AMENDMENT NO. 3 TO LEASE LEASEBACK DOCUMENTS

1. FACILITIES LEASE BY AND BETWEEN JL CONSTRUCTION, AS LESSOR AND SAN LEANDRO UNIFIED SCHOOL DISTRICT AS LESSEE, DATED AS OF SEPTEMBER 12, 2018.

This Amendment Number Three to Lease Leaseback Documents ("Third Amendment") is made and entered into this 11th day of June 2019 between JL Construction ("Contractor" or "Lessor") and the San Leandro Unified School District, a California public school district located in San Leandro, California ("District" or "Lessee") (collectively, the "Parties")

RECITALS

A. WHEREAS, Developer and District entered into the following two leases pursuant to Section 17406 of the Education Code of the State of California under which Developer is to provide for construction consisting of Sitework and Modular Building Construction at multiple District school sites ("Project"):

1. Site Lease by And Between San Leandro Unified School District as Lessor and JL Construction as Lessee, dated as of September 12, 2018 ("Site Lease"); and

2. Facilities Lease by And Between JL Construction as Lessor and San Leandro Unified School District as Lessee, dated as of September 12, 2018 ("Facilities Lease").

(Collectively, with all incorporated exhibits, the "Lease Leaseback Documents"); and

B. WHEREAS, on September 11, 2018, the Parties revised certain terms of the Lease Leaseback Documents; and

C. WHEREAS, on April 9, 2019, the Parties further amended the Lease Leaseback Documents to include the cost of the site work; and

E. WHEREAS, it is now the desire and intention of the Parties to further amend the Lease Leaseback Documents as set forth below.

NOW, THEREFORE, in light of the foregoing facts and in further consideration of the promises and agreements of the Parties set forth herein below, it is mutually agreed as follows:

TERMS AND CONDITIONS

Except as revised herein, all other provisions of the Lease Leaseback Documents and/or addendum shall remain in full force and effect and are reaffirmed. If there is any conflict between this Third Amendment and any provision of the Lease Leaseback Documents, the provisions of this Third Amendment shall control.

The following changes shall be made to the Facilities Lease:

1. **AMENDED EXHIBIT C-1 TO THE FACILITIES LEASE IS REPLACED WITH SECOND AMENDED EXHIBIT C-1.**

2. **AMENDED EXHIBIT C-2 TO THE FACILITIES LEASE IS REPLACED WITH SECOND AMENDED EXHIBIT C-2.**

Copies of both exhibits are attached hereto as Exhibit A to this Amendment.

ACCEPTED AND AGREED on the date indicated below:

Dated: June ___, 2019

SAN LEANDRO UNIFIED SCHOOL DISTRICT

By: _____

Print Name: Aaron Kerrigan

Print Title: Director, Facilities & Operations

Dated: June ___, 2019

JL CONSTRUCTION

By: _____

Print Name: Jeff Luchetti

Print Title: President

EXHIBIT A

SECOND AMENDED EXHIBIT C-1 AND SECOND AMENDED EXHIBIT C-2

SECOND AMENDED EXHIBIT C-1
TO
FACILITIES LEASE

PRELIMINARY SERVICES PAYMENTS, GUARANTEED PROJECT COST AND OTHER PROJECT COST, FUNDING, AND PAYMENT PROVISIONS FOR GARFIELD ELEMENTARY SCHOOL SITE

1. Preliminary Services Payments

1.1. If Contractor performs Preliminary Services for the District for the Project(s), the District shall pay to Contractor **Forty-One Thousand Two Hundred Sixty-Four Dollars ($41,264)** ("**Preliminary Services Payment(s)**"), based on the amount of Work satisfactorily performed and approved by the District.

1.2. The Preliminary Services Payment s include all costs and expenses for all time and materials required and expended to provide the specific Preliminary Services including but not limited to the costs of hiring sub-consultants, contractors and other professionals, review of the Project, 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 Contractor staff and employees working on the Project, overhead, and any other reasonable expenses incurred by Contractor in performance of the Preliminary Services.

1.3. Each Preliminary Services Payment shall be paid within forth-five (45) days upon submittal to (and verification by) the District of a monthly billing statement showing completion of the billed-for tasks.

2. Site Lease Payments. As indicated in the Site Lease, Contractor shall pay One Dollar ($1.00) per year to the District as consideration for the Site Lease.

3. Guaranteed Project Cost (or Guaranteed Maximum Price). Pursuant to the Facilities Lease, Contractor will cause the Project to be constructed for **Six Million One Hundred Fifty Thousand Six Hundred Ninety Dollars ($6,150,690)** ("**Guaranteed Project Cost" or "GPC" or "Guaranteed Maximum Price" or "GMP**"). Except as indicated herein for modifications to the Project approved by the District, Contractor will not seek additional compensation from District in excess of Guaranteed Project Cost. District shall pay the Guaranteed Project Cost to Contractor in the form of Tenant Improvement Payments and Lease Payments as indicated herein. The Guaranteed Project Cost includes the following components and as further detailed herein:

3.1. Cost to Perform Work.

3.1.1. Subcontract Costs. Payments made by the Contractor to Subcontractors, which payments shall be made in accordance with the requirements of the Contract Documents.

3.1.2. Contractor-Performed Work. Costs incurred by the Contractor for self-performed work.

3.2. General Conditions. The fixed amount to be paid be for all costs for labor, equipment and materials for the items identified therein which are necessary for the proper management of the Project, and shall include all costs paid or incurred by the Contractor for insurance (except for general liability insurance), permits, taxes, and all contributions, assessments and benefits, holidays, vacations, retirement benefits, and incentives, whether required by law or collective bargaining agreements or otherwise paid or provided by Contractor to its employees. The District reserves the right to request changes to the personnel, equipment, or facilities provided as General Conditions as may be necessary or appropriate for the proper management of the Project, in which case, the cost of General Conditions shall be increased or reduced accordingly.

3.3. Fees. All fees, assessments and charges that are required to be paid to other agencies or entities to permit, authorize or entitle construction, reconstruction or completion of the Project.

3.4. Bonds and Insurance. 2.5%

3.5. Overhead and Profit. 8%

3.6. Sitework Contingency.
A Sitework Contingency of **One Hundred Sixty-Two Thousand Eight Hundred Twenty Dollars ($162,820)** has been included in the GMP. The Sitework Contingency is not intended for such things as "Scope Changes". The Sitework Contingency shall not be used without the agreement of the District. The unused portion of the Sitework Contingency shall be retained by the District at the end of the Project.

4. Payment of Guaranteed Project Cost. District shall pay the Guaranteed Project Cost to Contractor in the form of Tenant Improvement Payments and Lease Payments plus interest as indicated herein.

4.1. Tenant Improvement Payments. Prior to the District's taking delivery or occupancy of the Project, the District shall pay to Contractor **Five Million Six Hundred Fifty-Eight Thousand Six Hundred Thirty-Five Dollars ($5,658,635)** ("**Tenant Improvement Payment(s)**"), based on the amount of Work satisfactorily performed and approved by the District less the total amount to be paid as Lease Payments, according to the Contractor's Schedule of Values (**Exhibit G** to the Facilities Lease) and pursuant to the provisions in **Exhibit D** to the Facilities Lease.

4.2. Lease Payments Plus Interest. After the Parties execute the Memorandum of Commencement Date, attached to the Facilities Lease as **Exhibit E**, the District shall pay to Contractor **Four Hundred Ninety Two Thousand and Fifty-Five Dollars ($492,055)** ("**Lease Payment(s)**") plus interest, as indicated below.

4.2.1. The Lease Payments plus interest shall be consideration for the District's rental, use, and occupancy of the Project and the Project Site and shall be made in equal monthly installments for the duration of the Term.

4.2.2. The District represents that the total annual Lease Payment plus interest obligation does not surpass the District's annual budget and will not require the District to increase or impose additional taxes or obligations on the public that did not exist prior to the execution of the Facilities Lease.

4.2.3. Fair Rental Value. District and Contractor have agreed and determined that the total Lease Payments plus interest constitute adequate consideration for the Facilities Lease and are reasonably equivalent to the fair rental value of the Project. In making such determination, consideration has been given to the obligations of the Parties under the Facilities Lease and Site Lease, the uses and purposes which may be served by the Project and the benefits therefrom which will accrue to the District and the general public.

4.2.4. Each Payment Constitutes a Current Expense of the District.

4.2.4.1. The District and Contractor understand and intend that the obligation of the District to pay Lease Payments plus interest and other payments hereunder constitutes a current expense of the District and shall not in any way be construed to be a debt of the District in contravention of any applicable constitutional or statutory limitation or requirement concerning the creation of indebtedness by the District, nor shall anything contained herein constitute a pledge of the general tax revenues, funds or moneys of the District.

4.2.4.2. Lease Payments plus interest due hereunder shall be payable only from current funds which are budgeted and appropriated or otherwise made legally available for this purpose. This Facilities Lease shall not create an immediate indebtedness for any aggregate payments that may become due hereunder.

4.2.4.3. The District covenants to take all necessary actions to include the estimated Lease Payments plus interest in each of its final approved annual budgets.

4.2.4.4. The District further covenants to in good faith make all necessary appropriations (including any supplemental appropriations) from any source of legally available funds of the District for the actual amount of Lease Payments plus interest that come due and payable during the period covered by each such budget. Contractor acknowledges that the District has not pledged the full faith and credit of the

District, State of California or any state agency or state department to the payment of Lease Payments plus interest or any other payments due hereunder. The covenants on the part of District contained in this Facilities Lease constitute duties imposed by law and it shall be the duty of each public official of the District to take such action and do such things as are required by law in the performance of the official duty of such officials to enable the District to carry out and perform the covenants and agreements in this Facilities Lease agreed to be carried out and performed by the District.

4.2.4.5. The Contractor cannot, under any circumstances, accelerate the District's payments under the Facilities Lease.

4.2.5. The Lease Payment Amount shall be paid pursuant to the following structure. The interest rate for the first three payments shall be at **four point five percent (4.5%)** and the interest rate for the remaining nine payments shall be **six point five percent (6.5%):**

Date of Payment	Interest Rate	Starting Balance	Payment	Interest	Principal
Thirty Days after NOC	4.5%	$ 492,055.00	$ 42,010.93	$ 1,845.21	$ 40,165.72
30 days thereafter	4.5%	$ 451,889.28	$ 42,010.93	$ 1,694.58	$ 40,316.34
30 days thereafter	4.5%	$ 411,572.93	$ 42,010.93	$ 1,543.40	$ 40,467.53
30 days thereafter	6.5%	$ 371,105.40	$ 42,358.73	$ 2,010.15	$ 40,348.58
30 days thereafter	6.5%	$ 330,756.83	$ 42,358.73	$ 1,791.60	$ 40,567.13
30 days thereafter	6.5%	$ 290,189.70	$ 42,358.73	$ 1,571.86	$ 40,786.87
30 days thereafter	6.5%	$ 249,402.83	$ 42,358.73	$ 1,350.93	$ 41,007.80
30 days thereafter	6.5%	$ 208,395.03	$ 42,358.73	$ 1,128.81	$ 41,229.92
30 days thereafter	6.5%	$ 167,165.11	$ 42,358.73	$ 905.48	$ 41,453.25
30 days thereafter	6.5%	$ 125,711.86	$ 42,358.73	$ 680.94	$ 41,677.79
30 days thereafter	6.5%	$ 84,034.07	$ 42,358.73	$ 455.18	$ 41,903.54
30 days thereafter	6.5%	$ 42,130.52	$ 42,358.73	$ 228.21	$ 42,130.52

4.2.6. Financed Portion of Lease Payments. The District requires the Contractor to finance a portion of the Lease Payments and that financing is reflected in the table above.

4.3. In no event shall the cumulative total of the Tenant Improvement Payments and the Lease Payments plus interest ever exceed the Guaranteed Project Cost as defined herein, unless modified pursuant to **Exhibit D** to the Facilities Lease.

5. Changes to Guaranteed Project Cost.

5.1. As indicated in the Facilities Lease, the Parties may add or remove specific scopes of work from the Project. Based on these change(s), the Parties may agree to a reduction or increase in the Guaranteed Project Cost. If a cost impact or a change is agreed to by the Parties, it shall be reflected as a reduction or increase in the Tenant Improvement Payments and paid upon the payment request from the Contractor when the work is performed or deducted from the next payment request from the Contractor, as applicable.

5.2. The Parties acknowledge that the Guaranteed Project Cost is based on the Construction Documents, including the Plans and Specifications, as identified in **Exhibit J** to the Facilities Lease.

5.3. Cost Savings. Contractor shall work cooperatively with Architect, subcontractors and District, in good faith, to identify appropriate opportunities to reduce Project costs and promote cost savings. Any identified cost savings from the Guaranteed Project Cost shall be identified by Contractor, and if approved in writing by the District, that cost savings shall be deducted from the Guaranteed Project Cost. If any cost savings require revisions to the Construction Documents, Contractor shall work with the District with respect to revising the Construction Documents and, if necessary, obtaining the approval of DSA with respect to those revisions. At the District's discretion, any reasonable cost incurred by District and/or the Contractor for those revisions may be paid for out of the identified savings before it is deducted from the Guaranteed Project Cost. Contractor shall be entitled to an extension of Contract Time equal to the delay in Project Completion caused by any cost savings adopted by District, if requested in writing before the approval of the cost savings.

5.4. Insurance and Bond Reimbursements. At Project Completion, Contractor shall require reimbursement from its insurance brokers and/or insurers and its bond brokers and/or sureties, all portions of Contractor's bond premiums, either paid or to be paid, that are not at-risk due to a reduction in the Guaranteed Project Cost. All amounts of premium reimbursement that Contractor receives from the Contractor's insurance brokers and/or insurers and its bond brokers and or sureties, shall be withheld by District from Contractor's Lease Payment(s). The District shall estimate this amount until Contractor indicates what the total amount of this reimbursement.

6. District's Purchase Option

6.1. If the District is not then in uncured Default hereunder, the District shall have the option to purchase not less than all of the Project in its "as-is, where-is" condition and terminate this Facilities Lease and Site Lease by paying the total of any Lease Payments due for the remainder of the Term as of the date the option is exercised ("Option Price").

6.2. District shall provide Contractor no less than sixty (60) days' prior written notice that District is exercising its option to purchase the Project as set forth above on a specific date ("Option Date"). If the District exercises this option, the District shall pay directly to Contractor the Option Price on or prior to the Option Date and Contractor shall at that time deliver to District all reasonably necessary documents in recordable form to terminate this Facilities Lease and the Site Lease. District may record all such documents at District's cost and expense.

6.3. Under no circumstances can the first Option Date be on or before thirty-five (35) days after the Contractor completes the Project and the District accepts the Project.

ATTACHMENT ONE
GMP BREAKDOWN FOR GARFIELD DATED MARCH 15, 2019

JL CONSTRUCTION
JL MODULAR

	Estimate #:	**GMP**			Name:	**Garfield Elementary**				Loc:	**San Leandro, CA**
	Bldg Area:				Site Area:					Date:	**3/15/2019**

No.	Description of Work	List Sub	Subs Names	Design Phase	Increment 1	Increment 2	Total
1	General Conditions		JL Construction		161,667	124,120	285,787
1a	Preconstruction Services		JL Construction	41,264		0	41,264
1b	Architecture Plans & Approvals		JL Construction	99,873		0	99,873
1c	Survey				15,000		15,000
1d	Utility Locator				3,600		3,600
1e	Erosion Control		None Shown				0
2	Site Protection				5,000		5,000
2a	Earthwork (Grading, Paving)		Duran & Venebles		472,000		472,000
2b	Lime Treat		Duran & Venebles		42,850		42,850
2c	Raise Utility Boxes				2,000		2,000
2d	Misc Demo / Salvage				7,500		7,500
2e	Relocate Storage Container				1,500		1,500
2f	Utilities		MK Pipelines		234,200		234,200
2g	Bioswale Rock and Soil				19,806		19,806
2h	Landscaping		Allowance		10,000		10,000
2i	Fencing		AAA		53,080		53,080
2j	Striping		Compass		4,950		4,950
3	Site Concrete		BCI		282,975		282,975
3a	Sidewalk Patch for Utilities				10,000		10,000
3b	Concrete Waterproofing		None Shown				0
5	Misc Metal - Bollards				12,950		12,950
7	Site Caulking				5,000		5,000
9	Site Painting - Rails						0
10	Signage				870		870
10a	Knox Box				750		750
13	Modular Building		JL Modular			3,514,616	3,514,616
26	Site Electrical		Elco Electric		277,500		277,500
26a	Overhead Conduits - Cutting / Patching				5,000		5,000
							0
	Subtotal			141,137	1,628,198	3,638,736	5,408,071
	Sales Tx 9.00%				0	0	0
	Total Cost			141,137	1,628,198	3,638,736	5,408,071
	Builders Risk	0.40%		0	6,513	15,119	21,632
	Overhead & Fee	8.00%		0	130,777	303,599	434,376
	Insurance	1.10%		0	19,420	45,085	64,505
	Bond	1.00%		0	17,849	41,437	59,286
	Contingency	10.00%		0	162,820	0	162,820
	Amount Bid			141,137	1,965,577	4,043,976	**6,150,690**

SECOND AMENDED EXHIBIT C-2
TO
FACILITIES LEASE

PRELIMINARY SERVICES PAYMENTS, GUARANTEED PROJECT COST AND OTHER PROJECT COST, FUNDING, AND PAYMENT PROVISIONS FOR WILSON ELEMENTARY SCHOOL SITE

1. Preliminary Services Payments

1.1. If Contractor performs Preliminary Services for the District for the Project(s), the District shall pay to Contractor **Twenty-Eight Thousand One Hundred Forty-Five Dollars ($28,145)** ("**Preliminary Services Payment(s)**"), based on the amount of Work satisfactorily performed and approved by the District.

1.2. The Preliminary Services Payment s include all costs and expenses for all time and materials required and expended to provide the specific Preliminary Services including but not limited to the costs of hiring sub-consultants, contractors and other professionals, review of the Project, 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 Contractor staff and employees working on the Project, overhead, and any other reasonable expenses incurred by Contractor in performance of the Preliminary Services.

1.3. Each Preliminary Services Payment shall be paid within forth-five (45) days upon submittal to (and verification by) the District of a monthly billing statement showing completion of the billed-for tasks.

2. Site Lease Payments. As indicated in the Site Lease, Contractor shall pay One Dollar ($1.00)U per year to the District as consideration for the Site Lease.

3. Guaranteed Project Cost (or Guaranteed Maximum Price). Pursuant to the Facilities Lease, Contractor will cause the Project to be constructed for **Three Million Nine Hundred Sixty-Eight Thousand Two Hundred Sixty-Five Dollars ($3,968,265)** ("**Guaranteed Project Cost" or "GPC" or "Guaranteed Maximum Price" or "GMP**"). Except as indicated herein for modifications to the Project approved by the District, Contractor will not seek additional compensation from District in excess of Guaranteed Project Cost. District shall pay the Guaranteed Project Cost to Contractor in the form of Tenant Improvement Payments and Lease Payments as indicated herein. The Guaranteed Project Cost includes the following components and as further detailed herein:

3.1. Cost to Perform Work.

3.1.1. **Subcontract Costs.** Payments made by the Contractor to Subcontractors, which payments shall be made in accordance with the requirements of the Contract Documents.

3.1.2. **Contractor-Performed Work.** Costs incurred by the Contractor for self-performed work.

3.2. General Conditions. The fixed amount to be paid be for all costs for labor, equipment and materials for the items identified therein which are necessary for the proper management of the Project, and shall include all costs paid or incurred by the Contractor for insurance (except for general liability insurance), permits, taxes, and all contributions, assessments and benefits, holidays, vacations, retirement benefits, and incentives, whether required by law or collective bargaining agreements or otherwise paid or provided by Contractor to its employees. The District reserves the right to request changes to the personnel, equipment, or facilities provided as General Conditions as may be necessary or appropriate for the proper management of the Project, in which case, the cost of General Conditions shall be increased or reduced accordingly.

3.3. Fees. All fees, assessments and charges that are required to be paid to other agencies or entities to permit, authorize or entitle construction, reconstruction or completion of the Project.

3.4. Bonds and Insurance. **2.5%**

3.5. Overhead and Profit. 8%

3.6. Sitework Contingency.
A Sitework Contingency of **Eighty-Nine Thousand One Hundred Twenty-Five Dollars ($89,125.00)** has been included in the GMP. The Sitework Contingency is not intended for such things as "Scope Changes". The Sitework Contingency shall not be used without the agreement of the District. The unused portion of the Sitework Contingency shall be retained by the District at the end of the Project.

4. Payment of Guaranteed Project Cost. District shall pay the Guaranteed Project Cost to Contractor in the form of Tenant Improvement Payments and Lease Payments plus interest as indicated herein.

4.1. Tenant Improvement Payments. Prior to the District's taking delivery or occupancy of the Project, the District shall pay to Contractor **Three Million Six Hundred Fifty Thousand Eight Hundred and Four Dollars ($3,650,804)** ("**Tenant Improvement Payment(s)**"), based on the amount of Work satisfactorily performed and approved by the District less the total amount to be paid as Lease Payments, according to the Contractor's Schedule of Values (**Exhibit G** to the Facilities Lease) and pursuant to the provisions in **Exhibit D** to the Facilities Lease.

4.2. Lease Payments Plus Interest. After the Parties execute the Memorandum of Commencement Date, attached to the Facilities Lease as **Exhibit E**, the District shall pay to Contractor **Three Hundred and Seventeen Thousand Four Hundred and Sixty One Dollars ($317,461)** ("**Lease Payment(s)**") plus interest, as indicated below.

4.2.1. The Lease Payments plus interest shall be consideration for the District's rental, use, and occupancy of the Project and the Project Site and shall be made in equal monthly installments for the duration of the Term.

4.2.2. The District represents that the total annual Lease Payment plus interest obligation does not surpass the District's annual budget and will not require the District to increase or impose additional taxes or obligations on the public that did not exist prior to the execution of the Facilities Lease.

4.2.3. **Fair Rental Value**. District and Contractor have agreed and determined that the total Lease Payments plus interest constitute adequate consideration for the Facilities Lease and are reasonably equivalent to the fair rental value of the Project. In making such determination, consideration has been given to the obligations of the Parties under the Facilities Lease and Site Lease, the uses and purposes which may be served by the Project and the benefits therefrom which will accrue to the District and the general public.

4.2.4. **Each Payment Constitutes a Current Expense of the District.**

4.2.4.1. The District and Contractor understand and intend that the obligation of the District to pay Lease Payments plus interest and other payments hereunder constitutes a current expense of the District and shall not in any way be construed to be a debt of the District in contravention of any applicable constitutional or statutory limitation or requirement concerning the creation of indebtedness by the District, nor shall anything contained herein constitute a pledge of the general tax revenues, funds or moneys of the District.

4.2.4.2. Lease Payments plus interest due hereunder shall be payable only from current funds which are budgeted and appropriated or otherwise made legally available for this purpose. This Facilities Lease shall not create an immediate indebtedness for any aggregate payments that may become due hereunder.

4.2.4.3. The District covenants to take all necessary actions to include the estimated Lease Payments plus interest in each of its final approved annual budgets.

4.2.4.4. The District further covenants to in good faith make all necessary appropriations (including any supplemental appropriations) from any source of legally available funds of the District for the actual amount of Lease Payments plus interest that come due and payable during the period covered by each such budget. Contractor acknowledges that the District has not pledged the full faith and

credit of the District, State of California or any state agency or state department to the payment of Lease Payments plus interest or any other payments due hereunder. The covenants on the part of District contained in this Facilities Lease constitute duties imposed by law and it shall be the duty of each public official of the District to take such action and do such things as are required by law in the performance of the official duty of such officials to enable the District to carry out and perform the covenants and agreements in this Facilities Lease agreed to be carried out and performed by the District.

4.2.4.5. The Contractor cannot, under any circumstances, accelerate the District's payments under the Facilities Lease.

4.2.5. The Lease Payment Amount shall be paid pursuant to the following structure and the annual interest rate shall be at **four point five percent (4.5%)** and the interest rate for the remaining nine payments shall be **six point five percent (6.5%):**

Date of Payment	Interest Rate	Starting Balance	Payment	Interest	Principal
Thirty Days after NOC	4.5%	$ 317,461.00	$ 27,104.35	$ 1,190.48	$ 25,913.87
30 days thereafter	4.5%	$ 291,547.13	$ 27,104.35	$ 1,093.30	$ 26,011.05
30 days thereafter	4.5%	$ 265,536.08	$ 27,104.35	$ 995.76	$ 26,108.59
30 days thereafter	6.5%	$ 239,427.49	$ 27,328.74	$ 1,296.90	$ 26,031.84
30 days thereafter	6.5%	$ 213,395.64	$ 27,328.74	$ 1,155.89	$ 26,172.85
30 days thereafter	6.5%	$ 187,222.79	$ 27,328.74	$ 1,014.12	$ 26,314.62
30 days thereafter	6.5%	$ 160,908.17	$ 27,328.74	$ 871.59	$ 26,457.16
30 days thereafter	6.5%	$ 134,451.02	$ 27,328.74	$ 728.28	$ 26,600.47
30 days thereafter	6.5%	$ 107,850.55	$ 27,328.74	$ 584.19	$ 26,744.55
30 days thereafter	6.5%	$ 81,106.00	$ 27,328.74	$ 439.32	$ 26,889.42
30 days thereafter	6.5%	$ 54,216.58	$ 27,328.74	$ 293.67	$ 27,035.07
30 days thereafter	6.5%	$ 27,181.51	$ 27,328.74	$ 147.23	$ 27,181.51

4.2.6. **Financed Portion of Lease Payments.** The District requires the Contractor to finance a portion of the Lease Payments and that financing is reflected in the table above.

4.3. In no event shall the cumulative total of the Tenant Improvement Payments and the Lease Payments plus interest ever exceed the Guaranteed Project Cost as defined herein, unless modified pursuant to **Exhibit D** to the Facilities Lease.

5. Changes to Guaranteed Project Cost.

5.1. As indicated in the Facilities Lease, the Parties may add or remove specific scopes of work from the Project. Based on these change(s), the Parties may agree to a reduction or increase in the Guaranteed Project Cost. If a cost impact or a change is agreed to by the Parties, it shall be reflected as a reduction or increase in the Tenant Improvement Payments and paid upon the payment request from the Contractor when the work is performed or deducted from the next payment request from the Contractor, as applicable.

5.2. The Parties acknowledge that the Guaranteed Project Cost is based on the Construction Documents, including the Plans and Specifications, as identified in **Exhibit J** to the Facilities Lease.

5.3. Cost Savings. Contractor shall work cooperatively with Architect, subcontractors and District, in good faith, to identify appropriate opportunities to reduce Project costs and promote cost savings. Any identified cost savings from the Guaranteed Project Cost shall be identified by Contractor, and if approved in writing by the District, that cost savings shall be deducted from the Guaranteed Project Cost. If any cost savings require revisions to the Construction Documents, Contractor shall work with the District with respect to revising the Construction Documents and, if necessary, obtaining the approval of DSA with respect to those revisions. At the District's discretion, any reasonable cost incurred by District and/or the Contractor for those revisions may be paid for out of the identified savings before it is deducted from the Guaranteed Project Cost. Contractor shall be entitled to an extension of Contract Time equal to the delay in Project Completion caused by any cost savings adopted by District, if requested in writing before the approval of the cost savings.

5.4. Insurance and Bond Reimbursements. At Project Completion, Contractor shall require reimbursement from its insurance brokers and/or insurers and its bond brokers and/or sureties, all portions of Contractor's bond premiums, either paid or to be paid, that are not at-risk due to a reduction in the Guaranteed Project Cost. All amounts of premium reimbursement that Contractor receives from the Contractor's insurance brokers and/or insurers and its bond brokers and or sureties, shall be withheld by District from Contractor's Lease Payment(s). The District shall estimate this amount until Contractor indicates what the total amount of this reimbursement.

6. District's Purchase Option

6.1. If the District is not then in uncured Default hereunder, the District shall have the option to purchase not less than all of the Project in its "as-is, where-is" condition and terminate this Facilities Lease and Site Lease by paying the total of any Lease Payments due for the remainder of the Term as of the date the option is exercised ("Option Price").

6.2. District shall provide Contractor no less than sixty (60) days' prior written notice that District is exercising its option to purchase the Project as set forth above on a specific date ("Option Date"). If the District exercises this option, the District shall pay directly to Contractor the Option Price on or prior to the Option Date and Contractor shall at that time deliver to District all reasonably necessary documents in recordable form to terminate this Facilities Lease and the Site Lease. District may record all such documents at District's cost and expense.

6.3. Under no circumstances can the first Option Date be on or before thirty-five (35) days after the Contractor completes the Project and the District accepts the Project.

ATTACHMENT ONE

GMP BREAKDOWN FOR WILSON DATED MARCH 15, 2019

JL CONSTRUCTION
JL MODULAR

	Estimate #:	**GMP**			Name:	**Wilson Elementary**				Loc:	**San Leandro, CA**
	Bldg Area:				Site Area:					Date:	**3/15/2019**

No.	Description of Work	List Sub	Subs Names	Design	Increment 1	Increment 2	Total
1	General Conditions		JL Construction		123,240	123,240	246,480
1a	Preconstruction Services		JL Construction	28,145		0	28,145
1b	Architecture Plans & Approvals		JL Construction	73,980		0	73,980
1c	Survey				10,000		10,000
1d	Utility Locator				3,600		3,600
1e	Erosion Control		None Shown				0
2	Site Protection				5,000		5,000
2a	Earthwork (Grading, Paving)		Duran & Venebles		128,995		128,995
2b	Lime Treat		Duran & Venebles		37,000		37,000
2c	Raise Utility Boxes				1,000		1,000
2d	Misc Demo / Salvage				0		0
2e	Relocate Storage Container				0		0
2f	Utilities		MK Pipelines		214,270		214,270
2g	Bioswale Rock and Soil				0		0
2h	Landscaping		Allowance		10,000		10,000
2i	Fencing		Ahlborn		7,900		7,900
2j	Striping		Compass		7,850		7,850
3	Site Concrete		BCI		115,910		115,910
3a	Sidewalk Patch for Utilities				2,500		2,500
3b	Concrete Waterproofing		None Shown				0
5	Misc Metal - Railings		Ahlborn		33,015		33,015
5	Stair Nosings				1,000		1,000
7	Site Caulking				3,000		3,000
9	Site Painting - Rails				3,500		3,500
10	Signage				290		290
10a	Knox Box				750		750
13	Modular Building		JL Modular			2,386,917	2,386,917
26	Site Electrical		Elco Electric		182,425		182,425
26a	Overhead Conduits - Cutting / Patching				0		0
							0
	Subtotal			102,125	891,245	2,510,157	3,503,527
	Sales Tx 9.00%				0	0	0
	Total Cost			102,125	891,245	2,510,157	3,503,527
	Builders Risk	0.40%		0	3,565	10,449	14,014
	Overhead & Fee	8.00%		0	71,585	209,818	281,403
	Insurance	1.10%		0	10,630	31,158	41,788
	Bond	1.00%		0	9,770	28,637	38,407
	Contingency	10.00%		0	89,125	0	89,125
	Amount Bid			102,125	1,075,920	2,790,220	**3,968,265**
						2,892,345	