EXHIBIT C

GUARANTEED MAXIMUM PRICE AND OTHER PROJECT COST, FUNDING, AND PAYMENT PROVISIONS

1. Site Lease Payments

As indicated in the Site Lease, Developer shall pay One Dollar ($1.00) to the District as consideration for the Site Lease.

2. Guaranteed Maximum Price

Pursuant to the Facilities Lease, Developer will cause the Project to be constructed for an amount to be determined after the Division of the State Architect ("DSA") approves the plans and specification for all phases of the Project ("Guaranteed Maximum Price"). As this Project shall include multiple phases, each phase shall have its own GMP ("Phase GMP"), and the Guaranteed Maximum Price shall consist of the total of all Phase GMPs.

2.1 Cost of the Work

The term Cost of the Work shall mean the costs necessarily incurred in the proper performance of the Work contemplated by the Contract Documents. Such costs shall be at rates no higher than the standard paid at the place of the Project except with the prior consent of the District. The Cost of the Work shall include only the items set forth in this Section 2 and approved by the District.

2.1.1 General Conditions

The General Conditions as set forth in **Attachment 1** hereto shall be included in a progress billing as incurred. Said rates shall include 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 Developer for insurance, permits, taxes, and all contributions, assessments and benefits, holidays, vacations, retirement benefits, incentives to the extent contemplated in **Attachment 1**, whether required by law or collective bargaining agreements or otherwise paid or provided by Developer 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 District shall be entitled to a reduction in the cost of General Conditions based on the rates set forth in **Attachment 1**.

2.1.2 Subcontract Costs

Payments made by the Developer to Subcontractors (inclusive of the Subcontractor's bonding, if required, and insurance costs, which shall be included in the subcontract amount), which payments shall be made in accordance with the requirements of the Contract Documents.

2.1.3 Developer-Performed Work

Costs incurred by Developer for self-performed work at the direction of District or with the District's prior approval, as follows:

2.1.3.1 Actual costs to Developer of wages of construction workers, excluding all salaried and/or administrative personnel, directly employed by Developer to perform the construction of the Work at the site.

2.1.3.2 Wages or salaries and customary benefits, such as sick leave, medical and health benefits, holidays, vacations, incentive programs, and pension plans of Developer's field supervisory, safety and administrative personnel when stationed at the site or stationed at Developer's principal office, only for that portion of their time required for the Work.

2.1.3.3 Wages and salaries and customary benefits, such as sick leave, medical and health benefits, holidays, vacations, incentive programs and pension plans of Developer's supervisory or administrative personnel engaged at factories, workshops or on the road, in expediting the production or transportation of materials or equipment required for the Work, but only for that portion of their time required for the Work.

2.1.3.4 Costs paid or incurred by Developer for taxes, insurance, contributions, assessments required by law or collective bargaining agreements and for personnel not covered by such agreements, and for customary benefits such as sick leave, medical and health benefits, holidays, vacations and pensions, provided such costs are based on wages and salaries included in the Cost of the Work under Subparagraphs 2.1.3.1 through 2.1.3.3.

2.1.3.5 Costs, including transportation and storage, of materials and equipment incorporated in the completed construction, including costs of materials in excess of those actually installed to allow for reasonable waste and spoilage. Unused excess materials, if any, shall become the District's property at the completion of the Work or, at the District's option, shall be sold by Developer. Any amounts realized from such sales shall be credited to the District as a deduction from the Cost of the Work.

2.1.3.6 Costs, including transportation and storage, installation, maintenance, dismantling and removal of materials, supplies, machinery and equipment not customarily owned by construction workers, that are provided by Developer at the site and fully consumed in the performance of the Work; and cost (less salvage value) of such items if not fully consumed, whether sold to others or retained by Developer. Cost for items previously used by Developer shall mean fair market value.

2.1.3.7 Rental charges for temporary facilities, machinery, equipment, vehicles and vehicle expenses, and hand tools not customarily owned by construction workers that are provided by Developer at the site, whether rented from Developer or others, and the costs of transportation, installation, minor repairs and replacements, dismantling and removal thereof and costs of Developer's Project field office, overhead and general expenses including office supplies, parking, office equipment, and software. Rates and quantities of equipment rented shall be subject to the District's prior approval.

2.1.3.8 Costs of removal of debris from the site, daily clean-up costs and dumpster charges not otherwise included in the cost of the subcontracts which exceeds the clean-up provided under the General Conditions.

2.1.3.9 Costs of that portion of the reasonable travel, parking and subsistence expenses of Developer's personnel incurred while traveling and discharging duties connected with the Work.

2.1.3.10 Costs of materials and equipment suitably stored off the site at a mutually acceptable location, if approved in advance by the District.

2.1.4 Allowances

Because it is impossible at the time of execution of the Facilities Lease to determine the exact cost of performing certain tasks, the Cost of the Work shall include the following Allowances for the Tasks/Work as noted here:

Task/Work	**Allowance Amount**
Total Allowance Amount	

The District shall have sole discretion to authorize all expenditures from the Allowances. The District shall process expenditures from the Allowances in the form of an Allowance Expenditure Directive ("AED"). The Allowances are included in the Guaranteed Maximum Price. Any unused Allowance or unused portion thereof shall be deducted from the Cost of the Work pursuant to **Exhibit D** to this Facilities Lease to the benefit of the District.

2.1.5 Miscellaneous Costs

2.1.5.1 Where not included in the General Conditions, and with the prior approval of District, costs of document reproductions (photocopying and blueprinting expenses), long distance telephone call

charges, postage, overnight and parcel delivery charges, telephone costs including cellular telephone charges, facsimile or other communication service at the Project site, job photos and progress schedules, and reasonable petty cash expenses of the site office. Developer shall consult with District to determine whether District has any vendor relationships that could reduce the cost of these items and use such vendors whenever possible.

2.1.5.2 Sales, use, gross receipts, local business and similar taxes imposed by a governmental authority that are related to the Work.

2.1.5.3 Fees and assessments for permits, plan checks, licenses and inspections for which Developer is required by the Contract Documents to pay including, but not limited to, permanent utility connection charges, street use permit, street use rental, OSHA permit and sidewalk use permit and fees.

2.1.5.4 Fees of laboratories for tests required by the Contract Documents.

2.1.5.5 Deposits lost for causes other than Developer's or its subcontractors' negligence or failure to fulfill a specific responsibility to the District as set forth in the Contract Documents.

2.1.5.6 Expenses incurred in accordance with Developer's standard personnel policy for relocation and temporary living allowances of personnel required for the Work if approved in advance by District.

2.1.5.7 Where requested by District, costs or expenses incurred by Developer in performing design services for the design-build systems.

2.1.5.8 Other costs incurred in the performance of the Work if, and to the extent, approved in advance by District.

2.1.5.9 Costs due to emergencies incurred in taking action to prevent threatened damage, injury or loss in case of an emergency affecting the safety of persons and/or property.

2.1.5.10 Provided all other eligible costs have been deducted from the contingency and as part of the calculation of amounts due Developer for Final Payment, costs of repairing and correcting damaged or non-conforming Work executed by Developer, Subcontractors or suppliers, providing that such damage or non-conforming Work was not caused by negligence or failure to fulfill a specific responsibility of Developer and only to the extent that the cost of repair or correction is not recovered by Developer from insurance, sureties, Subcontractors or suppliers.

2.1.6 Excluded Costs

The following items are considered general overhead items and shall not be billed to the District:

2.1.6.1 Salaries and other compensation of Developer's personnel stationed at Developer's principal office or offices other than the Project Field Office, except as specifically provided in Subparagraphs 2.1.3.2. and 2.1.3.4.

2.1.6.2 Expenses of Developer's principal office and offices other than the Project Field Office.

2.1.6.3 Overhead and general expenses, except as may be expressly included in this Section 2.

2.1.6.4 Developer's capital expenses, including interest on Developer's capital employed for the Work.

2.1.6.5 Costs that would cause the Guaranteed Maximum Price (as adjusted by Change Order) to be exceeded.

2.1.7 Developer's Fee

Six point nine percent (6.9%) of the Cost of the Work as described in Section 2.1.

2.1.8 Bonds and Insurance

For insurance and bonds required under this Facilities Lease (exclusive of those required by Subcontractors, which costs are included in the subcontract amounts), that portion of insurance and bond premiums which are directly attributable to this Contract, which shall be calculated at a rate of zero point seven five (0.75%) of the Cost of the Work for insurance and one point two percent (1.2%) of the Cost of the Work for payment and performance bonds.

2.1.9 Contingency

2.1.9.1 The Guaranteed Maximum Price includes a Contingency of five percent (5%) of the Cost of the Work as described in Section 2.1.1, 2.1.2, and 2.1.3 for potential additional construction costs for unforeseen conditions that occur over the course of construction and/or scope gaps between the subcontract categories of the Work.

2.1.9.2 The Contingency is not intended for such things as scope changes.

2.1.9.3 The Contingency shall not be used without the agreement of the District.

2.1.9.4 The unused portion of the Contingency shall be considered as cost savings and retained by the District at the end of the Project.

2.2 The Guaranteed Maximum Price will consist of the amounts to be identified in **Attachment 2** to this **Exhibit C**. Except as indicated herein for modifications to the Project approved by the District, Developer will not seek additional compensation from District in excess of Guaranteed Maximum Price. District shall pay the Guaranteed Maximum Price to Developer in the form of Tenant Improvement Payments and Lease Payments as indicated herein.

2.3 Total Payment

In no event shall the cumulative total of the Tenant Improvement Payments and the Lease Payments ever exceed the Guaranteed Maximum Price to be defined, as may be modified pursuant to **Exhibit D** to the Facilities Lease.

2.4 Changes to Guaranteed Maximum Price

2.4.1 The Parties acknowledge that the Guaranteed Maximum Price is based on the Construction Documents, including the plans and specifications, as identified in **Exhibit D** to the Facilities Lease.

2.4.2 As indicated in the Facilities Lease, the Parties may add to or remove from the project specific scopes of work. Based on these change(s), the Parties may agree to a reduction or increase in the Guaranteed Maximum Price. If a cost impact of a change is agreed to by the Parties, it shall be paid upon the payment request from Developer for the work that is the subject of the change in accordance with the provisions of **Exhibit D**. The amount of any change to the Guaranteed Maximum Price shall be calculated in accordance with the provisions of **Exhibit D** to this Facilities Lease.

2.4.3 The Parties agree to reduce the Guaranteed Maximum Price, for the unused portion of Developer Contingency, if any.

2.4.4 Cost Savings

Developer shall work cooperatively with Architect, Construction Manager, subcontractors and District, in good faith, to identify appropriate opportunities to reduce the Project costs and promote cost savings. Any identified cost savings from the Guaranteed Maximum Price shall be identified by Developer, and approved in writing by the District. In the event Developer realizes a savings on any aspect of the Project, such savings shall be added to the Contingency and expended consistent with the Contingency. In addition, any portion of Allowance remaining after completion of the Project shall be added to the Contingency. If any cost savings require revisions to the Construction Documents, Developer shall work with the District and Architect with respect to revising the Construction Documents and, if necessary, obtaining the approval of DSA with respect to those revisions. Developer shall be entitled to an adjustment of Contract Time for delay in completion caused by any cost savings adopted by District pursuant to **Exhibit D**, if requested in writing before the approval of the cost savings.

2.4.5 If the District exercises its Purchase Option pursuant to this **Exhibit C**, any reduction in the Guaranteed Maximum Price resulting from that exercise of the Purchase Option, if any, shall be retained in full by the District and shall not be shared with Developer.

3. Tenant Improvement Payments

Prior to the District's taking delivery or occupancy of the Project, the District shall pay to Developer an amount equal to the Guaranteed Maximum Price as modified pursuant to the terms of the Facilities Lease, including **Exhibit C** and **Exhibit D**, less the Lease Payments ("Tenant Improvement Payments"). The District shall withhold an amount equal to one-third (1/3) of the Loan Amount as indicated in **Attachment 3** to **Exhibit C** from the last three (3) payments to Developer for its Work on the Project. Otherwise, the Tenant Improvement Payments will be processed based on the amount of Work performed according to Developer's Schedule of Values (**Exhibit G** to the Facilities Lease) and pursuant to the provisions in **Exhibit D** to the Facilities Lease, including withholding for or escrow of retention of five percent (5%) of the Guaranteed Maximum Price. The withholding for the Loan Amount shall be separate form and in addition to withholding for or escrow of retention.

4. Lease Payments

Upon execution of the Memorandum of Commencement Date, the form of which is attached to the Facilities Lease as **Exhibit E**, the District shall commence making lease payments to Developer in accordance with the Schedule attached hereto as **Attachment 3**.

4.1 The Lease Payments shall be consideration for the District's rental, use, and occupancy of the Project and the Project Site and shall be made in monthly installments as indicated in the Schedule of Lease Payments attached hereto as **Attachment 3** for the duration of the lease term of one (1) year, with the first Lease Payment due ninety (90) days after execution of the Memorandum of Commencement Date.

4.2 The District represents that the annual Lease Payment 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.

4.3 Fair Rental Value

District and Developer have agreed and determined that the total Lease Payments 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.

4.4 Each Lease Payment Constitutes a Current Expense of the District

4.4.1 The District and Developer understand and intend that the obligation of the District to pay Lease Payments 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.

4.4.2 Lease Payments 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.

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

4.4.4 The District further covenants to 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 that come due and payable during the period covered by each such budget. Developer 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 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 and every 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.

4.4.5 Developer cannot, under any circumstances, accelerate the District's payments under the Facilities Lease.

5. District's Purchase Option

5.1 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 balance of the "Loan Amount" identified in **Attachment 3**, 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").

5.2 District shall provide to Developer a written notice no less than ten (10) days prior to the Option Date. The notice will include that District is exercising its option to purchase the Project as set forth above on the Option Date. If the District exercises this option, the District shall pay directly to Developer the Option Price on or prior to the Option Date and Developer shall at that time deliver to District an executed Termination Agreement and Quitclaim Deed in recordable form to terminate this

Facilities Lease and the Site Lease. District may record all such documents at District's cost and expense.

5.3 Under no circumstances can the first Option Date be on or before ninety (90) days after Developer completes the Project and the District accepts the Project.

[REMAINDER OF PAGE INTENTIONALLY BLANK]

ATTACHMENT 1

GENERAL CONDITIONS COSTS

EF BRETT & CO.

ITEM	QUANTITY	UNIT	UNIT PRICE	COST
Superintendent - FT	1	Month	$ 17,500.00	$ 17,500.00
Project Manager - PT	1	Month	$ 8,500.00	$ 8,500.00
Project Engineer - PT	1	Month	$ 3,500.00	$ 3,500.00
Trucks - 1.5	1	Month	$ 1,000.00	$ 1,000.00
Gas and Tolls - 2	1	Month	$ 1,200.00	$ 1,200.00
Field Office	1	Month	$ 250.00	$ 250.00
Temp Toilets	1	Month	$ 300.00	$ 300.00
Fencing	1	Month	$ 400.00	$ 400.00
Storage Containers	1	Month	$ 150.00	$ 150.00
Cell Phones	1	Month	$ 500.00	$ 500.00
Water	1	Month	$ 150.00	$ 150.00
Power	1	Month	$ 150.00	$ 150.00
Scheduling	1	Month	In House	
Barricades and Protection	1	Month	$ 750.00	$ 750.00
Small Tools and Supplies	1	Month	$ 500.00	$ 500.00
General Interim Clean Up	1	Month	$ 1,750.00	$ 1,750.00
Safety Equipment	1	Month	$ 500.00	$ 500.00
Mail	1	Month	$ 200.00	$ 200.00
			Per Month	$ 37,300.00

ATTACHMENT 2

GUARANTEED MAXIMUM PRICE

PROJECT NAME:	**SRHS Air Conditioning Inc. 2**
BID DATE:	**5/12/20**
TIME:	**2:00 PM**
DURATION:	**70 Calendar Days/2.33 Months**
LIQUIDATED DAMAGES:	**$1,000**
ENGINEER'S ESTIMATE:	**$1,700,000**

SPEC	DESCRIPTION		SUB
	EF BRETT GC'S	$ 87,033	
02 41 19	Selective Demolition - ARCHITECTURAL	$ 75,310	
02 41 26	Selective Electrical Demolition	SEE 26 01 00	
05 50 00	Metal Fabrications	$ 24,200	
06 10 00	Rough Carpentry	$ 97,145	
07 01 52	Roofing Repair	$ 67,230	Western
07 25 00	Roof and Deck Insulation	SEE 07 01 52	
07 60 00	Flashing and Sheetmetal	SEE 23 00 50	
07 84 00	Firestopping	$ 8,910	
07 92 00	Joint Sealants	$ 2,500	
08 31 00	Access Doors and Panels	$ 660	
09 22 16	Metal Stud Framing System	Not Applicable	
09 29 00	Gypsum Board	$ 29,500	
09 53 00	Acoustical Ceiling Suspension Assemblies	$ 97,410	
09 91 00	Painting	$ 13,180	
22 00 50	Basic Plumbing Materials and Methods	SEE 23 00 50	
22 10 00	Plumbing Piping Systems	SEE 22 00 50	
23 00 50	Basic HVAC Materials and Methods	$ 1,773,051	Trahan
23 05 23	Testing, Adjusting and Balancing for HVAC	SEE 23 00 50	
23 09 23	Direct Digitial Control System for HVAC	SEE 23 00 50	
23 80 00	Heating, Ventilating and Air Conditioning	SEE 23 00 50	
26 01 00	Basic Electrical Requirements	$ 188,000	Pacific Power
26 05 00	Basic Electrical Materials and Methods	SEE 26 01 00	
26 05 19	Conductors and Cables	SEE 26 01 00	
26 05 26	Grounding and Bonding	SEE 26 01 00	
26 05 29	Seismic Controls for Electrical Work	SEE 26 01 00	
26 13 00	Raceways and Boxes	SEE 26 01 00	
26 22 00	Fuses	SEE 26 01 00	
26 24 20	Panelboards	SEE 26 01 00	
26 27 26	Wiring Devices	SEE 26 01 00	
26 28 16	Enclosed Switches and Circuit Breakers	SEE 26 01 00	
	SUBTOTAL:	$ 2,464,129	
0.75%	INSURANCE	$ 18,481	
1.20%	BOND	$ 29,570	
	SUBTOTAL:	$ 2,512,179	
6.90%	MARGIN	$ 173,340	

TOTAL:	2,685,519	
CONSTRUCTION CONTINGENCY:	134,276	5%
TOTAL WITH CONTINGENCY:	**2,819,795**	
AMENDMENT 2 CHANGES	**$462,084**	See COR 02R
ADJUSTED TOTAL GMP AMENDMENT 2	**3,281,879**	

Clarifications:

1. 16 Guage pipe covers will be 90 degrees with no hems versus the minor radius
2. Refrigeration piping at roof area to have aluminum jacket only at piping locations that are not covered by the 16 guage pipe enclosure (in other words we did not see the need to do both)
3. Existing thermostat location to be used where applicable
4. We are not planning on painting the galvanized sheet metal pipe enclosures

ATTACHMENT 3

SCHEDULE OF LEASE PAYMENTS

Amortization Schedule

Loan Amount:	$157,380
Interest:	5% Annual
Term in Months	12.00
Payment Frequency	Monthly

Payment #	Interest	Principal	Balance
1	$656	$12,817	$144,563
2	$602	$12,871	$131,692
3	$549	$12,924	$118,768
4	$495	$12,978	$105,790
5	$441	$13,032	$92,758
6	$386	$13,086	$79,672
7	$3,129	$77,708	$79,672
8	$332	$13,141	$66,531
9	$277	$13,196	$53,335
10	$222	$13,251	$40,084
11	$167	$13,306	$26,778
12	$112	$13,361	$13,417
Ju	$56	$13,417	$0