



Date: October 25, 2019

To: Board of Directors

From: Kevin Sved, CEO

Subject: Project Management Agreement with Pacific Charter School Development

Overview

Pacific Charter School Development (PCSD) has supported Navigator Schools by providing feasibility analysis to Watsonville Prep School (WPS), Gilroy Prep, and Hollister Prep. PCSD has provided support services free of cost. For the last year the collaboration with PCSD has focused primarily on the viability of long-term WPS facilities at 407 Main Street. In the event that Navigator moves forward with plans to develop 407 Main Street site for long-term use by WPS, more significant project management support will be necessary. The attached agreement describes the project management services that PCSD will provide, encompassing all stages of the project including planning, design, construction, and post construction. The agreement is for \$100,200 to be paid monthly at the rate of \$8,335.

Analysis

PCSD, led by James Hugas, has provided significant assistance in developing a viable solution to meet the long-term facility needs for WPS. James and the PCSD have significant experience delivering charter school facilities, and they have expertise in construction and project management as well as facilities financing. At an estimated project budget of \$5 million, the fees amount to 2% of project costs. This is below typical project management fees that range from 3.5%-5% for projects of this scale. This project management agreement was reviewed by attorneys Jessica Shaham and Richard Rosenblatt of Kutak Rock.

Recommendation

It is recommended that the Board delegate authority to the CEO to execute the project management agreement in substantially the same form as attached, conditional upon the CEO consulting with the Board Chair and Board Treasurer on the final form of the document.

Attachments:

-Resolution

-Project Management Agreement

BOARD RESOLUTION 2019-11

October 28, 2019

Authorization to Execute Project Management Agreement

A RESOLUTION OF THE BOARD OF DIRECTORS of Navigator Schools authorizing the CEO to execute a project management agreement with Pacific Charter School Development (PCSD):

WHEREAS Watsonville Prep School (WPS) has a need for long-term facilities to house a full TK-8 grade program;

WHEREAS PCSD has supported Navigator Schools by providing feasibility analysis to WPS;

WHEREAS Navigator will need more significant project management support to complete the project;

WHEREAS PCSD has significant experience delivering charter school facilities; and

WHEREAS PCSD has expertise in construction and project management as well as facilities financing;

RESOLVED, the CEO of Navigator Schools is authorized to execute a project management agreement with PCSD for up to \$100,200 in substantially the same form as the attached agreement conditional upon the CEO consulting with the Board Chair and Board Treasurer on the final form of the document.

This resolution shall take effect immediately upon its adoption.

PASSED AND ADOPTED by the Board of Directors of Navigator Schools at its regular meeting held on October 28, 2019 at Hollister, California.

Signature of Board Chair
Caitrin Wright
Navigator Schools, a California Nonprofit Public Benefit Corporation

The Secretary of the Corporation certifies that the above is true and copy of the resolution that was duly adopted at the dated meeting of the board of directors.

Signature of Secretary

Date

Printed name of Secretary

PROJECT MANAGEMENT AGREEMENT

by and between

NAVIGATOR SCHOOLS
and

PACIFIC CHARTER SCHOOL DEVELOPMENT, INC.

dated as of ___ September 2019

PROJECT MANAGEMENT AGREEMENT

This Project Management Agreement (this "**Agreement**") is dated as of September __, 2019 and effective as of September 15th 2019 ("**Effective Date**") by and between NAVIGATOR SCHOOLS a California non-profit public benefit corporation ("**Client**"), and PACIFIC CHARTER SCHOOL DEVELOPMENT, INC., a California non-profit public benefit corporation ("**PCSD**"), for project management services in connection with the project described on **Exhibit A** (the "**Project**"). Client and PCSD are herein referred to individually as a "**Party**" and collectively as the "**Parties**".

RECITALS

Client desires to retain PCSD to provide Services (as defined herein) in support of the Project and PCSD is willing to provide such Services according to the terms and conditions contained herein.

AGREEMENT

NOW, THEREFORE, for good and valuable consideration, the receipt of which is hereby acknowledges, the Parties hereby agree as follows:

1. **PCSD'S ENGAGEMENT AND SERVICES.**

1.1 **Services.**

PCSD agrees to provide to Client project management services described in Exhibit B and elsewhere in this Agreement for the Project (collectively, the "**Services**"). PCSD shall provide commercially reasonable organization and management to perform such Services in an expeditious and economical manner consistent with the interests of Client.

1.2 **Term.**

The "Term" of PCSD's engagement shall be deemed to have commenced as of the Effective Date and shall continue, subject to earlier termination or extension as provided below, until the earlier of (i) completion of the Project and (ii) sixteen (16) months from the Effective Date (the "Termination Date"). The Parties agree to negotiate in good faith an extension of the Term if the Project has not been completed by the Termination Date.

1.3 **Changes to Services.**

Client may not make any changes to the Services, including additions, deletions, or revisions to its scope nor extend or shorten its duration, without PCSD's prior written consent, except for a termination for cause or convenience as provided below. The Parties agree to negotiate in good faith an equitable adjustment to the Project Management Fee (defined below) if there is a change in school type, change in program or change in the number of students by more than ten percent (10%), which results in a material increase in the scope or duration of Services.

1.4 **Termination for Cause or Convenience.**

(a) **Termination for Cause.**

Either Party may terminate this Agreement for cause if the other Party (the “Breaching Party”) commits a breach of any part of this Agreement and does not cure such breach within ten (10) calendar days following receipt of the other Party’s (the “Non-Breaching Party”) written notice to the Breaching Party, in accordance with Section 7.2, of such breach demanding such cure. If such breach is curable but not within such initial ten (10) calendar day period, then the Non-Breaching Party shall grant the Breaching Party additional time to cure, provided that the Breaching Party provides within such ten (10) calendar day period a written cure plan that is reasonably acceptable to the Non-Breaching Party, and then diligently commences and continues such cure according to the approved written plan. Upon termination of this Agreement for any reason, including a termination for convenience, Client shall pay all amounts owed to PCSD for services rendered up to and including the termination date, including on a pro-rata basis for any Professional Services partially completed. However, if at any time following the allotted ten (10) calendar day cure period it is reasonably determined by the Non-Breaching Party in its sole discretion that the Breaching Party is either i) not diligently working to resolve such breach or ii) after a period of time it is reasonably apparent that it is unlikely to cure such breach within the amount of time previously set forth in the written cure plan, then upon notice to the Breaching Party and the earlier of i) an additional ten (10) calendar days or the end of the previously agreed upon amount of time set forth in the written cure plan, the Non-breaching Party may immediately terminate this Agreement for Cause.

(b) **Termination for Convenience.**

i.

i. **By Client.** Client may terminate this Agreement at any time, without cause, by giving PCSD not less than thirty (30) calendar days prior written notice of its election to terminate this Agreement. Unless a later date is specified in a termination notice given by Client pursuant to this Section 1.4(b) the termination shall be effective thirty (30) calendar days following the date the termination notice is received by PCSD. Upon termination for convenience, PCSD shall be entitled to the payment then due through the monthly period during which the effective date takes place.

ii. **By PCSD.** PCSD may terminate this Agreement at any time, without cause, by giving Client not less than forty-five (45) calendar days prior written notice of its election to terminate this Agreement. Unless a later date is specified in a termination notice given by PCSD pursuant to this Section 1.4(b) the termination shall be effective forty-five (45) calendar days following the date the termination notice is received by Client.

(c) **Effect of Termination.**

i. **Return of Materials.** In the event of any termination, PCSD shall deliver to Client a copy of all materials, or originals if legally required, relating to the Project received by PCSD from Client or received from third parties.

ii. **Payment of Fees.** Upon any termination of this Agreement, unless otherwise agreed to by the Parties in writing, PCSD shall discontinue the provision of any Services on the date the termination is effective. Upon termination, Client shall assume and become liable for all obligations, commitments, and unsettled claims that PCSD had previously undertaken or incurred in good faith on behalf of and with the consent of Client in connection with the Project and in accordance

with the terms of this Agreement. Client further acknowledges and agrees to take all further actions required to effectuate such assumption of liability at Client's sole expense, unless this Agreement is terminated for Cause by Client in accordance with Section 1.4(a).

1.5. **No Fiduciary Responsibility.** The duties and obligations of PCSD hereunder shall be determined solely by the express provisions of this Agreement, and PCSD is not acting as a fiduciary for Client. PCSD shall not be liable to Client except as set forth in this Agreement and, consequently, no implied covenants or obligations or fiduciary duties shall be read into this Agreement against PCSD.

2. **PCSD AND CLIENT'S RESPONSIBILITIES.**

2.1 **PCSD Responsibility.**

PCSD shall perform the Services in a timely and professional manner, utilizing best practices consistent with the time constraints set forth in this Agreement. Client shall delegate to PCSD the overall responsibility for making decisions in respect to the Project consistent with PCSD's scope of Services as defined herein, and after PCSD's consultation with Client's Representative. PCSD shall, subject to Section 1.3, accede to Client's decisions in all such matters relating to the Services be provided so long as such decisions do not interfere with PCSD's obligations or rights under this Agreement. PCSD shall be entitled to rely upon the accuracy and completeness of information, surveys, and reports provided by Client and parties acting by, through or on behalf of Client. PCSD's initial representative for the Services provided is James Heugas. Such representative may be changed from time to time by PCSD for any reason following written notice to Client.

2.2 **Client Responsibility.**

(a) Client shall cooperate fully with PCSD's efforts and requests in completing the tasks to be undertaken by PCSD under this Agreement.

(b) Client shall be responsible for paying all invoices for the Project, including those submitted to Client by PCSD that are received by PCSD from third parties and which PCSD has reviewed for accuracy, in a timely manner and before such invoices become past due. PCSD and Client shall cooperate to insure that all third party invoices submitted to PCSD are contemporaneously submitted to Client. PCSD shall endeavor to review invoices from third parties and provide the same with PCSD's comments to Client no later than fifteen (15) days prior to the due date of such invoices.

(c) Client shall: (i) provide to PCSD full information regarding the Project; and (ii) designate a representative who shall be fully acquainted with the Project and have authority to approve matters requiring Client's approval and to render decisions promptly. Client's initial representative for the Project is Kevin Sved. Such representative may be changed from time to time by Client for any reason following written notice to PCSD.

3. **PROJECT MANAGEMENT FEE, PCSD LOAN & CLIENT CONTRIBUTION.**

3.1 PCSD's fee for the Services will be ONE HUNDRED THOUSAND AND TWENTY Dollars (\$100,020) (the "**Project Management Fee**") subject to adjustment as set forth in Section 1.3. The Project Management Fee will be billed on an equal monthly basis for twelve (12) months (that is, Eight

Thousand Three Hundred and Thirty Five Dollars (\$8,335 per month)). If the Project is completed in less than twelve (12) months, PCSD reserves the right to bill the balance of the Project Management Fee that remains unpaid immediately upon final Project completion. Each invoice will be due within fifteen (15) business days after receipt. A late fee of TEN PERCENT (10%) per annum or the maximum allowed by law, whichever is less, shall be due and payable for any invoices not paid within the aforementioned period.

3.2 **PCSD Loan.** PCSD may elect to extend a loan to Client in an amount as is to be determined by PCSD in its sole and absolute discretion for the purpose providing financing for a portion of the costs of the Project (the "**PCSD Loan**"). Any such loan shall be evidenced by and subject to the terms and provisions of a promissory note and loan agreement executed by Client on behalf of and for the benefit of PCSD.

3.3 **Client Contribution.** As a part of this Agreement, and prior to the disbursement of any PCSD Loan proceeds, Client must contribute not less than One Hundred Thousand Dollars (\$100,000) towards the Project-related costs and expenses set forth in the budget file maintained by PCSD as updated, revised, modified or changed from time to time upon mutual consent of the parties (the "**Client Contribution**"). Evidence of any cost or expense payment by Client shall be timely submitted to PCSD upon completion of payment, and all evidence of payment shall be subject to PCSD's reasonable review and approval.

4. **INDEPENDENT CONTRACTOR.**

4.1 **Status.** Client and PCSD are independent contractors. No representations or assertions shall be made or actions taken by either party that would create any agency, joint venture, partnership, employment or trust relationship between the parties with respect to the subject matter of this Agreement. Except as may be expressly agreed upon in this Agreement or on a Schedule, neither party has any authority or power to enter into any agreement, contract or commitment on behalf of the other, or to create any liability or obligation whatsoever on behalf of the other, to any third person or entity.

4.2 **Employees.** Each party will exercise day-to-day control over and supervision of their respective employees, including but not limited to hiring, evaluation, promotion, demotion, compensation, employee benefits, fringe benefits, discipline and discharge. All work assignments, instruction, scheduling, staffing and direction of Client's employees shall be the exclusive province of Client. Each party is responsible for obtaining and maintaining worker's compensation coverage and unemployment insurance for its employees. PCSD further assumes full responsibility for compliance with any and all applicable worker's compensation insurance or similar laws pertaining to PCSD's employees for services rendered and compensation paid under this Agreement.

4.3 **Compliance.** Subject to the continued existence and maintenance of Client's tax-exempt status, PCSD assumes full responsibility for the payment of all taxes pertaining to services rendered and compensation paid under this Agreement. Any tax liabilities that may result from the loss of Client's tax-exempt status shall be borne, in full, by Client.

5. **INSURANCE AND INDEMNITY.**

5.1 **Client's Liability Insurance.** Client shall maintain insurance policies for commercial general liability insurance, builder's risk insurance, and such other insurance for the Project as will protect Client and PCSD against claims – including construction defect claims – which may arise from the Project and/or this Agreement. Any such policies shall name PCSD as an additional insured.

5.2 **Contractors Liability Insurance.** Client shall require all contractors, subcontractors and suppliers performing work or providing materials to the Project to maintain commercial general liability insurance in the minimum amount of Two Million Dollars (\$2,000,000.00) and to cause Client and PCSD to be named as additional insureds on such policies. All written contracts with contractors, subcontractors and suppliers shall require the above.

5.3 **Indemnity by Client.** For the Term of this Agreement plus one additional year, Client shall indemnify, defend and hold harmless PCSD and its employees, agents and representatives from and against any and all claims, demands, damages, losses, liabilities, obligations, costs and expenses, including attorneys' fees (collectively, "**Losses and Liabilities**"), arising out of or in connection with claims (including without limitation any governmental agency, homeowners association, or similar organization) relating to the Project, or any willful misconduct or negligence of Client, but excepting therefrom any Losses and Liabilities which arise out of any gross negligence or willful misconduct of PCSD. This indemnity specifically includes acts taken by PCSD in connection with the Project prior to the execution of this Agreement.

5.4 **Indemnity by PCSD.** For the Term of this Agreement plus one additional year, PCSD shall indemnify, defend and hold harmless Client and its employees, agents and representatives from and against any and all Losses and Liabilities arising out of or in connection with any willful misconduct or gross negligence of PCSD, but excepting therefrom any Losses and Liabilities which arise out of any gross negligence or willful misconduct of Client Agreement.

5.5 **Consequential Damages.** In no event shall either Party be liable for the other's indirect, special, incidental, punitive or consequential damages suffered or incurred by or on behalf of the other Party in connection with, arising out of, or in any way connected to the Project, this Agreement or any Service or transaction contemplated herein.

5.6 **Damages Cap.** Except for Losses and Liabilities arising out any willfull misconduct or gross negligence by the other Party, in no event shall either Party's liability arising in any way out of this Agreement exceed the amounts received by PCSD under this Agreement.

6. **DISPUTE RESOLUTION.**

6.1. **Waiver of Jury Trial.** ANY DISPUTE ARISING BETWEEN THE PARTIES RELATING TO THE TERMS OR PERFORMANCE OF THIS AGREEMENT SHALL BE ADDRESSED AS PROVIDED BELOW, AND THE PARTIES EXPRESSLY WAIVE ANY RIGHT TO HAVE THEIR DISPUTES RESOLVED THROUGH TRIAL BY JURY TO THE EXTENT ALLOWED BY LAW.

6.2. **Claim Requirements.** As a condition precedent to a Party pursuing a claim, such Party shall first file with the other Party a written claim setting forth its position, which must at least include the following: (i) a narrative of pertinent events; (ii) citation to relevant provisions of this Agreement; (iii) such Party's theory and justification for entitlement; and (iv) requested resolution.

6.3. **Informal Resolution.** In the event of a dispute, the Parties shall meet and confer in good faith in an effort to resolve such dispute. Each Party shall continue performing its obligations under this Agreement throughout the course of any dispute.

6.4. **Mediation.** If the Parties are unable to resolve their disputes informally as provided above, the parties shall seek to resolve their disputes through good faith mediation conducted by a mediator mutually acceptable to the Parties.

6.5. **Venue.** The venue of any lawsuit or dispute resolution procedure shall be the location of the Project, unless the Parties mutual agree on another location in writing.

6.6 **Arbitration.** Any dispute that is not settled through mediation as provided above shall be resolved by arbitration which, unless the parties mutually agree otherwise, shall be administered by the American Arbitration Association in accordance with its Construction Industry Arbitration Rules in effect on the date of the Agreement. The Arbitration shall be conducted in the place where the Project is located, unless another location is mutually agreed upon. A demand for arbitration shall be made in writing, delivered to the other party to the Contract, and filed with the person or entity administering the arbitration. The party filing a notice of demand for arbitration must assert in the demand all Claims then known to that party on which arbitration is permitted to be demanded. A demand for arbitration shall be made no earlier than concurrently with the filing of a request for mediation, but in no event shall it be made after the date when the institution of legal or equitable proceedings based on the Claim would be barred by the applicable statute of limitations. For statute of limitations purposes, receipt of a written demand for arbitration by the person or entity administering the arbitration shall constitute the institution of legal or equitable proceedings based on the Claim. The award rendered by the arbitrator or arbitrators shall be final, and judgment may be entered upon it in accordance with applicable law in any court having jurisdiction thereof. The foregoing agreement to arbitrate and other agreements to arbitrate with an additional person or entity duly consented to by parties to the Agreement, shall be specifically enforceable under applicable law in any court having jurisdiction thereof.

6.7 **Attorney Fees.** If any Party brings a lawsuit or dispute resolution proceeding to enforce the terms of this Agreement, or declare rights hereunder, the Prevailing Party (as hereinafter defined) in any such lawsuit or proceeding shall be entitled to reimbursement by the other Party of reasonable attorney fees, costs and disbursements, including reasonable expert fees and costs. The term "Prevailing Party" shall include, without limitation, a Party who substantially obtains or defeats the relief sought, whether by compromise, settlement, judgment or abandonment by the other party of its claim or defense. The attorney's fee award shall not be computed in accordance with any court fee schedule, but shall be as such as to fully reimburse all attorney's fees reasonably incurred. With respect to the foregoing, and any other provision in this Agreement providing for payment or indemnification of attorney's fees, such fees shall be reasonable and deemed to include reasonable fees incurred through any applicable appeal process.

7. **GENERAL PROVISIONS.**

7.1 Reserved.

7.2 **Notices.** All notices, requests, demands and other communications under this Agreement shall be in writing and shall be deemed duly given (i) on the date of delivery if personally

delivered, (ii) one (1) business day after delivery by overnight courier or facsimile (provided that the sender retains a printed confirmation of delivery to the facsimile number provided below), or (iii) three (3) business days after mailing if mailed by first class mail certified or registered, postage prepaid, return receipt requested, to the Parties at their addresses set forth below, or such other address designated from time to time in writing by such Party to the other Party.

PCSD: Pacific Charter School Development, Inc.
600 Wilshire, Suite 200
Los Angeles, CA 90017
Fax: (213) 542-4701
Attention: John Sun, CEO

Client: Navigator Schools
650 San Benito St. Suite 230
Hollister, CA 95023
Tel: 831-217-4880
Attn: Kevin Sved, Executive Director

7.3 **Amendment and Waiver.** This Agreement may be amended only by a written document signed by all Parties to this Agreement. Waiver of any provision of this Agreement shall not be deemed or constitute a waiver of any other provision, nor shall such waiver constitute a continuing waiver.

7.4 **Successors and Assigns.** This Agreement shall be binding upon and inure to the benefit of the Parties and their respective heirs, beneficiaries, legal representatives, successors and assigns. This Agreement may only be assigned with the prior written approval of the other Party.

7.5 **Governing Law and Severability.** This Agreement shall be governed by and construed under the laws of the State of California, without regard to any conflicts of law provisions. If any provision of this Agreement is invalid or unenforceable, and if the deletion of such provision would not adversely affect the receipt of any material benefit of the bargain by either Party hereto, such provision shall (i) be modified to the minimum extent necessary to render it valid and enforceable, or (ii) if it cannot be so modified, be deemed not to be a part of this Agreement and shall not affect the validity or enforceability of the remaining provisions.

7.6 **Counterparts.** This Agreement may be executed in any number of counterparts, and each set of duly delivered identical counterparts, which includes all signatories, shall be deemed to be an original instrument.

7.7 **Construction.** This Agreement has been negotiated at arm's length and each Party has been represented by legal counsel. Accordingly, any rule of law (including without limitation California Civil Code Section 1654) or legal decision that would require interpretation of any ambiguities in this Agreement against the Party drafting it is not applicable and is waived. The provisions of this Agreement shall be interpreted in a reasonable manner to effectuate the intent of the Parties and the purpose of this Agreement.

7.8 **Further Assurances.** The Parties covenant and agree that they will execute such other and further instruments and documents as are or may become necessary or convenient to effectuate and carry out this Agreement.

7.9 **Entire Agreement.** This Agreement represents the entire agreement between the Parties with respect to the subject matter set forth above, and supersedes all previous oral and written agreements, communications, representations, and commitments between PCSD, Client, and their respective predecessors.

7.10 **Survival.** The provisions of this Agreement shall survive its termination and the completion of the Services.

[Balance of Page Intentionally Left Blank; Signature Page Follows]

IN WITNESS WHEREOF, the Parties have executed this Project Management Agreement effective as of the date set forth above.

NAVIGATOR SCHOOLS

PACIFIC CHARTER SCHOOL DEVELOPMENT, INC.

By: _____

Name: Kevin Sved,
Title: Executive Director

By: _____

Name: John Sun
Title: Chief Executive Officer

EXHIBIT A

PROJECT DESCRIPTION

Program Description:

Watsonville Prep (a Navigator School) will service students in grades K-8 in Watsonville, CA. Watsonville Prep's program focuses on data driven instruction, coaching, daily intervention, small group instruction, and student-educator ratio that will help each child become the learner and leader we know they can be. As with the two other Navigator Schools, Watsonville Prep will work with students continuously from kindergarten through 8th grade in a small, community-based school setting. This structure allows for deep and meaningful relationships with students and parents and ensures staff is well-informed of the individual needs of each student. The design of a Navigator school has been impacted significantly by high-performing schools across the Bay Area and the nation who are attaining excellent educational outcomes for students. with stakeholders and gaining new perspective as they design solutions, which they present to local community stakeholders.

Watsonville Prep opened this year to serve 180 K, 1st, and 2nd graders in a prop 39 space provided by the Watsonville School District. Year 2 will see another 60 students and the same with each subsequent year until the school is serving 540 students across all 9 grades in year 7.

Property Description:

The property is a two-story commercial building at 409 Mian Street in the heart of Wasonville. The school is proposing to lease the entire 2nd floor which totals 37,750sf. The entire buidling is currently vacant and following the improvments to the 2nd floor for the school, the property owner proposes to develop out the first floor as a mix of commercial retail. The proposed lease would included a dedicated 1st floor entrance for the school, sufficient parking for the school, and a dedicated pick-up and drop-off location on the east side of the building.

Project Description:

The school proposes facilitate tenant improvements to the entire building by taking out a series of loans. The building owner has agreed to incrementally lease portions of for the first two years of the lease as they build enrollement and then lease the full floor plate in Year 3. Given the change of use and the fact that most of the existing spaces are open commercial and interior offices, it is anticipated that the building will need new walls/doors for classrooms and administrative spaces, extension of the fire sprinkler system, upgraded fire/life/safety systems, upgraded lighting and controls and new finishes. The building will also likely require some siemic reinforcing through the addition of chevron brace frames on the ground and second floor. Since there are limited window openings on the 2nd floor, the proposed improvements will include curring openings into the existing concrete tilt-up walls. There is an existing elevator, stairwells, and bathrooms that can likely remain as-is, though an additional interenal stairwell will have to be installed in the location of the existing freight elevator.

In addition to the anticipated improvements, heating and air circulation, plumbing, electrical, and IT capacity will be evaluated, and improvements or changes to these systems may be included in the Project for programmatic reasons or if required to obtain a certificate of occupancy.

Current Status:

At the time of this agreement, PCSD and Navigator have toured the building, a set of schematic floor plans (attached to this agreement in Exhibit C) has been developed, and Navigator is in the process of negotiating a proposed lease structure with the building owner.

EXHIBIT B

SERVICES AND EXCLUDED SERVICES

The scope of services will be limited to the management of any building improvements required to obtain a final a Certificate of Occupancy on the Property in order for Client to operate the School. WCSD’s scope of work will include i) assisting in conversations about the Project with the City and the owner, ii) managing consulting and vendor contracts for all Project-related work required to obtain a Certificate of Occupancy, and iii) reviewing and approving all invoicing associated with any work performed in relation to the improvements of the property and the issuance of the Certificate of Occupancy. The following chart describes in greater detail the roles and responsibilities of each party

Scope of Services Project: Watsonville Prep School	September ____, 2019	
	Primary	Supporting
PLANNING PHASE		
Administration		
Establish protocols and procedures with project leadership	PCSD	CLIENT
Issue and maintain project directory	PCSD	
Create and maintain electronic files of Project documents, including contracts, agreements, reports and plans	PCSD	CLIENT
Facilitate execution of project-related documents	PCSD	CLIENT
Support in presentations to Client’s governing board, as needed	PCSD	
Original Budget and Financing		
Create full project budget (excluding FF&E)	PCSD	CLIENT
Create FF&E project budget	CLIENT	PCSD
Prepare project cash flow and update as needed	PCSD	
Analyze potential financing structure and facilitate selection	CLIENT	PCSD
Source potential lenders	CLIENT	PCSD
Create, submit, coordinate requests for financing packages	CLIENT	PCSD
Address potential lender needs (requests, due diligence)	CLIENT	PCSD
Manage selection of funder and lender and negotiate terms	CLIENT	PCSD
Manage application and filing of closing documents	PCSD	CLIENT
Apply for government financing if applicable	CLIENT	PCSD
Apply for government grants if applicable	CLIENT	PCSD
Schedule		
Generate project schedule and update as needed	PCSD	
Identify key Client and Project milestones	PCSD	CLIENT
Site Control		
Negotiate LOIs (if applicable)	CLIENT	

Arrange for right of entry (if applicable)	CLIENT	PCSD
Negotiate lease terms (if applicable)	CLIENT	
Collect existing due diligence materials (ex. haz mat assessments, topo survey)	PCSD	CLIENT
Coordinate transaction components (ex. ALTA, title)	PCSD	CLIENT
Manage entitlements and variances	PCSD	CLIENT
Manage easements and covenants	CLIENT	PCSD
Confirm Client (School District) requirements	CLIENT	
LEED or other state requirements (such as CHPs)	CLIENT	PCSD
Team Assembly - A&E / Consultants / Preconstruction Contractor		
Manage RFP preparation, proposal review, interview, and selection process of various Client contracts and services		
Architect & Engineering (MEP, Structural, etc.)	PCSD	CLIENT
Civil Engineer	PCSD	CLIENT
General Contractor	PCSD	CLIENT
Surveyor (ALTA, Topo, wall check, building plat, etc.)	PCSD	CLIENT
Geotech Engineer	PCSD	CLIENT
Environmental Consultant (Phase 1, Hazmat Surveys, etc)	PCSD	CLIENT
Industrial Hygienist	PCSD	
Traffic Engineer	PCSD	
LEED or CHPs Consultant	PCSD	
Commissioning Agent	PCSD	
3rd Party Plan Review	PCSD	
Permit Expeditor	PCSD	
Wage Scale Monitoring	PCSD	
Materials Testing & Inspections	PCSD	
3rd Party Code Inspections	PCSD	
Audio / Visual	CLIENT	
Access Control / Security	CLIENT	
Communication Cabling	CLIENT	
Signage	PCSD	CLIENT
Negotiate and finalize contract terms including fees	PCSD	CLIENT
Coordinate any documentation needed by financing	CLIENT	PCSD
Coordinate submission to any local state entities	PCSD	CLIENT
DESIGN PHASE		
Administrative		
Facilitate design meetings, including setting agenda	PCSD	
Prepare and maintain issue tracking log	PCSD	
Review and edit A&E meeting minutes and submit notes to file as needed	PCSD	CLIENT

Establish requirements for permit and bid package issuances	PCSD	
Attend project presentations to School and/or Charter School Board, as needed	PCSD	CLIENT
Coordinate Client's relationship with neighbors (informational meetings, approval meetings, update meetings, newsletters)	CLIENT	PCSD
Programming		
Prepare outline program of spaces (indoor and outdoor)	CLIENT	PCSD
Verify LEED / CHPs / Sustainability strategy	PCSD	CLIENT
Generate performance criteria / specifications for Client's technical systems:		
information technology	CLIENT	PCSD
access control / security	CLIENT	PCSD
communications	CLIENT	PCSD
audio-visual	CLIENT	PCSD
Budget & Schedule Tracking		
Manage contractor cost estimating of design packages	PCSD	
If required, manage value engineering effort to ensure costs are consistent with Client budget goals	PCSD	
Provide regular budget updates (hard and soft cost line items budget/commitments/actual expenditures):	PCSD	
Update cash flow projections	PCSD	
Review and approve all invoices related to project budget commitments	PCSD	
Package and coordinate monthly draw request for funding	PCSD	
Manage design team to ensure various design packages are issued in accordance with Project Schedule	PCSD	
Monitor and maintain overall project schedule	PCSD	
Provide paid invoice check numbers and dates on a monthly basis to ensure accurate project accounting	CLIENT	
Provide timely and complete responses to school-related design questions in efforts to maintain the design schedule	CLIENT	PCSD
Quality Control		
Provide design reviews/mark-ups of drawings and specifications at various stages of design	PCSD	CLIENT
Draft and issue approval memo to proceed into next phase of design	PCSD	
Issue updates to Program Document, as required	CLIENT	PCSD
Oversee any LEED credit tracking and initial 'design submission' to any reviewing entities	nnPCSD	
FF&E		

Prepare and update list of FF&E items to be purchased	CLIENT	PCSD
Facilitate design coordination with FF&E requirements	PCSD	CLIENT
Provide technical and design input on low voltage systems as required during Design to ensure accuracy in AE drawings and specifications.	CLIENT	
Coordinate the installation of Client's low voltage requirements	PCSD	CLIENT
Permitting & Utilities		
Monitor and participate in researching, submitting and securing approvals from all applicable agencies (e.g., environmental, regulatory, etc.)	PCSD	CLIENT
Monitor and participate in applying for and securing new and/or replacement utility services:		
- Water	PCSD	CLIENT
- Gas	PCSD	CLIENT
- Electricity	PCSD	CLIENT
- Phone	CLIENT	PCSD
- Wireless	CLIENT	PCSD
CONSTRUCTION PHASE		
Administrative		
Attend regular construction team meetings	PCSD	CLIENT
Review and edit contractor meeting minutes or submit notes to file as needed	PCSD	CLIENT
Manage questions/issues raised by contractor and facilitate resolution	PCSD	CLIENT
Bidding		
Review actual proposed General Conditions	PCSD	
Review overall proposed Schedule of Values	PCSD	
Create a wish list for contingency and capital campaign efforts	CLIENT	PCSD
Coordinate proposed change order process, including documentation requirements	PCSD	
Budget & Schedule Tracking		
Prepare and maintain construction contract log	PCSD	
Review, manage and negotiate Proposed Change Orders	PCSD	
Attend Change Order meetings with contractor and design team (in person or via phone)	PCSD	
Provide timely responses to school-related RFI and Change Order questions as required,	CLIENT	PCSD

Track construction costs and identify variances from budgeted amounts, including exposures against construction contingencies	PCSD	
Provide regular budget updates (hard and soft cost line items/budget/commitments/actual expenditures)	PCSD	
Update cash flow projections as needed	PCSD	
Review and approve all invoices related to project budget commitments and submit to CLIENT for payment	PCSD	
Pay all project invoices	CLIENT	
Package and coordinate monthly draw request for funding	PCSD	
Track contractor's schedule progress and flag items of concern for contractor's response	PCSD	
Monitor and maintain overall project schedule	PCSD	
Quality Control		
Monitor work of contractor to ensure compliance with design documents and quality of work (PCSD may rely on the opinion of 3 rd parties such as architects and inspectors to confirm compliance – on site walkthroughs will be limited to once a month)	PCSD	
FF&E		
Assist in coordinating contractor's work with installation of FF&E	PCSD	CLIENT
Assist in coordinating contractor's work with installation of other Client-provided work (telecom, security, A/V, etc)	PCSD	CLIENT
Utilities		
Facilitate coordination between utility companies and contractor regarding new services into Project	PCSD	
Coordinate between Client and utilities in establishing billing accounts	CLIENT	PCSD
Substantial / Final Completion		
Facilitate final inspection approvals and issuance of Certificate of Occupancy	PCSD	
Coordinate development of punch-list and contractor's completion thereof	PCSD	
Facilitate turnover of project from construction team to property management and/or school operations (including systems training)	PCSD	
Manage contractor's assembly of closeout materials (including O&M information as required)	PCSD	
- ensure proper distribution to operational personnel	CLIENT	
Coordinate receipt/distribution of as-built documents	PCSD	

If GMP, review final construction costs and negotiate final GMP amount and appropriate distribution of project savings, if any	PCSD	
Confirm receipt of lien waivers and other closeout documents required for contractor's final payment	PCSD	
POST CONSTRUCTION PHASE		
Administrative		
Facilitate resolution to any construction/warranty issues raised during first [six (6)] weeks of occupancy	PCSD	
Provide final archive to Client of all key project documents.	PCSD	
If Applicable, assist LEED consultant in submission of final certificate application to USGBC and distribution of certification upon receipt	PCSD	CLIENT
Assist Client in preparing any financing/funding entity closeout requirements	PCSD	CLIENT

EXCLUDED SERVICES:

In accordance with this Agreement, PCSD may oversee the management and/or scheduling of third-party licensed professionals, contractors and vendors in the course of rendering the services set forth in this Exhibit B. However, PCSD shall not have any formal control over or charge of and shall not be responsible for construction means, methods, techniques, sequences, or procedures, acts, omissions, or for safety precautions and programs of any third-party professionals, contractors, or vendors providing the following services on or at the Project (each an “Excluded Service” and collectively the “Excluded Services”):

- ◆ Architectural, Engineering or other Design Services or the conformance of any design or implementation with any applicable legal standards or requirements
- ◆ General Contracting
- ◆ Legal Services
- ◆ Safety Program Design or Enforcement
- ◆ Accounting Services
- ◆ Investment Advisory Services
- ◆ Municipal Advisory Services
- ◆ Environmental Assessment, related Mitigation or Monitoring
- ◆ Quantity Surveying or Cost Estimating
- ◆ FF&E procurement or coordination, including the following items:
 - ◆ Lunch Tables
 - ◆ Items that require approval by the Department of the State Architect, such as exterior canopies & awnings
 - ◆ Playground Surfacing or Equipment
 - ◆ School & Office Equipment or Furnishings

- ◆ Low Voltage Data beyond the coordination of installation on the Project, Phone, PA System, Clock, Security, or Card Reader Wiring/Equipment/Planning
- ◆ Kitchen, Food Prep, and Food Serving Equipment
- ◆ Equipment needed to execute future maintenance
- ◆ Any operational permits or fees required to operate a public charter school
- ◆ Property Management

As such, PCSD shall not be named as a party to any action brought by Client in matters of design errors and omissions, construction defects, jobsite accidents, or any other event relating to or arising out of any of the above Excluded Services and shall be specifically indemnified by Client and by the general contractors, sub-contractors, architects and other design consultants contracted with by Client and working on the Project against actions brought by others against PCSD for Excluded Services, unless directly resulting from and solely attributed to PCSD's gross negligence or willful misconduct. Client shall cause its contracts with such third parties to contain a written indemnification of PCSD in form reasonably satisfactory to PCSD, as determined in its sole discretion.

Moreover, PCSD shall not be responsible for the GC's schedule or failure to carry out the Project in accordance with any contract documents or any permits associated with the Project. PCSD shall not have control over or charge of acts or omissions of the GC, its subcontractors, the Architect or other design professionals, or their agents or employees, or of any other persons engaged by or on behalf of any party to perform work on the Project. PCSD shall have no responsibility for the Project design or for ensuring that such design or its implementation is in compliance with applicable laws and codes. PCSD shall have no responsibility for the discovery, presence, handling, removal, or disposal of or exposure of persons to hazardous materials in any form at or around the Project site.

[END OF SCOPE OF SERVICES]

EXHIBIT C
SCHEMATIC PLANS
(attached)