

March 14, 2007

To: Board Members
From: Rodger Smith
Through: Tom Bishop
Subject: Facilities Report for March

Ocean Air School

The pace of construction at Ocean Air School continues at a remarkably rapid rate. Framing of the multi-purpose building will be complete in two weeks. The first coat of exterior plaster is being applied to the classroom building and the administration building. Framing is nearing completion on the kindergarten building. Interior work in the classroom and administration buildings includes installation and taping of sheet rock, installation of fire sprinklers, installation of ducts for heating and air conditioning, and continuing rough-in of electrical, mechanical and plumbing systems. At the present time, approximately two hundred workers are on site each day. The project remains on schedule to open in August.

On March 9, a conference call took place regarding the sale of bonds for CFD 95-1. During that conference call, it was determined that information on all aspects of the sale of the bonds will be presented to the Board for information during the regular CFD meeting in April; action on the bond sale will be scheduled for the regular CFD meeting in May. This schedule should allow sufficient time to sell the bonds and provide for cash flow needs through the end of the project.

As requested by the Board, a monthly update on the project budget and expenditures will be included with the monthly facilities report. The first of these reports follows this page.

Torrey Hills Windows

No additional progress has been made on this issue. Eric Stenman, corporate legal counsel for Douglas E. Barnhart, Inc. will take responsibility for scheduling a meeting with all involved contractors in the very near future.

Director of Maintenance and Operations, Randy Wheaton, conducted an inspection of Torrey Hills School following recent rain storms. Randy was happy to point out that there were no indications anywhere in the buildings that any water

intrusion had occurred. He will continue to conduct regular inspections following inclement weather in order to monitor the effectiveness of the repairs that were completed last summer.

Ocean Air School Construction Expenditures		Budget	Revised Budget	Expenditures 02/28/07	83
A. SITE					
Purchase Price of Property					
Purchase Price 6.25 acres	\$	3,695,000	3,695,000		
District's construction contribution for joint use fields		1,560,000	1,675,173		
Appraisal Fees					
Cost of original & updated appraisals		10,250	13,750		13,750
Escrow Costs					
Escrow & Title Fees		4,000	4,000		
Legal Fees		5,000	5,000		1,637
Surveying Costs					
Land Surveys, Topos		30,000	55,565		55,565
Site Support Costs					
Environmental Consultant (EIR)		37,000	40,664		40,664
Phase 1 / DTSC (school site & joint use site)		10,200	22,106		22,106
Geotechnical Soils report/Geocon site		10,000	15,563		15,563
Other Site Costs (permits, address)			1,206		406
B. PLANNING					
Architect/Engineering Fees					
Architect Fees (Based on 25 Mil Contracts)		1,437,500	1,437,500		1,139,959
Architect Reimbursable					
DSA Plan Check Fees					
DSA Fees		137,000	131,482		131,482
CDE Plan Check Fees					
CDE Fees		14,000	14,000		
Other Planning Costs					
Bid Advertisements		2,000	473		473
Printing		50,000	59,797		59,797
C. CONSTRUCTION					
Site Development					
Utility Services (water, gas, electric)		150,000	150,000		6,915
New Construction					
Contractor Trade Packages		24,849,000	24,849,000		7,766,474
Construction Management - Barnhart Construction					
Pre Construction		51,000	51,000		41,423
CM Fees 4.50%		1,118,205	1,118,205		375,246
General Conditions		1,200,000	1,200,000		445,730
CM Reimbursable		150,000	132,844		11,411
Other Construction Costs					
LCP Program		90,000	60,000		
Storm Water Compliance		25,675	25,675		9,054
Shade structure hex (lunch shelter)		34,000	34,000		
Other Construction Costs(carpet, Network system, insurance, etc.)		620,000	620,000		73,395
** Contingency		1,200,000	1,200,000		
D. TESTING					
Testing Special Material					
		100,000	100,000		76,182
Geotechnics Testing					
		120,000	100,000		41,600
E. INSPECTION					
Inspection					
Inspector of Record		200,000	213,000		65,742
F. FURNITURE & EQUIPMENT					
Furniture & Equipment					
		700,000	700,000		
TOTAL COST ESTIMATE					
Construction Costs Without Land	\$	32,354,830	\$ 32,354,830	\$	10,394,574
Construction Costs With Land	\$	37,609,830	\$ 37,725,003		
3/14/2007					

March 16, 2007

To: Board Members
From: Rodger Smith
Through: Tom Bishop
Subject: Board Approval of Reimbursement Agreement between the Del Mar Union School District and Pardee Homes in an Estimated Amount of \$214,475.97.

Following testing of the pressure available in the existing water supply system for Ocean Air School, it was determined by the City of San Diego that the system did not provide sufficient water pressure to meet fire suppression requirements for Ocean Air School. In consultation with engineers from both Westberg and White and Pardee Homes, a determination was made that the most viable option for increasing pressure in the supply line for the school was to tie the existing system into a main supply line in the nearby residential development under construction by Pardee Homes.

The main supply line to which the school supply line must connect is under Mustang Ridge Road in the nearby residential development by Pardee Homes. Due to the fact that the water system in this development has not been deeded to the City of San Diego at this time, Pardee Homes is the current owner of the water system. Pardee Homes has been working with the district's architect and civil engineers since September to design and facilitate this project with their construction work on the residential development and related infrastructure in the vicinity of Ocean Air School.

In order to construct the necessary water line connection in the most expeditious manner possible, Pardee has agreed to complete this construction as a change order to their existing contract with their plumbing contractor. The proposed reimbursement agreement in this agenda item is intended to reimburse Pardee for the expense of constructing the water line and making new connection to the additional supply line described above.

The reimbursement agreement includes exhibits showing the scope of the work that is to be completed and an estimate of costs the district will be reimbursing to

Pardee Homes upon completion. As per the Agreement, **the district will only pay actual costs** incurred on this project. Legal counsel for both the district and Pardee Homes has reviewed and approved the terms and content of this agreement.

The facilities department requests approval of the reimbursement agreement so that Pardee Homes can commence with the preliminary work. Pardee Homes is coordinating with the district's construction schedule and anticipates this waterline project to coincide with the completion of the Ocean Air school parking lot. This project will affect the ingress and egress on Canter Heights road for approximately two to three weeks and require the relocation of the construction manager and project inspector's job site trailers.

FISCAL IMPACT:

The cost for constructing this mandatory connection to an additional water supply line to meet fire suppression requirements of the City of San Diego is a not to exceed amount of \$162,863.94. This cost will be supported by the "Contingency" appropriation in the construction budget for Ocean Air School.

RECOMMENDED:

The Superintendent Recommends Approval of the Reimbursement Agreement between the Del Mar Union School District and Pardee Homes in an Estimated Amount of \$214,475.97.

8.2

REIMBURSEMENT AGREEMENT

**Between Pardee Homes and the
Del Mar Union School District
(Carmel Valley, Neighborhood 10/Ocean Air School)**

This Reimbursement Agreement (this "Agreement") is made between Pardee Homes, a California Corporation ("Pardee") and the Del Mar Union Elementary School District ("School District") on this 21st day of March, 2007 ("Effective Date"). Pardee and School District shall collectively be referred to herein as the "Parties" and when referred to herein individually as a "Party." This Agreement is entered into with reference to the facts set forth in the following recitals.

RECITALS

A. Pardee is the owner of certain real property located within Carmel Valley Neighborhood 10 in the City of San Diego (the "Pardee Property"). A depiction of the Pardee Property is attached hereto as **Exhibit "A"** and incorporated by this reference.

B. School District is the owner of certain vacant and undeveloped land located within Carmel Valley Neighborhood 8A, which is the site of an elementary school currently under construction – the Ocean Air School (the "School District Property"). A depiction of the School District Property is attached as **Exhibit "B"** attached hereto and incorporated by this reference. The School District Property is immediately adjacent to the Pardee Property.

C. In connection with the School District's development of the School District Property, School District has determined that an additional 8-inch diameter water line with dual 2-inch water services, originating within the Pardee Property, is necessary to provide adequate water pressure to the School District Property.

D. Pardee is currently constructing public facilities within the Pardee Property and has agreed to assist the School District by installing an 8-inch diameter waterline with dual 2-inch water services ("Improvements") across the Pardee Property to the boundary of the School District Property (the "Project"). The proposed location of the 8-inch diameter waterline is depicted on **Exhibit "C"**.

E. This Agreement is intended to set forth the terms and conditions whereby (i) Pardee will complete the Project and (ii) define the method of compensation and reimbursement by the School District to Pardee for funds expended relating to the Project.

NOW, THEREFORE, in consideration of the foregoing Recitals which are incorporated into this Agreement, and other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, Pardee and School District agree as follows:

AGREEMENT

1. Description of Improvements. Pardee will design and construct the Improvements in accordance with **Exhibit "D"**, incorporated herein by this reference. Pardee's obligation to design and construct the Improvements is limited to the design and construction of those improvements listed on **Exhibit "D"**. School District shall have authority to review all designs and revisions to the designs, upon request. However, notwithstanding the preceding authority, nothing set forth herein shall be deemed to confer liability upon the School District for the designs or the construction of the Improvements.

2. Liability for Design and Construction Defects. The School District shall not be liable for any defects, errors or omissions in or relating to the design or construction of the Improvements. To the extent any defects relating to the design, engineering or construction of the Improvements is discovered at any time, Pardee, on behalf of itself and its successors-in-interest, and their respective employees, contractors and agents, hereby releases and absolutely discharges forever, and hereby agrees to indemnify, protect, hold harmless and defend, School District, and its successors and assigns, and its respective partners, officers, directors, shareholders, employees, contractors, and agents, from costs and expenses (including court costs and attorney's fees) arising from or relating to such defects.

3. Ownership of Design Documents. Within thirty (30) calendar days following completion of the Improvements, Pardee shall provide to the School District a copy of the design and construction documents. All drawings, slides, models, and any other related design documents shall become the property of the City of San Diego.

4. Estimated Total Project Cost. The work to be performed and the current estimated construction costs for the Improvements for the Project, based on an engineer's quantity and cost estimate, is attached hereto as **Exhibit "E"** entitled "Ocean Air School Waterline Reimbursement CVN 10 Unit 12 South Improvement Construction Change 'C'" and is incorporated herein by this reference. It is acknowledged by the Parties that the estimated construction costs for the Improvements for the Project are based on preliminary cost estimates, and are therefore subject to change.

5. Issuance of Necessary Permits or Granting of Approvals for the Project. Pardee will obtain all necessary permits from the City of San Diego ("City") and any other applicable permitting agency relating to the Project. Work relating to the Project shall at all times be performed in accordance with the terms of the permits, the plans approved by the City, and all applicable permitting agencies. In the event that City or any other governmental permitting agency, unreasonably refuses to grant an approval or issue the permit(s) necessary to authorize the work to be performed or if the permit(s) are cancelled or suspended, then Pardee is relieved from its obligation to construct those improvements covered by the denial of said permit(s) or approval(s). The School District shall, under such circumstances, pay Pardee in cash for all work completed up to the date of denial of said permit(s) including any other later incurred costs reasonably related to concluding work on the Project.

6. Compliance with Applicable Laws. Pardee warrants to the School District that Pardee, its contractors and subcontractors for the Improvements, have either already processed and obtained or will process and obtain prior to construction of the Improvements, all required licenses, including the appropriate, applicable license required by the California Contractor's State Licensing Board and all environmental approvals and clearances and other governmental permits and approvals required to construct the Improvements, including but not limited to, the California Environmental Quality Act.

7. Reimbursement. School District will reimburse Pardee for 100% of the actual cost of the work for the Project.

7.1 Pardee will submit to the School District on a periodic basis reimbursement requests with respect to all Work performed for which Pardee was not previously paid. The amount requested shall be the costs and expenses incurred for the work during the period for which payment is requested.

7.2 The actual cost of the work ("Actual Project Costs") will be based on the cost of the Improvements, the actual design, bidding and construction management costs, any change orders, the cost to obtain any permits necessary or approvals necessary for the Project, and a markup of 6% for Pardee's project administration and coordination (the "Work"). The Parties understand and agree that the cost estimate attached as **Exhibit "E"** reflects an engineer's cost estimate for performance of the Work contemplated in this Agreement and that the Actual Project Costs may be greater or less than set forth on **Exhibit "E"**.

7.3 Pardee shall periodically provide School District, or its designated representative, copies of all invoices from contractors, subcontractors, materialmen, engineers and other consultants, and service providers accompanying such invoices.

7.4 School District shall pay Pardee the Actual Project Costs for the Improvements for the Project within 30-days of receipt of the invoices set forth in subsection 7.3 herein. Pardee may, in its sole discretion, stop work on the Project if School District does not pay promptly, within 30-days of receipt of the invoices set forth in subsection 7.3 herein, Pardee for Actual Project Costs.

7.5 School District agrees to not connect, and shall not connect, to the Improvements until all payments for the Work are paid-in-full to Pardee.

8. Change Orders. A "Change Order" is a written order from Pardee or its authorized representative ("Pardee's Agent") to the contractor performing the work authorizing a change in the work to be performed. Change Orders may be needed where changes in the Project are made necessary due to unanticipated conditions arising during construction or changes in the plans and specifications after construction begins.

If a Change Order is desired by either Party, Pardee shall submit to the School District's authorized representative a proposal setting forth the desired change, any necessary extension of time for the Work, and any adjustment to the cost of the Work. Pardee may proceed with any change order, provided that the total estimated cost for the Work does not exceed 20% of the

estimated cost of the Project. Any Change Order that exceeds 20% of the estimated cost of the project must be approved in writing by School District's authorized representative.

9. Solicitation of Bids. As the Parties are aware, the statutory competitive bidding requirements have been excused by the California courts in exceptional circumstances, such as where requests for competitive bids would be futile, unavailing or would not produce an advantage. (*Los Angeles Dredging Co. v. City of Long Beach* (1930) 210 Cal. 348; *Los Angeles Gas & Electric Corp., v. City of Los Angeles* (1922) 188 Cal. 307, 319.) Pardee proposes to construct the Improvements utilizing the same contractor with whom it has previously contracted to perform substantially similar improvements on Pardee Property. It is the School District's understanding that Pardee has previously contracted with a contractor to provide similar public improvements within the Pardee Property after soliciting bids. This Project will be additional work to be performed by such contractor. The current contractor is already performing utility and pipeline work on the Pardee Property related to the Improvements required to connect to the School District Property. The additional Work required for the Improvements contemplated under this Agreement would require great coordination with the current contractor retained by Pardee, as some work would be performed in the same vicinity as the contract work and would likely require the current contractor's supervision. There is a risk that if the Improvements were separately bid and contracted for, the current contractor and the other contractor retained by Pardee would refuse to guarantee the work performed in proximate locations and, certainly, should a defect later arise, the current contractor and other contractor would certainly lay blame on each other for the defective work. As such, based on the specific circumstances described herein, competitively bidding the Improvements would not provide an advantage because such work is intrinsically entwined with the work performed by the current contractor on the Pardee Property. As such, Pardee shall **not** be required to solicit bids for the construction of the Improvements.

10. Disabled Veteran Business Enterprises. Because the School District is not utilizing State funds to reimburse Pardee for the Work contemplated hereunder, compliance with Disabled Veteran Business Enterprise ("DVBE") contracting goals is desirable but **not** required for this Project. In accordance with Education Code section 17076.11 the School District has a DVBE participation goal of 3% per year of the overall dollar amount of state funds allocated to the School District pursuant to the Leroy F. Greene School Facilities Act of 1998, and expended each year by the School District. The School District is **not** seeking DVBE participation in this Project.

11. Labor Code Compliance. It is stipulated and part of the Agreement that School District is a California Public Agency, subject to all laws of the State applicable to public contracts which include, but are not limited to, the payment of the prevailing wages, hours of labor, apprentice employment, debarment of contractors and retention of payroll records. Pardee may be subject to penalties for noncompliance. Pardee agrees that not less than "prevailing wages," as that term is defined in California Labor Code Sections 1770, *et seq.*, shall be paid by Pardee, its contractors, and any subcontractors to all laborers employed in connection with the construction or installation of any Improvements. Additionally, Pardee shall maintain and shall cause each of its contractors to maintain certified payroll records, pursuant to California Labor Code Section 1776, relative to all work performed relating to the Improvements. The School District shall have the right, but not the obligation, to inspect and the payroll records of each of

Pardee's contractors and subcontractors relating to the Improvements. The right to copy such records shall terminate four years after the School District makes its connection to the Improvements. If applicable, the School District shall also have the right to exercise the remedies provided in the California Labor Code, in addition to all other remedies available to the School District at law, under contract, or in equity, in the event of a breach by Pardee of its obligations under this Section. Attention is called to the provisions in Section 1777.5 and 1777.6 of the Labor Code concerning the employment of apprentices by the Contractor or any subcontractor under Contractor. Pardee shall indemnify, defend and hold harmless the School District, pursuant to the indemnity provisions herein, against any claims pursuant to California Labor Code Section 1781 arising from this Agreement, including but not limited to, the construction or installation of any Improvements, undertaken on behalf of the School District.

12. Recordkeeping. Pardee shall keep complete and accurate records of the Actual Project Costs in accordance with generally accepted accounting procedures, such records shall include but shall not be limited to, invoices, contractor billings and disbursements, and reasonable supporting information evidencing such costs for a period of two (2) years following the Effective Date of this Agreement as defined above. Pardee shall provide School District's authorized representatives with copies of all the data and records with respect to matters covered by this Agreement (i.e., Change Orders, invoices, checks and mechanics lien releases) to verify the Actual Project Costs upon request. Pardee shall also provide the School District with any of the above-described records within ten (10) business days of the School District's request.

13. Construction Procedures and Requirements

13.1 Compliance and Safety. Pardee will be responsible for the Project, equipment, personnel, and all other incidentals until the date on which the Project has been accepted by the School District. Pardee will be fully responsible for the safety of its officers, agents and employees, School District's officers, agents and employees and third parties authorized by Pardee to access the Project site.

13.2 Schedule of Performance. Within ten (10) calendar days of the Effective Date, Pardee shall provide the School District with construction schedule, setting forth a completion date of July 30, 2007 ("Completion Date"). If the Completion Date is extended by more than fifteen (15) calendar days, or should Pardee anticipate that conditions may require the Completion Date to be extended by more than fifteen (15) calendar days, Pardee shall provide the School District with written notice setting forth the reason for the delay in the Completion Date and designating the new Completion Date for the School District's information.

13.3 Insurance. Pardee's contractors and subcontractors shall maintain, until City accepts the Improvements, levels of insurance in an amount adequate to provide coverage for the type of work performed and in amounts generally carried by Pardee for the type of work performed and shall provide the School District with "Certificates of Insurance" or other documentation demonstrating that the School District, its officers, agents, employees, and representatives have been named as an additional insureds for the insurance carried by Pardee for the Improvements. By its signature hereunder, Pardee certifies as follows pursuant to Section 1861 of the Labor Code: "I am aware of the provisions of Section 3700 of the Labor Code which requires 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.”

13.4 Inspections. Before concealing Work, Pardee shall obtain approval of work from the City (as required by all State Building Codes). If requested by the School District, Pardee shall also permit the School District to inspect the Improvements at any time during the Work, upon request of the School District, which inspection shall not be construed in any way to relive Pardee of its responsibility and obligations hereunder to transfer said Improvements to the School District free of defects.

14. Unavoidable Delay. If the performance of any act required of School District or Pardee is directly prevented or delayed by reason of strikes, lockouts, labor disputes, unusual governmental delays, acts of God, fire, floods, epidemics, freight embargos, or other causes beyond the reasonable control of the Party required to perform an act, that Party shall be excused from performing that act for the period of time equal to the period of time of the prevention or delay. In the event School District or Pardee claims the existence of such a delay, the Party claiming the delay shall notify the other Party in writing of that fact within ten (10) calendar days after the beginning of any such claimed delay.

15. Judicial Reference. In the event of any dispute between Pardee and School District over the amount of any invoice, School District shall pay Pardee the undisputed portion of such invoice. If a portion of any invoice is disputed, the Parties shall, during the period of 30-days following the due date of such invoice, attempt in good faith to resolve the dispute over the invoiced amounts. If the Parties are unable to resolve such dispute within the time provided, such dispute shall be resolved in accordance with California Code of Civil Procedure Sections 638(1) and 641 through 645.1 or any successor statutes thereto. The Parties shall use the procedures adopted by *Judicial Arbitration and Mediation Services (“JAMS”)* for judicial reference and selection of a referee (or other entity offering judicial reference dispute resolution procedures as may be mutually acceptable to the Parties). Reasonable attorneys’ fees, costs and expenses may also be awarded to the prevailing party. Any disputed amounts which are not paid within 30-calendar days of receipt of an invoice therefore and are subsequently awarded to Pardee, and any amounts that are not disputed which are not paid within 30-calendar days of receipt of an invoice therefore, shall bear interest from the due date of such invoice until paid at the rate of ten percent (10%) per annum, a one-time late charge in such installment shall also be incurred in any amount equal to ten percent (10%) of the amount of such delinquent payment, which the Parties agree represents a fair and reasonable estimate of the costs that Pardee will incur in the way in increased administrative expenses and the loss of the use of the funds by reason of the late payment.

16. Indemnification. School District shall not, nor shall any officer or employee of the School District, be liable or responsible for any accident, loss, or damage happening or occurring to the Work or Improvements specified in this Agreement prior to the completion and acceptance by City of the same, nor shall School District, nor any officer or employee of the School District, be liable for any persons or property injured by reason of defective construction of said Work or Improvements. Pardee agrees to indemnify and save harmless the School District and the officers and employees of the School District from and against any and all claims, demands, losses, costs, and causes of action of any nature, and any expense incident to

defense thereof (including attorney's fees), for injury to or death of persons or damage to property arising out of the defective construction of the Improvements. Pardee's obligation to defend and hold harmless School District and its officers and employees does not extend to any other claim that may be made, including but not limited to, design defects related to the Improvements. Pardee further agrees to protect the School District and the officers and employees of the School District from all liability or claims because of, or arising out of, the use of any patent or patented article in the construction of said Improvements.

17. Mechanics Liens. The School District shall not, nor shall any officer or employee of the School District, be liable for any portion of the expense of the aforesaid work or for the payment of any labor or materials furnished in connection therewith. To this end, Pardee shall pay when due all valid charges for labor and material incurred by Pardee and its contractors and used in conjunction of the Improvements and shall also be responsible for keeping the Improvements free of mechanics' liens recorded by or under its subcontractors and suppliers of any tier. If Pardee fails to make any payments required under this paragraph, or if Pardee fails to keep the Improvements free of mechanics' liens incurred under Pardee or by or under any of its subcontractors of any tier, School District may settle such claims or procure statutory lien release bonds and Pardee shall on demand reimburse School District for such claims and such bonds so paid plus attorneys' fees incurred by the School District in so procuring said bonds or settling such claims.

18. Notices. Any demand upon or notice required or permitted to be given by one Party to the other Party shall be in writing. Except in relation to Change Orders or as otherwise provided by law, any demand upon or notice required or permitted to be given by one Party to the other Party shall be effective (a) on personal delivery, (b) on the second business day after mailing by certified or registered U.S. Mail, return receipt requested, (c) on the succeeding business day after mailing by Express Mail or after deposit with a private delivery service of general use (e.g., Federal Express) postage or fee prepaid as appropriate, or (d) upon successful transmission of facsimile, addressed to the Party at the address shown below:

If to School District: Del Mar Union School District
225 Ninth Street
Del Mar, California 92014
Attn: Director of School Facilities
Telephone: (858) 755-9301
Facsimile: (858) 755-4361

With a copy to: Best Best & Krieger, LLP
655 West Broadway, 15th Floor
San Diego, California 92101
Attn: Paula de Sousa, Esq.
Telephone: (619) 525-1300
Facsimile: (619) 233-6118

If to Pardee: Pardee Homes
 12626 High Bluff Drive, Suite 100
 San Diego, California 92130
 Attn: Mr. Allen Kashani
 Telephone: (858) 794-2500
 Facsimile: (858) 794-2599

With a copy to: Seltzer Caplan McMahon Vitek
 750 'B' Street, Suite 2100
 San Diego, California 92101
 Attn: Thomas F. Steinke, Esq.
 Telephone No: (619) 685-3003
 Facsimile No: (619) 685-3100

Notice of change of address shall be given by written notice in the manner set forth in this paragraph.

19. General Provisions.

19.1 Prompt Performance. Time is of the essence of each covenant and condition set forth in this Agreement.

19.2 Incorporation of Recitals. All recitals herein are incorporated into this Agreement and are made a part hereof.

19.3 Exhibits. Each of the following exhibits is attached hereto and incorporated herein by this reference:

- Exhibit "A" - Depiction of Pardee Property
- Exhibit "B" - Depiction of School District Property
- Exhibit "C" - Depiction of the proposed location for the 8-inch waterline
- Exhibit "D" - Description of Improvements
- Exhibit "E" - Engineer's Estimated Total Project Cost

19.4 Gender, Number. Whenever the context requires, the use herein of (i) the neuter gender includes the masculine and the feminine genders and (ii) the singular number includes the plural number.

19.5 Captions. Captions in this Agreement are inserted for convenience of reference only and do not affect the construction or interpretation of this Agreement.

19.6 Reference to Paragraphs. Each reference in this Agreement to a section or paragraph refers, unless otherwise stated, to a section or paragraph in this Agreement.

19.7 Attorneys' Fees and Costs. If either Party commences an action against the other Party based upon this Agreement, the prevailing Party will be entitled to recover from the other Party all reasonable costs and expenses of suit, including reasonable attorneys' fees and court and other costs incurred.

19.8 Counterparts. This Agreement may be executed in any number of counterparts, all of which together will constitute one instrument.

19.9 Applicable Law. This Agreement will be construed and enforced in accordance with the laws of the State of California.

19.10 Successors in Interest. This Agreement and all rights and obligations contained herein shall be in effect whether or not any or all parties to this Agreement have been succeeded by another entity, and all rights and obligations of the parties signatory to this Agreement shall be vested and binding on their successors in interest.

19.11 Assignment. Pardee shall not assign this Agreement, in whole or in part, to any person, partnership, joint venture, firm or corporation at any time during the term of this Agreement without the prior written approval of the School District Manager, which shall not be unreasonably withheld.

19.12 Further Assurances. School District and Pardee each agree to execute and deliver such additional documents as may be required to effectuate the purposes of this Agreement.

19.13 Amendment. No amendment, modification, supplement, termination or waiver of any provision of this Agreement shall be effective unless executed in writing by both parties and then only in the specific and for the specific purpose stated in such amending document.

19.14 Effective Date. The date inserted in the paragraph above the Recitals section of this Agreement shall constitute the effective date of this Agreement. If no date is inserted in such paragraph, the last date inserted by a signatory to this Agreement shall constitute the effective date of this Agreement.

IN WITNESS WHEREOF, Pardee and School District have entered into this Reimbursement Agreement.

PARDEE HOMES, a California corporation

By: _____

By: _____

Title: _____
Authorized Representative

Title: _____
Authorized Representative

Dated: _____

Dated: _____

DEL MAR UNION SCHOOL DISTRICT

By: _____

Title: _____
Authorized Representative

Dated: _____

EXHIBIT "A"

Depiction of Pardee Property
(attached hereto)

EXHIBIT "B"

Depiction of School District Property
(to be provided)

EXHIBIT "C"

Depiction of Project
(attached hereto)

EXHIBIT "D"

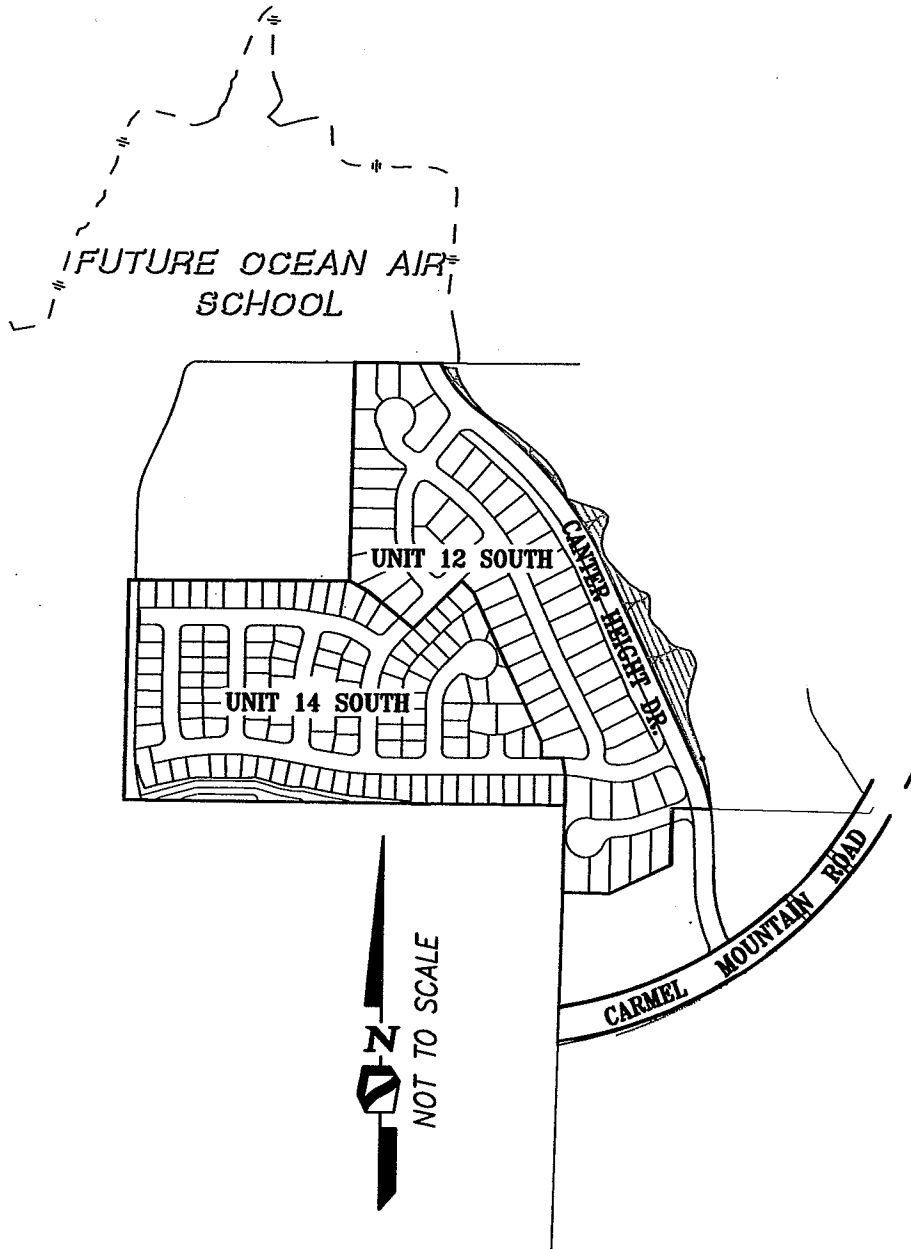
Description of Project Improvements
(to be provided)

EXHIBIT "E"

Engineer's Estimated Total Project Cost
(to be provided)

OCEAN AIR SCHOOL
(CARMEL VALLEY NEIGHBORHOOD 10, UNIT 12 SOUTH)

EXHIBIT 'A'



VICINITY MAP
PARDEE HOMES PROPERTY

PREPARED FOR:

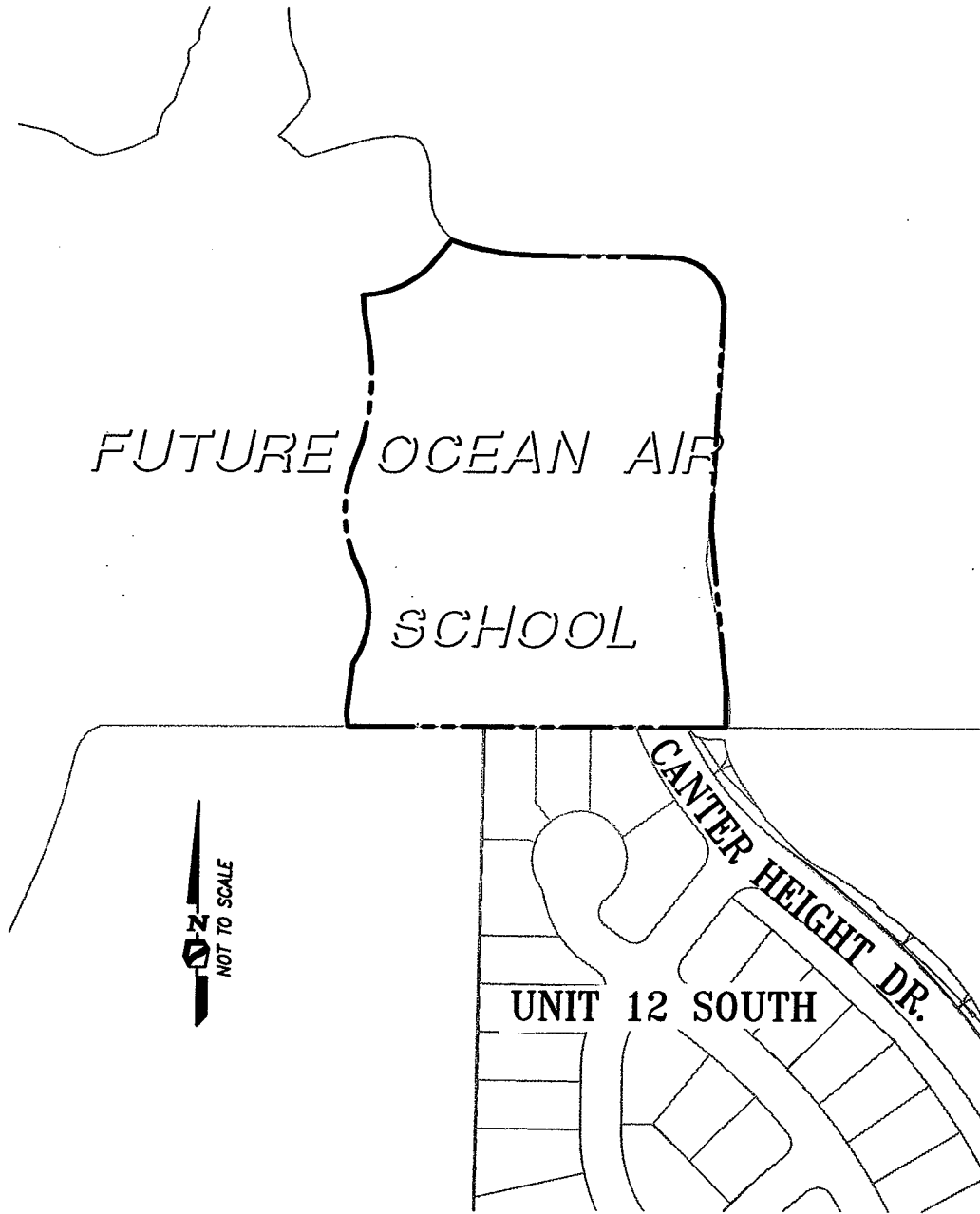
 **Pardee Homes**
 12626 High Bluff Drive, Suite 100
 San Diego, CA 92130
 Tel.(858)794-2500, Fax(858)794-2599

PREPARED BY:

 **PROJECT DESIGN CONSULTANTS**
 Planning | Landscape Architecture | Environmental | Engineering | Survey
 701 B Street, Suite 800 San Diego, CA 92101
 619.235.6471 Tel 619.234.0349 Fax

OCEAN AIR SCHOOL
(CARMEL VALLEY NEIGHBORHOOD 10, UNIT 12 SOUTH)

EXHIBIT 'B'



VICINITY MAP
OCEAN AIR SCHOOL LOCATION

PREPARED FOR:

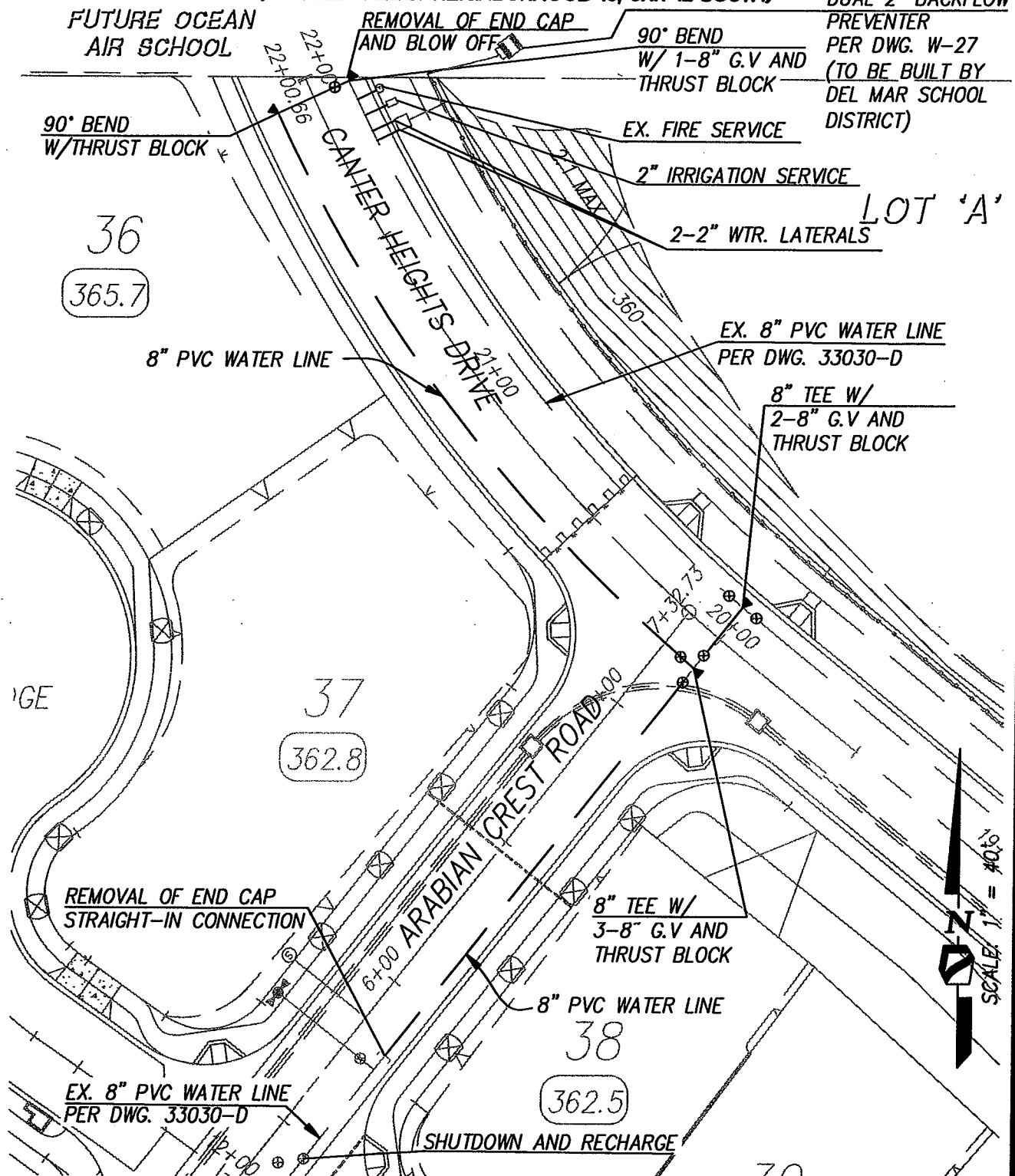
 **PardeeHomes**
 12626 High Bluff Drive, Suite 100
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OCEAN AIR SCHOOL ADDITIONAL 8" WATER LINE

(CARMEL VALLEY NEIGHBORHOOD 10, UNIT 12 SOUTH)



DUAL 2" BACKFLOW
PREVENTER
PER DWG. W-27
(TO BE BUILT BY
DEL MAR SCHOOL
DISTRICT)

FUTURE OCEAN
AIR SCHOOL

REMOVAL OF END CAP
AND BLOW OFF

90° BEND
W/ 1-8" G.V AND
THRUST BLOCK

90° BEND
W/THRUST BLOCK

EX. FIRE SERVICE

2" IRRIGATION SERVICE

2-2" WTR. LATERALS

LOT 'A'

36
365.7

8" PVC WATER LINE

EX. 8" PVC WATER LINE
PER DWG. 33030-D

8" TEE W/
2-8" G.V AND
THRUST BLOCK

AGE

37
362.8

REMOVAL OF END CAP
STRAIGHT-IN CONNECTION

8" TEE W/
3-8" G.V AND
THRUST BLOCK

ARABIAN CREST ROAD

8" PVC WATER LINE

38
362.5

EX. 8" PVC WATER LINE
PER DWG. 33030-D

SHUTDOWN AND RECHARGE



LEGEND:

- — — 8" PVC WATER LINE
- ⊕ 8" GATE VALVE
- ▲ THRUST BLOCK

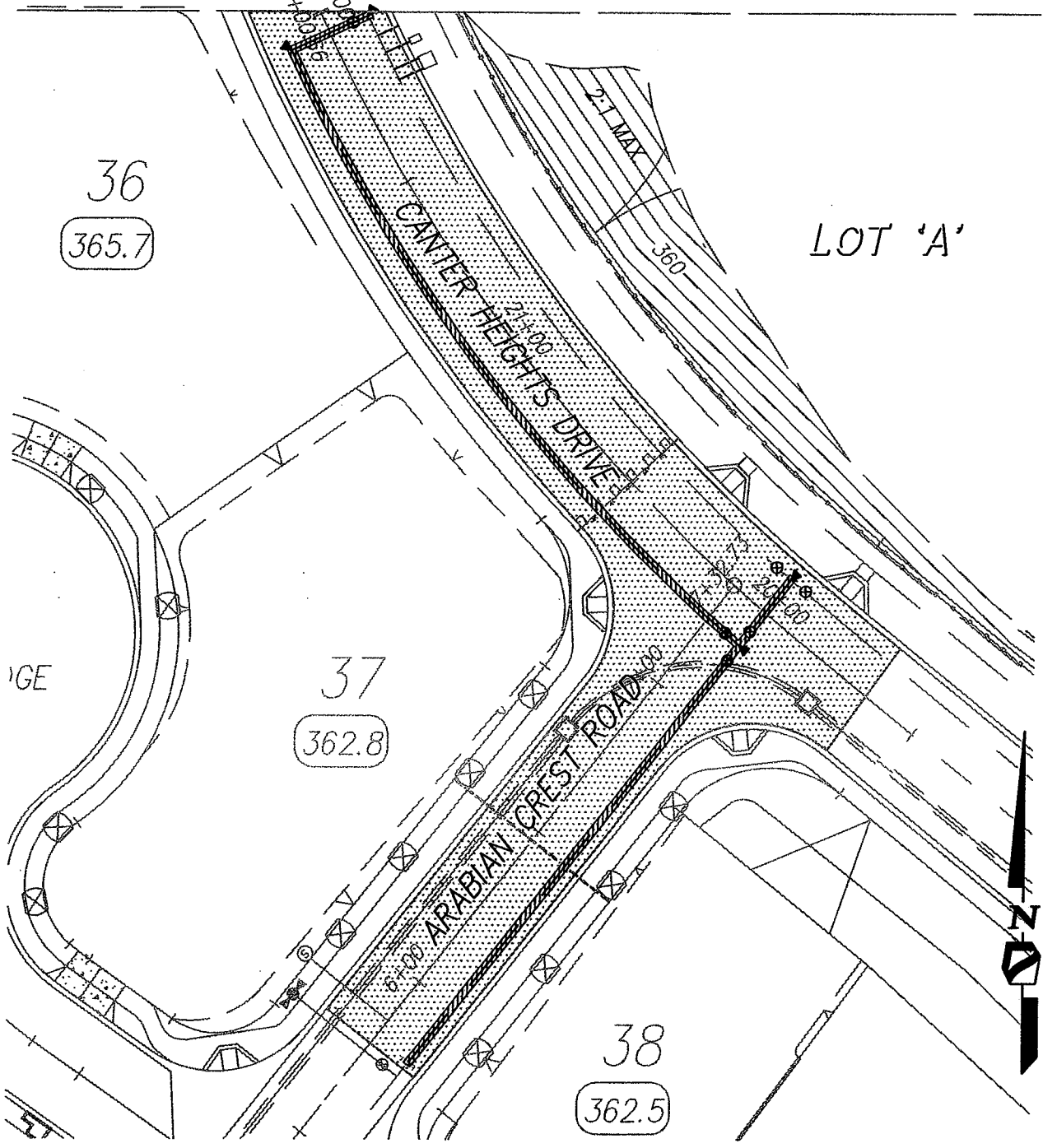
EXHIBIT 'C-1'

PREPARED FOR:
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OCEAN AIR SCHOOL ADDITIONAL 8' WATER LINE (CARMEL VALLEY NEIGHBORHOOD 10, UNIT 12 SOUTH)


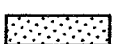
FUTURE OCEAN
AIR SCHOOL



SCALE: 1" = 40'

EXHIBIT 'C-2'

LEGEND:

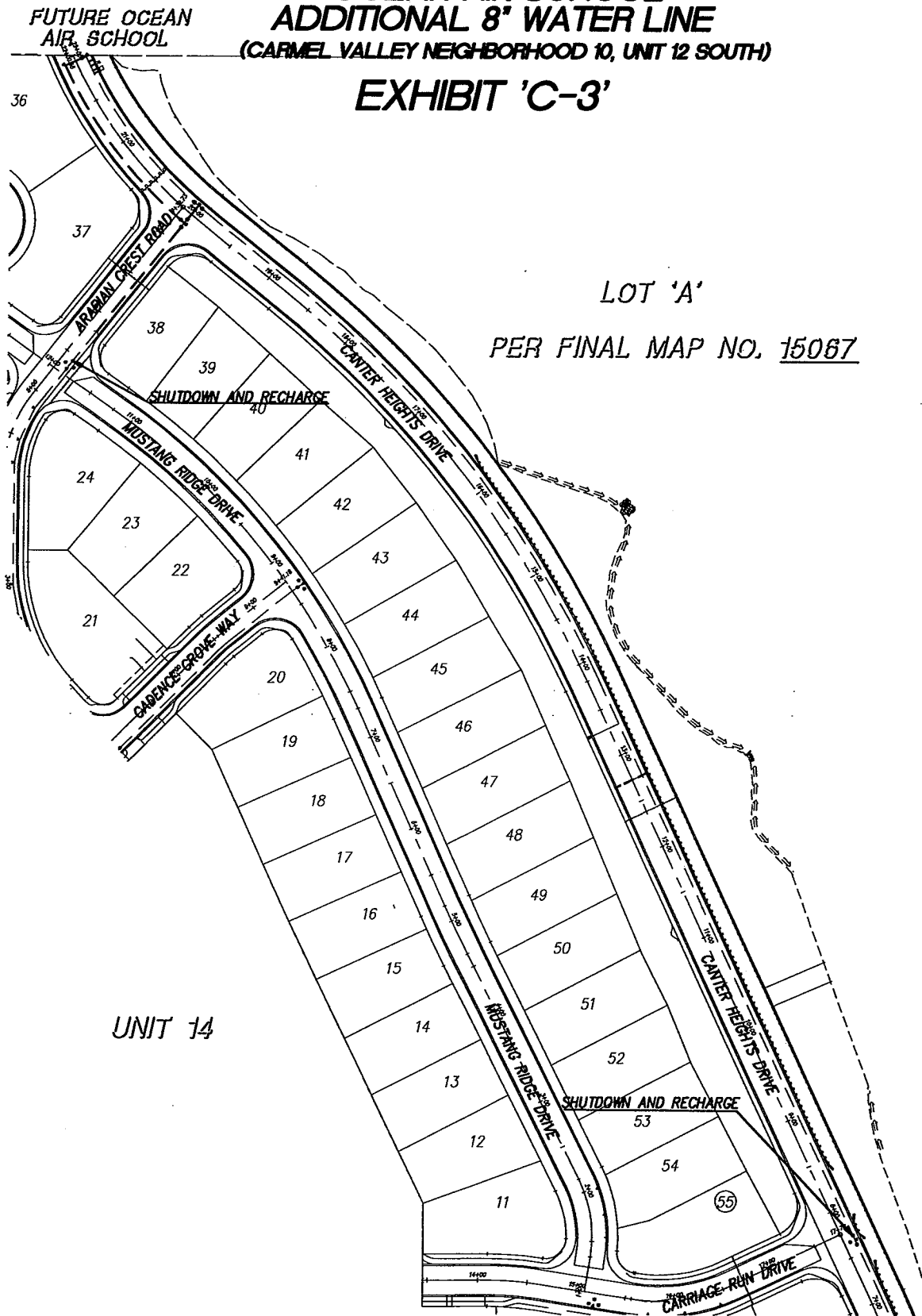
-  2' TRENCH
-  1" AC OVERLAY

PREPARED FOR:
 **Pardee Homes**
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OCEAN AIR SCHOOL ADDITIONAL 8" WATER LINE (CARMEL VALLEY NEIGHBORHOOD 10, UNIT 12 SOUTH)

EXHIBIT 'C-3'



LOT 'A'

PER FINAL MAP NO. 15067

UNIT 14



SCALE: NOT TO SCALE

PREPARED FOR:



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**OCEAN AIR SCHOOL
ADDITIONAL 8" WATER LINE
(CARMEL VALLEY NEIGHBORHOOD 10, UNIT 12 SOUTH)**

EXHIBIT 'D'

WORK TO BE DONE BY PARDEE HOMES

- PREPARE REIMBURSEMENT AGREEMENT BETWEEN PARDEE HOMES AND DEL MAR SCHOOL DISTRICT
- PREPARE AND PROCESS CONSTRUCTION CHANGE
- PAY CITY SHUT DOWN / RECHARGE FEES
- WORK SETUP
- SAW CUT AND TRENCH, REMOVE SPOILS AND PAVEMENT
- POTHOLE EX. SEWER AT WATER CROSSING
- INSTALL:
 - 382 LF OF 8" PVC WATER LINE
 - 6 - 8" GATE VALVE
 - 2 - 8" TEE CONNECTION
 - 1 - 8" STRAIGHT-IN CONNECTION
 - 2 - 90° BEND CONNECTION
 - 4 - THRUST BLOCKS
 - 2 - 2" WATER LATERALS
 - 1 - 2" IRRIGATION SERVICE
- FLUSH, CHLORINATE & PRESSURE TEST WATER MAINS
- TRENCH REPAIR AND AC OVERLAY
 - 787 SF - TRENCH REPAIR
 - 12244 SF - 1" AC OVERLAY
- PREPARATION AND PROCESS OF AS-BUILT DRAWINGS

PREPARED FOR:



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EXHIBIT 'E'
OCEAN AIR SCHOOL WATERLINE REIMBURSEMENT
CVN 10 UNIT 12 SOUTH IMPROVEMENT CONSTRUCTION CHANGE "C"
DWG NO. 33030-D W.O. 422631 PTS 32839
 PARDEE J.N. 132207 PDC J.N. 2688.00

Surveying Cost

ITEM	QTY	UNIT	UNIT COST	TOTAL COST
Surveying	1	LS	\$2,500	\$ 2,500.00
Sub-Total				\$ 2,500.00

Water System

ITEM	QTY	UNIT	UNIT COST	TOTAL COST
8" PVC Water Line (incl. Mobilization, asphalt sawcut 3' trench, disposal & disposal fees, traffic control, traffic plates, flush, chlorinate, pressure test, 7" concrete cap per SDG 107 trench repair)	382	LF	\$ 153.73	\$ 58,724.86
8" G.V. (incl. box and cover)	6	EA	\$ 1,649.63	\$ 9,897.78
Thrust Block	4	EA	\$ 147.26	\$ 589.04
8" Tee Connection (incl. 1-new construction tee and 1-cut-in connection tee)	2	EA	\$ 3,894.28	\$ 7,788.56
90° bend (incl. 1-new construction and 1-cut-in construction)	2	EA	\$ 1,979.31	\$ 3,958.62
8" straight-in connection (incl. removal 2" Blow Off and End Cap)	1	EA	\$ 2,568.80	\$ 2,568.80
Water trench spoils (Remove and dispose to Del Mar School District's disposal site, within 5 miles of site)	67	CY	\$ 19.77	\$ 1,324.59
Dual 2" water service (incl. Dry tap into existing original main, manifold and 36"x40" vault)	1	EA	\$ 17,605.12	\$ 17,605.12
2" irrigation service (dry tap into existing original main)	1	EA	\$ 7,066.77	\$ 7,066.77
Sub-Total				\$ 109,524.14

Street Resurfacing

ITEM	QTY	UNIT	UNIT COST	TOTAL COST
AC Grinding and 1" overlay (curb to curb approx. 12,250 SF)	1	LS	\$ 30,417.49	\$ 30,417.49
Sub-Total				\$ 30,417.49

City Fees

ITEM	QTY	UNIT	UNIT COST	TOTAL COST
Shutdown and Depressure	2	EA	\$ 2,200.00	\$ 4,400.00
Recharge	2	EA	\$ 2,220.00	\$ 4,440.00
City Plan Processing (W.O. 422631)	1	LS	\$ 15,000.00	\$ 15,000.00
Sub-Total				\$ 23,840.00

Engineering Cost

ITEM	QTY	UNIT	TOTAL COST
School District Meetings/Coordination		FF	\$ 2,500.00
City Meetings		FF	\$ 750.00
Improvement Construction Change (preparation and process)		FF	\$ 4,000.00
Reimbursement Agreement Support (coordination, cost estimates and exhibits)		FF	\$ 3,125.00
Bid Set Support		FF	\$ 1,000.00
Reimbursable (Copies, Deliveries, Etc.)		FF	\$ 1,500.00
Sub-Total			\$ 12,875.00

Attorney Cost

ITEM	QTY	UNIT	TOTAL COST
Legal costs and school agreement preparation		FF	\$ 5,736.45
Sub-Total			\$ 5,736.45

Item Total	\$ 184,893.08
Pardee Management Fee Mark-up (6%)	\$ 11,093.58
Contingency	\$ 18,489.31
Grand Total	\$ 214,475.97

* This quantity is an estimate of City processing fees. Actual cost to be determined at completion.

March 16, 2007

To: Board Members

From: Tom Bishop

Subject: Possible Visitation by Board to Ocean Air School

Would the Board desire to visit Ocean Air School to observe the progress of the construction of the Ocean Air facility? I checked with Rodger Smith to see if he is available to tour the Board through the partially completed facility on Monday April 2 at approximately 2:45 p.m. or on Wednesday April 4 at 2:45 p.m. Mr. Smith is available at both of these times.

Please check your calendars to determine if you can attend a possible Board tour of Ocean Air School on April 2 or April 4.

RECOMMENDED: Superintendent recommends that the Board visit Ocean Air School on April 2 or April 4, 2007.

8.3

March 14, 2007

To: Board of Trustees

From: Trish Snider

Through: Tom Bishop

Subject: The Proposed Merge of Del Mar Union School District Employee Child Care Program and the Del Mar Union School District Preschool Special Education Program.

To address the 2006/2007 District goal of identifying a permanent location for the merged Del Mar Union School District Employee Child Care and Special Education Preschool, a research committee was convened earlier in the 2006/2007 school year. The committee included Trish Snider, Penny Boerner, Charlene Komosinski, Linda Luce and Yvonne Roath.

The committee worked to develop the required protocol and space to house the Child Care and the Special Education Preschool Program. Many Education and Health codes were reviewed.

The committee first explored utilizing the current Child Care portables at Ashley Falls School. The Education Code requirement to have two exits in each portable, resulted in this option not being financially feasible.

Next, preliminary plans for a new building were explored with architect, Frisco White. Mr. White's preliminary plan proved too expensive for current budgetary consideration. Mr. White estimated the construction cost for a new 7,000 sq. ft. facility to be \$3.6 million. The construction costs for a new merged child care facility will be the co-responsibilities of the DMUSD General Fund (Pre-School Special Day Class) and the DMUSD Employee Child Care Program.

A decision was made to put a hold on further exploration of a permanent location and new facility until school site enrollment stabilized with the opening of Ocean Air School in August 2007. The current sites for the

Preschool Special Day Class Program, and the Employee Child Care Program are working very well.

Another unknown is when or if the DMUSD will dispose of the Shores property. If the Board sells the Shores property, then the Employee Child Care/Pre-School Programs will need to be relocated elsewhere in the DMUSD.

In the fall of 2007, the committee could discuss the feasibility of utilizing space at an existing school site, the costs associated with bringing a school site into compliance with Child Care licensing, and the funding sources available to support a chosen site or to build a building.

RECOMMENDED: Informational Item Only.

8.4