

Resolution 2021-11  
Mendocino Unified School District  
Mendocino, California  
Mendocino County, California

*Resolution of the Board of Trustees of the Mendocino Unified School District Approving the  
Total Base Rent for the Lease-Leaseback Agreement with Lathrop Construction Associates, Inc.  
Company*

WHEREAS, pursuant to Education Code 17406, the **Mendocino Unified School District** ("District") entered into a Lease-Leaseback Agreement with **Lathrop Construction Associates Inc.** ("Contractor"), dated February 18, 2021, to undertake the development and construction of the Mendocino High School Modernization – MHS Temporary Portables Project (the "Work"); and

WHEREAS, all preconstruction services for the Work have been completed by the Contractor and all subcontractors have been selected by Contractor in accordance with Education Code 17406(a)(4) and the Request for Sealed Proposals; and

WHEREAS, the District has obtained approval of the plans and specifications for the Work by the Department of General Service' Division of the State Architect, if required; and

WHEREAS, pursuant to Education Code 17406 and the Lease-Leaseback Agreement, Contractor shall provide the District with written rationale detailing the "base construction cost" for the Work, consisting of (a) all subcontracts to be awarded by Contractor for the Work and (b) any separately awarded contracts for materials and supplies for the Work; and

WHEREAS, the sum of the base construction cost, multiplied by the percentage that was offered by the Contractor in its response to the Request for Sealed Proposals, shall be set forth in Contractor's written rationale to the District and added to the base construction cost to determine the Total Base Rent; and

WHEREAS, Contractor has provided the District with objectively verifiable information of its costs to perform the Work and a written rationale for the Lease-Leaseback Total Base Rent, including documentation sufficient to support the calculation, which is attached hereto as Exhibit A.

NOW THEREFORE, BE IT RESOLVED that the Mendocino Unified School District:

1. Approves the Lease-Leaseback Total Base Rent based on the written rationale provided by the Contractor, as set forth in Exhibit A; and
2. Amends the Lease-Leaseback Agreement to include the Schedule of Payments, attached hereto as Exhibit B; and

3. Directs the District Superintendent or designee to issue the Contractor a Notice to Proceed for the Work.

**PASSED AND ADOPTED** by vote of the members of the Governing Board of the Mendocino Unifies School District on June 22, 2021.

AYES:

NOES:

ABSENT:

ABSTAINED:

MENDOCINO UNIFIED SCHOOL DISTRICT

Attest:

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Windspirit Aum, President  
Board

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Michael Schaeffer, Clerk to the

# EXHIBIT A

## TOTAL BASE RENT WRITTEN RATIONALE

# EXHIBIT A



**GMP**

### Mendocino High School Temporary Portables

COSTS BASED ON DSA APPROVED DOCUMENTS dated 6/1/21

6/14/21

Mendocino, CA

SCOPE OF WORK	CONTRACTOR/SUBCONTRACTOR	COSTS
General Conditions (supervision, submittals, safety, etc.)	Lathrop Construction	\$ 67,628
Bid Package No. 1 CIVIL	Engelke Construction	\$ 77,650
Bid Package No. 2 ELECTRICAL AND LOW VOLTAGE	Fort Bragg Electric	\$ 169,167
Plumbing	Peterson Mechanical	\$ 29,900
Miscellaneous Items (Bid Package Exclusions/Clarifications)	Lathrop Construction	\$ 18,059
	SUBTOTAL	\$ 362,404
Lathrop 4.45% Fee		\$ 16,127
	SUBTOTAL	\$ 378,531
<b>OWNER ALLOWANCES &amp; CONTINGENCY</b>		
Allowance: Install Raceways in Kasten Crossing for Phase 1 Electrical Perm. Power		\$ 5,000
Construction Contingency (10% of Subtotal above)		\$ 37,853
	SUBTOTAL	\$ 421,384
Liability Insurance		\$ 1,053
Builder's Risk Insurance		\$ 3,500
Lathrop Bond Premium		\$ 3,877
	<b>CONSTRUCTION COSTS TOTAL</b>	<b>\$ 429,814</b>

#### EXCLUSIONS/CLARIFICATIONS:

Hazardous Materials removal is excluded  
 Delivery, placement, setup and rental of portables, closures and ramps is by other  
 Painting and patching of wall finishes inside of portables is excluded  
 Interior or exterior painting of portables, closures, foundation or ramps is excluded  
 New flooring or patching of flooring at portables is by others  
 Relocation of furniture into portables is by others  
 Roofing work associated with portables is by others  
 Interior plumbing work at portables is by others  
 Concrete patch of trench for water/SS underground (AC "cut back" is included)  
 Final cleaning within portables to by Mobile Modular/Campus Janitorial  
 Drinking fountain to be existing from HS Main Building

**EXHIBIT B**

**ADDENDUM TO LEASE-LEASEBACK AGREEMENT**

### **Addendum to Lease-Leaseback Agreement**

Mendocino Unified School District ("Owner") and Lathrop Construction Associates Inc. ("Contractor") entered into a Lease-Leaseback Agreement, dated February 18, 2021, for certain tenant improvements to the Mendocino High School campus, located at 10700 Ford Street, Mendocino, CA.

By this Addendum, Owner and Contractor mutually agree to modify the terms of the Lease-Leaseback Agreement as follows:

- Exhibit D: Schedule of Payments, attached hereto, shall be incorporated into and become a part of the Lease-Leaseback Agreement.

In all other respects, the provisions of the Lease-Leaseback Agreement not amended, not deleted, or not otherwise mentioned herein remain in full force and effect during the term of the Lease-Leaseback Agreement, unless otherwise amended in writing signed by both parties.

IN WITNESS WHEREOF, the Owner and Contractor have executed this Addendum as of June 22, 2021.

Mendocino Unified School District

Lathrop Construction Associates, Inc.

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Windspirit Aum, President

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Michael Schaeffer, Clerk of the Board

**Exhibit D**  
**Schedule of Payments**

**SCHEDULE OF LEASE PAYMENTS**

**MENDOCINO HIGH SCHOOL TEMPORARY PORTABLES**  
**SCHEDULE OF LEASE PAYMENTS**

The District shall make payments to Contractor for the Mendocino High School Temporary Portables portion of the Project totaling the amount of no more than: \$429,814.00 ("Total Base Rent").

Included in the above is a District-controlled contingency of \$37,853.00 which has been approved by the District for unforeseen conditions, scope gaps between the subcontractor Trade Packages, design oversights, owner-added work and jurisdictional requests. Contractor shall use the Modifications of Contract process provided in the General Conditions to request contingency payments.

The Total Base Rent for all construction costs for Phase One of the Project is based on the plans, specifications, drawings, and design packages prepared by Quattrocchi Kwok Architects, DSA Approval dated June 6, 2021 (DSA Application 01-119505).

Upon approval of the Total Base Rent, ninety-five percent (95%) of the Total Base Rent shall be paid on the level of completion as shown in the monthly Applications for Payment. Commencing on the month immediately following Final Completion of the construction work, as defined in the General Conditions, the monthly rental payments shall equally divide the remaining amount of the Total Base Rent across a total of six (6) months plus 3.35% annual interest. Payments will be made to Contractor contingent upon timely receipt of all documents required as a condition precedent to payment of monthly lease amounts.

The District shall have the option to purchase not less than all of Phase One of the Project in its "as-is, where-is" condition and terminate the Facilities Lease and Site Lease by paying the balance of the Total Base Rent, which is exclusive of interest that would have otherwise been owed, as of the date the option is exercised ("Option Price"). Said payment shall be made on or before the date on which the District's lease payment would otherwise be due for that month ("Option Date").

The District shall provide to Contractor a written notice no less than ten (10) days prior to the Option Date. The notice will include that the District is exercising its option to purchase the Mendocino High School Temporary Portables portion of the Project as set forth above on the 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 the District an executed Termination Agreement and Quitclaim Deed in recordable form to terminate the Facilities Lease and the Site Lease.

Under no circumstances can the first Option Date be on or before ninety (90) days after Final Completion of the construction work, as defined in the General Conditions.

During the post-construction time period, the District shall have exclusive occupancy of the Premises. However, the Contractor is entitled to reasonable access to the Premises to resolve warranty and repair issues. The District's insurance of the Premises shall be primary during this time period. The District shall be responsible for the cost of all utilities incurred during its use of the Premises. The District shall be liable for damages to the premises caused by its willful or reckless misconduct during the construction period and all damages to the Premises, other than warranty repairs, during the post-construction period.