not indicated on Drawings, nor mentioned in the Specifications, that can legitimately and reasonably be inferred to belong to the Work described, or be necessary in good practice to provide a complete assembly or system, shall be furnished as though itemized here in every detail. In all instances, material and equipment shall be installed in strict accordance with each manufacturer's most recent published recommendations and specifications.

**1.8.5** Developer shall, after award of the Project by District and after relevant submittals have been reviewed, place orders for materials and/or equipment as specified so that delivery of same may be made without delays to the Work. Developer shall, upon five (5) days' demand from District, present documentary evidence showing that orders have been placed.

**1.8.6** In the event of Developer's neglect in complying or failure to comply with the above instructions, District reserves the right, but has no obligation, to place orders for such materials and/or equipment as the District may deem advisable so that the Work may be completed by the date specified in the Facilities Lease, and all expenses incidental to the procuring of said materials and/or equipment shall be paid for by Developer or deducted from payment(s) to Developer.

**1.8.7** Developer warrants good title to all material, supplies, and equipment installed or incorporated in Work and agrees upon completion of all Work to deliver the Site to District, together with all improvements and appurtenances constructed or placed thereon by it, and free from any claims, liens, or charges. Developer further agrees that neither it nor any person, firm, or corporation furnishing any materials or labor for any work covered by the Contract Documents shall have any right to lien any portion of the Premises or any improvement or appurtenance thereon, except that Developer may install metering devices or other equipment of utility companies or of political subdivision, title to which is commonly retained by utility company or political subdivision. In the event of installation of any such metering device or equipment, Developer shall advise District as to owner thereof.

**1.8.8** Nothing contained in this Article, however, shall defeat or impair the rights of persons furnishing materials or labor under any bond given by Developer for their protection or any rights under any law permitting such protection or any rights under any law permitting such persons to look to funds due Developer in hands of District (e.g., Stop Payment Notices), and this provision shall be inserted in all subcontracts and material contracts and notice of its provisions shall be given to all persons furnishing material for Work when no formal contract is entered into for such material.

**1.8.9** Title to new materials and/or equipment for the Work of the Contract Documents and attendant liability for its protection and safety shall remain with Developer until incorporated in the Work of the Contract Documents and accepted by District. No part of any materials and/or equipment shall be removed from its place of storage except for immediate installation in the Work of the Contract Documents. Should the District, in its discretion, allow

Developer to store materials and/or equipment for the Work off-site, Developer will store said materials and/or equipment at a bonded warehouse and with appropriate insurance coverage at no cost to District. Developer shall keep an accurate inventory of all materials and/or equipment in a manner satisfactory to District or its authorized representative and shall, at the District's request, forward it to the District.

#### **1.8.10 [Reserved]**

### **2. [Reserved]**

### **3. Architect**

**3.1** The Architect shall represent the District during the Project and will observe the progress and quality of the Work on behalf of the District. Architect shall have the authority to act on behalf of District to the extent expressly provided in the Contract Documents and to the extent determined by District. Architect shall have authority to reject materials, workmanship, and/or the Work whenever rejection may be necessary, in Architect's reasonable opinion, to ensure the proper execution of the Contract Documents.

**3.2** Architect shall, with the District and on behalf of the District, determine the amount, quality, acceptability, and fitness of all parts of the Work, and interpret the Specifications, Drawings, and shall, with the District, interpret all other Contract Documents.

**3.3** Architect shall have all authority and responsibility established by law, including title 24 of the California Code of Regulations.

**3.4** Developer shall provide District and the Construction Manager with a copy of all written communication between Developer and Architect at the same time as that communication is made to Architect, including, without limitation, all RFIs, correspondence, submittals, claims, change order requests and/or proposed change orders.

### **4. Construction Manager**

**4.1** If a Construction Manager is used on this Project ("Construction Manager" or "CM"), the Construction Manager will provide administration of the Contract Documents on the District's behalf. After execution of the Contract Documents, all correspondence and/or instructions from Developer and/or District shall be forwarded through the Construction Manager. The Construction Manager will not be responsible for and will not have control or charge of construction means, methods, techniques, sequences, or procedures or for safety precautions in connection with the Work, which shall all remain Developer's responsibility.

**4.2** The Construction Manager, however, will have authority to reject materials and/or workmanship not conforming to the Contract Documents, as determined by the District, the Architect, and/or the Project Inspector. The Construction Manager shall also have the authority to require special inspection or testing of any portion of the Work, whether it has been fabricated, installed, or fully completed. Any decision made by the Construction Manager in good faith, shall not give rise to any duty or responsibility of the Construction Manager to: Developer, any Subcontractor, or their

agents, employees, or other persons performing any of the Work. The Construction Manager shall have free access to any or all parts of Work at any time.

**4.3** If the District does not use a Construction Manager on this Project, all references within the Contract Documents to Construction Manager or CM shall be read as District.

## **5. Inspector, Inspections, and Tests**

### **5.1 Project Inspector**

**5.1.1** One or more Project Inspector(s), including special Project Inspector(s), as required, will be assigned to the Work by District, in accordance with requirements of title 24, part 1, of the California Code of Regulations, to enforce the building code and monitor compliance with Plans and Specifications for the Project previously approved by the DSA. Duties of Project Inspector(s) are specifically defined in section 4-342 of said part 1 of title 24.

**5.1.2** No Work shall be carried on except with the knowledge and under the inspection of the Project Inspector(s). The Project Inspector(s) shall have free access to any or all parts of Work at any time. Developer shall furnish Project Inspector(s) reasonable opportunities for obtaining such information as may be necessary to keep Project Inspector(s) fully informed respecting progress and manner of work and character of materials, including, but not limited to, submission of form DSA 156 (or the most current version applicable at the time the Work is performed) to the Project Inspector at least 48 hours in advance of the commencement and completion of construction of each and every aspect of the Work. Forms are available on the DSA's website at: <http://www.dgs.ca.gov/dsa/Forms.aspx>. Inspection of Work shall not relieve Developer from an obligation to fulfill the Contract Documents. Project Inspector(s) and the DSA are authorized to suspend work whenever Developer and/or its Subcontractor(s) are not complying with the Contract Documents. Any work stoppage by the Project Inspector(s) and/or DSA shall be without liability to the District. Developer shall instruct its Subcontractors and employees accordingly.

**5.1.3** If Developer and/or any Subcontractor requests that the Project Inspector(s) perform any inspection off-Site, this shall only be done if it is allowable pursuant to applicable regulations and DSA approval, if the Project Inspector(s) agree to do so, and at the expense of Developer.

### **5.2 Tests and Inspections**

**5.2.1** Tests and Inspections shall comply with title 24, part 1, California Code of Regulations, group 1, article 5, section 4-335, and with the provisions of the Specifications.

**5.2.2** The District will select an independent testing laboratory to conduct the tests. Selection of the materials required to be tested shall be by the laboratory or the District's representative and not by Developer. Developer shall notify the District's representative a sufficient time in advance of its readiness for required observation or inspection. This notice shall be provided, at a minimum, forty-eight (48) hours prior to the inspection of the material that

needs to be tested and, at a minimum, seventy-two (72) hours prior to any special or off-site inspection.

**5.2.3** Developer shall notify the District's representative a sufficient time in advance of the manufacture of material to be supplied under the Contract Documents that must by terms of the Contract Documents be tested so that the District may arrange for the testing of same at the source of supply. This notice shall be provided, at a minimum, seventy-two (72) hours prior to the manufacture of the material that needs to be tested.

**5.2.4** Any material shipped by Developer from the source of supply prior to having satisfactorily passed such testing and inspection or prior to the receipt of notice from said representative that such testing and inspection will not be required, shall not be incorporated into and/or onto the Project.

**5.2.5** The District will select the testing laboratory and pay for the costs for all tests and inspections, except those inspections performed at Developer's request and expense. Developer shall reimburse the District for any and all laboratory costs or other testing costs for any materials found to be not in compliance with the Contract Documents. At the District's discretion, District may elect to deduct laboratory or other testing costs for noncompliant materials from the Guaranteed Maximum Price, and such deduction shall not constitute a withholding.

### **5.3 Costs for After Hours and/or Off Site Inspections**

If Developer performs Work outside the Inspector's regular working hours, costs of any inspections required outside regular working hours shall be borne by Developer and may be invoiced to Developer by the District or the District may deduct those expenses from the next Tenant Improvement Payment.

## **6. Developer**

Developer shall construct and complete, in a good and workmanlike manner, the Work for the Guaranteed Maximum Price including any adjustment(s) to the Guaranteed Maximum Price pursuant to provisions herein regarding changes to the Guaranteed Maximum Price. Except as otherwise noted, Developer shall provide and pay for all labor, materials, equipment, permits (excluding DSA), fees, licenses, facilities, transportation, taxes, bonds and insurance, and services necessary for the proper execution and completion of the Work, except as indicated herein.

### **6.1 Status of Developer**

**6.1.1** Developer is and shall at all times be deemed to be an independent contractor and shall be wholly responsible for the manner in which it and its Subcontractors perform the services required of it by the Contract Documents. Nothing herein contained shall be construed as creating the relationship of employer and employee, or principal and agent, between the District, or any of the District's employees or agents, and Developer or any of Developer's Subcontractors, agents or employees. Developer assumes exclusively the responsibility for the acts of its agents and employees as they relate to the services to be provided during the course and scope of their employment. Developer, its Subcontractors, and its agents and employees shall not be

entitled to any rights or privileges of District employees. District shall be permitted to monitor Developer's activities to determine compliance with the terms of the Contract Documents.

**6.1.2** As required by law, Developer and all Subcontractors shall be properly licensed and regulated by the Contractors State License Board, 9821 Business Park Drive, Sacramento, California 95827 (Post Office Box 26000, Sacramento, California 95826), <http://www.cslb.ca.gov>.

**6.1.3** As required by law, Developer and all Subcontractors shall be properly registered as public works contractors by the Department of Industrial Relations at <https://efiling.dir.ca.gov/PWCR/ActionServlet?action=displayPWCRRegistrationForm> or current URL.

**6.1.4** Developer represents that Developer and all Subcontractors shall not be presently debarred, suspended, proposed for disbarment, declared ineligible or excluded pursuant to either Labor Code section 1777.1 or Labor Code section 1777.7.

**6.1.5 [Reserved]**

**6.1.6** Developer represents that it has no existing interest and will not acquire any interest, direct or indirect, which could conflict in any manner or degree with the performance of Work required under this Contract and that no person having any such interest shall be employed by Developer.

**6.1.7 [Reserved]**

**6.1.8** If Developer intends to make any change in the name or legal nature of the Developer's entity, Developer must first notify the District in writing prior to making any contemplated change. The District shall determine in writing if Developer's intended change is permissible while performing this Contract.

**6.2 Project Inspection Card(s)**

Developer shall verify that forms DSA 152 (or most current version applicable at the time the Work is performed) are issued for the Project prior to the commencement of construction.

**6.3 Developer's Supervision**

**6.3.1** During progress of the Work, Developer shall keep on the Premises, and at all other locations where any Work related to the Contract is being performed, an experienced and competent project manager and construction superintendent who are employees of Developer, to whom the District does not object and whom shall be fluent in English, written and verbal.

**6.3.2** The project manager and construction superintendent shall both speak fluent English and the predominant language of Developer's employees.

**6.3.3** Developer acknowledges the quality and qualifications of the Key Personnel were important factors in District's selection of Developer for the Project. Developer and District agree that the personal services of the Key

Personnel are a material term of the Contract Documents. Developer and District agree further that the substitution or removal or change in role or level of effort of such Key Personnel would result in damages to the District, the measure of which would be impractical or extremely difficult to fix. In lieu such damages, District and Developer have agreed to liquidated damages as described below:

**6.3.3.1** Before commencing the Work herein, Developer shall give written notice to District of Developer's Key Personnel.

**6.3.3.2** Key Personnel shall be the same as those individuals identified in Developer's response to the District's RFQ/P.

**6.3.3.3** For any substitution of any Key Personnel individual before the end of the individual's Project commitment period provided in Developer's Key Personnel staffing schedule, District may assess once, and Developer shall accept, liquidated damages in the amount of six (6) times the gross monthly salary for each substituted Key Personnel.

**6.3.4** Developer's Key Personnel shall not be changed except with prior written notice to, and approval by, District.

**6.3.5** If any of Developer's Key Personnel prove to be unsatisfactory to Developer, or to District, any of the District's employees, agents, the Construction Manager, or the Architect, the unsatisfactory Key Personnel shall be replaced. However, Developer shall immediately notify District in writing before any change occurs, but no less than two (2) business days prior. Any replacement of Key Personnel shall be made promptly and must be satisfactory to the District. Developer's Key Personnel shall each represent Developer, and all directions given to Key Personnel shall be as binding as if given to Developer.

**6.3.6** Developer shall give efficient supervision to Work, using its best skill and attention. Developer shall carefully study and compare all Contract Documents, Drawings, Specifications, and other instructions and shall at once report to District, Construction Manager, and Architect any error, inconsistency, or omission that Developer or its employees and Subcontractors may discover, in writing, with a copy to District's Project Inspector(s). Developer shall have responsibility for discovery of errors, inconsistencies, or omissions.

**6.3.7** All contractors doing work on the Project will provide their workers with identification badges. These badges will be worn by all members of the contractor's staff who are working in a District facility.

**6.3.7.1** Badges must be filled out in full and contain the following information:

**6.3.7.1.1** Name of contractor

**6.3.7.1.2** Name of employee

**6.3.7.1.3** Contractor's address and phone number

**6.3.7.2** Badges are to be worn when Developer or his/her employees are on site and must be visible at all times. Contractors must inform their employees that they are required to allow District employees, the Architect, the Construction Manager, the Program Manager, or the Project Inspector to review the information on the badges upon request.

**6.3.7.3** Continued failure to display identification badges as required by this policy may result in the individual being removed from the Project or assessment of fines against the contractor.

#### **6.4 Duty to Provide Fit Workers**

**6.4.1** Developer and Subcontractor(s) shall at all times enforce strict discipline and good order among their employees and shall not employ any unfit person or anyone not skilled in work assigned to that person. It shall be the responsibility of Developer to ensure compliance with this requirement. District may require Developer to permanently remove unfit persons from Project Site.

**6.4.2** Any person in the employ of Developer or Subcontractor(s) whom District may deem incompetent or unfit shall be excluded from working on the Project and shall not again be employed on the Project except with the prior written consent of District.

**6.4.3** Developer shall furnish labor that can work in harmony with all other elements of labor employed or to be employed in the Work.

**6.4.4 Fingerprinting.** Developer shall comply with the provisions of Education Code section 45125.2 regarding the submission of employee fingerprints to the California Department of Justice and the completion of criminal background investigations of its employees, Subcontractor(s), and Subcontractors' employees. Developer shall not permit any employee to have any contact with District pupils until such time as Developer has verified in writing to the governing board of the District, (A) that such employee has not been convicted of a violent or serious felony, as defined in Education Code section 45122.1 and/or (B) that the prohibition does not apply to an employee as provided by Education Code section 45125.1(e)(2) or (3). Developer shall fully complete and perform all tasks required pursuant to the Criminal Background Investigation/ Fingerprinting Certification..

#### **6.5 Field Office**

**6.5.1** Developer shall provide on the Site a temporary office.

#### **6.6 Purchase of Materials and Equipment**

Developer is required to order, obtain, and store materials and equipment sufficiently in advance of its Work at no additional cost or advance payment from District to assure that there will be no delays.

#### **6.7 Documents on Work**

**6.7.1** Developer shall at all times keep on the Site, or at another location as the District may authorize in writing, one legible copy of all Contract

Documents, including Addenda and Change Orders, and Titles 19 and 24 of the California Code of Regulations, the specified edition(s) of the Uniform Building Code, all approved Drawings, Plans, Schedules, and Specifications, and all codes and documents referred to in the Specifications, and made part thereof. These documents shall be kept in good order and available to District, Construction Manager, Architect, Architect's representatives, the Project Inspector(s), and all authorities having jurisdiction. Developer shall be acquainted with and comply with the provisions of these titles as they relate to this Project. (See particularly the duties of Contractor, Title 24, Part 1, California Code of Regulations, Section 4-343.) Developer shall also be acquainted with and comply with all California Code of Regulations provisions relating to conditions on this Project, particularly Titles 8 and 17. Developer shall coordinate with Architect and Construction Manager and shall submit its verified report(s) according to the requirements of Title 24.

## **6.7.2 Daily Job Reports**

**6.7.2.1** Developer shall maintain, at a minimum, at least one (1) set of Daily Job Reports on the Project. These must be prepared by Developer's employee(s) who are present on Site, and must include, at a minimum, the following information:

**6.7.2.1.1** A brief description of all Work performed on that day.

**6.7.2.1.2** A summary of all other pertinent events and/or occurrences on that day.

**6.7.2.1.3** The weather conditions on that day.

**6.7.2.1.4** A list of all Subcontractor(s) working on that day, including DIR registration numbers, Subcontractor employees working, and hours of work.

**6.7.2.1.5** A list of each Developer employee working on that day and the total hours worked for each employee.

**6.7.2.1.6** A complete list of all equipment on Site that day, whether in use or not.

**6.7.2.1.7** A complete list of all materials, supplies, and equipment delivered on that day, and verification that all materials, supplies, and equipment comply with the Contract Documents and are properly stored.

**6.7.2.1.8** A complete list of all inspections and tests performed on that day.

**6.7.2.1.9** Daily verification the Project is properly secured from the public and unauthorized entry.

**6.7.2.2** Each day Developer shall provide a copy of the previous day's Daily Job Report to the District or the District's Construction Manager.

## **6.8 Preservation of Records**

Developer shall maintain, and District shall have the right to inspect, Developer's financial records for the Project, including, without limitation, Job Cost Reports for the Project in compliance with the criteria set forth herein. The District shall have the right to examine and audit all Daily Job Reports or other Project records of Developer's project manager(s), project superintendent(s), and/or project foreperson(s), all certified payroll records and/or related documents including, without limitation, Job Cost Reports, payroll, payment, timekeeping and tracking documents; and as it pertains to change orders, all books, estimates, records, contracts, documents, cost data, subcontract job cost reports, and other data of Developer, any Subcontractor, and/or supplier, including computations and projections related to estimating, negotiating, pricing, or performing the Work or modification, in order to evaluate the accuracy, completeness, and currency of the cost, manpower, coordination, supervision, or pricing data at no additional cost to the District. These documents may be duplicative and/or be in addition to any documents held in escrow by the District. Developer shall make available at its office at all reasonable times the materials described in this paragraph for the examination, audit, or reproduction until three (3) years after final payment under this Facilities Lease. Notwithstanding the provisions above, Developer shall provide any records requested by any governmental agency, if available, after the time set forth above.

## **6.9 Integration of Work**

**6.9.1** Developer shall do all cutting, fitting, patching, and preparation of Work as required to make its several parts come together properly, to fit it to receive or be received by work of other contractors, and to coordinate tolerances to various pieces of work, showing upon, or reasonably implied by, the Drawings and Specifications for the completed structure, and shall conform them as District and/or Architect may direct.

**6.9.2** Developer shall make its own layout of lines and elevations and shall be responsible for the accuracy of both Developer's and Subcontractors' work resulting therefrom.

**6.9.3** Developer and all Subcontractors shall take all field dimensions required in performance of the Work, and shall verify all dimensions and conditions on the Site. All dimensions affecting proper fabrication and installation of all Work must be verified prior to fabrication by taking field measurements of the true conditions. If there are any discrepancies between dimensions in drawings and existing conditions which will affect the Work, Developer shall bring such discrepancies to the attention of the District and Architect for adjustment before proceeding with the Work. In doing so, it is recognized that Developer is not acting in the capacity of a licensed design professional, and that Developer's examination is made in good faith to facilitate construction and does not create an affirmative responsibility of a design professional to detect errors, omissions or inconsistencies in the Contract Documents or to ascertain compliance with applicable laws, building codes or regulations. However, nothing in this provision shall abrogate Developer's responsibilities for discovering and reporting any error, inconsistency, or omission pursuant to the Contract within Developer's standard of care including, without limitation, any applicable laws, ordinance, rules, or regulations. Following receipt of written notice from

Developer, the District and/or Architect shall inform Developer what action, if any, Developer shall take with regard to such discrepancies.

**6.9.4** All costs caused by noncompliant, defective, or delayed Work shall be borne by Developer, inclusive of repair work. Schedule delays resulting from unauthorized work shall be Contractor's responsibility.

**6.9.5** Developer shall not endanger any work performed by it or anyone else by cutting, excavating, or otherwise altering work and shall not cut or alter work of any other contractor except with consent of District.

## **6.10 Notifications**

**6.10.1** Developer shall notify the Architect and Project Inspector, in writing, of the commencement of construction of each and every aspect of the Work at least 48 hours in advance by submitting form DSA 156 (or the most current version applicable at the time the Work is performed) to the Project Inspector. Forms are available on the DSA's website at: <http://www.dgs.ca.gov/dsa/Forms.aspx>.

**6.10.2** Developer shall notify the Architect and Project Inspector, in writing, of the completion of construction of each and every aspect of the Work at least 48 hours in advance by submitting form DSA 156 (or the most current version applicable at the time the Work is performed) to the Project Inspector.

## **6.11 Obtaining of Permits, Licenses and Registrations**

**6.11.1** Developer shall secure and pay for any permits (except DSA), licenses, registrations, approvals, and certificates necessary for prosecution of Work, including but not limited to those listed in the Special Conditions, **Exhibit D-1**, if any, before the date of the commencement of the Work or before the permits, licenses, registrations, approvals and certificates are legally required to continue the Work without interruption. Developer shall obtain and pay, only when legally required, for all licenses, approvals, registrations, permits, inspections, and inspection certificates required to be obtained from or issued by any authority having jurisdiction over any part of the Work included in the Contract Documents. All final permits, licenses, registrations, approvals and certificates shall be delivered to District before demand is made for final payment. The costs associated with said permits, licenses, registrations, approvals and certificates shall be direct reimbursement items and are not subject to any markup.

### **6.11.2 General Permit For Storm Water Discharges Associated With Construction and Land Disturbance Activities.**

**6.11.2.1** Contractor acknowledges that all California school districts are obligated to develop and implement the following requirements for the discharge of storm water to surface waters from its construction and land disturbance activities pursuant to the Clean Water Act and Porter Cologne Water Quality Act. District has determined that the construction of this Project requires enrollment in the Construction Storm Water Permit. District has filed certain submittals referred to as

Permit Registration Documents ("PRDS") with the Regional Water Control Board ("Storm Water Pollution Prevention Plan" or "SWPPP").

**6.11.2.2** Contractor shall comply with any District SWPPP that is approved by the District and applicable to the Project, at no additional cost to the District. Contractor shall pay any fees and any penalties that may imposed by a regulatory agency for its non-compliance with the SWPPP during the course of Work.

**6.11.2.3** Contractor shall provide a Qualified Storm Water Practitioner ("QSP") at no additional cost to the District, who shall be onsite and implement and monitor any and all SWPPP requirements applicable to the Project, including but not limited to:

**6.11.2.3.1** All required visual observations, sampling, analysis, reporting and record keeping, including any Numeric Action Levels ("NALs"), if applicable;

**6.11.2.3.2** Rain Event Action Plan ("REAP") at least forty eight (48) hours prior to any forecasted rain event requiring implementation of the REAP, including any erosion and sediment control measures needed to protect all exposed portions of the site, if applicable;

**6.11.2.3.3** Active Treatment System ("ATS"), if applicable; and

**6.11.2.3.4** Best management practices ("BMPs").

## **6.12 Royalties and Patents**

**6.12.1** Developer shall obtain and pay, when legally required, all royalties and license fees necessary for prosecution of Work before the earlier of the date of the commencement of the Work or the date the license is legally required to continue the Work without interruption. Developer shall defend suits or claims of infringement of patent, copyright, or other rights and shall hold the District, Construction Manager and the Architect harmless and indemnify them from loss on account thereof except when a particular design, process, or make or model of product is required by the Contract Documents. However, if Developer has reason to believe that the required design, process, or product is an infringement of a patent or copyright, Developer shall indemnify and defend the District, Construction Manager and Architect against any loss or damage.

**6.12.2** The review by the District, Construction Manager or Architect of any method of construction, invention, appliance, process, article, device, or material of any kind shall be only as to its adequacy for the Work and shall not constitute approve use by Developer in violation of any patent or other rights of any person or entity.

## **6.13 Work to Comply With Applicable Laws and Regulations**

**6.13.1** Developer shall give all notices and comply with the following specific laws, ordinances, rules, and regulations and all other applicable laws, ordinances, rules, and regulations bearing on conduct of Work as indicated and

specified, including but not limited to the appropriate statutes and administrative code sections. If Developer observes that Drawings and Specifications are at variance with any applicable laws, ordinances, rules and regulations, or should Developer become aware of the development of conditions not covered by Contract Documents that may result in finished Work being at variance therewith, Developer shall promptly notify District in writing and any changes deemed necessary by District shall be made as provided in this **Exhibit D** for changes in Work.

**6.13.1.1** National Electrical Safety Code, U. S. Department of Commerce

**6.13.1.2** National Board of Fire Underwriters' Regulations

**6.13.1.3** International Building Code, latest addition, and the California Code of Regulations, title 24, and other amendments

**6.13.1.4** Manual of Accident Prevention in Construction, latest edition, published by A.G.C. of America

**6.13.1.5** Industrial Accident Commission's Safety Orders, State of California

**6.13.1.6** Regulations of the State Fire Marshall (title 19, California Code of Regulations) and Pertinent Local Fire Safety Codes

**6.13.1.7** Americans with Disabilities Act

**6.13.1.8** Education Code of the State of California

**6.13.1.9** Government Code of the State of California

**6.13.1.10** Labor Code of the State of California, division 2, part 7, Public Works and Public Agencies

**6.13.1.11** Public Contract Code of the State of California

**6.13.1.12** California Art Preservation Act

**6.13.1.13** U. S. Copyright Act

**6.13.1.14** U. S. Visual Artists Rights Act

**6.13.2** Developer shall comply with all applicable mitigation measures, if any, adopted by any public agency or local utility with respect to this Project pursuant to the California Environmental Quality Act (Public Resources Code section 21000 et seq.).

**6.13.3** If Developer performs any Work that it knew, or through exercise of reasonable care should have known, to be contrary to any applicable laws, ordinance, rules, or regulations, Developer shall bear all costs arising therefrom and arising from the correction of said Work.

**6.13.4** Where Specifications or Drawings state that materials, processes, or procedures must be approved by the DSA, State Fire Marshall, or other body or agency, Developer shall use its best efforts to satisfy the requirements of such bodies or agencies applicable at the time the Work is performed, and as determined by those bodies or agencies.

**6.13.5 [Reserved]**

#### **6.14 Safety/Protection of Persons and Property**

**6.14.1** Developer will be solely and completely responsible for conditions of the Site, including safety of all persons and property during performance of the Work. This requirement will apply continuously and not be limited to normal working hours.

**6.14.2** Developer to provide safe access for staff and students at any time, and to provide barricades, sound walls, signage, fencing, and other reasonably necessary protective measures, as necessary, to protect staff and students during construction.

**6.14.3** The wearing of hard hats will be mandatory at all times for all personnel on Site. Developer shall supply sufficient hard hats to properly equip all employees and visitors.

**6.14.4** Any construction review of Developer's performance is not intended to include review of the adequacy of Developer's safety measures in, on, or near the Site.

**6.14.5** Implementation and maintenance of safety programs shall be the sole responsibility of Developer.

**6.14.6** Developer shall furnish to the District a copy of Developer's safety plan within the time frame indicated in the Contract Documents and specifically adapted for the Project.

**6.14.7** Developer shall be responsible for all damages to persons or property that occur as a result of its fault or negligence in connection with the prosecution of the Contract Documents and shall take all necessary measures and be responsible for the proper care and completion and final acceptance by District. All Work shall be solely at Developer's risk.

**6.14.8** Developer shall take, and require Subcontractors to take, all necessary precautions for safety of workers on the Project and shall comply with all applicable federal, state, local, and other safety laws, standards, orders, rules, regulations, and building codes to prevent accidents or injury to persons on, about, or adjacent to premises where Work is being performed and to provide a safe and healthful place of employment. Developer shall furnish, erect, and properly maintain at all times, all necessary safety devices, safeguards, construction canopies, signs, nets, barriers, lights, and watchmen for protection of workers and the public and shall post danger signs warning against hazards created by such features in the course of construction.

**6.14.9** Hazards Control –Developer shall store volatile wastes in approved covered metal containers and remove them from the Site daily. Developer shall prevent accumulation of wastes that create hazardous conditions. Developer shall provide adequate ventilation during use of volatile or noxious substances.

**6.14.10** Developer shall designate a responsible member of its organization on the Project, whose duty shall be to post information regarding protection and obligations of workers and other notices required under occupational safety and health laws, to comply with reporting and other occupational safety requirements, and to protect the life, safety, and health of workers. Name and position of person so designated shall be reported to District by Developer.

**6.14.11** Developer shall correct any violations of safety laws, rules, orders, standards, or regulations. Upon the issuance of a citation or notice of violation by the Division of Occupational Safety and Health, Developer shall correct such violation promptly.

**6.14.12** Developer shall comply with any District storm water requirements that are approved by the District and applicable to the Project, at no additional cost to the District.

**6.14.13** In an emergency affecting safety of life or of work or of adjoining property, Developer, without special instruction or authorization, shall act, at its discretion, to prevent such threatened loss or injury. Any compensation claimed by Developer on account of emergency work shall be determined by agreement.

**6.14.14** All salvage materials will become the property of Developer and shall be removed from the Site unless otherwise called for in the Contract Documents. However, the District reserves the right to designate certain items of value that shall be turned over to the District unless otherwise directed by District.

**6.14.15** All connections to public utilities and/or existing on-site services, including, without limitation, internet, phone, and data connections, shall be made and maintained in such a manner as to not interfere with the continuing use of same by the District during the entire progress of the Work.

**6.14.16** Developer shall provide such heat, covering, and enclosures as are necessary to protect all Work, materials, equipment, appliances, and tools against damage by weather conditions, such as extreme heat, cold, rain, snow, dry winds, flooding, or dampness.

**6.14.17** Developer shall protect and preserve the Work from all damage or accident, providing any temporary roofs, window and door coverings, boxings, or other construction as required by the Architect. Developer shall be responsible for existing structures, walks, roads, trees, landscaping, and/or improvements in working areas; and shall provide adequate protection therefor. If temporary removal is necessary of any of the above items, or damage occurs due to the Work, Developer shall replace same at his expense with same kind, quality, and size of Work or item damaged. This shall include any adjoining property of the District and others.

**6.14.18** Developer shall take adequate precautions to protect existing roads, sidewalks, curbs, pavements, utilities, adjoining property, and structures (including, without limitation, protection from settlement or loss of lateral support), and to avoid damage thereto, and repair any damage thereto caused by construction operations.

**6.14.19** Developer shall confine apparatus, the storage of materials, and the operations of workers to limits indicated by law, ordinances, permits, or directions of Architect, and shall not interfere with the Work or unreasonably encumber Premises or overload any structure with materials. Developer shall enforce all instructions of District and Architect regarding signs, advertising, fires, and smoking, and require that all workers comply with all regulations while on Project Site.

**6.14.20** Developer, Developer's employees, Subcontractors, Subcontractors' employees, or any person associated with the Work shall conduct themselves in a manner appropriate for a school site. No verbal or physical contact with neighbors, students, and faculty, profanity, or inappropriate attire or behavior will be permitted. Developer is also responsible for ensuring workers refrain from wearing inappropriate clothing and/or logos on the Project. District may require Developer to temporarily or permanently remove non-complying persons from Project Site.

**6.14.21** Developer shall take care to prevent disturbing or covering any survey markers, monuments, or other devices marking property boundaries or corners. If such markers are disturbed, Developer shall have a civil engineer, registered as a professional engineer in California, replace them at no cost to District.

**6.14.22** In the event that Developer enters into any agreement with owners of any adjacent property to enter upon the adjacent property for the purpose of performing the Work, Developer shall fully indemnify, defend, and hold harmless each person, entity, firm, or agency that owns or has any interest in adjacent property. The form and content of the agreement of indemnification shall be approved by the District prior to the commencement of any Work on or about the adjacent property. Developer shall also indemnify the District as provided in the indemnification provision herein. These provisions shall be in addition to any other requirements of the owners of the adjacent property.

## **6.15 General Permit for Storm Water Discharges Associated with Construction and Land Disturbance Activities ("Construction Storm Water Permit")**

**6.15.1** Developer acknowledges that all California school districts are obligated to develop and implement the following requirements for the discharge of storm water to surface waters from its construction and land disturbance activities pursuant to the Clean Water Act and Porter Cologne Water Quality Act. District has determined that the construction of this Project requires enrollment in the Construction Storm Water Permit. District has filed certain submittals referred to as Permit Registration Documents (PRDS) with the Regional Water Control Board (Storm Water Pollution Prevention Plan or "SWPPP").

**6.15.2** Developer shall comply with any District SWPPP that are approved by the District and applicable to the Project at no additional cost to the District. Developer shall pay any fees and any penalties that may be imposed by a regulatory agency for its non-compliance with the SWPPP during the course of Work.

**6.15.3** Developer shall provide a Qualified SWPPP Practitioner (QSP) at no additional cost to the District, who shall be onsite and implement and monitor any and all SWPPP requirements applicable to the Project, including but not limited to:

**6.15.3.1** All required visual observations, sampling, analysis, reporting and record keeping, including any Numeric Action Levels (NALs), if applicable;

**6.15.3.2** Rain Event Action Plan (REAP) at least forty eight (48) hours prior to any forecasted rain event requiring implementation of the REAP, including any erosion and sediment control measures needed to protect all exposed portions of the site, if applicable;

**6.15.3.3** Active Treatment System (ATS), if applicable; and

**6.15.3.4** Best management practices (BMPs).

## **6.16 Working Evenings and Weekends**

Developer may be required to work increased hours, evenings, and/or weekends at no additional cost to the District. Developer shall give the District forty-eight (48) hours' notice prior to performing any evening and/or weekend work. Developer shall perform all evening and/or weekend work in compliance with all applicable rules, regulations, laws, and local ordinances including, without limitation, all noise and light limitations. Developer shall reimburse the District for any increased or additional Inspector charges as a result of Developer's increased hours, or evening and/or weekend work.

## **6.17 Cleaning Up**

**6.17.1** Developer shall provide all services, labor, materials, and equipment necessary for protecting and securing the Work, all school occupants, furnishings, equipment, and building structure from damage until its completion and final acceptance by District. Dust barriers shall be provided to isolate dust and dirt from construction operations. At completion of the Work and portions thereof, Developer shall clean to the original state any areas beyond the Work area that become dust laden as a result of the Work. Developer must erect the necessary warning signs and barricades to ensure the safety of all school occupants. Developer at all times must maintain good housekeeping practices to reduce the risk of fire damage and must make a fire extinguisher, fire blanket, and/or fire watch, as applicable, available at each location where cutting, braising, soldering, and/or welding is being performed or where there is an increased risk of fire.

**6.17.2** Developer at all times shall keep Premises, including property immediately adjacent thereto, free from debris such as waste, rubbish (including personal rubbish of workers, e.g., food wrappers, etc.), and excess

materials and equipment caused by the Work. Developer shall not leave debris under, in, or about the Premises (or surrounding property or neighborhood), but shall promptly remove same from the Premises on a daily basis. If Developer fails to clean up, District may do so and the cost thereof shall be charged to Developer. If the Contract calls for Work on an existing facility, Developer shall also perform specific clean-up on or about the Premises upon request by the District as it deems necessary for continued operations. Developer shall comply with all related provisions of the Specifications.

**6.17.3** If the Construction Manager, Architect, or District observes the accumulation of trash and debris, the District will give Developer a 24-hour written notice to mitigate the condition.

**6.17.4** Should Developer fail to perform the required clean-up, or should the clean-up be deemed unsatisfactory by the District, the District may, at its sole discretion, then perform the clean-up. All cost associated with the clean-up work (including all travel, payroll burden, and costs for supervision) will be deducted from the Guaranteed Maximum Price.

## **6.18 No Relief from Obligations Based on Review by Other Persons**

**6.18.1** Developer shall not be relieved of obligations to perform the Work in accordance with the Contract Documents by act or omission of the District, Architect, Construction Manager, Project Inspector, or DSA or other entities having jurisdiction including, but not limited to, administration of the Contract, review of submittals, or by tests, observation, inspection, or permit /interconnection approvals.

## **7. Subcontractors**

**7.1** Developer shall provide the District with information for all of Developer's Subcontracts and Subcontractors as indicated in Developer's Submittals and Schedules Section herein.

**7.2** No contractual relationship exists between the District and any Subcontractor, supplier, or sub-subcontractor by reason of the Contract Documents.

**7.3** Developer agrees to bind every Subcontractor by terms of the Contract Documents as far as those terms that are applicable to Subcontractor's work including, without limitation, all labor, wage & hour, apprentice and related provisions and requirements. If Developer subcontracts any part of the Work called for by the Contract Documents, Developer shall be as fully responsible to District for acts and omissions of any Subcontractor and of persons either directly or indirectly employed by any Subcontractor, including Subcontractor caused Project delays, as it is for acts and omissions of persons directly employed by Developer. The divisions or sections of the Specifications and/or the arrangements of the drawings are not intended to control Developer in dividing the Work among Subcontractors or limit the work performed by any trade.

**7.4** District's consent to, or approval of, or failure to object to, any Subcontractor under the Contract Documents shall not in any way relieve Developer of any obligations under the Contract Documents and no such consent shall be deemed to waive any provisions of the Contract Documents.

**7.5** Developer is directed to familiarize itself with sections 1720 through 1861 of the Labor Code of the State of California, as regards the payment of prevailing wages and related issues, and to comply with all applicable requirements therein including, without limitation, section 1775 and Developer's and Subcontractors' obligations and liability for violations of prevailing wage law and other applicable laws.

**7.6** Developer shall be responsible for the coordination of the trades, Subcontractors, sub-subcontractors, and material or equipment suppliers working on the Project.

**7.6.1** Developer is responsible for ensuring that first-tier Subcontractors holding C-4, C-7, C-10, C-16, C-20, C-34, C-36, C-38, C-42, C-43, and/or C-46 licenses, are prequalified by the District to work on the Project pursuant to Public Contract Code section 20111.6.

**7.6.2** Developer is responsible for ensuring that all Subcontractors are properly registered as public works contractors by the Department of Industrial Relations.

**7.7** Developer is solely responsible for settling any differences between Developer and its Subcontractor(s) or between Subcontractors.

**7.8** Developer must include in all of its subcontracts the assignment provisions indicated in the Termination section of these Construction Provisions.

## **8. Other Contracts/Contractors**

**8.1** District reserves the right to let other contracts, and/or to perform work with its own forces, in connection with the Project. Developer shall afford other contractors reasonable opportunity for introduction and storage of their materials and execution of their work and shall properly coordinate and connect Developer's Work with the work of other contractors.

**8.2** Developer shall protect the work of any other contractor that Developer encounters while working on the Project.

**8.3** If any part of Developer's Work depends for proper execution or results upon work of District or any other contractor, Developer shall visually inspect, and with reasonable effort, physically inspect all accessible portions of District's or any other contractor's work and, before proceeding with its Work, promptly report to the District in writing any defects in District's or any other contractor's work that render Developer's Work unsuitable for proper execution and results. Developer shall be held accountable for damages to District for District's or any other contractor's work that Developer failed to inspect or should have inspected. Developer's failure to inspect and report shall constitute Developer's acceptance of all District's or any other contractor's work as fit and proper for reception of Developer's Work, except as to defects that may develop in District's or any other contractor's work after execution of Developer's Work and not caused by execution of Developer's Work.

**8.4** To ensure proper execution of its subsequent Work, Developer shall measure and inspect Work already in place and shall at once report to the District in writing any discrepancy between that executed Work and the Contract Documents.

**8.5** Developer shall ascertain to its own satisfaction the scope of the Project and nature of District's or any other contracts that have been or may be awarded by District in prosecution of the Project to the end that Developer may perform under the Contract in light of the other contracts, if any.

**8.6** Nothing herein contained shall be interpreted as granting to Developer exclusive occupancy of the Site, the Premises, or of the Project. Developer shall not cause any unnecessary hindrance or delay to the use and/or operation(s) of the Premises and/or to District or any other contractor working on the Project. If simultaneous execution of any contract or Premises operation is likely to cause interference with performance of Developer's obligations under the Contract Documents, Developer shall coordinate with those contractor(s), person(s), and/or entity(s) and shall notify the District of the resolution.

## **9. Drawings and Specifications**

**9.1** A complete list of all Drawings that form a part of the Contract Documents are to be found as an index on the Drawings themselves, and/or may be provided to Developer and/or in the Table of Contents.

**9.2** Materials or Work described in words that so applied have a well-known technical or trade meaning shall be deemed to refer to recognized standards, unless noted otherwise.

### **9.3 Trade Name or Trade Term**

It is not the intention of the Contract Documents to go into detailed descriptions of any materials and/or methods commonly known to the trade under "trade name" or "trade term." The mere mention or notation of "trade name" or "trade term" shall be considered a sufficient notice to Developer that it will be required to complete the work so named, complete, finished, and operable, with all its appurtenances, according to the best practices of the trade.

**9.4** The naming of any material and/or equipment shall mean furnishing and installing of same, including all incidental and accessory items thereto and/or labor therefor, as per best practices of the trade(s) involved, unless specifically noted otherwise.

**9.5** Contract Documents are complementary, and what is called for by one shall be binding as if called for by all. As such, Drawings and Specifications are intended to be fully cooperative and to agree. However, if Developer observes that Drawings and Specifications are in conflict with the Contract Documents, Developer shall promptly notify District and Architect in writing, and any necessary changes shall be made as provided in the Contract Documents.

**9.6** Figured dimensions shall be followed in preference to scaled dimensions, and Developer shall make all additional measurements necessary for the work and shall be responsible for their accuracy. Before ordering any material or doing any work, each Developer shall verify all measurements at the building and shall be responsible for the correctness of same.

**9.7** Should any question arise concerning the intent or meaning of the Contract Documents, including the Plans and Specifications, the question shall be submitted to

the District for interpretation. If a conflict exists in the Contract Documents, these Construction Provisions shall control over the Facilities Lease, which shall control over the Site Lease, which shall control over Division 1 Documents, which shall control over Division 2 through Division 49 documents, which shall control over figured dimensions, which shall control over large-scale drawings, which shall control over small-scale drawings. In no case shall a document calling for lower quality and/or quantity of material or workmanship control. However, in the case of discrepancy or ambiguity solely between and among the Drawings and Specifications, the discrepancy or ambiguity shall be resolved in favor of the interpretation that will provide District with the functionally complete and operable Project described in the Drawings and Specifications.

**9.8** Drawings and Specifications are intended to comply with all laws, ordinances, rules, and regulations of constituted authorities having jurisdiction, and where referred to in the Contract Documents, the laws, ordinances, rules, and regulations shall be considered as a part of the Contract Documents within the limits specified.

**9.9** As required by Section 4-317(c), Part 1, Title 24, CCR: "Should any existing conditions such as deterioration or non-complying construction be discovered which is not covered by the DSA-approved documents wherein the finished work will not comply with Title 24, California Code of Regulations, a construction change document, or a separate set of plans and specifications, detailing and specifying the required repair work shall be submitted to and approved by DSA before proceeding with the repair work."

#### **9.10 Ownership of Drawings**

All copies of Plans, Drawings, Designs, Specifications, and copies of other incidental architectural and engineering work, or copies of other Contract Documents furnished by District, are the property of District. They are not to be used by Developer in other work and, with the exception of signed sets of Contract Documents, are to be returned to District on request at completion of Work, or may be used by District as it may require without any additional costs to District. Neither Developer nor any Subcontractor, or material or equipment supplier shall own or claim a copyright in the Drawings, Specifications, and other documents prepared by the Architect. District hereby grants Developer, Subcontractors, sub-subcontractors, and material or equipment suppliers a limited license to use applicable portions of the Drawings prepared for the Project in the execution of their Work under the Contract Documents.

### **10. Developer's Submittals and Schedules**

Developer's submittals shall comply with the provisions and requirements of the Specifications including, without limitation Submittals.

#### **10.1 Schedule of Work, Schedule of Submittals, and Schedule of Values.**

**10.1.1** Developer shall comply with the construction schedule attached to the Facilities Lease as **Exhibit F** ("Construction Schedule"). [To be attached when available.]

**10.1.2** Developer must provide all schedules both in hard copy and electronically, in a native format (e.g. Microsoft Project or Primavera) approved in advance by the District.

**10.1.3** The District will review the schedules submitted and Developer shall make changes and corrections in the schedules as requested by the District and resubmit the schedules until approved by the District.

**10.1.4** The District shall have the right at any time to discuss with Developer revisions to the schedule of values if, in the District's sole opinion, the schedule of values does not accurately reflect the value of the Work performed.

**10.1.5** All schedules must be approved by the District before Developer can rely on them as a basis for payment.

**10.1.6** Within TEN (10) calendar days after the date of the Notice to Proceed with Construction (unless otherwise specified in the Specifications), Developer shall prepare and submit to the District for review, in a form supported by sufficient data to substantiate its accuracy as the District may require:

**10.1.6.1** Preliminary Schedule

A preliminary schedule of construction indicating the starting and completion dates of the various stages of the Work, including any information and following any form as may be specified in the Specifications. Once approved by District, this shall become the Construction Schedule. This schedule shall include and identify all tasks that are on the Project's critical path with a specific determination of the start and completion of each critical path task as well as all Contract milestones and each milestone's completion date(s) as may be required by the District.

**10.1.6.1.1** The District is not required to approve a preliminary schedule of construction with early completion, i.e., one that shows early completion dates for the Work and/or milestones. Developer shall not be entitled to extra compensation if the District approves a Construction Schedule with an early completion date and Developer completes the Project beyond the date shown in the schedule but within the Contract Time. A Construction Schedule showing the Work completed in less than the Contract Time, the time between the early completion date and the end of the Contract Time shall be Float.

**10.1.6.2** Preliminary Schedule of Values

A preliminary schedule of values for all of the Work, which must include quantities and prices of items aggregating the Guaranteed Maximum Price and must subdivide the Work into component parts in sufficient detail to serve as the basis for progress payments during construction. Unless the Special Conditions contain different limits, this preliminary schedule of values shall include, at a minimum, the following information and the following structure:

**10.1.6.2.1** Divided into at least the following categories:

**10.1.6.2.1.1** Overhead and profit

**10.1.6.2.1.2** Supervision

**10.1.6.2.1.3** General conditions

**10.1.6.2.1.4** Layout

**10.1.6.2.1.5** Mobilization

**10.1.6.2.1.6** Submittals

**10.1.6.2.1.7** Bonds and insurance

**10.1.6.2.1.8** Close-out/Certification documentation

**10.1.6.2.1.9** Demolition

**10.1.6.2.1.10** Installation

**10.1.6.2.1.11** Rough-in

**10.1.6.2.1.12** Finishes

**10.1.6.2.1.13** Testing

**10.1.6.2.1.14** Punch list and District acceptance

**10.1.6.2.2** And also divided by each of the following areas:

**10.1.6.2.2.1** Site work

**10.1.6.2.2.2** By each phase and/or building, as applicable

**10.1.6.2.2.3** By each floor

**10.1.6.2.3** The preliminary schedule of values shall not provide for values any greater than the following percentages of the Contract value:

**10.1.6.2.3.1** Mobilization and layout combined to equal not more than 1%.

**10.1.6.2.3.2** Submittals, samples and shop drawings combined to equal not more than 3%.

**10.1.6.2.3.3** Bonds and insurance combined % to be from the RFQ/P fee proposal

**10.1.6.2.3.4** Closeout documentation shall have a value in the preliminary schedule of not less than 3%.

**10.1.6.2.4** Notwithstanding any provision of the Contract Documents to the contrary, payment of Developer's overhead,

supervision, general conditions costs, and profit, as reflected in the Cost Breakdown, shall be paid based on percentage complete, with the disbursement of Progress Payments and the Final Payment.

**10.1.6.2.5** Developer shall certify that the preliminary schedule of values as submitted to the District is accurate and reflects the costs as developed in preparing Developer's bid. For example, without limiting the foregoing, Developer shall not "front-load" the preliminary schedule of values with dollar amounts greater than the value of activities performed early in the Project.

**10.1.6.2.6** The preliminary schedule of values shall be subject to the District's review and approval of the form and content thereof. In the event that the District objects to any portion of the preliminary schedule of values, the District shall notify Developer, in writing, of the District's objection(s) to the preliminary schedule of values. Within five (5) calendar days of the date of the District's written objection(s), Developer shall submit a revised preliminary schedule of values to the District for review and approval. The foregoing procedure for the preparation, review and approval of the preliminary schedule of values shall continue until the District has approved the entirety of the preliminary schedule of values.

**10.1.6.2.7** Once the preliminary schedule of values is approved by the District, this shall become the Schedule of Values. The Schedule of Values shall not be thereafter modified or amended by Developer without the prior consent and approval of the District, which may be granted or withheld in the sole discretion of the District.

### **10.1.6.3** Schedule of Values

The Developer shall provide for District review and approval prior to commencement of the Work a schedule of values for all of the Work, which includes quantities and prices of items aggregating the Guaranteed Maximum Price and subdivided into component parts as per specifications. The Schedule of Values shall not be modified or amended by the Developer without the prior consent and approval of the District, which may be granted or withheld in the sole discretion of the District. The District shall have the right at any time to revise the schedule of values if, in the District's sole opinion, the schedule of values does not accurately reflect the value of the Work performed.

### **10.1.6.4** Preliminary Schedule of Submittals

A preliminary schedule of submittals, including Shop Drawings, Product Data, and Samples submittals. Once approved by District, this shall become the Submittal Schedule. All submittals may be reviewed by District in District's Project Management Software or approved system and shall be forwarded to the Architect by the date indicated on the approved Submittal Schedule, unless an earlier date is necessary to

maintain the Construction Schedule, in which case those submittals shall be forwarded to the District so as not to delay the Construction Schedule. Upon request by the District, Developer shall provide an electronic copy of all submittals to the District. All submittals shall be submitted no later than ninety (90) days after the Notice to Proceed with Construction.

#### **10.1.6.5 Safety Plan**

Developer's Safety Plan specifically adapted for the Project shall comply with the following requirements:

**10.1.6.5.1** All applicable requirements of California Division of Occupational Safety and Health ("Cal/OSHA") and/or of the United States Occupational Safety and Health Administration ("OSHA").

**10.1.6.5.2** All provisions regarding Project safety, including all applicable provisions in these Construction Provisions.

**10.1.6.5.3** Developer's Safety Plan shall be in English and in the language(s) of Developer's and its Subcontractors' employees.

#### **10.1.6.6 Complete Registered Subcontractor List**

The name, address, telephone number, facsimile number, California State Contractors License number, classification, DIR registration number, and monetary value of all Subcontracts of any tier for parties furnishing labor, material, or equipment for completion of the Project.

### **10.2 Monthly Progress Schedule(s)**

**10.2.1** Developer shall provide Monthly Progress Schedule(s) to the District. A Monthly Progress Schedule shall update the approved Construction Schedule or the last Monthly Progress Schedule, showing all work completed and to be completed as well as updating the Registered Subcontractors List. The monthly Progress Schedule shall be sent as noted below and, if also requested by District, within the timeframe requested by the District and shall be in a format acceptable to the District and contain a written narrative of the progress of work that month and any changes, delays, or events that may affect the work. The process for District approval of the Monthly Progress Schedule shall be the same as the process for approval of the Construction Schedule.

**10.2.2** Developer shall submit Monthly Progress Schedule(s) with all payment applications.

**10.2.3** Developer must provide all schedules both in hard copy and electronically in a native format (e.g., Microsoft Project or Primavera), approved in advance by District.

**10.2.4** District will review the schedules submitted and Developer shall make changes and corrections in the schedules as requested by the District and resubmit the schedules until approved by the District.

**10.2.5** District shall have the right at any time to discuss with Developer revisions to the schedule of values if, in the District's sole opinion, the schedule of values does not accurately reflect the value of the Work performed.

**10.2.6** All schedules must be approved by the District before Developer can rely on them as a basis for payment. District shall use best efforts to approve all submittals and schedules on or before fourteen (14) days after presentation of the same from Developer, providing there are no extenuating circumstances, and no such approval shall be unreasonably withheld by District.

### **10.3 Material Safety Data Sheets (MSDS)**

Developer is required to ensure Material Safety Data Sheets are available in a readily accessible place at the Site for any material requiring a Material Safety Data Sheet per the federal "Hazard Communication" standard, or employees' "right to know" law. Developer is also required to ensure proper labeling on substances brought onto the job site and that any person working with the material or within the general area of the material is informed of the hazards of the substance and follows proper handling and protection procedures. Two additional copies of the Material Safety Data Sheets shall also be submitted directly to the District.

### **10.4 Submittals**

**10.4.1** Architect's favorable review shall neither be construed as a complete check nor relieve Developer, Subcontractor, manufacturer, fabricator, or supplier from responsibility for any deficiency that may exist or from any departures or deviations from the requirements of the Contract Documents unless Developer has, in writing, called Architect's attention to the deviations at the time of submission and the Architect has given specific written response. "Favorable review" shall mean merely that Architect has no objection to Developer using, upon Developer's own full responsibility, plan or method of Work proposed, or furnishing materials or equipment proposed.

## **11. Site Access, Conditions, And Requirements**

### **11.1 Site Investigation**

Developer has made a careful investigation of the Site and is familiar with the requirements of the Contract Documents and has accepted the readily observable, existing conditions of the Site.

### **11.2 Soils Investigation Report**

When a soils investigation report obtained from test holes at Site or for the Project is available, that report may be made available to Developer but shall not be a part of this Contract but shall not alleviate or excuse Developer's obligation to perform its own investigation. Any information obtained from that report or any information given on Drawings as to subsurface soil condition or to elevations of existing grades or elevations of underlying rock is approximate only, is not guaranteed, does not form a part of this Contract, and Developer may not rely thereon. Developer acknowledges that it has made a visual examination of the Site and has made whatever tests Developer deems appropriate to determine underground condition of soil. Although any such report is not a part of this Contract, recommendations from the report may

be included in the Drawings, Specifications, or other Contract Documents. It is Developer's sole responsibility to thoroughly review all Contract Documents, Drawings, and Specifications.

### **11.3 Access to Work**

District and its representatives shall at all times have access to Work wherever it is in preparation or progress, including storage and fabrication. Developer shall provide safe and proper facilities for such access so that District's representatives may perform their functions. District shall provide Developer adequate advance notice for access to active construction zones such that Developer may provide for safety measures to District and representatives.

### **11.4 Layout and Field Engineering**

**11.4.1** All field engineering required for layout of this Work and establishing grades for earthwork operations shall be furnished by Developer at its expense. This Work shall be done by a qualified, California-registered civil engineer or licensed land surveyor approved in writing by District and Architect. Any required Record and/or As-Built Drawings of Site development shall be prepared by the approved civil engineer or licensed land surveyor.

**11.4.2** Developer shall be responsible for having ascertained pertinent local conditions such as location, accessibility, and general character of the Site and for having satisfied itself as to the conditions under which the Work is to be performed. District shall not be liable for any claim for allowances because of Developer's error or negligence in acquainting itself with the conditions at the Site.

**11.4.3** Developer shall protect and preserve established benchmarks and monuments and shall make no changes in locations without the prior written approval of District. Developer shall replace any benchmarks or monuments that are lost or destroyed subsequent to proper notification of District and with District's approval.

### **11.5 Utilities**

Utilities shall be provided as indicated in the Specifications.

### **11.6 Sanitary Facilities**

Sanitary facilities shall be provided as indicated in the Specifications.

### **11.7 Surveys**

Developer shall provide surveys done by a California-licensed civil engineer or licensed land surveyor to determine locations of construction, grading, and site work as required to perform the Work.

### **11.8 Regional Notification Center**

Developer, except in an emergency, shall contact the appropriate regional notification center at least two (2) days prior to commencing any excavation if the excavation will

be conducted in an area or in a private easement that is known, or reasonably should be known, to contain subsurface installations other than the underground facilities owned or operated by the District, and obtain an inquiry identification number from that notification center. No excavation shall be commenced and/or carried out by Developer unless an inquiry identification number has been assigned to Developer or any Subcontractor and Developer has given the District the identification number. Any damages arising from Developer's failure to make appropriate notification shall be at the sole risk and expense of Developer. Any delays caused by failure to make appropriate notification shall be at the sole risk of Developer and shall not be considered for an extension of the Contract Time.

## **11.9 Existing Utility Lines**

**11.9.1** Pursuant to Government Code section 4215, District assumes the responsibility for removal, relocation, and protection of main or trunk utility lines and facilities located on the construction Site at the time of commencement of construction under the Contract Documents with respect to any such utility facilities that are not identified in the Plans and Specifications. Developer shall not be assessed for liquidated damages for delay in completion of the Project caused by failure of District or the owner of a utility to provide for removal or relocation of such utility facilities.

**11.9.2** Locations of existing utilities provided by District shall not be considered exact, but approximate within a reasonable margin and shall not relieve Developer of its responsibilities to exercise reasonable care and to pay all costs of repair due to Developer's failure to do so. District shall compensate Developer for the costs of locating, repairing damage not due to the failure of Developer to exercise reasonable care, and removing or relocating such utility facilities not indicated in the Plans and Specifications with reasonable accuracy, and for equipment necessarily idle during such work.

**11.9.3** No provision herein shall be construed to preclude assessment against Developer for any other delays in completion of the Work. Nothing in this Article shall be deemed to require District to indicate the presence of existing service laterals, appurtenances, or other utility lines, within the exception of main or trunk utility lines. Whenever the presence of these utilities on the Site of the construction Project can be inferred from the presence of other visible facilities, such as buildings, meter junction boxes, on or adjacent to the Site of the construction.

**11.9.4** If Developer, while performing Work under this Contract, discovers utility facilities not identified by District in Contract Plans and Specifications, Developer shall immediately notify the District and the utility in writing. In the event Developer fails to immediately provide notice and subsequently causes damage to the utility facilities, the cost of repair for damage to above-mentioned visible facilities shall be borne by Developer.

## **11.10 Notification**

Developer understands, acknowledges and agrees that the purpose for prompt notification to the District pursuant to these provisions is to allow the District to investigate the condition(s) so that the District shall have the opportunity to decide how the District desires to proceed as a result of the condition(s). Accordingly, failure

of Developer to promptly notify the District in writing, pursuant to these provisions, shall constitute Developer's waiver of any claim for damages or delay incurred as a result of the condition(s).

### **11.11 Hazardous Materials**

Developer shall comply with all provisions and requirements of the Contract Documents related to hazardous materials including, without limitation, Hazardous Materials Procedures and Requirements.

### **11.12 No Signs**

Neither Developer nor any other person or entity shall display any signs not required by law or the Contract Documents at the Site, fences, trailers, offices, or elsewhere on the Site without specific prior written approval of the District.

## **12. Trenches**

### **12.1 Trenches Greater Than Five Feet**

Pursuant to Labor Code section 6705, if the Guaranteed Maximum Price exceeds \$25,000 and involves the excavation of any trench or trenches five (5) feet or more in depth, Developer shall, in advance of excavation, promptly submit to the District and/or a registered civil or structural engineer employed by the District or Architect, a detailed plan showing the design of shoring for protection from the hazard of caving ground during the excavation of such trench or trenches.

### **12.2 Excavation Safety**

If such plan varies from the Shoring System Standards established by the Safety Orders, the plan shall be prepared by a registered civil or structural engineer, but in no case shall such plan be less effective than that required by the Safety Orders. No excavation of such trench or trenches shall be commenced until said plan has been accepted by the District or by the person to whom authority to accept has been delegated by the District.

### **12.3 No Tort Liability of District**

Pursuant to Labor Code section 6705, nothing in this Article shall impose tort liability upon the District or any of its employees.

### **12.4 No Excavation without Permits**

Developer shall not commence any excavation Work until it has secured all necessary permits including the required CalOSHA excavation/shoring permit. Any permits shall be prominently displayed on the Site prior to the commencement of any excavation.

### **12.5 Discovery of Hazardous Waste and/or Unusual Conditions**

**12.5.1** Pursuant to Public Contract Code section 7104, if the Work involves digging trenches or other excavations that extend deeper than four feet below the Surface, Developer shall promptly, and before the following conditions are disturbed, notify the District, in writing, of any:

**12.5.1.1** Material that Developer believes may be material that is hazardous waste, as defined in section 25117 of the Health and Safety Code, is required to be removed to a Class I, Class II, or Class III disposal site in accordance with provisions of existing law.

**12.5.1.2** Subsurface or latent physical conditions at the Site differing from those indicated.

**12.5.1.3** Unknown physical conditions at the Project Site of any unusual nature, different materially from those ordinarily encountered and generally recognized as inherent in work of the character provided for in the Contract Documents.

**12.5.2** The District shall promptly investigate the conditions, and if it finds that the conditions do materially so differ, or do involve hazardous waste, and cause a decrease or increase in Developer's cost of, or the time required for, performance of any part of the Work, shall issue a Change Order under the procedures described herein.

**12.5.3** In the event that a dispute arises between District and Developer whether the conditions materially differ or cause a decrease or increase in Developer's cost of, or time required for, performance of any part of the Work, Developer shall not be excused from any scheduled completion date provided for by the Contract Documents, but shall proceed with all work to be performed under the Contract Documents. Developer shall retain any and all rights provided either by the Contract Documents or by law that pertain to the resolution of disputes and protests.

### **13. Insurance and Bonds**

#### **13.1 Developer's Insurance**

Developer shall comply with the insurance requirements as indicated in the Facilities Lease.

#### **13.2 Contract Security – Bonds**

**13.2.1** Developer shall furnish two surety bonds issued by a California admitted surety insurer as follows:

##### **13.2.1.1 Performance Bond**

A bond in an amount at least equal to one hundred percent (100%) of Guaranteed Maximum Price as security for faithful performance of the Contract Documents.

##### **13.2.1.2 Payment Bond**

A bond in an amount at least equal to one hundred percent (100%) of the Guaranteed Maximum Price as security for payment of persons performing labor and/or furnishing materials in connection with this Contract.

**13.2.2** Cost of bonds shall be included in the Guaranteed Maximum Price.

**13.2.3** All bonds related to this Project shall be in the forms set forth in these Contract Documents and shall comply with all requirements of the Contract Documents, including, without limitation, the bond forms.

**14. Warranty/Guarantee/Indemnity**

**14.1 Warranty/Guarantee**

**14.1.1** Developer shall obtain and preserve for the benefit of the District, manufacturer's warranties on materials, fixtures, and equipment incorporated into the Work.

**14.1.2** In addition to guarantees and warranties required elsewhere, Developer shall, and hereby does guarantee and warrant all Work furnished on the job against all defects for a period of ONE (1) year after the later of the following dates, unless a longer period is provided for in the Contract Documents:

**14.1.2.1** The acceptance by the District's governing board of the Work, subject to these General Conditions, or

**14.1.2.2** The date that commissioning for the Project, if any, was completed.

**14.1.3** If any work is not in compliance with the Drawings and Specifications, Developer shall repair or replace any and all of that Work, together with any other Work that may be displaced in so doing, that may prove defective in workmanship and/or materials within a ONE (1) year period from date of completion as defined above, unless a longer period is provided for in the Contract Documents, without expense whatsoever to District.

**14.1.4** In the event of failure of Developer and/or Surety to commence and pursue with diligence said replacements or repairs within ten (10) days after being notified in writing, Developer and Surety hereby acknowledge and agree that District is authorized to proceed to have defects repaired and made good at expense of Developer and/or Surety who hereby agree to pay costs and charges therefore immediately on demand.

**14.1.5** If any work is not in compliance with the Drawings and Specifications and if in the opinion of District said defective work creates a dangerous condition or requires immediate correction or attention to prevent further loss to District or to prevent interruption of District operations, District will attempt to give the notice required above. If Developer or Surety cannot be contacted or neither complies with District's request for correction within a reasonable time as determined by District, District may, notwithstanding the above provision, proceed to make any and all corrections and/or provide attentions the District believes are necessary. The costs of correction or attention shall be charged against Developer and Surety of the guarantees or warranties provided in this Article or elsewhere in this Contract.

**14.1.6** The above provisions do not in any way limit the guarantees or warranties on any items for which a longer guarantee or warranty is specified or on any items for which a manufacturer gives a guarantee or warranty for a longer period. Developer shall furnish to District all appropriate guarantee or warranty certificates as indicated in the Specifications or upon request by District.

**14.1.7** Nothing herein shall limit any other rights or remedies available to District.

## **14.2 Indemnity**

Developer shall indemnify the District as indicated in the Facilities Lease.

## **15. Time**

### **15.1 Notice to Proceed with Construction**

**15.1.1** District may issue a Notice to Proceed with Construction ("NTP 2") within ninety (90) days from the date of the Notice of Award after Guaranteed Maximum Price. Once Developer has received the Notice to Proceed with Construction, Developer shall complete the Work within the period of time indicated in the Contract Documents.

**15.1.2** In the event that the District desires to postpone issuing the Notice to Proceed with Construction beyond ninety (90) days from the date of the Notice of Award after Guaranteed Maximum Price, it is expressly understood that with reasonable notice to Developer, the District may postpone issuing the Notice to Proceed with Construction. It is further expressly understood by Developer that Developer shall not be entitled to any claim of additional compensation as a result of the postponement of the issuance of the Notice to Proceed with Construction.

**15.1.3** If Developer believes that a postponement of issuance of the Notice to Proceed with Construction will cause a hardship to Developer, Developer may terminate the Contract. Developer's termination due to a postponement shall be by written notice to District within ten (10) days after receipt by Developer of District's notice of postponement. It is further understood by Developer that in the event that Developer terminates the Contract as a result of postponement by the District, the District shall only be obligated to pay Developer for the Work that Developer had performed at the time of notification of postponement.

### **15.2 Computation of Time / Adverse Weather**

**15.2.1** Developer will only be allowed a time extension for Adverse Weather conditions if requested by Developer in compliance with the time extension request procedures herein and only if all of the following conditions are met:

**15.2.1.1** The weather conditions constitute Adverse Weather, as defined herein;

**15.2.1.2** Developer can verify that the Adverse Weather caused delays in excess of five (5) hours of the indicated labor required to complete the scheduled tasks of Work on the day affected by the Adverse Weather;

**15.2.1.3** Developer's crew is dismissed as a result of the Adverse Weather;

**15.2.1.4** Said delay adversely affect the critical path in the Construction Schedule; and

**15.2.1.5** Exceeds twelve (12) days of delay per year.

**15.2.2** If the aforementioned conditions are met, a non-compensable day-for-day extension will only be allowed for those days in excess of those indicated herein.

**15.2.3** Developer shall work seven (7) days per week, if necessary, irrespective of inclement weather, to maintain access and the Construction Schedule, and to protect the Work under construction from the effects of Adverse Weather, all at no further cost to the District.

**15.2.4** The Contract Time has been determined with consideration given to the average climate weather conditions prevailing in the County in which the Project is located.

### **15.3 Hours of Work**

#### **15.3.1 Sufficient Forces**

Developer and Subcontractors shall continuously furnish sufficient and competent work forces with the required levels of familiarity with the Project and skill, training and experience to ensure the prosecution of the Work in accordance with the Construction Schedule.

#### **15.3.2 Performance During Working Hours**

Work shall be performed during regular working hours as permitted by the appropriate governmental agency except that in the event of an emergency, or when required to complete the Work in accordance with job progress, Work may be performed outside of regular working hours with the advance written consent of the District and approval of any required governmental agencies.

#### **15.3.3 No Work during State Testing**

Developer shall, at no additional cost to the District and at the District's request, coordinate its Work to not disturb District students including, without limitation, not performing any Work when students at the Site are taking State or Federally-required tests. The District or District's Representative will provide Developer with a schedule of test dates concurrent with the District's issuance of the Notice to Proceed with Construction, or as soon as test dates are made available to the District.

## **15.4 Progress and Completion**

### **15.4.1 Time of the Essence**

Time limits stated in the Contract Documents are of the essence to the Contract Documents. By executing the Facilities Lease, Developer confirms that the Contract Time is a reasonable period for performing the Work.

### **15.4.2 No Commencement Without Insurance or Bonds**

Developer shall not commence operations on the Project or elsewhere prior to the effective date of insurance and bonds. The date of commencement of the Work shall not be changed by the effective date of such insurance or bonds. If Developer commences Work without insurance and bonds, all Work is performed at Developer's peril and shall not be compensable until and unless Developer secures bonds and insurance pursuant to the terms of the Contract Documents and subject to District claim for damages.

## **15.5 Schedule**

Developer shall provide to District, Construction Manager, and Architect a schedule in conformance with the Contract Documents and as required in these Construction Provisions.

## **15.6 Expeditious Completion**

Developer shall proceed expeditiously with adequate forces and shall achieve Completion within the Contract Time.

## **16. Extensions of Time – Liquidated Damages, Excusable Delays**

### **16.1 Liquidated Damages**

Developer and District hereby agree that the exact amount of damages for failure to complete the Work within the time specified is extremely difficult or impossible to determine. If the Work is not completed within the time specified in the Contract Documents, it is understood that the District will suffer damage. It being impractical and unfeasible to determine the amount of actual damage, it is agreed Developer shall pay to District as fixed and liquidated damages, and not as a penalty, the amount set forth in the Facilities Lease for each calendar day of delay in Completion. Developer and its Surety shall be liable for the amount thereof pursuant to Government Code section 53069.85.

### **16.2 Excusable Delay**

**16.2.1** Developer shall not be charged for liquidated damages because of any delays in completion of the Work which are not the fault of Developer or its Subcontractors, including without limitation acts of God as defined in Public Contract Code section 7105, acts of enemy, epidemics, and quarantine restrictions. Developer shall, within five (5) calendar days of beginning of any delay, notify District in writing of causes of delay including documentation and facts explaining the delay and the direct correlation between the cause and effect ("Notice of Delay"). If Developer fails to provide its written Notice of

Delay within this timeframe, Developer waives, releases, and discharges any right to assert or claim any entitlement to an adjustment to the Contract Price and/or the Contract Time based on circumstances giving rise to the asserted delay. District shall review the facts and extent of any delay and shall grant extension(s) of time for completing Work when, in its judgment, the findings of fact justify an extension. Extension(s) of time shall apply only to that portion of Work affected by delay, and shall not apply to other portions of Work not so affected. An extension of time may only be granted if Developer has timely submitted the Construction Schedule as required herein.

**16.2.2** Developer's Notice of Delay and request for a time extension pursuant to subparagraph 16.2 is a condition precedent to Developer's submittal of and/or entitlement to a claim pursuant to Article 25 of these Construction Provisions. Developer shall notify the District pursuant to the claims provisions in these Construction Provisions of any anticipated delay and its cause. Following submission of a claim, the District may determine whether the delay is to be considered avoidable or unavoidable, how long it continues, and to what extent the prosecution and completion of the Work might be delayed thereby.

**16.2.3** In the event Developer requests an extension of Contract Time for unavoidable delay as set forth in subparagraph 16.2.1, such request shall be submitted in accordance with the provisions in the Contract Documents governing changes in Work, including without limitation, the time requirements set forth in subsection 17.5, below. When requesting time, requests must be submitted with full justification and documentation. If Developer fails to submit justification, it waives its right to a time extension at a later date. Such justification must be based on the official Construction Schedule as updated at the time of occurrence of the delay or execution of Work related to any changes to the Scope of Work. Any request for a time extension must include the following information as support, without limitation:

**16.2.3.1** The duration of the activity relating to the changes in the Work and the resources (manpower, equipment, material, etc.) required to perform the activities within the stated duration.

**16.2.3.2** Specific logical ties to the Contract Schedule for the proposed changes and/or delay showing the activity/activities in the Construction Schedule that are affected by the change and/or delay. In particular, Developer must show an actual impact to the schedule, after making a good faith effort to mitigate the delay by rescheduling the work, by providing an analysis of the schedule ("Time Impact Analysis"). Such Time Impact Analysis shall describe in detail the cause and effect of the delay and the impact on the critical dates in the Project schedule. (This information must be provided for any portion of any delay of seven (7) days or more.)

**16.2.3.3** A recovery schedule must be submitted within twenty (20) calendar days of written notification to the District of causes of delay.

**16.2.4** Developer must comply with requirements in subsection 16.2 for a Notice of Delay and supporting justification notwithstanding Developer contends the specific delay period is unknown and continuing. When submitting

a Notice of Delay and supporting justification, Developer must provide an estimated delay duration to critical path activities at the time the Notice of Delay and supporting justification is required to be submitted. If Developer contends the delaying event(s) are continuing, Developer must update monthly the estimated delay period with supporting justification.

**16.2.5** Developer's failure to timely submit a written Notice of Delay and/or provide the justification required in subparagraph 16.2 shall constitute Developer's waiver of any right to later submit a Proposed Change Order or pursue a Claim on the circumstances giving rise to the request, or to later pursue any additional money or time extensions in any manner related to that issue, regardless of the merits. Developer will not have satisfied a condition precedent or exhausted administrative remedies required to show entitlement to a Contract Time adjustment. Developer acknowledges that these written notices and justification requirements are critically important to District's Work, Project management, and evaluating potential options and alternatives to implement mitigation efforts to reduce or eliminate additional Project costs and delays.

### **16.3 No Additional Compensation for Delays within Developer's Control**

**16.3.1** Developer is aware that governmental agencies and utilities, including, without limitation, the Division of the State Architect, the Department of General Services, gas companies, electrical utility companies, water districts, and other agencies may have to approve Developer-prepared drawings or approve a proposed installation. Accordingly, Developer has included in the Guaranteed Maximum Price, time for possible review of its drawings and for reasonable delays and damages that may be caused by such agencies, including without limitation delays due to California Environmental Quality Act ("CEQA") compliance. Thus, Developer is not entitled to make a claim for damages for delays arising from the review of Developer's drawings.

**16.3.2** Developer shall only be entitled to compensation for delay when all of the following conditions are met:

**16.3.2.1** The District is responsible for the delay;

**16.3.2.2** The delay is unreasonable under the circumstances involved;

**16.3.2.3** The delay was not within the contemplation of the District and Developer;

**16.3.2.4** The delay could not have been avoided or mitigated by reasonable diligence; and

**16.3.2.5** Developer timely complies with the claims procedure of the Contract Documents.

**16.3.3** Where a change in the Work extends the Contract Time, Developer may request and recover additional, actual direct costs, provided that Developer can demonstrate such additional costs are:

**16.3.3.1** Actually incurred performing the Work;

**16.3.3.2** Not compensated by the Markup allowed; and

**16.3.3.3** Directly result from the extended Contract Time.

**16.3.4** Contractor shall comply with all required procedures, documentation and time requirements in the Contract Documents. Contractor may not seek or recover such costs using formulas (e.g. Eichleay, labor factors).

#### **16.4 Float or Slack in the Schedule**

Float or slack is the amount of time between the early start date and the late start date, or the early finish date and the late finish date, of any of the activities in the schedule. Float or slack is not for the exclusive use of or benefit of either the District or Developer, but its use shall be determined solely by the District.

### **17. Changes in the Work**

#### **17.1 No Changes without Prior Authorization**

**17.1.1** There shall be no change whatsoever in the Drawings, Specifications, or in the Work without an executed Change Order or a written Construction Change Directive authorized by the District as herein provided. District shall not be liable for the cost of any extra work or any substitutions, changes, additions, omissions, or deviations from the Drawings and Specifications unless the District's governing board has authorized the same and the cost thereof has been approved in writing by Change Order or Construction Change Directive in advance of the changed Work being performed. No extension of time for performance of the Work shall be allowed hereunder unless a request for such extension is made at the time changes in the Work are ordered, and such time duly adjusted and approved in writing in the Change Order or Construction Change Directive. The provisions of the Contract Documents shall apply to all such changes, additions, and omissions with the same effect as if originally embodied in the Drawings and Specifications.

**17.1.2** Developer shall perform immediately all work that has been authorized by a fully executed Change Order or Construction Change Directive. Developer shall be fully responsible for any and all delays and/or expenses caused by Developer's failure to expeditiously perform this Work.

**17.1.3** Should any Change Order result in an increase in the Guaranteed Maximum Price or extend the Contract Time, the cost of or length of extension in that Change Order shall be agreed to, in writing, by the District in advance of the work by Developer. In the event that Developer proceeds with any change in Work without a Change Order executed by the District or Construction Change Directive, Developer waives any claim of additional compensation or time for that additional work. Under no circumstances shall Developer be entitled to any claim of additional compensation or time not expressly requested by Developer in a Proposed Change Order or approved by District in an executed Change Order.

**17.1.4** A Change Order or Construction Change Directive will become effective when approved by the Board, notwithstanding that Developer has not signed it. A Change Order or Construction Change Directive will become

effective without Developer's signature provided District indicates it as a "Unilateral Change Order". Any dispute as to the adjustment in the Guaranteed Maximum Price or Contract Time, if any, of the Unilateral Change Order shall be resolved pursuant to the Payment and Claims and Disputes provisions herein.

**17.1.5** Developer understands, acknowledges, and agrees that the reason for District authorization is so that District may have an opportunity to analyze the Work and decide whether the District shall proceed with the Change Order or alter the Project so that a change in Work becomes unnecessary.

## **17.2 Architect Authority**

The Architect will have authority to order minor changes in the Work not involving any adjustment in the Guaranteed Maximum Price, or an extension of the Contract Time, or a change that is inconsistent with the intent of the Contract Documents. These changes shall be effected by written Change Order, Construction Change Directive, or by Architect's response(s) to RFI(s), or by Architect's Supplemental Instructions ("ASI").

## **17.3 Change Orders**

**17.3.1** A Change Order is a written instrument prepared and issued by the District and/or the Architect and signed by the District (as authorized by the District's Board of Education), Developer, the Architect, and approved by the Project Inspector (if necessary) and DSA (if necessary), stating their agreement regarding all of the following:

**17.3.1.1** A description of a change in the Work.

**17.3.1.2** The amount of the adjustment in the Guaranteed Maximum Price, if any; and

**17.3.1.3** The extent of the adjustment in the Contract Time, if any.

## **17.4 Proposed Change Order**

**17.4.1** Definition of Proposed Change Order

A Proposed Change Order ("PCO") is a written request prepared by the Developer requesting that the District and the Architect issue a Change Order based upon a proposed change to the Work, to the Guaranteed Maximum Price, and/or to the Contract Time.

**17.4.2** Changes in Guaranteed Maximum Price

A PCO shall include breakdowns and backup documentation pursuant to the provisions herein and sufficient, in the District's judgment, to validate any change in Guaranteed Maximum Price. In no case shall Developer or any of its Subcontractors be permitted to reserve rights for additional compensation for Change Order Work.

### **17.4.3 Changes in Time**

A PCO shall also include any changes in time required to complete the Project. Any additional time requested shall not be the number of days to make the proposed change, but must be based upon the impact to the critical path in the Construction Schedule as defined in the Contract Documents. Developer shall justify the proposed change in time by submittal of a schedule analysis that accurately shows the actual impact, if known, or the estimated impact if unknown, of the change on the critical path of the Construction Schedule ("Time Impact Analysis"). If Developer fails to request a time extension in a PCO, including the Time Impact Analysis, and/or fails to comply with these Construction Provisions including, without limitation, Articles 15, 16, or 17, then Developer is thereafter precluded from requesting, and waives any right to request, an adjustment to the Contract Time or Contract Price relating to the subject matter of the PCO. In no case shall Developer or any of its Subcontractors be permitted to reserve rights for additional time for Change Order Work. A PCO that leaves the amount of time requested blank, or states that such time requested is "to be determined," or otherwise not specifically identified, is not permitted and shall also constitute a waiver of any right to request additional time and/or claim a delay.

### **17.4.4 Unknown and/or Unforeseen Conditions**

If there is an Allowance, then Developer must submit a Request for Allowance Expenditure Directive, including supporting documentation as described below, to receive authorization for the release of funds from the Allowance. Allowance Expenditure Directives shall be based on Developer's costs, without overhead and profit, for products, delivery, installation, labor, insurance, payroll, taxes, bonding and equipment rental will be included in Allowance Expenditure Directive authorizing expenditure of funds from this Allowance. No overhead and profit shall be added to the Allowance Expenditure Directive. If cost of the unforeseen condition(s) exceed the Allowance, and Developer submits a PCO for amounts in excess of the Allowance requesting an increase in Guaranteed Maximum Price and/or Contract Time that is based at least partially on Developer's assertion that Developer has encountered unknown and/or unforeseen condition(s) on the Project, then Developer shall base the PCO on provable information that, beyond a reasonable doubt and to the District's satisfaction, demonstrates that the unknown and/or unforeseen condition(s) were actually unknown and/or unforeseen. If not, the District shall deny the PCO as unsubstantiated, and Developer shall complete the Project without any increase in Guaranteed Maximum Price and/or Contract Time based on that PCO.

### **17.4.5 Time to Submit Proposed Change Order**

Developer shall submit its PCO within five (5) working days of the date Developer discovers, or reasonably should have discovered, the circumstances giving rise to the PCO, unless additional time to submit a PCO is granted in writing by the District. Time is of the essence in Developer's submission of PCOs so that the District can promptly investigate the basis for the PCO. Accordingly, if Developer fails to submit its PCO within this timeframe, Developer waives, releases, and discharges any right to assert or claim any

entitlement to an adjustment of the Guaranteed Maximum Price and/or Contract Time based on circumstances giving rise to the PCO.

**17.4.6 Proposed Change Order Certification**

In submitting a PCO, Developer certifies and affirms that the cost and/or time request is submitted in good faith, that the cost and/or time request is accurate and in accordance with the provisions of the Contract Documents, and Developer submits the cost and/or request for extension of time recognizing the significant civil penalties and treble damages which follow from making a false claim or presenting a false claim under Government Code section 12650 et seq.

It is expressly understood that the value of the extra Work or changes expressly includes any and all of Developer’s costs and expenses, direct and indirect, resulting from additional time required on the Project or resulting from delay to the Project including, without limitation, cumulative impacts. Developer is not entitled to separately recover amounts for overhead or other indirect costs. Any costs, expenses, damages, or time extensions not included are deemed waived.

**17.5 Format for Proposed Change Order**

**17.5.1** The following format shall be used as applicable by the District and Developer (e.g. Change Orders, PCOs) to communicate proposed additions and/or deductions to the Contract, supported by attached documentation. Any spaces left blank will be deemed no change to cost or time.

	<b><u>WORK PERFORMED OTHER THAN BY DEVELOPER</u></b>	<b><u>ADD</u></b>	<b><u>DEDUCT</u></b>
(a)	<b><u>Material</u></b> (attach suppliers’ invoice or itemized quantity and unit cost plus sales tax)		
(b)	<b><u>Add Labor</u></b> (attach itemized hours and rates, fully Burdened, and specify the hourly rate for each additional labor burden, for example, payroll taxes, fringe benefits, etc.)		
(c)	<b><u>Add Equipment</u></b> (attach suppliers’ invoice)		
(d)	<b><u>Subtotal</u></b>		
(e)	<b><u>Add Overhead and Profit for any and all tiers of Subcontractors</u></b> , the total not to exceed ten percent (10%) of Item (d)		
(f)	<b><u>Subtotal</u></b>		
(g)	<b><u>Add General Conditions Cost</u></b> (if Time is Compensable) (attach supporting documentation)		
(h)	<b><u>Subtotal</u></b>		
(i)	<b><u>Add Overhead and Profit for Developer</u></b> , not to exceed _____ percent (____%) of Item (h)		
(j)	<b><u>Subtotal</u></b>		
(k)	<b><u>Add Bond and Insurance</u></b> , not to exceed _____ percent (____%) of Item (j)		
(l)	<b><u>TOTAL</u></b>		
(m)	<b><u>Time</u></b> (zero unless indicated; “TBD” not permitted)	_____	<b><u>Calendar Days</u></b>

	<b>WORK PERFORMED BY DEVELOPER</b>	<b>ADD</b>	<b>DEDUCT</b>
(a)	<b>Material</b> (attach itemized quantity and unit cost plus sales tax)		
(b)	<b>Add Labor</b> (attach itemized hours and rates, fully Burdened, and specify the hourly rate for each additional labor burden, for example, payroll taxes, fringe benefits, etc.)		
(c)	<b>Add Equipment</b> (attach suppliers' invoice)		
(d)	<b>Add General Conditions Cost</b> (if Time is Compensable) (attach supporting documentation)		
(e)	<b>Subtotal</b>		
(f)	<b>Add Overhead and Profit for Developer</b> , not to exceed _____ percent (____%) of Item (e)		
(g)	<b>Subtotal</b>		
(h)	<b>Add Bond and Insurance</b> , not to exceed _____ percent (____%) of Item (g)		
(i)	<b>TOTAL</b>		
(j)	<b>Time</b> (zero unless indicated; "TBD" not permitted)		<b>Calendar Days</b>

**17.5.2 Labor**

Developer shall be compensated for the costs of labor actually and directly utilized in the performance of the Work. Such labor costs shall be the actual cost, use of any formulas (e.g. labor factors) is not allowed, not to exceed prevailing wage rates in the locality of the Site and shall be in the labor classification(s) necessary for the performance of the Work, fully Burdened. Labor costs shall exclude costs incurred by the Developer in preparing estimate(s) of the costs of the change in the Work, in the maintenance of records relating to the costs of the change in the Work, coordination and assembly of materials and information relating to the change in the Work or performance thereof, or the supervision and other overhead and general conditions costs associated with the change in the Work or performance thereof, including but not limited to the cost for the job superintendent. If applicable, District will pay Developer the reasonable costs for room and board, supported with appropriate backup documentation, without markup for profit or overhead as provided by U.S. General Services Administration per diem rates for California lodging, meals and incidentals, <https://www.gsa.gov/travel/plan-book/per-diem-rates/per-diem-rates-lookup>.

**17.5.3 Materials**

Developer shall be compensated for the costs of materials necessarily and actually used or consumed in connection with the performance of the change in the Work. Costs of materials may include reasonable costs of transportation from a source closest to the Site of the Work and delivery to the Site. If discounts by material suppliers are available for materials necessarily used in the performance of the change in the Work, they shall be credited to the District. If materials necessarily used in the performance of the change in the Work are obtained from a supplier or source owned in whole or in part by Developer, compensation therefor shall not exceed the current wholesale price

for such materials. If, in the reasonable opinion of the District, the costs asserted by Developer for materials in connection with any change in the Work are excessive, or if Developer fails to provide satisfactory evidence of the actual costs of such materials from its supplier or vendor of the same, the costs of such materials and the District's obligation to pay for the same shall be limited to the then lowest wholesale price at which similar materials are available in the quantities required to perform the change in the Work. The District may elect to furnish materials for the change in the Work, in which event Developer shall not be compensated for the costs of furnishing such materials or any mark-up thereon.

#### **17.5.4 Equipment**

As a precondition to the District's duty to pay for Equipment rental or loading and transportation, Developer shall provide satisfactory evidence of the actual costs of Equipment from the supplier, vendor or rental agency of same. Developer shall be compensated for the actual cost of the necessary and direct use of Equipment in the performance of the change in the Work. Use of Equipment in the performance of the change in the Work shall be compensated in increments of fifteen (15) minutes. Rental time for Equipment moved by its own power shall include time required to move the Equipment to the site of the Work from the nearest available rental source of the same. If Equipment is not moved to the Site by its own power, Developer will be compensated for the loading and transportation costs in lieu of rental time. The foregoing notwithstanding, neither moving time or loading and transportation time shall be allowed if the Equipment is used for performance of any portion of the Work other than the change in the Work. Unless prior approval in writing is obtained by Developer from the Architect, the Project Inspector, the Construction Manager and the District, no costs or compensation shall be allowed for time while Construction Equipment is inoperative, idle or on standby, for any reason. Developer shall not be entitled to an allowance or any other compensation for Equipment or tools used in the performance of a change in the Work where the Equipment or tools have a replacement value of \$500.00 or less. Equipment costs claimed by Developer in connection with the performance of any Work shall not exceed rental rates established by distributors or construction equipment rental agencies in the locality of the Site; any costs asserted which exceed such rental rates shall not be allowed or paid. Unless otherwise specifically approved in writing by the Architect, the Project Inspector, Construction Manager and the District, the allowable rate for the use of Equipment in connection with the Work shall constitute full compensation to Developer for the cost of rental, fuel, power, oil, lubrication, supplies, necessary attachments, repairs or maintenance of any kind, depreciation, storage, insurance, labor (exclusive of labor costs of the Equipment operator), and any and all other costs incurred by Developer incidental to the use of the Equipment.

#### **17.5.5 General Conditions Cost.**

The phrase "General Conditions Cost" shall mean, other than expressly limited or excluded herein, the costs of Developer during the construction phase, including but not limited to: payroll costs for project manager for Work conducted at the Site, payroll costs for the superintendent and full-time general foremen, workers not included as direct labor costs engaged in support

functions (e.g., loading/unloading, clean-up), costs of offices and temporary facilities including office materials, office supplies, office equipment, minor expenses, utilities, fuel, sanitary facilities and telephone services at the Site, costs of consultants not in the direct employ of Developer or Subcontractors, and fees for permits and licenses.

#### **17.5.6 Overhead and Profit.**

The phrase "Overhead and Profit" shall include field and office supervisors and assistants, watchperson, use of small tools, consumable, insurance other than construction bonds and insurance required herein, and general conditions, field and home office expenses.

### **17.6 Change Order Certification**

**17.6.1** All Change Orders and PCOs must include the following certification by Developer, either in the form specifically or incorporated by this reference:

The undersigned Developer approves the foregoing as to the changes, if any, and to the Guaranteed Maximum Price specified for each item and as to the extension of time allowed, if any, for completion of the entire Work as stated herein, and agrees to furnish all labor, materials, and service, and perform all work necessary to complete any additional work specified for the consideration stated herein. Submission of sums which have no basis in fact or which Developer knows are false are at the sole risk of Developer and may be a violation of the False Claims Act set forth under Government Code section 12650 et seq. and U.S. Criminal Code, 18 U.S.C. § 1001. It is understood that the changes herein to the Contract Documents shall only be effective when approved by the governing board of the District.

It is expressly understood that the value of the extra Work or changes expressly includes any and all of Developer's costs and expenses, both direct and indirect, resulting from additional time required on the Project or resulting from delay to the Project, including, without limitation, cumulative impacts. Developer is not entitled to separately recover amounts for overhead or other indirect costs. Any costs, expenses, damages, or time extensions not included are deemed waived.

**17.6.2** Accord and Satisfaction: Developer's execution of any Change Order shall constitute a full accord and satisfaction, and release, of all Developer (and if applicable, Subcontractor) claims for additional time, money or other relief arising from or relating to the subject matter of the change including, without limitation, impacts of all types, cumulative impacts, inefficiency, overtime, delay and any other type of claim.

### **17.7 Determination of Change Order Cost**

**17.7.1** The amount of the increase or decrease in the Guaranteed Maximum Price from a Change Order, if any, shall be determined in one or more of the following ways as applicable to a specific situation and at the District's discretion:

**17.7.1.1** District acceptance of a COR or PCO.

**17.7.1.2** By amounts contained in Developer's schedule of values, if applicable.

**17.7.1.3** By agreement between District and Developer.

## **17.8 Deductive Change Orders**

All deductive Change Order(s) must be prepared pursuant to the provisions herein. Where a portion of the Work is deleted from the Contract, the reasonable value of the deleted work less the value of any new work performed shall be considered the appropriate deduction. The value submitted on the Schedule of Values shall be used to calculate the credit amount unless the bid documentation is being held in escrow as part of the Contract Documents. Unit Prices, if any, may be used in District's discretion in calculating reasonable value. If Developer offers a proposed amount for a deductive Change Order(s) for work performed, Developer shall include a credit for total profit and overhead less proof of expended costs related to the deleted work with the Change Order(s). If Subcontractor work is involved, Subcontractors shall also include a credit for total profit and overhead less proof of expended costs related to the deleted work with the Change Order(s). Any deviation from this provision shall not be allowed.

## **17.9 Addition or Deletion of Alternate Bid Item(s)**

If Developer's Proposal includes proposal(s) for Alternate Bid Item(s), during Developer's performance of the Work, the District may elect to add or delete any such Alternate Bid Item(s) if not included in the Contract at the time the Guaranteed Maximum Price is agreed upon. If the District elects to add or delete Alternate Bid Item(s) after Contract award, the cost or credit for such Alternate Bid Item(s) shall be as set forth in the Proposal unless the parties agree to a different price and the Contract Time shall be adjusted by the number of days allocated in the Contract Documents. If days are not allocated in the Contract Documents, the Contract Time shall be equitably adjusted.

## **17.10 Discounts, Rebates, and Refunds**

For purposes of determining the cost, if any, of any change, addition, or omission to the Work hereunder, all trade discounts, rebates, refunds, and all returns from the sale of surplus materials and equipment shall accrue and be credited to Developer, Developer shall make provisions so that such discounts, rebates, refunds, and returns may be secured, and the amount thereof shall be allowed as a reduction of Developer's cost in determining the actual cost of construction for purposes of any change, addition, or omission in the Work as provided herein.

## **17.11 Construction Change Directives**

**17.11.1** A Construction Change Directive is a written order prepared and issued by the District, the Construction Manager, and/or the Architect and signed by the District and the Architect, directing a change in the Work. The District may, as provided by law, by Construction Change Directive and without invalidating the Contract, order changes in the Work consisting of additions, deletions, or other revisions. The adjustment to the Guaranteed Maximum Price or Contract Time, if any, is subject to the provision of this section regarding Changes in the Work. If all or a portion of the Project is being funded by funds requiring approval by the State Allocation Board ("SAB"), these

revisions may be subject to compensation once approval of same is received and funded by the SAB, and funds are released by the Office of Public School Construction ("OPSC"). Any dispute as to the adjustment of the Guaranteed Maximum Price, if any, of the Construction Change Directive or timing of payment shall be resolved pursuant to the Payment and Claims and Disputes provisions herein.

**17.11.2** The District may issue a Construction Change Directive in the absence of agreement on the terms of a Change Order.

## **17.12 Force Account Directives**

**17.12.1** When work, for which a definite price has not been agreed upon in advance, is to be paid for on a force account basis, all direct costs necessarily incurred and paid by Developer for labor, material, and equipment used in the performance of that Work, shall be subject to the approval of the District and compensation will be determined as set forth herein.

**17.12.2** District will issue a Force Account Directive to proceed with the Work on a force account basis, and a not-to-exceed budget will be established by the District.

**17.12.3** All requirements regarding direct cost for labor, labor burden, material, equipment, and markups on direct costs for overhead and profit described in this section shall apply to Force Account Directives. However, the District will only pay for actual costs verified in the field by the District or its authorized representative(s) on a daily basis.

**17.12.4** Developer shall be responsible for all costs related to the administration of Force Account Directives. The markup for overhead and profit for Developer modifications shall be full compensation to Developer to administer Force Account Directives, and Developer shall not be entitled to separately recover additional amounts for overhead and/or profit.

**17.12.5** Developer shall notify the District or its authorized representative(s) at least twenty-four (24) hours prior to proceeding with any of the force account work. Furthermore, Developer shall notify the District when it has consumed eighty percent (80%) of the budget, and shall not exceed the budget unless specifically authorized in writing by the District. Developer will not be compensated for force account work in the event that Developer fails to timely notify the District regarding the commencement of force account work, or exceeding the force account budget.

**17.12.6** Developer shall diligently proceed with the work, and on a daily basis, submit a daily force account report using the Daily Force Account Report form no later than 5:00 p.m. each day. The report shall contain a detailed itemization of the daily labor, material, and equipment used on the force account work only. The names of the individuals performing the force account work shall be included on the daily force account reports. The type and model of equipment shall be identified and listed. The IOR or District representative will review the information contained in the reports, and sign the reports no later than the next work day, and return a copy of the report to Developer for its records. The District will not sign, nor will Developer receive compensation

for, work the District cannot verify. Developer will provide a weekly force account summary indicating the status of each Force Account Directive in terms of percent complete of the not-to-exceed budget and the estimated percent complete of the work

**17.12.7** In the event Developer and the District reach a written agreement on a set cost for the work while the work is proceeding based on a Force Account Directive, Developer's signed daily force account reports shall be discontinued and all previously signed reports shall be invalid.

### **17.13 Price Request**

#### **17.13.1** Definition of Price Request

A Price Request is a written request prepared by the Architect or Construction Manager requesting Developer submit to the District, the Construction Manager and the Architect an estimate of the effect of a proposed change in the Work on the Guaranteed Maximum Price and the Contract Time.

#### **17.13.2** Scope of Price Request

A Price Request shall contain adequate information, including any necessary Drawings and Specifications, to enable Developer to provide the cost breakdowns required. Developer shall not be entitled to any additional compensation for preparing a response to a Price Request, whether ultimately accepted or not.

### **17.14 Accounting Records**

With respect to portions of the Work performed by Change Orders and Construction Change Directives, Developer shall keep and maintain cost-accounting records satisfactory to the District, including, without limitation, Job Cost Reports as provided in these General Conditions, which shall be available to the District on the same terms as any other books and records Developer is required to maintain under the Contract Documents. Such records shall include without limitation hourly records for Labor and Equipment and itemized records of materials and Equipment used that day in connection with the performance of any Work. All records maintained hereunder shall be subject to inspection, review and/or reproduction by the District, the Construction Manager and the Architect or the Project Inspector upon request. In the event that Developer fails or refuses, for any reason, to maintain or make available for inspection, review and/or reproduction such records, the District's determination of the extent of adjustment to the Guaranteed Maximum Price shall be final, conclusive, dispositive and binding upon Developer.

### **17.15 Notice Required**

If Developer desires to make a claim for an increase in the Guaranteed Maximum Price, or any extension in the Contract Time for completion, it shall notify the District pursuant to the provisions herein, including the Article on Claims and Disputes. No claim shall be considered unless made in accordance with this subparagraph. Developer shall proceed to execute the Work even though the adjustment may not have been agreed upon. Any change in the Guaranteed Maximum Price or extension of the Contract Time resulting from such claim shall be authorized by a Change Order.

### **17.16 Applicability to Subcontractors**

Any requirements under this Article shall be equally applicable to Change Orders or Construction Change Directives issued to Subcontractors by Developer to the extent required by the Contract Documents.

### **17.17 Alteration to Change Order Language**

Developer shall not alter Change Orders or reserve time in Change Orders. Change Orders altered in violation of this provision, if in conflict with the terms set forth herein, shall be construed in accordance with the terms set forth herein. Developer shall execute finalized Change Orders and proceed under the provisions herein with proper notice.

### **17.18 Failure of Developer to Execute Change Order**

Developer shall be in default of the Contract Documents if Developer fails to execute a Change Order when Developer agrees with the addition and/or deletion of the Work in that Change Order.

## **18. Requests For Information**

**18.1** Any Request for Information shall reference all applicable Contract Document(s), including Specification section(s), detail(s), page number(s), drawing number(s), and sheet number(s), etc. Developer shall make suggestions and interpretations of the issue raised by each Request for Information. A Request for Information cannot modify the Guaranteed Maximum Price, Contract Time, or the Contract Documents.

**18.2** Developer may be responsible for any costs incurred for professional services that District may deduct from any amounts owing to Developer, if a Request for Information requests an interpretation or decision of a matter where the information sought is equally available to the party making the request. District may deduct from and/or invoice Developer for professional services arising therefrom.

## **19. Payments**

### **19.1 Guaranteed Maximum Price**

As compensation for Developer's construction of the Project, the District shall pay Developer pursuant to the terms of **Exhibit C** to the Facilities Lease. This is the total amount payable by the District to Developer for performance of the Work under the Contract.

### **19.2 Applications for Tenant Improvement Payments**

#### **19.2.1 Procedure for Applications for Tenant Improvement Payments**

**19.2.1.1** Not before the fifth (5th) day of each calendar month during the progress of the Work, Developer shall submit to the District and the Architect an itemized Application for Payment for operations completed in accordance with the Schedule of Values. Such application shall be on a form approved by the District and shall be notarized, if required, and

supported by the following or each portion thereof unless waived by the District in writing:

**19.2.1.1.1** The amount paid to the date of the Application for Payment to Developer, to all its Subcontractors, and all others furnishing labor, material, or equipment under the Contract Documents.

**19.2.1.1.2** The amount being requested under the Application for Payment by Developer on its own behalf and separately stating the amount requested on behalf of each of the Subcontractors and all others furnishing labor, material, and equipment under the Contract Documents.

**19.2.1.1.3** The balance that will be due to each of such entities after said payment is made.

**19.2.1.1.4** A certification that the As-Built Drawings and annotated Specifications are current.

**19.2.1.1.5** Itemized breakdown of work done for the purpose of requesting partial payment.

**19.2.1.1.6** An updated and acceptable construction schedule in conformance with the provisions herein.

**19.2.1.1.7** The additions to and subtractions from the Guaranteed Maximum Price and Contract Time.

**19.2.1.1.8** A total of the retentions held.

**19.2.1.1.9** Material invoices, evidence of equipment purchases, rentals, and other support and details of cost as the District may require from time to time.

**19.2.1.1.10** The percentage of completion of Developer's Work by line item.

**19.2.1.1.11** Schedule of Values updated from the preceding Application for Payment.

**19.2.1.1.12** A duly completed and executed conditional waiver and release upon Tenant Improvement Payment compliant with Civil Code section 8132 from Developer and each subcontractor of any tier and supplier to be paid from the current Tenant Improvement Payment.

**19.2.1.1.13** A duly completed and executed unconditional waiver and release upon Tenant Improvement Payment compliant with Civil Code section 8134 from Developer and each subcontractor of any tier and supplier that was paid from the previous Tenant Improvement Payment submitted 60 days prior; and

**19.2.1.1.14** A certification by Developer of the following:

Developer warrants title to all Work performed as of the date of this payment application and that all such Work has been completed in accordance with the Contract Documents for the Project. Developer further warrants that all Work performed as of the date of this payment application is free and clear of liens, claims, security interests, or encumbrances in favor of Developer, Subcontractors, material and equipment suppliers, workers, or other persons or entities making a claim by reason of having provided labor, materials, and equipment relating to the Work, except those of which the District has been informed. Submission of sums which have no basis in fact or which Developer knows are false are at the sole risk of Developer and may be a violation of the False Claims Act set forth under Government Code section 12650 et seq.

**19.2.1.1.15** Developer shall be subject to the False Claims Act set forth in Government Code section 12650 et seq. for information provided with any Application for Tenant Improvement Payments.

**19.2.1.1.16** All remaining certified payroll records ("CPR(s)") for each journeyman, apprentice, worker, or other employee employed by Developer and/or each Subcontractor in connection with the Work for the period of the Application for Payment. As indicated herein, the District shall not make any payment to Developer until:

**19.2.1.1.16.1** Developer and/or its Subcontractor(s) provide electronic CPRs directly to the DIR on no less than every 30 days while Work is being performed and within 30 days after the final day of Work performed on the Project for any journeyman, apprentice, worker or other employee was employed in connection with the Work, or within ten (10) days of any request by the District or the DIR to the requesting entity; and

**19.2.1.1.16.2** Any delay in Developer and/or its Subcontractor(s) providing CPRs in a timely manner may directly delay Developer's payment.

**19.2.1.1.17** Applications received after June 20th will not be paid until the second week of July and applications received after December 12th will not be paid until the first week of January.

**19.2.2** Prerequisites for Tenant Improvement Payments

**19.2.2.1** First Payment Request

The following items, if applicable, must be completed before the District will accept and/or process Developer's first payment request:

**19.2.2.1.1** Installation of the Project sign.

**19.2.2.1.2** Installation of field office.

**19.2.2.1.3** Installation of temporary facilities and fencing.

**19.2.2.1.4** Schedule of Values.

**19.2.2.1.5** Developer's Preliminary Construction Schedule for the first ninety (90) days.

**19.2.2.1.6** Schedule of unit prices, if applicable.

**19.2.2.1.7** Submittal Schedule.

**19.2.2.1.8** Receipt by Architect of all submittals due as of the date of the payment application.

**19.2.2.1.9** List of Subcontractors, with names, license numbers, telephone numbers, and Scope of Work.

**19.2.2.1.10** All bonds and insurance endorsements; and

**19.2.2.1.11** Resumes of Developer's project manager, and if applicable, job site secretary, record documents recorder, and job site superintendent.

### **19.2.3** Subsequent Payment Requests

The District will not process subsequent payment requests until and unless submittals and Shop Drawings necessary to maintain the Project schedule have been submitted to the Architect.

### **19.2.4** No Waiver of Criteria

Any payments made to Developer where criteria set forth herein have not been met shall not constitute a waiver of said criteria by District. Instead, such payment shall be construed as a good faith effort by District to resolve differences so Developer may pay its Subcontractors and suppliers. Developer agrees that failure to submit such items may constitute a breach of contract by Developer and may subject Developer to termination.

## **19.3** District's Approval of Application for Payment

**19.3.1** Upon receipt of an Application for Payment, The District shall act in accordance with both of the following:

**19.3.1.1** Each Application for Payment shall be reviewed by the District as soon as practicable after receipt for the purpose of determining that the Application for Payment is a proper Application for Payment.

**19.3.1.2** Any Application for Payment determined not to be a proper Application for Payment suitable for payment shall be returned to

Developer as soon as practicable, but not later than seven (7) days, after receipt. An Application for Payment returned pursuant to this paragraph shall be accompanied by a document setting forth in writing the reasons why the Application for Payment is not proper. The number of days available to the District to make a payment without incurring interest pursuant to this section shall be reduced by the number of days by which the District exceeds this seven-day return requirement.

**19.3.2** An Application for Payment shall be considered properly executed if funds are available for payment of the Application for Payment, and payment is not delayed due to an audit inquiry by the financial officer of the District.

**19.3.3** District's review of the Developer's Application for Payment will be based on the District's and the Architect's observations at the Site and the data comprising the Application for Payment that the Work has progressed to the point indicated and that, to the best of the District's and the Architect's knowledge, information, and belief, the quality of the Work is in accordance with the Contract Documents. The foregoing representations are subject to:

**19.3.3.1** Observation of the Work for general conformance with the Contract Documents.

**19.3.3.2** Results of subsequent tests and inspections.

**19.3.3.3** Minor deviations from the Contract Documents correctable prior to completion; and

**19.3.3.4** Specific qualifications expressed by the Architect.

**19.3.4** District's approval of the certified Application for Payment shall be based on Developer complying with all requirements for a fully complete and valid certified Application for Payment.

**19.3.5** Payments to Developer

**19.3.5.1** Within thirty (30) days after approval of the Application for Payment, Developer shall be paid a sum equal to ninety-five percent (95%), of the value of the Tenant Improvement Payment (as verified by Architect and Inspector and certified by Developer) up to the last day of the previous month, less the aggregate of previous payments and amount to be withheld. The value of the Work completed shall be Developer's best estimate. No inaccuracy or error in said estimate shall operate to release Developer, or any Surety upon any bond, from damages arising from such Work, or from the District's right to enforce each and every provision of the Contract Documents, and the District shall have the right subsequently to correct any error made in any estimate for payment.

**19.3.5.2** Developer may not be entitled to have payment requests processed, or may be entitled to have only partial payment made for Work performed, so long as any direction given by the District concerning the Work, or any portion thereof, remains incomplete.

### **19.3.6 No Waiver**

No payment by District hereunder shall be interpreted so as to imply that District has inspected, approved, or accepted any part of the Work. Notwithstanding any payment, the District may enforce each and every provision of this Contract. The District may correct or require correction of any error subsequent to any payment

### **19.3.7 Warranty of Title**

**19.3.7.1** If a lien or a claim based on a stop payment notice of any nature should at any time be filed against the Work or any District property, by any entity that has supplied material or services at the request of Developer, Developer and Developer's Surety shall promptly, on demand by District and at Developer's and Surety's own expense, take any and all action necessary to cause any such lien or a claim based on a stop payment notice to be released or discharged immediately therefrom.

**19.3.7.2** If Developer fails to furnish to the District within ten (10) calendar days after demand by the District satisfactory evidence that a lien or a claim based on a stop payment notice has been released, discharged, or secured, the District may discharge such indebtedness and deduct the amount required therefor, together with any and all losses, costs, damages, and attorney's fees and expenses incurred or suffered by District from any sum payable to Developer under the Contract.

## **19.4 Decisions to Withhold Payment**

### **19.4.1 Reasons to Withhold Payment**

The District shall withhold payment in whole, or in part, as required by statute. In addition, the District may withhold payment in whole, or in part, to the extent reasonably necessary to protect the District if, in the District's opinion, the representations to the District required herein cannot be made. Payment, in whole, or in part, will be withheld based on the need to protect the District from loss because of, but not limited to, any of the following:

**19.4.1.1** Defective Work not remedied within FORTY-EIGHT (48) hours of written notice to Developer.

**19.4.1.2** Stop Payment Notices or other liens served upon the District as a result of the Contract.

**19.4.1.3** [Reserved]

**19.4.1.4** Liquidated damages assessed against Developer.

**19.4.1.5** Reasonable doubt that the Work can be completed for the unpaid balance of the Guaranteed Maximum Price or by the Contract Time.

**19.4.1.6** Damage to the District or other contractor(s).

**19.4.1.7** Unsatisfactory prosecution of the Work by Developer.

**19.4.1.8** Failure to store and properly secure materials.

**19.4.1.9** Failure of Developer to submit, on a timely basis, proper, sufficient, and acceptable documentation required by the Contract Documents, including, without limitation, a Construction Schedule, Schedule of Submittals, Schedule of Values, Monthly Progress Schedules, Shop Drawings, Product Data and samples, Proposed product lists, executed Change Orders, and/or verified reports.

**19.4.1.10** Failure of Developer to maintain As-Built Drawings.

**19.4.1.11** Erroneous estimates by Developer of the value of the Work performed, or other false statements in an Application for Payment.

**19.4.1.12** Unauthorized deviations from the Contract Documents.

**19.4.1.13** Failure of Developer to prosecute the Work in a timely manner in compliance with the Construction Schedule, established progress schedules, and/or completion dates.

**19.4.1.14** Failure to provide acceptable electronic certified payroll records, as required by the Labor Code, by these Contract Documents or by written request for each journeyman, apprentice, worker, or other employee employed by Developer and/or by each Subcontractor in connection with the Work for the period of the Application for Payment or if payroll records are delinquent or inadequate.

**19.4.1.15** Failure to properly pay prevailing wages as required in Labor Code section 1720 et seq., failure to comply with any other Labor Code requirements, and/or failure to comply with labor compliance monitoring and enforcement by the DIR.

**19.4.1.16** Allowing an unregistered subcontractor, as described in Labor Code section 1725.5, to engage in the performance of any work under this Contract.

**19.4.1.17** Failure to comply with any, if applicable federal requirements regarding minimum wages, withholding, payrolls and basic records, apprentice and trainee employment requirements, equal employment opportunity requirements, Copeland Act requirements, Davis-Bacon Act and related requirements, Contract Work Hours and Safety Standards Act requirements.

**19.4.1.18** Failure to properly maintain or clean up the Site.

**19.4.1.19** Failure to timely indemnify, defend, or hold harmless the District.

**19.4.1.20** Failure to perform any implementation and/or monitoring required by the General Permit, including without limitation any SWPPP for the Project and/or the imposition of any penalties or fines therefore whether imposed on the District or Developer.

**19.4.1.21** Any payments due to the District, including but not limited to payments for failed tests, utilities changes, or permits.

**19.4.1.22** Failure to pay any royalty, license or similar fees.

**19.4.1.23** Failure to pay Subcontractor(s) or supplier(s) as required by law and Developer's subcontract agreement and by the Contract Documents; and

**19.4.1.24** Developer is otherwise in breach, default, or in substantial violation of any provision of the Contract Documents.

#### **19.4.2 Reallocation of Withheld Amounts**

**19.4.2.1** After prior written notice to Developer with details regarding the District's proposed application of withheld amounts, District may, in its discretion, apply any withheld amount to pay outstanding claims or obligations as defined herein. In so doing, District shall make such payments on behalf of Developer. If any payment is so made by District, then that amount shall be considered a payment made under the Contract Documents by District to Developer and District shall not be liable to Developer for any payment made in good faith. These payments may be made without prior judicial determination of claim or obligation. District will render Developer an accounting of funds disbursed on behalf of Developer.

**19.4.2.2** If Developer defaults or neglects to carry out the Work in accordance with the Contract Documents or fails to perform any provision thereof, District may, after FORTY-EIGHT (48) hours' written notice to Developer and opportunity to commence and pursue cure of default, and, without prejudice to any other remedy, make good such deficiencies. The District shall adjust the total Guaranteed Maximum Price by reducing the amount thereof by the cost of making good such deficiencies. If District deems it inexpedient to correct Work that is damaged, defective, or not done in accordance with the provisions of the Contract Documents, an equitable reduction in the Guaranteed Maximum Price (up to one hundred fifty percent (150%) of the estimated reasonable value of the nonconforming Work) shall be made therefor.

#### **19.4.3 Payment After Cure**

When Developer removes the grounds for declining approval, payment shall be made for amounts withheld because of them. No interest shall be paid on any retainage or amounts withheld due to the failure of Developer to perform in accordance with the terms and conditions of the Contract Documents.

### **19.5 Subcontractor Payments**

### **19.5.1 Payments to Subcontractors**

No later than seven (7) days after receipt of any Tenant Improvement Payment, or pursuant to Business and Professions Code section 7108.5 and Public Contract Code section 7107, Developer shall pay to each Subcontractor, out of the amount paid to Developer on account of such Subcontractor's portion of the Work, the amount to which said Subcontractor is entitled. Developer shall, by appropriate agreement with each Subcontractor, require each Subcontractor to make payments to its Sub-subcontractors in a similar manner.

### **19.5.2 No Obligation of District for Subcontractor Payment**

The District shall have no obligation to pay, or to see to the payment of, money to a Subcontractor except as may otherwise be required by law.

### **19.5.3 Joint Checks**

District shall have the right in its sole discretion, if necessary for the protection of the District, to issue joint checks made payable to Developer and Subcontractors and/or material or equipment suppliers. The joint check payees shall be responsible for the allocation and disbursement of funds included as part of any such joint payment. In no event shall any joint check payment be construed to create any contract between the District and a Subcontractor of any tier, or a material or equipment supplier, or any obligation from the District to such Subcontractor or a material or equipment supplier or rights in such Subcontractor against the District.

## **20. Completion of the Work**

### **20.1 Completion**

**20.1.1** District will accept completion of Project and have the Notice of Completion recorded when the entire Work shall have been completed to the satisfaction of District.

**20.1.2** The Work may only be accepted as complete by action of the governing board of the District.

**20.1.3** District, at its sole option, may accept completion of Project and have the Notice of Completion recorded when the entire Work shall have been completed to the satisfaction of District, except for minor corrective items, as distinguished from incomplete items. If Developer fails to complete all minor corrective items within fifteen (15) days after the date of the District's acceptance of completion, District shall withhold from the final payment one hundred fifty percent (150%) of an estimate of the amount sufficient to complete the corrective items, as reasonably determined by District, until the item(s) are completed.

**20.1.4** At the end of the fifteen (15) day period, if there are any items remaining to be corrected, District may elect to proceed as provided herein related to adjustments to Guaranteed Maximum Price, and/or District's right to perform the Work of Developer.

## **20.2 Close-Out/Certification Procedures**

### **20.2.1 Punch List**

Developer shall notify the Architect when Developer considers the Work complete. Upon notification, Architect will prepare a list of minor items to be completed or corrected ("Punch List"). Developer and/or its Subcontractors shall proceed promptly to complete and correct items on the Punch List. Failure to include an item on Punch List does not alter the responsibility of Developer to complete all Work in accordance with the Contract Documents.

### **20.2.2 Close-Out/Certification Requirements**

#### **20.2.2.1 Utility Connections**

Buildings shall be connected to water, gas, sewer, electric, phone, and internet services, complete and ready for use. Service connections shall be made and existing services reconnected.

#### **20.2.2.2 As-Builts/Record Drawings and Record Specifications**

**20.2.2.2.1** Developer shall provide exact "as-built" drawings of the Work upon completion of the Project as indicated in the Contract Documents, including but not limited to the Specifications ("As-Built Drawings") as a condition precedent to approval of final payment.

**20.2.2.2.2** Developer is liable and responsible for any and all inaccuracies in the As-Built Drawings, even if inaccuracies become evident at a future date.

**20.2.2.2.3** Upon completion of the Work and as a condition precedent to approval of final payment, Developer shall obtain the Inspector's approval of the corrected prints and deliver the same to Architect in a form acceptable to the Architect as part of closeout.

#### **20.2.2.3 Construction Storm Water Permit, if applicable**

Developer shall submit to District all electric and hard copy records required by the Construction Storm Water Permit, if applicable, within seven (7) days of Completion of the Project.

### **20.2.3 Maintenance Manuals**

Developer shall prepare all operation and maintenance manuals and date as indicated in the Specifications.

### **20.2.4 Source Programming**

Developer shall provide all source programming for all items in the Project.

### **20.2.5 Verified Reports**

Developer shall completely and accurately fill out and file forms DSA 6-C or DSA 152 (or most current version applicable at the time the Work is performed), as appropriate. Refer to section 4-336 and section 4-343 of Part 1, Title 24 of the California Code of Regulations.

## **20.3 Final Inspection**

**20.3.1** Developer shall comply with Punch List procedures as provided herein, and maintain the presence of its District-approved project superintendent and project manager until the Punch List is complete to ensure proper and timely completion of the Punch List. Under no circumstances shall Developer demobilize its forces prior to completion of the Punch List without District's prior written approval. Upon receipt of Developer's written notice that all of the Punch List items have been fully completed and the Work is ready for final inspection and District acceptance, Architect and Project Inspector will inspect the Work and shall submit to Developer and District a final inspection report noting the Work, if any, required in order to complete in accordance with the Contract Documents. Absent unusual circumstances, this report shall consist of the Punch List items not yet satisfactorily completed.

**20.3.2** Upon Developer's completion of all items on the Punch List and any other uncompleted portions of the Work, Developer shall notify the District and Architect, who shall again inspect such Work. If the Architect finds the Work complete and acceptable under the Contract Documents, the Architect will notify Developer, who shall then jointly submit to the Architect and the District its final Application for Payment.

### **20.3.3 Final Inspection Requirements**

**20.3.3.1** Before calling for final inspection, Developer shall determine that the following have been performed:

**20.3.3.1.1** The Work has been completed.

**20.3.3.1.2** All life safety items are completed and in working order.

**20.3.3.1.3** Mechanical and electrical Work, including, without limitation,, security system, data, fire alarm, are complete and tested, fixtures are in place, connected, and ready for tryout.

**20.3.3.1.4** Electrical circuits scheduled in panels and disconnect switches labeled.

**20.3.3.1.5** Painting and special finishes complete.

**20.3.3.1.6** Doors complete with hardware, cleaned of protective film, relieved of sticking or binding, and in working order.

**20.3.3.1.7** Tops and bottoms of doors sealed.

**20.3.3.1.8** Floors waxed and polished as specified.

**20.3.3.1.9** Broken glass replaced and glass cleaned.

**20.3.3.1.10** Grounds cleared of Developer's equipment, raked clean of debris, and trash removed from Site.

**20.3.3.1.11** Work cleaned, free of stains, scratches, and other foreign matter, damaged and broken material replaced.

**20.3.3.1.12** Finished and decorative work shall have marks, dirt, and superfluous labels removed.

**20.3.3.1.13** Final cleanup, as provided herein.

## **20.4 Costs of Multiple Inspections**

More than two (2) requests of the District to make a final inspection shall be considered an additional service of District, Architect, Construction Manager, and/or Project Inspector, and all subsequent costs will be invoiced to Developer and if funds are available, withheld from remaining payments.

## **20.5 Partial Occupancy or Use Prior to Completion**

### **20.5.1 District's Rights to Occupancy**

The District may occupy or use any completed or partially completed portion of the Work at any stage, and such occupancy shall not constitute the District's Final Acceptance of any part of the Work. Neither the District's Final Acceptance, the making of Final Payment, any provision in Contract Documents, nor the use or occupancy of the Work, in whole or in part, by District shall constitute acceptance of Work not in accordance with the Contract Documents nor relieve Developer or Developer's Performance Bond Surety from liability with respect to any warranties or responsibility for faulty or defective Work or materials, equipment and workmanship incorporated therein. The District and Developer shall agree in writing to the responsibilities assigned to each of them for payments, security, maintenance, heat, utilities, damage to the Work, insurance, the period for correction of the Work, and the commencement of warranties required by the Contract Documents. Any dispute as to responsibilities shall be resolved pursuant to the Claims and Disputes provisions herein, with the added provision that during the dispute process, the District shall have the right to occupy or use any portion of the Work that it needs or desires to use.

### **20.5.2 Inspection Prior to Occupancy or Use**

Immediately prior to partial occupancy or use, the District, Developer, and the Architect shall jointly inspect the area to be occupied or portion of the Work to be used in order to determine and record the condition of the Work.

### **20.5.3 No Waiver**

Unless otherwise agreed upon, partial or entire occupancy or use of a portion or portions of the Work shall not constitute beneficial occupancy or District's acceptance of the Work not complying with the requirements of the Contract Documents.

## **21. Final Payment and Retention**

### **21.1 Final Payment**

Upon receipt of a final Application for Payment from Developer, the Architect will notify the District whether the Work is complete so that joint inspection of the Work can be scheduled. Thereafter, the District shall jointly inspect the Work and either accept the Work as complete or notify the Architect and Developer in writing of reasons why the Work is not complete. Upon District's acceptance of the Work of Developer as fully complete (that, absent unusual circumstances, will occur when the Punch List items have been satisfactorily completed), the District shall record a Notice of Completion with the County Recorder, and Developer shall, upon receipt of final payment from the District, pay the amount due Subcontractors.

### **21.2 Prerequisites for Final Payment**

The following conditions must be fulfilled prior to Final Payment:

**21.2.1** A full release of all Stop Payment Notices served in connection with the Work shall be submitted by Developer.

**21.2.2** A duly completed and executed conditional waiver and release upon final payment compliant with Civil Code section 8136 from each subcontractor of any tier and supplier to be paid from the final Tenant Improvement Payment.

**21.2.3** A duly completed and executed unconditional waiver and release upon Tenant Improvement Payment compliant with Civil Code section 8134 from each subcontractor of any tier and supplier that was paid from the previous Tenant Improvement Payment(s).

**21.2.4** A duly completed and executed "AGREEMENT AND RELEASE OF ANY AND ALL CLAIMS" from Developer.

**21.2.5** Developer shall have made all corrections to the Work that are required to remedy any defects therein, to obtain compliance with the Contract Documents or any requirements of applicable codes and ordinances, or to fulfill any of the orders or directions of District required under the Contract Documents.

**21.2.6** Each Subcontractor shall have delivered to Developer all written guarantees, warranties, applications, and bonds required by the Contract Documents for its portion of the Work.

**21.2.7** Developer must have completed all requirements set forth under "Close-Out/Certification Procedures," including, without limitation, submission of an approved set of complete Record Drawings.

**21.2.8** Architect shall have issued its written approval that final payment can be made.

**21.2.9** Developer shall have delivered to the District all manuals and materials required by the Contract Documents, which must be approved by the District.

**21.2.10** Developer shall have completed final clean up as provided herein.

### **21.3 Retention**

**21.3.1** The retention, less any amounts disputed by the District or that the District has the right to withhold pursuant to provisions herein, shall be paid:

**21.3.1.1** After approval by the District of the Architect of the Application and Certificate of Payment.

**21.3.1.2** After the satisfaction of the conditions set forth herein.

**21.3.1.3** No less than forty-five (45) days after the recording of the Notice of Completion by District; and

**21.3.1.4** After receipt of a duly completed and executed unconditional waiver and release upon Final Payment compliant with Civil Code section 8138 from each subcontractor of any tier and supplier that was paid from the Final Payment.

**21.3.2** No interest shall be paid on any retention, or on any amounts withheld due to a failure of Developer to perform, in accordance with the terms and conditions of the Contract Documents, except as provided to the contrary in any Escrow Agreement between the District and Developer pursuant to Public Contract Code section 22300.

### **21.4 Substitution of Securities**

The District will permit the substitution of securities in accordance with the provisions of Public Contract Code section 22300.

## **22. Uncovering of Work**

If a portion of the Work is covered without Inspector or Architect approval or not in compliance with the Contract Documents, it must, if required in writing by the District, the Project Inspector, or the Architect, be uncovered for the Project Inspector's or the Architect's observation and be corrected, replaced and/or recovered at Developer's expense without change in the Guaranteed Maximum Price or Contract Time.

## **23. Nonconforming Work and Correction of Work**

### **23.1 Nonconforming Work**

**23.1.1** Developer shall promptly remove from Premises all Work identified by District as failing to conform to the Contract Documents whether incorporated or not. Developer shall promptly replace and re-execute its own Work to comply with the Contract Documents without additional expense to the District

and shall bear the expense of making good all work of other contractors destroyed or damaged by any removal or replacement pursuant hereto and/or any delays to the District or other contractors caused thereby.

**23.1.2** If Developer does not commence to remove Work that District has identified as failing to conform to the Contract Documents within a reasonable time, not to exceed FORTY-EIGHT (48) hours after written notice and complete removal of work within a reasonable time, District may remove it and may store any material at Developer's expense. If Developer does not pay expense(s) of that removal within ten (10) days' time thereafter, District may, upon ten (10) days' written notice, sell any material at auction or at private sale and shall deduct all costs and expenses incurred by the District and/or District may withhold those amounts from payment(s) to Developer.

## **23.2 Correction of Work**

### **23.2.1 Correction of Rejected Work**

Pursuant to the notice provisions herein, Developer shall promptly correct the Work rejected by the District, the Architect, or the Project Inspector as failing to conform to the requirements of the Contract Documents, whether observed before or after Completion and whether or not fabricated, installed, or completed. Developer shall bear costs of correcting the rejected Work, including additional testing, inspections, and compensation for the Inspector's or the Architect's services and expenses made necessary thereby.

### **23.2.2 One-Year Warranty Corrections**

If, within one (1) year after the date of Completion of the Work or a designated portion thereof, or after the date for commencement of warranties established hereunder, or by the terms of an applicable special warranty required by the Contract Documents, any of the Work is found to be not in accordance with the requirements of the Contract Documents, Developer shall correct it promptly after receipt of written notice from the District to do so. This period of one (1) year shall be extended with respect to portions of the Work first performed after Completion by the period of time between Completion and the actual performance of the Work. This obligation hereunder shall survive District's acceptance of the Work under the Contract Documents and termination of the Contract Documents. The District shall give such notice promptly after discovery of the condition.

## **23.3 District's Right to Perform Work**

**23.3.1** If Developer should neglect to prosecute the Work properly or fail to perform any provisions of the Contract Documents, the District, after providing FORTY-EIGHT (48) hours' written notice and an opportunity to cure the failure, to Developer, may, without prejudice to any other remedy it may have, make good such deficiencies and may deduct the cost thereof from the payment then or thereafter due Developer.

**23.3.2** If it is found at any time, before or after completion of the Work, that Developer has varied from the Drawings and/or Specifications, including, but

not limited to, variation in material, quality, form, or finish, or in the amount or value of the materials and labor used, District may require at its option:

**23.3.2.1** That all such improper Work be removed, remade or replaced, and all work disturbed by these changes be made good by Developer at no additional cost to the District.

**23.3.2.2** That the District deduct from any amount due Developer the sum of money equivalent to the difference in value between the work performed and that called for by the Drawings and Specifications; or

**23.3.2.3** That the District exercise any other remedy it may have at law or under the Contract Documents, including but not limited to the District hiring its own forces or another contractor to replace Developer's nonconforming Work, in which case the District shall either issue a deductive Change Order, a Construction Change Directive, or invoice Developer for the cost of that work. Developer shall pay any invoices within thirty (30) days of receipt of same or District may withhold those amounts from payment(s) to Developer.

## **24. Termination And Suspension**

The Parties' rights to terminate the Project are as indicated in the Facilities Lease. In the event of a termination of the Facilities Lease and notwithstanding any other provision in the Contract Documents, the Surety shall remain liable to all obligees under the Payment Bond and to the District under the Performance Bond for any claim related to the Project.

## **25. Claims Process**

### **25.1 Obligation to File Claims for Disputed Work**

**25.1.1** Should Developer otherwise seek extra time or compensation for any reason whatsoever ("Disputed Work"), then Developer shall first follow procedures set forth in the Contract Documents including, without limitation, Articles 15, 16 and 17, all of which are conditions precedent to submitting a Claim pursuant to Article 25. A Notice of Delay or Proposed Change Order are less formal procedures that proceed the formal claim and do not constitute a Claim. A Claim also does not include correspondence, RFIs, vouchers, invoices, progress payment applications, or other routine or authorized form of requests for progress payments in compliance with the Contract. If a dispute remains, then Developer shall give written notice to District that expressly invokes this Article 25 within the time limits set forth herein.

**25.1.2** Developer's sole and exclusive remedy for Disputed Work is to file a written claim setting forth Developer's position as required herein within the time limits set forth herein.

### **25.2 Duty to Perform during Claim Process**

Developer and its subcontractors shall continue to perform its Work under the Contract, including the Disputed Work, and shall not cause a delay of the Work during

any dispute, claim, negotiation, mediation, or arbitration proceeding, except by written agreement by the District.

### **25.3 Definition of Claim**

**25.3.1** Pursuant to Public Contract Code section 9204, the term "Claim" means a separate demand by Developer sent by registered mail or certified mail with return receipt requested, for one or more of the following:

**25.3.1.1** A time extension, including without limitation, for relief of damages or penalties for delay assessed by the District under the Contract;

**25.3.1.2** Payment by the District of money or damages arising from work done by, or on behalf of, Developer pursuant to the Contract and payment of which is not otherwise expressly provided for or to which Developer is not otherwise entitled to; or

**25.3.1.3** An amount of payment disputed by the District.

### **25.4 Claims Presentation**

#### **25.4.1 Form and Contents of Claim**

**25.4.1.1** If Developer intends to submit a Claim for an increase in the Guaranteed Maximum Price and/or Contract Time for any reason including, without limitation, the acts of District or its agents, Developer shall, within thirty (30) days after the event giving rise to the Claim, give notice of the Claim ("Notice of Potential Claim") in writing, specifically identifying Developer is invoking this Article 25 Claims Presentation. The Notice of Potential Claim shall provide Developer's preliminary request for an adjustment to the Contract Price and/or Contract Time, with a description of the grounds therefore.

**25.4.1.2** Within thirty (30) days after serving the written Notice of Potential Claim, Developer shall provide a Claim including an itemized statement of the details and amounts of its Claim for any increase in the Guaranteed Maximum Price or Contract Time, as provided below, including a Time Impact Analysis and any and all other documentation substantiating Developer's claimed damages:

**25.4.1.2.1** The issues, events, conditions, circumstances and/or causes giving rise to the dispute;

**25.4.1.2.2** Citation to provisions in the Contract Documents, statute sections, and/or case law entitling Developer to an increase in the Guaranteed Maximum Price or Contract Time;

**25.4.1.2.3** The pertinent dates and/or durations and actual and/or anticipated effects on the Guaranteed Maximum Price, Contract Schedule milestones and/or Contract Time adjustments;

**25.4.1.2.4** The Time Impact Analysis of all time delays that shows actual time impact on the critical path; and

**25.4.1.2.5** The line-item costs for labor, material, and/or equipment, if applicable, for all cost impacts priced like a change order according to Article 17 and must be updated monthly as to cost and entitlement if a continuing claim.

**25.4.1.3** The Claim shall include the following certification by Developer:

**25.4.1.3.1** The undersigned Developer certifies under penalty of perjury that the attached dispute is made in good faith; that the supporting data is accurate and complete to the best of my knowledge and belief; that the amount requested accurately reflects the adjustment for which Developer believes the District is liable; and that I am duly authorized to certify the claim on behalf of Developer.

**25.4.1.3.2** Furthermore, Developer understands that the value of the attached dispute expressly includes any and all of Developer's costs and expenses, direct and indirect, resulting from the Work performed on the Project, additional time required on the Project and/or resulting from delay to the Project including, without limitation, cumulative impacts. Any costs, expenses, damages, or time extensions not included are deemed waived.

**25.4.2** Developer shall bear all costs incurred in the preparation and submission of a Claim.

**25.4.3** Failure to timely submit a Claim and the requisite supporting documentation shall constitute a waiver of Developer's claim(s) against the District and Developer's Claim(s) for compensation or an extension of time shall be deemed waived, released, and discharged as to any entitlement for adjustment to Contract Price and/or Contract Time.

## **25.5 Claim Resolution pursuant to Public Contract Code section 9204**

Developer may request to waive the claims procedure under Public Contract Code section 9204 and proceed directly to the commencement of a civil action or binding arbitration. If Developer chooses to proceed, Developer shall comply with the following steps:

### **25.5.1 STEP 1:**

**25.5.1.1** Upon receipt of a Claim by registered or certified mail, return receipt requested, including the documents necessary to substantiate it, the District shall conduct a reasonable review of the Claim and, within a period not to exceed 45 days, shall provide Developer a written statement identifying what portion of the Claim is disputed and what portion is undisputed. Upon receipt of a Claim, the District and Developer may, by mutual agreement, extend the time period to provide

a written statement. If the District needs approval from its governing body to provide Developer a written statement identifying the disputed portion and the undisputed portion of the Claim, and the governing body does not meet within the 45 days or within the mutually agreed to extension of time following receipt of Claim sent by registered mail or certified mail, return receipt requested, the District shall have up to three (3) days following the next duly publicly noticed meeting of the governing body after the 45-day period, or extension, expires to provide Developer a written statement identifying the disputed portion and the undisputed portion.

**25.5.1.1.1** Any payment due on an undisputed portion of the Claim shall be processed and made within 60 days after the District issues its written statement. Amounts not paid in a timely manner as required by this section, section 25.4, shall bear interest at seven percent (7%) per annum.

**25.5.1.2** Upon receipt of a Claim, the parties may mutually agree to waive, in writing, mediation and proceed directly to the commencement of a civil action or binding arbitration, as applicable. In this instance, District and Developer must comply with the sections below regarding Public Contract Code section 20104 et seq. and Government Code Claim Act Claims.

**25.5.1.3** If the District fails to issue a written statement, or to otherwise meet the time requirements of this section, this shall result in the Claim being deemed rejected in its entirety. A claim that is denied by reason of the District's failure to have responded to a claim, or its failure to otherwise meet the time requirements of this section, shall not constitute an adverse finding with regard to the merits of the claim or the responsibility or qualifications of Developer.

## **25.5.2 STEP 2:**

**25.5.2.1** If Developer disputes the District's written response, or if the District fails to respond to a Claim within the time prescribed, Developer may demand in writing an informal conference to meet and confer for settlement of the issues in dispute. Upon receipt of a demand in writing sent by registered mail or certified mail, return receipt requested, the District shall schedule a meet and confer conference within 30 days for settlement of the dispute. Within 10 business days following the conclusion of the meet and confer conference, if the claim or any portion of the claim remains in dispute, the District shall provide Developer a written statement identifying the portion of the claim that remains in dispute and the portion that is undisputed.

**25.5.2.2** Any payment due on an undisputed portion of the claim shall be processed and made within 60 days after the District issues its written statement. Amounts not paid in a timely manner as required by this section, section 25.4, shall bear interest at seven percent (7%) per annum.

## **25.5.3 STEP 3:**

**25.5.3.1** Any disputed portion of the claim, as identified by Developer in writing, shall be submitted to nonbinding mediation, with the District and Developer sharing the associated costs equally. The District and Developer shall mutually agree to a mediator within 10 business days after the disputed portion of the claim has been identified in writing. If the parties cannot agree upon a mediator, each party shall select a mediator and those mediators shall select a qualified neutral third party to mediate with regard to the disputed portion of the claim. Each party shall bear the fees and costs charged by its respective mediator in connection with the selection of the neutral mediator. If mediation is unsuccessful, the parts of the claim remaining in dispute shall be subject to applicable procedures outside this section.

**25.5.3.1.1** For purposes of this section, mediation includes any nonbinding process, including, but not limited to, neutral evaluation or a dispute review board, in which an independent third party or board assists the parties in dispute resolution through negotiation or by issuance of an evaluation. Any mediation utilized shall conform to the timeframes in this section.

**25.5.3.2** Unless otherwise agreed to by the District and Developer in writing, the mediation conducted pursuant to this section shall excuse any further obligation under Public Contract Code section 20104.4 to mediate after litigation has been commenced.

#### **25.5.4 STEP 4:**

**25.5.4.1** If mediation under this section does not resolve the parties' dispute, the District may, but does not require arbitration of disputes under private arbitration or the Public Works Contract Arbitration Program.

### **25.6 Subcontractor Pass-Through Claims**

**25.6.1** If a subcontractor or a lower tier subcontractor lacks legal standing to assert a claim against a District because privity of contract does not exist, the contractor may present to the District a Claim on behalf of a subcontractor or lower tier subcontractor. A subcontractor may request in writing, either on his or her own behalf or on behalf of a lower tier subcontractor, that Developer present a Claim for work which was performed by the subcontractor or by a lower tier subcontractor on behalf of the subcontractor. The subcontractor requesting that the Claim be presented to the District shall furnish reasonable documentation to support the Claim.

**25.6.2** Within 45 days of receipt of this written request from a subcontractor, Developer shall notify the subcontractor in writing as to whether Developer presented the Claim to the District and, if Developer did not present the Claim, provide the subcontractor with a statement of the reasons for not having done so.

**25.6.3** Developer shall bind all its Subcontractors to the provisions of this section and will hold the District harmless against Claims by Subcontractors.

## **25.7 Government Code Claim Act Claim**

**25.7.1** If a Claim, or any portion thereof, remains in dispute upon satisfaction of all applicable Claim Resolution requirements, including those pursuant to Public Contract Code section 9204, Developer shall comply with all claims presentation requirements as provided in Chapter 1 (commencing with section 900) and Chapter 2 (commencing with section 910) of Part 3 of Division 3.6 of Title 1 of Government Code as a condition precedent to Developer's right to bring a civil action against the District.

**25.7.2** Developer shall bear all costs incurred in the preparation, submission and administration of a Claim. Any claims presented in accordance with the Government Code must affirmatively indicate Developer's prior compliance with the claims procedure herein of the claims asserted.

**25.7.3** For purposes of those provisions, the running of the time within which a claim pursuant to Public Contract Code section 20104.2 only must be presented to the District shall be tolled from the time the Developer submits its written claim pursuant to subdivision (a) until the time that the claim is denied as a result of the meet and confer process, including any period of time utilized by the meet and confer process.

## **25.8 Claim Resolution pursuant to Public Contract Code section 20104 et seq.**

**25.8.1** In the event of a disagreement between the parties as to performance of the Work, the interpretation of this Contract, or payment or nonpayment for Work performed or not performed, the parties shall attempt to resolve all claims of three hundred seventy-five thousand dollars (\$375,000) or less which arise between Developer and District by those procedures set forth in Public Contract Code section 20104 et seq., to the extent applicable.

**25.8.1.1** Developer shall file with the District any written Claim, including the documents necessary to substantiate it, upon the application for final payment.

**25.8.1.2** For claims of less than fifty thousand dollars (\$50,000), the District shall respond in writing within forty-five (45) days of receipt of the Claim or may request in writing within thirty (30) days of receipt of the Claim any additional documentation supporting the claim or relating to defenses or claims the District may have against Developer.

**25.8.1.2.1** If additional information is required, it shall be requested and provided by mutual agreement of the parties.

**25.8.1.2.2** District's written response to the documented Claim shall be submitted to Developer within fifteen (15) days after receipt of the further documentation or within a period of time no greater than that taken by Developer to produce the additional information, whichever is greater.

**25.8.1.3** For claims of over fifty thousand dollars (\$50,000) and less than or equal to three hundred seventy-five thousand dollars (\$375,000), the District shall respond in writing to all written Claims

within sixty (60) days of receipt of the claim, or may request, in writing, within thirty (30) days of receipt of the Claim any additional documentation supporting the Claim or relating to defenses or claims the District may have against Developer.

**25.8.1.3.1** If additional information is required, it shall be requested and provided upon mutual agreement of the District and Developer.

**25.8.1.3.2** The District's written response to the claim, as further documented, shall be submitted to Developer within thirty (30) days after receipt of the further documentation, or within a period of time no greater than that taken by Developer to produce the additional information or requested documentation, whichever is greater.

**25.8.1.4** If Developer disputes the District's written response, or the District fails to respond within the time prescribed, Developer may so notify the District, in writing, either within fifteen (15) days of receipt of the District's response or within fifteen (15) days of the District's failure to respond within the time prescribed, respectively, and demand an informal conference to meet and confer for settlement of the issues in dispute. Upon a demand, the District shall schedule a meet and confer conference within thirty (30) days for settlement of the dispute.

**25.8.1.5** Following the meet and confer conference, if the claim or any portion of it remains in dispute, Developer shall file a claim as provided in Chapter 1 (commencing with Section 900) and Chapter 2 (commencing with Section 910) of Part 3 of Division 3.6 of Title 1 of the Government Code. For purposes of those provisions the running of the time within which a claim must be filed shall be tolled from the time Developer submits its written Claim until the time the Claim is denied, including any period of time utilized by the meet and confer process.

**25.8.1.6** For any civil action filed to resolve claims filed pursuant to this section, within sixty (60) days, but no earlier than thirty (30) days, following the filing of responsive pleadings, the court shall submit the matter to nonbinding mediation unless waived by mutual stipulation of both parties. The mediation process shall provide for the selection within fifteen (15) days by both parties of a disinterested third person as mediator, shall be commenced within thirty (30) days of the submittal, and shall be concluded within fifteen (15) days from the commencement of the mediation unless a time requirement is extended upon a good cause showing to the court or by stipulation of both parties. If the parties fail to select a mediator within the 15-day period, any party may petition the court to appoint the mediator.

**25.8.1.7** If the matter remains in dispute, the case shall be submitted to judicial arbitration pursuant to Chapter 2.5 (commencing with Section 1141.10) of the Title 3 of Part 3 of the Code of Civil Procedure, notwithstanding Section 1141.11 of that code. The Civil Discovery Act, (commencing with Section 2016) of Chapter 1 of Title 4 of part 4 of the Code of Civil Procedure) shall apply to any proceeding brought under

this subdivision consistent with the rules pertaining to judicial arbitration.

**25.8.1.8** The District shall not fail to pay money as to any portion of a Claim which is undisputed except as otherwise provided in the Contract Documents. In any suit filed pursuant to this section, the District shall pay interest at the legal rate on any arbitration award or judgment. Interest shall begin to accrue on the date the suit is filed in a court of law.

**25.8.2** Developer shall bind its Subcontractors to the provisions of this Section and will hold the District harmless against disputes by Subcontractors.

## **25.9 Claims Procedure Compliance**

**25.9.1** Failure to submit and administer claims as required in Article 25 shall waive Developer's right to claim on any specific issues not included in a timely submitted claim. Claim(s) not raised in a timely protest and timely claim submitted under this Article 25 may not be asserted in any subsequent litigation, Government Code Claim, or legal action.

**25.9.2** District shall not be deemed to waive any provision under this Article 25, if at District's sole discretion, a claim is administered in a manner not in accord with this Article 25. Waivers or modifications of this Article 25 may only be made by a signed change order approved as to form by legal counsel for both District and Developer; oral or implied modifications shall be ineffective.

## **25.10 Claim Resolution Non-Applicability**

**25.10.1** The procedures for dispute and claim resolution set forth in this Article shall not apply to the following:

**25.10.1.1** Personal injury, wrongful death or property damage claims.

**25.10.1.2** Latent defect or breach of warranty or guarantee to repair.

**25.10.1.3** Stop payment notices.

**25.10.1.4** District's rights set forth in the Article on Suspension and Termination.

**25.10.1.5** Disputes arising out of labor compliance enforcement by the Department of Industrial Relations; or

**25.10.1.6** District rights and obligations as a public entity set forth in applicable statutes; provided, however, that penalties imposed against a public entity by statutes, including, but not limited to, Public Contract Code sections 20104.50 and 7107, shall be subject to the Claim Resolution requirements provided in this Article.

## **25.11 Attorney's Fees**

**25.11.1** Should litigation be necessary to enforce any terms or provisions of this Contract, then each party shall bear its own litigation and collection expenses, witness fees, court costs and attorney's fees.

## **26. State Labor, Wage & Hour, Apprenticeship, And Related Provisions**

### **26.1 Labor Compliance and Enforcement**

Since this Project is subject to labor compliance and enforcement by the Department of Industrial Relations ("DIR"), Developer specifically acknowledges and understands that it shall perform the Work of this Agreement while complying with all the applicable provisions of Division 2, Part 7, Chapter 1, of the Labor Code and Title 8 of the California Code of Regulations, including, without limitation, the requirement that Developer and all Subcontractors shall timely furnish complete and accurate electronic certified payroll records directly to the DIR. The District may not issue payment if this requirement is not met.

### **26.2 Wage Rates, Travel, and Subsistence**

**26.2.1** Pursuant to the provisions of Article 2 (commencing at section 1770), Chapter 1, Part 7, Division 2, of the Labor Code of California, the general prevailing rate of per diem wages and the general prevailing rate for holiday and overtime work in the locality in which this public work is to be performed for each craft, classification, or type of worker needed to execute the Contract Documents are on file at the District's principal office and copies will be made available to any interested party on request. Developer shall obtain and post a copy of these wage rates at the job site.

**26.2.2** Holiday and overtime work, when permitted by law, shall be paid for at a rate of at least one and one-half times the above specified rate of per diem wages, unless otherwise specified. The holidays upon which those rates shall be paid need not be specified by the District, but shall be all holidays recognized in the applicable collective bargaining agreement. If the prevailing rate is not based on a collectively bargained rate, the holidays upon which the prevailing rate shall be paid shall be as provided in Section 6700 of the Government Code.

**26.2.3** Developer shall pay and shall cause to be paid each worker engaged in Work on the Project not less than the general prevailing rate of per diem wages determined by the Director of the Department of Industrial Relations ("DIR") ("Director"), regardless of any contractual relationship which may be alleged to exist between Developer or any Subcontractor and such workers.

**26.2.4** If, prior to execution of the Facilities Lease, the Director determines that there has been a change in any prevailing rate of per diem wages in the locality in which the Work under the Contract Documents is to be performed, such change shall not alter the wage rates in the Contract Documents subsequently awarded.

**26.2.5** Pursuant to Labor Code section 1775, Developer shall, as a penalty, forfeit the statutory amount (believed by the District to be currently two hundred dollars (\$200) to District for each calendar day, or portion thereof, for each worker paid less than the prevailing rates, determined by the District and/or the Director, for the work or craft in which that worker is employed for

any public work done under Contract by Developer or by any Subcontractor under it. The difference between such prevailing wage rates and the amount paid to each worker for each calendar day or portion thereof for which each worker was paid less than the prevailing wage rate, shall be paid to each worker by Developer.

**26.2.6** Any worker employed to perform Work on the Project, which Work is not covered by any classification listed in the general prevailing wage rate of per diem wages determined by the Director, shall be paid not less than the minimum rate of wages specified therein for the classification which most nearly corresponds to Work to be performed by him, and that minimum wage rate shall be retroactive to time of initial employment of the person in that classification.

**26.2.7** Pursuant to Labor Code section 1773.1, per diem wages are deemed to include employer payments for health and welfare, pension, vacation, travel time, subsistence pay, and apprenticeship or other training programs authorized by Labor Code section 3093, and similar purposes.

**26.2.8** Developer shall post at appropriate conspicuous points on the Project Site a schedule showing all determined minimum wage rates and all authorized deductions, if any, from unpaid wages actually earned. In addition, Developer shall post a sign-in log for all workers and visitors to the Site, a list of all Subcontractors of any tier on the Site, and the required Equal Employment Opportunity poster(s).

### **26.3 Hours of Work**

**26.3.1** As provided in Article 3 (commencing at section 1810), Chapter 1, Part 7, Division 2, of the Labor Code, eight (8) hours of labor shall constitute a legal day of work. The time of service of any worker employed at any time by Developer or by any Subcontractor on any subcontract under the Contract Documents upon the Work or upon any part of the Work contemplated by the Contract Documents shall be limited and restricted by Developer to eight (8) hours per day, and forty (40) hours during any one week, except as hereinafter provided. Notwithstanding the provisions hereinabove set forth, Work performed by employees of Developer in excess of eight (8) hours per day and forty (40) hours during any one week, shall be permitted upon this public work upon compensation for all hours worked in excess of eight (8) hours per day at not less than one and one-half times the basic rate of pay.

**26.3.2** Developer shall keep and shall cause each Subcontractor to keep an accurate record showing the name of and actual hours worked each calendar day and each calendar week by each worker employed by Developer in connection with the Work or any part of the Work contemplated by the Contract Documents. The record shall be kept open at all reasonable hours to the inspection of District and to the Division of Labor Standards Enforcement of the DIR.

**26.3.3** Pursuant to Labor Code section 1813, Developer shall, as a penalty, forfeit the statutory amount (believed by the District to be currently twenty-five dollars (\$25)) to the District for each worker employed in the execution of the Contract Documents by Developer or by any Subcontractor for each

calendar day during which a worker is required or permitted to work more than eight (8) hours in any one calendar day and forty (40) hours in any one calendar week in violation of the provisions of Article 3 (commencing at section 1810), Chapter 1, Part 7, Division 2, of the Labor Code.

**26.3.4** Any Work necessary to be performed after regular working hours, or on Sundays or other holidays shall be performed without additional expense to the District.

## **26.4 Payroll Records**

**26.4.1** Developer shall upload, and shall cause each Subcontractor performing any portion of the Work under this Contract to upload, an accurate and complete certified payroll record ("CPR") electronically using DIR's eCPR System by uploading the CPRs by electronic XML file or entering each record manually using the DIR's iform (or current form) online on a weekly no less than every 30 days while Work is being performed and within 30 days after the final day of Work performed on the Project and within ten (10) days of any request by the District or Labor Commissioner at <http://www.dir.ca.gov/Public-Works/Certified/Payroll-Reporting.html> or current application and URL, showing the name, address, social security number, work classification, straight time, and overtime hours worked each day and week, and the actual per diem wages paid to each journeyman, apprentice, worker, or other employee employed by Developer and/or each Subcontractor in connection with the Work.

**26.4.1.1** The CPRs enumerated hereunder shall be filed directly with the DIR on a weekly basis or to the requesting party, whether the District or DIR, within ten (10) days after receipt of each written request. The CPRs from Developer and each Subcontractor for each week shall be provided on or before ten (10) days after the end of the Sunday to Saturday conventional week covered by the CPRs. District may not make any payment to Developer until:

**26.4.1.1.1** Developer and/or its Subcontractor(s) provide CPRs acceptable to the District and DIR.

**26.4.1.1.2** Any delay in Developer and/or its Subcontractor(s) providing CPRs to the District or DIR in a timely manner may directly delay the District's review and/or audit of the CPRs and Developer's payment.

**26.4.2** All CPRs shall be available for inspection at all reasonable hours at the principal office of Developer on the following basis:

**26.4.2.1** A certified copy of an employee's CPR shall be made available for inspection or furnished to the employee or his/her authorized representative on request.

**26.4.2.2** CPRs shall be made available for inspection or furnished upon request or as required by regulation to a representative of the District, Division of Labor Standards Enforcement, Division of Apprenticeship Standards, and/or the DIR.

**26.4.2.3** CPRs shall be made available upon request by the public for inspection or copies thereof made; provided, however, that a request by the public shall be made through the District, Division of Apprenticeship Standards, or the Division of Labor Standards Enforcement. If the requested CPRs have not been provided pursuant to the provisions herein, the requesting party shall, prior to being provided the records, reimburse the costs of preparation by Developer, Subcontractors, and the entity through which the request was made. The public shall not be given access to the records at the principal office of Developer.

**26.4.3** Any copy of records made available for inspection as copies and furnished upon request to the public or any public agency by District, Division of Apprenticeship Standards, Division of Labor Standards Enforcement, or DIR shall be marked or obliterated in such a manner as to prevent disclosure of an individual's name, address, and social security number. The name and address of Developer awarded the Project under the Contract Documents or performing under the Contract Documents shall not be marked or obliterated.

**26.4.4** Developer shall inform District of the location of the records enumerated hereunder, including the street address, city, and county, and shall, within five (5) working days of a change in location of the records, provide a notice of change of location and address.

**26.4.5** In the event of noncompliance with the requirements of this section, Developer shall have ten (10) days in which to comply subsequent to receipt of written notice specifying in what respects Developer must comply with this section. Should noncompliance still be evident after the ten (10) day period, Developer shall, as a penalty, forfeit up to one hundred dollars (\$100) to District for each calendar day, or portion thereof, for each worker, until strict compliance is effectuated. Upon the request of the Labor Commissioner, these penalties shall be withheld from Tenant Improvement Payments then due.

**26.4.6 [Reserved]**

**26.5 [Reserved]**

**26.6 Apprentices**

**26.6.1** Developer acknowledges and agrees that, if the Contract Documents involve a dollar amount greater than or a number of working days greater than that specified in Labor Code section 1777.5, then this Contract is governed by the provisions of Labor Code Section 1777.5 and 29 CFR part 5. It shall be the responsibility of Developer to ensure compliance with this Article and with Labor Code section 1777.5 for all apprenticeship occupations.

**26.6.2** Apprentices of any crafts or trades may be employed and, when required by Labor Code section 1777.5, shall be employed provided they are properly registered in full compliance with the provisions of the Labor Code.

**26.6.3** Every apprentice shall be paid the standard wage paid to apprentices under the regulations of the craft or trade at which he/she is employed, and

shall be employed only at the work of the craft or trade to which she/he is registered.

**26.6.4** Only apprentices, as defined in section 3077 of the Labor Code, who are in training under apprenticeship standards and written apprentice agreements under Chapter 4 (commencing at section 3070), Division 3, of the Labor Code, are eligible to be employed. The employment and training of each apprentice shall be in accordance with the provisions of the apprenticeship standards and apprentice agreements under which he/she is training.

**26.6.5** Pursuant to Labor Code section 1777.5, if that section applies to this Contract as indicated above, Developer and any Subcontractors employing workers in any apprenticeable craft or trade in performing any Work under this Contract shall apply to the applicable joint apprenticeship committee for a certificate approving Developer or Subcontractor under the applicable apprenticeship standards and fixing the ratio of apprentices to journeymen employed in performing the Work.

**26.6.6** Pursuant to Labor Code section 1777.5, if that section applies to this Contract as indicated above, Developer and any Subcontractor may be required to make contributions to the apprenticeship program.

**26.6.7** If Developer or Subcontractor willfully fails to comply with Labor Code section 1777.5, then, upon a determination of noncompliance by the Administrator of Apprenticeship, it shall:

**26.6.7.1** Be denied the right to bid on any subsequent project for one (1) year from the date of such determination.

**26.6.7.2** Forfeit, as a penalty, to District the full amount stated in Labor Code section 1777.7. Interpretation and enforcement of these provisions shall be in accordance with the rules and procedures of the California Apprenticeship Council and under the authority of the Chief of the Division of Apprenticeship Standards.

**26.6.7.3** Developer and all Subcontractors shall comply with Labor Code section 1777.6, which section forbids certain discriminatory practices in the employment of apprentices.

**26.6.7.4** Developer shall become fully acquainted with the law regarding apprentices prior to commencement of the Work. Special attention is directed to sections 1777.5, 1777.6, and 1777.7 of the Labor Code, and Title 8, California Code of Regulations, Section 200 et seq. Questions may be directed to the State Division of Apprenticeship Standards, 455 Golden Gate Avenue, 9th Floor, San Francisco, California 94102.

**26.7 [Reserved]**

**26.8 [Reserved]**

**26.9 Non-Discrimination**

**26.9.1** Developer herein agrees to comply with the provisions of the California Fair Employment and Housing Act as set forth in Part 2.8 of Division 3 of Title 2 of the California Government Code, commencing at section 12900; the Federal Civil Rights Act of 1964, as set forth in Public Law 88-352, and all amendments thereto; Executive Order 11246; and all administrative rules and regulations found to be applicable to Developer and Subcontractor.

**26.9.2** Special requirements for Federally Assisted Construction Contracts: During the performance of the requirement of the Contract Documents, Developer agrees to incorporate in all subcontracts the provisions set forth in Chapter 60-1.4(b) of Title 41 published in Volume 33 No. 104 of the Federal Register dated May 28, 1968.

## **26.10 Labor First Aid**

Developer shall maintain emergency first aid treatment for Developer's laborers and mechanics on the Project which complies with the Federal Occupational Safety and Health Act of 1970 (29 U.S.C. § 651 et seq.) and the California Occupational Safety and Health Act of 1973 (Lab. Code, § 6300 et seq.; 8 Cal. Code of Regs., § 330 et seq.).

## **27. [Reserved]**

## **28. Miscellaneous**

### **28.1 Assignment of Antitrust Actions**

Although this project may not have been formally bid, the following provisions may apply:

#### **28.1.1** Section 7103.5(b) of the Public Contract Code states:

In entering into a public works contract or subcontract to supply goods, services, or materials pursuant to a public works contract, the contractor or subcontractor offers and agrees to assign to the awarding body all rights, title, and interest in and to all causes of action it may have under Section 4 of the Clayton Act (15 U.S.C. Sec. 15) or under the Cartwright Act (Chapter 2 (commencing with Section 16700) of Part 2 of Division 7 of the Business and Professions Code), arising from purchases of goods, services, or materials pursuant to the public works contract or the subcontract. This assignment shall be made and become effective at the time the awarding body tenders final payment to the contractor, without further acknowledgment by the parties.

#### **28.1.2** Section 4552 of the Government Code states in pertinent part:

In submitting a bid to a public purchasing body, the bidder offers and agrees that if the bid is accepted, it will assign to the purchasing body all rights, title, and interest in and to all causes of action it may have under Section 4 of the Clayton Act (15 U.S.C. Sec. 15) or under the Cartwright Act (Chapter 2 (commencing with Section 16700) of Part 2 of Division 7 of the Business and Professions Code), arising from purchases of goods, materials, or services by the bidder for sale to the purchasing body pursuant to the bid. Such

assignment shall be made and become effective at the time the purchasing body tenders final payment to the bidder.

**28.1.3** Section 4553 of the Government Code states in pertinent part:

If an awarding body or public purchasing body receives, either through judgment or settlement, a monetary recovery for a cause of action assigned under this chapter, the assignor shall be entitled to receive reimbursement for actual legal costs incurred and may, upon demand, recover from the public body any portion of the recovery, including treble damages, attributable to overcharges that were paid by the assignor but were not paid by the public body as part of the bid price, less the expenses incurred in obtaining that portion of the recovery.

**28.1.4** Section 4554 of the Government Code states in pertinent part:

Upon demand in writing by the assignor, the assignee shall, within one year from such demand, reassign the cause of action assigned under this part if the assignor has been or may have been injured by the violation of law for which the cause of action arose and (a) the assignee has not been injured thereby, or (b) the assignee declines to file a court action for the cause of action.

**28.1.5** Under this Article, "public purchasing body" is District and "bidder" is Developer.

**28.2 Excise Taxes**

If, under Federal Excise Tax Law, any transaction hereunder constitutes a sale on which a Federal Excise Tax is imposed and the sale is exempt from such Federal Excise Tax because it is a sale to a State or Local Government for its exclusive use, District, upon request, will execute documents necessary to show (1) that District is a political subdivision of the State for the purposes of such exemption, and (2) that the sale is for the exclusive use of District. No Federal Excise Tax for such materials shall be included in any Guaranteed Maximum Price.

**28.3 Taxes**

Guaranteed Maximum Price is to include any and all applicable sales taxes or other taxes that may be due in accordance with section 7051 et seq. of the Revenue and Taxation Code, Regulation 1521 of the State Board of Equalization or any other tax code that may be applicable.

**28.4 Shipments**

Developer is responsible for any or all damage or loss to shipments until delivered and accepted on Site, as indicated in the Contract Documents. There must be no charge for containers, packing, unpacking, drayage, or insurance. The total Guaranteed Maximum Price shall be all inclusive (including sales tax) and no additional costs of any type will be considered.

## **28.5 Compliance with Government Reporting Requirements**

If this Contract is subject to federal or other governmental reporting requirements because of federal or other governmental financing in whole or in part for the Project of which it is part, or for any other reason, Developer shall comply with those reporting requirements at the request of the District at no additional cost.

[END OF DOCUMENT]

## **EXHIBIT D-1**

### **SPECIAL CONDITIONS**

#### **1. COVID-19 Vaccination and Testing Requirements**

Developer shall comply with all applicable federal, state and local laws regarding COVID-19. On August 11, 2021, the California Department of Public Health ("CDPH") issued a new State Public Health Officer Order ("Order") regarding COVID-19 vaccine verification for workers in school districts, affecting District operations. The Order took effect on August 12, 2021, and all affected worksites must be in full compliance with the Order by October 15, 2021. Accordingly, Developer is required to comply with the following before permitting Developer personnel to work at the Project site:

##### *Vaccination Requirements*

Developer shall fill out, sign, date and submit to District the COVID-19 Vaccination/Testing Certification Form. The completed COVID-19 Vaccination/Testing Certification Form must be received by the District prior to the Notice to Proceed.

According to the August 11, 2021, California Department of Public Health ("CDPH") State Public Health Officer Order ("Order"), a person is "fully vaccinated" for COVID-19 if two weeks or more have passed since they have received the second dose in a 2-dose series (Pfizer-BioNTech or Moderna or vaccine authorized by the World Health Organization), or two weeks or more have passed since they received a single-dose vaccine (Johnson and Johnson[J&J]/Janssen).

Pursuant to the CDPH Guidance for Vaccine Records Guidelines & Standards, Developer shall only accept the following as proof of vaccination:

- (a) COVID-19 Vaccination Record Card (issued by the Department of Health and Human Services Centers for Disease Control & Prevention or WHO Yellow Card) which includes name of person vaccinated, type of vaccine provided and date last dose administered);
- (b) a photo of a Vaccination Record Card as a separate document;
- (c) a photo of a Vaccination Record Card stored on a phone or electronic device;
- (d) documentation of COVID-19 vaccination from a health care provider;
- (e) digital record that includes a QR code that when scanned by a SMART Health Card reader displays to the reader name, date of birth, vaccine dates and vaccine type; or
- (f) documentation of vaccination from other contracted employers who follow these vaccination records guidelines and standards.

In the absence of knowledge to the contrary, Developer may accept the documentation presented in (a) through (f) above as valid.

Developer shall have a plan in place for tracking verified Developer personnel vaccination status. Records of vaccination verification must be made available, upon request, to the local health jurisdiction for purposes of case investigation.

Developer personnel, including any and all tiers of subcontractor, supplier, and any other personnel entering the Project site, who are not fully vaccinated, or for whom vaccine status is unknown or documentation is not provided, must be considered unvaccinated.

#### *Weekly Testing Requirements*

Developer shall ensure that Developer personnel, including any and all tiers of subcontractor, supplier, and any other worker entering the Project site, who are unvaccinated or who are not fully vaccinated have filed a valid exemption from vaccination with Developer and are required to undergo diagnostic screening testing, as specified below:

(a) Developer personnel may be tested with either antigen or molecular tests to satisfy this requirement, but unvaccinated or incompletely vaccinated workers must be tested at least once weekly with either PCR testing or antigen testing. Any PCR (molecular) or antigen test used must either have Emergency Use Authorization by the U.S. Food and Drug Administration or be operating per the Laboratory Developed Test requirements by the U.S. Centers for Medicare and Medicaid Services.

(b) Unvaccinated or not fully vaccinated Developer personnel must also observe all other infection control requirements, and are not exempted from the testing requirement even if they have a medical contraindication to vaccination, since they are still potentially able to spread the illness. Previous history of COVID-19 from which the individual recovered more than 90 days earlier, or a previous positive antibody test for COVID-19, do not waive this requirement for testing.

Developer shall have a plan in place for tracking test results and conducting workplace contact tracing, and must report results to local public health departments, if applicable.

## **2. COVID-19 Safety and Social Distancing Requirements**

Developer shall, at its cost, timely comply with all applicable federal, State, and local requirements relating to COVID-19 including, without limitation, preparing, posting, and implementing a Social Distancing Protocol, as required. In addition, Developer's Safety Plan, required under the General Conditions, must include an Appendix labeled "COVID-19 SAFETY PLAN," which must detail Developer's safety and compliance plan for COVID-19, specifically adapted from the Project, including, without limitation, the following: signage, measures to protect employee health, measures to prevent crowds from gathering, measures to keep people at least six feet apart, measures to prevent unnecessary contact, and measures to increase sanitization.

## **3. Mitigation Measures as applicable**

Developer shall comply with all applicable mitigation measures, as follows, adopted by any public agency with respect to this Project pursuant to the California Environmental Quality Act (Public Resources Code section 21000 et seq.).

Mitigation Monitoring and Reporting Program attached hereto as **Appendix A** and incorporated herein.

**4. Permits, Certificates, Licenses, Fees, Approvals**

**4.1. Payment for Permits, Certificates, Licenses, Fees, Approvals.**

With respect to permitting items, Developer shall be responsible for securing such items; however, District will be responsible for payment of these charges or fees, but only for the actual and direct costs (without markup or additional fees). Developer shall notify the District of the amount due with respect to these items and to whom the amount is payable. Developer shall provide the District with an invoice and receipt with respect to such charges or fees. In the alternative, District may pay such costs directly to DSA.

**5. Modernization Projects**

**5.1. Access.**

Access to the school buildings and entry to buildings, classrooms, restrooms, mechanical rooms, electrical rooms, or other rooms, for construction purposes, must be coordinated with District and onsite District personnel before Work is to start. Unless agreed to otherwise in writing, only a school custodian will be allowed to unlock and lock doors in existing building(s). The custodian will be available only while school is in session. If a custodian is required to arrive before 7:00 a.m. or leave after 3:30 p.m. to accommodate Developer's Work, the overtime wages for the custodian will be paid by Developer, unless at the discretion of the District, other arrangements are made in advance.

**5.2. Master Key.**

Upon request, the District may, at its own discretion, provide a master key to the school site for the convenience of Developer. Developer agrees to pay all expenses to re-key the entire school site and all other affected District buildings if the master key is lost or stolen, or if any unauthorized party obtains a copy of the key or access to the school.

**5.3. Maintaining Services.**

Developer is advised that Work is to be performed in spaces regularly scheduled for instruction. Interruption and/or periods of shutdown of public access, electrical service, water service, lighting, or other utilities shall be only as arranged in advance with the District. Developer shall provide temporary services to all facilities interrupted by Developer's Work.

**5.4. Maintaining Utilities.**

Developer shall maintain in operation during duration of Contract, drainage lines, storm drains, sewers, water, gas, electrical, steam, and other utility service lines within working area.

**5.5. Confidentiality.**

Developer shall maintain the confidentiality of all information, documents, programs, procedures and all other items that Developer encounters while performing the Work. This requirement shall be ongoing and shall survive the expiration or termination of this Contract and specifically includes, without limitation, all student, parent, and employee disciplinary information and health information.

**5.6. Work during Instructional Time.**

Developer affirms that Work may be performed during ongoing instruction in existing facilities. If so, Developer agrees to cooperate to the best of its ability to minimize any disruption to school operations and any use of school facilities by the public up to, and including, rescheduling specific work activities, at no additional cost to District.

**5.7. No Work during Student Testing.**

Developer shall, at no additional cost to the District and at the District's request, coordinate its Work to not disturb District students including, without limitation, not performing any Work when students at the Site are taking State or Federally-required tests.

**6. Construction Manager**

**Innovative Construction Services, Inc.** is the Construction Manager described in Section 4 to Exhibit D to the Facilities Lease, the General Construction Provisions.

**7. Substitution for Specified Items**

*The following provisions are added to Section 1.7 to **Exhibit D** to the Facilities Lease:*

**1.7.1** Whenever in the Specifications any materials, process, or article is indicated or specified by grade, patent, or proprietary name, or by name of manufacturer, that Specification shall be deemed to be followed by the words "or equal." Developer may, unless otherwise stated, offer any material, process, or article that shall be substantially equal or better in every respect to that so indicated or specified.

**1.7.1.1** If the material, process, or article offered by Developer is not, in the opinion of the District, substantially equal or better in every respect to that specified, then Developer shall furnish the material, process, or article specified in the Specifications without any additional compensation or change order.

**1.7.1.2** This provision shall not be applicable with respect to any material, product, thing or service for which District made findings and gave notice in accordance with Public Contract Code section 3400(c); therefore, Developer shall not be entitled to request a substitution with respect to those materials, products or services.

**1.7.2** A request for a substitution shall be submitted as follows:

**1.7.2.1** Developer shall notify the District in writing of any request for a substitution at least ten (10) days prior to proposal opening as indicated in the Request for Qualifications and Proposals.

**1.7.2.2** Requests for Substitutions after award of the Contract shall be submitted within thirty-five (35) days of the date of the Notice to Proceed with Construction.

**1.7.3** Within 35 days after the date of the Notice to Proceed with Construction, Developer shall provide data substantiating a request for substitution of "an equal" item, including but not limited to the following:

**1.7.3.1** All variations of the proposed substitute from the material specified including, but not limited to, principles of operation, materials, or construction finish, thickness or gauge of materials, dimensions, weight, and tolerances;

**1.7.3.2** Available maintenance, repair or replacement services;

**1.7.3.3** Increases or decreases in operating, maintenance, repair, replacement, and spare parts costs;

**1.7.3.4** Whether or not acceptance of the substitute will require other changes in the Work (or in work performed by the District or others under Contract with the District); and

**1.7.3.5** The time impact on any part of the Work resulting directly or indirectly from acceptance of the proposed substitute.

**1.7.4** No substitutions shall be made until approved, in writing, by the District. The burden of proof as to equality of any material, process, or article shall rest with Developer. Developer warrants that if substitutes are approved:

**1.7.4.1** The proposed substitute is equal or superior in all respects to that specified, and that such proposed substitute is suitable and fit for the intended purpose and will perform adequately the function and achieve the results called for by the general design and the Contract Documents;

**1.7.4.2** Developer provides the same warranties and guarantees for the substitute that would be provided for that specified;

**1.7.4.3** Developer shall be fully responsible for the installation of the substitute and any changes in the Work required, either directly or indirectly, because of the acceptance of such substitute, with no increase in Contract Price or Contract Time. Incidental changes or extra component parts required to accommodate the substitute will be made by Developer without a change in the Contract Price or Contract Time;

**1.7.4.4** Developer shall be responsible for any re-design costs occasioned by District's acceptance and/or approval of any substitute; and

**1.7.4.5** Developer shall, in the event that a substitute is less costly than that specified, credit the District with one hundred percent (100%) of the net difference between the substitute and the originally specified material. In this event, Developer agrees to execute a deductive Change Order to reflect that credit.

**1.7.5** In the event Developer furnishes a material, process, or article more expensive than that specified, the difference in the cost of that material, process, or article so furnished shall be borne by Developer.

**1.7.6** In no event shall the District be liable for any increase in Contract Price or Contract Time due to any claimed delay in the evaluation of any proposed substitute or in the acceptance or rejection of any proposed substitute.

**1.7.7** Developer shall be responsible for any costs the District incurs for professional services, DSA fees, or delay to the Project Schedule, if applicable, while DSA reviews changes for the convenience of Developer and/or to accommodate Developer's means and methods. District may deduct those costs from any amounts owing to Developer for the review of the request for substitution, even if the request for substitution is not approved. District, at its sole discretion, shall deduct from the payments due to and/or invoice Developer for all the professional services and/or DSA fees or delay to the Project Schedule, if applicable, while DSA reviews changes for the convenience of Developer and/or to accommodate Developer's means and methods.

**8. Insurance Policy Limits**

All of Developer's insurance shall be with insurance companies with an A.M. Best rating of no less than A-. The limits of insurance shall not be less than:

COMMERCIAL GENERAL LIABILITY	Product Liability and Completed Operations, Fire Damage Liability – Split Limit	\$2,000,000 per occurrence; \$4,000,000 in aggregate
EXCESS LIABILITY		\$10,000,000 per occurrence; \$10,000,000 annual aggregate
AUTOMOBILE LIABILITY – ANY AUTO	Combined Single Limit	\$1,000,000
WORKERS' COMPENSATION		Statutory limits pursuant to State law
EMPLOYER'S LIABILITY		\$1,000,000
BUILDER'S RISK (COURSE OF CONSTRUCTION)		Issued for the value and scope of Work indicated herein.
POLLUTION LIABILITY		\$2,000,000 per claim; \$2,000,000 aggregate

## **9. Project Labor Agreement/Payroll Records**

The District has entered into a Project Labor Agreement ("PLA"), which covers this Project.

*Accordingly, the following provision is added as Section 26.4.6 to **Exhibit D** to the Facilities Lease:*

**26.4.6** As Developer and its subcontractors have agreed to be bound by the terms of the PLA entered into by the District on November 16, 2017, Developer and its subcontractors may be excused from uploading CPRs electronically using DIR's eCPR System by uploading the CPRs by electronic XML file or entering each record manually using the DIR's iform (or current form) online at <http://www.dir.ca.gov/Public-Works/Certified-Payroll-Reporting.html> , or by using a more current application and URL. However, within ten (10) days of any request by the District or Labor Commissioner, Developer and its subcontractors shall provide CPRs showing the name, address, social security number, work classification, straight time, and overtime hours worked each day and week, and the actual per diem wages paid to each journeyman, apprentice, worker, or other employee employed by the Developer and/or each subcontractor in connection with the Work.

## **10. As-Builts and Record Drawings**

**14.1** When called for by Division 1, Developer shall submit As-Built Drawings pursuant to the Contract Documents consisting of one set of computer-aided design and drafting ("CADD") files in the following format Auto CAD and PDF, plus one set of As-Built Drawings on hardcopy.

**14.2** Developer shall submit Record Drawings pursuant to the Contract Documents consisting of one set of computer-aided design and drafting ("CADD") files in the following format Auto CAD and PDF, plus one set of Record Drawings on hardcopy.

**EXHIBIT E**

**MEMORANDUM OF COMMENCEMENT DATE**

This MEMORANDUM OF COMMENCEMENT DATE is dated April 7, 2022, and is made by and between AM Stephens Construction Co., Inc. ("Developer"), as Lessor, and the Sacramento City Unified School District ("District"), as Lessee.

1. Developer and District have previously entered into a Facilities Lease dated as of April 7, 2022, (the "Lease") for the leasing by Developer to District of the completed Project in Sacramento, California, referenced in the Lease.

2. District hereby confirms the following:

A. That all construction of the Project required to be performed pursuant to the Facilities Lease has been completed by Developer in all respects;

B. That District has accepted and entered into possession of the Project and now occupies same; and

C. That the term for the Lease Payments under the Facilities Lease commenced on \_\_\_\_\_, 20\_\_ and will expire at 11:59 P.M. on \_\_\_\_\_, 20\_\_.

**THIS MEMORANDUM OF COMMENCEMENT DATE IS ACCEPTED AND AGREED** on the date indicated below:

Dated: \_\_\_\_\_, 20\_\_

Dated: \_\_\_\_\_, 20\_\_

Sacramento City Unified School District

AM Stephens Construction Co., Inc.

By: \_\_\_\_\_  
Rose Ramos  
Chief Business Officer

By: \_\_\_\_\_  
Greg Stephens  
President

**EXHIBIT F**

**CONSTRUCTION SCHEDULE**

Attached is a detailed Project Construction Schedule with a duration no longer than the Contract Time, and with specific milestones that Developer shall meet.

[To Be Attached.]





**EXHIBIT G**

**SCHEDULE OF VALUES**

Attached is a detailed Schedule of Values that complies with the requirements of the Construction Provisions (Exhibit "D") and that has been approved by the District.

[To Be Attached.]

**EXHIBIT H**

**PROJECT LABOR AGREEMENT**

**Attached is the Project Labor Agreement applicable to this Project.**

# PROJECT LABOR AGREEMENT

for the

## SACRAMENTO CITY UNIFIED SCHOOL DISTRICT

### PREAMBLE

This Project Labor Agreement (“Agreement”) is entered into by and between the Sacramento City Unified School District (“District”), together with contractors and/or subcontractors, who shall become signatory to this Agreement by signing the “Agreement To Be Bound” (Attachment A), and the Sacramento-Sierra Building & Construction Trades Council (“Council”) and the local Unions that have executed this Agreement.

### RECITALS

**WHEREAS**, the purpose of this Agreement is to promote efficiency of construction operations during the construction of the District’s projects subject to this Agreement, and to provide for the peaceful settlement of labor disputes and grievances without work disruptions or delays, thereby promoting the District’s interest and the public’s interest in assuring the timely and cost-effective completion of the District’s construction projects; and

**WHEREAS**, the successful and efficient completion of the District’s construction projects is of the utmost importance to the District and its educational programs and mission; and

**WHEREAS**, large numbers of workers of various skills will be required in the performance of the construction work, including those to be represented by the Unions affiliated with the Council; and

**WHEREAS**, it is recognized that District construction projects require multiple contractors and bargaining units on the job site at the same time over an extended period of time, and that the potential for work disruption is substantial in the absence of a binding commitment to maintain continuity of work; and

**WHEREAS**, the Employers and the Unions desire to mutually establish and stabilize wages, hours and working conditions for the workers employed on the construction projects subject to this Agreement in order to promote a satisfactory, continuous and harmonious relationship among the parties to this Agreement; and

**WHEREAS**, the District desires to provide construction training and employment opportunities for students of and residents within the District through local hire, apprentice and pre-apprentice programs; and

**WHEREAS**, the parties signatory to this Agreement pledge their full good faith and trust to work towards mutually satisfactory and successful completion of all District construction projects subject to the Agreement; and

**WHEREAS**, the Sacramento City Unified School District has previously adopted Resolution No. 2774 regarding the use of Project Labor Agreements on District projects.

**NOW, THEREFORE**, the parties, in consideration of the mutual promises and covenants herein contained, do mutually agree as follows:

## **ARTICLE 1**

### **DEFINITIONS**

- 1.1 “Agreement” means this Project Labor Agreement.
- 1.2 “Agreement to be Bound” means the agreement (attached hereto and incorporated herein as Attachment A) required to be executed by any Employer(s) working on the Project as a precondition to performing Covered Work on the Project.
- 1.3 “Council” means the Sacramento-Sierra Building and Construction Trades Council, which is the local jurisdictional division of the State Building and Construction Trades Council of California, with affiliated trades unions within its geographical jurisdiction of Sacramento, Yolo, Placer, El Dorado, Amador, Nevada and Sierra Counties.
- 1.4 “Completion” means the point at which there is Final Acceptance by the District of a Construction Contract. For purposes of this definition of “Completion,” “Final Acceptance” shall mean that point in time at which the District has determined upon final inspection that the work on a Construction Contract has been completed in all respects and all required contract documents, contract drawings, warranties, certificates, manuals and data have been submitted and training completed in accordance with the contract documents and the District has executed a written acceptance of the work.
- 1.5 “Construction Contract” means, except as to section 2.5 (exclusions from Covered Work) public works or improvement contracts approved by the District, including design-bid, design-build, lease-leaseback or other contracts under which construction work is performed, that are necessary to complete the Project.
- 1.6 “District” means the Sacramento Unified School District and the administrative employees under its Superintendent, including any in house Project Manager designated by the District for the Project.
- 1.7 “Contractor(s)” means any person, firm, corporation, or other entity, or any combination thereof, including joint ventures, and any of its contractors or subcontractors of any tier, or any successor or assigns of such persons or entities, that has entered into a contract with the District, or with any other person or entity contracting for work on the Project on behalf of the District (whether by design-bid, design-build, lease-leaseback or other means), with respect to the construction of any part of the Project under contract terms and conditions approved by the District.

- 1.8 “Master Agreement” means the multi-employer collective bargaining agreement of each of the Unions that covers the geographic area of the Project, copies of which shall be provided to the District upon request.
- 1.9 “Project” means any District construction project that has a total minimum value of five hundred thousand (\$500,000) or more. The District may, at its discretion, designate other projects or contracts with a total value of less than five hundred thousand (\$500,000) to be covered by this Agreement if the District believes it is in the best interest of the District to do so. Routine maintenance of District properties are not covered by the scope of this Agreement.
- 1.10 “Project Manager” means a person, including a District employee, firm or other entity designated by the District to manage, coordinate or administer the construction work on a Project subject to this Agreement.
- 1.11 “Union” or “Unions” means the Sacramento-Sierra Building and Construction Trades Council and the local Unions that are signatory to this Agreement, acting on their own behalf and on behalf of their respective affiliates and member organizations whose names are subscribed hereto and who have through their officers executed this Agreement. The Council and the local Unions are collectively referred to herein as the “Unions.”

## **ARTICLE 2**

### **SCOPE OF AGREEMENT**

- 2.1 Parties. This Agreement shall apply and is limited to all Contractor(s), the District and the Unions that are signatory to this Agreement.
- 2.2. Applicability. This Agreement shall govern all Construction Contracts awarded on the District Projects that are subject to this Agreement. Except for exclusions from the Covered Work described in section 2.5, for purposes of this Agreement, a Construction Contract shall be considered completed as described in Section 1.4, except when the District’s authorized representative directs a Contractor to engage in repairs, warranty work, or modifications as required under the original Construction Contract with the District.
- 2.3 Covered Work. This Agreement covers all on-site construction, alteration, painting or repair of buildings, structures and other works and related activities for the Project that is within the craft jurisdiction of one of the Unions and which is directly or indirectly part of the Project, including, without limitation, start-up and commissioning, site preparation, survey work, soil and material inspection and testing, modular furniture installation covered by an applicable Master Agreement or a prevailing wage determination, all on-site fabrication work, provided such work is within the fabrication provision of the Master or national agreement of one of the Unions, demolition of existing structures, and all construction, demolition or improvements required to be performed as a condition of approval by any public agency. On-site fabrication work includes work done for the Project in temporary

yards or areas near the Project. This Agreement also covers all off-site work, including fabrication, traditionally performed by any of the Unions that is directly or indirectly part of the Project, provided such work is covered by a provision of a local Master Agreement of the applicable Union(s). On-site construction shall also include the site of any batch plant constructed solely to supply materials to the Project. The furnishing of supplies, equipment or materials which are stockpiled for later use shall in no case be considered subcontracting, however, the delivery of ready-mix, asphalt, aggregate, sand or other fill material which are directly incorporated into the construction process, as well as the off-hauling of debris and excess fill and/or mud shall be covered by the terms and conditions of this Agreement. All of the work described in this Section is within the scope of this Agreement and is referred to hereafter as "Covered Work."

2.5 The following shall be excluded from Covered Work:

- 2.5.1 Work of non-manual employees, including, but not limited to, superintendents, supervisors above the level of general foreman (except those covered by any applicable Master Agreement), staff engineers, building inspectors, timekeepers, clerks, office workers, including messengers, guards, safety personnel, emergency medical and first aid technicians, and other professional, engineering, administrative, executive and management employees;
- 2.5.2 Equipment and machinery owned or controlled and operated by the District;
- 2.5.3 Any work performed on or near or leading to or on to the site of work covered by this Agreement and undertaken by state, county, city or other governmental bodies, or their contractor, or by public utilities or their contractors;
- 2.5.4 Off-site maintenance of leased equipment and on-site supervision of such work;
- 2.5.5 Work performed by employees of a manufacturer or vendor on the manufacturer's or vendor's equipment if necessary to satisfy the guarantee or warranty on such equipment and where performance of the work is expressly stated in the manufacturer's or vendor's written warranty or guarantee to be a condition for the warranty or guarantee for such products. For any work performed pursuant to this provision, the Contractor shall provide copies of the written warranty requirement to the District, Project Manager, the Council and the affected local Union prior to the commencement of work by the manufacturer or vendor. This exclusion does not apply to any on site construction work subcontracted by such manufacturer or vendor.
- 2.5.6 Off-site maintenance of leased equipment and on-site supervision of such work;

- 2.5.7 Laboratory or specialty testing or inspection not covered by an applicable Master Agreement;
- 2.5.8 Non-construction support services contracted by the District or any Contractor in connection with this Project;
- 2.5.9 All work by employees of the District.

### **ARTICLE 3**

#### **SUBCONTRACTING**

- 3.1 Each Contractor agrees that it will contract for the assignment, awarding or subcontracting of Covered Work, or authorize another party to assign, award or subcontract Covered Work, only to a person, firm, corporation or other entity that, at the time the contract is executed, has become a party to this Agreement by executing Attachment A, the Agreement to be Bound.
- 3.2 Each Contractor agrees that it will contract or subcontract the performance of Covered Work only to a person, firm, corporation or other entity that is or becomes a party to this Agreement. Any Contractor performing Covered Work on the Project shall, as a condition to working on the Project, perform all work under the terms of this Agreement and the applicable Master Agreement. Before being authorized to perform any Covered Work, Contractors shall become a party to this Agreement by signing Attachment A, the Agreement to be Bound. Every Contractor shall notify the Council in writing within five (5) business days after it has contracted to assign, award, or subcontract Covered Work, or to authorize another party to assign, award or subcontract Covered Work in accordance with Section 3.1 or this Section 3.2, and shall at the same time provide to the Council a copy of the executed Agreement to be Bound. The District shall also provide copies to the Council of all executed Agreements to be Bound that it receives within fifteen (15) days of receipt.
- 3.3 Nothing in this Agreement shall in any manner whatsoever limit the rights of the District or any Contractor to subcontract Covered Work or to select its contractors or subcontractors; provided, however, that all Contractors, at all tiers, assigning, awarding, contracting or performing Covered Work, or authorizing another to assign, award, contract or perform Covered Work, shall be required to comply with the provisions of this Agreement. Each Contractor shall notify each of its contractors and subcontractors of the provisions of this Agreement and require as a condition precedent to the assigning, awarding or subcontracting of any Covered Work, or allowing any subcontracted Covered Work to be performed, that all such contractors and subcontractors at all tiers become signatory to this Agreement. Any Contractor that fails to provide the Council with the Agreement to be Bound executed by its contractor or subcontractor shall be liable for any failure of that contractor or subcontractor, or any contractor or subcontractor at a lower tier, to comply with the provisions of this Agreement, including any contributions to any trust funds that the contractor or subcontractor, or any subcontractor to that subcontractor, fails to make. Nothing in this Agreement shall be construed to

interfere with or supersede the usual and customary legal remedies available to the Unions and/or employee benefit Trust Funds to collect delinquent Trust Fund contributions from Contractors on the Project.

- 3.4 Nothing in this Agreement shall limit the District's right to combine, consolidate, or cancel contracts for Project construction, or to comply with public agency contracting laws.

## **ARTICLE 4**

### **WAGES AND BENEFITS**

- 4.1 All employees covered by this Agreement (including foremen and general foremen if they are covered by the Master Agreement) shall be classified and paid wages and other compensation, including but not limited to travel, subsistence, and shift premium pay, and contributions made on their behalf to multi-employer trust funds, all in accordance with the then current multi-employer Master Agreement of the applicable Union and in compliance with the applicable prevailing wage rate determination established pursuant to the California Labor Code by the Department of Industrial Relations.
- 4.2 During the period of construction on this Project, the Contractors agree to recognize and put into effect such increases in wages and recognized fringe benefits as shall be negotiated between the various Unions and the historically recognized local bargaining parties on the effective date as set forth in the applicable Master Agreement. The Unions shall notify the Contractors in writing of the specific increases in wages and recognized fringe benefits and the date on which they become effective.

## **ARTICLE 5**

### **NO STRIKES - NO LOCKOUTS**

- 5.1 During the term of this Agreement, there shall be no strikes, sympathy strikes, picketing, work stoppages, picket-related hand billing, slow downs, interference with the work or other disruptive activity for any reason by the Union or by any employee, and there shall be no lockout by any Contractor. Failure of any Union or employee to cross any picket line established at the Contractor's Project site is a violation of this Article.
- 5.2 The Union shall not sanction, aid or abet, encourage or continue any work stoppage, strike, picketing or other disruptive activity at the Project site and shall undertake all reasonable means to prevent or to terminate any such activity. No employee shall engage in activities which violate this Article. Any employee who participates in or encourages any activities which interfere with the normal operation of the Project shall be subject to disciplinary action, including discharge, and, if justifiably

discharged for the above reasons, shall not be eligible for rehire on the same project for a period of not less than ninety (90) days.

- 5.3 The Union(s) agrees that if any union or any other persons, whether parties to this Agreement or otherwise, engage in any picketing or work stoppages, the signatory Unions shall consider such work stoppage or picketing to be illegal and refuse to honor such picket line or work stoppage.
- 5.4 In the event of any work stoppage, strike, sympathy strike, picketing interference with the work or other disruptive activity in violation of this Article, the Contractor may suspend all or any portion of the Project work affected by such activity at the Contractor's discretion and without penalty, and the District may replace any Contractor whose employees have not reported to work with any other contractor or subcontractor in accordance with Section 3.2.
- 5.5 In addition to any other action at law or equity, any party may elect to have the matter decided by a neutral arbitrator in accordance with the following procedure when a breach of this Article is alleged, after the Union(s) or Contractor(s) has been notified of the fact.
  - 5.5.1 A party invoking this procedure shall notify Robert Hirsch, as the permanent arbitrator, or Barry Winograd, as the alternate arbitrator under this procedure. In the event that the permanent arbitrator is unavailable at any time, the alternate will be contacted. If neither is available, then the American Arbitration Association shall select an alternative arbitrator within 24 hours of notice. Notice to the Arbitrator shall be by the most expeditious means available, with notice by fax or electronic means or any other effective written means to the party alleged to be in violation and the involved International Union President and/or local Union.
  - 5.5.2 Upon receipt of said notice, the Project Manager shall contact the designated Arbitrator named above or his alternate who will attempt to convene a hearing within twenty-four (24) hours if it is contended that the violation still exists.
  - 5.5.3 The Arbitrator shall notify the parties by fax or electronic means or any other effective written means of the place and time he has chosen for this hearing. Said hearing shall be completed in one session. A failure of any party or parties to attend said hearing shall not delay the hearing of evidence or issuance of an Award by the Arbitrator.
  - 5.5.4 The sole issue at the hearing shall be whether or not a violation of this Article has in fact occurred. The Award which shall be final and binding shall be issued in writing within three (3) hours after the close of the hearing, and may be issued without an opinion. If any party desires an opinion, one shall be issued within fifteen (15) days, but its issuance shall not delay compliance with, or enforcement of, the Award. The Arbitrator may order cessation of the violation of this Article by the Union or Contractor, and such Award shall

be served on all parties by hand or registered mail upon issuance. Should a party found in violation of this Article fail to comply with an Arbitrator's award to cease the violation, the party in violation shall pay to the affected party as liquidated damages the sum of ten thousand dollars (\$10,000) for the first shift for which it failed to comply, or portion thereof, and ten thousand dollars (\$10,000) for each subsequent shift for which it failed to comply, until such violation is ceased. The Arbitrator shall retain jurisdiction to resolve any disputes regarding the liquidated damages claimed under this Section.

- 5.5.5 Such Award may be enforced by any court of competent jurisdiction upon the filing of this Agreement and all other relevant documents referred to hereinabove in the following manner. The fax or electronic notice of the filing of such enforcement proceedings shall be given to the other party. In the proceeding to obtain a temporary order enforcing the Arbitrator's Award as issued under Section 5.5.4 of this Article, all parties waive the right to a hearing and agree that such proceedings may be ex parte. Such agreement does not waive any party's right to participate in a hearing for a final order of enforcement. The Court's order or orders enforcing the Arbitrator's Award shall be served on all parties by hand or by delivery to their last known address or by certified mail.
- 5.5.6 Any rights created by statute or law governing arbitration proceedings inconsistent with the above procedure or which interfere with compliance therewith are hereby waived by the parties to whom they accrue.
- 5.5.7 The fees and expenses of the Arbitrator shall be borne by the party or parties found in violation, or in the event no violation is found, such fees and expenses shall be borne by the moving party.
- 5.6 The procedures contained in Section 5.5 shall be applicable to alleged violations of this Article. Disputes alleging violation of any other provision of this Agreement, including any underlying disputes alleged to be in justification, explanation or mitigation of any violation of this Article, shall be resolved under the grievance procedures of Article 9.
- 5.7 In the case of nonpayment of wages or trust fund contributions on the Project, the Union shall give the District and the Contractor(s) three (3) business days' notice when nonpayment of trust fund contributions has occurred and one (1) business day's notice when nonpayment of wages has occurred or when paychecks being tendered to a financial institution normally recognized to honor such paychecks will not honor such paycheck as a result of insufficient funds, of the intent to withhold labor from the Contractor(s) or their subcontractor's workforce, during which time the Contractor shall have the opportunity to correct the default. In this instance, a Union's withholding of labor (but not picketing) from an Contractor who has failed to pay its fringe benefit contributions or failed to meet its weekly payroll shall not be considered a violation of this Article. In the event the Union or any of its members withhold their services from such contractor or subcontractor, District shall have the right to

replace such contractor or subcontractor with any other contractor or subcontractor who executes the Agreement to be Bound.

- 5.8 It will not be a violation of this Agreement when the Contractor considers it necessary to shut down to avoid the possible loss of human life because of an emergency situation that could endanger the life and safety of an employee. In such cases, employees will be compensated only for the actual time worked. In the case of a situation described above whereby the Contractor requests employees to wait in a designated area available for work, the employees will be compensated for the waiting time.
- 5.9 If a Master Agreement expires before the Contractor completes the performance of work under the Construction Contract and the Union or Contractor gives notice of demands for a new or modified Master Agreement, the Union agrees that it will not strike on work covered under this Agreement and the Union and the Contractor agree that the expired Master Agreement shall continue in full force and effect for work covered under this Agreement until a new or modified Master Agreement is reached. If the new or modified Master Agreement provides that any terms of the Master Agreement shall be retroactive, the Contractor agrees to comply with any retroactive terms of the new or modified Master Agreement which are applicable to employees who were employed on the projects during the interim, with retroactive payment due within seven (7) days of the effective date of the modified Master Agreement subject to section 4.3.

## **ARTICLE 6**

### **WORK ASSIGNMENTS AND JURISDICTIONAL DISPUTES**

- 6.1 The assignment of Covered Work will be solely the responsibility of the Contractor performing the work involved; and such work assignments will be in accordance with the Plan for the Settlement of the Jurisdictional Disputes in the Construction Industry (the "Plan") or any successor Plan.
- 6.2 All jurisdictional disputes on this Project between or among the building and construction trades Unions and the Contractors parties to this Agreement, shall be settled and adjusted according to the present Plan established by the Building and Construction Trades Department or any other plan or method of procedure that may be adopted in the future by the Building and Construction Trades Department. Decisions rendered shall be final, binding and conclusive on the Contractors and Unions parties to this Agreement.
- 6.3 If a dispute arising under this Article involves the Northern California Carpenters Regional Council or any of its subordinate bodies, an Arbitrator shall be chosen by the procedures specified in Article V, Section 5, of the Plan from a list composed of John Kagel, Thomas Angelo, Robert Hirsch, and Thomas Pagan, and the Arbitrator's hearing on the dispute shall be held at the offices of the California State Building and Construction Trades Council in Sacramento, California within fourteen (14)

days of the selection of the Arbitrator. All other procedures shall be as specified in the Plan.

- 6.4 All jurisdictional disputes shall be resolved without the occurrence of any strike, work stoppage, or slow-down of any nature and the Contractor's assignment shall be adhered to until the dispute is resolved. Individual employees violating this section shall be subject to immediate discharge.

## **ARTICLE 7**

### **JOINT LABOR/MANAGEMENT MEETINGS**

- 7.1 Joint Labor/Management Meetings. During the period of any work performed under this Agreement, the Project Manager, or District designee, may schedule monthly Joint Labor/Management Meetings that include the Project Manager, or the District's designee, the Contractors and the Unions. The purpose of these meetings is to promote harmonious labor/management relations, ensure adequate communications and advance the proficiency and efficiency of the employees and the Contractors on the Project. These meetings may include a discussion of safety, craft resource requirements, scheduling and productivity of work performed at the Project. The Union representative shall keep minutes of any such meetings and the minutes shall be subject to approval at any subsequent meeting. Any such meetings may be in person or by conference call. It shall be mandatory for a representative of the Unions to participate in such meetings.
- 7.2 A Pre-Job Conference shall be scheduled by the District prior to the commencement of work to establish the scope of work in each Contractor's contract. When a contract has been let to a Contractor covered by this Agreement, a job conference and/or mark up meeting shall be scheduled by the District upon request of any Union, Contractor or the District.

## **ARTICLE 8**

### **MANAGEMENT RIGHTS**

- 8.1 The Contractor(s) retains full and exclusive authority for the management of their work forces for all work performed under this Agreement. This authority includes, but is not limited to the right to:
- A. Plan, direct and control the operation of all the work.
  - B. Decide the number and types of employees required to perform the work safely and efficiently. The lawful staffing provisions of the applicable Master Agreement shall be recognized.

- C. Hire, promote and layoff employees as deemed appropriate to meet work requirements and/or skills required.
  - D. Require all employees to observe the District and Contractor Project Rules, Security and Safety Regulations, consistent with the provisions of this Agreement. These Project Rules and Regulations shall be reviewed and mutually agreed upon at the Pre-Job meeting and supplied to all employees and/or posted on the jobsite.
  - E. Discharge, suspension or discipline will be handled under the applicable craft agreement.
  - F. Assign and schedule work at its sole discretion and determine when overtime will be worked. There shall be no refusal by a craft to perform work assigned, including overtime work. However, individual craftspeople shall not be required to work overtime unless specifically dispatched for overtime work. Any cases of a craft's refusal to work overtime shall be subject to the grievance procedure.
  - G. Utilize any work methods, procedures or techniques and select and use any type or kind of materials, apparatus or equipment regardless of source, manufacturer or designator (in accordance with Article 2).
  - H. The foregoing listing of management rights shall not be deemed to exclude other functions not specifically set forth herein. The Contractors, therefore, retain all legal rights not specifically enumerated in this Agreement.
- 8.2 All workers employed or otherwise used on a Project shall comply with the District's Drug and Alcohol-Free Workplace Policy (BP 4020) and Employee Drug Testing Policy (BP 4112.41, 4212.41, 4312.41) and applicable regulations as amended from time to time. If not otherwise specified, the drug testing protocol shall be in compliance with 49 Code of Federal Regulations (CFR) section 382.105 (Testing procedures) which incorporates 49 CFR Part 40.

## **ARTICLE 9**

### **GRIEVANCE PROCEDURE**

- 9.1 It is mutually agreed that any question arising out of and during the term of this Agreement involving its interpretation and application (other than matters subject to Section 5.5 and Union jurisdictional disputes subject to Article 6) shall be considered a grievance. Questions between or among parties signatory to a Master Agreement arising out of or involving the interpretation of a Master Agreement shall be resolved under the grievance procedure provided in that Master Agreement.
- 9.2 The District and other Contractors, as well as the Unions, may bring forth grievances under this Article.

9.3 A grievance shall be considered null and void if not brought to the attention of the Contractor(s) within five (5) working days after the incident that initiated the alleged grievance occurred or was discovered, whichever is later. The term “working days” as used in this Article shall exclude Saturdays, Sundays or holidays regardless of whether any work is actually performed on such days.

9.4 Grievances shall be settled according to the following procedure, except that grievances that do not involve an individual grievant shall be discussed by the District, and the Council and then, if not resolved within five (5) working days of written notice unless extended by mutual consent, commence at Step 4:

Step 1

The Steward and the grievant shall attempt to resolve the grievance with the craft supervisor within five (5) working days after the Grievance has been brought to the attention of the Contractor.

Step 2

In the event the matter remains unresolved in Step 1 above after five (5) working days, within five (5) working days thereafter, the alleged grievance may be referred in writing to the Business Manager(s) of the Union(s) affected and the site construction manager or Labor Relations representative of the Contractor(s) for discussion and resolution. A copy of the written grievance shall also be mailed, faxed or emailed to the District.

Step 3

In the event the matter remains unresolved in Step 2 above within five (5) working days, within five (5) working days thereafter, the grievance may be referred in writing to the Business Manager(s) of the affected Union(s) involved and the Manager of Labor Relations of the Contractor(s) or the Manager’s designated representative and the District for discussion and resolution.

Step 4

If the grievance is not settled in Step 3 within five (5) working days, within five (5) days thereafter, either party may request the dispute be submitted to neutral arbitration or the time may be extended by mutual consent of both parties. The request for arbitration and/or the request for an extension of time must be in writing with a copy to the District. Should the parties be unable to mutually agree on the selection of a neutral Arbitrator, selection for that given arbitration shall be made by seeking a list of seven (7) labor arbitrators with construction experience from the Federal Mediation and Conciliation Service and alternately striking names from the list of names on the list until the parties agree on an Arbitrator or until one name remains. The first party to strike a name from the list shall alternate between the party bringing forth the grievance and the party defending the grievance. District shall keep a record of the sequence and shall notify the parties to the grievance as to which party has the right to strike a name first.

9.5 The Arbitrator shall conduct a hearing at which the parties to the grievance shall be entitled to present testimonial and documentary evidence. Hearings will be

transcribed by a certified court reporter. The parties shall be entitled to file written briefs after the close of the hearing and receipt of the transcript.

- 9.6 Upon expiration of the time for the parties to file briefs, the Arbitrator shall issue a written decision that will be served on all parties and on the District. The Arbitrator shall have the authority to utilize any equitable or legal remedy to prevent and/or cure any breach or threatened breach of this Agreement. The Arbitrator's decision shall be final and binding as to all parties signatory to this Agreement.
- 9.7 The cost of the Arbitrator and the court reporter, and any cost to pay for facilities for the hearing, shall be borne equally by the parties to the grievance. All other costs and expenses in connection with the grievance hearing shall be borne by the party who incurs them.
- 9.8 The Arbitrator's decision shall be confined to the issue(s) posed by the grievance, and the Arbitrator shall not have the authority to modify, amend, alter, add to or subtract from any provision of this Agreement.
- 9.9 Any party to a grievance may invite the District to participate in resolution of a grievance. The District may, at its own initiative, participate in Steps 1 through 3 of the grievance procedure.
- 9.10 In determining whether the time limits of Steps 2 through 4 of the grievance procedure have been met, a written referral or request shall be considered timely if it is personally delivered, sent by overnight mail or faxed within the five (5) working day period. Any of the time periods set forth in this Article may be extended in writing by mutual consent of the parties to the grievance, and any written referral or request shall be considered timely if it is personally delivered, sent by overnight mail or faxed during the extended time period.

## **ARTICLE 10**

### **UNION SECURITY**

- 10.1 The Contractors recognize the Unions signatory to this Agreement as the sole bargaining representative of all craft employees performing Covered Work for the Project.
- 10.2 All employees performing Covered Work shall, as a condition of employment on or before the eighth (8th) cumulative day of employment on the Project, be responsible for the payment of the applicable periodic working dues and any associated fees uniformly required for union membership in the local Union that is a signatory to this Agreement for the duration of his or her employment on the Project. Nothing in this Agreement is intended to prevent any non-union employees from joining the local Union.
- 10.3 Authorized representatives of the Unions shall have access to the Project whenever Covered Work is or will be performed on the Project. All authorized representatives

of the Union must comply with the required uniform check-in procedure prior to visiting the work area.

- 10.4 Each Union shall have the right to designate a working journeyman as a steward. The steward shall be a qualified employee performing the work of that craft and shall not exercise any supervisory functions. Each steward shall be concerned with the employees of the steward's Contractor and not with the employees of any other Contractor. A steward shall be allowed sufficient time to perform his duties.

## **ARTICLE 11**

### **REFERRAL-LOCAL HIRE**

- 11.1 Contractors performing Covered Work on the Project shall, in filling craft job vacancies, utilize and be bound by the registration facilities and referral systems established or authorized by the Unions signatory to this Agreement. Such Job Referral System shall be operated in a non-discriminatory manner and in full compliance with all federal, state, and local laws and regulations, including those which require equal employment opportunities and non-discrimination. The Contractor(s) shall have the right to reject any applicant referred by the Union(s), in accordance with the applicable Master Agreement. The Unions shall be the primary source of all craft labor employed on the Project, however, a Contractor with a core workforce may request by name, and the local Union shall honor, referral of such Contractor's regular and experienced personnel ("Core Employees") who have applied to the applicable Union to perform Covered Work on the Project. For purposes of this Agreement, a Core Employee is a person who meets all of the following:

- (1) Possesses any license required by state or federal law for the Project work to be performed;
- (2) Worked a total of at least one thousand (1,000) hours in the construction craft during the prior two (2) years;
- (3) Has been on the Contractor's active payroll for at least ninety (90) out of the one hundred and twenty (120) calendar days prior to the contract award; and
- (4) Has the ability to perform safely the basic functions of the applicable trade.

- 11.2 The Union will refer to such Contractor one journeyman employee from the hiring hall out-of-work list for the affected trade or craft, and will then refer one of the Contractor's Core Employees as a journeyman. The process will then be repeated, one for one, until such Contractor's crew requirements are met, or until such Contractor has hired eight (8) Core Employees, whichever occurs first. Thereafter, all additional employees in the affected trade or craft shall be hired exclusively from the hiring hall out-of-work list(s). For the duration of the Contractor's work on the

Project, the ratio shall be maintained. When such Contractor's workforce is reduced, employees shall be reduced in the same one for one ratio of Core Employees to hiring hall referrals as was applied in the initial hiring. Contractors that are signatory to a Master Agreement with Union(s) signatory hereto must comply with the hiring hall provisions contained in the applicable Master Agreement, and nothing in the referral provisions of this Agreement shall be construed to supersede the local hiring hall provisions of the Master Agreement(s) as they apply to such Contractors.

11.3 In the event the referral facilities maintained by the Unions do not refer the employees as requested by the Contractor within a forty-eight (48) hour period after such requisition is made by the Contractor (Saturdays, Sundays and holidays excepted), the Contractor may employ applicants from any source. Contractors shall immediately notify and provide the appropriate Union(s) with the name and address of such gate-hires, who shall be bound by the provisions of this Article.

11.4 It is in the interest of the parties to this Agreement to facilitate employment of District and Local Area residents, including parents, guardians or other care givers of students attending the District's schools, and to use resources in the Local Area in construction of a Project. The "Local Area" shall be defined as the area within the boundaries of the District, the City of Sacramento and Sacramento County. To the extent allowed by law, and consistent with the Union's hiring hall provisions, and as long as they possess the requisite skills and qualifications, residents of the Local Area shall be first referred for Project work, including journeymen and apprentices covered by this Agreement. It is the goal of the parties that not less than fifty (50) percent of all hours worked on the Project, on a craft by craft basis, be worked by residents of the Local Area (including fifty (50) percent of the total hours worked by any Core Employees). Contractors will be required to submit certified weekly payroll records to the District along with monthly workforce utilization reports documenting the Contractor's compliance with the requirements described in this Article. At a minimum, the monthly reports must include: 1) data on Local Area resident work hour utilization on the Project; and 2) documentation showing any requests made to the Union dispatchers for Local Area residents and the Union's response to the request. An annual report shall be submitted to the Board on the number of workers employed, or contracted for, within the Local Area.

## **ARTICLE 12**

### **APPRENTICES**

12.1 The parties recognize the need to maintain continuing support of programs designed to develop adequate numbers of competent workers in the construction industry, the Contractors will employ apprentices in the respective crafts to perform such work as is within their capabilities and which is customarily performed by the craft in which they are indentured.

- 12.2. Apprentices may comprise up to thirty (30) percent of each craft's work force at any time, unless the state approved apprenticeship standards or regulations or the applicable Master Agreement establish a lower maximum percentage.
- 12.3 The parties agree to work with the Construction Technology Academy ("Academy") as set forth in Attachment B in order to carry out the training and employment objectives of this Agreement, including providing District students with the opportunities and skills necessary to enter post-secondary study and to pursue lifelong training within the broader context of the building trades industry, and to develop and reinforce academic course standards in order to maximize career opportunities and technical competency.

### **ARTICLE 13**

#### **NON-DISCRIMINATION**

- 13.1 The Unions and Contractors shall not discriminate against any employee or applicant for employment because of race, creed, color, sex, sexual orientation, political affiliation, national origin, age, religion, Vietnam veteran or Vietnam Era status, disability as identified in the Americans with Disabilities Act, membership in a labor organization in hiring and dispatching workers for the Project, or any other basis recognized by law. The parties to this Agreement understand and agree that nothing in this Agreement shall supersede or take precedence over any District Board of Education policy or requirement including, but not limited to, the construction contract and general conditions for the Project.
- 13.2 All qualified (as determined by the District and applicable law) contractors and subcontractors may bid and be awarded work on a Project without regard to whether they are otherwise parties to collective bargaining agreements provided they comply with the provisions of this Agreement.

### **ARTICLE 14**

#### **HOURS OF WORK, SHIFTS AND HOLIDAYS**

- 14.1 The standard work day shall be in accordance with the applicable Master Agreements. Common start times may be established by the Contractor during the standard work day established by the applicable Master Agreements. The standard work week shall be five (5) consecutive days of work commencing on Monday. Nothing herein shall be construed as guaranteeing any employee eight (8) hours of work per day or forty (40) hours of work per week.
- 14.2 Common shifts may be established when considered necessary by the Contractor. The Contractor shall provide at least one week notice to the Council prior to any change in shift time. Any shifts established shall continue for the established work week.

- 14.3 Recognized holidays shall be in accordance with the applicable Master Agreements. Under no circumstances shall any work be performed on Labor Day except in cases of emergency involving life or property. In the event a holiday falls on Saturday, the previous day, Friday, shall be observed as such holiday. In the event a holiday falls on Sunday, the following day, Monday, shall be observed as such holiday. There shall be no paid holidays. If employees are required to work on a holiday, they shall receive the appropriate rate, but in no case shall such overtime rate be more than double the straight time rate.

## **ARTICLE 15**

### **GENERAL PROVISIONS**

- 15.1 If any article or provision of this Agreement shall become invalid, inoperative and/or unenforceable by operation of law or by declaration of any competent authority of the executive, legislative, judicial or administrative branches of the federal or state government, the District, the Contractors and the Council shall suspend the operation of such article or provision during the period of its invalidity, and the District and the Council shall negotiate in its place and stead an article or provision that will satisfy the objections to its validity and that, to the greatest extent possible, will be in accord with the intent and purpose of the article or provision in question. The new article or provision negotiated by the District and the Council shall be binding on all parties signatory to this Agreement.
- 15.2 If any article or provision of this Agreement shall be held invalid, inoperative or unenforceable by operation of law, or by any of the above mentioned tribunals of competent jurisdiction, the remainder of the Agreement or application of such article or provision to persons or circumstances other than to which it has been held invalid, inoperative or unenforceable shall not be affected thereby.
- 15.3 Except as enumerated in this Agreement, all other terms and conditions of employment described in the Master Agreement of the Union having traditional and customary jurisdiction over the Covered Work shall apply.
- 15.4 The provisions of this Agreement shall take precedence over conflicting provisions of any Master Agreement or any other national, area or local collective bargaining agreement, except for all work performed under the NTL Articles of Agreement, the National Stack/Chimney Agreement and the National Cooling Tower Agreement. In addition, all instrument calibration work and loop checking Covered Work shall be performed under the terms of the UA/IBEW Joint National Agreement for Instrument and Control Systems Technicians, and work within the craft jurisdiction of the Elevator Constructors will be performed under the terms of the National Agreements of the International Union of Elevator Constructors. Notwithstanding the provisions of this section, Articles 5, 6 and 9 of this Agreement shall apply to all Covered Work.
- 15.4 Each person executing this Agreement represents and warrants that he or she is authorized to execute this Agreement on behalf of the party or parties indicated.

- 15.5 This Agreement may be executed in any number of counterparts, and each counterpart shall be deemed to be an original document. All executed counterparts together shall constitute one and the same document, and any signature pages may be assembled to form a single original document.
- 15.6 To the fullest extent consistent with the applicable Master Agreement and trust agreement, it is agreed that any liability under this Agreement by District, the Council, a Union, or any other Contractor shall be several and not joint. Any alleged breach of this Agreement by a party shall not affect the rights, liabilities, obligations, and duties among the other parties or between that party and any other party.

## **ARTICLE 16**

### **HELMETS TO HARDHATS**

- 16.1 The Contractors and Unions recognize a desire to facilitate the entry into the building and construction trades of veterans and members of the National Guard and Reserves who are interested in careers in the building and construction industry. The Contractors and Unions agree to utilize the services of the Center for Military Recruitment, Assessment and Veterans Employment (hereinafter "Center"), a joint Labor-Management Cooperation Trust Fund, established under the authority of Section 6(b) of the Labor-Management Cooperation Act of 1978, 29 U.S.C. Section 175(a), and Section 302(c)(9) of the Labor-Management Relations Act, 29 U.S.C. Section 186(c)(9), and a charitable tax exempt organization under Section 501(c)(3) of the Internal Revenue Code, and the Center's "Helmets to Hardhats" program to serve as a resource for preliminary orientation, assessment of construction aptitude, referral to apprenticeship programs or hiring halls, counseling and mentoring, support network, employment opportunities and other needs as identified by the parties.
- 16.2 The Unions and Contractors agree to coordinate with the Center to create and maintain an integrated database of veterans and members of the National Guard and Reserves interested in working on this Project and of apprenticeship and employment opportunities for this Project. To the extent permitted by law, the Contractors and Unions will give credit to such veterans and members of the National Guard and Reserves for bona fide, provable past experience.

## **ARTICLE 17**

### **DURATION OF AGREEMENT; MID-TERM ASSESSMENT**

- 17.1 This Agreement shall remain in full force and effect for a period of four (4) years from the date approved by the Board of Education on November 16, 2017. Notwithstanding the term of the Agreement as set forth above, the Agreement will continue to apply until the completion of all Covered Work pursuant to Section 2.1 where the initial bid for any Construction Contract for a Project is

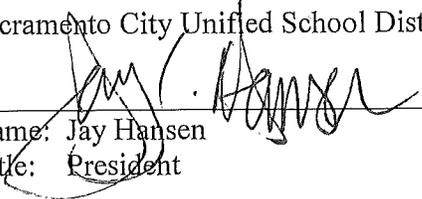
awarded or approved by the Board on or before the date the Agreement terminates.

- 17.2 At the two year mark, a mid-term assessment, including mutually agreed upon metrics, shall be reported to the Board.

[INTENTIONALLY LEFT BLANK]

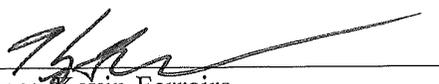
SIGNATURES

Sacramento City Unified School District

  
\_\_\_\_\_  
Name: Jay Hansen  
Title: President

Date: December 16, 2017

Sacramento-Sierra Building and  
Construction Trades Council

  
\_\_\_\_\_  
Name: Kevin Ferreira  
Title: President

Date: 11/16/2017

**UNIONS**

UNIONS

Signed  
Asbestos Workers Local #16

Signed  
Iron Workers Local #118

Signed  
Bricklayers Local #3

Signed  
Laborers Local #185

Signed  
Boilermakers Local #549

Signed  
Operating Engineers Local #3

Signed  
Cement Masons Local #400

Signed  
Plasterers & Cement Masons Local #300

Northern California Carpenters Regional Council  
on behalf of itself and its affiliated Local Unions

Signed  
UA of Journeymen & Apprentices of the  
Plumbing & Pipe Fitting Ind. Local #355

Signed  
District Council #16 International  
Union of Painters & Allied Trades

Signed  
Plumbers & Pipefitters Local #447

Signed  
Elevator Constructors Local #8

Signed  
Roofers Local #81

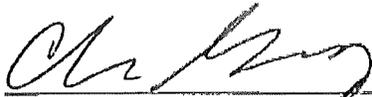
Signed  
International Brotherhood of Electricians  
Local #340

Signed  
Sheet Metal Workers Local #104

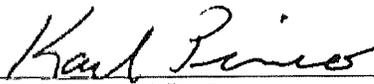
Signed  
Sprinkler Fitters Local #669

Signed  
Teamsters Local #150

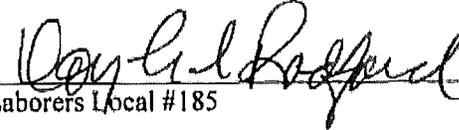
Signed  
Asbestos, Lead and Mold Laborers  
Local #67

  
Asbestos Workers Local #16

UNIONS

  
Iron Workers Local #118

  
Bricklayers Local #3

  
Laborers Local #185

Boilermakers Local #549

Operating Engineers Local #3

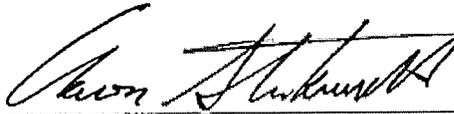
Cement Masons Local #400

Plasterers & Cement Masons Local #300

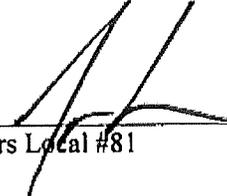
Northern California Carpenters Regional Council  
on behalf of itself and its affiliated Local Unions

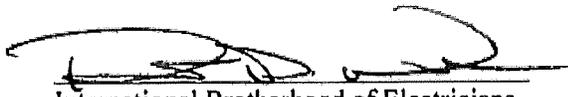
UA of Journeymen & Apprentices of the  
Plumbing & Pipe Fitting Ind. Local #355

District Council #16 International  
Union of Painters & Allied Trades

  
Plumbers & Pipefitters Local #447

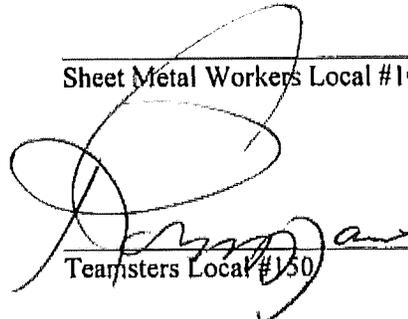
Elevator Constructors Local #8

  
Roofers Local #81

  
International Brotherhood of Electricians  
Local #340

Sheet Metal Workers Local #104

Sprinkler Fitters Local #669

  
Teamsters Local #150

Asbestos, Lead and Mold Laborers  
Local #67

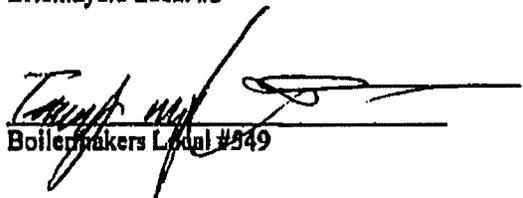
**UNIONS**

**Asbestos Workers Local #16**

**Iron Workers Local #118**

**Bricklayers Local #3**

**Laborers Local #185**

  
**Boilermakers Local #349**

**Operating Engineers Local #3**

**Cement Masons Local #400**

**Plasterers & Cement Masons Local #300**

**Northern California Carpenters Regional Council  
on behalf of itself and its affiliated Local Unions**

**UA of Journeymen & Apprentices of the  
Plumbing & Pipe Fitting Ind. Local #355**

**District Council #16 International  
Union of Painters & Allied Trades**

**Plumbers & Pipefitters Local #447**

**Elevator Constructors Local #8**

**Roofers Local #81**

**International Brotherhood of Electricians  
Local #340**

**Sheet Metal Workers Local #104**

**Sprinkler Fitters Local #669**

**Teamsters Local #150**

**Asbestos, Lead and Mold Laborers  
Local #67**

**UNIONS**

**Asbestos Workers Local #16**

**Iron Workers Local #118**

**Bricklayers Local #3**

**Laborers Local #185**

**Boilermakers Local #549**

**Operating Engineers Local #3**

*Cody J. Bit*  
**Cement Masons Local #400**

**Plasterers & Cement Masons Local #300**

**Northern California Carpenters Regional Council  
on behalf of itself and its affiliated Local Unions**

**UA of Journeymen & Apprentices of the  
Plumbing & Pipe Fitting Ind. Local #355**

**District Council #16 International  
Union of Painters & Allied Trades**

**Plumbers & Pipefitters Local #447**

**Elevator Constructors Local #8**

**Roofers Local #81**

**International Brotherhood of Electricians  
Local #340**

**Sheet Metal Workers Local #104**

**Sprinkler Fitters Local #669**

**Teamsters Local #150**

**Asbestos, Lead and Mold Laborers  
Local #67**

**UNIONS**

**Asbestos Workers Local #16**

**Iron Workers Local #118**

**Bricklayers Local #3**

**Laborers Local #185**

**Boilermakers Local #549**

**Operating Engineers Local #3**

**Cement Masons Local #400**

**Plasterers & Cement Masons Local #300**

**Northern California Carpenters Regional Council  
on behalf of itself and its affiliated Local Unions**

**UA of Journeymen & Apprentices of the  
Plumbing & Pipe Fitting Ind. Local #355**

  
**District Council #16 International  
Union of Painters & Allied Trades**

**Plumbers & Pipefitters Local #447**

**Elevator Constructors Local #8**

**Roofers Local #81**

**International Brotherhood of Electricians  
Local #340**

**Sheet Metal Workers Local #104**

**Sprinkler Fitters Local #669**

**Teamsters Local #150**

**Asbestos, Lead and Mold Laborers  
Local #67**

**UNIONS**

**Asbestos Workers Local #16**

**Iron Workers Local #118**

**Bricklayers Local #3**

**Laborers Local #185**

**Boilermakers Local #549**

**Operating Engineers Local #3**

**Cement Masons Local #400**

**Plasterers & Cement Masons Local #300**

**Northern California Carpenters Regional Council  
on behalf of itself and its affiliated Local Unions**

**UA of Journeymen & Apprentices of the  
Plumbing & Pipe Fitting Ind. Local #355**

**District Council #16 International  
Union of Painters & Allied Trades**

**Plumbers & Pipefitters Local #447**

  
**Elevator Constructors Local #8**

**Roofers Local #81**

**International Brotherhood of Electricians  
Local #340**

**Sheet Metal Workers Local #104**

**Sprinkler Fitters Local #669**

**Teamsters Local #150**

**Asbestos, Lead and Mold Laborers  
Local #67**

UNIONS

---

Asbestos Workers Local #16

---

Iron Workers Local #118

---

Bricklayers Local #3

---

Laborers Local #185

---

Boilermakers Local #549

---

Operating Engineers Local #3

---

Cement Masons Local #400

---

Plasterers & Cement Masons Local #300

---

Northern California Carpenters Regional  
Council on behalf of itself and its affiliated  
Local Unions

---

UA of Journeymen & Apprentices of the  
Plumbing & Pipe Fitting Ind. Local #355

---

District Council #16 International  
Union of Painters & Allied Trades

---

Plumbers & Pipefitters Local #447

---

Elevator Constructors Local #8

---

Roofers Local #81

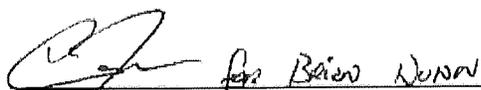
---

International Brotherhood of Electricians  
Local #340

---

Sheet Metal Workers Local #104

---

  
Sprinkler Fitters Local #669

---

Teamsters Local #150

Done SMUD PCC with NABTU Letter... 

UNIONS

Asbestos Workers Local #16

Iron Workers Local #118

Bricklayers Local #3

Laborers Local #185

Boilermakers Local #549

Operating Engineers Local #3

Cement Masons Local #400

Plasterers & Cement Masons Local #300

Northern California Carpenters Regional Council  
on behalf of itself and its affiliated Local Unions

UA of Journeymen & Apprentices of the  
Plumbing & Pipe Fitting Ind. Local #355

District Council #16 International  
Union of Painters & Allied Trades

Plumbers & Pipefitters Local #447

Elevator Constructors Local #8

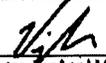
Roofers Local #81

International Brotherhood of Electricians  
Local #340

Sheet Metal Workers Local #104

Sprinkler Fitters Local #669

Teamsters Local #150

  
Asbestos, Lead and Mold Laborers  
Local #67



**UNIONS**

Asbestos Workers Local #16

Iron Workers Local #118

Bricklayers Local #3

Laborers Local #185

Boilermakers Local #549

  
Operating Engineers Local #3

Cement Masons Local #400

Plasterers & Cement Masons Local #300

Northern California Carpenters Regional Council  
on behalf of itself and its affiliated Local Unions

UA of Journeymen & Apprentices of the  
Plumbing & Pipe Fitting Ind. Local #355

District Council #16 International  
Union of Painters & Allied Trades

Plumbers & Pipefitters Local #447

Elevator Constructors Local #8

Roofers Local #81

International Brotherhood of Electricians  
Local #340

Sheet Metal Workers Local #104

Sprinkler Fitters Local #669

Teamsters Local #150

Asbestos, Lead and Mold Laborers  
Local #67

**UNIONS**

Asbestos Workers Local #16

Iron Workers Local #118

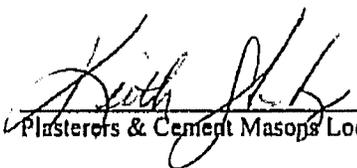
Bricklayers Local #3

Laborers Local #185

Boilermakers Local #549

Operating Engineers Local #3

Cement Masons Local #400

  
Plasterers & Cement Masons Local #300

Northern California Carpenters Regional Council  
on behalf of itself and its affiliated Local Unions

UA of Journeymen & Apprentices of the  
Plumbing & Pipe Fitting Ind. Local #355

District Council #16 International  
Union of Painters & Allied Trades

Plumbers & Pipefitters Local #447

Elevator Constructors Local #8

Roofers Local #81

International Brotherhood of Electricians  
Local #340

Sheet Metal Workers Local #104

Sprinkler Fitters Local #669

Teamsters Local #150

Asbestos, Lead and Mold Laborers  
Local #67

**UNIONS**

Asbestos Workers Local #16

Iron Workers Local #118

Bricklayers Local #3

Laborers Local #185

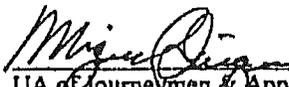
Boilermakers Local #549

Operating Engineers Local #3

Cement Masons Local #400

Plasterers & Cement Masons Local #300

Northern California Carpenters Regional Council  
on behalf of itself and its affiliated Local Unions

  
UA of Journeymen & Apprentices of the  
Plumbing & Pipe Fitting Ind. Local #355

District Council #16 International  
Union of Painters & Allied Trades

Plumbers & Pipefitters Local #447

Elevator Constructors Local #8

Roofers Local #81

International Brotherhood of Electricians  
Local #340

Sheet Metal Workers Local #104

Sprinkler Fitters Local #669

Teamsters Local #150

Asbestos, Lead and Mold Laborers  
Local #67

UNIONS

---

Asbestos Workers Local #16

---

Iron Workers Local #118

---

Bricklayers Local #3

---

Laborers Local #185

---

Boilermakers Local #549

---

Operating Engineers Local #3

---

Cement Masons Local #400

---

Plasterers & Cement Masons Local #300

---

Asbestos, Lead and Mold Laborers  
Local #67

---

UA of Journeymen & Apprentices of the  
Plumbing & Pipe Fitting Ind. Local #355

---

District Council #16 International  
Union of Painters & Allied Trades

---

Plumbers & Pipefitters Local #447

---

Elevator Constructors Local #8

---

  
Roofers Local #81  
& WATERPROOFERS

---

International Brotherhood of Electricians  
Local #340

---

Sheet Metal Workers Local #104

---

Sprinkler Fitters Local #669

---

Teamsters Local #150

---

Northern California Carpenters Regional  
Council on behalf of itself and its affiliated  
Local Unions

**UNIONS**

**Asbestos Workers Local #16**

**Iron Workers Local #118**

**Bricklayers Local #3**

**Laborers Local #185**

**Boilermakers Local #549**

**Operating Engineers Local #3**

**Cement Masons Local #400**

**Plasterers & Cement Masons Local #300**

**Northern California Carpenters Regional Council  
on behalf of itself and its affiliated Local Unions**

**UA of Journeymen & Apprentices of the  
Plumbing & Pipe Fitting Ind. Local #355**

**District Council #16 International  
Union of Painters & Allied Trades**

**Plumbers & Pipefitters Local #447**

**Elevator Constructors Local #8**

**Roofers Local #81**



**International Brotherhood of Electricians  
Local #340**

**Sheet Metal Workers Local #104**

**Sprinkler Fitters Local #669**

**Teamsters Local #150**

**Asbestos, Lead and Mold Laborers  
Local #67**

**ATTACHMENT A**

**PROJECT LABOR AGREEMENT**

**Project:** \_\_\_\_\_  
**Bid Number** \_\_\_\_\_

AGREEMENT TO BE BOUND

SACRAMENTO CITY UNIFIED SCHOOL DISTRICT

The undersigned hereby certifies and agrees that:

- 1.) It is a Contractor as that term is defined in Section 1.7 of the Sacramento City Unified School District Agreement (“Agreement”) because it has been, or will be, awarded a contract or subcontract to assign, award or subcontract Covered Work (as defined in Section 2.3) on the Project (as defined in Section 1.9), or to authorize another party to assign, award or subcontract Covered Work, or to perform Covered Work.
- 2.) In consideration of the award of such contract or subcontract, and in further consideration of the promises made in the Agreement and all attachments thereto (a copy of which was received and is hereby acknowledged), it accepts and agrees to be bound by the terms and conditions of the Agreement, together with any and all amendments and supplements now existing or which are later made thereto.
- 3.) If it performs Covered Work, it will be bound by the legally established trust agreements designated in local master collective bargaining agreements, and hereby authorizes the parties to such local trust agreements to appoint trustees and successor trustee to administer the trust funds, and hereby ratifies and accepts the trustees so appointed as if made by the undersigned.
- 4.) It has no commitments or agreements that would preclude its full and complete compliance with the terms and conditions of the Agreement.
- 5.) It will secure a duly executed Agreement to be Bound, in form identical to this document, from any Contractor(s) at any tier or tiers with which it contracts to assign, award, or subcontract Covered Work, or to authorize another party to assign, award or subcontract Covered Work, or to perform Covered Work, and it will provide a copy of such executed Agreement to be Bound to the Sacramento-Sierra

Building & Construction Trades Council within fifteen (15) days of such contracting or subcontracting in accordance with Section 3.2 of the Agreement.

DATED: \_\_\_\_\_ Name of Contractor \_\_\_\_\_  
\_\_\_\_\_  
(Authorized Officer & Title)  
\_\_\_\_\_  
\_\_\_\_\_  
(Address)

## ATTACHMENT B

### PROJECT LABOR AGREEMENT

**Project:** \_\_\_\_\_  
**Bid Number** \_\_\_\_\_

**Construction Technology Academy.** The parties have agreed to work with the Construction Technology Academy ("Academy") operated at the Sacramento City Unified School District's comprehensive high schools to carry out the training and employment objectives of this Attachment B. The overall objectives are to:

- (a) offer opportunities and skills necessary to enter post-secondary study and to pursue lifelong learning within the broader context of the building trades industry and construction management industry; and
- (b) develop and reinforce academic course contents standards in order to maximize career opportunities and technical competency.

**Academy Steering Committee.** In order to facilitate the goals of the Academy, the District and Council agree to create a steering committee ("Committee") which will conduct meetings as determined by the District during the school year to develop the goals of the Academy; plan for the presentation and content of training lectures to facilitate employable skills in the construction trades; develop a summer schedule for training; organize and develop summer internship positions; assist in planning curriculum scope and sequencing; design co-curricular activities; identify sources for educational and financial support; and otherwise initiate steps to carry out the goals of the Academy.

The committee shall consist of eight (8) members, with three (3) of the members representing building trades JATCs, two (2) members representing the Sacramento-Sierra Building and Construction Trades Council ("Council") and three (3) members representing the District. The Academy Steering Committee, in coordination with the District's Career Services representative, shall develop and implement a plan for annual assessment of the goals and objectives of Attachment B in order to maximize the employability of the summer interns described below. A quorum for the Committee meeting shall be at least one member representing the building trades JATCs; one member representing the Council; and one member representing the District.

- (1) **Annual Training Summer Sessions.** Annual summer intern training sessions developed by the Academy Steering Committee shall be made available for qualified District students nominated by the District and accepted by the Academy Steering Committee.
  - (a) **Purpose of Summer Training Sessions.** The purpose of the summer intern training sessions is to teach the interns employable skills in the construction trades and soft job skills applicable to any job setting. The skills sets to be taught will be determined by the Academy Steering

Committee. Examples of such are work site safety, proper use of construction tools, general employability skills and drug and alcohol information. The sessions shall include classroom and job visit components.

- (b) **Number of Interns.** The goal for the summer programs for the term of the Agreement shall be a maximum of twenty (20) internships available for students nominated by the District and approved by the Academy Steering Committee. The actual number of interns shall be determined and selected by the District.
  - (c) **Number and Scope of Training Sessions.** For the first year, the number of summer training sessions shall not be less than eight (8) with each session lasting a minimum of four (4) hours. The scope of the training sessions, and the presenters, shall be developed by the Academy Steering Committee. The location of the summer training centers will be at a JATC and the JATC's will provide presenters. Attendances at the training sessions are mandatory in order to be eligible for a summer internship.
  - (d) **Cost.** The District shall incur the costs of the interns. After the first year, a report shall be submitted to the Board of the costs incurred by the District and the costs incurred as provided by the Council, through the local Unions.
- (2) **Employment of Interns.** The interns shall be paid an hourly rate as required by law, but not for periods of time attending the classroom training sessions. The training sessions shall occur over a minimum of four (4) and maximum of five (5) weeks. The number of interns each year shall be determined by the District pursuant to (1)(b) above. Due to safety, prevailing wage and state law restrictions, the interns shall not be employed directly on the public works projects that are the subject of the Project Labor Agreement and this Attachment B.
- (3) **Intern Program and Priority on California Apprenticeship Council Approved Program Apprenticeship Lists.**
- (a) **Post-graduate Training.** The Academy Steering Committee will collaborate with post-graduate training programs, such as the Northern California Construction Training and American River College's Stripe Program, in order to assist graduates in obtaining an internship into a JATC.
  - (b) **Priority on Apprenticeship List.** The training and employment program of the interns shall be developed by the Academy Steering Committee such that graduating interns shall possess the skills, training, and educational background to help the graduate achieve priority on the lists of the building trades to the degree allowed under each JATC's application process

including those programs that allow direct entry. It is recognized that the Apprenticeship Programs operate according to existing Standards approved by the California Department of Industrial Relations, Division of Apprenticeship Standards, and the standards set forth in the collective bargaining agreements for each building trades union and that any such priority shall be in accordance with such Standards and agreements.

- (4) **District Staff Training.** The parties have also agreed that the Academy Steering Committee will explore opportunities to utilize the Academy's construction skills training program, including work site safety and proper use of construction tools, to enhance the skills of District maintenance and construction staff.
- (5) **Binding Effect.** This Attachment B shall be deemed incorporated into the Agreement as if set forth fully and at length in the Agreement and is binding in accordance with its terms. However, nothing in this Attachment B shall supersede the provisions of the Project Labor Agreement, a Master Agreement or the approved standards for any building trades' union apprenticeship program.

**Amendment Extending Term of  
Project Labor Agreement  
for the  
Sacramento City Unified School District**

This Amendment ("Amendment") to the Project Labor Agreement for the Sacramento City Unified School District ("PLA") is entered into by and between the Sacramento City Unified School District ("District"), together with contractors and/or subcontractors who previously became signatory to the PLA and this Amendment by signing the "Agreement To Be Bound" (PLA Attachment A), and the Sacramento-Sierra Building & Construction Trades Council ("Council") and the local Unions that have executed this Amendment (collectively, the "Parties").

**WHEREAS**, the Parties entered into the PLA on or about November 16, 2017; and

**WHEREAS**, Section 17.1 of the PLA provides the term of the PLA shall be for a period of four (4) years from the date approved by the District's Board of Education on November 16, 2017; and

**WHEREAS**, the Parties desire to extend the term of the PLA for a period of six (6) months through and including May 16, 2022.

**NOW THEREFORE**, for good and valuable consideration, the Parties agree as follows:

1. The term of the PLA shall be extended to May 16, 2022.
2. This Amendment shall not alter or affect in any way any other portion of the PLA. All other terms of the PLA remain in full force and effect.

**IN WITNESS WHEREOF**, the Parties execute this Amendment on the dates set forth below.

Sacramento City Unified School District

\_\_\_\_\_  
Name: Christina Pritchett  
Title: President

Date: November \_\_, 2021

Sacramento-Sierra Building and  
Construction Trades Council

\_\_\_\_\_  
Name: Kevin Ferreira  
Title: President

Date: \_\_\_\_\_

## UNIONS

---

Asbestos Workers Local #16

---

Iron Workers Local #118

---

Asbestos, Lead and Mold Laborers  
Local #67

---

Laborers Local #185

---

Boilermakers Local #549

---

Northern California Carpenters Regional  
Council on behalf of itself and its affiliated  
Local Unions

---

Bricklayers Local #3

---

Operating Engineers Local # 3

---

Cement Masons Local #400

---

Plasterers & Cement Masons Local #300

---

District Council #16 International Union of  
Painters & Allied Trades

---

Plumbers & Pipefitters Local #447

---

Elevator Constructors Local #8

---

Roofers Local #81

---

International Brotherhood of Electricians  
Local #340

---

Sheet Metal Workers Local #104

---

Sprinkler Fitters Local #669

---

Teamsters Local #150

---

UA of Journeymen & Apprentices of the  
Plumbing & Pipe Fitting Ind. Local #355



# SACRAMENTO CITY UNIFIED SCHOOL DISTRICT BOARD OF EDUCATION

Agenda Item# 12.1b

**Meeting Date:** April 7, 2022

**Subject:** Approve Personnel Transactions

- Information Item Only
- Approval on Consent Agenda
- Conference (for discussion only)
- Conference/First Reading (Action Anticipated: \_\_\_\_\_)
- Conference/Action
- Action
- Public Hearing

**Division:** Human Resources Services

**Recommendation:** Approve Personnel Transactions

**Background/Rationale:** N/A

**Financial Considerations:** N/A

**LCAP Goal(s):** Safe, Clean and Healthy Schools

**Documents Attached:**

1. Certificated Personnel Transactions Dated April 7, 2022
2. Classified Personnel Transactions Dated April 7, 2022

<p><b>Estimated Time of Presentation:</b> N/A <b>Submitted by:</b> Cancy McArn, Chief Human Resources Officer <b>Approved by:</b> Jorge A. Aguilar, Superintendent</p>
--





**Attachment 2: CLASSIFIED 4/7/2022**

NameLast	NameFirst	JobPerm	JobClass	PrimeSite	BegDate	EndDate	Comment
<b>EMPLOY/ REEMPLOY</b>							
AARON	DERRON	B	Campus Monitor	ALBERT EINSTEIN MIDDLE SCHOOL	2/24/2022	6/30/2022	EMPLOY PROB 2/24/22
AULIN	CODY	B	Campus Monitor	SUCCESS ACADEMY	3/14/2022	6/30/2022	EMPLOY PROB 3/14/22
AULIN	RYAN	B	Campus Monitor	WEST CAMPUS	9/1/2021	6/30/2022	EMPLOY PROB 9/1/22
HEU	KATIE	B	Personnel Tech I	HUMAN RESOURCE SERVICES	3/14/2022	6/30/2022	EMPLOY PROB 3/14/22
JOHNSON	JONATHAN	B	Campus Monitor	JOHN F. KENNEDY HIGH SCHOOL	3/7/2022	6/30/2022	EMPLOY PROB 3/7/22
LAUD	AZIZI	B	School Office Manager I	TAHOE ELEMENTARY SCHOOL	2/28/2022	6/30/2022	EMPLOY PROB 2/28/22
MOLINA ESPINOZA	CLAUDIA	B	Noon Duty	SEQUOIA ELEMENTARY SCHOOL	3/2/2022	6/30/2022	EMPLOY PROB 3/2/22
OSORIO REMIGIO	LESLEY	B	Personnel Tech I	HUMAN RESOURCE SERVICES	3/14/2022	6/30/2022	EMPLOY PROB 3/14/22
SALGADO	VANESSA	B	Inst Aid, Spec Ed	BRET HARTE ELEMENTARY SCHOOL	3/8/2022	6/30/2022	EMPLOY PROB 3/8/22
SLADE	MARISOL	B	Noon Duty	CAROLINE WENZEL ELEMENTARY	1/31/2022	6/30/2022	EMPLOY PROB 1/31/22
<b>LEAVES</b>							
ANDERSON	TATSIANA	A	Inst Aid, Spec Ed	EDWARD KEMBLE ELEMENTARY	3/14/2022	6/16/2022	LOA (UNPD) 3/14-6/16/22
EDDINGS	MARIAH	A	Inst Aid, Spec Ed	HIRAM W. JOHNSON HIGH SCHOOL	5/2/2022	5/27/2022	LOA (PD) FMLA/CFRA 5/2-5/27/22
EDDINGS	MARIAH	A	Inst Aid, Spec Ed	HIRAM W. JOHNSON HIGH SCHOOL	5/28/2022	6/30/2022	LOA RTN (PD) FMLA/CFRA 5/28/2022
EHRK	STEPHANIE	B	School Office Manager II	ALBERT EINSTEIN MIDDLE SCHOOL	3/7/2022	6/30/2022	LOA (PD) FMLA/CFRA 3/7-5/27/22
PATRICK	THUYVAN	B	Special Ed Applications Spclst	SPECIAL EDUCATION DEPARTMENT	2/11/2022	4/10/2022	LOA (PD) 2/11/22 - 4/10/22
PATRICK	THUYVAN	B	Special Ed Applications Spclst	SPECIAL EDUCATION DEPARTMENT	4/11/2022	6/30/2022	LOA (PD) FMLA/CFRA 4/11/22-6/30/22
PENA	YOLANDA	A	Bus Driver	TRANSPORTATION SERVICES	1/3/2022	3/14/2022	LOA (PD) 1/3/22 - 3/14/22
PENA	YOLANDA	A	Bus Driver	TRANSPORTATION SERVICES	3/15/2022	3/31/2022	EXT LOA (PD) 3/15/22 - 3/21/22
<b>RE-ASSIGN/STATUS CHANGE</b>							
ARRENDONDO	LORETTA	B	Inst Aid, Spec Ed	JOHN BIDWELL ELEMENTARY	3/7/2022	6/30/2022	REA/STCHG 3/7/22
BRADLEY	MELVINIA	A	Noon Duty	LEATAATA FLOYD ELEMENTARY	9/2/2021	6/30/2022	STCHG 9/2/21
CERDA	ADA	A	Instructional Aide	BOWLING GREEN ELEMENTARY	1/28/2022	6/30/2022	REA/SCHG 1/28/22
CHAPEL	JEFFREY	A	Noon Duty	LEATAATA FLOYD ELEMENTARY	9/2/2021	6/30/2022	STCHG 9/2/21
CHAVEZ	ANGIE	B	Fund Spec	BUDGET SERVICES	3/14/2022	3/30/2022	REA/STCHG 3/14/22
COOMBS	JASON	B	Registrar	AMERICAN LEGION HIGH SCHOOL	4/1/2022	6/30/2022	REA/STCHG 4/1/22
FRAZIER	DENNIS	B	Bus Driver	TRANSPORTATION SERVICES	3/4/2022	6/30/2022	STCHG 3/4/22
GONZALEZ	ANGELA	B	Prsnl Tech, Substitute Srvs	HUMAN RESOURCE SERVICES	2/28/2022	6/30/2022	REA/STCHG 2/28/22
GONZALEZ	SANDRA	A	Foster Youth Srvs Prog Assct	FOSTER YOUTH SERVICES PROGRAM	7/1/2021	6/30/2022	REA/STCHG 7/1/21
HINOJOSA ORTIZ	ANGELINA	A	Noon Duty	ELDER CREEK ELEMENTARY SCHOOL	9/27/2021	6/30/2022	STCHG 9/27/21
NEWLAND	TERI	A	Instructional Aide	JAMES W MARSHALL ELEMENTARY	9/2/2021	3/31/2022	STCHG 9/2/21
PEREZ ZURAWSKI	LOGAN	A	Warehouse Worker	DISTRIBUTION SERVICES	3/15/2022	6/30/2022	STCHG 3/15/22
PETERSON	SHERRELL	B	Child Develop Prgms Tech	EARLY LEARNING & CARE PROGRAMS	2/22/2022	6/30/2022	REA/STCHG 2/22/22
RAMIREZ	FABIOLA	B	Nut Svc Inv Con Fac	NUTRITION SERVICES DEPARTMENT	3/21/2022	6/30/2022	REA/STCHG 3/21/22
SULLI	JESSICA	B	Medi-Cal Rmbrsmnt Prog Spclst	SPECIAL EDUCATION DEPARTMENT	4/1/2022	6/30/2022	REA/STCHG 4/1/22
TRUJILLO	LAURA	B	Noon Duty	SEQUOIA ELEMENTARY SCHOOL	9/2/2021	2/28/2022	STCHG 9/2/21
ZAVALA ESPINO	JOHANA	A	Morning Duty	OAK RIDGE ELEMENTARY SCHOOL	9/2/2021	11/30/2021	STCHG 9/2/21
ZAVALA ESPINO	JOHANA	A	Noon Duty	OAK RIDGE ELEMENTARY SCHOOL	9/2/2021	11/30/2021	STCHG 9/2/21
<b>SEPARATE / RESIGN / RETIRE</b>							
BLOUNT	ALEXANDRIA	A	School Office Manager II	CALIFORNIA MIDDLE SCHOOL	2/26/2022	3/11/2022	SEP/RESIGN 3/11/22
ESCOBAR	JASMINE	B	Clerk I	JOHN H. STILL - K-8	11/1/2021	3/4/2022	SEP/RESIGN 3/4/22
GARCIA	MELIZA	A	Bus Driver	TRANSPORTATION SERVICES	7/1/2021	2/14/2022	SEP/RESIGN 2/14/22
GONSALVES	TAMARA	B	Adult Edctn Testing Proctor	A.WARREN McCLASKEY ADULT	12/10/2021	2/28/2022	SEP/39MO 2/28/22
HOPE	JODIE	B	Noon Duty	CROCKER/RIVERSIDE ELEMENTARY	11/8/2021	2/11/2022	SEP/RESIGN 2/11/22
MORRIS	JEFFREY	B	Electrician	FACILITIES MAINTENANCE	7/1/2021	3/7/2022	SEP/RESIGN 3/7/22
MOYA	ROSE	B	Sup II, Child Dev Registration	EARLY LEARNING & CARE PROGRAMS	7/1/2021	6/30/2022	SEP/RETIRE 6/30/22
ORTIZ	JACKLYNN	B	Noon Duty	JOHN CABRILLO ELEMENTARY	10/29/2021	2/11/2022	SEP/RESIGN 2/11/22

NameLast	NameFirst	JobPerm	JobClass	PrimeSite	BegDate	EndDate	Comment
OSHITA	GARY	A	Refrig Mech/Caf Eq Rpr	NUTRITION SERVICES DEPARTMENT	7/1/2021	1/28/2022	SEP/TERM 1/28/22
RAMIREZ	EMILI	B	Clerk III	CHARLES A. JONES CAREER & ED	11/29/2021	3/1/2022	SEP/RESIGN 3/1/22
RITCHESON-FISCHER	KIM	A	Bus Driver	TRANSPORTATION SERVICES	7/1/2021	4/8/2022	SEP/RETIRE 4/08/22
ROSE	JULIE	A	Custodian	HIRAM W. JOHNSON HIGH SCHOOL	9/2/2021	5/1/2022	SEP/RETIRE 5/1/22
SOUSA	MASON	B	Inst Aid, Spec Ed	BRET HARTE ELEMENTARY SCHOOL	2/1/2022	3/16/2022	SEP/RESIGN 3/16/22
TORRES	LISA	A	State/Federal Accounting Tech	CONSOLIDATED PROGRAMS	1/3/2022	3/17/2022	SEP/39MO 3/17/22
<b>TRANSFERED</b>							
HERNANDEZ-MCCARLEY	THELMA	B	Inst Aid, Spec Ed	FERN BACON MIDDLE SCHOOL	3/10/2022	6/30/2022	TR 3/10/22



# SACRAMENTO CITY UNIFIED SCHOOL DISTRICT BOARD OF EDUCATION

Agenda Item# 12.1c

**Meeting Date:** April 7, 2022

**Subject:** Approve Staff Recommendations for Expulsion #4, 2021-22

- Information Item Only
- Approval on Consent Agenda
- Conference (for discussion only)
- Conference/First Reading (Action Anticipated: \_\_\_\_\_)
- Conference/Action
- Action
- Public Hearing

**Division:** Student Hearing and Placement Department

**Recommendation:** Approve staff recommendation for Expulsions #4, 2021-22

**Background/Rationale:** None

**Financial Considerations:** None

**LCAP Goal(s):** College, Career and Life Ready Graduates

**Documents Attached:**

None

**Estimated Time of Presentation:** N/A  
**Submitted by:** Doug Huscher, Assistant Superintendent, Student Support Services  
Stephan Brown, Director II  
**Approved by:** Jorge A. Aguilar, Superintendent



# SACRAMENTO CITY UNIFIED SCHOOL DISTRICT BOARD OF EDUCATION

Agenda Item# 12.1d

**Meeting Date:** April 7, 2022

**Subject:** **Approve Resolution No. 3263: Establishing a General Obligation Bond Citizens' Oversight Committee and Approving By-Laws and Guidelines for Conduct of the Committee**

- Information Item Only
- Approval on Consent Agenda
- Conference (for discussion only)
- Conference/First Reading
- Conference/Action
- Action
- Public Hearing

**Division:** Business Services

**Recommendation:** Approve of Resolution #3263 Appointing Bond Oversight Committee and Approving By-Laws and Guidelines for Conduct of the Committee.

**Background/Rationale:** On March 3, 2020, District voters passed Measure H, a Proposition 39 general obligation bond election authorizing the issuance of \$750 million of general obligation bonds. The attached resolution will establish the Measure H Bond Oversight Committee ("BOC"). This resolution adopts by-laws and guidelines for the appointment and operation of the BOC. The Administration will recruit members for the BOC and replace members as their terms expire.

**Financial Considerations:** None

**LCAP Goal(s):** Family and Community Engagement; Operational Excellence

**Documents Attached:**

1. Resolution No. 3263
2. Sacramento City Unified School District Bond Oversight Committee By-Laws (Revised for Bond Measure H)

<p><b>Estimated Time of Presentation:</b> n/a <b>Submitted by:</b> Rose Ramos, Chief Business Officer <b>Approved by:</b> Jorge A. Aguilar, Superintendent</p>
--

## RESOLUTION NO. 3263

### RESOLUTION ESTABLISHING A GENERAL OBLIGATION BOND CITIZENS' OVERSIGHT COMMITTEE

WHEREAS, the issuance of not to exceed \$750,000,000 aggregate principal amount of general obligation bonds (the "Authorization") of the Sacramento City Unified School District (the "District"), Sacramento County (the "County"), State of California, was authorized at an election (the "Election") held in said District on March 3, 2020, the proceeds of which are to be used for the acquisition, construction, improvement, equipping and furnishing of various capital facilities of the District; and

WHEREAS, the Sacramento County Registrar of Voters has certified to the effect that the official canvass of returns for the Election reflected that more than 55% of the votes cast on the District's bond measure submitted to the voters at the Election (the "Measure") were cast in favor of the Measure, and such result has been entered in the minutes of this Board of Education of the District (the "Board"); and

WHEREAS, the Board now wishes to establish a citizens' oversight committee with respect to the District's general obligation bonds to be issued pursuant to the Authorization (the "Bonds") in accordance with Section 15278 et seq. of the Education Code (the "Act") and to approve Bylaws governing such committee;

NOW, THEREFORE, BE IT RESOLVED by the Board of Education of Sacramento City Unified School District, as follows:

1. Recitals. The foregoing recitals are true and correct.
2. Establishment of Committee. The Board hereby establishes a citizens' oversight committee for the Bonds to serve in accordance with the provisions of Section 15278 et. seq. of the Education Code (the "Committee").
3. Approval of By-Laws. The Board hereby approves the form of By-Laws attached as Exhibit A. The Committee shall operate pursuant to the Board approved Bylaws. The Committee shall have only those responsibilities granted to them in the Act and in the Bylaws.
4. Other Actions. Officers of the Board and members of the Committee established hereunder are hereby authorized and directed, jointly and severally, to do any and all things and to execute and deliver any and all documents which they may deem necessary or advisable in order to give effect to and comply with the terms and intent of this Resolution. Such actions heretofore taken by such officers, officials and staff are hereby ratified, confirmed and approved.

5. This resolution shall take effect immediately upon its adoption.

The foregoing resolution was, on the \_\_\_\_ day of April, 2022, adopted by the Board of Education of the Sacramento City Unified School District at a regular meeting by the following vote:

AYES: \_\_\_\_\_

NOES: \_\_\_\_\_

ABSENT: \_\_\_\_\_

Secretary of the Board of Education of the  
Sacramento City Unified School District

By: \_\_\_\_\_

## EXHIBIT A

### SACRAMENTO CITY UNIFIED SCHOOL DISTRICT CITIZENS' BOND OVERSIGHT COMMITTEE BYLAWS

**Section 1. Committee Established.** Sacramento City Unified School District (the "District") was successful at the election conducted on March 3, 2020, in obtaining authorization from the District's voters to issue up to \$750,000,000 aggregate principal amount of the District's general obligation bonds, pursuant to a 55% vote (the "Authorization"). The election was conducted under Proposition 39, being chaptered as the Strict Accountability in Local School Construction Bonds Act of 2000, at Section 15264 et seq. of the Education Code of the State ("Prop 39"). Pursuant to Section 15278 of the Education Code, the District is now obligated to establish the Committee in order to satisfy the accountability requirements of Prop 39. The Board of Education of the Sacramento City Unified School District (the "Board") hereby establishes the Citizens' Bond Oversight Committee (the "Committee") which shall have the duties and rights set forth in these Bylaws.

**Section 2. Purposes.** The purposes of the Committee are set forth in Prop 39, and these Bylaws are specifically made subject to the applicable provisions of Prop 39 as to the duties and rights of the Committee. The Committee shall be deemed to be subject to the Ralph M. Brown Public Meetings Act of the State of California and shall conduct its meetings in accordance with the provisions thereof. The District shall provide necessary administrative support to the Committee as shall be consistent with the Committee's purposes, set forth in Prop 39.

The proceeds of general obligation bonds issued pursuant to the Authorization are hereinafter referred to as "Bond Proceeds."

**Section 3. Duties.** To carry out its stated purposes, the Committee shall perform the following duties:

3.1 **Review Expenditures.** The Committee shall review expenditure reports produced by the District to ensure that (a) Bond Proceeds are expended only for the purposes set forth in the ballot measure; (b) no Bond Proceeds are used for any teacher or administrative salaries or other operating expenses of the District.

3.2 **Annual Report.** The Committee shall present to the Board, in public session, an annual written report which shall include the following:

(a) A statement indicating whether the District is in compliance with the requirements of Article XIII A, Section 1(b)(3) of the California Constitution; and

(b) A summary of the Committee's proceedings and activities for the preceding year.

**Section 4. Authorized Activities.**

4.1 In order to perform the duties set forth in Section 3.0, the Committee may engage in the following authorized activities:

(a) Receive and review copies of the District's annual independent performance audit and annual independent financial audit, required by Article XIII A of the California Constitution.

(b) Inspect school site facilities and grounds for which Bond Proceeds have been or will be expended, in accordance with any access procedure established by the Superintendent.

(c) Review copies of deferred maintenance proposal or plans developed by the District.

(d) Review the District's efforts to maximize use of Bond Proceeds in ways designed to: (1) reduce costs of professional fees or site acquisition; (2) incorporate efficiencies in school site design; (3) encourage joint use of core facilities; or (4) involve cost-effective and efficient reusable facility plans.

4.2 Make requests for copies or inspection of District records in writing to the District's Superintendent.

### **Section 5. Membership.**

5.1 Number. The Committee shall consist of a minimum of 7 members appointed by the Board from a list of candidates based on criteria established by Prop 39, to wit:

- (1) at least one representative of the local business community;
- (2) at least one person active in a senior citizens' organization;
- (3) at least one person active in a bona fide taxpayers' organization;
- (4) the parent or guardian of a child who is enrolled in the District;

(5) the parent or guardian of a child enrolled in the District and active in a parent-teacher organization, such as the Parent Teacher Association or schoolsite council.

### 5.2 Qualification Standards.

(a) To be a qualified person, he or she must be at least 18 years of age, in accordance with Government Code Section 1020.

(b) The Committee may not include any employee, official of the District or any vendor, contractor or consultant of the District.

5.3 Ethics; Conflicts of Interest. By accepting appointment to the Committee, each member agrees to comply with Articles 4 (commencing with Section 1090) and 4.7 (commencing with Section 1125) of Division 4 of Title 1 of the Government Code and the Political Reform Act (Gov. Code §§ 81000 et seq.).

Additionally, each member shall comply with the Committee Ethics Policy attached as Attachment A to these Bylaws.

5.4 Term. Except as otherwise provided herein, each member shall serve a minimum term of two (2) years, beginning \_\_\_\_\_, 2022. No member may serve more than three (3) consecutive terms. At the Committee's first meeting, members shall draw lots to select a minimum majority for an initial two (2)-year term and the remaining members for an initial one (1)-year term.

5.5 Removal; Vacancy. The Board may remove any Committee member for cause, including failure to attend three consecutive Committee meetings or for failure to comply with the Committee Ethics Policy. Upon a member's removal, his or her seat shall be declared vacant. The Board, in accordance with the established appointment process, shall fill any vacancies on the Committee.

5.6 Compensation. The Committee members shall not be compensated for their services.

### **Section 6. Meetings of the Committee.**

6.1 Regular Meetings. The Committee shall establish a schedule for the date and time of regular meetings to be held periodically to include an annual organizational meeting to be held annually.

6.2 Location. All meetings shall be held at \_\_\_\_\_, located at Sacramento, California, or at some other location within the District freely accessible to the public, as may be designated by the Committee on the particular agenda.

6.3 Procedures. All meetings shall be open to the public in accordance with the Ralph M. Brown Act, Government Code Section 54950 et seq. Meetings shall be conducted according to such additional procedural rules as the Committee may adopt. A majority of the number of Committee members shall constitute a quorum for the transaction of any business except adjournment.

### **Section 7. District Support.**

7.1 The District shall provide to the Committee necessary technical and administrative assistance as follows:

(a) preparation of and posting of public notices as required by the Brown Act, ensuring that all notices to the public are provided in the same manner as notices regarding meetings of the Board;

(b) provision of a meeting room, including any necessary audio/visual equipment;

(c) preparation and copies of any documentary meeting materials, such as agendas and reports; and

(d) retention of all Committee records, and providing public access to such records on an Internet website maintained by the District.

7.2 District staff shall attend all Committee proceedings in order to report on the status of projects and the expenditures of Bond Proceeds.

**Section 8. Reports.** In addition to the Annual Report required in Section 3.2, the Committee shall report to the Board periodically in order to advise the Board on the activities of the Committee. Such report shall be in writing and shall summarize the proceedings and activities conducted by the Committee.

**Section 9. Officers.** The Committee shall elect a chair and a vice-chair who shall act as chair only when the chair is absent, which positions shall continue for two (2) year terms. No person shall serve as Chair for more than two consecutive terms.

**Section 10. Amendment of Bylaws.** Any amendment to these Bylaws shall be approved by a two-thirds vote of the entire Board.

**Section 11. Termination.** The Committee shall automatically terminate and disband at the earlier of the date when (a) all Bond Proceeds are spent, or (b) all projects funded by Bond Proceeds are completed.

**ATTACHMENT A  
CITIZENS' BOND OVERSIGHT COMMITTEE  
ETHICS POLICY STATEMENT**

This Ethics Policy Statement provides general guidelines for Committee members to follow in carrying out their roles. Not all ethical issues that Committee members face are covered in this Statement. However, this Statement captures some of the critical areas that help define ethical and professional conduct for Committee members. The provisions of this Statement were developed from existing laws, rules, policies and procedures as well as from concepts that define generally accepted good business practices. Committee members are expected to strictly adhere to the provisions of this Ethics Policy.

**POLICY**

- **CONFLICT OF INTEREST.** A Committee member shall not make or influence a District decision related to: (1) any contract funded by Bond Proceeds or (2) any District construction project which will benefit the committee member's outside employment, business, or a personal finance or benefit an immediate family member, such as a spouse, child or parent.

- **OUTSIDE EMPLOYMENT.** A Committee member shall not use his or her authority over a particular matter to negotiate future employment with any person or organization that relates to: (1) any contract funded by Bond Proceeds, or (2) any District construction project. A Committee member shall not make or influence a District decision related to any construction project involving the interest of a person with whom the member has an agreement concerning current or future employment, or remuneration of any kind. For a period of two (2) years after leaving the Committee, a former Committee member may not represent any person or organization for compensation in connection with any matter pending before the District that, as a Committee member, he or she participated in personally and substantially. Specifically, for a period of two (2) years after leaving the Committee, a former Committee member and the companies and businesses for which the member works shall be prohibited from contracting with the District with respect to: (a) bidding on projects funded by Bond Proceeds; and (b) any District construction project.

- **COMMITMENT TO UPHOLD LAW.** A Committee member shall uphold the federal and California Constitutions, the laws and regulations of the United States and the State of California (particularly the Education Code) and all other applicable government entities, and the policies, procedures, rules and regulations of the Sacramento City Unified School District.

- **COMMITMENT TO DISTRICT.** A Committee member shall place the interests of the District above any personal or business interest of the member.



# SACRAMENTO CITY UNIFIED SCHOOL DISTRICT BOARD OF EDUCATION

Agenda Item# 12.1e

**Meeting Date:** April 7, 2022

**Subject:** **Approve Resolution No. 3262: Resolution of the Board of Education of the Sacramento City Unified School District Entering Election Results Into the Minutes and Certifying to the Board of Supervisors of Sacramento County All Proceedings in the March 3, 2020, General Obligation Bond Election**

- Information Item Only
- Approval on Consent Agenda
- Conference (for discussion only)
- Conference/First Reading
- Conference/Action
- Action
- Public Hearing

**Division:** Business Services

**Recommendation:** Approve Resolution #3262 Declaring Results of School Bond Election held on March 3, 2020.

**Background/Rationale:** On March 3, 2020, District voters passed Measure H, a Proposition 39 general obligation bond election authorizing the issuance of \$750 million of general obligation bonds. The attached resolution will approve the certified Certificate of Facts Measure H received from the Sacramento County Registrar of Voters; declares that at least 55% of the votes cast were in favor of the bonds; certifies that the election proceedings were conducted in compliance with applicable law, and authorizes the Superintendent to deliver a Certificate of Election Proceedings to the Sacramento County Board of Supervisors.

**Financial Considerations:** None

**LCAP Goal(s):** Family and Community Engagement; Operational Excellence

**Documents Attached:**

1. Resolution
2. Certificate of Facts Measure H

<p><b>Estimated Time of Presentation:</b> N/A <b>Submitted by:</b> Rose Ramos, Chief Business Officer <b>Approved by:</b> Jorge A. Aguilar, Superintendent</p>
--

**SACRAMENTO CITY UNIFIED SCHOOL DISTRICT**

**RESOLUTION NO. 3262**

**RESOLUTION OF THE BOARD OF EDUCATION OF THE SACRAMENTO CITY UNIFIED SCHOOL DISTRICT ENTERING ELECTION RESULTS INTO THE MINUTES AND CERTIFYING TO THE BOARD OF SUPERVISORS OF SACRAMENTO COUNTY ALL PROCEEDINGS IN THE MARCH 3, 2020 GENERAL OBLIGATION BOND ELECTION**

WHEREAS, the Board of Education of the Sacramento City Unified School District (the “District”) previously adopted a resolution requesting Sacramento County (the “County”) to call an election for general obligation bonds (the “Bond Election”) to be held on March 3, 2020; and

WHEREAS, such resolution was duly delivered to the Registrar of Voters and County Clerk-Recorder of the County; and

WHEREAS, notice of the Bond Election was duly given; and

WHEREAS, on March 3, 2020, the Bond Election was duly held and conducted for the purpose of voting a measure for the issuance of bonds of the District in the amount of \$750,000,000 (“Measure H”); and

WHEREAS, the Board of the District has received from the County’s Registrar of Voters/County Clerk-Recorder the Canvass Certificate and Official Statement of Results (the “Canvass”) of the Bond Election; and

WHEREAS, it appears from the Canvass, a copy of which is attached hereto as Exhibit “A,” that more than fifty-five percent of the votes cast on Measure H were in favor of issuing the aforementioned bonds;

**NOW, THEREFORE, THE BOARD OF EDUCATION OF THE SACRAMENTO CITY UNIFIED SCHOOL DISTRICT DOES HEREBY FIND, DETERMINE AND CERTIFY AS FOLLOWS:**

Section 1. That entry be made upon the minutes of the meeting that Measure H has been approved by more than fifty-five percent of the votes cast at the Bond Election.

Section 2. That all proceedings of the District in connection with the Bond Election have been accomplished according to law.

Section 3. That the Clerk of the Board is hereby requested to deliver a copy of this Resolution with the Canvass to the County’s Superintendent of Schools and the Clerk of the Board of Supervisors.

**PASSED, ADOPTED AND APPROVED** this 7th day of April, 2022, by the following vote:

AYES:

NOES:

ABSENT:

ABSTENTIONS:

---

President, Board of Education  
Sacramento City Unified School District

Attest:

---

Secretary to the Board of Education  
Sacramento City Unified School District

STATE OF CALIFORNIA            )  
  )ss  
SACRAMENTO COUNTY            )

I, Jorge A. Aguilar, do hereby certify that the foregoing Resolution No. \_\_\_\_\_ was duly adopted by the Board of Education of the Sacramento City Unified School District at a meeting thereof held on the 7th day of April, 2022 and that it was so adopted by the following vote:

AYES:

NOES:

ABSENT:

ABSTENTIONS:

By: \_\_\_\_\_  
Secretary

EXHIBIT A

Canvass and Statement of Results



# SACRAMENTO CITY UNIFIED SCHOOL DISTRICT BOARD OF EDUCATION

Agenda Item# 12.1f

**Meeting Date:** April 7, 2022

**Subject:** Approve Minutes of the March 3, 2022, Board of Education Meeting

- Information Item Only
- Approval on Consent Agenda
- Conference (for discussion only)
- Conference/First Reading (Action Anticipated: \_\_\_\_\_)
- Conference/Action
- Action
- Public Hearing

**Division:** Superintendent's Office

**Recommendation:** Approve Minutes of the March 3, 2022, Board of Education Meeting.

**Background/Rationale:** None

**Financial Considerations:** None

**LCAP Goal(s):** Family and Community Empowerment

**Documents Attached:**

1. Minutes of the March 3, 2022, Board of Education Regular Meeting

<p><b>Estimated Time of Presentation:</b> N/A <b>Submitted by:</b> Jorge A. Aguilar, Superintendent <b>Approved by:</b> N/A</p>
---



Putting  
Children  
First

# BOARD OF EDUCATION MEETING AND WORKSHOP

## **Board of Education Members**

Christina Pritchett, President (Trustee Area 3)  
Leticia Garcia, Vice President (Trustee Area 2)  
Chinua Rhodes, Second Vice President (Trustee Area 5)  
Lisa Murawski (Trustee Area 1)  
Jamee Villa (Trustee Area 4)  
Darrel Woo (Trustee Area 6)  
Lavinia Grace Phillips (Trustee Area 7)  
Jacqueline Zhang, Student Member

**Thursday, March 3, 2022**

**4:30 p.m. Closed Session**

**6:00 p.m. Open Session**

**Serna Center**

Community Conference Rooms  
5735 47<sup>th</sup> Avenue  
Sacramento, CA 95824  
(See Notice to the Public Below)

## ***MINUTES***

***2021/22-23***

### ***1.0 OPEN SESSION / CALL TO ORDER / ROLL CALL***

#### **NOTICE OF PUBLIC ATTENDANCE BY LIVESTREAM**

**Members of the public who wish to attend the meeting may do so by livestream at:**  
**<https://www.scusd.edu/post/watch-meeting-live>**

***No physical location of the meeting will be provided to the public.***

*The meeting was called to order at 4:35 p.m. by President Pritchett, and roll was taken.*

*Members Present:*

*President Christina Pritchett  
Vice President Leticia Garcia  
Second Vice President Chinua Rhodes  
Lisa Murawski  
Lavinia Grace Phillips  
Jamee Villa (left at 1:22 a.m.)  
Darrel Woo*

*Members Absent:*

*Student Member Jacqueline Zhang arrived at 6:00 p.m. for Open Session.*

### ***2.0 ANNOUNCEMENT AND PUBLIC COMMENT REGARDING ITEMS TO BE DISCUSSED IN CLOSED SESSION***

**NOTICE OF PUBLIC COMMENT AND DEADLINE FOR SUBMISSION:**

*Public comment may be (1) emailed to [publiccomment@scusd.edu](mailto:publiccomment@scusd.edu); (2) submitted in writing, identifying the matter number and the name of the public member at the URL <https://tinyurl.com/BoardMeetingMar3>; or (3) using the same URL, submitting a request for oral comment only when the matter is called, instead of written comment. Individual public comment shall be presented to the Board orally for no more than two minutes, or other time determined by the Board on each agenda item. Public comments submitted in writing will not be read aloud, but will be provided to the Board in advance of the meeting and posted on the District's website. The Board shall allow a reasonable time for public comment on each agenda item, not to exceed 15 minutes in length, including communications and organizational reports. With Board consent, the President may increase or decrease the length of time allowed for public comment, depending on the agenda item and the number of public comments. Speakers will be called sequentially until there is no speaker coming forward on the agenda item or the amount of time allocated for the agenda item has elapsed, whichever occurs first.*

### **3.0 CLOSED SESSION**

*While the Brown Act creates broad public access rights to the meetings of the Board of Education, it also recognizes the legitimate need to conduct some of its meetings outside of the public eye. Closed session meetings are specifically defined and limited in scope. They primarily involve personnel issues, pending litigation, labor negotiations, and real property matters.*

- 3.1 *Government Code 54956.9 - Conference with Legal Counsel:
  - a) *Significant exposure to litigation pursuant to subdivision (d)(2) of Government Code section 54956.9 (Four Potential Cases)**
  
- 3.2 *Government Code 54957.6 (a) and (b) Negotiations/Collective Bargaining SCTA SEIU, TCS, Teamsters, UPE, Non-Represented/Confidential Management (District Representative Pam Manwiller)*
  
- 3.3 *Government Code 54957 – Public Employee Discipline/Dismissal/Release*
  
- 3.4 *Government Code 54956.8—Conference with Real Property Negotiators:  
Property: 2718 G Street, Sacramento, CA  
Agency Negotiator: Superintendent or designee  
Negotiating Parties: SCUSD and Mogavero/Bardis Homes  
Under Negotiation: Price and Terms*
  
- 3.5 *Government Code 54957 – Public Employee Appointment
  - a) *Principal, Peter Burnett Elementary School*
  - b) *Chief Communications Officer**
  
- 3.6 *Education Code 35146 – The Board will hear staff recommendations on the following student expulsion:
  - a) *Expulsion #3, 2021-22**

### **4.0 CALL BACK TO ORDER/PLEDGE OF ALLEGIANCE**

- 4.1 *The Pledge of Allegiance*

4.2 *Broadcast Statement – Terrence Gladney gave public comment*

4.3 *Stellar Student – Farzana Panahi, a Senior from C. K. McClatchy High School, was introduced by Member Murawski.*

## **5.0 ANNOUNCEMENT OF ACTION TAKEN IN CLOSED SESSION**

*Counsel Anne Collins announced the following:*

- *Two settlement agreements, both related to Special Education matters, were each approved by a vote of 7-0*
- *Resolution Nos. 2021-2022-B1 through 2021-2022-B13 were adopted by a vote of 7-0 to non-reelect 13 probationary certificated employees and authorized the District Superintendent or his designee to notify those employees of their non-reelection each*
- *Resolution No. 2021-2022-C1 was adopted by a vote of 7-0 to release certificated administrators and authorized the District Superintendent or his designee to notify those employees of their release*

*The Superintendent announced the following:*

- *Appointment of Elizabeth Aguirre as Principal of Peter Burnett Elementary School by a vote of 7-0*

## **6.0 AGENDA ADOPTION**

*President Pritchett asked for a motion to adopt the agenda. A motion was made to approve by Member Woo and seconded by Second Vice President Rhodes. The Board voted unanimously to adopt the agenda.*

## **7.0 PUBLIC COMMENT**

*Public comment may be (1) emailed to [publiccomment@scusd.edu](mailto:publiccomment@scusd.edu); (2) submitted in writing, identifying the matter number and the name of the public member at the URL <https://tinyurl.com/BoardMeetingMar3>; or (3) using the same URL, submitting a request for oral comment only when the matter is called, instead of written comment. Individual public comment shall be presented to the Board orally for no more than two minutes or other time determined by the Board, on each agenda item. Public comments submitted in writing will not be read aloud, but will be provided to the Board in advance of the meeting and posted on the District’s website. The Board shall allow a reasonable time for public comment on each agenda item, not to exceed 15 minutes in length, including communications and organizational reports. With Board consent, the President may increase or decrease the length of time allowed for public comment, depending on the agenda item and the number of public comments. Speakers will be called sequentially until there is no speaker coming forward on the agenda item or the amount of time allocated for the agenda item has elapsed, whichever occurs first.*

*Public Comment:*

*Casondra Wills*

*Cassandra Hoff*

*Christine Bankston*

*Matthew Bankston*

*Christopher Williams*

*David Fisher*

*Justine Hearn  
Kelly Stout  
Kevin Smith  
Lysa Twardosz  
Mo Kashmiri  
Olivia Minor  
Sara Bailey  
Sharon Shiraga  
Shawnda Westly  
Tim Hebert  
Tracy Mistry  
Daniel Darby  
Lashanya Brazil  
Dominic Chadwick  
Joshua Clark  
Cyd Jaghory  
Elizabeth Campbell  
Andrea Wong  
Jose Godoy  
Eva Schwartz  
Justine Hearn  
Amy Toy  
John Meyers  
Petition - 339 petitioners to keep masks in school*

**8.0 SPECIAL PRESENTATION**

*8.1 Update of Mandatory COVID-19 Vaccination for Eligible, Non-Exempt Students and Staff (Bob Lyons and Victoria Flores)*

**Information**

*Chief Information Officer Bob Lyons, Chief Human Resources Officer Cancy McArn, and Director of Student Support and Health Services Victoria Flores presented. They gave CDC updates, a masking update, reported on potential legislation, District implementation for summer and 2022-23, a review of Resolution No. 3233, an update on the COVID-19 student vaccination and testing dashboards and progress, COVID-19 vaccination and testing demographics, and the staff vaccination requirement dashboard and progress, staff non-compliance rates, the unpaid leave process, and a March 11 action plan. They gave their recommendation and reported on next steps.*

*Public Comment:  
Christopher Williams  
Jean Shanley  
Shawnda Westly  
Daniel Darby*

*Taylor Kayatta  
Tina Bartell  
Ouchi Enright  
Lisa Nichols  
Karen Storm  
Ryan Storm*

*Board Comments:*

*President Pritchett reminded that the Board has not had a discussion about lifting a mask mandate.*

*Second Vice President Rhodes thanked staff and community for the Meadowview testing on Florin Avenue and for outreach efforts. He also said he believes safety precautions in the District are strong. He feels it is in the best interests of all to continue wearing masks, and he confirmed the anxiety of the public.*

*Member Murawski said that the number one priority this year has been getting students back into school. She feels that the District has done a good job of minimizing transmission.*

*Vice President Garcia thanked Ms. Flores for her comprehensive update. She celebrated progress, testing, and vaccines that have happened at school sites. She asked what next steps will be in terms of Ms. Flores and the Board's role. Ms. Flores said that masks remain to be required until any announcement is made. Superintendent Aguilar spoke about an upcoming meeting with the Sacramento County Office of Public Health and said next steps would come from that meeting. Vice President Garcia asked what happens to the students that are not able to go to in-person learning if the mask mandate becomes optional. Superintendent Aguilar said that independent study would be an option for those students. He also spoke about other aspects of variables in the classroom that could require negotiations with labor partners. Vice President Garcia feels that keeping the mask mandate would cause the least disruption for the remainder of this school year.*

*8.2 Culturally Responsive Educational Service Delivery  
Model: MTSS Update (Christine Baeta, Jennifer  
Kretschman, Erin Hanson, and Bill Tollestrup)*

***Information***

*This item was presented by Chief Academic Officer Christine Baeta, Assistant Superintendent of Curriculum and Instruction Erin Hanson, School of Engineering and Sciences High School Principal Vanessa Buitrago, Will C. Wood Middle School*

*Principal Mary Cha, and Ethel I. Baker Elementary School Principal Nate McGill. They gave assurance that students have access to high quality instruction and support through the model, reported that existing instructional models and supports are inconsistent, that the District is obligated to design and provide a framework for effective instructional delivery based on “whole child” data, that all District governing body mandates and expert reports call for Multi-tiered Systems of Supports (MTSS), and that the District MTSS implementation is in progress, flexible, and responsive to site needs.*

*Public Comment:  
Daniel Darby  
Terrence Gladney*

*Board Comments:*

*President Pritchett thanked staff for the presentation. She said it is critical to talk about the whole child, especially during upheaval created by the pandemic. She asked why only 60% of 11<sup>th</sup> graders were tested. Ms. Baeta answered that some of this is fidelity of implementation data, which is end of the year Math assessment data. She pointed out the percentage of students at the grade levels that were actually assessed. She said this remains an area of concern. President Pritchett asked why there is such a difference between this data and the Los Angeles Unified School District. Superintendent Aguilar explained.*

*Second Vice President Rhodes noted the work that the principals are doing. He looks forward to visiting sites to see MTSS work in process.*

*Member Villa asked what are the challenges, the minimum standards for MTSS, and how is data transferred when students change schools. Principal McGill went over some of the challenges, which include recognizing the effects of vicarious trauma. He also spoke about the importance of common assessments. Ms. Baeta said that the baseline of assessment is a nationally used rubric. A growth projectory is what is looked for at each school. Principal Buitrago also spoke about challenge areas.*

*Vice President Garcia asked what is in tier I, II, and III. Principal Buitrago explained site areas of need and how data from areas of need drives intervention in the tiers. Vice President Garcia asked how the school is more uniquely set up to serve students during COVID-19. Principal Buitrago responded.*

*Member Murawski thanked the team for their work and the presentation. She asked to hear more about racial disparities and inequities, especially for black students. Principals McGill and Buitrago addressed possible causes for the achievement gap and site best practice response.*

*President Pritchett asked for a motion to extend the meeting to 12:30 a.m. Student Member Zhang motioned and Member Woo seconded. The motion passed.*

*Member Woo asked what the plan is to roll this out to all schools. Ms. Baeta said that they are implementing a cohort model which includes three cohorts.*

*Principal Cha spoke about teachers and administrators using their weekly collaboration time.*

*Member Phillips asked what the social justice and anti-racism aspects are of MTSS. Ms. Baeta said epic work is permeating the entire system and will take time. She said that is what the tier I work is and is also a part of everything.*

### *8.3 Recommendations from the Local Control and Accountability Plan (LCAP) Parent Advisory Committee (PAC) (Steven Ramirez-Fong)*

### **Information**

*LCAP/SPSA Coordinator Steven Ramirez-Fong introduced LCAP Parent Advisory Committee members Vanessa Areiza King, Terrence Gladney, Alison French-Tubo, Sarah Williams-Kinglsey, Gwynnae Byrd, and Frank DeYoung. Committee members gave their recommendations for individualized supports and personalization to address the identified, unique needs of every student.*

*Public Comment:  
Rene Webster Hawkins*

*Board Comments:*

*Second Vice President Rhodes said that he feels the targeted summer program using one-time funds will be key. He feels the District should be moving toward community schools systemically. Regarding social and emotional supports, he noted that extracurricular activities often make students want to attend school.*

*Member Murawski agreed with Second Vice President Rhodes comments. She also feels it is critical to follow a 100% graduation rate goal.*

*President Pritchett said she agrees with 100% graduation and the other goals. She appreciates the committee and their commitment.*

*Superintendent Aguilar thanked the committee as well.*

## **9.0 BOARD WORKSHOP/STRATEGIC PLAN AND OTHER INITIATIVES**

### *9.1 Resolution No. 3251: Resolution to Eliminate Certificated Positions Due to a Reduction of Particular Kinds of Service (Cancy McArn)*

**Action**

*Chief Human Resources Officer Cancy McArn, Chief Business Officer Rose Ramos, and Chief Academic Officer Christine Baeta presented. They went over budget development, programmatic updates, and the resolution.*

#### *Public Comment:*

*Daniel Darby*

*Nikki Milevsky*

*Terrence Gladney*

*Jason Burke*

*Cyd Jaghory*

*Maria E. Bruno Espino*

*James Riffel*

#### *Board Comments:*

*President Pritchett stated that the resolutions will not result in the layoff of any teachers, but will result in a limited number of layoffs for classified staff. She noted that districts across the states are making similar decisions. Due to declining enrollment, state funds will decrease.*

*Member Murawski reemphasized some changes that took place this year. She said she is happy to know that no certificated staff would receive a layoff notice and that she would move this item at the appropriate time.*

*Superintendent Aguilar gave more specifics and asked Ms. Baeta, Ms. McArn, and Ms. Ramos to give more explanation and examples.*

*Member Phillips asked to clarify that there will be movement, although no layoff notices, for certificated staff. Ms. McArn responded yes. Member Phillips said she would second the motion at the appropriate time.*

*Member Rhodes asked how the surplus pool impacts schools so that they are not short staffed. He asked how this process better supports students, teachers, and staff so that teachers and staff are not burnt out and can support students. Ms. McArn said that having staff know that they are not being laid off gives security. She explained also how opportunities may continue to be created over the spring and summer through attrition.*

*President Pritchett asked for a motion to extend the meeting until 1:15 a.m. The motion was given by Member Murawski and seconded by Vice President Garcia. The motion passed 6-1 with Member Phillips voting no.*

*Member Murawski motioned to approve the item, and Member Phillips seconded. The motion passed unanimously.*

*9.2 Resolution No. 3254: Notice of Layoff: Classified  
Employees – Reduction in Force Due to Lack of Funds  
and/or of Work (Cancy McArn)*

**Action**

*Chief Human Resources Officer Cancy McArn and Chief Business Officer Rose Ramos presented. They went over budget development, programmatic updates, and resolution impact.*

*Public Comment:*

*Angela Allin*

*Daniel Darby*

*Sara Bailey*

*Arcelia Rivera*

*Darik Lobotzke*

*Yuleeli Moua*

*Crystal Miller*

*Adrian Odom*

*Sylvia Rincon*

*Aneatra Kay*

*Becki Bell*

*Selina Wakefield*

*Kyle Shin*

*Board Comments:*

*Member Rhodes asked if these layoffs are due to one-time funds that have expired. He also asked if program changes were decisions made by the sites. Finally, he asked how many actual positions are being moved. Ms. McArn replied that the total number identified cannot be determined until after the bumping*

analysis. She explained the effect of decisions to close positions by the sites and said the resolution speaks specifically to reductions.

President Pritchett again asked for a motion to extend the meeting. Vice President Garcia motioned to extend the meeting to 1:45 a.m. Second Vice President Rhodes seconded, and the motion passed 6-1 with Member Phillips voting no.

Vice President Garcia asked if the reduction of hours in Nutrition allows enough hours for the next school year, seeing that students will also be receiving breakfast. Ms. Ramos answered that Nutrition Director Diana Flores has already done the analysis to make sure there is appropriate staffing. Vice President Garcia asked what is in place if there needs to be additional positions or hours for classified positions. Ms. Ramos explained various possibilities for funding. Vice President Garcia asked, in future, to have an explanation included giving the reason for each reduction.

Vice President Garcia moved to approve this item, and Member Woo seconded. The motion passed 6-1 with Member Phillips voting no.

9.3 Resolution No. 3255: Notice of Layoff: Child Development Permit Teachers – Reduction in Force Due to Lack of Funds and/or of Work (Cancy McArn)

**Action**

Chief Human Resources Officer Cancy McArn, Chief Business Officer Rose Ramos, and Chief Academic Officer Christine Baeta presented. They went over budget development, programmatic updates, and the resolution.

Public Comment:  
Erin Sierchio  
Julie Minor

Board Comments:

Member Murawski motioned to approve and bring the topic back to the Board as an overall plan. Member Woo seconded, and the motion passed 6-0 with Member Villa absent.

## **10.0 COMMUNICATIONS**

10.1 Employee Organization Reports:

**Information**

- *SCTA – No report given.*
- *SEIU – No report given.*
- *TCS – No report given.*
- *Teamsters – No report given.*
- *UPE – No report given.*

*10.2 District Advisory Committees:*

***Information***

- *Community Advisory Committee – No report given.*
- *District English Learner Advisory Committee – No report given.*
- *Local Control Accountability Plan/Parent Advisory Committee – Terrence Gladney reported on behalf of LCAP/PAC.*
- *Student Advisory Council – No report given.*
- *African American Advisory Board – No report given.*

*10.3 Superintendent’s Report (Jorge A. Aguilar) – No report given.*

***Information***

*10.4 President’s Report (Christina Pritchett)*

***Information***

*President Pritchett thanked the Facilities staff and DLR. Awards were won for Coalition for Adequate School Housing.*

*10.5 Student Member Report (Jacqueline Zhang) – No report given.*

***Information***

*10.6 Information Sharing By Board Members – No reports.*

***Information***

***11.0 CONSENT AGENDA***

***Action***

***Generally routine items are approved by one motion without discussion. The Superintendent or a Board member may request an item be pulled from the consent agenda and voted upon separately.***

***11.1 Items Subject or Not Subject to Closed Session:***

- 11.1a Approve Grants, Entitlements and Other Income Agreements, Ratification of Other Agreements, Approval of Bid Awards, Approval of Declared Surplus Materials and Equipment, Change Notices and Notices of Completion (Rose F. Ramos)*

11.1b Approve Personnel Transactions (Cancy McArn)

11.1c Approve Staff Recommendations for Expulsion #3, 2021-22 (Lisa Allen and Stephan Brown)

11.1d Approve Minutes of the February 3, 2022, Board of Education Meeting (Jorge A. Aguilar)

11.1e Approve Resolution No. 3248: Authorizing Continued Use of Remote Teleconferencing Provisions Pursuant to AB 361 and Government Code Section 54953 (Anne Collins)

President Pritchett asked for a motion to adopt the Consent Agenda. A motion was made to approve by Second Vice President Rhodes and seconded by Member Woo. The Board voted unanimously to adopt the Consent Agenda.

## **12.0 FUTURE BOARD MEETING DATES / LOCATIONS**

- ✓ March 17, 2022 4:30 p.m. Closed Session, 6:00 p.m. Open Session, Serna Center, 5735 47<sup>th</sup> Avenue, Community Room, Regular Workshop Meeting
- ✓ April 7, 2022 4:30 p.m. Closed Session, 6:00 p.m. Open Session, Serna Center, 5735 47<sup>th</sup> Avenue, Community Room, Regular Workshop Meeting

## **13.0 ADJOURNMENT**

President Pritchett asked that the meeting be adjourned in the memories of Rod Hollander and Alex Visaya. She asked for a motion. A motion was made to adjourn in their memories by Member Woo, and this was seconded by Member Murawski. The motion passed unanimously, and the meeting adjourned at 1:47 a.m.

---

*Jorge A. Aguilar, Superintendent and Board Secretary*

*NOTE: The Sacramento City Unified School District encourages those with disabilities to participate fully in the public meeting process. If you need a disability-related modification or accommodation, including auxiliary aids or services, to participate in the public meeting, please contact the Board of Education Office at (916) 643-9314 at least 48 hours before the scheduled Board of Education meeting so that we may make every reasonable effort to accommodate you. [Government Code § 54953.2; Americans with Disabilities Act of 1990, § 202 (42 U.S.C. §12132)] Any public records distributed to the Board of Education less than 72 hours in advance of the meeting and relating to an open session item will be available on the District's website at [www.scusd.edu](http://www.scusd.edu)*



# SACRAMENTO CITY UNIFIED SCHOOL DISTRICT BOARD OF EDUCATION

Agenda Item# 12.1g

**Meeting Date:** April 7, 2022

**Subject:** Approve Minutes of the March 8, 2022, Board of Education Special Meeting

- Information Item Only
- Approval on Consent Agenda
- Conference (for discussion only)
- Conference/First Reading (Action Anticipated: \_\_\_\_\_)
- Conference/Action
- Action
- Public Hearing

**Division:** Superintendent's Office

**Recommendation:** Approve Minutes of the March 8, 2022, Board of Education Special Meeting.

**Background/Rationale:** None

**Financial Considerations:** None

**LCAP Goal(s):** Family and Community Empowerment

**Documents Attached:**

1. Minutes of the March 8, 2022, Board of Education Special Meeting

<p><b>Estimated Time of Presentation:</b> N/A <b>Submitted by:</b> Jorge A. Aguilar, Superintendent <b>Approved by:</b> N/A</p>
---



Putting  
Children  
First

# Sacramento City Unified School District BOARD OF EDUCATION SPECIAL MEETING

## Board of Education Members

Christina Pritchett, President (Trustee Area 3)  
Leticia Garcia, Vice President (Trustee Area 2)  
Chinua Rhodes, Second Vice President (Trustee Area 5)  
Lisa Murawski (Trustee Area 1)  
Jamee Villa (Trustee Area 4)  
Darrel Woo (Trustee Area 6)  
Lavinia Grace Phillips (Trustee Area 7)  
Jacqueline Zhang, Student Member

Tuesday, March 8, 2022  
8:00 p.m.

Serna Center  
5735 47<sup>th</sup> Avenue  
Sacramento, CA 95824  
(See Notice to the Public Below)

## **MINUTES** 2021/22-24

### **1.0 OPEN SESSION / CALL TO ORDER / ROLL CALL**

The meeting was called to order at 8:10 p.m. by President Pritchett, and roll was taken.

#### *Members Present:*

Leticia Garcia, Vice President  
Chinua Rhodes, Second Vice President  
Lisa Murawski  
Lavinia Grace Phillips  
Jamee Villa (via Zoom)  
Darrel Woo

#### *Members Absent:*

Student Member Jacqueline Zhang (arrived for Open Session via Zoom)

### **2.0 PUBLIC COMMENT REGARDING ITEMS ON SPECIAL MEETING AGENDA ONLY**

#### **NOTICE OF PUBLIC COMMENT AND DEADLINE FOR SUBMISSION:**

Public comment may be (1) emailed to [publiccomment@scusd.edu](mailto:publiccomment@scusd.edu); or (2) submitted in writing, identifying the matter number and the name of the public member at the URL <https://tinyurl.com/SCUSDcommentsspecialMarch8>; or (3) using the same URL, submitting a request to provide oral comment. Individual public comment shall be presented to the Board orally for no more than two minutes, or other time determined by the Board on each agenda item. Public comments submitted in writing will not be read aloud, but will be provided to the Board in advance of the meeting and posted on the District's website. The Board shall allow a reasonable time for public comment on each agenda item, not to exceed 15 minutes in length, including communications and organizational reports. With Board consent, the President may increase or decrease the length of time allowed for public comment, depending on the agenda item and the

***number of public comments.***

*Public Comment on Item 3.0:*

*Justine Chueh-Griffith*

*Larissa Miller Lerch*

*Jeanine Rupert*

*Sara Bailey*

*Sharon Shiraga*

*Patricia Hughes*

*Justin Hughes*

*Jean Stanley*

*Ian Perkins*

*Phineas Lerch*

*Ariele Rodriguez*

*Cassandra Hoff*

*Christine Bankston*

*Christine Fiorentini*

*Christopher Williams*

*Crystal Dunn*

*Daniel Darby*

*Ellen Yin-Wycoff*

*Ingrid Hutchins*

*Jean Shanley*

*Jessica Pearson*

*John Meyers*

*Kelly Stout*

*Justin McCoy*

*Kevin Smith*

*Lysa Twardosz*

*Marisa Morishita*

*Shawnda Westly*

*Taylor Kayatta*

*Theresa Weaver*

*Tracy Mistry*

*Ryan Storm*

*Aimee Hernandez*

*Elizabeth Welsh*

*Joanne Pascual*

*Jennifer Tucker*

*Loren Pritchard*

*Amanda Connolly*

*Gregory Pruden*

*Mariah Cook*

*Jazz Robinson*

*Jennifer Wallace*

*Blanca Hurtado*

*Jennifer Nelson*

*Kelly Kaufmann*

*Cydney Jaghory*

*Christian Shiflett*

*Alina Cervantes  
Kara Synhorst  
Omari Nesbit  
Kyle Vang  
Charles Cooper  
Elizabeth Campbell  
Darra Henigan  
Tina Lee  
Emily Hernandez  
Jessica Boatman  
Christian Alfaro  
Patricia Chadwick  
Stefani Danch  
Gabrielle Ingram  
Dominic Sun  
Richard Schafer  
Lisa Couch  
Tina Bartell  
Sarah Waldrop  
Melinda Perrin  
Addie Young  
Andrea Pantoja Garvey  
Mirela Bere  
Janessa Stewart  
Jean Bandura  
Janna Cantwell  
600 Petitioners in favor of masks*

### **3.0 SPECIAL PRESENTATION**

#### **3.1 Update and Approval of COVID-19 Vaccination, Testing, and Masking Requirements for Students and Staff (Victoria Flores)**

**Action**

*Chief Human Resources Officer Cancy McArn and Director of Student Support and Health Services Victoria Flores presented. They recommended that the District align with the California state student COVID-19 vaccine requirement deadline, while continuing to implement the vaccine or testing resolution; allow all students to remain in person while outreach efforts continue; and continue mitigation measures into the 2022-23 school year to maintain health and safety, and respond to any changes in conditions. The presentation included recommendations for lifting the District's masking requirement.*

#### **Board Comments:**

*After discussion, the Board voted to maintain the current mask requirement until Monday, April 18, 2022, at the earliest. Member Murawski motioned to adopt staff recommendations with the amendment to make masks optional at a date in March. Member Villa seconded. However, the motion failed three to four with President Pritchett, Member Murawski, and Member Villa voting yes. Student Member Jacqueline Zhang gave her student preferential*

vote as a no. Second Vice President Rhodes then motioned to adopt staff recommendations with the amendment to change the masking implementation date to April 18, 2022. This was seconded by Vice President Garcia, and the motion passed four to three, with Vice President Garcia, Second Vice President Rhodes, Member Murawski, and Member Woo voting yes. Student Member Zhang gave her student preferential vote as a no.

#### **4.0 CLOSED SESSION**

*While the Brown Act creates broad public access rights to the meetings of the Board of Education, it also recognizes the legitimate need to conduct some of its meetings outside of the public eye. Closed session meetings are specifically defined and limited in scope. They primarily involve personnel issues, pending litigation, labor negotiations, and real property matters.*

- 4.1 Government Code 54956.9 - Conference with Legal Counsel:
  - a) Significant exposure to litigation pursuant to subdivision (d)(2) of Government Code section 54956.9 (One Potential Case)
  
- 4.2 Government Code 54957.6 (a) and (b) Negotiations/Collective Bargaining SCTA SEIU, TCS, Teamsters, UPE, Non-Represented/Confidential Management (District Representative Pam Manwiller)

*Public Comment:*

*Sara Bailey*

*Cyd Jaghory*

*Chels and Jeff Payne*

#### **5.0 RECONVENE INTO OPEN SESSION**

*No announcements were made out of Closed Session.*

#### **6.0 ADJOURNMENT**

*President Pritchett asked for a motion to adjourn the meeting; a motion was made by Member Woo and seconded by Second Vice President Rhodes. The motion was passed unanimously, and the meeting adjourned at 1:29 a.m.*

---

*Jorge A. Aguilar, Superintendent and Board Secretary*

*NOTE: The Sacramento City Unified School District encourages those with disabilities to participate fully in the public meeting process. If you need a disability-related modification or accommodation, including auxiliary aids or services, to participate in the public portion of the special Board meeting, please contact the Board of Education Office at (916) 643-9314 at least 8 hours before the scheduled Board of Education special meeting so that we may make every reasonable effort to accommodate you. [Government Code § 54954.2; Americans with Disabilities Act of 1990, § 202 (42 U.S.C. §12132)]*



# SACRAMENTO CITY UNIFIED SCHOOL DISTRICT BOARD OF EDUCATION

Agenda Item 12.1h

**Meeting Date:** April 7, 2022

**Subject:** **Approve Memorandum of Understanding Between the City of Sacramento and Sacramento City Unified School District for the Joint Use of Susan B. Anthony Field as a Park During Non-School Hours**

- Information Item Only
- Approval on Consent Agenda
- Conference (for discussion only)
- Conference/First Reading (Action Anticipated: \_\_\_\_\_)
- Conference/Action
- Action
- Public Hearing

**Division:** Facility Support Services

**Recommendation:** Approve the 5-year Memorandum of Understanding (MOU) Between the City of Sacramento and Sacramento City Unified School District (SCUSD) for the Joint Use of Susan B. Anthony Field as a Park During Non-School Hours.

**Background/Rationale:** This MOU is an extension of the 6-month pilot MOU the Board approved in September 2021. It would allow for the community use of the Susan B. Anthony field as a neighborhood park during non-school hours of operation.

The addition of one statement in the recitals, and the change in the term length

**Financial Considerations:** The City will contribute \$1500 to the District monthly to ensure the Park is properly secured and cleaned before the start of school.

**LCAP Goal(s):** Family and Community Empowerment

**Documents Attached:**

- 1) Redlined version of the MOU illustrating the minor changes between the 6-month pilot MOU and the 5-year MOU.
- 2) Final version of the 5-year MOU for Board approval.

**Estimated Time of Presentation:** NA  
**Submitted by:** Rose Ramos, Chief Business Officer  
 Nathaniel Browning, Director of Facilities  
**Approved by:** Jorge A. Aguilar, Superintendent

**MEMORANDUM OF UNDERSTANDING BETWEEN THE CITY OF SACRAMENTO  
AND SACRAMENTO CITY UNIFIED SCHOOL DISTRICT FOR THE JOINT USE OF  
SUSAN B. ANTHONY FIELD AS A PARK DURING NON-SCHOOL HOURS**

**THIS USE AGREEMENT** (“Agreement”) is made and entered into as of \_\_\_\_\_ (“Effective Date”), by and between the Sacramento City Unified School District, a political subdivision of the State of California (“District”), and the City of Sacramento, a municipal corporation (“City”). District and City are sometimes hereinafter referred to collectively as the “Parties” or each individually as a “Party.”

**WHEREAS**, Chapter 10 of Part 7 of the California Education Code (“Community Recreation Programs Law”) authorizes school districts and cities to organize, promote, and conduct programs of community recreation that will contribute to the attainment of general educational and recreational objectives for children and adults of the state;

**WHEREAS**, pursuant to Education Code section 38131, District may grant the use of school facilities as a civic center for uses including educational and recreational uses;

**WHEREAS** pursuant to Education Code section 38133, the management, direction, and control of school facilities are vested in the District’s governing Board (“Board”), who may provide for the use of school facilities as a civic center where uses are consistent with school purposes and do not interfere with the regular conduct of schoolwork;

**WHEREAS**, District is the owner of the Susan B. Anthony Elementary School site located at 7864 Detroit Boulevard, Sacramento, CA 95832, in the County of Sacramento (“Site”);

**WHEREAS**, City desires to use a portion of the Site consisting of athletic fields and recreation areas, including tennis courts, all as more particularly depicted in the attached Exhibit “A” attached hereto and incorporated by this reference (the “Premises”), for the purpose of providing recreational facilities for unstructured community use and enjoyment;

**WHEREAS**, District and City previously had a joint-use agreement for the Site between the years of 1979 and 1993. District and City seek to continue that joint-use partnership of the Premises to provide recreational opportunities to the community; and

**WHEREAS, District and City entered into a five-month pilot joint-use agreement from November 1, 2021 to March 31, 2022, and both parties wish to continue the joint-use partnership; and**

**WHEREAS**, City will need a right of entry onto the Site to carry out the purposes of this Agreement.

**NOW, THEREFORE, DISTRICT AND CITY HEREBY MUTUALLY AGREE AS FOLLOWS:**

**ARTICLE I**

## License

1.1 Grant of License. In consideration of the License Fee and other terms of this Agreement, District agrees to grant City (including its employees and agents) a revocable license (“License”) to use the Premises for the sole purpose of providing recreational opportunities and general community use and enjoyment (“Approved Use”) during non-school hours of 4:30pm p.m. to 6:30 a.m. Monday through Friday and all day on Saturdays, Sundays, and school holidays. This timeframe will accommodate all school site programming, including extended day activities. District may alter the accessible timeframe, within reason, at any time through written notification to the City in order to accommodate District operations. District will continue to have rights to Premises for school related functions during the non-school hours noted above. The rights granted to and the obligations imposed on the City herein shall extend to the City’s officers, agents, employees, volunteers, invitees, and independent contractors. All use by outside users must follow District policies and practices regarding Community Facility Use Permits. The License granted hereunder does not provide City with the right to allow outside organizations or groups to use the Premises. All requests for City use of Premises, beyond the purpose of providing recreational facilities for unstructured community use and enjoyment, shall submit District Facility Use Permit forms for District approval.

1.2 Physical Extent of Right to Enter. The License granted hereunder with respect to carrying out the Approved Use shall extend to the Premises. The License includes City’s (and its employees’ and agents’) non-exclusive right of pedestrian ingress to and egress from the Premises. Such rights shall not extend to any school buildings, restroom facilities, or parking lots. District shall have no liability for damages related to motor vehicles parked on city streets. City shall comply with all applicable laws with respect to its access and use of the Premises and the Site. Site staff shall be responsible for ensuring community access to the Premises during the non-school hours, as outlined above. City and District staff shall not provide any facility or gate keys to community member at any time in order to ensure student and site safety.

The License granted herein shall be limited to City’s rights set forth in this Section 1.2, including the right to use the Premises and for ingress and egress thereto and therefrom. Except as otherwise expressly authorized by this Agreement, City shall have no right to access or use the portions of the Site that are not included Premises (the “Remainder Portion”). City acknowledges that the Remainder Portion is not currently suitable for City’s use, that such entry is not authorized by this License, and that if City, its employees, agents, representatives, or invitees, enter the Remainder Portion, they will be trespassing on District property and they do so at their own risk. District shall not be liable for any damages to person or property resulting from said parties’ unauthorized access to or use of the Remainder Portion.

1.3 Permitted Use/ City’s Responsibilities. City shall use the Premises solely for the Approved Use, and City shall be responsible for all costs and services relating thereto, above and beyond general maintenance of the Premises, which shall be governed by Section 2.7. City shall be solely responsible for providing all equipment and furnishings for the Approved Use, if any, subject to the terms of this Agreement.

1.4 License Fee. Commencing upon the Commencement Date, City agrees to pay, and District agrees to accept as a license fee for the use of the Premises, the sum of One Dollar

(\$1.00) per year for the term of the License, which shall be paid by City on the first day of the term of the License, and on the annual anniversary of said date throughout the remainder of the term.

1.5 Damage to Premises. District and City shall conduct a joint site visit following the execution of the agreement to inspect the Premises. All damage to the Premises thereafter shall be the responsibility of the City. The City shall reimburse the District for any costs associated with addressing such damages, beyond general maintenance.

1.6 Term, Termination and Revocation of the License.

(a) The term of this Agreement and the License shall commence on April 8, 2022, 2021 (“Commencement Date”), and shall be for a five (5) year term~~continue until March 31, 2022 (“Term”)~~. The Parties shall meet twice annually during the term~~quarterly between the commencement date and March 31, 2022~~ but shall not meet less than two times during the initial Term. ~~The first meeting shall be no more than 30 days after this Agreement has been effectuated. The purpose of the meetings will be to review the initial partnership and address any areas of opportunity, before the Parties enter any potential future agreements following the termination of this Agreement.~~ If District and City agree in writing prior to the end of the Term, this Agreement may be renewed upon terms and conditions agreed to by the Parties. The License granted under this Agreement shall be deemed automatically revoked upon the expiration or earlier termination of this Agreement.

(b) This Agreement may be terminated by either Party at any time for cause. “Cause” shall consist of a breach of any material provision of this Agreement, and the failure of the breaching Party to cure the breach within fifteen (15) days of being notified of the breach (unless a different cure period is specifically required by the terms of this Agreement). Such a termination shall become effective immediately upon the expiration of the fifteen (15) day cure period, unless such cure is completed to the reasonable satisfaction of the non-breaching Party. ~~If District terminates this Agreement for cause, then District may bring an action to recover from City any amount necessary to compensate District for all detriment caused by City’s failure to perform its obligations under this License. In the event of termination by District for cause, District shall be entitled to retain the entire amount of the License Fee paid pursuant to Section 1.4 hereof. District shall also have the right to terminate this Agreement at any time, without cause, by providing ninety (90) days’ advance written notice to the City.~~

(c) No later than the effective date of the expiration or earlier termination of this Agreement, the License shall terminate, and City shall cease to access and use the Premises and the affected portions of the Site, and City’s agents, officers, employees, volunteers, invitees, and independent contractors shall immediately vacate the Site. City shall leave the Premises in a clean condition, ordinary wear and tear excepted. City shall be responsible for the cost of any damage caused to the Premises and/or the affected portions of the Site as set forth herein.

(d) The remedies given to District in this Article or elsewhere in this Agreement shall not be exclusive but shall be in addition to all remedies now or hereafter available at law or in equity.

1.7 Liens and Claims. City shall promptly pay in full all costs associated with City's use of the Premises, and any equipment, furnishings, furniture, trade fixtures or other items for the Premises that City shall cause to be delivered to the Premises and shall timely pay in full all persons who perform labor for the City's use of the Premises. If any mechanics' or materialmen's liens or any other liens or claims for any work done or items furnished at City's request are filed against the Premises or the Site, City shall promptly remove the liens and claims at City's own expense. If City fails to remove the liens or claims and any judgment is entered thereon or thereunder, City shall pay that judgment. Should City fail, neglect, or refuse to remove any such liens or claims or to pay any judgment, District shall have the right to pay any amount required to release any such liens or claims, or to defend any actions brought on the liens or claims and to pay any judgment entered on the liens or claims, and City shall be liable to District for all costs, damages, reasonable attorneys' fees, and any amounts expended in defending any proceedings or in the payment of any of said liens or claims or any judgment obtained therefor. District may record, post, and maintain upon the facilities a notice of non-responsibility. City shall not encumber by any security instrument, all or a part of City's interest under this License or Agreement without the prior written consent of District, and upon such terms and conditions as District may require.

## ARTICLE II

### Restrictions and Conditions

2.1 Use. City shall be solely responsible for the cost of carrying out the Approved Use, and paying for its total cost.

2.2 AS IS Condition. Except as set forth in this Agreement, District makes no representations of any kind as to the conditions of, on or under the Premises or Site. District and City will inspect the Premises and the Site once current construction is complete and takes the Premises and the Site in their "as is" condition. District has no responsibility to make any modifications to the Premises or Site that may be required to prepare the Premises or Site for City to carry out the Approved Use. City will be responsible to address any damage to the Premises and the Site above and beyond general maintenance needs. Furthermore, District makes no representations or warranties regarding the fitness or suitability of the Premises or Site for City's intended use of same.

2.3 City Conduct.

(a) City shall act in a professional manner and shall not do or permit anything to be done on the Premises which would obstruct or interfere with the rights of anyone on the Site, or that would injure or annoy them.

(b) City shall not obstruct access to or passage across the Site.

(c) City shall not use or permit the Site, the Premises, or any portion thereof to be improved, used or occupied in any manner or for any purpose that is in any way in violation of any applicable law, ordinance, policy, or regulation of any Federal, State, County, or Local Government agency, body or entity, including the Sacramento City Unified School District. This

includes no smoking or alcohol consumption in or on Site. City shall also not permit anything to be done in or about the Premises or the Site which will increase the existing rate of insurance upon the Premises or the Site, or cause the cancellation of any insurance policy covering the Premises or the Site, and City shall be responsible for paying any increase in insurance caused thereby.

(d) City, its agents, employees, invitees, volunteers and independent contractors shall observe and comply fully and faithfully with all rules and regulations (including all Board policies) (collectively, "Rules") adopted by District for the care, protection, cleanliness and operation and use of the Premises and the Site, including any modification or addition to such Rules adopted by District, provided District shall give written notice thereof to City.

2.4 Alterations and Furnishings. No structures, improvements, alterations or facilities (collectively, "Alterations") shall be placed, constructed, erected, altered, or made at the Premises or the Site without District's prior written approval. Title to equipment, furniture, furnishings, trade fixtures and other items placed by City upon the Premises, shall become the property of District.

2.5 Compliance With Laws.

(a) City shall, at City's own cost and expense, comply with all applicable statutes, ordinances, regulation, and requirements of all governmental entities, including federal, state, county or municipal, and whether those statutes, ordinances, regulations, and requirements are now in force or are subsequently enacted. If any license, permit, or other governmental authorization is required for the lawful use or occupancy of the Site or any portion thereof (including the Premises) for the Approved Use, City shall procure and maintain at its sole cost any such license, permit or other governmental authorization prior to the commencement of the Approved Use and throughout the term of this Agreement. City shall indemnify, and hold District and the Premises and the Site, free and harmless from any and all liability, loss, damages, fines, penalties, claims, and actions resulting from City's failure to comply with and perform the requirements of this Section, except to the extent that any such liability is caused by District or any person or entity under its explicit direction or control. Upon request, City shall provide copies of all licenses which District may require to verify that City is in compliance with the requirements of this Section.

(b) In addition to complying with any other District policies applicable to use of District property, City shall, at City's own cost and expense, comply with all Rules and Regulations for Public Use of SCUSD Facilities as outlined on the second page of the District's Civic Permit Form attached hereto and incorporated herein as Exhibit "B". Additionally, City shall, at City's own cost and expense, take all steps and actions necessary or required to comply with all current and future orders, laws and recommendations issued by any applicable government agency (including the California Department of Public Health, the California Department of Education, the Sacramento County Health Officer and the State or the Federal Government) related to COVID-19 that are applicable to the City's use of the Premises. City, its employees, agents, representatives, or invitees shall comply with existing or future policies and practices adopted by the District related to preventing the spread of disease. This includes, without limitation, that the City agrees to practice the personal prevention measures pursuant to

the mitigation requirements of the SCUSD Return to Health plan found on the District website here: <https://returntogether.scusd.edu/return-health>.

2.6 Assessments, Fees, Charges, and Utilities. District shall be responsible to set up and pay for all utility services provided to the Premises, including, but not limited to, gas, electricity, heat, telephone, water, sewage, security, scavenger, and similar services used or consumed on the Premises. District shall not be liable in damages or otherwise for any interruption in the supply of any utility.

2.7 Maintenance; Repairs. District shall, at its own expense, keep the Premises in good repair and maintain them in a condition suitable for City's use. During City's use of the Premises, City shall maintain the Premises in a safe, clean, wholesome, and sanitary condition, to the complete satisfaction of District and in compliance with all applicable laws, and shall keep the Premises and the surrounding areas free and clear of rubbish and litter. City shall pay for any repairs to the Premises and the Site (more than ordinary wear and tear) arising from City's fault or the fault of any person or entity under its explicit direction or control within thirty (30) days of receipt from District of any invoice for the costs of the repairs.

The District shall invoice the City \$1,500 per month for the entire term of the Agreement in order to cover the costs associated with inspecting and ensuring the Premises is clean, safe, and ready to receive and educate students in compliance with federal, state, and local laws and guidelines, as well as the District's policies, guidelines, and practices.

2.8 Payments by District. Should City fail to pay any assessments, fees or other charges required to be paid by City, District may, without notice to or demand on City, pay, discharge, or adjust that assessment, bill, or other charge for the benefit of City. In that event, City shall promptly, on written demand of District, reimburse District for the full amount properly paid by District in paying, discharging, or adjusting that tax, assessment, bill or other charge, including but not limited to the cost of any late fees, penalties or other charges assessed and paid for by District resulting from City's untimely or incomplete payment.

2.9 Insurance.

(a) Coverage Required. Before the commencement of this Agreement and during the Term of this Agreement, City shall obtain and maintain, at its expense, with insurance companies acceptable to District, the following insurance policies covering the Premises and the Site:

(1) Commercial general liability insurance for bodily injury, personal injury and property damage and including products and completed operation and non-owned and hired automobile coverage, with liability limits of not less than \$1,000,000 combined single limit. Bodily injury shall not be less than \$1,000,000, combined single limit of \$1,000,000 per person and per accident. The policy shall provide coverage for broad form property damage not less than \$1,000,000 per loss. If the policy contains a General Aggregate, then the liability limit must be not less than \$2,000,000.

(2) Automobile liability insurance for bodily injury, personal injury and property damage for vehicles owned, non-owned, or hired, with policy limits or not less than \$1,000,000

combined single limit.

(b) Insurance Provisions.

(1) The policies described in Subsection (a) above shall: (i) name District as an additional insured and be provided on an occurrence basis; (ii) state that such policy is primary, excess, and non-contributing with any other insurance carried by District; (iii) state that the naming of an additional insured shall not negate any right the additional insured would have had as claimant under the policy if not so named; and (iv) state that not less than thirty (30) days written notice shall be given to District before the cancellation or reduction of coverage or amount of such policy.

(2) A certificate issued by the carrier of the policies described in Subsection (a) above shall be delivered to District prior to City's, its employees, volunteers and/or its independent contractors first entry onto the Site. Each such certificate shall set forth the limits, coverage, and other provisions required under this Section. A renewal certificate for each of the policies described above shall be delivered to District not less than thirty (30) days before the expiration of the term of such policy. Coverage shall be subject to District's approval and shall carry a rating of A:X or higher, unless otherwise agreed to in advance by District, and insurance company shall be admitted and licensed in California to transact insurance coverage and issue policies.

(3) The policy described in Subsection (a) above may be made part of a blanket policy of insurance so long as such blanket policy contains all of the provisions required in this Section and does not reduce the coverage, impair District's rights under this Agreement, or negate or decrease City's obligations under this Agreement.

(4) City agrees that if City does not take out and maintain such insurance as required by this Section, then District may (but shall not be required to) procure said insurance on City's behalf and charge City the premiums, together with a 10% handling charge, payable upon demand.

(c) Worker's Compensation Insurance and Employer's Liability Insurance. Before the commencement of the Term, City shall provide a certificate(s) of insurance and endorsements on forms acceptable to District with full worker's compensation insurance coverage for no less than the statutory limits, and employer's liability insurance coverage with limits not less than \$1,000,000 for all persons whom it employs or may employ under this Agreement. This insurance shall be in strict accordance with the requirements of the most current and applicable State Worker's Compensation Insurance Laws. Such coverage shall remain in effect throughout the Term of this Agreement.

2.10 No Property Interest Created. The License and this Agreement do not create any interest for City in the Premises or the Site or any property owned or maintained by District, and is not coupled with any property interest or other interest. The License is personal to City and is not assignable without first obtaining District's consent, which consent may be withheld in District's sole discretion.

2.11 Safety. City shall be solely and completely responsible for conditions of the

Premises when in use by City, including safety of all persons and property. City, its agents, employees, invitees, volunteers and independent contractors shall fully comply with all state, federal and other laws, rules, regulations, and orders relating to safety. All materials, equipment, and supplies provided for the Premises shall fully conform to all applicable State, local and Federal safety laws, rules, regulations, and orders.

2.12 Indemnity By City. Except to the extent caused by the gross negligence or willful misconduct of District or any person or entity under its explicit direction or control, City shall indemnify and hold District, its officers, agents, employees, members of its Board of Trustees and the property of District, including but not limited to the Premises and the Site, free and harmless from any and all liability, claims, loss, damages, or expenses resulting from City's occupation and use of the Premises and Site, specifically including, without limitation, any liability, claim, loss, damage, or expense arising by reason of:

(a) The death or injury of any person, including any of City's employees, guests, invitees, or agents, from any cause whatsoever as a direct result of the City's use and/or occupancy of the Premises or Site while that person is in, on, or about the Premises or Site or in any way connected with the Premises or Site or with any of City's personal property on the Premises or Site;

(b) The death or injury of any person, including any of City's employees or agents, or by reason of the damage to or destruction of any property, including property owned by City or any person who is an employee or agent of City, caused or allegedly caused by either (1) any condition of the Premises or Site created by City or its employees or agents, or (2) any act or omission on the Premises or Site by City or any person in, on or about the Premises or Site with the permission and consent of City;

(c) The damage to or destruction of any property, including property owned by City or by any person who is an employee or agent of City, from any cause whatsoever as a direct result of the City's use and/or occupancy of the Premises or Site while that property is in, on or about the Premises or Site or in any way connected with the Premises or Site or with any of City's personal property on the Premises or Site;

(d) Any work performed on the Premises or Site or materials furnished to the Premises or Site at the instance or request of City or any person or entity acting for or on behalf of City; and

(e) City's failure to perform any provision of this License or to comply with any requirement of applicable law or any requirement imposed on City or the Premises by any duly authorized agency or political subdivision.

2.13 Entry by District. District reserves and shall at any and all reasonable times have the right to enter the Premises to inspect same, to determine whether City is complying with this Agreement, to supply any service to be provided by District to City hereunder, to use the Premises as desired by District, and to alter, improve, maintain or repair the Premises, in each case consistent with the terms of this Agreement. City waives any claim for damages for injury, inconvenience or interference with City's use, or any loss of occupancy or quiet enjoyment,

caused by such entry, except to the extent caused by the gross negligence, recklessness or willful misconduct of District or any person or entity under its explicit direction or control.

2.14 Limitation of Liability. District's officers, agents, employees, and members of its Board of Trustees shall not be personally liable in any manner or to any extent under or in connection with this Agreement. City and its successors and assigns hereby waive any and all such personal liability. Notwithstanding anything stated herein to the contrary, District shall not be liable for any special, consequential, indirect, or incidental damages, including but not limited to lost profits in connection with this Agreement.

2.15 Surrender of Premises. On the last day of the term hereof, including any renewal term, or on sooner termination of this Agreement, City shall surrender to District the Premises and any then-existing improvements in good order, condition, and repair, reasonable wear and tear excepted, free and clear of all liens, claims, and encumbrances. Said condition shall be similar to that existing as of the Effective Date of this Agreement excepting normal wear and tear and any alterations or improvements approved by District subsequent to the Effective Date. City shall remove from the Premises all of City's personal property, trade fixtures, and any improvements made by City which City and District agree would be removed by City. All property not so removed shall be deemed abandoned by City. If the Premises are not so surrendered at the termination of this Agreement, City shall indemnify District against loss or liability resulting from delay by City in so surrendering the Premises.

### **ARTICLE III**

#### **General Terms and Provisions**

3.1 Entire Agreement. This Agreement constitutes the sole and entire agreement between the Parties with respect to the subject matter dealt with in this Agreement and all understandings, oral or written, with respect to the subject matter of this Agreement are hereby superseded.

3.2 Amendment of Agreement. No modification of, deletion from, or addition to this Agreement shall be effective unless made in writing and executed by both District and City.

3.3 Waiver. The failure by either Party to enforce any term or provision of this Agreement shall not constitute a waiver of that term or provision, or any other term or provision. No waiver by either Party of any term or provision of this Agreement shall be deemed or shall constitute a waiver of any other provision of this Agreement, nor shall any waiver constitute a continuing waiver unless otherwise expressly provided in writing.

3.4 Severability. If any provision of this Agreement is held invalid, void or unenforceable by a court of competent jurisdiction, but the remainder of the Agreement can be enforced without failure of material consideration to any Party, then this Agreement shall not be affected and it shall remain in full force and effect, unless amended or modified by mutual consent of the Parties; provided, however, that if the invalidity or unenforceability of any provision of this Agreement results in a material failure of consideration, then the Party adversely affected thereby shall have the right in its sole discretion to terminate this Agreement

upon providing written notice of such termination to the other Party.

3.5 Force Majeure. Neither Party shall be liable for its failure to fulfill any term or condition of this Agreement if such fulfillment has been delayed, hindered or prevented by any event of force majeure. For the purposes of this Agreement, the term "force majeure" shall be defined to mean strikes, lockouts, labor or industrial disputes, acts of nature, enemy or hostile government action, general emergency condition, civil commotion, fire, natural disaster, extreme weather conditions or other casualty or any other cause beyond the reasonable control of the Party.

3.6 Governing Law and Venue. This Agreement shall be governed by and interpreted under the laws of the State of California applicable to instruments, persons, transactions and subject matter which have legal contacts and relationships exclusively within the State of California. 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 Sacramento.

3.7 Property Taxes. Notwithstanding anything contained herein to the contrary, in the event that City's possession and use of the Premises under this Agreement is determined to create a "possessory interest" in said Premises in City and City may be subject to the assessment of property taxes based upon such a possessory interest, then City shall be solely responsible for the timely payment of any and all such property taxes levied on such interest, including any penalties and interest in connection therewith.

3.8 Independent Contractor. City is an independent contractor, not an officer, employee or agent of District.

3.9 Notices. Any notice required or desired to be given pursuant to this Agreement shall be in writing, duly addressed to the Parties below. By written notice in conformance herewith, either Party may change the address to which notices to said Party must be delivered. Any notice deposited with the United States Postal Service shall be deemed to have been duly given upon confirmed receipt, if sent by certified or registered mail, postage prepaid, addressed as set forth below or as changed as set forth herein. Notice sent by any other manner shall be effective only upon actual receipt thereof.

**District:**

Sacramento City Unified School District  
5735 47th Avenue  
Sacramento, CA 95824  
Attn: \_\_\_\_\_

**City:**

City of Sacramento  
\_\_\_\_\_  
\_\_\_\_\_  
Attn: \_\_\_\_\_

3.10 Signature In Counterparts. This Agreement may be executed in any number of counterparts, all of which, taken together, shall constitute the same instrument. A copy, original or facsimile with all signatures appended together shall be deemed a fully executed Agreement.

3.11 Non-Discrimination. City expressly agrees that it will not discriminate in the employment of persons or in carrying out the Approved Use on the basis of any characteristic or condition upon which discrimination is prohibited by state or federal law or regulation.

3.12 Warranty of Authority. Each of the persons signing this Agreement represents and warrants that such person has been duly authorized to sign this Agreement on behalf of the Party indicated, and each of the Parties by signing this Agreement warrants and represents that such Party is legally authorized and entitled to enter into this Agreement.

**IN WITNESS WHEREOF**, the Parties have executed this Agreement as of the Effective Date.

**DISTRICT:**

**CITY:**

By: \_\_\_\_\_  
Name: \_\_\_\_\_  
Its: \_\_\_\_\_

By: \_\_\_\_\_  
Name: \_\_\_\_\_  
Its: \_\_\_\_\_

DRAFT

Exhibit "A"

DEPICTION OF PREMISES

[TO BE INSERTED FOLLOWING THIS PAGE]

DRAFT

|

**Exhibit "B"**

**CIVIC PERMIT FORM**

**[TO BE INSERTED FOLLOWING THIS PAGE]**

**DRAFT**

**MEMORANDUM OF UNDERSTANDING BETWEEN THE CITY OF SACRAMENTO  
AND SACRAMENTO CITY UNIFIED SCHOOL DISTRICT FOR THE JOINT USE OF  
SUSAN B. ANTHONY FIELD AS A PARK DURING NON-SCHOOL HOURS**

**THIS USE AGREEMENT** (“Agreement”) is made and entered into as of \_\_\_\_\_ (“Effective Date”), by and between the Sacramento City Unified School District, a political subdivision of the State of California (“District”), and the City of Sacramento, a municipal corporation (“City”). District and City are sometimes hereinafter referred to collectively as the “Parties” or each individually as a “Party.”

**WHEREAS**, Chapter 10 of Part 7 of the California Education Code (“Community Recreation Programs Law”) authorizes school districts and cities to organize, promote, and conduct programs of community recreation that will contribute to the attainment of general educational and recreational objectives for children and adults of the state;

**WHEREAS**, pursuant to Education Code section 38131, District may grant the use of school facilities as a civic center for uses including educational and recreational uses;

**WHEREAS** pursuant to Education Code section 38133, the management, direction, and control of school facilities are vested in the District’s governing Board (“Board”), who may provide for the use of school facilities as a civic center where uses are consistent with school purposes and do not interfere with the regular conduct of schoolwork;

**WHEREAS**, District is the owner of the Susan B. Anthony Elementary School site located at 7864 Detroit Boulevard, Sacramento, CA 95832, in the County of Sacramento (“Site”);

**WHEREAS**, City desires to use a portion of the Site consisting of athletic fields and recreation areas, including tennis courts, all as more particularly depicted in the attached Exhibit “A” attached hereto and incorporated by this reference (the “Premises”), for the purpose of providing recreational facilities for unstructured community use and enjoyment;

**WHEREAS**, District and City previously had a joint-use agreement for the Site between the years of 1979 and 1993. District and City seek to continue that joint-use partnership of the Premises to provide recreational opportunities to the community; and

**WHEREAS**, District and City entered into a five-month pilot joint-use agreement from November 1, 2021 to March 31, 2022, and both parties wish to continue the joint-use partnership; and

**WHEREAS**, City will need a right of entry onto the Site to carry out the purposes of this Agreement.

**NOW, THEREFORE, DISTRICT AND CITY HEREBY MUTUALLY AGREE AS FOLLOWS:**

**ARTICLE I**

## **License**

1.1 Grant of License. In consideration of the License Fee and other terms of this Agreement, District agrees to grant City (including its employees and agents) a revocable license (“License”) to use the Premises for the sole purpose of providing recreational opportunities and general community use and enjoyment (“Approved Use”) during non-school hours of 4:30pm p.m. to 6:30 a.m. Monday through Friday and all day on Saturdays, Sundays, and school holidays. This timeframe will accommodate all school site programming, including extended day activities. District may alter the accessible timeframe, within reason, at any time through written notification to the City in order to accommodate District operations. District will continue to have rights to Premises for school related functions during the non-school hours noted above. The rights granted to and the obligations imposed on the City herein shall extend to the City’s officers, agents, employees, volunteers, invitees, and independent contractors. All use by outside users must follow District policies and practices regarding Community Facility Use Permits. The License granted hereunder does not provide City with the right to allow outside organizations or groups to use the Premises. All requests for City use of Premises, beyond the purpose of providing recreational facilities for unstructured community use and enjoyment, shall submit District Facility Use Permit forms for District approval.

1.2 Physical Extent of Right to Enter. The License granted hereunder with respect to carrying out the Approved Use shall extend to the Premises. The License includes City’s (and its employees’ and agents’) non-exclusive right of pedestrian ingress to and egress from the Premises. Such rights shall not extend to any school buildings, restroom facilities, or parking lots. District shall have no liability for damages related to motor vehicles parked on city streets. City shall comply with all applicable laws with respect to its access and use of the Premises and the Site. Site staff shall be responsible for ensuring community access to the Premises during the non-school hours, as outlined above. City and District staff shall not provide any facility or gate keys to community member at any time in order to ensure student and site safety.

The License granted herein shall be limited to City’s rights set forth in this Section 1.2, including the right to use the Premises and for ingress and egress thereto and therefrom. Except as otherwise expressly authorized by this Agreement, City shall have no right to access or use the portions of the Site that are not included Premises (the “Remainder Portion”). City acknowledges that the Remainder Portion is not currently suitable for City’s use, that such entry is not authorized by this License, and that if City, its employees, agents, representatives, or invitees, enter the Remainder Portion, they will be trespassing on District property and they do so at their own risk. District shall not be liable for any damages to person or property resulting from said parties’ unauthorized access to or use of the Remainder Portion.

1.3 Permitted Use/ City’s Responsibilities. City shall use the Premises solely for the Approved Use, and City shall be responsible for all costs and services relating thereto, above and beyond general maintenance of the Premises, which shall be governed by Section 2.7. City shall be solely responsible for providing all equipment and furnishings for the Approved Use, if any, subject to the terms of this Agreement.

1.4 License Fee. Commencing upon the Commencement Date, City agrees to pay, and District agrees to accept as a license fee for the use of the Premises, the sum of One Dollar

(\$1.00) per year for the term of the License, which shall be paid by City on the first day of the term of the License, and on the annual anniversary of said date throughout the remainder of the term.

1.5 Damage to Premises. District and City shall conduct a joint site visit following the execution of the agreement to inspect the Premises. All damage to the Premises thereafter shall be the responsibility of the City. The City shall reimburse the District for any costs associated with addressing such damages, beyond general maintenance.

1.6 Term, Termination and Revocation of the License.

(a) The term of this Agreement and the License shall commence on April 8, 2022 (“Commencement Date”), and shall be for a five (5) year term. The Parties shall meet twice annually during the term to review and address any areas of opportunity. If District and City agree in writing prior to the end of the Term, this Agreement may be renewed upon terms and conditions agreed to by the Parties. The License granted under this Agreement shall be deemed automatically revoked upon the expiration or earlier termination of this Agreement.

(b) This Agreement may be terminated by either Party at any time for cause. “Cause” shall consist of a breach of any material provision of this Agreement, and the failure of the breaching Party to cure the breach within fifteen (15) days of being notified of the breach (unless a different cure period is specifically required by the terms of this Agreement). Such a termination shall become effective immediately upon the expiration of the fifteen (15) day cure period, unless such cure is completed to the reasonable satisfaction of the non-breaching Party. If District terminates this Agreement for cause, then District may bring an action to recover from City any amount necessary to compensate District for all detriment caused by City’s failure to perform its obligations under this License. In the event of termination by District for cause, District shall be entitled to retain the entire amount of the License Fee paid pursuant to Section 1.4 hereof. District shall also have the right to terminate this Agreement at any time, without cause, by providing ninety (90) days’ advance written notice to the City.

(c) No later than the effective date of the expiration or earlier termination of this Agreement, the License shall terminate, and City shall cease to access and use the Premises and the affected portions of the Site, and City’s agents, officers, employees, volunteers, invitees, and independent contractors shall immediately vacate the Site. City shall leave the Premises in a clean condition, ordinary wear and tear excepted. City shall be responsible for the cost of any damage caused to the Premises and/or the affected portions of the Site as set forth herein.

(d) The remedies given to District in this Article or elsewhere in this Agreement shall not be exclusive but shall be in addition to all remedies now or hereafter available at law or in equity.

1.7 Liens and Claims. City shall promptly pay in full all costs associated with City’s use of the Premises, and any equipment, furnishings, furniture, trade fixtures or other items for the Premises that City shall cause to be delivered to the Premises and shall timely pay in full all persons who perform labor for the City’s use of the Premises. If any mechanics’ or materialmen’s liens or any other liens or claims for any work done or items furnished at City’s

request are filed against the Premises or the Site, City shall promptly remove the liens and claims at City's own expense. If City fails to remove the liens or claims and any judgment is entered thereon or thereunder, City shall pay that judgment. Should City fail, neglect, or refuse to remove any such liens or claims or to pay any judgment, District shall have the right to pay any amount required to release any such liens or claims, or to defend any actions brought on the liens or claims and to pay any judgment entered on the liens or claims, and City shall be liable to District for all costs, damages, reasonable attorneys' fees, and any amounts expended in defending any proceedings or in the payment of any of said liens or claims or any judgment obtained therefor. District may record, post, and maintain upon the facilities a notice of non-responsibility. City shall not encumber by any security instrument, all or a part of City's interest under this License or Agreement without the prior written consent of District, and upon such terms and conditions as District may require.

## ARTICLE II

### Restrictions and Conditions

2.1 Use. City shall be solely responsible for the cost of carrying out the Approved Use, and paying for its total cost.

2.2 AS IS Condition. Except as set forth in this Agreement, District makes no representations of any kind as to the conditions of, on or under the Premises or Site. District and City will inspect the Premises and the Site once current construction is complete and takes the Premises and the Site in their "as is" condition. District has no responsibility to make any modifications to the Premises or Site that may be required to prepare the Premises or Site for City to carry out the Approved Use. City will be responsible to address any damage to the Premises and the Site above and beyond general maintenance needs. Furthermore, District makes no representations or warranties regarding the fitness or suitability of the Premises or Site for City's intended use of same.

2.3 City Conduct.

(a) City shall act in a professional manner and shall not do or permit anything to be done on the Premises which would obstruct or interfere with the rights of anyone on the Site, or that would injure or annoy them.

(b) City shall not obstruct access to or passage across the Site.

(c) City shall not use or permit the Site, the Premises, or any portion thereof to be improved, used or occupied in any manner or for any purpose that is in any way in violation of any applicable law, ordinance, policy, or regulation of any Federal, State, County, or Local Government agency, body or entity, including the Sacramento City Unified School District. This includes no smoking or alcohol consumption in or on Site. City shall also not permit anything to be done in or about the Premises or the Site which will increase the existing rate of insurance upon the Premises or the Site, or cause the cancellation of any insurance policy covering the Premises or the Site, and City shall be responsible for paying any increase in insurance caused thereby.

(d) City, its agents, employees, invitees, volunteers and independent contractors shall observe and comply fully and faithfully with all rules and regulations (including all Board policies) (collectively, “Rules”) adopted by District for the care, protection, cleanliness and operation and use of the Premises and the Site, including any modification or addition to such Rules adopted by District, provided District shall give written notice thereof to City.

2.4 Alterations and Furnishings. No structures, improvements, alterations or facilities (collectively, “Alterations”) shall be placed, constructed, erected, altered, or made at the Premises or the Site without District’s prior written approval. Title to equipment, furniture, furnishings, trade fixtures and other items placed by City upon the Premises, shall become the property of District.

2.5 Compliance With Laws.

(a) City shall, at City’s own cost and expense, comply with all applicable statutes, ordinances, regulation, and requirements of all governmental entities, including federal, state, county or municipal, and whether those statutes, ordinances, regulations, and requirements are now in force or are subsequently enacted. If any license, permit, or other governmental authorization is required for the lawful use or occupancy of the Site or any portion thereof (including the Premises) for the Approved Use, City shall procure and maintain at its sole cost any such license, permit or other governmental authorization prior to the commencement of the Approved Use and throughout the term of this Agreement. City shall indemnify, and hold District and the Premises and the Site, free and harmless from any and all liability, loss, damages, fines, penalties, claims, and actions resulting from City’s failure to comply with and perform the requirements of this Section, except to the extent that any such liability is caused by District or any person or entity under its explicit direction or control. Upon request, City shall provide copies of all licenses which District may require to verify that City is in compliance with the requirements of this Section.

(b) In addition to complying with any other District policies applicable to use of District property, City shall, at City’s own cost and expense, comply with all Rules and Regulations for Public Use of SCUSD Facilities as outlined on the second page of the District’s Civic Permit Form attached hereto and incorporated herein as Exhibit “B”. Additionally, City shall, at City’s own cost and expense, take all steps and actions necessary or required to comply with all current and future orders, laws and recommendations issued by any applicable government agency (including the California Department of Public Health, the California Department of Education, the Sacramento County Health Officer and the State or the Federal Government) related to COVID-19 that are applicable to the City’s use of the Premises. City, its employees, agents, representatives, or invitees shall comply with existing or future policies and practices adopted by the District related to preventing the spread of disease. This includes, without limitation, that the City agrees to practice the personal prevention measures pursuant to the mitigation requirements of the SCUSD Return to Health plan found on the District website here: <https://returntogether.scusd.edu/return-health>.

2.6 Assessments, Fees, Charges, and Utilities. District shall be responsible to set up and pay for all utility services provided to the Premises, including, but not limited to, gas,

electricity, heat, telephone, water, sewage, security, scavenger, and similar services used or consumed on the Premises. District shall not be liable in damages or otherwise for any interruption in the supply of any utility.

2.7 Maintenance; Repairs. District shall, at its own expense, keep the Premises in good repair and maintain them in a condition suitable for City's use. During City's use of the Premises, City shall maintain the Premises in a safe, clean, wholesome, and sanitary condition, to the complete satisfaction of District and in compliance with all applicable laws, and shall keep the Premises and the surrounding areas free and clear of rubbish and litter. City shall pay for any repairs to the Premises and the Site (more than ordinary wear and tear) arising from City's fault or the fault of any person or entity under its explicit direction or control within thirty (30) days of receipt from District of any invoice for the costs of the repairs.

The District shall invoice the City \$1,500 per month for the entire term of the Agreement in order to cover the costs associated with inspecting and ensuring the Premises is clean, safe, and ready to receive and educate students in compliance with federal, state, and local laws and guidelines, as well as the District's policies, guidelines, and practices.

2.8 Payments by District. Should City fail to pay any assessments, fees or other charges required to be paid by City, District may, without notice to or demand on City, pay, discharge, or adjust that assessment, bill, or other charge for the benefit of City. In that event, City shall promptly, on written demand of District, reimburse District for the full amount properly paid by District in paying, discharging, or adjusting that tax, assessment, bill or other charge, including but not limited to the cost of any late fees, penalties or other charges assessed and paid for by District resulting from City's untimely or incomplete payment.

2.9 Insurance.

(a) Coverage Required. Before the commencement of this Agreement and during the Term of this Agreement, City shall obtain and maintain, at its expense, with insurance companies acceptable to District, the following insurance policies covering the Premises and the Site:

(1) Commercial general liability insurance for bodily injury, personal injury and property damage and including products and completed operation and non-owned and hired automobile coverage, with liability limits of not less than \$1,000,000 combined single limit. Bodily injury shall not be less than \$1,000,000, combined single limit of \$1,000,000 per person and per accident. The policy shall provide coverage for broad form property damage not less than \$1,000,000 per loss. If the policy contains a General Aggregate, then the liability limit must be not less than \$2,000,000.

(2) Automobile liability insurance for bodily injury, personal injury and property damage for vehicles owned, non-owned, or hired, with policy limits or not less than \$1,000,000 combined single limit.

(b) Insurance Provisions.

(1) The policies described in Subsection (a) above shall: (i) name District as an

additional insured and be provided on an occurrence basis; (ii) state that such policy is primary, excess, and non-contributing with any other insurance carried by District; (iii) state that the naming of an additional insured shall not negate any right the additional insured would have had as claimant under the policy if not so named; and (iv) state that not less than thirty (30) days written notice shall be given to District before the cancellation or reduction of coverage or amount of such policy.

(2) A certificate issued by the carrier of the policies described in Subsection (a) above shall be delivered to District prior to City's, its employees, volunteers and/or its independent contractors first entry onto the Site. Each such certificate shall set forth the limits, coverage, and other provisions required under this Section. A renewal certificate for each of the policies described above shall be delivered to District not less than thirty (30) days before the expiration of the term of such policy. Coverage shall be subject to District's approval and shall carry a rating of A:X or higher, unless otherwise agreed to in advance by District, and insurance company shall be admitted and licensed in California to transact insurance coverage and issue policies.

(3) The policy described in Subsection (a) above may be made part of a blanket policy of insurance so long as such blanket policy contains all of the provisions required in this Section and does not reduce the coverage, impair District's rights under this Agreement, or negate or decrease City's obligations under this Agreement.

(4) City agrees that if City does not take out and maintain such insurance as required by this Section, then District may (but shall not be required to) procure said insurance on City's behalf and charge City the premiums, together with a 10% handling charge, payable upon demand.

(c) Worker's Compensation Insurance and Employer's Liability Insurance. Before the commencement of the Term, City shall provide a certificate(s) of insurance and endorsements on forms acceptable to District with full worker's compensation insurance coverage for no less than the statutory limits, and employer's liability insurance coverage with limits not less than \$1,000,000 for all persons whom it employs or may employ under this Agreement. This insurance shall be in strict accordance with the requirements of the most current and applicable State Worker's Compensation Insurance Laws. Such coverage shall remain in effect throughout the Term of this Agreement.

2.10 No Property Interest Created. The License and this Agreement do not create any interest for City in the Premises or the Site or any property owned or maintained by District, and is not coupled with any property interest or other interest. The License is personal to City and is not assignable without first obtaining District's consent, which consent may be withheld in District's sole discretion.

2.11 Safety. City shall be solely and completely responsible for conditions of the Premises when in use by City, including safety of all persons and property. City, its agents, employees, invitees, volunteers and independent contractors shall fully comply with all state, federal and other laws, rules, regulations, and orders relating to safety. All materials, equipment, and supplies provided for the Premises shall fully conform to all applicable State, local and Federal safety laws, rules, regulations, and orders.

2.12 Indemnity By City. Except to the extent caused by the gross negligence or willful misconduct of District or any person or entity under its explicit direction or control, City shall indemnify and hold District, its officers, agents, employees, members of its Board of Trustees and the property of District, including but not limited to the Premises and the Site, free and harmless from any and all liability, claims, loss, damages, or expenses resulting from City's occupation and use of the Premises and Site, specifically including, without limitation, any liability, claim, loss, damage, or expense arising by reason of:

(a) The death or injury of any person, including any of City's employees, guests, invitees, or agents, from any cause whatsoever as a direct result of the City's use and/or occupancy of the Premises or Site while that person is in, on, or about the Premises or Site or in any way connected with the Premises or Site or with any of City's personal property on the Premises or Site;

(b) The death or injury of any person, including any of City's employees or agents, or by reason of the damage to or destruction of any property, including property owned by City or any person who is an employee or agent of City, caused or allegedly caused by either (1) any condition of the Premises or Site created by City or its employees or agents, or (2) any act or omission on the Premises or Site by City or any person in, on or about the Premises or Site with the permission and consent of City;

(c) The damage to or destruction of any property, including property owned by City or by any person who is an employee or agent of City, from any cause whatsoever as a direct result of the City's use and/or occupancy of the Premises or Site while that property is in, on or about the Premises or Site or in any way connected with the Premises or Site or with any of City's personal property on the Premises or Site;

(d) Any work performed on the Premises or Site or materials furnished to the Premises or Site at the instance or request of City or any person or entity acting for or on behalf of City; and

(e) City's failure to perform any provision of this License or to comply with any requirement of applicable law or any requirement imposed on City or the Premises by any duly authorized agency or political subdivision.

2.13 Entry by District. District reserves and shall at any and all reasonable times have the right to enter the Premises to inspect same, to determine whether City is complying with this Agreement, to supply any service to be provided by District to City hereunder, to use the Premises as desired by District, and to alter, improve, maintain or repair the Premises, in each case consistent with the terms of this Agreement. City waives any claim for damages for injury, inconvenience or interference with City's use, or any loss of occupancy or quiet enjoyment, caused by such entry, except to the extent caused by the gross negligence, recklessness or willful misconduct of District or any person or entity under its explicit direction or control.

2.14 Limitation of Liability. District's officers, agents, employees, and members of its Board of Trustees shall not be personally liable in any manner or to any extent under or in

connection with this Agreement. City and its successors and assigns hereby waive any and all such personal liability. Notwithstanding anything stated herein to the contrary, District shall not be liable for any special, consequential, indirect, or incidental damages, including but not limited to lost profits in connection with this Agreement.

2.15 Surrender of Premises. On the last day of the term hereof, including any renewal term, or on sooner termination of this Agreement, City shall surrender to District the Premises and any then-existing improvements in good order, condition, and repair, reasonable wear and tear excepted, free and clear of all liens, claims, and encumbrances. Said condition shall be similar to that existing as of the Effective Date of this Agreement excepting normal wear and tear and any alterations or improvements approved by District subsequent to the Effective Date. City shall remove from the Premises all of City's personal property, trade fixtures, and any improvements made by City which City and District agree would be removed by City. All property not so removed shall be deemed abandoned by City. If the Premises are not so surrendered at the termination of this Agreement, City shall indemnify District against loss or liability resulting from delay by City in so surrendering the Premises.

### **ARTICLE III**

#### **General Terms and Provisions**

3.1 Entire Agreement. This Agreement constitutes the sole and entire agreement between the Parties with respect to the subject matter dealt with in this Agreement and all understandings, oral or written, with respect to the subject matter of this Agreement are hereby superseded.

3.2 Amendment of Agreement. No modification of, deletion from, or addition to this Agreement shall be effective unless made in writing and executed by both District and City.

3.3 Waiver. The failure by either Party to enforce any term or provision of this Agreement shall not constitute a waiver of that term or provision, or any other term or provision. No waiver by either Party of any term or provision of this Agreement shall be deemed or shall constitute a waiver of any other provision of this Agreement, nor shall any waiver constitute a continuing waiver unless otherwise expressly provided in writing.

3.4 Severability. If any provision of this Agreement is held invalid, void or unenforceable by a court of competent jurisdiction, but the remainder of the Agreement can be enforced without failure of material consideration to any Party, then this Agreement shall not be affected and it shall remain in full force and effect, unless amended or modified by mutual consent of the Parties; provided, however, that if the invalidity or unenforceability of any provision of this Agreement results in a material failure of consideration, then the Party adversely affected thereby shall have the right in its sole discretion to terminate this Agreement upon providing written notice of such termination to the other Party.

3.5 Force Majeure. Neither Party shall be liable for its failure to fulfill any term or condition of this Agreement if such fulfillment has been delayed, hindered or prevented by any event of force majeure. For the purposes of this Agreement, the term "force majeure" shall be

defined to mean strikes, lockouts, labor or industrial disputes, acts of nature, enemy or hostile government action, general emergency condition, civil commotion, fire, natural disaster, extreme weather conditions or other casualty or any other cause beyond the reasonable control of the Party.

3.6 Governing Law and Venue. This Agreement shall be governed by and interpreted under the laws of the State of California applicable to instruments, persons, transactions and subject matter which have legal contacts and relationships exclusively within the State of California. 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 Sacramento.

3.7 Property Taxes. Notwithstanding anything contained herein to the contrary, in the event that City's possession and use of the Premises under this Agreement is determined to create a "possessory interest" in said Premises in City and City may be subject to the assessment of property taxes based upon such a possessory interest, then City shall be solely responsible for the timely payment of any and all such property taxes levied on such interest, including any penalties and interest in connection therewith.

3.8 Independent Contractor. City is an independent contractor, not an officer, employee or agent of District.

3.9 Notices. Any notice required or desired to be given pursuant to this Agreement shall be in writing, duly addressed to the Parties below. By written notice in conformance herewith, either Party may change the address to which notices to said Party must be delivered. Any notice deposited with the United States Postal Service shall be deemed to have been duly given upon confirmed receipt, if sent by certified or registered mail, postage prepaid, addressed as set forth below or as changed as set forth herein. Notice sent by any other manner shall be effective only upon actual receipt thereof.

**District:**

Sacramento City Unified School District  
5735 47th Avenue  
Sacramento, CA 95824  
Attn: \_\_\_\_\_

**City:**

City of Sacramento

\_\_\_\_\_

\_\_\_\_\_

Attn: \_\_\_\_\_

3.10 Signature In Counterparts. This Agreement may be executed in any number of counterparts, all of which, taken together, shall constitute the same instrument. A copy, original or facsimile with all signatures appended together shall be deemed a fully executed Agreement.

3.11 Non-Discrimination. City expressly agrees that it will not discriminate in the employment of persons or in carrying out the Approved Use on the basis of any characteristic or

condition upon which discrimination is prohibited by state or federal law or regulation.

3.12 Warranty of Authority. Each of the persons signing this Agreement represents and warrants that such person has been duly authorized to sign this Agreement on behalf of the Party indicated, and each of the Parties by signing this Agreement warrants and represents that such Party is legally authorized and entitled to enter into this Agreement.

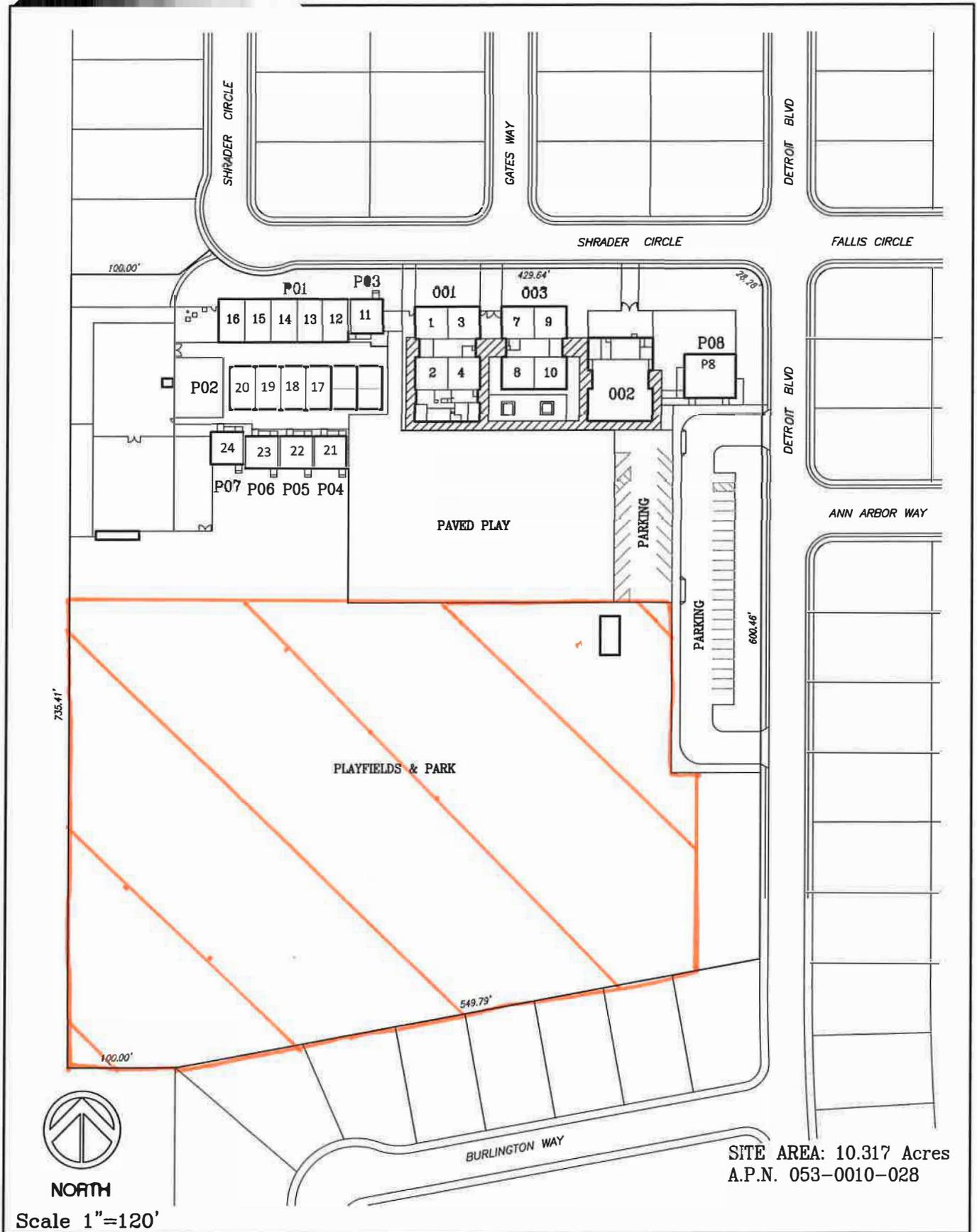
**IN WITNESS WHEREOF**, the Parties have executed this Agreement as of the Effective Date.

**DISTRICT:**

**CITY:**

By: \_\_\_\_\_  
Name: \_\_\_\_\_  
Its: \_\_\_\_\_

By: \_\_\_\_\_  
Name: \_\_\_\_\_  
Its: \_\_\_\_\_



Susan B. Anthony Elementary School (101)  
7864 Detroit Blvd.  
SACRAMENTO CITY UNIFIED SCHOOL DISTRICT

**EXISTING SITE DIAGRAM**  
DECEMBER 2003

**Sacramento City Unified School District**

Civic Center Permits Office / 5735 47th Avenue, Sacramento, CA 95824

[civicpermitoffice@scusd.edu](mailto:civicpermitoffice@scusd.edu)

Phone (916) 643-7435; Fax (916) 399-2014

APPLICATION FOR USE OF SCHOOL FACILITY

PAYMENT IN FULL, CERTIFICATE OF INSURANCE AND COMPLETED APPLICATION FORMS MUST BE RETURNED TO CIVIC CENTER PERMITS OFFICE **15 WORKING DAYS** PRIOR TO REQUESTED DATE.

**Fill in all non-shaded areas below and return to Civic Center Permits Office**

Organization/Agency Name: \_\_\_\_\_ Representative Name: \_\_\_\_\_  
 Billing Address: \_\_\_\_\_ NonProfit ID: \_\_\_\_\_  
 Email Address: \_\_\_\_\_ Phone #: \_\_\_\_\_

I am requesting a Community Use Website Log-In  
 By requesting a log-in, you will be approved as an "event coordinator" for the organization you are representing and will be financially responsible for all facility requests submitted using your log-in information. Do not share your log-in with others. If an organization has more than one person authorized to submit facility use requests, please have each authorized person request their own log-in for the same organization.  
 Each facility use request submitted online is automatically routed to the site for availability verification, and then routed to the Civic Permits Office to verify insurance, assess any facility rental and custodial fees, and provide final District approval. Upon final approval by the District, you will receive (via email) a copy of the permit and invoice (if applicable).  
 If you do not receive a copy of your permit at least 7 days prior to the event, please contact the Civic Permit Office at (916) 643-7435.

School Requested: \_\_\_\_\_  
 Facility/Room(s) Requested: \_\_\_\_\_  
 (Please List Each Room Desired)  
 Type of Activity or Meeting: \_\_\_\_\_  
 Donations Solicited?:  Yes  No Admission/Registration Fee Charged?:  Yes  No  
 Single Date Requested: \_\_\_\_\_ Start Time: \_\_\_\_\_ AM / PM End Time: \_\_\_\_\_ AM / PM  
 (Month/Day/Year)  
 Recurring Schedule: **(100 dates maximum)** Start Date: \_\_\_\_\_ End Date: \_\_\_\_\_  
 (Month/Day/Year) (Month/Day/Year)  
 Start Time: \_\_\_\_\_ AM / PM End Time: \_\_\_\_\_ AM / PM  
 Weekly every #\_\_ week(s) on:  Monday  Tuesday  Wednesday  Thursday  Friday  Saturday  Sunday  
 Monthly:  Day \_\_\_ of every \_\_\_ month(s)  1<sup>st</sup>, 2<sup>nd</sup>, 3<sup>rd</sup>, 4<sup>th</sup>, 5<sup>th</sup>, or Last of every \_\_\_ month(s)  
 (circle one)  
 Multiple Dates and Times: **(20 dates maximum)** \_\_\_\_\_  
 \_\_\_\_\_  
 \_\_\_\_\_  
 Special Set-Up Needs:  Kitchen  Theater Tech \_\_\_\_\_  
 (Example: Tables and chairs with presenter table at front of room)  
 Estimated Number Attending: Adult \_\_\_\_\_ Youth \_\_\_\_\_ See item 14 of rules and regulations for attendance above 250.

Applicant agrees to abide by Board of Education Policies and Regulations Governing the use of District Facilities, and conditions which may be imposed upon said permit by the Superintendent of the Sacramento City Unified School District or his/her designee. Once signed by applicant and approved by the District the official permit will be sent electronically. Applicant is required to provide the District 10 working days written notice of cancellation. Applicant understands that school activities may result in cancellation of permit. Applicant has read the Rules and Regulations for Public Use of SCUSD Facilities and fee schedule relating to the use of school facilities.  
 I accept responsibility for meeting all requirements stated therein and for paying all deposits and fees associated with the use of school facilities.  
 Authorized Signature: \_\_\_\_\_ Date: \_\_\_\_\_

**DISTRICT USE ONLY**

Community Use Setup Completed: \_\_\_\_\_ Permit # \_\_\_\_\_ Invoice # \_\_\_\_\_ **Custodial Verification of Hours**

New Organization  Insurance  Risk Mgmt Forms  Non-Profit Docs **Regular Hours:** \_\_\_\_\_

Existing Organization  Insurance  Risk Mgmt Forms **Overtime Hours:** \_\_\_\_\_

## **RULES AND REGULATIONS FOR PUBLIC USE OF SCUSD FACILITIES**

1. **INTENT**: The Governing Board has adopted a policy whereby its facilities and grounds may be used as a Civic Center in accordance with the provisions of Education Code Sections 40040-40046. The use of school facilities by groups listed in sections P-1220 – P-1226 shall conform with the purposes, restrictions and regulations as set forth in the education code. The Superintendent and/or designee will disapprove applications that do not conform to the provisions of the Civic Center Act of the Education Code and/or to District administrative regulations and liability restrictions.
2. **APPLICATION**: Applications for the use of facilities shall be filed with the clerk, Civic Center Permits Office. Following an investigation as to the eligibility of the group requesting the use, the availability of the desired facility, and the determination of the charge to be made, if any, a permit will be issued. The Civic Center Permits Office accepts applications daily (except weekends, vacations, and holidays) from 8:30 a.m. to 4:30 p.m. Requests for permits to use district facilities must be made to the Civic Center Permits Office 15 working days prior to but no more than five months in advance of the date(s) requested.
3. **HOURS**: School facilities shall be available for use as a civic center only during such hours as these facilities are not needed for school purposes. No permit that extends beyond midnight will be issued to any non-school group. Sunday and holiday permits shall be granted only upon the approval of the Superintendent or his designee.
4. **FACILITIES AVAILABLE FOR COMMUNITY USE**: Auditoriums, multi-use rooms, eating areas of school lunchrooms, little theaters, gymnasiums, cafeteria kitchens (restricted use-see P-1227), ball/playing fields and grounds, etc. shall be available for use by groups designated in Board Policy Sections P-1220 – P-1226. Use is confined to the area(s) named in the approved application, with appropriate corridor and restroom facilities. School Principals retain the right to move users to other similar spaces, if necessary. The District may exclude certain school facilities from non-school use for safety or security reasons.
5. **CATEGORIES OF USE**: Facility users may qualify for either Free Use, Expense Coverage Use, or Commercial Use in accordance with Education Code 40043 and Board Policy P-1220 – P-1226. Organization classification is determined by the Civic Center Permits Office. Fees will be assessed in accordance with the fee schedule. The fee schedule can be found at [www.scusd.edu](http://www.scusd.edu).
6. **DEPOSIT/REFUND POLICY**: Multiple Use Permits: Fee for first use must be paid at time of application; balance of uses will be invoiced monthly in advance. Single Use Permits: Total fees to be paid at time of application. Cancellations: Total fees will be refunded with at least one week's notice; 10% penalty for less than one week's notice.
7. **PROHIBITED ACTIVITIES**: The use of school grounds for the following activities are hereby prohibited: (a) Any use by any individual, society, group, or organization for the commission of any act intended to further any program or movement whose purpose is the overthrow of the government of the United States or of the state by force, violence or other unlawful means. (Education Code 38135) (b) Advertising on school grounds or in a school building by a permit holder; (c) The operation of any motor driven vehicle on school premises for purposes other than parking. This includes small powered carts, minibikes, and motorbikes; (d) Gas powered model airplanes or powered rockets; (e) Hitting golf balls on school premises; (f) Hardball baseball shall be authorized only on those school grounds where regulation baseball diamonds are provided; (g) Horseback riding on school premises; (h) Overnight usage of any district facilities for any purpose; (i) Yard sales (other than PTA); (j) Teen/social dances (other than school or PTA); (k) Fundraising campaigns, bingo, raffles, or games of chance (except as permitted by board policy or special board action); (l) indoor soccer practice or games; (m) Rap, rock, or pop concerts; (n) Baton twirling activities; (o) Private parties of any type, i.e., class reunions, birthday parties, wedding receptions, etc.
8. **RULES OF CONDUCT**: No person, organization, group or activity granted a permit for use of school facilities or grounds shall engage in the following: (a) Smoking in school buildings; (b) Consumption of alcoholic beverages; (c) Use of narcotics or drugs for purposes other than medical, and then only under the prescription of a duly licensed medical physician; (d) Fighting, quarreling, abusive language, or noise of any kind which may be offensive to other activities or the neighborhood; (e) Bring live animals, other than guide dogs, into classrooms or other interior spaces; (f) No materials are to be taped, tacked, stapled, glued or pinned to any surface unless designated for such purpose; (g) All users must provide their own supplies (i.e. easel, easel pad, marking pens, pencils, note paper, etc.) Violations of any of the conditions of this paragraph shall be ground for immediate revocation of the permit for use of such facilities. In the event of such revocation, all persons so affected shall immediately vacate the school facilities and permit holder will forfeit any fees paid.
9. **INSURANCE AND INDEMNIFICATION**: Eligible groups or organizations qualifying for free use of district facilities are required to meet the insurance requirements stipulated in the attached Insurance Agreement for Free of Charge Users (Insurance Form A). Eligible groups qualifying for fee use of district facilities are required to meet the insurance requirements stipulated in the attached insurance and Indemnification Agreement for Users for a Fee (Insurance Form B). Neither the District nor its staff shall be responsible for any items left behind on school premises. Nor shall the District or its staff assume any responsibility for liability in connection with the services provided under this policy or the facilities use agreement.
10. **SUPERVISION**: It is the duty of the custodian in charge to see that there are no violations on the part of any individual or group of these regulations. The custodian shall report all violations to the Civic Center Permits Office. Custodians are directed to refuse the use of school buildings without the presentation of a district approved permit. When the building or grounds are used by youth groups, the sponsoring organization must furnish an adult (21 years of age or older) to be in charge at each event. Custodial staff will make periodic inspections of facilities and will be available to clean spillage of food and beverages as necessary. Custodial staff will arrive thirty minutes prior to the scheduled start of the event, will remain for one-half hour after the scheduled start of the event, and will return one-half hour prior to the scheduled end of the event to clean and restock the facility as necessary.
11. **Restrooms**: Restroom access is required for all events. Appropriate restroom facilities will be provided with all indoor facility events. All field use events will be staffed with custodial service to provide access to restrooms or the person, organization or group granted a permit shall provide port-a-potty's at their expense. Permit holder will be responsible for any expenses related to clean up or vandalism of port-a-potty provided by permit holder.
12. **PROTECTION OF SCHOOL PROPERTY**: Groups misusing school facilities or violating rules and regulations and provisions of permits may have their permit revoked, not subject to renewal, and previous offenders may not receive permits. School property shall be protected from any damage or mistreatment, and applicants shall be responsible for the condition in which they leave school buildings. Any breakage, damage, or loss of district property shall be paid for by the organization making the application. Costs shall be established by the Facilities Services Division in cooperation with the school principal and the Civic Center Permits office, and an invoice shall be submitted to the permit holder. Failure to pay promptly for such damage shall be grounds for refusal of future applications and may result in legal proceedings in accordance with administrative regulations. The district reserves the right to revoke or refuse to renew permits to those who violate rules and regulations and provisions of the permit.
13. **PERFORMANCES AND OTHER ENTERTAINMENTS**: For commercial use of a school auditorium, the maximum time to be granted per permit shall be eight (8) hours under the fee policy for setting up, practice, performance, striking and removal of equipment and personnel. However, if more than one performance is given, a separate charge shall be made for each performance. If more than the eight (8) hours are required, either in advance or after the commercial use, there shall be an added charge of ten per cent (10%) of the basic fee for each additional hour of use. (This is interpreted to mean eight consecutive hours of performance). No merchandise can be given away as a result of a donation or the sale of any admission ticket to any entertainment or event held in a school facility (this does not apply to door prizes that are donated to a youth group and are awarded by this group at any event where no tickets are sold and no advertising is given to the donor).
14. **SECURITY**: Community permit holders must provide a California licensed, bonded security guard for events and activities for each increment of 250 or more participants and/or spectators; i.e., 250-500 – one security guard, 500-750 – two security guards, etc. Such guards must be present for the duration of the event or activity, plus one-half hour before and after the event or activity. There may be some activities which may, at the discretion of the district, require additional guards.



# SACRAMENTO CITY UNIFIED SCHOOL DISTRICT BOARD OF EDUCATION

Agenda Item# 12.1i

**Meeting Date:** April 7, 2022

**Subject:** Resolution No. 3266: Authorizing Continued Use of Remote Teleconferencing Provisions Pursuant to AB 361 and Government Code Section 54953

- Information Item Only
- Approval on Consent Agenda
- Conference (for discussion only)
- Conference/First Reading (Action Anticipated: \_\_\_\_\_)
- Conference/Action
- Action
- Public Hearing

**Division:** Legal

**Recommendation:** Approval of Resolution No. 3266: Authorizing Continued Use of Remote Teleconferencing Provisions Pursuant to AB 361 and Government Code Section 54953

**Background/Rationale:** In response to the COVID-19 Pandemic, Governor Newsom signed AB 361 into law, amending certain provisions in the Ralph M. Brown Act (“Brown Act”) allowing public agencies to continue conducting remote virtual meetings during a state of emergency, without the need to comply with all of the Brown Act’s teleconferencing prerequisites, so long as certain requirements are met. Specifically, public agencies must make specific findings, every 30 days, and must ensure conditions related to public participation are satisfied.

Consistent with Government code section 54953, on September 30, 2021, the Board adopted Resolution 3230, finding that meeting in person would present imminent risks to the health or safety of attendees. At the October 21, November 18, December 16, 2021, January 13, 2022, February 3, March 3, 2022, and March 17, 2022, Board meetings, the Board adopted subsequent resolutions, finding after reconsidering the state of emergency, that the current circumstances meet the requirements of AB 361 and Government Code section 54953 for the Board to continue conducting meetings remotely.

**Financial Considerations:** N/A

**LCAP Goal(s):** Operational Excellence

**Documents Attached:**

1. Resolution No. 3266

<p><b>Estimated Time of Presentation:</b> N/A <b>Submitted by:</b> Alexis Rincon, Legal Analyst <b>Approved by:</b> Jorge A. Aguilar, Superintendent</p>
--

**SACRAMENTO CITY UNIFIED SCHOOL DISTRICT  
RESOLUTION NO. 3266 AUTHORIZING THE CONTINUED USE OF REMOTE  
TELECONFERENCING PROVISIONS (AB 361)**

**WHEREAS**, the Governing Board of the Sacramento City Unified School District (“Governing Board”) is committed to open and transparent government, and full compliance with the Ralph M. Brown Act (“Brown Act”); and

**WHEREAS**, the Brown Act generally requires that a public agency take certain actions in order to use teleconferencing to attend a public meeting virtually; and

**WHEREAS**, the Governing Board recognizes that a local emergency persists due to the worldwide COVID-19 pandemic; and

**WHEREAS**, the California Legislature has recognized the ongoing state of emergency due to the COVID-19 pandemic and has responded by creating an additional means for public meetings to be held via teleconference (inclusive of internet-based virtual meetings); and

**WHEREAS**, on September 16, 2021, the California legislature passed Assembly Bill (“AB”) 361, which amends Government Code, section 54953 and permits a local agency to use teleconferencing to conduct its meetings in any of the following circumstances: (A) the legislative body holds a meeting during a proclaimed state of emergency, and state or local officials have imposed or recommended measures to promote social distancing; (B) the legislative body holds a meeting during a proclaimed state of emergency for the purpose of determining, by majority vote, whether as a result of the emergency, meeting in person would present imminent risks to the health or safety of attendees; or (C) the legislative body holds a meeting during a proclaimed state of emergency and has determined, by majority vote, pursuant to subparagraph (B), that, as a result of the emergency, meeting in person would present imminent risks to the health or safety of attendees; and

**WHEREAS**, in order for the Governing Board to use teleconferencing as allowed by AB 361 after October 1, 2021, it must first adopt findings in a resolution, allowing the Governing Board to conduct teleconferenced meetings for a period of thirty (30) days; and

**WHEREAS**, Governor Gavin Newsom declared a state of emergency for the State of California due to the COVID-19 pandemic in his order entitled “Proclamation of a State of Emergency,” signed March 4, 2020; and

**WHEREAS**, the Governing Board previously adopted Resolution Number 3230 on September 30, 2021, and has since continued to find at least every thirty (30) days, that the requisite conditions exist to conduct remote teleconference meetings in accordance with Government Code section 54953(e); and

**WHEREAS**, the Governing Board is conducting its meetings through the use of telephonic and internet-based services so that members of the public may observe and participate in meetings and offer public comment; and

**WHEREAS**, as a condition of the continued use of the provisions found in Government Code section 54953(e), the Governing Board must reconsider the circumstances of the state of emergency and find that either it continues to directly impact the ability of the members to meet safely in person, and/or state or local officials continue to impose or recommend measures to promote social distancing.

**NOW THEREFORE, BE IT RESOLVED**, that the recitals set forth above are true and correct and fully incorporated into this Resolution by reference.

**BE IT FURTHER RESOLVED**, that the Governing Board has reconsidered the circumstances of the state of emergency and finds that the state of emergency continues to directly impact the ability of members to meet safely in person.

**BE IT FURTHER RESOLVED**, that the actions taken by the Governing Board through this Resolution may be applied to all District committees governed by the Brown Act unless otherwise desired by that committee.

**BE IT FURTHER RESOLVED**, the Governing Board authorizes the Superintendent or their designee(s) to take all actions necessary to continue to conduct Governing Board meetings in accordance with Government Code section 54953(e) and all other applicable provisions of the Brown Act, using teleconferencing for a period of thirty (30) days from the adoption of this Resolution, after which the Governing Board will reconsider the circumstances of the state of emergency.

**PASSED AND ADOPTED** by the Sacramento City Unified School District Governing Board on this 7th day of April 2022, by the following vote:

AYES: \_\_\_\_\_  
NOES: \_\_\_\_\_  
ABSTAIN: \_\_\_\_\_  
ABSENT: \_\_\_\_\_

ATTESTED TO:

---

Christina Pritchett  
President of the Board of Education

---

Jorge A. Aguilar  
Superintendent