

Fountain Valley School District  
BOARD OF TRUSTEES  
ANNUAL ORGANIZATIONAL MEETING

**AGENDA**

Education Center  
Board Room  
10055 Slater Avenue  
Fountain Valley, CA

**December 8, 2011**

- CALL TO ORDER: 6:30PM
- ROLL CALL
- APPROVAL OF AGENDA

M \_\_\_\_\_  
2<sup>nd</sup> \_\_\_\_\_  
V \_\_\_\_\_

- PUBLIC COMMENTS

*Speakers may address the Board of Trustees on Closed Session Items. Please comply with procedures listed on the goldenrod form "For Persons Wishing to Address the Board of Trustees" and give the form to the Executive Assistant.*

- CLOSED SESSION

The Board of Trustees will retire into Closed Session to address the following:

- Personnel Matters: *Government Code 54957 and 54957.1*  
Appointment/Assignment/Promotion of employees; employee discipline/dismissal/release; evaluation of employee performance; complaints/charges against an employee; other personnel matters.
  - Negotiations: *Government Code 54957.6*  
Update and review of negotiations with the FVEA and CSEA Bargaining Units with the Board's designated representative, Cathie Abdel.
- PLEDGE OF ALLEGIANCE

**SPECIAL PRESENTATIONS**

**1. RECOGNITION OF RETIRING ADMINISTRATOR DIRECTOR, FISCAL SERVICES, DEDRA NORMAN**

In December 2011, the District is losing an exceptional manager to retirement. It is appropriate that this outstanding educator be presented to the Board of Trustees and

*Our mission is to promote a foundation for academic excellence, mastery of basic skills, responsible citizenship, and a desire by students to achieve their highest potential through a partnership with home and community.*

recognized for her nearly 18 years of service to the children and staff of the Fountain Valley School District and over 35 years as an educator.

**PUBLIC HEARING**

**2. PUBLIC HEARING ON PROPOSED CERTIFICATED AGREEMENT FOR 2011-12**

The Board of Trustees shall conduct a public hearing for the purpose of receiving public input on the proposed 2011-12 agreement between the Fountain Valley School District and Fountain Valley Education Association. Public input is welcome.

**BOARD REPORTS AND COMMUNICATIONS**

Board Members will make the following reports and communicate information to fellow Board Members and staff.

**PUBLIC COMMENTS**

*Members of the community and staff are welcome to address the Board of Trustees on any item listed on the Agenda of Business or any other item of specific concern. Speakers are requested to limit their presentation to four minutes unless the time is waived by a majority of the Board Members present. If a member of the audience requests a response to their comments, the Board of Trustees may ask the Superintendent/Staff to respond to them personally or in writing after the meeting, or direct that additional information be provided to the Board on a future agenda.*

\*\*\* BOARD MEMBERS WHO WISH TO DISCUSS WITH STAFF ANY ITEMS LISTED UNDER LEGISLATIVE SESSION SHOULD INFORM THE BOARD PRESIDENT AT THIS TIME.

**LEGISLATIVE SESSION**

**3. RECOMMENDATION OF THE SCHOOL BOUNDARIES AND CLOSURE COMMITTEE**

M \_\_\_\_  
2<sup>nd</sup> \_\_\_\_  
V \_\_\_\_

On October 13, 2011, the Board received the report and recommendation of the School Boundary and Closure Committee. The Committee’s report detailed the process undertaken over the course of five months and nine meetings leading to the final recommendation that an elementary school should be closed. Budgetary necessity and operational efficiency were the basis for this recommendation. The Committee further recommended closure of a specific school, Fred Moiola Elementary School, and this recommendation was based on the evaluation and ranking of specific criteria developed by the Committee.

Superintendent's Recommendation: It is recommended that the Board of Trustees take the following actions and authorize the Superintendent or his designee to

develop a transition and implementation plan and sign all documents associated with such actions:

- A) Close one school effective July 1, 2012
- B) The school to be closed will be Fred Moiola Elementary School.

**4. ELECTION OF BOARD PRESIDENT FOR 2012** M \_\_\_  
2nd \_\_\_  
V \_\_\_

Superintendent's Recommendation: It is recommended that the Board of Trustees open nominations for and vote on a Board President for the 2012 calendar year.

**5. ELECTION OF PRESIDENT PRO TEM FOR 2012** M \_\_\_  
2nd \_\_\_  
V \_\_\_

Superintendent's Recommendation: It is recommended that the Board of Trustees open nominations for and vote on a Board President Pro Tem for the 2012 calendar year.

**6. ELECTION OF BOARD CLERK FOR 2012** M \_\_\_  
2nd \_\_\_  
V \_\_\_

Superintendent's Recommendation: It is recommended that the Board of Trustees open nominations for and vote on a Board Clerk for the 2012 calendar year.

**7. SELECTION OF REPRESENTATIVES TO COUNTY COMMITTEES AND COUNCILS AND DISTRICT COMMITTEES** M \_\_\_  
2<sup>nd</sup> \_\_\_  
V \_\_\_

As part of the annual organizational meeting, the Board shall select board representatives to County committees and councils and various District committees. Alternates may be selected for some of the committees at the discretion of the board.

Superintendent's Recommendation: It is recommended that the Board of Trustees open for discussion and reach consensus on board representation on County councils and District committees.

**8. SELECTION OF BOARD MEETING DATES FOR 2012** M \_\_\_  
2<sup>nd</sup> \_\_\_  
V \_\_\_

Superintendent's Recommendation: It is recommended that the Board of Trustees approve the 2012 Board Calendar of board meeting dates.

**9. CSBA DELEGATE ASSEMBLY NOMINATIONS** M \_\_\_  
2<sup>nd</sup> \_\_\_  
V \_\_\_

The Delegate Assembly is the policy-making body of CSBA. Board members elected to the Delegate Assembly serve a two-year term beginning April 1, 2012.

Superintendent's Recommendation: It is recommended that the Board of Trustees reach consensus on whether it shall submit a name or names in nomination for the CSBA Region 15 Delegate Assembly.

**10. CONSENT CALENDAR/ROUTINE ITEMS OF BUSINESS**

M \_\_\_  
2<sup>nd</sup> \_\_\_  
V \_\_\_

All items listed under the Consent Calendar and Routine Items of Business are considered by the Board of Trustees to be routine and will be enacted by the Board in one action. There will be no discussion of these items prior to the time the Board votes on the motion unless members of the Board, staff, or public request specific items to be discussed and/or removed from the Consent Calendar.

Superintendent's Recommendation: The Board of Trustees approves all items listed under the Consent Calendar and Routine Items of Business in one action.

**Routine Items of Business**

- 10-A. Board Meeting Minutes from November 17<sup>th</sup> regular meeting
- 10-B. Personnel Items (Employment Functions, Workshops/Conferences, and Consultants)
- 10-C. Donations
- 10-D. Warrants
- 10-E. Purchase Order Listing
- 10-F. Budget Transfers
- 10-G. Renewal of Annual Membership in the Fountain Valley Rotary Club in the amount of \$600

**Consent Items**

**10-H. PUBLIC DISCLOSURE OF COLLECTIVE BARGAINING AGREEMENT BETWEEN FVSD AND FVEA**

Superintendent's Comments: It is recommended that Board of Trustees approves the Public Disclosure of Collective Bargaining Agreement for the agreement between Fountain Valley School District and the FVEA for the 2011-12 school year.

**10-I. SPECIAL EDUCATION SETTLEMENT AGREEMENT**

Superintendent's Comments: It is recommended that the Board of Trustees approve to reimburse parents for educational costs not to exceed \$126.30 per school day through June 15, 2012 as contracted with Oralingua School and Aural Habilitation and/or Speech Language services at 90 minutes per week not to exceed \$165 per week as well as attorney fees as full and final settlement not to exceed \$10,000 per the settlement agreement signed November 10, 2011.

**10-J. CONFIDENTIAL SETTLEMENT AGREEMENT**

Superintendent's Comments: It is recommended that the Board of Trustees approve reimbursement to parents in an amount not to exceed \$7,900 for the 2011-12 school

year for occupational therapy services as agreed upon in the Settlement Agreement.

**10-K. RESOLUTION 2012-12 – REFINANCING OF CERTAIN CERTIFICATES OF PARTICIPATION**

Superintendent’s Comments: It is recommended that the Board of Trustees approve **RESOLUTION #2012-12**, authorizing the execution and delivery of documents relating to the sale and delivery of a Lease/Purchase Agreement, and authorizing and directing certain actions in connection therewith. It is further recommended that the Superintendent or his designee be authorized to sign all documents.

**10-L. APPROVAL OF AGREEMENT WITH VAVRINEK, TRINE, DAY & COMPANY, LLP**

Superintendent’s Comments: It is recommended that the Board of Trustees approve the agreement for Independent Audit Services with Vavrinek, Trine, Day and Co., LLP, July 1, 2011 through June 30, 2014 and authorize the Superintendent or designee to sign all documents.

**10-M. APPROVAL OF 2011-12 FIRST INTERIM REPORT**

Superintendent’s Comments: It is recommended that the Board of Trustees approve the First Interim Report for the 2011-12 school year.

**10-N. ADMINISTRATOR TRAINING PROGRAM**

Superintendent’s Comments: It is recommended that the Board of Trustees approve acceptance of the \$6,000 grant award from the California Department of Education for participation in the Administrator Training Program.

**10-O. CONSULTANT AGREEMENT WITH EVALUMETRICS**

Superintendent’s Comments: It is recommended that the Board of Trustees approve the consultant agreement with EvaluMetrics, Inc. for processing and submission of the District’s 2012 Physical Fitness Test data to the California Department of Education.

**10-P. NON-PUBLIC AGENCY CONTRACTS (BOARD MEMBERS ONLY)**

Superintendent’s Comments: Under current consortium budget agreements, any unfunded cost of non-public school or non-public agency placement is a cost to the general fund of the resident district. It is recommended that the following non-public school/agency contracts be approved and that the West Orange County Consortium for Special Education be authorized to receive invoices and process payment.

Non-Public School/Agency	100% Contract Cost	Effective Dates
Cornerstone Therapies	\$200	2/1/11 to 2/28/11

Robin Lee Morris, PsyD., LMFT	\$3,300	9/6/11 to 6/30/12
HealthBridge Children's Hospital	\$1,300	11/9/11 to 6/30/12
Oralingua School for the Hearing Impaired	\$42,501.80	2/3/11 to 6/15/12

### **SUPERINTENDENT'S COMMENTS/NEW ITEMS OF BUSINESS**

The Board President will receive any announcements concerning new items of business from board members or the superintendent.

- CLOSED SESSION
- APPROVAL TO ADJOURN

**The next regular meeting of the Fountain Valley School District  
Board of Trustees is on Thursday, January 12, 2012 at 7:00pm  
pending board consensus this evening.**

*A copy of the Board Meeting agenda is posted on the District's web site ([www.fvpsd.k12.ca.us](http://www.fvpsd.k12.ca.us)). Materials related to this agenda submitted to the Board of Trustees less than 72 hours prior to the meeting are available for public inspection by contacting the Superintendent's Office at 10055 Slater Avenue, Fountain Valley, CA 92708 or call 714.843.3255 during normal business hours.*

*Board meeting proceedings are tape recorded.*

*Reasonable Accommodation for any Individual with a Disability: Any individual with a disability who requires reasonable accommodation to participate in a board meeting may request assistance by contacting the Superintendent's office: 10055 Slater Avenue, Fountain Valley, CA 92708 or call (714) 843-3255 or FAX (714) 841-0356.*

Board meeting of December 8, 2011

SO 2011-12/B12-23  
Fountain Valley School District  
Superintendent's Office

MEMORANDUM

TO: Board of Trustees  
FROM: Marc Ecker, Superintendent  
SUBJECT: **Recognition of retiring administrator Director, Fiscal Services, Dedra Norman**  
DATE : November 30, 2011

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In December 2011, the District is losing an exceptional manager to retirement. It is appropriate that this outstanding educator be presented to the Board of Trustees and recognized for her nearly 18 years of service to the children and staff of the Fountain Valley School District and over 35 years as an educator.

We wish a happy and fulfilling retirement to Mrs. Dedra Norman, Director, Fiscal Services.

/rh

**FOUNTAIN VALLEY SCHOOL DISTRICT  
PERSONNEL DIVISION  
MEMORANDUM**

TO: Marc Ecker, Superintendent

FROM: Cathie Abdel, Executive Director, Personnel

SUBJECT: PUBLIC HEARING -- PROPOSED CERTIFICATED AGREEMENT  
FOR 2011-2012

DATE: November 18, 2011

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**BACKGROUND**

On November 17, 2011 the Board of Trustees approved ratification of the agreement between Fountain Valley Education Association and the Fountain Valley School District in regard to the 2011-2012 Contract Agreement. This agreement was voted on and ratified by members of the FVEA. As required by Government Code Section 3547.5, a public hearing on the costs contained in the proposed agreement shall be held to allow members of the public the opportunity for comment.

Attached is the Public Disclosure of Collective Bargaining Agreement, in accordance with **AB 1200 (Chapter 1213/1991), GC 3547.5, and CCR, Title V, section 15449**, for the agreement between Fountain Valley School District and Fountain Valley Education Association.

**IMPACT**

The total compensation of the agreement for Certificated Bargaining Unit Members will be \$1,301,857.00. Details of the impact are included in the attached "Disclosure of Collective Bargaining Agreement." This agreement will be effective July 1, 2011 thru June 30, 2012



FOUNTAIN VALLEY SCHOOL DISTRICT

NOTICE OF PUBLIC HEARING

2011-2012 PROPOSED CERTIFICATED EMPLOYEE NEGOTIATED AGREEMENT

Notice is hereby given that the Board of Trustees of the Fountain Valley School district at its meeting to be held on December 8, 2011 at 7:00 p.m. in the Board Room located at 10055 Slater Avenue, Fountain Valley, CA will conduct a Public Hearing on the proposed 2011-2012 negotiated agreement between the District and Fountain Valley Education Association.

The “Disclosure of Collective bargaining Agreement” includes details of the fiscal impact to the district and is available for public inspection between December 1, 2011 thru December 8, 2011, between 7:30 a.m. and 4:30 p.m. in the Human Resources Division.

Fountain Valley School District

By: \_\_\_\_\_

Cathie Abdel,  
Executive Director, Personnel

Fountain Valley School District  
**BUSINESS SERVICES DIVISION**  
ASB/S11-12 – 50

MEMORANDUM

TO: Marc Ecker, Superintendent  
FROM: Stephen L. McMahon, Assistant Superintendent, Business Services  
DATE: November 29, 2011  
SUBJECT: **RECOMMENDATION OF SCHOOL BOUNDARY and CLOSURE COMMITTEE**

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**BACKGROUND**

On October 13, 2011, the Board received the report and recommendation of the School Boundary and Closure Committee. The Committee's report detailed the process undertaken over the course of five months and nine meetings leading to the final recommendation that an elementary school should be closed. Budgetary necessity and operational efficiency were the basis for this recommendation.

The Committee further recommended closure of a specific school, Moiola Elementary, and this recommendation was based on evaluation of specific criteria developed by the Committee.

Since the School Boundary and Committee Report, the Board has undertaken to hear from the community at large and more specifically, the Moiola School community, through its public comment portion of the subsequent Board meetings and a separate public hearing dedicated to the subject held on November 8, 2011.

Also, recurring questions have been addressed on the District's website through responses to "Frequently Asked Questions". The Superintendent and Board members have answered numerous emails in an attempt to make sure that all issues regarding the need for closure of a school, how the school was selected, the committee process, etc., were addressed.

The factors and the criteria that served as the basis for the School Boundary and Committee's Report have not changed and as further support for the Committee's recommendations, the Board may take note of the following:

1. There is sufficient space for all students without adding classrooms within the remaining schools if Moiola is closed.
2. The Committee has developed a set of school boundaries that can be put in place should Moiola School be closed and those boundaries have been available on the District's website.
3. Staff and District's counsel have reviewed the issues related to the closure of Moiola School and have determined that the closure is exempt from the California Environmental

Quality Act (“CEQA”) pursuant to California Public Resource Code 21080.18 and 14 are CCR 15314.

4. If the Board affirms closing a school, a separate committee will be formed to address potential uses for the vacant site. No decision regarding uses of Moiola School has been made.
5. If a school is closed, staff will immediately develop a transition plan and team to make sure all are informed of the options available and how student movement will be handled. The goal will be to make the transition as stress free and accommodating as possible for students, parents and staff.

### **RECOMMENDATION**

It is recommended that the Board of Trustees take the following actions and authorize the Superintendent or his designee to both form a school closure transition committee and sign all documents associated with such actions:

- A) Close one school effective July 1, 2012.
- B) Pursuant to the school Boundary and Closure Committee’s recommendation, Fred Moiola School will be the school closed.
- C) File a CEQA Notice of Exemption for the closure of Fred Moiola School.

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SO 2011-12/B12-18  
Fountain Valley School District  
SUPERINTENDENT'S OFFICE

MEMORANDUM

TO: Board of Trustees  
FROM: Rina Hansen, Executive Assistant  
SUBJECT: **Election of Board President for 2012**  
DATE: November 23, 2011

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**Background:**

The provisions of the Education Code require the governing board of each school district to hold an annual organizational meeting within a prescribed 15-day period. At the board meeting of November 17, 2011, the Board of Trustees took action to select Thursday, December 8, 2011 at 7:00 pm as the date and time of the annual meeting.

As part of the annual organizational meeting, the Board of Trustees will elect its officers for the calendar year 2012.

Board members shall make a motion, a second, and vote for a Board President.

**Recommendation:**

It is recommended that the Board of Trustees open nominations and reach consensus on a Board President for the calendar year 2012.

SO 2011-12/B12-19  
Fountain Valley School District  
SUPERINTENDENT'S OFFICE

MEMORANDUM

TO: Board of Trustees  
FROM: Rina Hansen, Executive Assistant  
SUBJECT: **Election of Board President Pro Tem for 2012**  
DATE: November 23, 2011

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**Background**

As part of the annual organizational meeting, the Board of Trustees will elect its officers for the calendar year 2012. Board members shall make a motion, a second, and vote for a Board President Pro Tem.

**Recommendation**

It is recommended that the Board of Trustees open nominations and reach consensus on a Board President Pro Tem for the calendar year 2012.

SO 2011-12/B12-20  
Fountain Valley School District  
SUPERINTENDENT'S OFFICE

MEMORANDUM

TO: Board of Trustees  
FROM: Rina Hansen, Executive Assistant  
SUBJECT: **Election of Board Clerk for 2012**  
DATE: November 23, 2011

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**Background**

As part of the annual organizational meeting, the Board of Trustees will elect its officers for the calendar year 2012. Board members shall make a motion, a second, and vote for a Board Clerk.

**Recommendation**

It is recommended that the Board of Trustees open nominations and reach consensus on a Board Clerk for the calendar year 2012.

SO 2011-12/B12-21  
 Fountain Valley School District  
 SUPERINTENDENT'S OFFICE

MEMORANDUM

TO: Board of Trustees  
 FROM: Marc Ecker, Superintendent  
 SUBJECT: **Selection of Representatives to County Committees and Councils and District Committees**  
 DATE: November 23, 2011

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**Background**

As part of the annual organizational meeting, the Board shall select board representatives to County committees and councils and various District committees. Alternates may be selected for some of the committees at the discretion of the board.

1. Nominating Committee/County Committee on School District Organization <i>Representative:</i> <i>Alternate:</i>	6. Representative to the Legislative Action Committee for Education (ACE) <i>Representative:</i> <i>(Alternate):</i>
2. Orange County School Boards' Association Political Action Committee <i>Representative:</i> <i>Alternate:</i>	7. District Audit Committee  <i>Representative:</i> <i>(Alternate):</i>
3. Fountain Valley Educational Foundation <i>Representative:</i> <i>(Alternate):</i>	8. Superintendent Parent Council <i>Representative:</i> <i>(Alternate):</i>
4. Ad Hoc Committee for the City of Fountain Valley <i>Representative:</i>  <i>(Board President)</i> <i>Alternate:</i>	9. Outstanding Service Award Committee  <i>Representative:</i> <i>(Alternate):</i>
5. Quarterly Meetings with the City of Huntington Beach <i>Representative:</i>  <i>(Pres./Pres. Pro Tem)</i> <i>Alternate:</i>	10. Fountain Valley Education Committee (FV Chamber of Commerce)  <i>Representative:</i> <i>(Alternate):</i>

**Recommendation:**

It is recommended that the Board of Trustees open for discussion and reach consensus on board representation on County Councils and District Committees.

SO 2011-12/B12-22  
Fountain Valley School District  
SUPERINTENDENT'S OFFICE

MEMORANDUM

TO: Board of Trustees  
FROM: Marc Ecker, Superintendent  
SUBJECT: **Selection of Board Meeting Dates for 2012**  
DATE: November 23, 2011

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**Background**

The Board of Trustees shall reach consensus on board meeting dates for the upcoming year. A proposed calendar of board dates is listed below. Meeting dates are on Thursdays.

- January 12, 2012
- February 16, 2012
- March 15, 2012
- April 26, 2012
- May 17, 2012
- June 14, 2012
- June 28, 2012
- July 26, 2012
- August 23, 2012
- September 27, 2012
- October 11, 2012
- November 15, 2012
- December 13, 2012

**Recommendation**

It is recommended that the Board of Trustees discuss and reach consensus on the Board Calendar for 2012.



Board Meeting of December 8, 2011

SO 2011-12/B12-24  
Fountain Valley School District  
Superintendent's Office

MEMORANDUM

TO: Board of Trustees  
FROM: Marc Ecker, Superintendent  
SUBJECT: **CSBA Delegate Assembly Nominations**  
DATE: November 30, 2011

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**Background:**

The California School Board Association is accepting nominations to CSBA's Delegate Assembly through January 9, 2012. The Delegate Assembly is the primary policy-making body of CSBA. Delegates adopt CSBA's legislative platform, take positions on critical issues, elect officers, and adopt bylaw changes. Delegates also serve as a communications link between district board members and the regional director and play a role in fostering collegiality within their region.

The Region 15 Delegate Assembly covers Orange County. The Board of Trustees may nominate board members within their geographic region to the Region 15 Delegate Assembly. The Board may nominate as many individuals as it chooses. Nominees must be members of CSBA member boards within the region.

CSBA delegates serve two-year terms. Those elected in 2012 will serve beginning April 1, 2012 through March 31, 2014. There are two required Delegate Assembly meetings each year, one in May in Sacramento and one preceding CSBA's Annual Education Conference and Trade Show in November/December.

**Recommendation:**

It is recommended that the Board of Trustees reach consensus on which name or names it will submit in nomination for the CSBA Region 15 Delegate Assembly.

Fountain Valley School District  
Superintendent's Office

**REGULAR MEETING OF THE BOARD OF TRUSTEES**

10055 Slater Avenue  
Fountain Valley, CA 92708

**November 17, 2011**

**MINUTES**

President Judy Edwards called the regular meeting of the Board of Trustees to order at 6:30pm.

CALL TO ORDER

The following board members were present:

ROLL CALL

Mrs. Judy Edwards	President
Mr. Ian Collins	President Pro Tem
Christine Allcorn	Clerk
Sandra Crandall	Member
Jimmy Templin	Member

**Motion:** Mr. Collins moved to approve the meeting agenda.

AGENDA APPROVAL

Second: Mrs. Allcorn

Vote: 5-0

There were no requests to address the Board prior to closed session.

PUBLIC COMMENTS

Mr. Edwards announced that the Board would retire into Closed Session. No action was anticipated. The following would be addressed:

CLOSED SESSION

- Personnel Matters: *Government Code 54957 and 54957.1*  
Appointment/Assignment/Promotion of employees; employee discipline/dismissal/release; evaluation of employee performance; complaints/charges against an employee; other personnel matters.
- Negotiations: *Government Code 54957.6*  
Update and review of negotiations with the FVEA and CSEA Bargaining Units with the Board's designated representative, Mrs. Cathie Abdel.

The public portion of the meeting resumed at 7:02pm.  
Mrs. Abdel led the Pledge of Allegiance.

PLEDGE OF  
ALLEGIANCE

**BOARD REPORTS AND COMMUNICATIONS**

Mrs. Crandall extended congratulations to Ms. Silavs for securing for the District a \$10,000 Boeing grant in addition to the \$45,000 donation for an ST Math lab. She also commended her for securing Dr. Feldman, Dr. Friend and Dr. Krogh for trainings for our teachers noting that their credentials are all stunning. She enjoyed the OCSBA dinner as well as two Mayor's Breakfasts. She also enjoyed the grand reopening of the Huntington Beach Assistance League thrift shop noting that the proceeds from the sales at this shop have results in \$110,000 in grants to our teachers through their "Links to Learning" program. And she supported the Orange County Chocolate Festival where \$1029 was raised toward music programs by the FVEF. She also enjoyed the visit to Apple headquarters in Cupertino, and the debriefing meeting regarding this visit and discussion of where the district is heading regarding technology. She also enjoyed the Hyundai ST Math lab ribbon cutting presentation and well as the Education Foundation meeting where it was discussed that the Festival of Arts concerts will be held March 13th and 29th and possibly March 27th. She also presented the second Community Volunteer Academy training, focused on helping students with literacy skills. In addition, she attended the Community Volunteer Academy committee meeting where new topics and presenters were discussed. And she attended the Ad Hoc meeting with the District and the City of Fountain Valley regarding field usage and noted the positive results of this meeting. She attended the first Student in Business Day committee meeting, noting that March 7<sup>th</sup> is being firmed up for this event. And she noted that she continues to listen to the public regarding their thoughts and questions on school closure and she continues to research all aspects to inform her upcoming decision.

Mr. Collins attended the OCSBA dinner with Tom Torlakson as well as the Huntington Beach Assistance League thrift shop grand reopening. He urged the community to visit this boutique. He also worked at Orange County Chocolate Festival for the FVEF and enjoyed the Masuda Veteran's Day Ceremony, noting that it was a very moving recognition. He congratulated the teachers, kids and administrators involved in its planning. He attended the ACE meeting as well as the SPC meeting and noted how gracious the members are in their support of one another. He also enjoyed the soccer tournament at Talbert and he echoed Mrs. Crandall in congratulating Ms. Silavs on a job well done. He also encouraged the audience to attend an APA performance at Huntington Beach High School auditorium.

**BOARD REPORTS AND COMMUNICATIONS**

Mrs. Allcorn attended the OCSBA dinner, noting that it was significant that the December 15<sup>th</sup> triggers, caused by tax revenues not ending up where legislator projected them to be, will result in automatic cuts to schools. She explained that projections look more and more like cuts will not be able to be avoided but that we will see on December 15<sup>th</sup>. She enjoyed the Huntington Beach Assistance League thrift store grand reopening as well as the Chocolate Festival and the FVEF meeting. She also visited the Plavan pumpkin patch and enjoyed the City's Veteran's Day ceremony.

Mr. Templin noted that this evening he would like to do something a little different noting that he would like to focus on School Closure. He explained that he has been working hard to make the best decision possible and in doing so, has wanted to obtain as much information as he can. He explained that since last week, he met with 12 different families, most for a minimum of 1 hour and at most 2 hours, most Moiola families, some from other sites. He thanked these families for allowing these meetings and taking the time to sit down with him. He noted that while meeting with others, the following concerns came to his attention. He noted that he has not yet made up his mind as to how he will vote in December but he has been working hard to obtain as much information as possible and to evaluate this information as he goes. He noted that while he cannot speak for other Board members, he knows that they are also gathering information and that while they all have their own ways of doing so; they share the same goal of doing what is best for our students. He explained that before voting, he would like to feel comfortable that we have done everything possible to look at all the options. He asked if each Board member feels that we have done all that we can in regards to avoiding closing a school. He also asked regarding the Guidelines of CDE, what their thoughts are regarding using that guide or not using that guide. And he noted that he is struggling with deciding on closing a school let alone which school to close without knowing the boundaries and how many students and schools will be affected and so, asked what the other Board members' feeling are on this. And finally, he noted that in considering Moiola, he has become an advocate for the smaller 6-8 setting and noted that he would like to see this discussed as he doesn't feel that closing Moiola necessarily means getting rid of that smaller 6-8 option.

Mrs. Edwards enjoyed the Teacher of the Year dinner honoring Michael Waldinger as Teacher of the Year for the District, and noted that she thinks this honor is well worth applauding. She

noted that it was quite an honor to attend. She explained that nothing is more moving than Masuda’s Veteran’s Day ceremony, noting that it is amazing to have that many kids quiet during a moment of silence.

**PUBLIC COMMENTS**

There were 4 requests to address the Board regarding the possible closure of Moiola School.

PUBLIC COMMENTS

**LEGISLATIVE SESSION**

Mrs. Crandall requested that item 1B Board Meeting Minutes from November 8<sup>th</sup> special meeting be pulled for separate vote.

CONSENT  
CALENDAR/  
ROUTINE ITEMS OF  
BUSINESS

Motion: Mrs. Crandall moved to approve the Consent Calendar with the exception of item 1B.

Second: Mrs. Allcorn

Vote: 5-0

Motion: Mrs. Allcorn moved to approve item 1B Board Meeting Minutes from the November 8<sup>th</sup> special meeting.

Second: Mr. Templin

Mrs. Crandall explained that each of the Board members are the keepers of their own word and that because of this she has asked that two corrections be made to the minutes. The corrected minutes were presented to the Board.

Vote: 5-0

The Consent Calendar included:

- Board Meeting Minutes from October 13<sup>th</sup> regular meeting
- Board Meeting Minutes from November 8<sup>th</sup> special meeting
- Personnel Items (Employment Functions, Workshops/Conferences, and Consultants)
- Donations
- Warrants
- Purchase Order Listing
- Budget Transfers

- Approval of Consultant Agreement for Professional Development in Student Engagement and Active Participation
- Approval of Boeing Grant Award
- Approval of Annual Organizational Meeting
- Approval of Agreement with Orange County Department of Education to Provide On-site Support for Co-Teaching
- Approval of Consultant Agreement for GATE Training
- Adoption of Resolution 2012-10: Temporary Loan from Fund 40
- Parent Reimbursement per Settlement Agreement
- Approval of Agreement Between the Fountain Valley Education Association and the Fountain Valley School District
- Approval of California Healthy Kids Survey
- Non-public Agency Contracts

Non-Public School/Agency	100% Contract Cost	Effective Dates
Cornerstone Therapies	\$500	01/07/11-6/30/12
Children’s Learning Connection, Inc.	\$2,034	10/18/11-6/30/12

**NEW ITEMS OF BUSINESS**

Mr. Templin Noted his feeling that it would make sense to have a study session in order to hear the Board’s thoughts but noted at the same time that the Board does have the opportunity to have this discussion tonight. He raised his first question to the Board asking whether or not they each feel that we have done enough in regards to cuts and searching for alternative revenue sources.

Mr. Collins noted that he has heard the question of alternate revenue sources from Moiola parents and has personally been part and parcel to the cuts made, noting that they are extensive with over \$7 million cut in 3 years. He noted that the District filled positions only when it had to, and cuts included supplies to programs. He explained that now the District is facing a \$1.4 billion cut in this governor’s budget. He explained that the governor has promised that if revenues do not make what was projected in the budget there will be cuts including cuts to K-12 education. He noted that the County supervisor is also thinking of taking \$73 million from

public schools noting that this would have to be backfilled by State legislature. Although, he explained, this backfilling is often deferred and then deferred again causing districts to lose not only money but interest and so forth. He noted that it is a terrible situation and that he has listened to each speaker careful and taken copious notes. He explained that alternative funding options are: the Education Foundation which does a wonderful job but is chicken feed compared to what we need; the sale of surplus property, which the district has done well, but will not see this money for some time; or grants, and not just one year but year after year. He explained that it is major money that we need. And if the trigger is fired, district employees will again have to take their hits, noting that they have families in need also. He noted that all employees of the district have stepped up and taken those cuts. He noted that the last area for alternative revenue is a bond tax, which is feasible but not very popular and takes money to set up. He explained that the Board has to be responsible to all of you, the passionate Moiola parents, but also has to be responsible to all parents and students in the district, our employees and the 86 % of the community that do not have students in the district. He explained that being an educator himself, when he goes down that list of cuts, those cuts hurt. He noted that he originally thought that it was hardest to make the cuts, but that it has not gotten any better and the foreseeable future does not look good with slow growth to come. He noted that these are hard times on a lot of people and families, but he has also had the pleasure and opportunity to see all of the schools in district and noted that there are caring and capable teachers and staff at each. He noted that of the emails going around, all are well written but that this is not an easy decision.

Mrs. Allcorn noted that in terms of cuts, when Mr. Burkart was here, in an attempt to come up with additional ideas of where to cut, he opened

it up for suggestions from staff and the community members. She noted that all were considered and some were implemented. And whether the Board decides to close a school or not, we need to continue to look for ways to save as things are not getting any better. She explained that she went through a school closure and was left to feel "What I am going to do now?" She explained that she could not make this decision without knowing that the Board has gone through all of the alternatives. She explained that it's like which finger to cut off, and it has to be the last resort noting that it is an awful thing. She explained that she couldn't get here unless she felt that we really looked at all of the alternatives.

Mrs. Crandall explained that Board members get line item by line item details in board packets where we look at where our funding is going. And as Board members we are required to put forth budgets when finances shift on a yearly basis. This is an ongoing thing that has occurred in the District forever. She noted that her fellow Board members did address grant writing partnerships but noted a few things that need to be addressed as well. She noted that when we hear the public coming forward speaking of expertise in the public area in finance, marketing, etc., particularly in the finance area, she noted the assumption that these individuals are probably watching other entities that are getting written up dealing with budget issues also, like cities, which are outsourcing to save money. But she explained in the education realm, education is under totally different labor laws than cities, municipalities, etc. Labor laws prohibit us from outsourcing if the job is necessitated in the district. Also regarding pension reform, cities, for example, are getting their bargaining units to buy into differentiated, hybrid pension reforms that are cost saving measures, but this is not in the hands of any local school board; it is in the hands of the State legislature and there has to be legislative action in order to tinker



with pensions. She also noted that we have contracts with our excellent teachers, and know that the community supports wanting to pay what they are worth and previous boards have succeeding in at least achieving the median. She noted that teachers are under a single step and column contract. And as a board, you can't decide to freeze step and column as this has to be negotiated. Assuming that those speaking of finances are looking at these areas, education labor laws are extremely different and it would take an underlying study of this in order for ideas to come forward within the parameters of what the educational community needs to work with. In addition, she noted that much has been said about the budget; the Fountain Valley School District has declining enrollment and has already closed 8 schools. She noted that this is a true function of our housing market. She explained that being an elementary district, we need that 27-35-years-old set of parents that has 5-10-years-old children to feed our district. She noted that the District is constantly watching new developments in the district and noted for example that South of Talbert on Magnolia, single family detached homes are being put in. She noted that Fountain Valley School District receives 61% of the developer fees but questioned whether that development can generate those age students that we need. She explained that these models are not even finished, but on a particular day in walked their first customers and the first model sold for \$1.2 million. She explained that it would take not only a two income family but also someone at a mid-career earning income to afford a home like this. There will also be a development across the street with 88 units coming aboard, 61 will be attached and 27 will be detached. She noted studies by the district and the City on what this community will generate. She noted that on the plus side, they will generate 22 students, and for the HBUHSD it will be even less. Although we have a couple pieces of properties still for sale and we will embrace those developer fees, they will not develop

children. She noted that we do have homes in communities that are for sale and do attract some young families. But when you compare Fountain Valley as a city; our home prices are greater than Huntington Beach and many young families who would love to come here for the district and a well run city, can't afford homes here. She explained that residents in new developments typically come from 1.5 miles away; so, they are "move up" residents. Many have had students here but when moving up, they come to these developments. So, she explained while we are looking at a difficult State budget, we are also looking at declining enrollment for the district.

Mr. Templin

Raised the idea of voting on school closure at the December 8<sup>th</sup> meeting, voting first on closing a school, and then second on which we think it should be. He noted that at this time the Board will have the proposed boundaries but the Board will not yet have decided on which new boundaries it will be, noting that it seems to him to makes sense to do both simultaneously. He noted that closing one school will affect the rest of them, and that this seemed to have played into the criteria that the committee used, i.e. the number of students that would be affected. He asked for the Board's thoughts on this.

Mrs. Edwards noted that the committee for the boundaries, which is basically the same committee for the closure study, met for the first time Tuesday and what the Board has in front of them is the results of this meeting and has been posted on the web. She noted that there will be another meeting on the 29<sup>th</sup>, so, this is just getting started. She noted her understanding of the thought that one should come before the other or at least at the same time, but noted that it is coming together now. She asked Mr. Templin for his thought when looking at the initial boundary proposals.

Mr. Templin responded suggesting that perhaps

he agrees and votes to close a school and goes ahead with the committee's suggestion to close Moiola, he explained that there are still some things that he is concerned about and that he might not want to go forward with that at all as it effects a number of the schools, something that he thought we wanted to avoid. He explained that he is not sure how to do one without the other.

Mrs. Allcorn noted her understanding that part of the criteria did talk about putting students at different places, noting that the committee looked at maps to determine that and did use that in their study. She explained that perhaps this was not down to each individual street but a more general view when looking at this.

Dr. Ecker explained that one of the criteria was proximity to the closest school. Mrs. Allcorn noted perhaps it would have help if there were 8 simultaneous boundary maps but that she is not sure how they could have done this.

Mr. Templin suggested considering for a moment Moiola, and if they follow the recommendation, he might not pick Moiola if the boundaries are going to affect more students from more schools. He noted that if closing Gisler meant moving fewer students from fewer schools then this might play into his decision.

Mrs. Allcorn noted that the boundary issue is an issue that needs to be looked at here as well as if we are using all of our school sites to the maximum efficiency. Even if we do not move forward with closing a school, there is still a need to revisit boundaries. These are almost separate issues.

Dr. Ecker noted that looking back historically at the district, one issue that we have dealt with is the lack of balance of enrollment at our schools. Some sites have large enrollments with boundaries that encompass areas all the way to Brookhurst and Warner including

numerous multi-dwelling buildings while some sit in areas with a majority of single family homes, and then some sit in Huntington Beach where the district has already closed 4 schools and we are finding schools with small enrollment. This district would need to look at boundary revisions anyways if it is going to balance out enrollment. It is this now paired with the fact that the district is operating more schools than it should be.

Mr. Templin noted that he does understand that if we do not close a school we may still have to look at boundaries. But noted his concern is that we are moving toward closing a school without understanding what it will affect.

Dr. Ecker noted that he talked to Mr. McMahon regarding his experience in closing other schools, asking if this is the standard way to do so and he indicated yes, it is. Dr. Ecker explained that you try to not only look at the criteria that you think is the most relevant and will drive the decision, but to also consider how to disburse students if you close the school. This is why those sites with smaller enrollments get fewer "closure points" than those with larger enrollments that would displace more students. It is not the only criteria that drives the decision but is pretty standard.

Mr. Collins noted that SPC stated that this decision will affect most one way or another as with any small district. Because of this, other schools will need to take in more families and reach out to those families of the school closed. So yes, it will affect multiple schools. He noted regarding the question of boundaries, you have to decide the school, and the committee did, before you decide boundaries, not simultaneously.

Mr. Templin clarified that he means not for the committee do this, but the Board. He explained his feeling that it should be a "packaged deal."

If the board agrees to close school, then a school is closed. And if Moiola is chosen, it should be option A or B boundaries. He noted that he might chose to close a different school based on the boundaries. He noted his understanding that yes, it will affect sites if they get more kids, but it is a different situation if a kid goes to one school one year and another school the next year. He noted that this is a bigger issue and one that he would like to minimize.

Mr. Collins noted the understanding that we will be sensitive all the way around, including grandfathering, etc. He noted that we would hate to close a school but that the committee and this district will be as sensitive as we can.

Mr. Templin Asked the Board if they were willing and if there is a way to poll the Board on the decision of potentially closing Moiola and potentially closing the only small 6-8 option. He questioned whether or not there is a way to split this decision apart and to see if there is a way to find a place for that program someplace else.

Mrs. Allcorn agreed that she would absolutely want to discuss this option. She noted that school closure is not about the K-8 program; it was about school closure and deciding which campus. She noted all of the parents that have shared how meaningful the smaller setting is and referenced one of the board's interests in magnet programs to attract kids noting that this may be such a program. She explained that there is nothing wrong with discussion of different ideas and ways to meet the needs of our community noting that if we can do something innovative, then that's great.

Dr. Ecker noted that this kind of discussion is great regarding which magnet programs are really magnets and the costs involved. He noted that February or March, based on the interest to change the Board's schedule of discussing their interests, would be a great time

to bring this forward and request data regarding costs, etc. This would allow the Board to take out the emotional discussion of closing a school and give the merits of a K-8 program and its sustainability its due course.

Mr. Collins agreed, noting that having an open discussion would be worthwhile and this can come under that.

Mr. Templin noted that there has been a lot of talk of what has happened in the past, and there have been a lot of good things that have been done regarding promoting the K-8. He noted that in the limited time and research that he has been able to do as far as talking to people in the immediate community, he found a tremendous source of people interested in a 6-8. He noted that it is a small program, explaining that it would not be an alternate revenue source, as it needs to stay small. He noted that he feels strongly that 6 classes of 180 kids would serve the community well and noted that he also has more input on more services for the district, explaining that if we can provide different programs and support, we can keep kids out of special education, a huge cost savings. He noted his feeling that we don't need to discuss the rest and thanked the Board for taking the time.

Mrs. Crandall Noted that in listening to Mr. Templin speak, one thing to make sure is clear is whether or not we are discussing program/instruction or school structure. She noted that this has come up about dealing with a smaller size of a school. She noted that given this, she went on a fact finding mission and discovered the most telling item was a recent study where a foundation spent \$2 billion to see if smaller schools work. The study took 26 schools in the nation and broke them into small schools and it was found that instruction trumps the structure of the school. She noted that this is what we keep hearing about Moiola that the loving, compassionate, caring delivery of lesson makes

it fit for them. She noted that when we are looking at all that and the concerns of the programs at Moiola we might also want to discuss where else they can exist, noting that when you are at a school with a high level of satisfaction, you don't have the opportunity to get out to see what other schools offer and we do have that data also.

Regarding the CDE Guide, she noted that there are some things that the public would be interested in knowing. She noted that throughout this process, legal counsel has been sought at every turn. She also called the CDE and talked to the individual for our area that deals with the guide. She asked how long the guide has been around finding it has been around only less than 6 years. The guide arisen because other districts have been looking at closing schools due to declining enrollment and funds. She asked who put the guide together and found that the guide is the compilation of different districts calling in with what they did during their processes. She noticed that the guide was updated March 11, 2011 and asked how regularly the guide is updated to which she was told that the department is very small, and the guide is only updated if there is a change of state superintendent, which brought about the last update, or if there a change in the name of the entity. She noted that she then asked the function of the guide which she received the response that it is to guide, to provide basic info to districts based on practices at other districts, although none of these things are hooked to a government code. She noted that she has found there are different ways of approaching a school closure and our district chose transparency and representation from the public and put together a committee. Other districts have hired firms and the least spent was \$12,500. We have excellent volunteers. She also asked if the facilitator needs data, where they usually go. She was told that the facilitator gets information internally from the district because there is no master data at the

State. So, she noted that even we had hired a firm we would have needed to go to the District, and to Dr. Ecker, because he has been here the longest. She noted an email she received from the CDE regarding the concern that district did not follow the guide and quoted the email to say that one has to understand when looking at their department, there are only two functions that one can go to, one is resources and the other is codes and regulations. The email continued to state that the guide in no way falls under codes and regulations, it is a resource. And because of this there is no enforcer, as it does not fall under codes and regulations. The email closed in saying that you do not want the State involved in enforcing a guide like this, as once the State is involved it means a loss of flexibility as a district.

Mrs. Allcorn      Raised the topic of field use and the Ad Hoc meeting that occurred and the mention of fees.

Mrs. Edwards explained that the fields on our properties were always run by the City and they gave them back to us initially. But they are still going to manage them as they always have.

Dr. Ecker noted that this whole thing came about as we were told that we were now responsible for arranging our field use. With this in mind, we were also fielding questions from the neighborhoods, remembering that 86% do not have kids in the schools and they were concerned of conditions of the fields after the kids left regarding bathrooms, etc. Mr. McMahan was trying to get his hands around this. One of the things used in the past regarding bathrooms were port-a-potties and as it did not always go as planned so, it was thought that perhaps we should use the facilities at our campuses, hiring the custodians back to open and close them and this fee would be passed back onto the groups using them, similar to other cities. After having the meeting we found that the City never intended to this pass



on and they took this responsibility back. It now falls under Mark Nix's auspices to determine the needs of the group and if there needs to be bathrooms, they will work with the district to resolve this and coordinate a fee under the Civic Use Act, a direct cost fee. This is where we are now but with the addition of looking seriously now at restricting heavy use on both days of the weekend and direct cost fees, both of which are still under discussion.

Dr. Ecker Noted that regarding program and instruction it brings to mind what drives successful educational experiences, not unlike the experience that we have had with class size reduction and the popular program of 20:1. He noted that we created this 20:1 structure that became an expectancy and very popular with parents but after over 10 years of implementation throughout the State, reaching almost \$3 billion in cost, when statistics were looked at as to whether those students made statistical significant increases, there were no studies in the State or the nation showing increases. He explained that it all has to do with structure, one on one, RtI, differentiated instruction, modifying for each individual learner.

Mr. Collins noted that he takes exception with the program 20:1 noting that his son, a teacher, woes the day that 20:1 goes away. Noting that it is not just that it is easier to teach, but it is also getting to know the families.

Mrs. Edwards Asked Mr. Templin if the discussion has satisfied his concerns and if he no longer feels the need for a study session.

Mr. Templin agreed that there was not a need for a study session and that the Board can have additional discussion at the next meeting.

Dr. Ecker Thanked Mr. Templin for pushing us and raising the topics noting that he believes in the idea of transparency and that when we are

getting so close to making a difficult decision, this discussion is good. He also thanked those loyal supporters of Moiola and the K-8 program for coming to the board meetings in and out. He noted that this is one of the most difficult decisions that a Board can do, noting that it has not been entered into lightly. He thanked those that continue to email.

Mrs. Edwards      Thanked Mrs. Crandall for her research and thanked all of the Board for their time and efforts and Mr. Templin for his time and efforts.

### **ADJOURNMENT**

**Motion:**      Mr. Collins moved to adjourn the meeting at 8:48pm.

**Second:**      Mr. Templin

**Vote:**      Unanimously approved

/rh

**FOUNTAIN VALLEY SCHOOL DISTRICT  
PERSONNEL ITEMS FOR APPROVAL  
December 8, 2011**

**1.0 EMPLOYMENT FUNCTIONS:**

**1.1 EXECUTIVE DIRECTOR, PERSONNEL REQUESTS APPROVAL OF RESIGNATION OF THE FOLLOWING CERTIFICATED EMPLOYEE:**

	<u>EMPLOYEE</u>	<u>ASSIGNMENT</u>	<u>LOCATION</u>	<u>EFFECTIVE</u>
1.1.1	Waldinger, Michael	Resource Specialist	Moiola School	12/05/2011

**2.0 EMPLOYMENT FUNCTIONS:**

**2.1 EXECUTIVE DIRECTOR, PERSONNEL REQUESTS APPROVAL OF THE FOLLOWING NEW CLASSIFIED EMPLOYEES:**

	<u>EMPLOYEE</u>	<u>ASSIGNMENT</u>	<u>LOCATION</u>	<u>EFFECTIVE</u>
2.1.1	Jennifer Steinmann	Preschool Instructor	Courreges	12/05/11
2.1.2	Jennifer Remijio	Preschool Aide	Oka	12/01/11
2.1.3	Samantha Domingues	COTA	Newland	12/05/11
2.1.4	Juli Espinoza	Preschool Aide	Courreges	11/29/11
2.1.5	Barbara Kraus	Preschool Aide	Rover	11/29/11

**2.2 EXECUTIVE DIRECTOR, PERSONNEL REQUESTS APPROVAL OF LEAVES OF ABSENCE FOR THE FOLLOWING CLASSIFIED EMPLOYEES:**

	<u>EMPLOYEE</u>	<u>ASSIGNMENT</u>	<u>LOCATION</u>	<u>REASON</u>	<u>EFFECTIVE</u>
2.2.1	Lori Plemons	IA DTT	Newland	Surgery	1/03/12
2.2.2	Sandra White	IA DTT	Oka	Personal	11/30/11

**3.0 WORKSHOP/CONFERENCE ATTENDANCE:**

	<u>NAME</u>	<u>ATTENDING</u>	<u>LOCATION</u>	<u>COST</u>	<u>BUDGET</u>	<u>DATES</u>
3.1	Abdel, Cathie	Negotiator's Symposium	San Diego	Actual & Necessary	012719380-5210	Jan. 18-20, 2012
3.2	Berry, Jan	CSPCA Conference	San Diego	Actual & Necessary	012819771-5210	Jan. 26-29, 2012
3.3	Mullin, William	CSPCA Conference	San Diego	Actual & Necessary	012819771-5210	Jan. 26-29, 2012
3.4	Hessler, Ross	CSPCA Conference	San Diego	Actual & Necessary	012819771-5210	Jan 26-29, 2012



**FOUNTAIN VALLEY SCHOOL DISTRICT  
PERSONNEL ITEMS FOR APPROVAL**

December 8, 2011

**INSTRUCTION**

**4.0 APPROVAL OF ADDITIONAL DUTY REQUEST(S)**

	<u>NAME</u>	<u>ASSIGNMENT</u>	<u>SALARY</u>	<u>BUDGET</u>	<u>DATE</u>
4.1	JOHNSON, Jan (Gisler)	2 Day Early Intervention for School Success (EISS) training per grant requirement	\$1,200.00	01-262-3175-5813	9-21 and 9-22-2011

**REASON FOR LATE SUBMITTAL: Information not received from Gisler School prior to the training sessions in September.**

4.2	VARRONE, Amanda (Cr)	Testing coordinators, which	\$1,000.00	01-710-9275-1115	2011-2012
	MACDONALD, Michele (Cx)	include responsibilities and	\$1,000.00		School Year
	MASTROPAULO, Julie (Gis)	activities above and beyond	\$500.00		
	NILSEN, Krista (Gis)	the normal workday.	\$500.00		
	BOONE, Katya (Mas)		\$1,000.00		
	DOHERTY, Jeff (Moi)		\$1,000.00		
	PHILLIPS, Kim (New)		\$1,000.00		
	MOUSSA-ZAHAB, Jeanie (Ok)		\$1,000.00		
	RYAN, Marilyn (PI)		\$750.00		
	BURZA, Autumn (PI)		\$125.00		
	TERICH, Amelia (PI)		\$125.00		
	PLOSKI, Matt (Tal)		\$1,000.00		
	PEAT, Cheryl (Tam) (C & I)		\$750.00		

**5.0 INDEPENDENT CONTRACTOR AGREEMENTS/RESOLUTIONS**

	<u>NAME</u>	<u>ASSIGNMENT</u>	<u>SALARY</u>	<u>BUDGET</u>	<u>DATE</u>
5.1	HERTER, Margo (Tamura)	Two day Early Intervention for School Success (EISS) training per grant requirement	\$1,200.00	01-262-1075-5813	9-20 and 9-21-2011
5.2	OKERSON, Lynda (Tamura)	Two day Early Intervention for School Success (EISS) training per grant requirement	\$1,200.00	01-262-1075-5813	9-20 and 9-21-2011

**REASON FOR LATE SUBMITTALS: Information not received from Tamura School prior to the training sessions in September.**

5.3	HERL, Howard (C & I)	His company, Evalumetrics, Inc., will provide PE testing services for the District's 5 <sup>th</sup> and 7 <sup>th</sup> grade students	Not to exceed \$1,200.00	01-710-9275-4322	2011-2012 School Year
5.4	SARVIS, Doug (Support Services)	Provide First Aid/CPR training for District certificated and paraprofessional staff	\$380.00	01-228-9963-5813	12-9-2011

FOUNTAIN VALLEY SCHOOL DISTRICT  
DONATION ACCEPTANCE FORM

Federal ID# 95-6001370

All donations to the district must be officially accepted by the Fountain Valley School District Board of Trustees inasmuch as their acceptance may involve an expenditure of district funds for installation, use, and/or maintenance. Before any donation is supplied or purchased by your organization, or formally accepted for a school, the following information is requested on this form. Upon site/document approval, a copy of the form shall be presented to Business Services or Technology/Media for further consideration and approval in accordance with Board Policy 3290, Donations to School District.

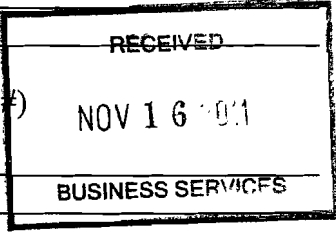
SCHOOL RECEIVING DONATION: Fulton

NAME OF DONOR: Fulton PTA

DESCRIPTION OF DONATION OR CASH DONATION: (Include name and address of manufacturer or vendor, age and condition of item if not new, approximate present value.)  
\$1,500.00

ESTIMATED INSTALLATION COST: (Note software needs, special wiring required, additional components needed, transportation, etc.)

INVENTORY INFORMATION: (Include quantity, brand name, model #, serial #)



ESTIMATED COST OF ANNUAL UPKEEP: (Electricity, special supplies, accessories, etc.)

REVENUE ACCT: 0129000-8699; EXPENDITURE ACCT(S) FOR BUDGET INCREASE: 010142989 (see below)  
4310 - \$1,500.00

INTENDED USE: (State how this will be used) Ink toners/masters, copier paper

REVIEWED: [Signature] APPROVED/DISAPPROVED 11/10/11  
Principal/Department Head Date

REVIEWED: [Signature] APPROVED/DISAPPROVED 11/16/11  
Assistant Superintendent Date  
Business/Administration

REVIEWED: \_\_\_\_\_ APPROVED/DISAPPROVED \_\_\_\_\_  
Director, Technology/Media Date

BOARD APPROVAL DATE: 12/8/11

FOUNTAIN VALLEY SCHOOL DISTRICT  
**DONATION ACCEPTANCE FORM**

Federal ID# 95-6001370

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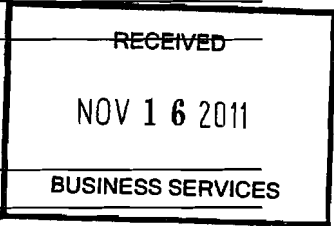
SCHOOL RECEIVING DONATION: Fulton

NAME OF DONOR: Ellen George

DESCRIPTION OF DONATION OR CASH DONATION: (Include name and address of manufacturer or vendor, age and condition of item if not new, approximate present value.)  
\$20.00

ESTIMATED INSTALLATION COST: (Note software needs, special wiring required, additional components needed, transportation, etc.)

INVENTORY INFORMATION: (Include quantity, brand name, model #, serial #)



ESTIMATED COST OF ANNUAL UPKEEP: (Electricity, special supplies, accessories, etc.)

REVENUE ACCT: 0129000-8699; EXPENDITURE ACCT(S) FOR BUDGET INCREASE: 010142989 (see below)  
4310 - \$20.00

INTENDED USE: (State how this will be used) Principal's Discretion

REVIEWED: [Signature] APPROVED/DISAPPROVED 11/10/11  
Principal/Department Head Date

REVIEWED: [Signature] APPROVED/DISAPPROVED 11/16/11  
Assistant Superintendent Date  
Business/Administration

REVIEWED: \_\_\_\_\_ APPROVED/DISAPPROVED \_\_\_\_\_  
Director, Technology/Media Date

BOARD APPROVAL DATE: 12/8/11

FOUNTAIN VALLEY SCHOOL DISTRICT  
**DONATION ACCEPTANCE FORM**

Federal ID# 95-6001370

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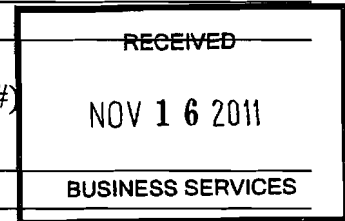
SCHOOL RECEIVING DONATION: Fulton

NAME OF DONOR: Tad Alan Beckman

DESCRIPTION OF DONATION OR CASH DONATION: (Include name and address of manufacturer or vendor, age and condition of item if not new, approximate present value.)  
\$100.00

ESTIMATED INSTALLATION COST: (Note software needs, special wiring required, additional components needed, transportation, etc.)

INVENTORY INFORMATION: (Include quantity, brand name, model #, serial #)



ESTIMATED COST OF ANNUAL UPKEEP: (Electricity, special supplies, accessories, etc.)

REVENUE ACCT: 0129000-8699; EXPENDITURE ACCT(S) FOR BUDGET INCREASE: 010142989 (see below)  
4310 - \$100.00

INTENDED USE: (State how this will be used) Principal's Discretion

REVIEWED: [Signature] APPROVED/DISAPPROVED 11/10/11  
Principal/Department Head Date

REVIEWED: [Signature] APPROVED/DISAPPROVED 11/16/11  
Assistant Superintendent Date  
Business/Administration

REVIEWED: \_\_\_\_\_ APPROVED/DISAPPROVED \_\_\_\_\_  
Director, Technology/Media Date

BOARD APPROVAL DATE: 12/8/11



FOUNTAIN VALLEY SCHOOL DISTRICT  
DONATION ACCEPTANCE FORM

Federal ID# 95-6001370

All donations to the district must be officially accepted by the Fountain Valley School District Board of Trustees inasmuch as their acceptance may involve an expenditure of district funds for installation, use, and/or maintenance. Before any donation is supplied or purchased by your organization, or formally accepted for a school, the following information is requested on this form. Upon site/document approval, a copy of the form shall be presented to Business Services or Technology/Media for further consideration and approval in accordance with Board Policy 3290, Donations to School District.

SCHOOL RECEIVING DONATION: Masuda

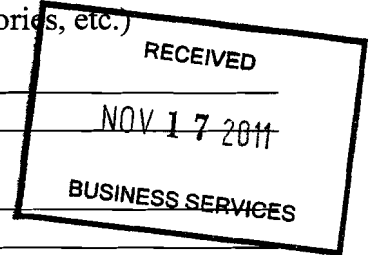
NAME OF DONOR: Tustin Lexus

DESCRIPTION OF DONATION OR CASH DONATION: (Include name and address of manufacturer or vendor, age and condition of item if not new, approximate present value.)  
\$50.00

ESTIMATED INSTALLATION COST: (Note software needs, special wiring required, additional components needed, transportation, etc.)N/A

INVENTORY INFORMATION: (Include quantity, brand name, model #, serial #)  
N/A

ESTIMATED COST OF ANNUAL UPKEEP: (Electricity, special supplies, accessories, etc.)  
N/A



REVENUE ACCT: 014949000-8699  
EXPENDITURE ACCT(S) FOR BUDGET INCREASE:0101449895899

INTENDED USE: (State how this will be used ) Instructional programs

REVIEWED: [Signature] APPROVED/DISAPPROVED: 11-15-11  
Principal/Department Head Date

REVIEWED: [Signature] APPROVED/DISAPPROVED: 11-17-11  
Assistant Superintendent Date  
Business/Administration

REVIEWED: \_\_\_\_\_ APPROVED/DISAPPROVED: \_\_\_\_\_  
Director, Technology/Media Date

BOARD APPROVAL DATE: 12/8/11

FOUNTAIN VALLEY SCHOOL DISTRICT  
DONATION ACCEPTANCE FORM

Federal ID# 95-6001370

All donations to the district must be officially accepted by the Fountain Valley School District Board of Trustees inasmuch as their acceptance may involve an expenditure of district funds for installation, use, and/or maintenance. Before any donation is supplied or purchased by your organization, or formally accepted for a school, the following information is requested on this form. Upon site/document approval, a copy of the form shall be presented to Business Services or Technology/Media for further consideration and approval in accordance with Board Policy 3290, Donations to School District.

SCHOOL RECEIVING DONATION: Talbert

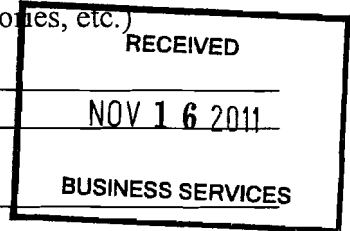
NAME OF DONOR: Talbert PTO

DESCRIPTION OF DONATION OR CASH DONATION: (Include name and address of manufacturer or vendor, age and condition of item if not new, approximate present value.)  
\$566.56

ESTIMATED INSTALLATION COST: (Note software needs, special wiring required, additional components needed, transportation, etc.)

INVENTORY INFORMATION: (Include quantity, brand name, model #, serial #)

ESTIMATED COST OF ANNUAL UPKEEP: (Electricity, special supplies, accessories, etc.)



REVENUE ACCT: 010130000 -8699

EXPENDITURE ACCT(S) FOR BUDGET INCREASE: #010143889 - 1115

INTENDED USE: (State how this will be used ) Stipends for Soccer Coaches

REVIEWED: [Signature] APPROVED/DISAPPROVED: 11/14/11  
Principal/Department Head Date

REVIEWED: [Signature] APPROVED/DISAPPROVED: 11/17/11  
Assistant Superintendent Date  
Business/Administration

REVIEWED: \_\_\_\_\_ APPROVED/DISAPPROVED: \_\_\_\_\_  
Director, Technology/Media Date

BOARD APPROVAL DATE: 12/8/11

**DONATION ACCEPTANCE FORM**

All donations to the district must be officially accepted by the Fountain Valley School District Board of Trustees inasmuch as their acceptance may involve an expenditure of district funds for installation, use, and/or maintenance. Before any donation is supplied or purchased by your organization, or formally accepted for a school, the following information is requested on this form. Upon site/document approval, a copy of the form shall be presented to Business Services or Technology/Media for further consideration and approval in accordance with Board Policy 3290, Donations to School District.

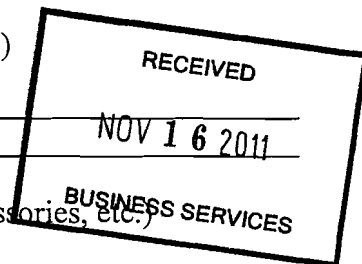
SCHOOL RECEIVING DONATION: Talbert

NAME OF DONOR: Talbert PTO

DESCRIPTION OF DONATION OR CASH DONATION: (Include name and address of manufacturer or vendor, age and condition of item if not new, approximate present value.)  
\$453.24

ESTIMATED INSTALLATION COST: (Note software needs, special wiring required, additional components needed, transportation, etc.)

INVENTORY INFORMATION: (Include quantity, brand name, model #, serial #)



ESTIMATED COST OF ANNUAL UPKEEP: (Electricity, special supplies, accessories, etc.)

REVENUE ACCT: 010130000 -8699

EXPENDITURE ACCT(S) FOR BUDGET INCREASE: #010143889 - 1114

INTENDED USE: (State how this will be used ) Substitute Teachers for Soccer Tournament

REVIEWED: [Signature] APPROVED/DISAPPROVED: 11/14/11  
Principal/Department Head Date

REVIEWED: [Signature] APPROVED/DISAPPROVED: 11/17/11  
Assistant Superintendent Date  
Business/Administration

REVIEWED: \_\_\_\_\_ APPROVED/DISAPPROVED: \_\_\_\_\_  
Director, Technology/Media Date

BOARD APPROVAL DATE: 12/8/11

**FOUNTAIN VALLEY SCHOOL DISTRICT**

TO: STEVE McMAHON  
FROM: DEDRA NORMAN  
SUBJECT: WARRANT LISTING BOARD MEETING – DECEMBER 8, 2011  
DATES 11/09/11 – 11/23/11  
WARRANT NUMBERS 56622 - 56814

01 GENERAL	\$	218,517.88
12 CHILD DEVELOPMENT	\$	8,257.85
13 CAFETERIA	\$	66,304.44
14 DEFERRED MAINTENANCE	\$	0
25 CAPITAL FACILITIES	\$	4,108.37
35 SCHOOL FACILITIES	\$	0
40 SPECIAL RESERVE	\$	0
68 WORKERS COMPENSATION	\$	55,180.73
69 INSURANCE	\$	37,837.84
TOTAL	\$	<b>390,207.11</b>

**FOUNTAIN VALLEY SD**

**PURCHASE ORDER DETAIL REPORT - CHANGE ORDERS**

BOARD OF TRUSTEES

12/08/2011

FROM 11/09/2011 TO 11/30/2011

<u>PO NUMBER</u>	<u>VENDOR</u>	<u>PO TOTAL</u>	<u>CHANGE AMOUNT</u>	<u>ACCOUNT NUMBER</u>	<u>PSEUDO / OBJECT DESCRIPTION</u>
F20M4014	MCMaster CARR SUPPLY CO	5,000.00	+500.00	012869390 4347	Maintenance / Repair & Upkeep of Equipment
F20M4174	ASSOCIATED LABORATORIES	200.00	+50.00	012869390 6223	Maintenance / Tests & Examinations Bldgs
F20R0133	CALIFORNIA WESTERN VISUALS	1,706.59	+199.55	010143889 4399	Donations - Talbert / Equipment Under \$500.00
F20R0225	METRO BUSINESS SOLUTIONS INC.	10,364.33	+1,416.00	012719385 5640	Purchasing / Outside Services - Leases
F20R0252	STAPLES	2,500.00	+800.00	012719470 4325	Personnel Department / Office Supplies
F20R0258	MASTER TEACHER, THE	104.00	+5.00	012719165 4325	Superintendent / Office Supplies
F20R0341	SMART & FINAL	10,000.00	+5,000.00	120016098 4310	Extended School Instructional / Instructional Supplies
F20R0374	SOUTHWEST SCHOOL AND OFFICE SU	808.13	+269.38	010142929 4311	Sch Site Instr - Fulton / Elective Supplies
F20R0547	WOODCRAFT	211.92	+58.34	010142929 4311	Sch Site Instr - Fulton / Elective Supplies
F20R0641	RADIO WORKS	1,283.23	+105.23	010014787 4399	Other Donations - Courreges / Equipment Under \$500.00
<b>Fund 01 Total:</b>			<b>3,403.50</b>		
<b>Fund 12 Total:</b>			<b>5,000.00</b>		
<b>Total Amount of Change Orders:</b>			<b>8,403.50</b>		

**FOUNTAIN VALLEY SD**  
**PURCHASE ORDER DETAIL REPORT**  
**BOARD OF TRUSTEES MEETING 12/08/2011**

**FROM 11/09/2011 TO 11/30/2011**

<u>PO NUMBER</u>	<u>VENDOR</u>	<u>PO TOTAL</u>	<u>ACCOUNT AMOUNT</u>	<u>ACCOUNT NUMBER</u>	<u>PSEUDO / OBJECT DESCRIPTION</u>
F20M4148	ACORN MEDIA	98.05	98.05	012919395 4320	Special Ed. Transportation / Computer Supplies
F20M4149	TERRYS TESTING INC.	300.00	300.00	012869390 5899	Maintenance / Other Operating Expenses
F20M4173	PHONE SUPPLEMENTS	65.00	65.00	014869390 5899	STAR Building DO-Routine Maint / Other Operating
F20M4175	WESTERN EXTERMINATOR	750.00	750.00	012869390 5899	Maintenance / Other Operating Expenses
F20M4201	SMARDEN SUPPLY COMPANY	1,272.88	1,272.88	012869390 4347	Maintenance / Repair & Upkeep of Equipment
F20M4202	WAXIE	140.00	140.00	010013189 4340	Donations - Gisler / Custodial Supplies
F20M4203	GRAINGER INC.	247.83	247.83	012289961 4347	MAA - Administration / Repair & Upkeep of Equipment
F20M4204	GRILLO FILTER SALES	1,632.06	1,632.06	012869390 4347	Maintenance / Repair & Upkeep of Equipment
F20M4205	WEST LITE SUPPLY CO INC	75.00	75.00	012869390 4347	Maintenance / Repair & Upkeep of Equipment
F20R0623	OFFICE DEPOT	100.05	7.85	012719380 4329	Business Department / Disaster Supplies
			70.66	012849380 4325	Fiscal Services / Office Supplies
			21.54	133207380 4325	Cafeteria Fund / Office Supplies
F20R0661	ORANGE COUNTY DEPARTMENT OF ED	225.00	225.00	010019961 5210	Medi-Cal Billing-Instructional / Travel, Conference,
F20R0662	CREATEASKATE-ORG	1,000.00	1,000.00	010143838 4311	Sch Site Instr - Talbert / Elective Supplies
F20R0663	TARGET STORES	308.00	308.00	015103160 4310	Special Ed. - Gisler SDC / Instructional Supplies
F20R0664	TARGET STORES	220.00	220.00	015103160 4310	Special Ed. - Gisler SDC / Instructional Supplies
F20R0665	METRO BUSINESS SOLUTIONS INC.	1,595.81	1,595.81	012719385 5815	Purchasing / Document Imaging
F20R0666	SCHOOL NURSE SUPPLY INC	55.72	55.72	012719380 4329	Business Department / Disaster Supplies
F20R0667	CALIFORNIA DEPARTMENT OF EDUCA	52.00	52.00	133207380 4710	Cafeteria Fund / FOOD
F20R0668	TARGET STORES	107.75	107.75	120016098 4310	Extended School Instructional / Instructional Supplies
F20R0669	ORANGE COUNTY DEPARTMENT OF ED	125.00	125.00	010019961 5210	Medi-Cal Billing-Instructional / Travel, Conference,
F20R0670	LUNDGREN, JON	275.00	275.00	010099276 5645	Instrumental Music-Insurance / Outside Srvs-Repairs &
F20R0671	TANDY LEATHER	538.75	538.75	010142929 4311	Sch Site Instr - Fulton / Elective Supplies
F20R0672	EVANGELISTA, MIKI K.	1,200.00	1,200.00	012623175 5813	EISS Grant - Gisler / Consultant

**FOUNTAIN VALLEY SD**  
**PURCHASE ORDER DETAIL REPORT**  
**BOARD OF TRUSTEES MEETING 12/08/2011**

**FROM 11/09/2011 TO 11/30/2011**

<u>PO NUMBER</u>	<u>VENDOR</u>	<u>PO TOTAL</u>	<u>ACCOUNT AMOUNT</u>	<u>ACCOUNT NUMBER</u>	<u>PSEUDO / OBJECT DESCRIPTION</u>
F20R0673	ARIEL SUPPLY COMPUTER & BUSINE	1,588.73	128.22	012719385 4325	Purchasing / Office Supplies
			1,460.51	012849380 4325	Fiscal Services / Office Supplies
F20R0674	MODEL ME KIDS LLC	32.27	32.27	015644960 4310	Special Ed. - Masuda S&L / Instructional Supplies
F20R0675	SCHOLASTIC BOOK ORDERS	16.16	16.16	015643760 4310	Special Ed. - Oka S&L / Instructional Supplies
F20R0676	GARDEN GROVE USD	36.77	36.77	012338055 5899	Title III-LEP-Instructional / Other Operating Expenses
F20R0677	HAWTHORNE EDUCATIONAL	53.57	53.57	012289961 4322	MAA - Administration / Testing Supplies
F20R0678	LINGUISYSTEMS INC.	102.15	102.15	012289961 4325	MAA - Administration / Office Supplies
F20R0679	ACADEMIC THERAPY PUBLISHER INC	297.39	297.39	012289961 4322	MAA - Administration / Testing Supplies
F20R0680	JAMES PUBLISHING	57.80	57.80	012289961 4325	MAA - Administration / Office Supplies
F20R0681	PEARSON ASSESSMENTS	592.93	592.93	012289961 4322	MAA - Administration / Testing Supplies
F20R0682	WESTERN PSYCHOLOGICAL	998.36	998.36	012289961 4322	MAA - Administration / Testing Supplies
F20R0683	OFFICE DEPOT	126.75	126.75	012719165 4325	Superintendent / Office Supplies
F20R0684	AWARDS & TROPHIES	75.43	75.43	012719165 4325	Superintendent / Office Supplies
F20R0685	FOUNTAIN VALLEY CHAMBER OF COM	321.00	321.00	012719165 5390	Superintendent / Dues and Membership Non Taxabl
F20R0686	MASTER TEACHER, THE	475.00	475.00	012719165 4325	Superintendent / Office Supplies
F20R0687	OCSBA	186.00	186.00	012719166 5210	Board of Trustees / Travel, Conference, Workshop
F20R0689	RENAISSANCE LEARNING INC	1,988.49	1,988.49	010124040 4310	Pacific Life Grant - Plavan / Instructional Supplies
F20R0691	DANBRU WIRE & CABLE INC.	74.34	74.34	120016098 4310	Extended School Instructional / Instructional Supplies
F20R0692	CDWG	33.35	33.35	010014747 4310	Sch Site Instr - Courreges / Instructional Supplies
F20R0693	CALIFORNIA DEPARTMENT OF EDUCA	38.22	38.22	010014747 4310	Sch Site Instr - Courreges / Instructional Supplies
F20R0694	EAGLE SOFTWARE INC.	1,291.64	1,291.64	012749380 5813	Staff Development-Non-Instruct / Consultant
F20R0695	BOTHWELL, BRUCE	4,500.00	4,500.00	015999860 5894	Special Ed - Administration / Regionalized Services (X-Pot)
F20R0696	TATAR, CHRISTOPHER	7,900.00	7,900.00	015999860 5894	Special Ed - Administration / Regionalized Services (X-Pot)
F20R0697	ACSA FOUNDATION FOR EDUCATIONA	515.00	515.00	012719165 5210	Superintendent / Travel, Conference, Workshop

**FOUNTAIN VALLEY SD**  
**PURCHASE ORDER DETAIL REPORT**  
**BOARD OF TRUSTEES MEETING 12/08/2011**

**FROM 11/09/2011 TO 11/30/2011**

<u>PO NUMBER</u>	<u>VENDOR</u>	<u>PO TOTAL</u>	<u>ACCOUNT AMOUNT</u>	<u>ACCOUNT NUMBER</u>	<u>PSEUDO / OBJECT DESCRIPTION</u>
F20R0698	METRO BUSINESS SOLUTIONS INC.	2,240.82	2,240.82	012719385 5815	Purchasing / Document Imaging
F20R0699	SOUTHWEST SCHOOL AND OFFICE SU	641.78	641.78	012289961 4325	MAA - Administration / Office Supplies
F20R0700	ORANGE COUNTY DEPARTMENT OF ED	26,462.00	26,462.00	012109078 5899	Tech/Media Office Operation / Other Operating Expenses
F20R0701	ORANGE COUNTY DEPARTMENT OF ED	44,831.00	44,831.00	012109078 5899	Tech/Media Office Operation / Other Operating Expenses
F20R0702	SPIEART INC.	484.88	484.88	120016098 4310	Extended School Instructional / Instructional Supplies
F20R0703	RADIO WORKS	236.00	236.00	010014787 4399	Other Donations - Courreges / Equipment Under \$500.00
F20R0705	SMART & FINAL	44.80	44.80	010011089 4310	Donations - Tamura / Instructional Supplies
F20R0706	TARGET STORES	107.75	107.75	120016098 4310	Extended School Instructional / Instructional Supplies
F20R0707	ACSA FOUNDATION FOR EDUCATIONA	399.00	399.00	012719470 5210	Personnel Department / Travel, Conference, Workshop
F20R0708	SCHOOL SPECIALTY	99.30	99.30	012289961 4310	MAA - Administration / Instructional Supplies
F20R0710	SOUTHWEST SCHOOL AND OFFICE SU	150.00	150.00	015644060 4310	Special Ed. - Plavan S&L / Instructional Supplies
F20R0712	CSPCA	600.00	600.00	012819771 5210	Personnel Commission / Travel, Conference, Workshop
F20R0713	ARIEL SUPPLY COMPUTER & BUSINE	388.71	161.52	012849380 4325	Fiscal Services / Office Supplies
			227.19	133207380 4325	Cafeteria Fund / Office Supplies
F20R0714	PRACTI-CAL	2,345.00	2,345.00	012289961 5813	MAA - Administration / Consultant
F20S8030	BATTERY SPECIALTIES	687.93	687.93	011000000 9320	Revenue Limit - State Revenues / STORES
F20S8031	SCHOOL SPECIALTY	60.19	60.19	011000000 9320	Revenue Limit - State Revenues / STORES
F20S8032	WAXIE	7,451.07	7,451.07	011000000 9320	Revenue Limit - State Revenues / STORES
	<b>Fund 01 Total:</b>	<b>117,840.03</b>			
	<b>Fund 12 Total:</b>	<b>774.72</b>			
	<b>Fund 13 Total:</b>	<b>300.73</b>			
	<b>Total Amount of Purchase Orders:</b>	<b>118,915.48</b>			



# FOUNTAIN VALLEY SD

## Transfer of Funds

Reference #:  
2012 23

It has been resolved to make the budget transfers as listed below per Education Code 42600.

**Fund: 0101 GENERAL FUND**

Object	Description	FROM	TO
1100	TEACHERS' SALARIES	1,300.00	6,621.00
3101	STRS-CERTIFICATED POSITIONS	3.00	426.00
3313	MEDICARE-CERTIFICATED		46.00
3314	MEDICARE-CLASSIFIED		29.00
3353	ARP-CERTIFICATED		3.00
3501	SUI-CERTIFICATED		83.00
3601	WORKERS'COMP-CERTIFICATED		102.00
4300	MATERIALS & SUPPLIES	14,035.00	12,475.00
4400	NONCAPITALIZATION EQUIPMENT		12,499.00
5200	TRAVEL & CONFERENCES		1,436.00
5600	RENTALS,LEASES AND REPAIRS	2,114.00	12.00
5800	PROF/CONS SERV & OPER EXPENSE	16,687.00	
9790	UNDESIGNATED/UNAPPROPRIATED		407.00
<b>Subfund Total:</b>		<b>34,139.00</b>	<b>34,139.00</b>

I certify this is a true excerpt from the Minutes of a regular Board Meeting held by the FOUNTAIN VALLEY SD Board of Trustees, December 8, 2011.

AYES: \_\_\_\_\_  
 NOES: \_\_\_\_\_  
 ABSENT: \_\_\_\_\_

\_\_\_\_\_  
 Secretary, Board of Trustees

The above transfer was approved on the \_\_\_\_ day of \_\_\_\_\_, 200\_\_.

APPROVED: Superintendent of Schools, County of Orange: \_\_\_\_\_  
Deputy

# FOUNTAIN VALLEY SD

Reference #:

## Adjustment of Funds

2012 24

It has been resolved to make the budget adjustments as listed below per Education Code 42600.

### Fund: 0101 GENERAL FUND

<b>Object</b>	<b>Description</b>	<b>FROM</b>	<b>TO</b>
1100	TEACHERS' SALARIES	3,020.00	5,340.00
2100	INSTRUCTIONAL AIDES' SALARIES		789.00
3101	STRS-CERTIFICATED POSITIONS	249.00	437.00
3202	PERS-CLASSIFIED		87.00
3313	MEDICARE-CERTIFICATED	44.00	76.00
3314	MEDICARE-CLASSIFIED		12.00
3356	OASDI-CLASSIFIED		49.00
3501	SUI-CERTIFICATED	49.00	87.00
3502	SUI-CLASSIFIED	27.00	
3601	WORKERS'COMP-CERTIFICATED	61.00	107.00
3602	WORKERS'COMP-CLASSIFIED		16.00
3802	PERS REDUCTION-CLASSIFIED		16.00
4200	BOOKS OTHER THAN TEXTBOOKS		49.00
4300	MATERIALS & SUPPLIES		16,520.00
4400	NONCAPITALIZATION EQUIPMENT		7,402.00
5600	RENTALS,LEASES AND REPAIRS		2,154.00
5800	PROF/CONS SERV & OPER EXPENSE		13,473.00
6400	EQUIPMENT		45,000.00
8500	STATE INCOME		38,838.00
8600	LOCAL INCOME		87,274.00
9790	UNDESIGNATED/UNAPPROPRIATED		37,948.00
<b>Subfund Total:</b>		<b>3,450.00</b>	<b>255,674.00</b>

I certify this is a true excerpt from the Minutes of a regular Board Meeting held by the FOUNTAIN VALLEY SD Board of Trustees, December 8, 2011.

AYES: \_\_\_\_\_

NOES: \_\_\_\_\_

ABSENT: \_\_\_\_\_

\_\_\_\_\_  
Secretary, Board of Trustees

The above adjustment was approved on the \_\_\_\_ day of \_\_\_\_\_, 200\_\_.

APPROVED: Superintendent of Schools, County of Orange: \_\_\_\_\_  
Deputy

# FOUNTAIN VALLEY SD

Reference #:

## Adjustment of Funds

2012 25

It has been resolved to make the budget adjustments as listed below per Education Code 42600.

<b>Fund: 2525 CAPITAL FACILITIES</b>
--------------------------------------

<b>Object</b>	<b>Description</b>	<b>FROM</b>	<b>TO</b>
5800	PROF/CONS SERV & OPER EXPENSE		1,638.00
8600	LOCAL INCOME		54,606.00
9780	RESERVE-OTHER DESIGNATIONS		52,968.00
<b>Subfund Total:</b>		<b>0.00</b>	<b>109,212.00</b>

I certify this is a true excerpt from the Minutes of a regular Board Meeting held by the FOUNTAIN VALLEY SD Board of Trustees, December 8, 2011.

AYES: \_\_\_\_\_

NOES: \_\_\_\_\_

ABSENT: \_\_\_\_\_

\_\_\_\_\_  
Secretary, Board of Trustees

The above adjustment was approved on the \_\_\_\_\_ day of \_\_\_\_\_, 200\_\_\_\_.

APPROVED: Superintendent of Schools, County of Orange: \_\_\_\_\_  
Deputy

**ROTARY CLUB OF FOUNTAIN VALLEY**  
**Quarterly Billing Statement**

Oct 6, 2011

Marc Ecker  
10699 El Soneto Ave.,  
Fountain Valley, Ca., 92708

<b>Description</b>	<b>Amount</b>
2011-2012 First Quarter Dues	\$150

Make all checks payable to ROTARY CLUB OF FOUNTAIN VALLEY.  
You can hand your check to Club Treasurer, Wayne Carr, on Tuesday  
morning or mail to:

Wayne Carr, 18867 San Felipe St., Fountain Valley, Ca., 92708.

Because of the on going expense of the Club, dues are due upon receipt.

Note: If there are any changes in you contact information, please let me  
know ASAP.

Any questions, contact Wayne at 714-746-0332.



SO: 2009-10/B67-10  
Fountain Valley School District  
Superintendent's Office

MEMORANDUM

TO: Board of Trustees  
FROM: Marc Ecker, Superintendent  
SUBJECT: **Public Disclosure of Collective Bargaining Agreement between FVSD and FVEA**  
DATE: December 2, 2011

---

**Background:**

On May 20, 2010, the Board of Trustees approved ratification of the agreement between Fountain Valley School District and the FVEA for the 2010-11 school year. The essence of the agreement is a five-day work year and salary reduction for all Certificated Employees. These days will include three non-student days and two instructional days. This agreement was voted on and ratified by members of the FVEA during the week of May 3, 2010.

Attached is the Public Disclosure of Collective Bargaining Agreement, in accordance with AB 1200 (Chapter 1213/1991), GC 3547.5, and CCR, Title V, Section 15449, for the agreement between Fountain Valley School District and the FVEA for the 2010-11 school year.

**Recommendation:**

It is recommended that Board of Trustees approves the Public Disclosure of Collective Bargaining Agreement for the agreement between Fountain Valley School District and the FVEA for the 2010-11 school year.

**Approved:**

---

Marc Ecker, Ph.D., Superintendent

Date

**Orange County Department of Education  
District Fiscal Services**

**PUBLIC DISCLOSURE OF COLLECTIVE BARGAINING AGREEMENT  
in Accordance with AB 1200 (Chapter 1213/1991), GC 3547.5, and CCR, Title V, Section 15449**

Name of School District: Fountain Valley School  
 Name of Bargaining Unit: FVEA  
 Certificated, Classified, Other: Certificated

The proposed agreement covers the period beginning: July 1, 2011 and ending: June 30, 2012  
 (date) (date)

The Governing Board will act upon this agreement on: December 8, 2011  
 (date)

**A. Proposed Change in Compensation**

Compensation	Annual Cost Prior to Proposed Agreement FY 2010-11	Fiscal Impact of Proposed Agreement		
		Year 1 Increase/(Decrease) FY 2011-12	Year 2 Increase/(Decrease) FY 2012-13	Year 3 Increase/(Decrease) FY 2013-14
1 <b>Salary Schedule</b> Increase (Decrease)	\$ 18,228,158.00			
				%
2 <b>Step and Column - Increase</b> (Decrease) Due to movement plus any changes due to settlement		\$ 523,524.00	418,819.00	335,055.00
				%
3 <b>Other Compensation - Increase</b> (Decrease)(Stipends, Bonuses, Longevity, Overtime, etc.)		\$ 579,745	\$	\$
<b>Description of other compensation Benefits</b>				
4 <b>Statutory Benefits - STRS, PERS, FICA, WC, UI, Medicare etc.</b>	3,281,068.00	198,588.00	75,387.00	60,310.00
			%	%
5 <b>Health/Welfare Plans</b>	2,048,540.00		\$	\$
			%	%
6 <b>Total Compensation - Increase</b> (Decrease) (Total Lines 1-5)	23,557,766.00	1,301,857.00	494,206.00	395,365.00
7 <b>Total Number of Represented Employees</b> (Use FTEs if appropriate)	261.00			
8 <b>Total Compensation <u>Average</u> Cost per Employee</b>	96,212.00	4,988.00	\$ 1,894	\$ 1,515
			%	%

9. What was the negotiated percentage increase approved? For example, if the increase in "Year1" was for less than a full year, what is the annualized percentage of that increase for "Year1"?

0.00%

10. Were any additional steps, columns, or ranges added to the schedules? (If yes, please explain.)

N/A

11. Please include comments and explanations as necessary.

12. Does this bargaining unit have a negotiated cap for Health and Welfare benefits? Yes  No

If yes, please describe the cap amount. \$8,000

**B. Proposed Negotiated Changes in Noncompensation Items** (i.e., class size adjustments, staff development

N/A

**C. What are the specific impacts on instructional and support programs to accommodate the settlement?**

Include the impact of changes such as staff reductions or increases, program reductions or increases, elimination or expansion of other services or programs (i.e., counselors, librarians, custodial staff, etc.)

- D. What contingency language is included in the proposed agreement?** Include specific areas identified reopeners, applicable fiscal years, and specific contingency language.  
If reduction in funding exceed \$19 per student, a furlough day will be added for each \$66 per student reduction. For every \$66 per student that is restored, one furlough day will be eliminated. If revenue limit funding requires a reduction of more than \$349 per student, parties agree to reopen negotiation
- E. Will this agreement create, increase or decrease deficit financing in the current or subsequent year(s)?**  
"Deficit Financing" is defined to exist when a fund's expenditures and other financing uses exceed its revenues and other financing sources in a given year. If yes, explain the amounts and justification for doing so.  
Deficit spending will be increase. The District used Federal Job Funds to buy back 5 furlough days for the 2011-12
- F. Identify other major provisions that do not directly affect the district's costs, such as binding arbitrations, grievance procedures, etc.**

**G. Source of Funding for Propose Agreement**

1. Current Year

N/A

2. If this is a single year agreement, how will the ongoing cost of the proposed agreement be funded in subsequent years (i.e., what will allow the district to afford this contract)?

N/A

3. If this is a multiyear agreement, what is the source of funding, including assumptions used, to fund these obligations in subsequent years? (Remember to include compounding effects in meeting obligations.)

N/A



**H. IMPACT OF PROPOSED AGREEMENT ON CURRENT YEAR OPERATING BUDGET**

**Unrestricted General Fund**

**FVEA**

Enter Bargaining Unit:

	<b>Column 1</b>	<b>Column 2</b>	<b>Column 3</b>	<b>Column 4</b>
	Latest Board- Approved Budget Before Settlement (As of 9/07/2011_)	Adjustments as a Result of Settlement	Other Revisions	Total Current Budget (Columns 1+2+3)
<b>REVENUES</b>				
Revenue Limit Sources (8010-8099)	\$ 30,085,333			\$ 30,085,333
Remaining Revenues (8100-8799)	\$ (2,677,257)			\$ (2,677,257)
<b>TOTAL REVENUES</b>	\$ 27,408,076			\$ 27,408,076
<b>EXPENDITURES</b>				
Certificated Salaries (1000-1999)	\$ 17,645,664		\$ 937,779	\$ 18,583,443
Classified Salaries (2000-2999)	\$ 4,511,988			\$ 4,511,988
Employee Benefits (3000-3999)	\$ 6,293,831		\$ 168,800	\$ 6,462,631
Books and Supplies (4000-4999)	\$ 624,053			\$ 624,053
Services, Other Operating Expenses (5000-5999)	\$ 1,689,311			\$ 1,689,311
Capital Outlay (6000-6599)	\$ -			\$ -
Other Outgo (7100-7299) (7400-7499)	\$ 10,000			\$ 10,000
Direct Support/Indirect Cost (7300-7399)	\$ (204,502)			\$ (204,502)
Other Adjustments				
<b>TOTAL EXPENDITURES</b>	\$ 30,570,345	\$ -	\$ 1,106,579	\$ 31,676,924
<b>OPERATING SURPLUS (DEFICIT)</b>	\$ (3,162,269)	\$ -	\$ (1,106,579)	\$ (4,268,848)
TRANSFERS IN & OTHER SOURCES (8910-8979)	\$ 3,071,353		\$ 1,106,579	\$ 4,177,932
TRANSFERS OUT & OTHER USES (7610-7699)				\$ -
CONTRIBUTIONS (8980-8999)	\$ -			\$ -
<b>CURRENT YEAR INCREASE (DECREASE) IN FUND BALANCE</b>	\$ <b>(90,916)</b>		0	\$ <b>(90,916)</b>
<b>BEGINNING BALANCE</b>	\$ 2,154,403			\$ 2,154,403
Prior-Year Adjustments/Restatements (9793/9795)				
<b>CURRENT-YEAR ENDING BALANCE</b>	\$ 2,063,487			\$ 2,063,487
<b>COMPONENTS OF ENDING BALANCE:</b>				
Reserved Amounts (9711-9740)	\$ 135,000			\$ 135,000
Reserved for Economic Uncertainties (9770)	\$ 1,358,186		\$ 92,508	\$ 1,450,694
Designated Amounts (9775-9780)	\$ 450,712			\$ 450,712
Unappropriated Amount (9790)	\$ 119,589		\$ (92,508)	\$ 27,081

\* Please see question on page 7.

**H. IMPACT OF PROPOSED AGREEMENT ON CURRENT YEAR OPERATING BUDGET**

**Restricted General Fund**

**FVEA**

Enter Bargaining Unit:

	<b>Column 1</b>	<b>Column 2</b>	<b>Column 3</b>	<b>Column 4</b>
	Latest Board- Approved Budget Before Settlement (As of 9/07/2011_)	Adjustments as a Result of Settlement	Other Revisions	Total Current Budget (Columns 1+2+3)
<b>REVENUES</b>				
Revenue Limit Sources (8010-8099)	\$ 785,951			\$ 785,951
Remaining Revenues (8100-8799)	\$ 15,046,626			\$ 15,046,626
<b>TOTAL REVENUES</b>	\$ 15,832,577			\$ 15,832,577
<b>EXPENDITURES</b>				
Certificated Salaries (1000-1999)	\$ 4,692,028	\$ -	\$ 165,490	\$ 4,857,518
Classified Salaries (2000-2999)	\$ 4,313,480			\$ 4,313,480
Employee Benefits (3000-3999)	\$ 2,372,311	\$ -	\$ 29,788	\$ 2,402,099
Books and Supplies (4000-4999)	\$ 1,009,066			\$ 1,009,066
Services, Other Operating Expenses (5000-5999)	\$ 3,592,722			\$ 3,592,722
Capital Outlay (6000-6599)	\$ 73,900			\$ 73,900
Other Outgo (7100-7299) (7400-7499)	\$ 338,350			\$ 338,350
Direct Support/Indirect Cost (7300-7399)	\$ 92,394			\$ 92,394
Other Adjustments				
<b>TOTAL EXPENDITURES</b>	\$ 16,484,251	\$ -	\$ 195,278	\$ 16,679,529
<b>OPERATING SURPLUS (DEFICIT)</b>	\$ (651,674)	\$ -	\$ (195,278)	\$ (846,952)
TRANSFERS IN & OTHER SOURCES (8910-8979)				\$
TRANSFERS OUT & OTHER USES (7610-7699)				\$
CONTRIBUTIONS (8980-8999)	\$ -		\$ -	\$ -
<b>CURRENT YEAR INCREASE (DECREASE) IN FUND BALANCE</b>	\$ (651,674)	\$ -	\$ (195,278)	\$ (846,952)
<b>BEGINNING BALANCE</b>	\$ 1,460,237			\$ 1,460,237
Prior-Year Adjustments/Restatements (9793/9795)				\$
<b>CURRENT-YEAR ENDING BALANCE</b>	\$ 808,563		\$ (195,278)	\$ 613,285
<b>COMPONENTS OF ENDING BALANCE:</b>				
Reserved Amounts (9711-9740)	\$ 808,563	\$	\$ (195,278)	\$ 613,285
Reserved for Economic Uncertainties (9770)	\$	\$	\$	\$
Designated Amounts (9775-9780)		\$	\$	\$ -
Unappropriated Amount (9790)	\$ -	\$	\$	

\* Please see question on page 7.

**H. IMPACT OF PROPOSED AGREEMENT ON CURRENT YEAR OPERATING BUDGET**

**Combined General Fund**

Enter Bargaining Unit:

**FVEA**

	<b>Column 1</b>	<b>Column 2</b>	<b>Column 3</b>	<b>Column 4</b>
	Latest Board- Approved Budget Before Settlement (As of 9/07/2011_)	Adjustments as a Result of Settlement	Other Revisions	Total Current Budget (Columns 1+2+3)
<b>REVENUES</b>				
Revenue Limit Sources (8010-8099)	\$ 30,871,284		\$	\$ 30,871,284
Remaining Revenues (8100-8799)	\$ 12,369,369		\$	\$ 12,369,369
<b>TOTAL REVENUES</b>	\$ 43,240,653		\$	\$ 43,240,653
<b>EXPENDITURES</b>				
Certificated Salaries (1000-1999)	\$ 22,337,692	\$ -	\$ 1,103,269	\$ 23,440,961
Classified Salaries (2000-2999)	\$ 8,825,468		\$	\$ 8,825,468
Employee Benefits (3000-3999)	\$ 8,666,142	\$ -	\$ 198,588	\$ 8,864,730
Books and Supplies (4000-4999)	\$ 1,633,119		\$	\$ 1,633,119
Services, Other Operating Expenses (5000-5999)	\$ 5,282,033		\$	\$ 5,282,033
Capital Outlay (6000-6599)	\$ 73,900		\$	\$ 73,900
Other Outgo (7100-7299) (7400-7499)	\$ 348,350		\$	\$ 348,350
Direct Support/Indirect Cost (7300-7399)	\$ (112,108)		\$	\$ (112,108)
Other Adjustments				
<b>TOTAL EXPENDITURES</b>	\$ 47,054,596	\$ -	\$ 1,301,857	\$ 48,356,453
<b>OPERATING SURPLUS (DEFICIT)</b>	\$ (3,813,943)	\$ -	\$ (1,301,857)	\$ (5,115,800)
TRANSFERS IN & OTHER SOURCES (8910-8979)	\$ 3,071,353		\$ 1,106,579	\$ 4,177,932
TRANSFERS OUT & OTHER USES (7610-7699)				\$
CONTRIBUTIONS (8980-8999)			\$	\$
<b>CURRENT YEAR INCREASE (DECREASE) IN FUND BALANCE</b>	\$ (742,590)		\$ (195,278)	\$ (937,868)
BEGINNING BALANCE	\$ 3,614,640			\$ 3,614,640
Prior-Year Adjustments/Restatements (9793/9795)				\$ -
<b>CURRENT-YEAR ENDING BALANCE</b>	\$ 2,872,050		\$	\$ 2,676,772
<b>COMPONENTS OF ENDING BALANCE:</b>				
Reserved Amounts (9711-9740)	\$ 943,563		\$ (195,278)	\$ 748,285
Reserved for Economic Uncertainties (9770)	\$ 1,358,186		\$ 92,508	\$ 1,450,694
Designated Amounts (9775-9780)	\$ 450,712		\$	\$ 450,712
Unappropriated Amount - Unrestricted (9790)			\$	
Unappropriated Amount - Restricted (9790)	\$ 119,589		\$ (92,508)	\$ 27,081
Reserve for Economic Uncertainties Percentage	3.00%			3.00%

\* Please see question on page 7.

**I. IMPACT OF PROPOSED AGREEMENT ON SUBSEQUENT YEARS****Combined General Fund**

Enter Bargaining Unit:

**FVEA**

	<b>2011-12</b>	<b>2012-13</b>	<b>2013-14</b>
	Total Current Budget After Settlement	First Subsequent Year After Settlement	Second Subsequent Year After Settlement
<b>REVENUES</b>			
Revenue Limit Sources (8010-8099)	\$ 30,871,284	\$ 31,475,268	\$ 32,325,091
Remaining Revenues (8100-8799)	\$ 12,369,369	\$ 13,513,474	\$ 13,513,474
<b>TOTAL REVENUES</b>	\$ 43,240,653	\$ 44,988,742	\$ 45,838,565
<b>EXPENDITURES</b>			
Certificated Salaries (1000-1999)	\$ 23,440,961	\$ 23,859,780	\$ 24,194,835
Classified Salaries (2000-2999)	\$ 8,825,468	\$ 8,825,468	\$ 8,825,468
Employee Benefits (3000-3999)	\$ 8,864,730	\$ 8,940,117	\$ 9,000,427
Books and Supplies (4000-4999)	\$ 1,633,119	\$ 1,495,000	\$ 1,495,000
Services, Other Operating Expenses (5000-5999)	\$ 5,282,033	\$ 5,124,867	\$ 5,092,316
Capital Outlay (6000-6999)	\$ 73,900	\$ 73,900	\$ 73,900
Other Outgo (7100-7299) (7400-7499)	\$ 348,350	\$ 348,350	\$ 348,350
Direct Support/Indirect Cost (7300-7399)	\$ (112,108)	\$ (109,043)	\$ (109,043)
Other Adjustments			
<b>TOTAL EXPENDITURES</b>	\$ 48,356,453	\$ 48,558,439	\$ 48,921,253
<b>OPERATING SURPLUS (DEFICIT)</b>	\$ (5,115,800)	\$ (3,569,697)	\$ (3,082,688)
<b>TRANSFERS IN &amp; OTHER SOURCES (8910-8979)</b>	\$ 4,177,932	\$ 2,993,284	\$ 3,029,522
<b>TRANSFERS OUT &amp; OTHER USES (7610-7699)</b>			
<b>CURRENT YEAR INCREASE (DECREASE) IN FUND BALANCE</b>	\$ (937,868)	\$ (576,413)	\$ (53,166)
<b>BEGINNING BALANCE</b>	\$ 3,614,640	\$ 2,676,772	\$ 2,100,359
<b>CURRENT-YEAR ENDING BALANCE</b>	\$ 2,676,772	\$ 2,100,359	\$ 2,047,193
<b>COMPONENTS OF ENDING BALANCE:</b>			
Reserved Amounts (9711-9740)	\$ 748,285	\$ 338,751	\$ 355,010
Reserved for Economic Uncertainties - Unrestricted (9770)	\$ 1,450,694	\$ 1,456,753	\$ 1,467,638
Reserved for Economic Uncertainties - Restricted (9770)	\$ 450,712	\$ 201,001	\$ 95,143
Board Designated Amounts (9775-9780)			
Unappropriated Amounts - Unrestricted (9790)	\$ 27,081	\$ 103,854	\$ 129,402
Unappropriated Amounts - Restricted (9790)	\$ -		

**J. IMPACT OF PROPOSED AGREEMENT ON UNRESTRICTED RESERVES**

1. State Reserve Standard

		2011-12	2012-13	2013-14
a.	Total Expenditures, Transfers Out, and Uses (Including Cost of Proposed Agreement)	\$ 48,356,453	\$ 48,558,439	\$ 48,921,253
b.	State Standard Minimum Reserve Percentage for this District enter percentage:	3.00%	3.00%	3.00%
c.	State Standard Minimum Reserve Amount for this District (For districts with less than 1,001 ADA, this is the greater of Line a, times Line b. OR \$50,000	\$ 1,450,694	\$ 1,456,753	\$ 1,467,638

2. Budgeted Unrestricted Reserve (After Impact of Proposed Agreement)

a.	General Fund Budgeted Unrestricted Designated for Economic Uncertainties (9770)	\$ 1,450,694	\$ 1,456,753	\$ 1,467,638
b.	General Fund Budgeted Unrestricted Unappropriated Amount (9790)	\$ 27,081	\$ 103,854	\$ 129,402
c.	Special Reserve Fund (Fund 17) Budgeted Designated for Economic Uncertainties (9770)			\$
d.	Special Reserve Fund (Fund 17) Budgeted Unappropriated Amount (9790)			
g.	Total Available Reserves	\$ 1,477,775	\$ 1,560,607	\$ 1,597,040
h.	Reserve for Economic Uncertainties Percentage	3.00%	3.00%	3.00%

3. Do unrestricted reserves meet the state minimum reserve amount?

2011-12	Yes	<input checked="" type="checkbox"/>	No	<input type="checkbox"/>
2012-13	Yes	<input checked="" type="checkbox"/>	No	<input type="checkbox"/>
2013-14	Yes	<input checked="" type="checkbox"/>	No	<input type="checkbox"/>

4. If no, how do you plan to restore your reserves?

5 If the total amount of the adjustment in Column 2 on Page 4 does not agree with the amount of the Total Compensation Increase in Section A, Line 6, Page 1 (i.e., increase was partially budgeted), explain the variance below:

Totals agree

6 Please include any additional comments and explanations of Page 4 as necessary:

**L. CERTIFICATION NO. 1: CERTIFICATION OF THE DISTRICT'S ABILITY TO MEET THE COSTS OF COLLECTIVE BARGAINING AGREEMENT**


The disclosure document must be signed by the district Superintendent and Chief Business Officer at the time of public disclosure.

In accordance with the requirements of Government Code Section 3547.5, the Superintendent and Chief Business Officer of Fountain Valley School (District), hereby certify that the District can meet the costs incurred under the Collective Bargaining Agreement between the District and the FVEA Bargaining Unit, during the term of the agreement from July 1, 2011, to June 30, 2012         .

The budget revisions necessary to meet the costs of the agreement in each year of its term are as follows:

<u>Budget Adjustment Categories:</u>	<u>Budget Adjustment Increase (Decrease)</u>
<u>Revenues/Other Financing Sources</u>	<u>                                </u>
<u>Expenditures/Other Financing Uses</u>	<u>                                </u>
<u>Ending Balance Increase (Decrease)</u>	<u>                                </u>

N/A          (No budget revisions necessary)

  
\_\_\_\_\_  
District Superintendent  
(Signature)

11-16-2011  
\_\_\_\_\_  
Date

  
\_\_\_\_\_  
Chief Business Officer  
(Signature)

11-15-2011  
\_\_\_\_\_  
Date

**M. CERTIFICATION NO. 2**

The disclosure document must be signed by the district Superintendent or designee at the time of public disclosure and by the President or Clerk of the Governing Board at the time of formal board action on the proposed agreement.

The information provided in this document summarizes the financial implications of the proposed agreement and is submitted to the Governing Board for public disclosure of the major provisions of the agreement (as provided in the "Public Disclosure of Proposed Bargaining Agreement") in accordance with the requirements of AB 1200 and Government Code Section 3547.5.

\_\_\_\_\_  
**Board President (or Clerk)**  
**(Signature)**

\_\_\_\_\_  
**District Superintendent (or Designee)**  
**(Signature)**

\_\_\_\_\_  
**Date**

\_\_\_\_\_  
(714) 843-3251

**Phone**



FOUNTAIN VALLEY SCHOOL DISTRICT  
SUPPORT SERVICES

MEMORANDUM

TO: Anne Silavs, Assistant Superintendent - Instruction

FROM: Abby Bickford, Director, Support Services

SUBJECT: Board Item – Special Education Settlement Agreement

DATE: November 21, 2011 – Board Meeting of December 8, 2011

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BACKGROUND:

According to the Settlement Agreement signed on November 10, 2011 between parent and the Fountain Valley School District it was agreed to contract with Oralingua School located in Whittier for educational costs not to exceed \$126.30 per school day through June 15, 2012. Services will also include Aural Habilitation and/or Speech and Language services at 90 minutes per week not to exceed \$165.00 per week. Fountain Valley School District agreed to reimburse for attorney fees as full and final settlement not to exceed \$10,000.00 paid to Newman Aaronson Vanaman.

RECOMMENDATION

Approval by the Board of Trustees is recommended to approve the above mentioned reimbursements.

FOUNTAIN VALLEY SCHOOL DISTRICT  
SUPPORT SERVICES

MEMORANDUM

TO: Anne Silavs, Assistant Superintendent - Curriculum  
FROM: Abby Bickford, Director, Support Services  
SUBJECT: Board Item – Confidential Settlement Agreement  
DATE: November 14, 2011 – For Board Meeting on December 8, 2011

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BACKGROUND:

It has been agreed upon through a Settlement Agreement between the Fountain Valley School District and parents to reimburse parents for occupational therapy services provided by the Neurological and Physical Abilitation Center (NAPA) for the 2011-2012 school year. Student will receive six hours per month of occupational therapy at \$109 per session not to exceed \$7,900.00 through August 31, 2012.

RECOMMENDATION

Approval by the Board of Trustees is recommended to reimburse the parents in the amount not to exceed \$7,900.00 for the 2011-2012 school year for services provided as noted above.

Fountain Valley School District  
BUSINESS SERVICES DIVISION

ASB/S11-12 – 51

**M E M O R A N D U M**

**TO:** Marc Ecker, Superintendent  
**FROM:** Stephen L. McMahon, Assistant Superintendent, Business Services  
**DATE:** **November 29, 2011**  
**SUBJECT:** **APPROVE RESOLUTION 2012-12 – REFINANCING OF CERTAIN CERTIFICATES OF PARTICIPATION**

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**BACKGROUND**

It has been determined that it is in the best interest of the District to refinance all of the District's outstanding Certificates of Participation (1994 Financing Project), which were executed and delivered on November 30, 2004 and remarketed as of November 1, 2006 (the "2006 Certificates"), through the preparation, sale and delivery of a Lease/Purchase Agreement.

The Board is asked to approve the Resolution permitting the sale of a Lease/Purchase Agreement. The Lease/Purchase Agreement will be sold to Capital One Public Funding, LLC as a private placement, which explains why the District does not need to sell Certificates of Participation. Proceeds derived from the sale of the Lease/Purchase Agreement will be applied to redeem the 2006 Certificates. Piper Jaffray & Co. is serving the District as Placement Agent and Stradling, Yocca, Carlson & Rauth, the original Bond Counsel, is serving as Special Counsel.

**ANALYSIS AND FISCAL IMPACT**

The District would cause the execution and delivery of a Lease/Purchase Agreement (the "Lease"), in an amount not to exceed \$8,800,000. The cost of issuance of the Lease is currently estimated not to exceed 1.3% of the principal amount of Lease.

The Resolution approves the form of the Lease/Purchase Agreement, Memorandum of Lease, Site Lease, Termination Agreement and the Escrow Agreement and authorizes the President of the Board, the Superintendent and Assistant Superintendent, Business Services to take any and all actions necessary to consummate the sale, execution and delivery of the Lease.

**RECOMMENDATION**

It is recommended that the Board of Trustees approve **RESOLUTION #2012-12**, authorizing the execution and delivery of documents relating to the sale and delivery of a Lease/Purchase Agreement, and authorizing and directing certain actions in connection therewith. It is further recommended that the Superintendent or his designee be authorized to sign all documents.

**RESOLUTION NO. 2012-12**

**RESOLUTION OF THE BOARD OF TRUSTEES OF THE FOUNTAIN VALLEY SCHOOL DISTRICT AUTHORIZING THE REFINANCING OF CERTAIN CERTIFICATES OF PARTICIPATION AND THE EXECUTION AND DELIVERY OF DOCUMENTS RELATING TO THE SALE AND DELIVERY OF A LEASE/PURCHASE AGREEMENT, AND AUTHORIZING AND DIRECTING CERTAIN ACTIONS IN CONNECTION THEREWITH**

WHEREAS, the Fountain Valley School District (the "District") is a school district duly organized and existing under and pursuant to the Constitution and laws of the State of California (the "State"); and

WHEREAS, the District entered into a Trust Agreement, dated as of November 1, 2004 (the "2004 Trust Agreement") by and among the District, the California School Board Financing Authority and U.S. Bank National Association, as trustee thereunder (the "2004 Trustee") for the execution and delivery of certain Certificates of Participation (the "Prior Certificates") in the original aggregate principal amount of \$14,670,000 which evidence the lease payments to be made under that certain Lease Agreement, dated as of November 1, 2004 (the "2004 Lease"), by and between the District and the California School Board Financing Authority; and

WHEREAS, the District remarketed the Prior Certificates in accordance with the Trust Agreement by and between the District and the 2004 Trustee, dated as of November 1, 2004 (the "2004 Trust Agreement") on November 1, 2006; and

WHEREAS, this Board of Trustees of the District (the "Board") wishes to effectuate the refinancing of the Prior Certificates by authorizing the sale of the Lease/Purchase Agreement (the "2011 Refunding Lease"); and

WHEREAS, pursuant to Section 17150.1(a) of the California Education Code (the "Education Code"), the District has previously provided to the Orange County Superintendent of Schools and to the Orange County Auditor-Controller notice of this Board's intention to authorize the sale of the 2011 Refunding Lease; and

WHEREAS, this Board desires to appoint certain professionals to provide services related to the execution and delivery of the 2011 Refunding Lease; and

WHEREAS, all acts, conditions and things required by the Constitution and laws of the State to exist, to have happened and to have been performed precedent to and in connection with the consummation of the financing authorized hereby do exist, have happened and have been performed in regular and due time, form and manner as required by law, and the District is now duly authorized and empowered, pursuant to each and every requirement of law, to consummate such financing for the purpose, in the manner and upon the terms herein provided;

NOW, THEREFORE, it is resolved by the Board of Trustees of the Fountain Valley School District as follows:

SECTION 1. Findings. The Board hereby specifically finds and declares that the actions authorized hereby constitute and are true and correct with respect to the public affairs of the District, and that the statements, findings and determinations of the District set forth in the preambles of the documents approved herein are true and correct, and the Board hereby declares its intent to enter into the 2011 Refunding Lease described in Section 2 below.

SECTION 2. Authorization of 2011 Refunding Lease. The Board hereby authorizes the refinancing of the Prior Certificates, through the preparation, sale and delivery of the 2011 Refunding Lease to Capital One Public Funding, LLC, in an amount not to exceed \$8,800,000.

SECTION 3. Legal Documents. The form of the Lease/Purchase Agreement between the District and the Municipal Asset Finance Corp. (the "Corporation"), dated as of December 1, 2011, and the form of the Memorandum of Lease/Purchase Agreement between the District and the Corporation of even date therewith (collectively, the "2011 Refunding Lease"), on file with the Secretary to the Board (the "Secretary") is hereby approved. The form of the Escrow Agreement (the "Escrow Agreement"), between the District and U.S. Bank National Association, as escrow agent thereunder, and on file with the Secretary, are hereby approved. The form of the Site Lease, dated as of December 1, 2011 (the "Site Lease"), between the Corporation and the District, and on file with the Secretary, is hereby approved. The form of the Termination Agreement, dated as of December 1, 2011 (the "Termination Agreement"), among the District, the California School Boards Association Finance Corporation, and U.S. Bank National Association, and on file with the Secretary, are hereby approved. The President of the Board of Trustees (the "President"), the Superintendent (the "Superintendent"), the Assistant Superintendent, Business Services (the "Assistant Superintendent"), and such other officer of the District as the Superintendent may designate (collectively, the "Authorized Representatives") are, each alone, hereby authorized and directed, for and in the name and on behalf of the District, to execute and deliver each of the above mentioned documents in substantially said form, with such changes therein as such officer or person or persons may require or approve, such approval to be conclusively evidenced by the execution and delivery thereof. The approval of the 2011 Refunding Lease is subject to the limitation that the interest rate with respect to the 2011 Refunding Lease shall not exceed the maximum allowable by law, that the cost of delivery of the 2011 Refunding Lease does not exceed 1.30% of the aggregate principal amount of the 2011 Refunding Lease, and the aggregate principal amount of the 2011 Refunding Lease does not exceed \$8,800,000.

SECTION 4. Appointment of Special Counsel and Placement Agent. The Board hereby approves the appointment of Stradling Yocca Carlson & Rauth, a Professional Corporation, as special counsel to the District with respect to the sale of the 2011 Refunding Lease, and Piper Jaffray & Co., as Placement Agent with respect to the 2011 Refunding Lease. The Authorized Representatives are authorized to execute contracts with respect to such services so long as any payment thereunder is contingent upon the successful sale of the 2011 Refunding Lease.

SECTION 5. Attestations. The Clerk of the Board or persons as may have been designated by the Superintendent are hereby authorized and directed to attest the signature of the Authorized Representatives or of such other person or persons as may have been designated by the Superintendent, and to affix and attest the seal of the District, as may be required or appropriate in connection with the execution and delivery of the Site Lease, the 2011 Refunding Lease, the Escrow Agreement, and the Termination Agreement.

SECTION 6. Other Actions. The Authorized Representatives and officials and officers of the District are each hereby authorized and directed, jointly and severally, to do any and all things and to execute and deliver any and all documents which they may deem necessary or advisable in order to consummate the sale, execution and delivery of the 2011 Refunding Lease and otherwise to carry out, give effect to and comply with the terms and intent of this Resolution, the 2011 Refunding Lease, the Escrow Agreement, and the Termination Agreement. Such officers or designees are further authorized and directed to provide to the County Superintendent any and all information required by Section 17150.1(a) of the Education Code. Such actions as described in this Section 6 heretofore taken by such officers or designees are hereby ratified, confirmed and approved.

SECTION 7. Recitals. All the recitals in this Resolution above are true and correct and this Board so finds, determines and represents.

SECTION 8. Effect. This Resolution shall take effect immediately upon its passage.

PASSED AND ADOPTED this 8th day of December, 2011, by the following vote:

AYES:

NOES:

ABSENT:

ABSTENTIONS:

---

President, Board of Trustees  
Fountain Valley School District

Attest:

---

Secretary to the Board of Trustees

SECRETARY'S CERTIFICATE

I, Christine Allcorn, Secretary to the Board of Trustees of the Fountain Valley School District, hereby certify as follows:

The foregoing is a full, true and correct copy of a resolution duly adopted at a regular meeting of the Board of Trustees of said District duly and regularly and legally held at the regular meeting place thereof on December 8, 2011, of which meeting all of the members of the Board of said District had due notice and at which a quorum was present.

I have carefully compared the same with the original minutes of said meeting on file and of record in my office and the foregoing is a full, true and correct copy of the original resolution adopted at said meeting and entered in said minutes.

Said resolution has not been amended, modified or rescinded since the date of its adoption, and the same is now in full force and effect.

Dated: December 9, 2011

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Secretary

LEASE/PURCHASE AGREEMENT

Dated as of December 1, 2011

between the

MUNICIPAL ASSET FINANCE CORP.,  
as Lessor

and the

FOUNTAIN VALLEY SCHOOL DISTRICT,  
as Lessee



## LEASE/PURCHASE AGREEMENT

THIS LEASE/PURCHASE AGREEMENT, dated as of December 1, 2011, by and between the MUNICIPAL ASSET FINANCE CORP., a nonprofit public benefit corporation duly organized and existing under the laws of the State of California, (the "State") including without limitation Section 5110 *et seq.* of the Corporations Code of the State of California, as lessor (the "Lessor"), and the FOUNTAIN VALLEY SCHOOL DISTRICT, a school district duly organized and existing under the Constitution and laws of the State, as lessee (the "District");

### W I T N E S S E T H :

WHEREAS, the District may enter into leases and agreements relating to real property and buildings to be used by the District; and

WHEREAS, the Lessor and the District desire to refinance the District's outstanding Certificates of Participation (2004 Financing Project) (the "2004 Certificates") by entering into this Lease/Purchase Agreement (the "Lease"); and

WHEREAS, the District has entered into a Site Lease of even date herewith (the "Site Lease") with the Lessor under which the District has agreed to lease the real property described in Exhibit B hereto and any facilities located thereon (the "Property") to the Lessor, and which Site Lease provides that the title to the Property shall vest in the District at the termination of the Site Lease (as provided in Section 8 thereof), and contains other terms and conditions as the governing board of the District deems to be in the best interest of the District; and

WHEREAS, all acts, conditions and things required by law to exist, to have happened and to have been performed precedent to and in connection with the execution and entering into of the Lease do exist, have happened and have been performed in regular and due time, form and manner as required by law, and the parties hereto are now duly authorized to execute and enter into the Lease;

NOW, THEREFORE, in consideration of the above premises and of the mutual covenants hereinafter contained and for other good and valuable consideration, the parties hereto agree as follows:

## ARTICLE I

### DEFINITIONS AND EXHIBITS

Section 1.1. Definitions and Rules of Construction. Unless the context otherwise indicates, words importing the singular number shall include the plural number and vice versa. The terms "hereby," "hereof," "hereto," "herein," "hereunder" and any similar terms, as used in this Lease, refer to this Lease as a whole.

"Additional Payments" means all amounts payable by the District as Additional Payments as defined in Section 4.11 of the Lease.

"Business Day" means any day other than (i) a Saturday or Sunday, or (ii) a day on which banking institutions in the State of New York or the State of California or the State in which the

Principal Office of the Purchaser is located are authorized or required by law or executive order to remain closed.

“Closing Date” means the date on which the Lease, duly executed by and between the District and the Corporation, is delivered to the Purchaser.

“Code” means the Internal Revenue Code of 1986, and the regulations issued thereunder, as the same may be amended from time to time, and any successor provisions of law. Reference to a particular section of the Code shall be deemed to be a reference to any successor to any such section.

“Corporation” means the Municipal Asset Finance Corp., a nonprofit public benefit corporation organized under the laws of the State, its successors and assigns.

“Corporation Representative” means the President, Vice President, Secretary/Treasurer, of the Corporation, or any other person authorized to act on behalf of the Corporation under or with respect to the Lease.

“Delivery Costs” means and further includes all items of expense directly or indirectly payable by or reimbursable to the District or the Corporation relating to refinancing the 2004 Certificates from the proceeds of the Lease, including but not limited to fees of Special Counsel, placement agent, the Corporation and its counsel, the Purchaser, filing and recording costs, settlement costs, printing costs, word processing costs, reproduction and binding costs, fees and charges of the Escrow Agent, financing and other professional consultant fees, costs of rating agencies and costs of providing information to such rating agencies, any computer and other expenses incurred in connection with the Lease, fees for execution, transportation and safekeeping of the Lease and charges and fees in connection with the foregoing.

“District” means the Fountain Valley School District, a school district organized and existing under the laws and Constitution of the State, and its successors and assigns.

“District Representative” means the President of the Board of Trustees of the District, the Superintendent of the District, and the Assistant Superintendent, Business Services of the District, or any other person authorized by the Superintendent of the District to act on behalf of the District with respect to the Lease Agreement.

“Environmental Regulations” mean all Laws and Regulations, now or hereafter in effect, with respect to Hazardous Materials, including, without limitation, the Comprehensive Environmental Response, Compensation, and Liability Act, as amended (42 U.S.C. Section 9601, et seq.) (together with the regulations promulgated thereunder, “CERCLA”), the Resource Conservation and Recovery Act, as amended (42 U.S.C. Section 6901, et seq.) (together with the regulations promulgated thereunder, “RCRA”), the Emergency Planning and Community Right-to-Know Act, as amended (42 U.S.C. Section 11001, et seq.) (together with the regulations promulgated thereunder, “Title III”), the Clean Water Act, as amended (33 U.S.C. Section 1321, et seq.) (together with the regulations promulgated thereunder, “CWA”), the Clean Air Act, as amended (42 U.S.C. Section 7401, et seq.) (together with the regulations promulgated thereunder, “CAA”) and the Toxic Substances Control Act, as amended (15 U.S.C. Section 2601 et seq.) (together with the regulations promulgated thereunder, “TSCA”), and any state or local similar laws and regulations and any so-called local, state or federal “superfund” or “superlien” law.

“Escrow Agent” means U.S. Bank National Association, a national banking association duly organized and existing under the laws of the United States of America.

“Escrow Agreement” means the Escrow Agreement dated as of the date hereof by and between the District and U.S. Bank National Association, as Escrow Agent, for the purpose of defeasing the 2004 Certificates.

“Event of Default” means an event of default under the Lease, as defined in Section 9.1.

“Government Obligations” means direct and general obligations of the United States of America (which may consist of obligations of the Resolution Funding Corporation that constitute interest strips), or obligations that are unconditionally guaranteed as to principal and interest by the United States of America, or “prerefunded” municipal obligations rated in the highest rating category by Moody’s Investors Service or Standard & Poor’s. In the case of direct and general obligations of the United States of America, Government Obligations shall include evidences of direct ownership of proportionate interests in future interest or principal payments of such obligations. Investments in such proportionate interests must be limited to circumstances where (a) a bank or trust company acts as custodian and holds the underlying United States obligations; (b) the owner of the investment is the real party in interest and has the right to proceed directly and individually against the obligor of the underlying United States obligations; and (c) the underlying United States obligations are held in a special account, segregated from the custodian’s general assets, and are not available to satisfy any claim of the custodian, any person claiming through the custodian, or any person to whom the custodian may be obligated; provided that such obligations are rated or assessed “AAA” by Standard & Poor’s or “Aaa” by Moody’s Investors Service.

“Independent Counsel” means an attorney duly admitted to the practice of law before the highest court of the state in which such attorney maintains an office and who is not an employee of the Corporation or the District.

“Hazardous Materials” means flammable explosives, polychlorinated biphenyl compounds, heavy metals, chlorinated solvents, cyanide, radon, petroleum products, asbestos, methane, radioactive materials, pollutants, hazardous materials, hazardous wastes, hazardous, toxic, or regulated substances or related materials, as defined in CERCLA, RCRA, CWA, CAA, TSCA and Title III, and the regulations promulgated pursuant thereto, and in all other Environmental Regulations applicable to the District.

“Lease” means the Lease/Purchase Agreement, dated as of the date hereof, by and between the District and the Corporation, and any duly authorized and executed amendments thereto.

“Lease Payment” means any payment required to be paid by the District to the Corporation pursuant to Section 4.4 of the Lease.

“Lease Payment Date” means each Lease Payment Date defined in Section 4.4(a) of the Lease.

“Lease Year” means the period extending from July 1 of each calendar year to June 30 of the subsequent calendar year provided that the first Lease Year shall commence on the Closing Date and end on June 30, 2012.

“Lessee” means the Fountain Valley School District, a school district duly organized and existing under the Constitution and laws of the State, its successors and assigns.

“Lessor” means the Municipal Asset Finance Corp., a nonprofit public benefit corporation organized under the laws of the State, its successors and assigns.

“Net Proceeds” means any proceeds of any insurance, performance bonds or taking by eminent domain or condemnation paid with respect to the Property remaining after payment therefrom of any expenses (including attorneys’ fees) incurred in the collection thereof.

“Purchaser” means Capital One Public Funding, LLC, as original purchaser of the Lease on the Closing Date.

“Permitted Encumbrances” means, as of any particular time: (i) liens for general *ad valorem* taxes and assessments, if any, not then delinquent, or which the District may, pursuant to provisions of Section 7.7 hereof, permit to remain unpaid; (ii) the Assignment Agreement; (iii) this Lease; (iv) the Site Lease; (v) any contested right or claim of any mechanic, laborer, materialman, supplier or vendor filed or perfected in the manner prescribed by law to the extent permitted under Section 7.9(b) hereof; (vi) easements, rights of way, mineral rights, drilling rights and other rights, reservations, covenants, conditions or restrictions which exist of record as of the Closing Date and which the District hereby certifies will not materially impair the use of the Property by the District; and (vii) easements, rights of way, mineral rights, drilling rights and other rights, reservations, covenants, conditions or restrictions established following the date of recordation of this Lease and to which the Purchaser, the Lessor and the District consent in writing.

“Project” means the Project described in Exhibit C hereto, and any and all substitutions thereto made.

“Property” means the site or sites commonly referred to as Robert Fisler School located in Fountain Valley, California, and as further described in Exhibit B hereto and all facilities located thereon.

“Site Lease” means the Site Lease, dated the date hereof, by and between the Corporation and the District.

“Special Counsel” means Stradling Yocca Carlson & Rauth, a Professional Corporation, or any other attorney or firm of attorneys of nationally recognized standing in matters pertaining to the tax-exempt status of interest on obligations issued by states and their political subdivisions and acceptable to the District.

“State” means the State of California.

“Tax Certificate” means the Tax Certificate, dated as of the Closing Date, concerning matters pertaining to the use and investment of proceeds of the Lease executed and delivered to the District on the date of execution and delivery of the Lease, including any and all exhibits attached thereto.

“2004 Certificates” has the meaning given to such term in the recitals to this Lease.

“2004 Trust Agreement” means the Trust Agreement, dated as of November 1, 2004, by and among the 2004 Trustee, the Municipal Asset Finance Corp., and the District, relating to the execution and delivery of the 2004 Certificates.

“2004 Trustee” means U.S. Bank National Association.

Section 1.2. Exhibits. The following Exhibits are attached to, and by reference made a part of, this Lease:

Exhibit A: Schedule of Lease Payments to be paid by the District to the Lessor, showing the Lease Payment Date and amount of each Lease Payment.

Exhibit B: Legal Description of the Property.

Exhibit C: General Description of the Project

Exhibit D: Lease Supplement Form.

Exhibit E: Form of Certificate of Substitution or Addition of Project Component

## ARTICLE II

### REPRESENTATIONS, COVENANTS AND WARRANTIES

Section 2.1. Representations, Covenants and Warranties of the District. The District represents, covenants and warrants to the Lessor as follows:

(a) Due Organization and Existence. The District is a school district duly organized and existing under the Constitution and laws of the State.

(b) Authorization; Enforceability. The Constitution and laws of the State authorize the District to enter into this Lease and the Site Lease, and to enter into the transactions contemplated by and to carry out its obligations under all of the aforesaid leases and agreements; the District has duly authorized and executed all of the aforesaid leases and agreements. This Lease and the Site Lease constitute the legal, valid and binding obligations of the District enforceable in accordance with their respective terms, except to the extent limited by applicable bankruptcy, insolvency, reorganization, moratorium or similar laws or equitable principles affecting the rights of creditors generally.

(c) No Conflicts or Default; No Liens or Encumbrances. Neither the execution and delivery of this Lease, or the Site Lease, nor the fulfillment of or compliance with the terms and conditions hereof or thereof, nor the consummation of the transactions contemplated hereby or thereby, conflicts with or results in a breach of the terms, conditions or provisions of any restriction or any agreement or instrument to which the District is now a party or by which the District is bound, or constitutes a default under any of the foregoing, or results in the creation or imposition of any lien, charge or encumbrance whatsoever upon any of the property or assets of the District, or upon the Property except for Permitted Encumbrances.

(d) Execution and Delivery. The District has duly authorized and executed this Lease in accordance with the Constitution and laws of the State.

(e) General Tax and Arbitrage Covenant. The District hereby covenants that, notwithstanding any other provision of this Lease, it shall not take any action, or fail to take any action, if any such action or failure to take action would adversely affect the exclusion from gross income of the interest components with respect to the Lease Payments under Section 103 of the Code. The District shall not, directly or indirectly, use or permit the use of proceeds of the Lease, or any portion thereof, by any person other than a governmental unit (as such term is used in Section 141 of the Code), in such manner or to such extent as would result in the loss of exclusion from gross income for federal income tax purposes of the interest components with respect to the Lease Payments.

The District shall not take any action, or fail to take any action, if any such action or failure to take action would cause the Lease to be “private activity bonds” within the meaning of Section 141 of the Code, and in furtherance thereof, shall not make any use of the proceeds of the Lease, or any portion thereof, or any other funds of the District, that would cause the Lease to be “private activity bonds” within the meaning of Section 141 of the Code. To that end, so long as the Lease is outstanding, the District, with respect to such proceeds and such other funds, will comply with applicable requirements of the Code and all regulations of the United States Department of the Treasury issued thereunder and under Section 103 of the Code, to the extent such requirements are, at the time, applicable and in effect.

The District shall not, directly or indirectly, use or permit the use of any proceeds of the Lease, or other funds of the District, or take or omit to take any action, that would cause the Lease to be “arbitrage bonds” within the meaning of Section 148 of the Code. To that end, the District shall comply with all requirements of Section 148 of the Code and all regulations of the United States Department of the Treasury issued thereunder to the extent such requirements are, at the time, in effect and applicable to the Lease.

The District shall not make any use of the proceeds of the Lease or any other funds of the District, or take or omit to take any other action, that would cause the Lease to be “federally guaranteed” within the meaning of Section 149(b) of the Code.

(f) Essentiality of Property. The District hereby represents that the components of the Property being leased hereunder are essential school district facilities.

(g) Floodplain. The District hereby represents that the Property is not in a 100 year floodplain.

(h) Zoning, Environmental and Safety Ordinance Compliance. The District hereby represents that the Property complies in all respects with applicable zoning, environmental and safety ordinances, and the District does not believe there to be any adverse environmental conditions on the property.

(i) Value of the Property. The District hereby represents that the estimated total insured replacement value of the Property, is at least [\$.\_\_\_\_\_].

(j) Financial Condition. Other than as described in the first and second interim reports and the Unaudited Actuals for fiscal year 2010-11 and as otherwise disclosed to the Purchaser, there has been no material adverse change in the District's financial condition subsequent to June 30, 2010.

Section 2.2. Representations, Covenants and Warranties of the Lessor. The Lessor represents, covenants and warrants to the District as follows:

(a) Due Organization and Existence; Enforceability. The Lessor is a nonprofit public benefit corporation duly organized, existing and in good standing under and by virtue of the laws of the State, has the power to enter into this Lease, the Assignment Agreement and the Site Lease; is possessed of full power to own and hold real and personal property, and to lease and sell the same; and has duly authorized the execution and delivery of all of the aforesaid leases and agreements. This Lease, the Assignment Agreement and the Site Lease constitute the legal, valid and binding obligations of the Lessor, enforceable in accordance with their respective terms, except to the extent limited by applicable bankruptcy, insolvency, reorganization, moratorium or similar laws or equitable principles affecting the rights of creditors generally.

(b) No Conflicts or Defaults; No Liens or Encumbrances. Neither the execution and delivery of this Lease, the Assignment Agreement or the Site Lease, nor the fulfillment of or compliance with the terms and conditions hereof or thereof, nor the consummation of the transactions contemplated hereby or thereby, conflicts with or results in a breach of the terms, conditions or provisions of the Articles of Incorporation or Bylaws of the Lessor or any restriction or any agreement or instrument to which the Lessor is now a party or by which the Lessor is bound, or constitutes a default under any of the foregoing, or results in the creation or imposition of any lien, charge or encumbrance whatsoever upon any of the property or assets of the Lessor, or upon the Property except by Permitted Encumbrances.

(c) Execution and Delivery. The Lessor has duly authorized and executed this Lease in accordance with the laws of the State.

(d) Maintenance of Corporate Existence. To the extent permitted by law, the Lessor agrees that during the term hereof it will maintain its existence as a corporation and will not dissolve.

(e) Qualification in California. The Lessor agrees that throughout the term hereof it will be qualified to do business in the State.

### ARTICLE III

#### DEPOSITS; PAYMENT OF DELIVERY COSTS

Section 3.1. Deposit of Lease Proceeds. On the Closing Date, the Lessor agrees to pay or cause to be paid to the District moneys to be deposited with the Escrow Agent as provided in Section 1 of the Escrow Agreement between the Lessee and the Escrow Agent.

Section 3.2. Payment of Delivery Costs. Payment of the Delivery Costs shall be made from the moneys deposited with the Escrow Agent in the Delivery Costs Fund pursuant to Section 1(b) of the Escrow Agreement between the Lessee and the Escrow Agent.

Section 3.3. Further Assurances and Corrective Instruments. The Lessor and the District agree that they will, from time to time, execute, acknowledge and deliver, or cause to be executed, acknowledged and delivered, such supplements hereto and such further instruments as may reasonably be required for correcting any inadequate or incorrect description of the Property hereby leased or intended so to be or for carrying out the expressed intention of this Lease.

## ARTICLE IV

### AGREEMENT TO LEASE; TERM OF LEASE; LEASE PAYMENTS

Section 4.1. Lease. The Lessor hereby leases the Property to the District, and the District hereby leases the Property from the Lessor, upon the terms and conditions set forth herein. This Lease shall not operate as a merger of the District's leasehold estate in the Property pursuant to this Lease and its fee estate in the Property and shall not cause the extinguishment of the leasehold interest granted to the Lessor under the Site Lease.

Section 4.2. Term. The Term of this Lease shall commence on the date of execution hereof and shall end on November 1, 2019, unless extended pursuant to Section 4.3 hereof, or unless terminated prior thereto upon the earliest of any of the following events:

(a) Default and Termination. A default by the District and the Lessor's election to terminate this Lease under Section 9.2(b) hereof; or

(b) Payment of All Lease Payments. The payment by the District of all Lease Payments required under Section 4.4 hereof and any Additional Payments required under Section 4.11 hereof; or

(c) Prepayment. The deposit of funds with the Purchaser in amounts sufficient to pay all Lease Payments and Additional Payments as the same shall become due, as provided by Section 10.1 hereof; or

(d) Purchase. Upon the exercise by the District of its option to purchase all of the Lessor's interest in the Property as provided in Exhibit B hereof; provided, however, that upon exercise by the District of its option to purchase the Lessor's interest in a portion of the Property, as provided in Exhibit B, the Lease shall be terminated only with respect to that portion of the Property.

Section 4.3. Extension of Lease Term. If on June 1, 2019, the Lease shall not be fully paid, or if the Lease Payments hereunder shall have been abated at any time and for any reason, then the Term shall be extended until the Lease shall be fully paid, except that the Term shall in no event be extended beyond June 1, 2029.

Section 4.4. Lease Payments.



(a) Time and Amount. Subject to the provisions of Section 4.10 hereof (regarding abatement in event of loss of use of any portion of the Property) and Article X (regarding prepayment of Lease Payments), the District agrees to pay to the Purchaser, as assignee of the Lessor, its successors and assigns, as annual rental for the use and possession of the Property, the Lease Payments (denominated into components of principal and interest, the interest component being paid semiannually) in the amounts specified in Exhibit A, to be due and payable in arrears on each June 1 and December 1 as specified in Exhibit A (the "Lease Payment Date") which are sufficient in both time and amount to pay when due the annual principal and interest represented by the Lease. Lease Payments shall be made to Capital One Public Funding, LLC, 275 Broadhollow Road, 4<sup>th</sup> Floor, Melville, New York 11747.

In the event the District does not pay a Lease Payment due on the respective Lease Payment Date, the Purchaser shall provide prompt written notice to the District of such failure to pay; provided, however, that failure to give such notice shall not excuse any event of default under such Section 9.1 hereof.

(b) Credits. Any amount held by the Purchaser on any Lease Payment Date (other than amounts resulting from the prepayment of the Lease Payments in part but not in whole pursuant to Section 10.2 hereof) shall be credited towards the Lease Payment then due and payable. No Lease Payment need be made on any Lease Payment Date if the amounts then held by the Purchaser are at least equal to the Lease Payment then required to be paid.

(c) Rate on Overdue Payments. In the event the District should fail to make any of the Lease Payments required in this Section, the Lease Payment in default shall continue as an obligation of the District until the amount in default shall have been fully paid, and the District agrees to pay the same with interest thereon, to the extent permitted by law, from the date such amount was originally payable at the rate equal to the original interest rate payable with respect to the Lease.

Section 4.5. No Withholding. Notwithstanding any dispute between the Lessor and the District, including a dispute as to the failure of any portion of the Property in use by or possession of the District to perform the task for which it is leased, the District shall make all Lease Payments and Additional Payments when due and shall not withhold any Lease Payments pending the final resolution of such dispute.

Section 4.6. Fair Rental Value. The Lease Payments shall be paid by the District in consideration of the right of possession of, and the continued quiet use and enjoyment of, the Property during each such period for which said Lease Payments are to be paid. The parties hereto have agreed and determined that such total rental represents the fair rental value of the Property. In making such determination, consideration has been given to the appraised value of the Property, other obligation of the parties under this Lease (including but not limited to costs of maintenance, taxes and insurance), the uses and purposes which may be served by the Property and the benefits therefrom which will accrue to the District and the general public, and the transfer of the Lessor's leasehold interest in the Property at the end of the Term. In the event that the District and the Purchaser, as assignee of the Lessor, agree subsequent to the date hereof that Lease Payments hereunder are less than the fair rental value of the Property, the District and the Purchaser may mutually agree that the District shall increase the Lease Payments payable hereunder to reflect such

fair rental value; provided, however, that the Purchaser may conclusively rely upon an independent appraisal.

Section 4.7. Budget and Appropriation. The District covenants to take such action as may be necessary to include all Lease Payments and Additional Payments (to the extent the amounts of such Additional Payments are known to the District at the time its annual budget is proposed), due hereunder in its annual budget and to make the necessary annual appropriations therefor, and to maintain such items to the extent unpaid for that Fiscal Year in its budget throughout such Fiscal Year. To the extent the amount of such payments becomes known after the adoption of the annual budget, such amounts shall be included and maintained in such budget as amended. The covenants on the part of the District herein contained shall be deemed to be and shall be construed to be duties imposed by law and it shall be the ministerial 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 Lease agreed to be carried out and performed by the District.

Section 4.8. Assignment of Lease Payments. Certain of the Lessor's rights under this Lease, including the right to receive and enforce payment of the Lease Payments, Additional Payments and prepayments, to be made by the District hereunder, have been assigned to the Purchaser, subject to certain exceptions, pursuant to the Assignment Agreement, to which assignment the District hereby consents. The Lessor hereby directs the District, and the District hereby agrees, to pay to the Purchaser at the Purchaser's office in Melville, New York, or to the Purchaser at such other place as the Purchaser shall direct in writing, all Lease Payments or prepayments thereof payable by the District hereunder. The Lessor will not assign or pledge the Lease Payments or other amounts derived from the Property and from its other rights under this Lease except as provided under the terms of this Lease and the Assignment Agreement, or its duties and obligations except as provided under this Lease.

Section 4.9. Use and Possession. The total Lease Payments due in any Fiscal Year shall be for the District's right to use and possession of the Property for such Fiscal Year.

Section 4.10. Abatement of Lease Payments in Event of Loss of Use.

(a) Period. The obligation of the District to pay Lease Payments shall be abated during any period in which by reason of damage, destruction or taking by eminent domain or condemnation with respect to any portion of the Property there is substantial interference with the District's right to use and possession of such portion of the Property.

(b) Amount. The amount of such abatement shall be determined by the District such that the resulting Lease Payments represent fair consideration for the District's right to use and possession of the portion of the Property not damaged, destroyed or taken. Such abatement shall commence with such damage, destruction or taking and end with the substantial completion of the replacement or work or repair; provided, however, that during abatement, available moneys on deposit with the Purchaser, and other special sources of money, including without limitation proceeds of rental interruption insurance, shall be applied to pay the Lease Payments.

(c) Repair or Replacement. In the event of such abatement, the District will use its best efforts to repair or replace the damaged or destroyed or taken portion of the Property, as the

case may be, from Net Proceeds, subject to the requirements of Section 6.1 hereof, or special funds of the District or other moneys the application of which would, in the opinion of Special Counsel addressed to the Purchaser, the District and the Lessor, not result in the obligations of the District hereunder constituting indebtedness of the District in contravention of the Constitution and laws of the State.

Section 4.11. Additional Payments. In addition to the Lease Payments, the District shall also pay such amounts (“Additional Payments”) as shall be required for the payment of all administrative costs of the Lessor relating to the Property, including without limitation, taxes of any sort whatsoever payable by the Lessor as a result of its interest in the Property or undertaking of the transactions contemplated herein, fees of auditors, accountants, attorneys or engineers, and all other necessary administrative costs of the Lessor or charges required to be paid by it in order to maintain its existence or to comply with the terms of the Lease including premiums or insurance maintained pursuant to Article V hereof.

Section 4.12. Net-Net-Net Lease. This Lease shall be deemed and construed to be a “net-net-net lease” and the District hereby agrees that the Lease Payments shall be an absolute net return to the Lessor, free and clear of any expenses, charges or set-offs whatsoever, except as expressly provided herein.

## ARTICLE V

### INSURANCE

#### Section 5.1. Public Liability and Property Damage.

(a) Coverage. The District shall maintain or cause to be maintained, throughout the Term hereof, a standard comprehensive general public liability and property damage insurance policy or policies in protection of the District and their officers, agents and employees. Said policy or policies shall provide for indemnification of said parties against direct or contingent loss or liability for damages for bodily and personal injury, death or property damage occasioned by reason of the use or operation of any District property or portion thereof.

(b) Limits. Said policy or policies shall provide coverage in the minimum liability limits of \$1,000,000 for personal injury or death of each person and \$3,000,000 for personal injury or deaths of two or more persons in each accident or event, and in a minimum amount of \$150,000 (subject to a deductible clause of not to exceed \$50,000) for damage to property resulting from each accident or event. Such public liability and property damage insurance may, however, be in the form of a single limit policy covering all such risks in an amount equal to the liability limits set forth herein.

(c) Joint or Self-Insurance. Such liability insurance, including the deductible, may be maintained as part of or in conjunction with any other insurance coverage carried by the District, and, subject to compliance with Section 5.6(e) hereof, may be maintained in the form of self-insurance by the District.

(d) Payment of Net Proceeds. The Net Proceeds of such liability insurance shall be applied toward extinguishment or satisfaction of the liability with respect to which the insurance proceeds shall have been paid.

Section 5.2. Workers' Compensation. The District shall also maintain workers' compensation insurance issued by a responsible carrier authorized under the laws of the State to insure its employees against liability for compensation under the Workers' Compensation Insurance and Safety Act now in force in the State, or any act hereafter enacted as an amendment or supplement thereto.

Section 5.3. Casualty and Theft Insurance.

(a) Coverage. The District shall procure and maintain, or cause to be procured and maintained, throughout the Term of this Lease, insurance against loss or damage to any portion of the Property caused by fire and lightning, with extended coverage and theft, vandalism and malicious mischief insurance, but excluding earthquake and flood insurance to the extent not commercially available at a reasonable cost to the District. Said extended coverage insurance shall, as nearly as practicable, cover loss or damage by explosion, windstorm, riot, vehicle damage, smoke and such other hazards as are normally covered by such insurance.

(b) Amount. Such insurance shall be in an amount (except that such insurance may be subject to deductible clauses of not to exceed \$100,000 for any one loss) not less than the greater of (i) replacement cost of the Property and (ii) the aggregate principal amount of the Lease at the time Outstanding.

(c) Joint or Self-Insurance. Such insurance may be maintained as part of or in conjunction with any other insurance carried or required to be carried by the District, and, subject to compliance with Section 5.6(e) hereof, may be maintained in the form of self-insurance by the District.

(d) Payment of Net Proceeds. The Net Proceeds of such insurance shall be paid to the Lessor and deposited with the Purchaser.

Section 5.4. Rental Interruption Insurance.

(a) Coverage and Amount. The District shall maintain or cause to be maintained rental income or use and occupancy insurance in an amount not less than the maximum remaining scheduled Lease Payments in any future 24-month period, to insure against loss of rental income from the Property caused by perils covered by the insurance required to be maintained as provided in Section 5.3 hereof.

(b) Joint Insurance. Such insurance may be maintained as part of or in conjunction with any other rental income insurance carried by the District.

(c) Payment of Net Proceeds. The Net Proceeds of such rental interruption insurance shall be paid to the Purchaser and deposited with the Purchaser, to be credited towards the payment of the Lease Payments in the order in which such Lease Payments come due and payable.

Section 5.5. Title Insurance. The District shall obtain and, throughout the Term of this Lease, maintain or cause to be maintained title insurance on the Property, in the form of a CLTA title policy, in form acceptable to the Purchaser, in an amount equal to the aggregate principal amount of the Lease, issued by a company of recognized standing, duly authorized to issue the same, payable to the Purchaser, subject only to Permitted Encumbrances. Said policy or policies shall insure (a) the fee interest of the District in the Property, (b) the Lessor's ground leasehold estate in the Property under the Site Lease, and (c) the District's leasehold estate hereunder in the Property, subject only to Permitted Encumbrances. So long as the Lease remains Outstanding, each policy of the title insurance obtained pursuant hereto or required hereby shall provide that all proceeds thereunder shall be payable to the Purchaser.

Section 5.6. General Insurance Provisions.

(a) Form of Policies. All policies of insurance required to be procured and maintained pursuant to this Lease and any statements of self-insurance shall be in a form certified by an insurance agent, broker or consultant to the District to comply with the provisions hereof. All such policies shall provide that the District shall give the Purchaser thirty (30) days' notice of each expiration, any intended cancellation thereof or reduction of the coverage provided thereby and, shall be provided by carriers rated in the two highest rating categories without regard to modifiers by S&P or Moody's and at least "A" by A.M. Best Company, Inc.

(b) Payment of Premiums. The District shall pay or cause to be paid when due the premiums for all insurance policies required by this Lease.

(c) Protection of the Lessor. The Lessor shall not be responsible for the sufficiency or adequacy of any insurance herein required and shall be fully protected in accepting payment on account of such insurance or any adjustment, compromise or settlement of any loss agreed to by the District.

(d) Reserved.

(e) Self Insurance. The District may only elect to self insure pursuant to Sections 5.1, and 5.2 hereof and, with the consent of the Purchaser, Sections 5.3 and 5.4 hereof, only if and to the extent such self-insurance method or plan of protection shall afford reasonable protection to the Lessor, in light of all circumstances, giving consideration to cost, availability and similar plans or methods of protection adopted by other school districts in the State other than the District. Any self-insurance maintained by the District pursuant to this Article V shall comply with the following terms:

(i) The self-insurance program shall be approved in writing by an means any person or firm employed by the District that has actuarial experienced personnel in the field of risk management (an "Independent Insurance Consultant");

(ii) The self-insurance program shall include an actuarially sound claims reserve fund out of which each self-insured claim shall be paid; the adequacy of such fund shall be evaluated on an annual basis by an Independent Insurance Consultant; and any deficiencies in any self-insured claims reserve fund shall be remedied in accordance with the recommendation of such Independent Insurance Consultant;

(iii) The self-insured claims reserve fund shall be held in a separate trust fund by an independent trustee; and

(iv) In the event the self-insurance program shall be discontinued, the actuarial soundness of its claims reserve fund, as determined by an Independent Insurance Consultant, shall be maintained.

Section 5.7. Cooperation. The Lessor shall cooperate fully with the District at the expense of the District in filing any proof of loss with respect to any insurance policy maintained pursuant to this Article and in the prosecution or defense of any prospective or pending condemnation proceeding with respect to the Property or any portion thereof.

## ARTICLE VI

### DAMAGE, DESTRUCTION AND EMINENT DOMAIN; USE OF NET PROCEEDS

#### Section 6.1. Application of Net Proceeds.

(a) Deposit of Net Proceeds. The District shall remit promptly to the Lessor any Net Proceeds received by the District and the Lessor shall deposit such Net Proceeds of insurance which it receives to the Purchaser promptly upon receipt thereof. The District and/or the Lessor shall transfer to the Lessor any other Net Proceeds received by the District in the event of any accident, destruction, theft or taking by eminent domain or condemnation with respect to the Property, for deposit with the Purchaser.

(b) Disbursement for Prepayment. The Lessor shall promptly apply Net Proceeds to the prepayment of Lease Payments as provided in Section 10.2 hereof.

## ARTICLE VII

### COVENANTS WITH RESPECT TO THE PROPERTY

Section 7.1. Use of the Property. The District represents and warrants that it has an immediate need for, and expects to make immediate use of, all of the Property, which need is not temporary or expected to diminish in the foreseeable future.

#### Section 7.2. Interest in the Property and the Lease.

(a) Lessor Holds Leasehold Interest During Term. During the Term of this Lease, the Lessor does and shall hold a leasehold interest in the Property pursuant to the Site Lease. The District shall take any and all actions reasonably required, including but not limited to executing and filing any and all documents reasonably required, to maintain and evidence such title and interest at all times during the Term of this Lease.

(b) Title Transferred to the District at End of Term. Upon expiration of the Term as provided in Section 4.2(b) or 4.2(c) hereof, all right, title and interest of the Lessor in and to all of the Property shall be transferred to and vest in the District, without the necessity of any additional document of transfer.

Section 7.3. Reserved.

Section 7.4. Quiet Enjoyment. During the Term, the Lessor shall provide the District with quiet use and enjoyment of the Property, and the District shall during such Term peaceably and quietly have and hold and enjoy the Property, without suit, trouble or hindrance from the Lessor, or any person or entity claiming under or through the Lessor except as expressly set forth in this Lease. The Lessor will, at the request of the District, join in any legal action in which the District asserts its right to such possession and enjoyment to the extent the Lessor may lawfully do so. Notwithstanding the foregoing, the Lessor shall have the right to inspect the Property as provided in Section 7.6 hereof.

Section 7.5. Installation of the District's Personal Property. The District may at any time and from time to time, in its sole discretion and at its own expense, install or permit to be installed other items of equipment or other personal property in or upon any portion of the Property. All such items shall remain the sole personal property of the District, regardless of the manner in which the same may be affixed to such portion of the Property, in which neither the Lessor nor the Purchaser shall have any interest, and may be modified or removed by the District at any time; provided that the District shall repair and restore any and all damage to such portion of the Property resulting from the installation, modification or removal of any such items of equipment. Nothing in this Lease shall prevent the District from purchasing items to be installed pursuant to this Section, provided that no lien or security interest shall attach to any part of the Property.

Section 7.6. Access to the Property. The District agrees that the Lessor, any Corporation Representative and the Lessor's successors, assigns or designees shall have the right at all reasonable times to enter upon the Property or any portion thereof to examine and inspect the Property. The District further agrees that the Lessor, any such Corporation Representative, and the Lessor's successors, assigns or designees shall have such rights of access to the Property as may be reasonably necessary to cause the proper maintenance of the Property in the event of failure by the District to perform its obligations hereunder.

Section 7.7. Maintenance, Utilities, Taxes and Assessments.

(a) Maintenance; Repair and Replacement. Throughout the Term of this Lease, as part of the consideration for the rental of the Property, all repair and maintenance of the Property shall be the responsibility of the District, and the District shall pay for or otherwise arrange for the payment of the cost of the repair and replacement of the Property resulting from ordinary wear and tear or want of care on the part of the District or any sublessee thereof. In exchange for the Lease Payments herein provided, the Lessor agrees to provide only the Property, as hereinbefore more specifically set forth. The District waives the benefits of subsections 1 and 2 of Section 1932 of the California Civil Code, but such waiver shall not limit any of the rights of the District under the terms of this Lease.

(b) Tax and Assessments; Utility Charges. The District shall also pay or cause to be paid all taxes and assessments, including but not limited to utility charges, of any type or nature charged to the Lessor or the District or levied, assessed or charged against any portion of the Property or the respective interests or estates therein; provided that with respect to special assessments or other governmental charges that may lawfully be paid in installments over a period

of years, the District shall be obligated to pay only such installments as are required to be paid during the Term of this Lease as and when the same become due.

(c) Contests. The District may, at its expense and in its name, in good faith contest any such taxes, assessments, utility and other charges and, in the event of any such contest, may permit the taxes, assessments or other charges so contested to remain unpaid during the period of such contest and any appeal therefrom; provided that prior to such nonpayment it shall furnish the Lessor with the opinion of an Independent Counsel acceptable to the Lessor, to the effect that, by nonpayment of any such items, the interest of the Lessor in such portion of the Property will not be materially endangered and that the Property will not be subject to loss or forfeiture. Otherwise, the District shall promptly pay such taxes, assessments or charges or make provisions for the payment thereof in form satisfactory to the Lessor. The Lessor will cooperate fully in such contest, upon the request and at the expense of the District.

Section 7.8. Environmental Compliance.

(a) The District shall not use or permit the Property or any part thereof to be used to generate, manufacture, refine, treat, store, handle, transport or dispose of, transfer, produce or process Hazardous Materials, except, and only to the extent, if necessary to maintain the improvements on the Property and then, only in compliance with all Environmental Regulations, and any state equivalent laws and regulations, nor shall it permit, as a result of any intentional or unintentional act or omission on its part or by any tenant, subtenant, licensee, guest, invitee, contractor, employee and agent, the storage, transportation, disposal or use of Hazardous Materials or the release or threat of release of Hazardous Materials on, from or beneath the Property or onto any other property excluding, however, those Hazardous Materials in those amounts ordinarily found in the inventory of a school district, the use, storage, treatment, transportation and disposal of which shall be in compliance with all Environmental Regulations. Upon the occurrence of any release or threat of release of Hazardous Materials, the District shall promptly commence and perform, or cause to be commenced and performed promptly, without cost to the Lessor, all investigations, studies, sampling and testing, and all remedial, removal and other actions necessary to clean up and remove all Hazardous Materials so released, on, from or beneath the Property or other property, in compliance with all Environmental Regulations. Notwithstanding anything to the contrary contained herein, underground storage tanks shall only be permitted subject to compliance with subsection (d) and only to the extent necessary to maintain the improvements on the Property.

(b) The District shall comply with, and shall cause all tenants, subtenants, licensees, guests, invitees, contractors, employees and agents on the Property to comply with, all Environmental Regulations, and shall keep the Property free and clear of any liens imposed pursuant thereto; provided, however, that notwithstanding that a portion of this covenant is limited to the District's use of its best efforts, the District shall remain solely responsible for ensuring such compliance and such limitation shall not diminish or affect in any way the District's obligations contained in subsection (c) hereof as provided in subsection (c) hereof. Upon receipt of any notice from any person with regard to the release of Hazardous Materials on, from or beneath the Property, the District shall give prompt written notice thereof to the Lessor prior to the expiration of any period in which to respond to such notice under any Environmental Regulation.

(c) The District shall conform to and carry out a reasonable program of maintenance and inspection of all underground storage tanks, and shall maintain, repair, and replace



such tanks only in accordance with Laws and Regulations, including but not limited to Environmental Regulations.

Section 7.9. Encumbrances; Alternative Financing Methods.

(a) Encumbrances. Except as provided in this Article VII, the District shall not, directly or indirectly, create, incur, assume or suffer to exist any mortgage, pledge, liens, charges, encumbrances or claims, as applicable, on or with respect to the Property, other than Permitted Encumbrances and other than the respective rights of the Lessor and the District as herein provided. Except as expressly provided in this Article VII, the District shall promptly, at its own expense, take such action as may be necessary to duly discharge or remove any such mortgage, pledge, lien, charge, encumbrance or claim, for which it is responsible, if the same shall arise at any time; provided that the District may contest such liens if it desires to do so, if it provides security to the Lessor against any loss or forfeiture. The District shall reimburse the Lessor for any expense incurred by it in order to discharge or remove any such mortgage, pledge, lien, charge, encumbrance or claim.

(b) Alternative Financing Methods. Notwithstanding the foregoing, the District may (with the prior written consent of the Purchaser) create or suffer to create any mortgage, pledge, liens, charges, encumbrances or claims upon the Property or any improvements thereto, provided that (1) any such mortgage, pledge, liens, charges, encumbrances or claims shall at any time while the Lease remains Outstanding be and remain subordinate in all respects to the Site Lease and Lease and any security interest given to the Purchaser and (2) the District shall have first delivered to the Purchaser an opinion of Special Counsel substantially to the effect that such mortgage, pledge, liens, charges, encumbrances or claims would not result in the inclusion of the interest portion of any Lease Payments in the gross income of the owners of the Lease for purposes of federal income taxation or impair the State tax-exempt status of such payments.

Section 7.10. Lessor's Disclaimer of Warranties. THE LESSOR MAKES NO WARRANTY OR REPRESENTATION, EITHER EXPRESS OR IMPLIED, AS TO THE VALUE, DESIGN, CONDITION, MERCHANTABILITY OR FITNESS FOR ANY PARTICULAR PURPOSE OR FITNESS FOR THE USE CONTEMPLATED BY THE DISTRICT OF THE PROPERTY, OR ANY PORTION THEREOF. THE DISTRICT ACKNOWLEDGES THAT THE LESSOR IS NOT A MANUFACTURER OF PORTIONS OF THE PROPERTY, AND THAT THE DISTRICT IS LEASING THE PROPERTY AS IS. In no event shall the Lessor be liable for incidental, indirect, special or consequential damages, in connection with or arising out of this Lease, the Site Lease or the Assignment Agreement for the existence, furnishing, functioning or the District's use and possession of the Property.

Section 7.11. The District's Right to Enforce Warranties of Vendors or Contractors. The Lessor hereby irrevocably appoints the District its agent and attorney-in-fact during the Term of this Lease, so long as the District shall not be in default hereunder, to assert from time to time whatever claims and rights, including without limitation, warranty claims, claims for indemnification and claims for breach of any representations, respecting the Property which the Lessor may have against any vendor or contractor. The District's sole remedy for the breach of any such warranty, indemnification or representation shall be against the vendor or contractor with respect thereto, and not against the Lessor, nor shall such matter have any effect whatsoever on the rights and obligations of the Lessor with respect to this Lease, including the right to receive full and timely Lease Payments

and all other payments due hereunder. The District shall be entitled to retain any and all amounts recovered as a result of the assertion of any such claims and rights. The Lessor shall, upon the District's request and at the District's expense, do all things and take all such actions as the District may request in connection with the assertion of any such claims and rights.

Section 7.12. Substitution or Release of the Property. The District shall have the right, with the prior written consent of the Purchaser, to substitute alternate real property for any portion of the Property described in Exhibit B hereto or to release a portion of the Property from the lien of this Lease by providing the Purchaser with a supplement to this Lease substantially in the form attached as Exhibit D hereto. All costs and expenses incurred in connection with such substitution or release shall be borne by the District. Notwithstanding any substitution pursuant to this Section, there shall be no reduction in or abatement of the Lease Payments due from the District hereunder as a result of such substitution. No substitution or release shall be permitted hereunder unless:

(a) the District provides prior written notice thereof to each rating agency then rating the Lease;

(b) the District finds that the substituted real property (i) has a fair rental value greater than or equal to the fair rental value of the Property to be released so that the Lease Payments secured by the Property to be released being payable by the District pursuant to the Lease will not be reduced and (ii) has an equivalent or greater useful life as the Property to be released and that the useful life of the substituted real Property exceeds the remaining term of the Lease Payments hereunder;

(c) the District obtains or causes to be obtained a CLTA title insurance policy with endorsement so as to be payable to the Purchaser. Such policy shall comply with Section 5.5 hereof, shall be in a form satisfactory to the Lessor, shall be in the amount equal to the principal component of Lease Payments attributable to the substituted real property, and shall insure the leasehold interest or the fee simple interest of the Lessor or the District, as applicable, to the substituted real property;

(d) the District provides the Lessor and the Purchaser with an opinion of Special Counsel that such substitution does not cause, in and of itself, the interest components of the Lease Payments to be included in gross income for federal income tax purposes;

(e) upon the substitution of any real property and improvements thereon for all or a portion of the Property then existing, the District, the Lessor and the Purchaser shall execute and the District shall record with the office of the County Recorder, Orange County, California, any document necessary to reconvey to the District the portion of the Property being substituted and to include the substituted real property and/or improvements thereon as all or a portion of the Property; and

(f) the District shall certify to the Purchaser that the substituted real property is of approximately the same degree of essentiality to the District as the portion of the Property being replaced.

## ARTICLE VIII

### ASSIGNMENT, SUBLEASING AND AMENDMENT

Section 8.1. Assignment by the Lessor. Except as provided herein or in the Assignment Agreement, the Lessor will not assign this Lease to any other person, firm or corporation so as to impair or violate the representations, covenants and warranties contained in Section 2.2 hereof, and any assignment in contravention hereof shall be void.

Section 8.2. Assignment and Subleasing by the District.

(a) Assignment. This Lease may be assigned by the District, with the prior written consent of the Purchaser, so long as such assignment does not, in the opinion of Special Counsel, adversely affect the State tax-exempt status or the exclusion from gross income for federal income tax purposes of the interest component of the Lease Payments or affect the validity of this Lease. In the event that this Lease is assigned by the District, the obligation to make Lease Payments hereunder shall remain the obligation of the District.

(b) Sublease. With the prior written consent of the Purchaser, the District may sublease all or any portion of the Property, with the consent of the Purchaser (as assignee of the Lessor), subject to all of the following conditions:

(i) This Lease and the obligation of the District to make Lease Payments hereunder shall remain obligations of the District; and

(ii) The District shall, within thirty (30) days after the delivery thereof, furnish or cause to be furnished to the Purchaser and S&P a true and complete copy of such sublease;

(iii) No sublease by the District shall cause the Property to be used for a purpose other than a governmental or proprietary function authorized under the provisions of the laws of the State; and

(iv) No sublease shall cause the interest component of the Lease Payments due with respect to the Property to become includable in gross income for federal income tax purposes or subject to State personal income taxes.

Section 8.3. Amendments and Modifications. This Lease may be amended or any of its terms modified with the written consent of the District, the Purchaser and the Corporation.

## ARTICLE IX

### EVENTS OF DEFAULT AND REMEDIES

Section 9.1. Events of Default Defined. The following shall be “events of default” under this Lease and the terms “events of default” and “default” shall mean, whenever they are used in this Lease, any one or more of the following events:

(a) Payment Default.

(i) Lease Payments. Failure by the District to pay any Lease Payment required to be paid hereunder by the corresponding Lease Payment Date; and

(b) Covenant Default. Failure by the District to observe and perform any warranty, covenant, condition or agreement on its part to be observed or performed herein or otherwise with respect hereto or in the Site Lease, other than as referred to in clause (a) of this Section, for a period of 30 days after written notice specifying such failure and requesting that it be remedied has been given to the District by the Lessor or the Purchaser; provided, however, if the failure stated in the notice cannot be corrected within the applicable period, the Lessor or Purchaser, as the case may be, shall not unreasonably withhold their consent to an extension of such time if corrective action is instituted by the District within the applicable period and diligently pursued until the default is corrected, except that such grace period shall not exceed 60 days without the prior written consent of the Purchaser.

(c) Bankruptcy or Insolvency. The filing by the District of a case in bankruptcy, or the subjection of any right or interest of the District under this Lease to any execution, garnishment or attachment, or adjudication of the District as a bankrupt, or assignment by the District for the benefit of creditors, or the entry by the District into an agreement of composition with creditors, or the approval by a court of competent jurisdiction of a petition applicable to the District in any proceedings instituted under the provisions of the federal bankruptcy code, as amended, or under any similar act which may hereafter be enacted.

Section 9.2. Remedies on Default. Whenever any event of default referred to in Section 9.1 hereof shall have happened and be continuing, it shall be lawful for the Lessor to exercise any and all remedies available pursuant to law or granted pursuant to this Lease. Notwithstanding anything herein, THERE SHALL BE NO RIGHT UNDER ANY CIRCUMSTANCES TO ACCELERATE THE LEASE PAYMENTS OR OTHERWISE DECLARE ANY LEASE PAYMENTS NOT THEN IN DEFAULT TO BE IMMEDIATELY DUE AND PAYABLE. After the occurrence of an event of default hereunder, the District will surrender possession of the Property to the Lessor, if requested to do so by the Lessor or the Purchaser.

(a) No Termination: Repossession and Re-Lease on Behalf of the District. In the event the Lessor does not elect to terminate this Lease in the manner hereinafter provided for in subparagraph (b) hereof, the Lessor may, with the consent of the District, which consent is hereby irrevocably given, repossess the Property and re-lease it for the account of the District, in which event the District's obligation will accrue from year to year in accordance with this Lease and the District will continue to receive the value of the use of the Property from year to year in the form of credits against its obligation to pay Lease Payments. The obligations of the District shall remain the same as prior to such default, to pay Lease Payments and Additional Payments whether the Lessor re-enters or not. The District agrees to and shall remain liable for the payment of all Lease Payments, and Additional Payments and the performance of all conditions contained herein and shall reimburse the Lessor for any deficiency arising out of the re-leasing of the Property, or, in the event the Lessor is unable to re-lease the Property, then for the full amount of all Lease Payments and Additional Payments to the end of the Term of this Lease, but said Lease Payments, and Additional Payments and/or deficiency shall be payable only at the same time and in the same manner as provided above for the payment of Lease Payments and Additional Payments hereunder, notwithstanding such repossession by the Lessor or any suit brought by the Lessor for the purpose of effecting such repossession of the Property or the exercise of any other remedy by the Lessor.

The District hereby irrevocably appoints the Lessor as the agent and attorney-in-fact of the District to repossess and re-lease the Property in the event of default by the District in the performance of any covenants contained herein to be performed by the District and to remove all personal property whatsoever situated upon the Property, to place such property in storage or other suitable place in the Orange County, for the account of and at the expense of the District, and the District hereby exempts and agrees to save harmless the Lessor from any costs, loss or damage whatsoever arising or occasioned by any such repossession and re-leasing of the Property. The District hereby waives any and all claims for damage caused or which may be caused by the Lessor in repossessing the Property as provided herein and all claims for damages that may result from the destruction of or the injury to the Property and all claims for damages to or loss of any property belonging to the District that may be in or upon the Property.

The District agrees that the terms of this Lease constitute full and sufficient notice of the right of the Lessor to re-lease the Property in the event of such repossession without effecting a surrender of this Lease, and further agrees that no acts of the Lessor in effecting such re-leasing shall constitute a surrender or termination of this Lease irrespective of the term for which such re-leasing is made or the terms and conditions of such re-leasing, or otherwise, but that, on the contrary, in the event of such default by the District the right to terminate this Lease shall vest in the Lessor to be effected in the sole and exclusive manner provided for in subparagraph (b) below.

The District shall retain the portion of rental obtained by the Purchaser, as assignee of the Lessor, that is in excess of the Lease Payments and Additional Payments, the fees, expenses and costs of the Purchaser of re-leasing the Property, and all amounts payable by the District under this Lease.

In the event that the liability of the District under this subsection (a) is held by a court of competent jurisdiction to constitute indebtedness or liability in any year exceeding in any year the income and revenue provided for such year, the Lessor, or the Purchaser, as assignees of the Lessor, shall not exercise the remedies provided in this subsection (a).

(b) Termination: Repossession and Re-Lease. In the event of the termination of this Lease by the Lessor at its option and in the manner hereinafter provided on account of default by the District (and notwithstanding any repossession of the Property by the Lessor in any manner whatsoever or the re-leasing of the Property), the District nevertheless agrees to pay to the Lessor all costs, losses or damages howsoever arising or occurring payable at the same time and in the same manner as is provided herein in the case of payment of Lease Payments and Additional Payments. Any proceeds of the re-lease or other disposition of the Property by the Lessor shall be deposited into with the Purchaser and be applied in accordance with the provisions of this Lease. Any surplus received by the Purchaser, as assignee of the Lessor, from such re-leasing over total Lease Payments and Additional Payments that would have been due hereunder and the fees, expenses and costs of the Purchaser as assignee of the Lessor on re-leasing the Property shall be remitted to the District. Neither notice to pay rent or to deliver up possession of the Property given pursuant to law nor any proceeding taken by the Lessor to recover possession of the Property shall of itself operate to terminate this Lease, and no termination of this Lease on account of default by the District shall be or become effective by operation of law, or otherwise, unless and until the Lessor shall have given written notice to the District of the election on the part of the Lessor to terminate this Lease. The District covenants and agrees that no surrender of the Property for the remainder of the Term hereof or any termination of this Lease shall be valid in any manner or for any purpose whatsoever unless

stated or accepted by the Lessor by such written notice. No such termination shall be effected either by operation of law or act of the parties hereto, except only in the manner herein expressly provided.

(c) Opinion of Special Counsel. The re-leasing of the Property as provided herein shall be subject to the opinion of Special Counsel that such re-leasing will not cause the interest component of the Lease Payments to be subject to State personal income tax or adversely affect the exclusion from gross income for federal income tax purposes.

Section 9.3. No Remedy Exclusive. No remedy conferred herein upon or reserved to the Lessor is intended to be exclusive and every such remedy shall be cumulative and shall be in addition to every other remedy given under this Lease or now or hereafter existing at law or in equity. No delay or omission to exercise any right or power accruing upon any default shall impair any such right or power or shall be construed to be a waiver thereof, but any such right and power may be exercised from time to time and as often as may be deemed expedient. In order to entitle the Lessor to exercise any remedy reserved to it in this Article it shall not be necessary to give any notice, other than such notice as may be required in this Article or by law.

Section 9.4. Agreement to Pay Attorneys' Fees and Expenses. In the event either party to this Lease should default under any of the provisions hereof and the nondefaulting party should employ attorneys or incur other expenses for the collection of moneys or the enforcement of performance or observance of any obligation or agreement on the part of the defaulting party contained herein, the defaulting party agrees that it will pay on demand to the nondefaulting party the reasonable fees of such attorneys and such other expenses so incurred by the nondefaulting party.

Section 9.5. No Additional Waiver Implied by One Waiver. In the event any agreement contained in this Lease should be breached by either party and thereafter waived by the other party, such waiver shall be limited to the particular breach so waived and shall not be deemed to waive any other breach hereunder.

Section 9.6. Application of the Proceeds from the Re-Lease of the Property. All amounts received by the Lessor under this Article IX shall, be deposited with the Purchaser and credited towards the Lease Payments in order of Lease Payment Dates.

Section 9.7. Purchaser to Exercise Rights. Such rights and remedies as are given to the Lessor under this Article IX have been assigned by the Lessor to the Purchaser under the Assignment Agreement, to which assignment the District hereby consents.

## ARTICLE X

### PREPAYMENT OF LEASE PAYMENTS

Section 10.1. Security Deposit. Notwithstanding any other provision of this Lease, the District may, on any date, secure the payment of all of the Lease Payments and Additional Payments by a deposit by it with the Purchaser of cash and/or Government Obligations. If all the Lease Payments and Additional Payments are so secured, and provided that the District has paid any other amounts due and owing under this Lease Agreement, all obligations of the District under this Lease, and all security provided by this Lease for said obligations, shall cease and terminate, excepting only the obligation of the District to make, or cause to be made, Lease Payments and Additional Payments

from such deposit. On the date of said deposit title to the Property shall vest in the District automatically and without further action by the District or the Lessor (except as provided herein). Said deposit shall be deemed to be and shall constitute a special fund for the payment of Lease Payments in accordance with the provisions of this Lease. The Lessor shall execute and deliver such further instruments and take such further action as may reasonably be requested by the District for carrying out the title transfer of the Property.

Section 10.2. Extraordinary Prepayment From Net Proceeds. The District shall be obligated to prepay the Lease Payments in whole or in part on any date, from and to the extent of any Net Proceeds or other moneys theretofore deposited in with the Purchaser (at least 45 days prior to the date fixed for prepayment). The District and the Lessor hereby agree that such Net Proceeds or other moneys shall be credited towards the District's obligations hereunder (except in the case of such prepayment of the Lease Payments in whole) pro rata among Lease Payments so that following prepayment, the remaining annual Lease Payments will be proportional to the initial annual Lease Payments.

Section 10.3. Prepayment. Subject to the terms and conditions of this Section, the Lessor hereby grants an option to the District to prepay in whole or in part (in the minimum amount of \$100,000 and in integral multiples of \$5,000), on the dates and at the prepayment prices set forth in Exhibit A of this Lease. The District shall execute said option by giving written notice thereof to the Purchaser at least thirty (30) days prior to the date of prepayment and by depositing on the date of prepayment with the Purchaser, immediately available funds in the required amount.

If the District gives notice to the Purchaser of its intention to exercise such option but fails to deposit with the Purchaser on or prior to the prepayment date an amount equal to the prepayment price, the District will continue to pay the Lease Payments as if no such notice had been given.

The District agrees that, if following such prepayment the Property is damaged or destroyed or taken by eminent domain, it is not entitled to, and by such prepayment waives the right of, abatement of such prepaid Lease Payments and shall not be entitled to any reimbursement of such prepaid Lease Payments.

Section 10.4. Credit for Amounts on Deposit. In the event of prepayment of the principal components of the Lease Payments in full under this Article X, all amounts then on deposit with the Purchaser shall be credited toward the amounts then required to be so prepaid.

Section 10.5. Effect of Prepayment.

(a) In Whole. In the event that the District prepays all remaining Lease Payments and Additional Payments, the District's obligations under this Lease shall thereupon cease and terminate, including but not limited to the District's obligation to continue to pay Lease Payments under this Article X (except as provided in Section 10.1 hereof).

(b) In Part. In the event the District prepays less than all of the remaining principal components of the Lease Payments pursuant to Section 10.3 hereof (from cash or other legally available moneys deposited by the District), the amount of such prepayment shall be applied to reduce the principal components of the remaining Lease Payments in a manner that corresponds to the resulting prepayment of principal with respect to the Lease.

ARTICLE XI

MISCELLANEOUS

Section 11.1. Notices. All notices, certificates or other communications hereunder shall be sufficiently given and shall be deemed to have been received on the earlier of the day of actual receipt or five Business Days after deposit in the United States mail in first-class or certified form, postage prepaid, to the District or the Lessor, as the case may be, at the addresses set forth below. The Lessor, the District, and the Purchaser, by notice given hereunder, may designate different addresses to which subsequent notices, certificates or other communications will be sent.

If to the District: Fountain Valley School District  
17210 Oak Street  
Fountain Valley, California 92708  
Attention: Superintendent

If to the Corporation: Municipal Asset Finance Corp.  
25288 Foothills Dr. N.  
Golden, Colorado 80401  
Attention: Treasurer/Secretary

If to the Escrow Agent: U.S. Bank National Association  
633 West Fifth Street, 24<sup>th</sup> Floor  
Los Angeles, California 90071  
Attention: Global Corporate Trust Services

If to the Purchaser: Capital One Public Funding, LLC  
275 Broadhollow Road  
Melville, New York 11747  
Attention: Drew Scrivener

If to S&P: Standard & Poor's  
55 Water Street  
New York, New York 10041  
Attention: Public Finance Department

Section 11.2. Binding Effect. This Lease shall inure to the benefit of and shall be binding upon the Lessor and the District and their respective successors and assigns.

Section 11.3. Severability. In the event any provision of this Lease shall be held invalid or unenforceable by a court of competent jurisdiction, such holding shall not invalidate or render unenforceable any other provision hereof.

Section 11.4. Execution in Counterparts. This Lease may be executed in any number of counterparts, each of which shall be an original and all of which shall constitute but one and the same instrument.

Section 11.5. Applicable Law. This Agreement shall be governed by and construed in accordance with the laws of the State.



IN WITNESS WHEREOF, the Lessor has caused this Lease to be executed in its name by its duly authorized officer, and the District has caused this Lease to be executed in its name by its duly authorized officer, as of the date first above written.

MUNICIPAL ASSET FINANCE CORP., as Lessor

By: \_\_\_\_\_  
Authorized Officer

FOUNTAIN VALLEY SCHOOL DISTRICT, as  
Lessee

By: \_\_\_\_\_  
Assistant Superintendent, Business Services

**EXHIBIT A**  
**SEMI-ANNUAL LEASE PAYMENT SCHEDULE**

Period Ending	Principal	Interest	Debt Service	Annual Debt Service
05/01/2012	--	\$90,175.56	\$90,175.56	--
06/30/2012	--	--	--	\$90,175.56
11/01/2012	--	119,350.00	119,350.00	--
05/01/2013	--	119,350.00	119,350.00	--
06/30/2013	--	--	--	\$238,700.00
11/01/2013	--	119,350.00	119,350.00	--
05/01/2014	--	119,350.00	119,350.00	--
06/30/2014	--	--	--	238,700.00
11/01/2014	\$670,000	119,350.00	789,350.00	--
05/01/2015	675,000	110,137.50	785,137.50	--
06/30/2015	--	--	--	1,574,487.50
11/01/2015	690,000	100,856.25	790,856.25	--
05/01/2016	695,000	91,368.75	786,368.75	--
06/30/2016	--	--	--	1,577,225.00
11/01/2016	715,000	81,812.50	796,812.50	--
05/01/2017	710,000	71,981.25	781,981.25	--
06/30/2017	--	--	--	1,578,793.75
11/01/2017	735,000	62,218.75	797,218.75	--
05/01/2018	730,000	52,112.50	782,112.50	--
06/30/2018	--	--	--	1,579,331.25
11/01/2018	755,000	42,075.00	797,075.00	--
05/01/2019	750,000	31,693.75	781,693.75	--
06/30/2019	--	--	--	1,578,768.75
11/01/2019	1,555,000	21,381.25	1,576,381.25	--
06/30/2020	--	--	--	1,576,381.25
	<u>\$8,680,000</u>	<u>\$1,352,563.06</u>	<u>\$10,032,563.06</u>	<u>\$10,032,563.06</u>

**Prepayment**

The Lease Payments due on or after November 1, 20\_\_, are prepayable on the dates and at the prepayment prices as set forth in the table below, plus accrued interest to the date of prepayment:

Prepayment Period

Prepayment Price

**EXHIBIT B**

**LEGAL DESCRIPTION OF THE PROPERTY**

## **EXHIBIT C**

### **GENERAL DESCRIPTION OF THE PROJECT**

Pursuant to the 2004 Trust Agreement, a portion of the net proceeds of the Lease, will be deposited in an escrow fund, created pursuant to an escrow agreement (the “2004 Certificates Escrow Agreement”) by and between the District and U.S. Bank National Association, as escrow agent thereunder (the “2004 Certificates Escrow Agent”), to defease all of the outstanding 2004 Certificates on \_\_\_\_\_, 2011. As a result of the deposit and applications of funds so provided in the Escrow Agreement, the obligation of the District to make lease payments with respect to the 2004 Certificates will cease.

**EXHIBIT D**

**LEASE SUPPLEMENT FORM**

There is hereby subjected to the terms of that certain Lease/Purchase Agreement, dated as of December 1, 2011, by and between the Municipal Asset Finance Corp. (the “Lessor”), and the Fountain Valley School District (the “District”) the following items which shall comprise a portion of the Property, as defined therein:

Description of Substituted Property

[Insert Description]

Cost

I, the District Representative, hereby certify that:

- (1) the fair rental value and the useful life of the above-described portion of the Property at least equals the fair rental value and the useful life of the portion of the Property for which it was substituted;
- (2) the above-described portion of the Property will be used by the District for authorized public purposes and can be leased under the provisions of the Lease and the Education Code;
- (3) the above-described portion of the Property is currently owned by the District; and
- (4) the above-described portion of the Property will be acquired, constructed or improved no later than the date on which the portion of the Property for which it was substituted would have been acquired, constructed or improved.

I, the District Representative, hereby certify that the portion of the Property being acquired, constructed or improved will be owned by the Lessor free and clear of all liens or claims of others, except for the lien of the Lease and the rights of the District under the Lease, and that the Lessor will not encumber title to the substituted portion of the Property while the Lease remains outstanding.

FOUNTAIN VALLEY SCHOOL DISTRICT

By [signature] \_\_\_\_\_  
Authorized Representative

**EXHIBIT E**

**FORM OF CERTIFICATE OF SUBSTITUTION  
OR ADDITION OF PROJECT COMPONENT**

I, \_\_\_\_\_, \_\_\_\_\_ of the Fountain Valley School District (the "District") hereby certify that \_\_\_\_\_ project is to become a part of the Project as defined under the Lease/Purchase Agreement, dated as of December 1, 2011 (the "Lease"), by and between the District and the Municipal Asset Finance Corp. (the "Corporation") in addition to the components of the Project as defined in the Lease or in substitution for \_\_\_\_\_ component of the Project as defined in the Lease. This Certificate shall be filed with the Purchaser as defined in the Lease, until such time as the Lease is terminated.

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District Representative

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Fountain Valley School District  
**BUSINESS SERVICES DIVISION**  
DFS/11-12 - 703

M E M O R A N D U M

TO: Stephen L. McMahon, Assistant Superintendent, Business Services  
FROM: Dedra Norman, Director, Fiscal Services  
SUBJECT: **APPROVAL OF AGREEMENT WITH VAVRINEK, TRINE, DAY &  
COMPANY, LLP**  
DATE: November 30, 2011

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**BACKGROUND**

The independent audit firm of Vavrinek, Trine, Day and Company, LLP shall continue to provide their professional services for audit of the District's funds and Federal and State Compliance items for the 2011-12 fiscal year with renewals for an additional two years. The maximum fee for the three year contract is \$27,000 per year.

**RECOMMENDATION**

It is recommended that the Board of Trustees approve the agreement for Independent Audit Services with Vavrinek, Trine, Day and Co., LLP, July 1, 2011 through June 30, 2014 and authorize the Superintendent or designee to sign all documents.

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## **CONTRACT FOR AUDITING**

This agreement made and entered into this 28th day of November 2011, between the Governing Board of the Fountain Valley School District, of Orange County, State of California, hereafter referred to as "District" and VAVRINEK, TRINE, DAY & CO., LLP, Certified Public Accountants, hereafter referred to as "Auditors".

We understand the services we are to provide the District for the years ended June 30, 2009, 2010, and 2011. We will audit the financial statements of the District, as of and for the three-year period beginning July 1, 2011 and ending June 30, 2014. Accounting standards generally accepted in the United States provide for certain required supplementary information (RSI), such as management's discussion and analysis (MD&A) to accompany the District's basic financial statements. As part of our engagement, we will apply certain limited procedures to District's RSI. These limited procedures will consist principally of inquiries of management regarding the methods of measurement and presentation, which management is responsible for affirming to us in its representation letter. Unless we encounter problems with the presentation of the RSI or with procedures relating to it, we will disclaim an opinion on it. The following RSI is required by generally accepted accounting principles and will be subjected to certain limited procedures, but will not be audited:

1. Management's Discussion and Analysis
2. Budgetary Comparison Schedule

Supplementary information other than RSI, also accompanies District's basic financial statements. We will subject the following supplementary information to the auditing procedures applied in our audit of the basic financial statements and will provide an opinion on it in relation to the basic financial statements:

1. Schedule of Expenditures of Federal Awards.
2. Schedules required by current *Standards and Procedures for Audits of California K-12 Local Educational Agencies*, issued by the Education Audit Appeals Panel.

## **AUDIT OBJECTIVES**

The objective of our audit is the expression of an opinion as to whether your basic financial statements are fairly presented, in all material respects, in conformity with United States generally accepted accounting principles and to report on the fairness of the additional information referred to in the first paragraph when considered in relation to the financial statements taken as a whole. The objective also includes reporting on:

- Internal control related to the financial statements and compliance with laws, regulations, and the provisions of contracts or grant agreements, noncompliance with which could have a material effect on the financial statements in accordance with *Government Auditing Standards*.
- Internal control related to major programs and an opinion (or disclaimer of opinion) on compliance with laws, regulations, and the provisions of contracts or grant agreements that could have a direct and material effect on each major program in accordance with the Single Audit Act Amendments of 1996 and OMB Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations*.

The reports on internal control and compliance will each include a statement that the report is intended for the information and use of the governing board, management, specific legislative or regulatory bodies, Federal awarding agencies, and if applicable, pass-through entities and is not intended to be and should not be used by anyone other than these specified parties.

Our audit will be conducted in accordance with United States generally accepted auditing standards; the standards outlined in the *Standards and Procedures for Audits of California K-12 Local Educational Agencies* the standards for financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; the Single Audit Act Amendments of 1996; and the provisions of OMB Circular A-133, and will include tests of accounting records, a determination of major program(s) in accordance with Circular A-133, and other procedures we consider necessary to enable us to express such opinions and to render the required reports. If our opinion on the financial statements or the Single Audit compliance opinion is other than unqualified, we will fully discuss the reasons with you in advance. If, for any reason, we are unable to complete the audit or are unable to form or have not formed an opinion, we may decline to express an opinion or to issue a report as a result of this engagement.

### **MANAGEMENT RESPONSIBILITIES**

Management is responsible for establishing and maintaining internal controls, including monitoring ongoing activities; for the selection and application of accounting principles; for the fair presentation in the financial statements of the respective financial position of the governmental activities, the business-type activities (if applicable), the aggregate discretely presented component units (if applicable), each major fund, and the aggregate remaining fund information of the District and the respective changes in financial position and, where applicable, cash flows in conformity with U.S. generally accepted accounting principles; and for Federal Awards program compliance with applicable laws and regulations and the provisions of contracts and grant agreements. Management is responsible for the basic financial statements and all accompanying information as well as all representations contained therein.

You are responsible for management decisions and functions. As part of the audit, we will prepare a draft of your financial statements, Schedule of Expenditures of Federal Awards, and related notes. In accordance with Government Auditing Standards, you will be required to review and approve those financial statements prior to their issuance and have a responsibility to be in a position in fact and appearance to make an informed judgment on those financial statements. Further, you are required to designate an individual with suitable skill, knowledge, or experience to oversee any nonaudit services we provide and for evaluating the adequacy and results of those services and accepting responsibility for them.

Management is responsible for making all financial records and related information available to us, including identifying significant vendor relationships in which the vendor has the responsibility for program compliance and for the accuracy and completeness of that information. Management's responsibilities include adjusting the financial statements to correct material misstatements and for confirming to us in the representation letter that the effects of any uncorrected misstatements aggregated by us during the current engagement and pertaining to the latest period presented are immaterial, both individually and in the aggregate, to the financial statements taken as a whole. As part of the audit, we will assist with preparation of your financial statements, Schedule of Expenditures of Federal Awards, and related notes. You are responsible for making all management decisions and performing all management functions relating to the financial statements, Schedule of Expenditures of Federal awards, and related notes and for accepting full responsibility for such decisions.

You are responsible for the design and implementation of programs and controls to prevent and detect fraud, and for informing us about all known or suspected fraud or illegal acts affecting the government involving (1) management, (2) employees who have significant roles in internal control, and (3) others where the fraud or illegal acts could have a material effect on the financial statements. Your responsibilities include informing us of your knowledge of any allegations of fraud or suspected fraud affecting the government received in communications from employees, former employees, grantors, regulators, or others. In addition, you are responsible for identifying and ensuring that the entity complies with applicable laws, regulations, contracts, agreements, and grants. Additionally, as required by OMB Circular A-133, it is management's responsibility to follow up and take corrective action on reported audit findings and to prepare a summary schedule of prior audit findings and a corrective action plan. The summary schedule of prior audit findings should be available for our review during the interim phase of our audit.

Management is responsible for establishment and maintenance of a process for tracking the status of audit findings and recommendations. Management is also responsible for identifying for us previous audits or other engagements or studies related to the objectives discussed in the Audit Objectives section of this letter. This responsibility includes relaying to us corrective actions taken to address significant findings and recommendations resulting from those audits or other engagements or studies. You are also responsible for providing management's views on our current findings, conclusions, and recommendations, as well as your planned corrective actions, and the timing and format related thereto.

### **AUDIT PROCEDURES - INTERNAL CONTROLS**

Brian C. Ruff is the engagement partner and is responsible for supervising the engagement and signing the reports or authorizing another individual to sign them. Our audit will include obtaining an understanding of the entity and its environment, including internal control, sufficient to assess the risks of material misstatement of the financial statements and to design the nature, timing, and extent of further audit procedures. Tests of controls may be performed to test the effectiveness of certain controls that we consider relevant to preventing and detecting errors and fraud that are material to the financial statements and to preventing and detecting misstatements resulting from illegal acts and other noncompliance matters that have a direct and material effect on the financial statements. Our tests, if performed, will be less in scope than would be necessary to render an opinion on internal control and, accordingly, no opinion will be expressed in our report on internal control issued pursuant to Government Auditing Standards.

As required by OMB Circular A-133, we will perform tests of controls over compliance to evaluate the effectiveness of the design and operation of controls that we consider relevant to preventing or detecting material noncompliance with compliance requirements applicable to each major Federal award program. However, our tests will be less in scope than would be necessary to render an opinion on those controls and, accordingly, no opinion will be expressed in our report on internal control issued pursuant to OMB Circular A-133.

An audit is not designed to provide assurance on internal control or to identify significant deficiencies. However, during the audit, we will communicate to management and those charged with governance internal control related matters that are required to be communicated under professional standards, Government Auditing Standards, and OMB Circular A-133.

## **AUDIT PROCEDURES - COMPLIANCE**

As part of obtaining reasonable assurance about whether the financial statements are free of material misstatement, we will perform tests of the District's compliance with applicable laws and regulations and the provisions of contracts and agreements, including grant agreements. However, the objective of those procedures will not be to provide an opinion on overall compliance and we will not express such an opinion in our report on compliance issued pursuant to Government Auditing Standards.

OMB Circular A-133 requires that we also plan and perform the audit to obtain reasonable assurance about whether the auditee has complied with applicable laws and regulations and the provisions of contracts and grant agreements applicable to major programs. Our procedures will consist of test of transactions and other applicable procedures described in the OMB Circular A-133 Compliance Supplement for the types of compliance requirements that could have a direct and material effect on each of the District's major programs. The purpose of those procedures will be to express an opinion on the District's compliance with requirements applicable to each of its major programs in our report on compliance issued pursuant to OMB Circular A-133.

## **AUDIT ADMINISTRATION AND ACCESS TO WORKPAPERS**

We understand that your employees will prepare all cash, accounts receivable, or other confirmations we request and will locate any documents selected by us for testing.

At the conclusion of the engagement, we will complete the appropriate sections of and sign the Data Collection Form that summarizes our audit findings. We will provide the appropriate number of copies of our reports to the District; however, it is management's responsibility to submit the reporting package (including financial statements, Schedule of Expenditures of Federal Awards, summary schedule of prior audit findings, auditors' reports, and a corrective action plan) along with the Data Collection Form to the designated Federal clearinghouse and, if appropriate, to pass-through entities. The Data Collection Form and the reporting package must be submitted within the earlier of 30 days after receipt of the auditors' reports or nine months after the end of the audit period, unless a longer period is agreed to in advance by the cognizant or oversight agency for audits. At the conclusion of the engagement, we will provide information to management as to where the reporting packages should be submitted and the number to submit.

The audit documentation for this engagement is the property of the auditors and constitutes confidential information. However, pursuant to authority given by law or regulation, we may be requested to make certain audit documentation available to the appropriate Cognizant or Oversight Agency for Audit or its designee, a Federal agency providing direct or indirect funding, or the U.S. Government Accountability Office for purposes of a quality review of the audit, to resolve audit findings, or to carry out oversight responsibilities.



We will notify you of any such request. If requested, access to such audit documentation will be provided under the supervision of the auditor. Furthermore, upon request, we may provide copies of selected audit documentation to the aforementioned parties. These parties may intend, or decide, to distribute the copies or information contained therein to others, including other governmental agencies.

The audit documentation for this engagement will be retained for a minimum of seven years after the report release or for any additional period requested. If we are aware that a Federal or state awarding agency, pass-through entity, or auditee is contesting an audit finding, we will contact the party(ies) contesting the audit finding for guidance prior to destroying the audit documentation.

### **AUDIT FEES**

Our standard hourly rates vary according to the degree of responsibility involved and the experience level of the personnel assigned to your audit. In accordance with our firm policies, work may be suspended if your account becomes 90 days or more overdue and may not be resumed until your account is paid in full. If we elect to terminate our services for nonpayment, our engagement will be deemed to have been completed even if we have not completed our report. You will be obligated to compensate us for all time expended and to reimburse us for all out-of-pocket costs through the date of termination. The fee listed below is based on anticipated cooperation from your personnel, the assumption that unexpected circumstances will not be encountered during the audit, no significant changes in reporting format and/or audit requirements or significant changes in the operations of the District.

If significant additional time is necessary, we will discuss it with you and arrive at a new fee estimate before we incur the additional costs. You may request that we perform additional services not contemplated by this engagement letter. If this occurs, we will communicate with you regarding the scope of the additional services and the estimated fee. We also may issue a separate engagement letter covering the additional services. In the absence of any other written communication from us documenting such additional services, our services will continue to be governed by the terms of this engagement letter.

The maximum annual fee for auditing services under the terms of this contract shall not exceed \$27,000 for the years ended June 30, 2012, 2013, and 2014, respectively., for personal services, with the exception that any additional auditing services provided for (1) any changes in District reporting format, i.e., GASB requirements and/or audit requirements, issued by the Education Audit Appeals Panel, Federal Agencies, American Institute of Certified Public Accountants, or Governmental Accounting Standards Board, (2) any changes in the number of funds or accounts maintained by the District during the period under this contract, and (3) any Federal Program and State Special Projects/compliance issues shall be in addition to the above maximum fee for personal services.

The final installment will represent the 10% withheld amount pursuant to Education code 14505 and will be presented for payment upon certification by the Controller that the audit report conforms to the reporting provisions of the Audit Guide. All billings for additional audit fees or services will be billed as these services are provided. In accordance with Education Code Section 14505 (b), the District shall withhold fifty percent (50%) of the audit fee for any subsequent year of multi-year contract if the prior year's audit report was not certified as conforming to reporting provisions of the audit guide. This contract shall be null and void if a firm or individual is declared ineligible pursuant to subdivision (c) of Section 41020.5. The withheld amount shall not be payable unless payment is ordered by the State Board of Accountancy or the audit report for that subsequent year is certified by the controller as conforming to reporting provisions of the audit guide.

**COMPENSATION**

All personal services performed by the Auditors shall be reimbursed at the following hourly rates:

Partner/Principal	\$ 190
School Services Consultant	190
Manager	165
Supervisor	140
Senior in Charge	110
Staff Accountant	85
Paraprofessional	70

In addition to such payment for personal services, Auditors shall be reimbursed for such travel as may be necessary, with mileage computed at the approved Internal Revenue Service rate per mile.

If a dispute arises among the parties hereto, the parties agree first to try in good faith to settle the dispute by mediation administered by the American Arbitration Association under its Commercial Mediation Rules before resorting to litigation. The costs of any mediation proceedings shall be shared equally by all parties. The District and Auditors both agree that any dispute over fees charged by the accountant to the client will be submitted for resolution by arbitration in accordance with the rules of the American Arbitration Association. Such arbitration will be binding and final. IN AGREEING TO ARBITRATION, WE BOTH ACKNOWLEDGE THAT, IN THE EVENT OF DISPUTE OVER FEES, EACH OF US IS GIVING UP THE RIGHT TO HAVE THE DISPUTE DECIDED IN A COURT OF LAW BEFORE A JUDGE OR JURY AND INSTEAD WE ARE ACCEPTING THE USE OF ARBITRATION FOR RESOLUTION.

**ANNUAL REPORT - FORM AND CONTENT, DELIVERY**

The form and content of the annual audit shall be in conformity, to the extent practicable, with such form and content as may be prescribed by the State of California under Section 41020 of the Education Code, including the required compliance audit provisions of Circular A-133, *Audits of State of Local Governments*, issued by the U.S. Office of Management and Budget, as issued pursuant to the Single Audit Act Amendments of 1996.

The audit shall be completed and the audit report shall be delivered in accordance with time requirements as specified in the *Standards and Procedures for Audits of California K-12 Local Educational Agencies*, issued by Educational Audit Appeals Panel, unless delayed by circumstances beyond the control of the Auditors. Fifteen (15) bound copies and CD Rom of the audit report shall be rendered to the District, in addition to the copies required to be filed with the applicable governmental units. Copies in excess of the contract amount will be billed at \$15.00 each.

Government Auditing Standards require that we provide you with a copy of our most recent quality control review report. Our peer review report, for the year ended December 2008, accompanies this letter.

We appreciate the opportunity to be of service to Fountain Valley School District and believe this letter accurately summarizes the significant terms of our engagement. If you have any questions, please let us know. If you agree with the terms of our engagement as described in this letter, please sign the enclosed copy and return it to us. This contract will continue in effect until cancelled by either party.

**WORKERS' COMPENSATION**

VAVRINEK, TRINE, DAY & CO., LLP is aware of the provisions of Section 3700 of the Labor Code that requires every employer to be insured against liability for workers' compensation or to undertake self-insurance in accordance with the provisions of that code. VAVRINEK, TRINE, DAY & CO., LLP is in compliance with such provisions.

**NON LICENSEE OWNERS**

VAVRINEK, TRINE, DAY & CO., LLP has owners that are not licensed as certified public accountants as permitted under Section 5079 of the California Business and Professions Code. It may be anticipated that the non licensee owners will be performing limited audit services for the agency.

GOVERNING BOARD OF  
FOUNTAIN VALLEY SCHOOL DISTRICT

VAVRINEK, TRINE, DAY & CO., LLP

By \_\_\_\_\_  
District

By B.T.C. [Signature]  
Partner

Federal Identification Number: 95-6001370

Fountain Valley School District  
**BUSINESS SERVICES DIVISION**  
DFS/11-12 - 701

MEMORANDUM

TO: Stephen McMahon, Assistant Superintendent, Business Services  
FROM: Dedra Norman, Director, Fiscal Services/Thuy Bui, Accounting Technician  
SUBJECT: **Approval of 2011-12 First Interim Report**  
DATE: November 22, 2011

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**BACKGROUND**

School districts are required to complete two interim financial reports during a fiscal year, one as of October 31 and one as of January 31. The Interim Reports are filed with the County Department of Education and the State Controller's Office. School districts must conduct a review of their interim reports in accordance with state-adopted Criteria and Standards. Two critical areas are cash balance and fund balance. The second part of the summary review includes specified additional information intended to assist governing boards and county offices in better understanding the status of the District budget. This supplemental information includes the status of negotiations, reserves, and any multi-year commitments that have occurred since the budget was adopted.

**Beginning Balance**

The unaudited beginning balance for July 1, 2011 is \$4,111,588.

*Income Assumptions*

1. Revenue Limit

The base revenue limit was calculated using an inflation factor of 2.24%, which is \$137 for elementary districts and a deficit factor of 19.754%. Revenue limit ADA is projected at 6,154.92. The methodology used for enrollment projections is based on the population and births in conjunction with historical enrollment and an analysis of District trends. The District also uses Decision Insite to assist in enrollment projections.

As of the First Interim Report, the projected ADA has increased by 18.15 from budgeted ADA, which has been factored into the projected year end total anticipated revenue limit. The anticipated revenue limit is \$31,133,815.

2. Federal Income

The adopted budget includes estimates based on entitlements for 2011-12 program funding for all federal programs. Contracted programs are budgeted as received during the year.

The Federal Education Jobs Fund Program, a component of the Education Jobs and Medicaid Assistance Act of 2010 (PL 111-226), provided \$1.2 billion to California to be used to save or create Kindergarten through grade twelve jobs for the 2011-12 school year. The District received \$1,133,449 in funding and restored furlough days at the school-site level. Funds are to be expensed by September 30, 2012.

All federal program revenues have been adjusted for carryover and new programs. Revenue is projected to be \$3,151,403.

3. Other State Income

For 2011-12, Categorical flexibility remains unchanged with no additional expansion or flexibility at this time. A 0% COLA is applied to all State Categorical programs including Special Education. Tier III flexibility continues through 2014-15. The District has 15 Tier III Categorical programs that have been designated as unrestricted, totaling \$1,929,896. The District receives Class Size Reduction funding for grades K, 1 and 2 with revenues of \$1,071/\$535 per students in either option 1 or option 2. Lottery is projected at \$111.75 per ADA using prior annual ADA. The restricted portion of Lottery funding is estimated at \$17.00 per prior annual ADA.

All State program revenues have been adjusted for carryover and deferred revenues. Revenue is projected to be \$4,879,538.

4. Other Local Income

Other local income is derived from various sources: interest rate is .40%, lease income, surplus sales, donations, contract fees and miscellaneous income. Lease income is used to partially fund the Routine Maintenance program but this program is still considered a Tier III program.

Other local income is projected to be \$4,469,839.

### ***Expenditure Assumptions***

#### 1. Salary Increases

Step, column and longevity increases for certificated, classified, confidential and management employees have been included in the salary accounts for the First Interim budget. Salaries for certificated, classified, psychologists, confidential and management employees include five furlough days restored but with a contingency based on AB 114 “trigger language” provisions of the state budget. The Budget Act provides for trigger reductions if state revenues are projected to fall short of the budgeted level. The total amount of salary restoration from Federal Jobs funding is \$1,133,449. Salaries now reflect retirees and new hires.

#### Benefits

Employee benefit rates are as follows: STRS 8.25%, PERS 10.923%, PERS Reduction 2.097%, Social Security 6.20%, PARS 1.30%, Medicare 1.45%, Unemployment Insurance 1.61%, and Workers’ Compensation 2.00%. Health and welfare costs are allocated \$8,000 per employee for classified working six hours or more, \$8,000 per certificated prorated at percentage of hours, and \$4000 for employees working part-time. The remainder of costs is borne by employees through payroll deduction.

#### Retirement Package

The District covers the cost of health and welfare for 85 retired employees until age 65. The cost does not exceed the cap at the time of the employee’s retirement. The cost is recorded in the general fund object code 3400.

#### 2. Other Expenditures

Object codes 4000 through 7000 reflect typical expenditures in supplies and equipment. Transfers from another fund are used to cover planned program costs and salary adjustments.

### **Ending Balance**

The projected ending balance for June 30, 2012, is \$3,139,700. The state requires a reserve for economic uncertainties of 3% of expenditures \$1,413,837. Restricted balance \$808,345 Assigned balance \$148,473, Stores \$100,000 and Revolving Fund \$35,000, and undesignated amount of \$634,045.

All other funds are projected to end of the year in a positive fund and cash flow balance.



PLEASE NOTE:

A copy of the **2011-12 First Interim Report**  
for the Fountain Valley School District  
is available for review at the District Office.

Please contact the Superintendent's office at 714.843.3255.





FOUNTAIN VALLEY SCHOOL DISTRICT  
**Curriculum/Instruction**

*MEMORANDUM*

**TO:** Marc Ecker, Superintendent  
**FROM:** Anne Silavs, Assistant Superintendent, Instruction  
**SUBJECT:** *ADMINISTRATOR TRAINING PROGRAM*  
**DATE:** November 30, 2011

---

**BACKGROUND**

The 2011 California State Budget authorized a portion of federal Title II, Part A funds to be used for the Administrator Training Program (ATP), which meets the Elementary and Secondary Education Act (ESEA) requirement of increasing student academic achievement through strategies to improve principal quality and effectiveness. Additionally, participation in the ATP meets state requirements for the Clear Administrative Services Credential. The training ensures leadership, infrastructure, and support for full implementation of effective instructional programs. The six areas of training included in the ATP are:

- School financial and personnel management
- Core academic standards
- Curriculum frameworks and instructional materials
- The use of pupil assessment instruments, Standardized Testing and Reporting (STAR) data, and school management technology to improve pupil performance
- Instructional leadership and management strategies
- Extension of the knowledge, skills, and abilities acquired in the preliminary administrative preparation program

On July 6, 2011, the California Department of Education announced the opportunity for school districts to apply for ATP funding. On November 4, 2011, Fountain Valley School District received notification of a grant award in the amount of \$6,000 (Exhibit A). Funds will be used to support program participation for Heather Harrison, Assistant Principal at Masuda Middle School, and Jennifer Kajdasz, Assistant Principal at Talbert Middle School. The District will be required to provide \$1,000 in matching funds for each participant. The Orange County Department of Education will be the District's training provider.

**RECOMMENDATION**

It is recommended that the Board of Trustees approve acceptance of the \$6,000 grant award from the California Department of Education for participation in the Administrator Training Program.

*Harmini*

**Grant Award Notification**

<b>GRANTEE NAME AND ADDRESS</b> Marc Ecker, Superintendent Fountain Valley Elementary 10055 Slater Avenue Fountain Valley, CA 92708-3405			<b>CDE GRANT NUMBER</b>			
			<b>FY</b>	<b>PCA</b>	<b>Vendor Number</b>	<b>Suffix</b>
			11	14344	6649	00
<b>Attention</b> Marc Ecker, Superintendent			<b>STANDARDIZED ACCOUNT CODE STRUCTURE</b>			<b>COUNTY</b>
<b>Program Office</b> Fountain Valley Elementary			<b>Resource Code</b>	<b>Revenue Object Code</b>	30	
<b>Telephone</b> 714-843-3255			4036	8290	<b>INDEX</b>	
<b>Name of Grant Program</b> Administrator Training Program					0590	
<b>GRANT DETAILS</b>	<b>Original/Prior Amendments</b>	<b>Amendment Amount</b>	<b>Total</b>	<b>Amend. No.</b>	<b>Award Starting Date</b>	<b>Award Ending Date</b>
	\$6,000		\$6,000		7-1-11	9-1-13
<b>CFDA Number</b>	<b>Federal Grant Number</b>	<b>Federal Grant Name</b>			<b>Federal Agency</b>	
84.367A		Administrator Training Program				
<p>I am pleased to inform you that you have been funded for the Administrator Training Program.</p> <p>This award is made contingent upon the availability of funds. If the Legislature takes action to reduce or defer the funding upon which this award is based, then this award will be amended accordingly.</p> <p>Please return the original, signed Grant Award Notification (AO-400) within 10 working days to:</p> <p style="text-align: center;">Shoshannah Fuentes, Associate Governmental Program Analyst          Administrative &amp; Fiscal Services Office          California Department of Education          1430 N Street, Suite 4309          Sacramento, CA 95814-5901</p>						
<b>California Department of Education Contact</b> Shoshannah Fuentes				<b>Job Title</b> Associate Governmental Program Analyst		
<b>E-mail Address</b> sfuentes@cde.ca.gov				<b>Telephone</b> 916-323-1318		
<b>Signature of the State Superintendent of Public Instruction or Designee</b> <i>Tom Torlakson</i>				<b>Date</b> 11-4-11		
<b>CERTIFICATION OF ACCEPTANCE OF GRANT REQUIREMENTS</b>						
<i>On behalf of the grantee named above, I accept this grant award. I have read the applicable certifications, assurances, terms, and conditions identified on the grant application (for grants with an application process) or in this document or both; and I agree to comply with all requirements as a condition of funding.</i>						
<b>Printed Name of Authorized Agent</b>				<b>Title</b>		
<b>E-mail Address</b>				<b>Telephone</b>		
<b>Signature</b> <i>[Signature]</i>				<b>Date</b> 11/17/11		

### Grant Award Notification (Continued)

1. A 50 percent payment of the amount indicated on the front of this grant award will be released upon receipt of the signed AO-400. The second 50 percent payment will be released once all grant conditions have been met.
2. Within the two-year grant period, each participant is required to complete:
  - a. 40 hours of the institute and 40 hours of the practicum training in Module 1,
  - b. A minimum of 20 hours each in the institute and in the practicum for the remaining modules, and
  - c. The online end-of-program survey located on the Management System for Administrator Training (MSfAT) Web site at <http://www.ab430training.org/> (Outside Source).
3. The local educational agency (LEA) shall provide unencumbered access to all fiscal and program reports to the California Department of Education (CDE) representatives.
4. Should the LEA choose to terminate its participation in the program, it must do so within the grant time frame, and a 30-day written notice is required. All funds advanced will be returned to the CDE upon receipt of a CDE billing.
5. The LEA will give priority to those school site administrators working at **low-performing schools and hard-to-staff** schools.
6. The LEA will give the CDE a 30-day notice if an Administrator is no longer participating in the program, or if there is a change request, so that the CDE may invoice the LEA for funds received and/or process an amendment to the grant award. Partial training and funding is not available. LEAs will be required to return the full funding of those participants who do not complete the requirements.
7. The LEA will be required to provide up to \$1,000 in matching funds per principal or assistant principal trained. Any combination of local, federal, or private resources may be used for the LEAs match. In-kind resources or in-kind contributions may not be used for the LEAs match.
8. The LEA will select a State Board of Education (SBE) approved training provider upon initiation of this grant and use only SBE-approved training providers for the institute and practicum. The LEA will also monitor information on the MSfAT database and keep it current and up-to-date. Usernames and passwords are not to be given to anyone that is not a registered user in the MSfAT.
9. The LEA ensures that training participants who are listed under the Administrator Training Program are not also listed for funding under the previous Assembly Bill 430 program.
10. Failure to comply with these conditions may result in suspension of payments under the grant award, or termination of the grant award, or both. If the CDE determines that the district violates the certification by failing to carry out the requirements as noted in the activities indicated in the 2011-13 approved application, the LEA may be ineligible for awards of any future state grants. Also, failure to comply with the conditions of this grant will result in a billing from the CDE for the entire amount of any grant funds advanced.



FOUNTAIN VALLEY SCHOOL DISTRICT  
**Curriculum/Instruction**

*MEMORANDUM*

**TO:** Marc Ecker, Superintendent  
**FROM:** Anne Silavs, Assistant Superintendent, Instruction  
**SUBJECT:** *CONSULTANT AGREEMENT WITH EVALUMETRICS*  
**DATE:** November 30, 2011

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**BACKGROUND**

Evalumetrics, Inc. is an educational consulting company founded in 2005 to provide web-based products and services to California districts and schools. Howard E. Herl, Ph.D., is president of Evalumetrics and earned his doctorate from the University of California, Los Angeles, Graduate School of Education in the area of psychometrics and research methodology. Prior to starting his own company, Dr. Herl worked as a senior researcher at the National Center for Research on Evaluation, Standards, and Student Testing and as a consultant for the Los Angeles County Office of Education.

Evalumetrics offers a variety of technical assistance and services related to student achievement measures, including the annual reporting of California Physical Fitness Test (PFT) data. The assessment is required for all students in grades 5, 7, and 9. Evalumetrics provides timely submission of school and student data files, including any necessary data corrections; Pre-ID data processing of scantrons with student demographic and teacher information; customized district, school and teacher reports; pre-sorted student reports; and toll-free access to technical support.

The cost of this service is approximately 54 cents per student.

**RECOMMENDATION**

It is recommended that the Board of Trustees approve the consultant agreement with Evalumetrics, Inc. for processing and submission of the District's 2012 Physical Fitness Test data to the California Department of Education.

**WEST ORANGE COUNTY CONSORTIUM FOR SPECIAL EDUCATION**

**CONFIDENTIAL MEMO**

To: FVSD Board Members  
From: Patrick J Middleton, Fiscal/MIS Manager  
West Orange County Consortium for Special Education  
Date: November 17, 2011  
Subject: **Non-Public Agency Contract Addendums**

Board Meeting Date: December 08, 2011

Under current consortium budget agreements, any unfunded cost of NPS/NPA placement is a cost to the general fund of the resident district. It is recommended that the following non-public school/agency contract/addendum be approved and that the West Orange County Consortium for Special Education be authorized to receive invoices and process payment.

Student's Name	Non-Public School/Agency	100% Contract/ Addendum	Effective Dates
194632-1258	Cornerstone Therapies	200.00	February 01, 2011 to February 28, 2011

Approved by the FVSD Board of Trustees  
December 08, 2011

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Marc Ecker, Ph.D.  
Superintendent

**ADDENDUM TO AGREEMENT FOR NONPUBLIC NONSECTARIAN SCHOOL/AGENCY SERVICES  
 INDIVIDUAL SERVICE CONTRACT**

This ADDENDUM to the SERVICE CONTRACT is made and entered into this 08th of December, 2011 between the Fountain Valley School District, County of Orange and Cornerstone Therapies for  
(Local Education Agency) (Nonpublic School or Agency)  
194632-1258 born on \_\_\_\_\_ who is a resident of Fountain Valley School District of  
(Name of Student) (Date of Birth) (Local Education Agency)  
 Orange County.

**ORIGINAL CONTRACT - 2010-07-01 to 2011-06-30**

SERVICES AS PROVIDED IN ORIGINAL CONTRACT	Provider Type	Per Session Total	Cost Per Session	Maximum No. Sessions	Total Original Cost
1. Physical Therapy - Consultation ( 5x60min/yr )	NPA	60 Minutes	100.00	5.00	500.00
2. Occupational Therapy - Consultation ( 10x60min/yr )	NPA	60 Minutes	100.00	10.00	1,000.00
<b>TOTAL ORIGINAL CONTRACT COST</b>					<b>1,500.00</b>

**ADDENDUM CONTRACT - February 01, 2011 to February 28, 2011**

SERVICES ADDED BY THIS ADDENDUM	Provider Type	Per Session Total	Cost Per Session	Maximum No. Sessions	Total Addendum Cost
2. Occupational Therapy - Consultation ( addtnl for IEP )	NPA	60 Minutes	100.00	2.00	200.00
<b>TOTAL ADDENDUM CONTRACT COST</b>					<b>200.00</b>

**AMENDED CONTRACT**

SERVICES AS PROVIDED IN AMENDED CONTRACT	Provider Type	Per Session Total	Cost Per Session	Maximum No. Sessions	Total Amended Cost
1. Physical Therapy - Consultation ( 5x60min/yr )	NPA	60 Minutes	100.00	5.00	500.00
2. Occupational Therapy - Consultation ( addtnl for IEP )	NPA	60 Minutes	100.00	2.00	200.00
2. Occupational Therapy - Consultation ( 10x60min/yr )	NPA	60 Minutes	100.00	10.00	1,000.00
<b>TOTAL AMENDED CONTRACT COST</b>					<b>1,700.00</b>

This AMENDED Service shall begin on February 01, 2011 and shall terminate at 5:00 p.m. on February 28, 2011 unless sooner terminated as provided herein.

-CONTRACTOR-

-DISTRICT-

Cornerstone Therapies  
(Name of Nonpublic School/Agency)

Fountain Valley School District  
(Name of School District)

\_\_\_\_\_  
(Contracting Officer's Signature) Date

\_\_\_\_\_  
(Signature)

\_\_\_\_\_  
(Type Name and Title)

Marc Ecker, Ph.D.  
(Type Name of Superintendent) Date

**WEST ORANGE COUNTY CONSORTIUM FOR SPECIAL EDUCATION**

**CONFIDENTIAL MEMO**

To: FVSD Board Members  
From: Patrick J Middleton, Fiscal/MIS Manager  
West Orange County Consortium for Special Education  
Date: November 17, 2011  
Subject: **Non-Public Agency Contracts**

Board Meeting Date: December 08, 2011

Under current consortium budget agreements, any unfunded cost of NPS/NPA placement is a cost to the general fund of the resident district. It is recommended that the following non-public school/agency contract/addendum be approved and that the West Orange County Consortium for Special Education be authorized to receive invoices and process payment.

Student's Name	Non-Public School/Agency	100% Contract/ Addendum	Effective Dates
791635-1820	Robin Lee Morris, PsyD., L.M.F.T.	3,300.00	September 06, 2011 to June 30, 2012
707385-1821	HealthBridge Childrens Hospital	1,300.00	November 09, 2011 to June 30, 2012

Approved by the FVSD Board of Trustees  
December 08, 2011

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Marc Ecker, Ph.D.  
Superintendent

**WEST ORANGE COUNTY CONSORTIUM FOR SPECIAL EDUCATION**

**CONFIDENTIAL MEMO**

To: FVSD Board Members  
From: Patrick J Middleton, Fiscal/MIS Manager  
West Orange County Consortium for Special Education  
Date: November 17, 2011  
Subject: **Non-Public School Contracts**

Board Meeting Date: December 08, 2011

Under current consortium budget agreements, any unfunded cost of NPS/NPA placement is a cost to the general fund of the resident district. It is recommended that the following non-public school/agency contract/addendum be approved and that the West Orange County Consortium for Special Education be authorized to receive invoices and process payment.

Student's Name	Non-Public School/Agency	100% Contract/ Addendum	Effective Dates
383810-1813	Oralingua School for the Hearing Impaired, Inc	42,501.80	February 03, 2011 to June 15, 2012

Approved by the FVSD Board of Trustees  
December 08, 2011

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Marc Ecker, Ph.D.  
Superintendent



**INDIVIDUAL SERVICE AGREEMENT FOR NONPUBLIC, NONSECTARIAN SCHOOL/AGENCY SERVICES**  
(Education Code 56365 et seq.)

All terms and conditions of the current Master Contract for Nonpublic, Nonsectarian School Agency (NPS/NPA), hereinafter referred to as the Master Contract, previously executed by the parties hereto, are incorporated herein by reference. The CONTRACTOR will implement the Individualized Education Program (IEP), and will request an IEP review prior to any change in the service program.

Date: 11-17-11 Local Education Agency: Fountain Valley School District  
 Nonpublic School/Agency: Oralingua School for the Hearing Impaired, Inc  
 Pupil Name: 383810-1813 DOB: \_\_\_\_\_  
 Last, First Middle : \_\_\_\_\_  
 Address: \_\_\_\_\_  
 Street City Zip  
 Sex: \_\_\_\_\_ Grade: \_\_\_\_\_ Residential Setting (Indicate Home, Foster, JCS or LCI): Home  
 (K - 8 or 9 - 12) If LCI, indicate number: \_\_\_\_\_

**CONTRACT TERMS:**

- The pupil's teacher/service provider will hold the following credential/license: Learning Handicapped or Severely Handicapped
- The class size for the pupil will not exceed 12, and/or therapist/pupil ratio will be N/A
- The length of the instructional program will be 300 Minutes per day, Monday through Friday. (Nonpublic school only)
- AUTHORIZED educational services as specified in the IEP shall be provided by the CONTRACTOR up to the amount specified.

**A. BASIC EDUCATION PROGRAM (Applies to nonpublic schools only):**

Number of days 286 x Per Diem 126.30 TOTAL BASIC EDUCATION COSTS 36,121.80

**B. DESIGNATED INSTRUCTION AND SERVICES/RELATED SERVICES:**

SERVICES	Provider Type	Per Session Total	Cost Per Session	Maximum No. Sessions	Maximum Total Cost for Contracted Period
1. Language/Speech Therapy/Individual	NPS	60.00 Minutes	110.00	58.00	6,380.00
1x90min/wk (per FVSD cal)					

Maximum Total Related Services Costs (B) 6,380.00

Maximum Total Basic Education and Related Services Costs (A + B) 42,501.80

Maximum Per Diem for Basic Education 126.30

INDIVIDUAL SERVICE AGREEMENT FOR NONPUBLIC, NONSECTARIAN SCHOOL/AGENCY SERVICES  
(Education Code 56365 et seq.)

All terms and conditions of the current Master Contract for Nonpublic, Nonsectarian School Agency (NPS/NPA), hereinafter referred to as the Master Contract, previously executed by the parties hereto, are incorporated herein by reference. The CONTRACTOR will implement the Individualized Education Program (IEP), and will request an IEP review prior to any change in the service program.

Other Provisions (attachments as necessary): \_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_

The parties hereto have executed this contract by and through their duly authorized agents or representatives.

This contract is effective on: February 03, 2011  
and terminates on 5:00 p.m. on: June 15, 2012  
unless sooner terminated as provided herein.

-CONTRACTOR-

-DISTRICT-

Oralingua School for the Hearing Impaired, Inc  
(Name of Nonpublic School/Agency)

Fountain Valley School District  
(Name of School District)

\_\_\_\_\_  
(Contracting Officer's Signature) Date

\_\_\_\_\_  
(Signature) Date

\_\_\_\_\_  
(Type Name and Title)

Marc Ecker, Ph.D.  
(Type Name of Superintendent)

7056 S. Washington Ave, Whittier, CA 90602  
(Address)

562-945-8391                      562-645-0361  
(Telephone Number)                      (FAX Number)

95-2589590  
(Federal I.D. or Social Security Number)

APPROVED BY THE GOVERNING BOARD ON \_\_\_\_\_

INDIVIDUAL SERVICE AGREEMENT FOR NONPUBLIC, NONSECTARIAN SCHOOL/AGENCY SERVICES

(Education Code 56365 et seq.)

All terms and conditions of the current Master Contract for Nonpublic, Nonsectarian School Agency (NPS/NPA), hereinafter referred to as the Master Contract, previously executed by the parties hereto, are incorporated herein by reference. The CONTRACTOR will implement the Individualized Education Program (IEP), and will request an IEP review prior to any change in the service program.

Date: 11-17-11 Local Education Agency: Fountain Valley School District

Nonpublic School/Agency: Robin Lee Morris, PsyD., L.M.F.T.

Pupil Name: 791635-1820 DOB \_\_\_\_\_  
 Last, First Middle \_\_\_\_\_ :

Address: \_\_\_\_\_  
 Street \_\_\_\_\_ City \_\_\_\_\_ Zip \_\_\_\_\_

Sex: \_\_\_\_\_ Grade: \_\_\_\_\_ Residential Setting (Indicate Home, Foster, JCS or LCI): Home  
 (K - 8 or 9 - 12) If LCI, indicate number: \_\_\_\_\_

**CONTRACT TERMS:**

1. The pupil's teacher/service provider will hold the following credential/license: Licensed Clinical Psychologist
2. The class size for the pupil will not exceed N/A, and/or therapist/pupil ratio will be N/A
3. The length of the instructional program will be N/A per day, Monday through Friday. (Nonpublic school only)
4. AUTHORIZED educational services as specified in the IEP shall be provided by the CONTRACTOR up to the amount specified.

**A. BASIC EDUCATION PROGRAM (Applies to nonpublic schools only):**

Number of days	x Per Diem	TOTAL BASIC EDUCATION COSTS
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**B. DESIGNATED INSTRUCTION AND SERVICES/RELATED SERVICES:**

SERVICES	Provider Type	Per Session Total	Cost Per Session	Maximum No. Sessions	Maximum Total Cost for Contracted Period
1. Independent Educational Evaluation	PS	1.00 Each	3,300.00	1.00	3,300.00

Maximum Total Related Services Costs (B) 3,300.00

Maximum Total Basic Education and Related Services Costs (A + B) \_\_\_\_\_

Maximum Per Diem for Basic Education \_\_\_\_\_

INDIVIDUAL SERVICE AGREEMENT FOR NONPUBLIC, NONSECTARIAN SCHOOL/AGENCY SERVICES  
(Education Code 56365 et seq.)

All terms and conditions of the current Master Contract for Nonpublic, Nonsectarian School Agency (NPS/NPA), hereinafter referred to as the Master Contract, previously executed by the parties hereto, are incorporated herein by reference. The CONTRACTOR will implement the Individualized Education Program (IEP), and will request an IEP review prior to any change in the service program.

Other Provisions (attachments as necessary): \_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_

The parties hereto have executed this contract by and through their duly authorized agents or representatives.

This contract is effective on: September 06, 2011  
and terminates on 5:00 p.m. on: June 30, 2012  
unless sooner terminated as provided herein.

-CONTRACTOR-

-DISTRICT-

Robin Lee Morris, PsyD., L.M.F.T.  
(Name of Nonpublic School/Agency)

Fountain Valley School District  
(Name of School District)

\_\_\_\_\_  
(Contracting Officer's Signature) Date

\_\_\_\_\_  
(Signature) Date

\_\_\_\_\_  
(Type Name and Title)

Marc Ecker, Ph.D.  
(Type Name of Superintendent)

26440 La Alameda, Suite 220, Mission Viejo, CA 92691  
(Address)

949-351-3770  
(Telephone Number) (FAX Number)

77-0643287  
(Federal I.D. or Social Security Number)

APPROVED BY THE GOVERNING BOARD ON \_\_\_\_\_

**INDIVIDUAL SERVICE AGREEMENT FOR NONPUBLIC, NONSECTARIAN SCHOOL/AGENCY SERVICES**  
(Education Code 56365 et seq.)

All terms and conditions of the current Master Contract for Nonpublic, Nonsectarian School Agency (NPS/NPA), hereinafter referred to as the Master Contract, previously executed by the parties hereto, are incorporated herein by reference. The CONTRACTOR will implement the Individualized Education Program (IEP), and will request an IEP review prior to any change in the service program.

Date: 11-17-11 Local Education Agency: Fountain Valley School District  
 Nonpublic School/Agency: HealthBridge Childrens Hospital  
 Pupil Name: 707385-1821 DOB \_\_\_\_\_  
 Last, First Middle \_\_\_\_\_ : \_\_\_\_\_  
 Address: \_\_\_\_\_  
 Street \_\_\_\_\_ City \_\_\_\_\_ Zip \_\_\_\_\_  
 Sex: \_\_\_\_\_ Grade: \_\_\_\_\_ Residential Setting (Indicate Home, Foster, JCS or LCI): Home  
 (K - 8 or 9 - 12) If LCI, indicate number: \_\_\_\_\_

**CONTRACT TERMS:**

1. The pupil's teacher/service provider will hold the following credential/license: Language and Speech Development/Remediation, Occupational and Physical Therapy Services
2. The class size for the pupil will not exceed N/A, and/or therapist/pupil ratio will be 1:1
3. The length of the instructional program will be N/A per day, Monday through Friday. (Nonpublic school only)
4. AUTHORIZED educational services as specified in the IEP shall be provided by the CONTRACTOR up to the amount specified.

**A. BASIC EDUCATION PROGRAM (Applies to nonpublic schools only):**

Number of days	x Per Diem	TOTAL BASIC EDUCATION COSTS
----------------	------------	-----------------------------

**B. DESIGNATED INSTRUCTION AND SERVICES/RELATED SERVICES:**

SERVICES	Provider Type	Per Session Total	Cost Per Session	Maximum No. Sessions	Maximum Total Cost for Contracted Period
1. Physical Therapy - Consultation	NPA	60.00 Minutes	130.00	10.00	1,300.00
10x60min/yr					

Maximum Total Related Services Costs (B) 1,300.00

Maximum Total Basic Education and Related Services Costs (A + B) \_\_\_\_\_

Maximum Per Diem for Basic Education \_\_\_\_\_

INDIVIDUAL SERVICE AGREEMENT FOR NONPUBLIC, NONSECTARIAN SCHOOL/AGENCY SERVICES  
(Education Code 56365 et seq.)

All terms and conditions of the current Master Contract for Nonpublic, Nonsectarian School Agency (NPS/NPA), hereinafter referred to as the Master Contract, previously executed by the parties hereto, are incorporated herein by reference. The CONTRACTOR will implement the Individualized Education Program (IEP), and will request an IEP review prior to any change in the service program.

Other Provisions (attachments as necessary): \_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_

The parties hereto have executed this contract by and through their duly authorized agents or representatives.

This contract is effective on: November 09, 2011  
and terminates on 5:00 p.m. on: June 30, 2012  
unless sooner terminated as provided herein.

-CONTRACTOR-

-DISTRICT-

HealthBridge Childrens Hospital  
(Name of Nonpublic School/Agency)

Fountain Valley School District  
(Name of School District)

\_\_\_\_\_  
(Contracting Officer's Signature) Date

\_\_\_\_\_  
(Signature) Date

\_\_\_\_\_  
(Type Name and Title)

Marc Ecker, Ph.D.  
(Type Name of Superintendent)

393 S. Tustin Street, Orange, CA 92656  
(Address)

714-464-1850                      714-464-1885  
(Telephone Number)                      (FAX Number)

33-0861281  
(Federal I.D. or Social Security Number)

APPROVED BY THE GOVERNING BOARD ON \_\_\_\_\_

**DISTRICT MASTER CONTRACT  
GENERAL AGREEMENT FOR NONSECTARIAN,  
NONPUBLIC AGENCY SERVICES  
2011-12**

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**DISTRICT MASTER CONTRACT  
GENERAL AGREEMENT FOR NONSECTARIAN,  
NONPUBLIC AGENCY SERVICES  
2011-12**

THIS MASTER CONTRACT is made and entered into this 8th day of December, 2011, between Fountain Valley School District, County of Orange hereinafter referred to as the "LEA" and HealthBridge Childrens Hospital, hereafter referred to as "CONTRACTOR" for the purpose of providing special education and /or related services to individuals with exceptional needs under the authorization of California Education Code § 56157, and §§ 56365-56366.7. It is understood that this Master Contract does not commit LEA to payment for special education and related services provided to any individual unless, and until, an Individual Services Agreement ("ISA") for Nonpublic, Nonsectarian Agency ("NPA") Services is executed between LEA and CONTRACTOR on behalf of such individual, or interim telephone approval followed by written approval is given to the CONTRACTOR by a representative of LEA.

WITNESSETH:

Whereas, LEA has determined that the need for such services exists;

Whereas, CONTRACTOR is a nonpublic nonsectarian agency holding all required certificates and licenses;  
and

Whereas, that CONTRACTOR is capable of and willing to provide such services.

A current copy of California Department of Education ("CDE") certification is attached. If certification is revoked during Master Contract period, LEA must be notified by CONTRACTOR in writing within five (5) business days. If certification expires during Master Contract period, CONTRACTOR must provide an updated copy or a copy of a waiver of such certification issued by the CDE. This Master Contract will be null and void if such certification or waiver is expired and not renewed or waived, or if such certification is revoked, rescinded, or otherwise nullified during the effective period of this Master Contract.

In consideration of mutual promises contained herein, it is mutually agreed between the parties as follows:

**I. GENERAL PROVISIONS**

**1. INDIVIDUAL SERVICES AGREEMENT FOR NONPUBLIC, NONSECTARIAN SCHOOL SERVICES**

- a. An Individual Services Agreement ("ISA") for Nonpublic, Nonsectarian Agency ("NPA") Services shall be part of this Master Contract, which CONTRACTOR will be required to execute with LEA with respect to each pupil for whom CONTRACTOR is to provide special education and/or designated instruction and services. The LEA is responsible for completing each pupil's Individual Services Agreement, which shall identify the provider of each service required by the pupil's IEP/IFSP (CCR 3062(e)). Individual Services Agreements shall only be issued for those pupils enrolled in the NPA with the approval of the LEA. CONTRACTOR is responsible for providing those services, which it has agreed to provide for each individual pupil in that pupil's

ISA, unless mutually agreed upon otherwise in writing. Individual Services Agreements are null and void upon termination of the Master Contract.

- b. The Individual Services Agreement may be terminated by the LEA or the CONTRACTOR for cause, as set forth in Education Code section 56366(a)(4), with twenty (20) days written notice. The ISA may be terminated without advance notice if both parties agree to do so in writing.
- c. LEA shall not terminate ISA for NPA Services because of the availability of a public school program initiated during the course of this Master Contract, unless the parent agrees to the transfer of a pupil to a public school program during an IEP/IFSP meeting to which CONTRACTOR will normally be invited, or pursuant to an order from OAH and/or an order rendered by a court of competent jurisdiction.
- d. Continued enrollment and provision of a free appropriate public education ("FAPE") to a pupil currently receiving services from NPA shall not be terminated when stay put is in effect as ordered by OAH under Education Code § 56505.

## 2. **TERM**

This Master Contract is effective on July 1, 2011 and terminates at 5 p.m. on June 30, 2012 (Title 5 CCR section 3062(a)), unless terminated at an earlier date as provided therein.

## 3. **MODIFICATIONS AND AMENDMENTS**

This Master Contract may be modified or amended by a written document, which complies with legal mandates, executed by CONTRACTOR and LEA. The CONTRACTOR agrees to apply the same rate for the entire school (fiscal) year, unless mutually agreed otherwise in writing by the LEA and CONTRACTOR. Changes in the administrative or financial provisions of this Master Contract, which does not alter the educational services or placement, may be made at any time during the term of this Master Contract, as mutually agreed in writing by CONTRACTOR and LEA.

## 4. **COMPLIANCE WITH LAWS**

During the term of this Master Contract, CONTRACTOR shall comply with all applicable federal, state, CDE, and other local statutes, laws, ordinances, and regulations relating to the required provision of special education and/or related services, facilities for individuals with exceptional needs, pupil enrollment, attendance and transfer, corporal punishment, pupil discipline, and positive behavior interventions. The CONTRACTOR shall also fully cooperate with any due process proceedings or complaint investigations.

## 5. **DEFINITIONS AND ACRONYMS**

The following acronyms are used for the purpose of this Master Contract:

- CDE (California Department of Education)
- CDOJ (California Department of Justice)
- COTA (Certified Occupational Therapy Assistant)

- DIS (Designated Instruction and Services)
- FAPE (Free Appropriate Public Education)
- FERPA (Family Educational Rights and Privacy Act of 1974)
- IEP (Individualized Education Program, also means “individualized family service plan” when IEP pertains to individuals with exceptional needs younger than three years of age)
- IFSP (Individualized Family Service Plan)
- ISA (Individual Services Agreement)
- ITP (Individual Transition Plan)
- IMMEDIATE (within one school day)
- LEA (Local Education Agency)
- MASTER CONTRACT (previously known as Agreement)
- NOTIFICATION (within fourteen (14) calendar days, unless otherwise specified)
- NPA (Nonpublic Agency)
- OAH (California Office of Administrative Hearings)
- PARENT (means the natural parent, adoptive parent, surrogate parent, legal guardian, or any other adult granted educational decision-making rights by the natural or adoptive parent, a court of competent jurisdiction or otherwise provided by law)
- RELATED SERVICES also known as Designated Instruction and Services
- SELPA (Special Education Local Plan Area)
- SLPA (Speech Language Pathology Assistant)

## 6. **NO DISCRIMINATION**

CONTRACTOR shall not discriminate based on race, religion, sex, national origin, age, sexual orientation or handicap in employment or operation of its programs.

## 7. **GOVERNING LAW**

The terms and conditions of this Master Contract shall be governed by the laws of the State of California with venue in Orange County, California.

## II. **ADMINISTRATION OF MASTER CONTRACT**

### 8. **NOTICES**

All notices involving: 1) revocation or renewal of CONTRACTOR’s certification, 2) Master Contract disputes, 3) changes of LEA pupil’s residence outside of current LEA attendance area, 4) termination of ISA, 5) termination of Master Contract, 6) notification of cancellation or material change in CONTRACTOR’s or LEA’s insurance coverage, 7) LEA’s reasonable objections to a subcontractor’s liability insurance policy, and CONTRACTOR’s notice of subcontract are required to be given to the LEA and/or CONTRACTOR in writing and shall be delivered in person, by certified/registered mail, or by other delivery service. Notices to LEA shall be addressed to: (insert district representative’s name, title and address) **Patrick J Middleton, Fiscal and MIS Manager, 5832 Bolsa Avenue, Huntington Beach, CA 92649** Notices to CONTRACTOR shall be addressed to: (insert CONTRACTOR’s representative’s name, title and address)\_\_\_\_\_.

The effective date of the notice shall be the date shown on return receipt received by addressee, or if delivered by hand, the date received by addressee or addressee’s agent. All other notices shall be given in the manner determined by the party giving notice, or as specified in a specific section of this Master Contract.

## 9. MASTER CONTRACT DISPUTES

Any disputes or disagreements between CONTRACTOR and LEA regarding implementation or interpretation of this Master Contract, or otherwise relating to this Master Contract, that are not informally voluntarily resolved shall be addressed and/or resolved as set forth in this section of the Master Contract. This provision in this section of the Master Contract, shall apply to all disputes and disagreements related to events that occur and/or injuries that are incurred and/or commence during the term of this Master Contract, even if the party claiming injury first discovers the events and/ or injuries giving rise to the disagreement or dispute or first notifies the other party of the disagreement or dispute, after expiration of this Master Contract. For purposes of this section of the Master Contract, the term “injury” shall include monetary and/or non-monetary injuries.

Step One: The party claiming injury as a result of the facts underlying the dispute or disagreement shall first attempt to resolve the dispute directly between senior level representatives of the parties. If LEA is the party claiming injury, LEA shall notify CONTRACTOR’s Director of the existence of a disagreement or dispute and attempt to resolve the matter informally. If CONTRACTOR is the party claiming injury, CONTRACTOR shall notify the LEA’s Special Education Director or other LEA employee known or reasonably believed to be responsible for LEA’s special education program, of the existence of a disagreement or dispute and attempt to resolve the matter informally.

Step Two: If the dispute or disagreement is not resolved at Step One, the party claiming injury as a result of the facts underlying the dispute or disagreement shall notify the Director of the SELPA of which the LEA is a member and request that the SELPA Director participate in attempting to resolve the matter informally.

Step Three: If the dispute or disagreement is not resolved at Step Two, the party claiming injury, if it wishes to pursue resolution of the dispute or disagreement, shall notify the other party in writing that it wishes to proceed to Step Three. The notice shall include: (a) a written statement of applicable facts supporting its position; (b) all applicable documents; (c) a proposed remedy to resolve the dispute; (d) the time and date during the regular or extended school year at which a Step Three meeting will be held, which date shall be no less than fifteen and no more than forty-five days after the date of the notice; (e) a location in Orange County, at which the Step Three meeting will be held; (f) a statement that the LEA shall invite a representative from a SELPA different from the SELPA that LEA belongs to and CONTRACTOR shall invite a representative from a different nonpublic school, to attend the Step Three meeting. The date, time or location of the meeting may be changed by written agreement of the parties, including to a date earlier than fifteen days or later than forty-five days after the date of the notice.

At the Step Three meeting, LEA and CONTRACTOR shall be given the opportunity to present all applicable facts and documents to the invited representatives, who will be asked to provide a suggested resolution of the dispute or disagreement, that is both equitable and consistent with applicable law and which may include a recommendation for one or more additional meetings, at which the representatives will attempt to mediate a resolution to the dispute or disagreement.

Step Four: If the dispute or disagreement is not resolved at Step Three, the party claiming injury may seek legal and /or equitable redress in a court of competent jurisdiction, or if mutually agreed to in writing by the parties, may submit the matter to binding arbitration by an arbitrator or arbitration service to be agreed to by the parties. The parties agree that this Master Contract

provision on Master Contract Disputes does not alter the parties' right to bring any action in accordance with the applicable statute of limitations under state or federal law.

**10. SUBCONTRACTS AND ASSIGNMENTS**

- a. CONTRACTOR shall provide at least five (5) days written notification to LEA before subcontracting for special education and/or related services pursuant to this Master Contract. CONTRACTOR's written notification shall include the specific special education and/or related service to be subcontracted, including the corresponding hourly rate or fee. In the event LEA determines that it can provide the subcontracted service(s) at a lower rate, LEA may elect to provide such service(s). If LEA elects to provide such service(s), LEA shall provide written notification to CONTRACTOR within five (5) days of receipt of CONTRACTOR's original notice and CONTRACTOR shall not subcontract for said service(s).
- b. Subcontracts for the provision of special education and/or related services pursuant to this Master Contract shall be entered into only with NPS/NPAs certified by CDE, except for an individual providing speech and language therapy, or psychological or educational assessment, who has a current license issued by the applicable licensing authority for those service providers.
- c. CONTRACTOR agrees that any subcontractor providing educational instruction or services, including transportation, shall keep in effect an appropriate policy of liability insurance, which CONTRACTOR shall provide to LEA, and LEA shall notify CONTRACTOR of any reasonable objections to the subcontractor's liability insurance policy within ten (10) days of receipt. CONTRACTOR agrees that subcontractor providing transportation shall keep in effect a liability insurance policy providing at least \$1,000,000 coverage, unless mutually agreed otherwise in writing by CONTRACTOR and LEA. CONTRACTOR shall ensure that such subcontractor shall require the subcontractor's insurance provider to send written notice of cancellation to LEA at least twenty (20) days prior to cancellation or material change in coverage. Proof of insurance shall be provided to LEA prior to the beginning of transportation services by a subcontractor, and upon renewal of coverage thereafter. Transportation subcontractors shall submit copies of insurance policies upon request of LEA; otherwise, certificates of insurance may be acceptable proof, if the information thereon is adequate and verifiable.

**11. INDEPENDENT CONTRACTOR STATUS**

This Master Contract is by and between two independent entities, and is not intended to and shall not be construed to create the relationship of agent, servant, employee, partnership, joint venture or association.

**12. CONFLICTS OF INTEREST**

CONTRACTOR agrees to furnish to LEA a copy of its current bylaws and a current list of its Board of Directors (or Trustees), if it is incorporated. CONTRACTOR and any member of its Board of Directors (or Trustees) shall avoid any relationship with LEA that constitutes or gives the appearance of a conflict of interest.

**13. TERMINATION**

This Master Contract may be terminated by LEA or CONTRACTOR at any time, through the procedures specified herein. To terminate the Master Contract either party shall give twenty (20) calendar days (pursuant to EC 56366(a) (4)) written notice prior to the date of the termination. Upon

termination, CONTRACTOR shall make payment demand, and LEA shall make payment consistent with the payment provisions in this Master Contract. Expenses shall be itemized for review and approval by LEA. CONTRACTOR shall turn over to LEA all records pertaining to LEA pupils possessed by CONTRACTOR or under its control at the time of termination.

**14. INDEMNIFICATION**

CONTRACTOR shall defend, hold harmless, and indemnify LEA, its governing board, officers, administrators, agents, employees, independent contractors, subcontractors, consultants, and other representatives from and against any and all liabilities, claims, demands, costs, losses, damages, or expenses, including reasonable attorneys' fees and costs, and including but not limited to consequential damages, loss of use, extra expense, cost of temporary classrooms, death, sickness, or injury to any person(s) or damage to any property, from any cause whatsoever arising from or connected with its service hereunder, that arise out of or result from, in whole or in part, the negligent, wrongful or willful acts or omissions of the CONTRACTOR, its employees, agents, subcontractors, independent contractors, consultants or other representatives.

LEA shall defend, hold harmless and indemnify CONTRACTOR and its governing board, officers, administrators, agents, employees, independent contractors, subcontractors, consultants, and other representatives from and against any and all liabilities, claims, demands, costs, losses, damages, or expenses, including reasonable attorneys' fees and costs, and including but not limited to consequential damages, loss of use, extra expense, cost of temporary classroom, death, sickness, or injury to any person(s) or damage to any property, from any cause whatsoever arising from or connected with its service hereunder that arise out of result from, in whole or in part, the negligent, wrongful or willful acts or omissions of LEA, its employees, agents, subcontractors, independent contractor, consultants, or other representatives.

The CONTRACTOR shall have no obligation to indemnify, defend, or hold harmless the LEA, its Board, officers, employees, agents, independent contractors, consultants, and other representatives for their sole negligence or willful misconduct; and the LEA shall have no obligation to indemnify, defend, or hold harmless the CONTRACTOR, its Board, officers, employees, agents, independent contractors, consultants and other representatives for their sole negligence or willful misconduct.

This indemnity shall survive the termination of this Master Contract and/or final payment hereunder, and is in addition to any other rights or remedies that the CONTRACTOR or LEA may have under law and/or this Master Contract.

**15. INSURANCE**

During the entire term of this Master Contract, CONTRACTOR shall keep in effect a policy or policies of liability insurance, including coverage of owned and non-owned vehicles used in relation to the performance of services(s) by CONTRACTOR, of at least \$1,000,000 combined single limit for all damages arising from each accident or occurrence. Not later than the effective date of this Master Contract, CONTRACTOR shall provide LEA with satisfactory evidence of insurance, naming LEA as additional insured, only as to matters arising out of this Master Contract for which CONTRACTOR has an obligation to indemnify the LEA, under the Indemnification Section 14, including a provision for a twenty (20) calendar day written notice to LEA before cancellation or material change, evidencing the above-specified coverage. The CONTRACTOR shall at its own cost and expense, procure and maintain insurance under the worker's compensation laws of the state of California.

If LEA or CONTRACTOR determines that a change in insurance coverage is necessary, either LEA or CONTRACTOR may reopen negotiations to modify the terms of this Master Contract's insurance obligations. If LEA or CONTRACTOR determines that a change in insurance coverage is necessary, either LEA or CONTRACTOR may reopen negotiations to modify the terms of this Master Contract's insurance obligations.

LEA warrants that it is self-insured in compliance with the laws of the State of California, that the self-insurance covers persons acting on its behalf or under its control, that its self-insurance covers LEA's indemnification obligations to CONTRACTOR under this Master Contract, and that LEA agrees to provide coverage to CONTRACTOR pursuant to this self-insurance in the event the indemnification obligations of Section 14 of this Master Contract are triggered. The LEA further warrants that it shall notify the CONTRACTOR pursuant to Section 8 of this Master Contract, or any material insurance coverage changes at least twenty (20) days prior to the change.

**16. CHANGE OF RESIDENCE**

CONTRACTOR shall notify parents in writing of their obligation to notify CONTRACTOR of a change in their pupil's residence. CONTRACTOR shall notify LEA in writing of a pupil's and/or parent's change of residence within three (3) school days after CONTRACTOR becomes aware of said change.

If the pupil's new residence is located within an area outside of LEA's service boundaries and CONTRACTOR fails to follow the procedures specified in this provision, LEA shall not be responsible for the costs of services delivered after the pupil's change of residence if CONTRACTOR had knowledge of the pupil's change of residence.

CONTRACTOR shall notify LEA immediately when the CONTRACTOR becomes aware of an emergency change of placement (e.g., hospitalization, juvenile hall, etc.).

**17. FACILITIES MODIFICATION**

CONTRACTOR shall be responsible for any structural changes and/or facilities modifications required by state and/or federal law.

**18. RENEWAL**

Neither CONTRACTOR nor LEA is required to renew this Master Contract in subsequent years.

**19. ENTIRE AGREEMENT**

This Master Contract and any exhibits or attachments hereto constitute the entire Master Contract between LEA and CONTRACTOR, and supersedes any prior or contemporaneous understanding or agreement with respect to the services contemplated. This Master Contract binds the successors, and assignees, of CONTRACTOR.

**20. SEVERABILITY CLAUSE**

If any provision of this Master Contract is held, in whole or in part, to be unenforceable for any reason, the remainder of that provision and of the entire Master Contract shall be severable and remain in effect.

**21. AUTHORIZED REPRESENTATIVE**

Authorization to enter into this agreement on behalf of the LEA is provided by the governing board of the LEA. \_

**III. EDUCATIONAL PROGRAMS**

**22. FREE AND APPROPRIATE PUBLIC EDUCATION (FAPE)**

Parents shall not be charged for any IEP/IFSP mandated educational activities and/or related services provided to their pupil. CONTRACTOR shall not require parents to pay any fees for services required in this Master Contract as a condition of enrollment and/or participation in school related activities necessary for the provision of FAPE.

CONTRACTOR shall provide to LEA pupils special education and/or related services within the NPA, which are consistent with each pupil's IEP/IFSP, and as specified that CONTRACTOR is to provide in each pupil's ISA. This includes development of appropriate goals and objectives for the pupil's IEP/IFSP, periodic progress reports, and participation in IEP/IFSP meetings.

Unless otherwise agreed to between CONTRACTOR and LEA, CONTRACTOR shall be responsible for the provision of the standard and usual supplies, equipment, and facilities it normally provides as part of its general program for the type of pupil population served. No charge of any kind to parents shall be made by CONTRACTOR for special education and/or related services specified on the pupil's IEP/IFSP, including screening or interviews which occur prior to or as a condition of the pupil's enrollment under the terms of this Master Contract, except as specified in writing signed by all relevant parties and attached to the pupil's ISA. This provision does not apply to voluntary activities unnecessary to provide the pupil with a free appropriate public education conducted after written notification to parents as to the cost and the voluntary nature of the activity. Unless the activity takes place during a school vacation or holiday, pupils not participating in such activities shall continue to receive special education and/or related services as set forth in their IEPs.

If an individual pupil's IEP/IFSP requires specialized equipment and/or supplies beyond that normally provided by CONTRACTOR as part of its general program for the type of pupil population served, the specialized equipment and/or supplies, shall be provided by the LEA unless otherwise specified in the ISA. If the pupil is eligible for low incidence funding of equipment and/or supplies, the LEA shall provide the low incidence equipment and/or supplies identified in a pupil's IEP/IFSP, unless the CONTRACTOR specifically agrees in the ISA to provide them. Supplies and/or equipment purchased and/or provided by the LEA remain the property of the LEA, and supplies and/or equipment provided and/or purchased by CONTRACTOR remain the property of CONTRACTOR, if not specifically reimbursed by the LEA for that particular supply or equipment.

**23. TRANSPORTATION**

LEA shall provide transportation services to and from the NPA CONTRACTOR via agreements between the parents and LEA, unless the CONTRACTOR provides the related services at the approved public or non-public agency site. CONTRACTOR may agree in the applicable ISA to provide transportation services at the rates identified in the Rate Schedule Section 51 of this Master Contract.



**24. COPY OF IEP/IFSP AND PROGRAM OF INSTRUCTION**

Upon referral of a pupil to CONTRACTOR, the LEA shall provide CONTRACTOR with a copy of that pupil's current IEP/IFSP, as well as available assessment information, and facilitate, if requested, an observation of the pupil. CONTRACTOR retains the right to decline enrollment of any pupil. CONTRACTOR shall notify the LEA of its decision to decline enrollment or the effective date of the enrollment of the pupil within two (2) days of the decision to decline enrollment or to accept enrollment of the pupil.

CONTRACTOR will provide LEA pupils a program of instruction that is consistent with each pupil's IEP/IFSP as specified in the ISA for NPA Services. Changes in the educational services or placement provided under this Master Contract may only be made based on revisions to the pupil's Individualized Education Program ("IEP"), mediated agreement, an order from California Office of Administrative Hearings ("OAH") and/or an order rendered by a court of competent jurisdiction. At any time during the term of this Master Contract, the parent, CONTRACTOR or LEA may request a review of the pupil's IEP/IFSP, subject to all procedural safeguards required by state and federal law. CONTRACTOR shall ensure that Individual Transition Plans ("ITPs") are completed for all pupils during the IEP year that the pupils attain the age of 16 and each year subsequent. CONTRACTOR agrees to use Special Education Local Plan Area ("SELPA") IEP/IFSP, ITP forms and SELPA service logs, if such documents are available.

**25. SERVICE/PROGRAM MONITORING**

CONTRACTOR shall allow periodic monitoring of each pupil's instructional program by LEA. CONTRACTOR shall be invited to participate in the review of the pupil's progress by LEA. Representatives of LEA shall have reasonable access to observe the pupil at work, to observe the instructional settings, to interview CONTRACTOR, and to review the pupil's progress, service logs and related documentation, including any behavioral intervention plan.

LEA representatives will normally provide notice prior to monitoring visits, but LEA reserves the right to make unannounced monitoring visits. LEA representatives making site visits shall initially report to CONTRACTOR's site administrative office and present appropriate identification and proof of LEA employment.

**26. REASONABLE VISITATION**

CONTRACTOR will provide for reasonable parental visits to all CONTRACTOR facilities including, but not limited to, the instructional setting attended by the pupil, school and recreational activity areas, and if applicable, pupil's living quarters. CONTRACTOR shall make reasonable efforts to comply with any known court orders regarding parental visits and access to LEA pupils. If CONTRACTOR is aware that a violation of a known court order occurred at its site, CONTRACTOR will notify the pupil's parent, but shall not be obligated to notify the parent that is in violation of the court order.

CONTRACTOR's operating program with residential components shall cooperate with parents' reasonable requests for pupil visits in their home during, but not limited to, holidays and weekends. If CONTRACTOR has knowledge that permission is required for parental visits, CONTRACTOR shall require the parent(s) to provide written authorization from the designated individual or agency authorized to grant permission for the parental visit.

**27. WITHDRAWAL BY PARENT**

CONTRACTOR shall immediately report by telephone to LEA if a pupil is withdrawn by the parent from CONTRACTOR-provided services. CONTRACTOR shall confirm said telephone call in writing within three (3) school days.

**28. MEDICATIONS**

CONTRACTOR assures LEA that medications are not to be distributed as part of any NPA services unless specified in the IEP/IFSP and ISA and only when there is a written statement from the physician detailing the type, administration, method, amount, and time schedule of how the medication is dispensed. CONTRACTOR shall also assure LEA that there is a written statement from the parent giving the NPA permission to dispense prescribed medication to the pupil. CONTRACTOR shall keep a written log delineating date, time, amount, medication and name of employee dispensing medication to pupil. Any change in medication type, administration method, amount or schedule must be authorized by both a licensed physician and parent.

**29. ACCIDENT/INCIDENT REPORT**

CONTRACTOR agrees to submit a written accident report to LEA within five (5) school days of an incident where a pupil has suffered an injury requiring medical attention or resulting from physical restraint, injured another individual, is named as a suspected perpetrator or victim in an official sexual harassment complaint, or has been involved in an activity requiring notification of law enforcement or emergency personnel.

**30. PUPIL RECORDS**

CONTRACTOR agrees to keep a current listing of names and positions of employees who have access to confidential records. All pupil records shall be kept in a secure location preventing access by unauthorized individuals. CONTRACTOR will maintain an access log delineating date, time, agency, and identity of the individual for any authorized person accessing pupil records who is not in the direct employ of the CONTRACTOR. Subcontractors shall not be considered in the direct employ of the CONTRACTOR for the purposes of accessing pupil records. Nevertheless, pursuant to Education Code 49076(b)(6), CONTRACTOR may provide subcontractors access to pupil records when the subcontractor provides services within CONTRACTOR's educational institution and has a legitimate interest in the information contained in the pupil records. CONTRACTOR also agrees to comply with the parental right to request copies of records and the parental right to inspect a pupil's file as defined in the federal law under the Family Educational Rights and Privacy Act of 1974 ("FERPA") and the California Education Code § 49000 et seq. and § 56000 et seq.

**31. PROGRESS REPORTS**

Progress reports relating to goals and objectives in a pupil's IEP/IFSP and other data required for review shall be sent by CONTRACTOR to the Director of Special Education of the LEA and to parents per the pupil's IEP/IFSP schedule for progress reporting, at no charge to the LEA. Upon request, an updated report shall be provided if there is no current progress report whenever a pupil is scheduled for an IEP/IFSP review by LEA's IEP/IFSP team or when pupil's enrollment is terminated.

**32. FORWARDING OF RECORDS**

CONTRACTOR agrees, in the event of agency closure, to forward LEA pupil records within seven (7) days to LEA. These shall include, but not be limited to, current transcripts, IEP/IFSPs, and reports.

In the event of a parent request for records, the CONTRACTOR shall copy and forward to the LEA all records pursuant to the records request within three (3) days of the written request by the LEA. The CONTRACTOR may bill for copies at the same rate charged the parents of the pupil.

### **33. IEP/IFSP MEETINGS**

The CONTRACTOR is responsible for ensuring the attendance of CONTRACTOR'S personnel appropriate to represent the related services provider attending required IEP/IFSP meetings. These meetings will be held at the LEA, unless otherwise approved by the LEA. Every effort shall be made to schedule the IEP/IFSP meetings at a time that is mutually convenient to parents, CONTRACTOR'S staff and LEA'S staff. CONTRACTOR'S attendance at LEA pupil IEP/IFSP meetings, including travel time is part of CONTRACTOR'S professional responsibilities and obligations under this Master Contract. The CONTRACTOR shall ensure private and confidential communication between the pupil and members of the pupil's IEP team, at the pupil's discretion.

If CONTRACTOR administers any testing of pupils in conjunction with pupils' IEP/IFSP the CONTRACTOR shall furnish copies of reports and protocols at no charge to the LEA, said copies shall be provided to the LEA at least five (5) days before the pupil's IEP/IFSP meeting. CONTRACTOR will send post-tested goals as well as proposed new goals to LEA and NPS office at least five (5) days prior to the IEP/IFSP meeting. In the event the CONTRACTOR receives notice of the IEP/IFSP fewer than eight (8) days before the meeting, the CONTRACTOR shall provide the documents within three (3) days of receiving the notice.

### **34. RELATED SERVICES**

Unless otherwise specified in the LEA pupil's IEP/IFSP and/or ISA or in another written agreement, CONTRACTOR shall provide related services to LEA pupils on only those days that the LEA pupil's school of attendance is in session and the LEA pupil is scheduled to attend school. When a pupil misses a related service session due to staff absence, or any other staff-related reason (i.e. illness), the make up session shall be provided within thirty (30) calendar days of the missed session and CONTRACTOR shall provide LEA written notice of the completion of said make up session and invoice accordingly as a make up session. Make up sessions provided after 30 calendar days of the missed session shall not be invoiced and will not be reimbursed by the LEA. When a pupil misses a scheduled related service session due to illness or absence, or is absent from school on the day of scheduled related service session, the missed session shall not be made up and the LEA shall not be invoiced by the CONTRACTOR for such missed session.

When related services are provided by a speech language pathology assistant (SLPA) or certified occupational therapy assistant (COTA), CONTRACTOR shall bill such services at rates consistent with those provided by assistants and as set forth in Section 50 of the Master Contract. In the event related services have not been previously provided by a SLPA or COTA, unless the specific services are specified in the LEA pupil's IEP/IFSP, such services shall not be initiated until after the LEA has received reasonable written notice and an opportunity to consult with CONTRACTOR.

**35. DUE PROCESS AND COMPLAINTS**

CONTRACTOR shall fully participate in due process proceedings before OAH including mediations and hearings, at no additional cost, as requested by LEA. Participation includes but is not limited to producing documents regarding pupil, involvement with legal counsel for the LEA in preparation for the due process hearing and testifying at due process hearing. CONTRACTOR shall also fully participate in the investigation and provision of documentation related to any complaint filed with the State of California, the Office of Civil Rights, or any other state and/or federal governmental body or agency.

LEA shall inform parent(s) of their due process rights upon: 1) each notification of an IEP/IFSP meeting; 2) reevaluation of their child; 3) registration of a complaint or a request for a due process hearing; and 4) the commencement of an expulsion proceeding. Upon request by LEA, CONTRACTOR will assist the LEA in meeting its due process notification obligations set forth in this section of this Master Contract.

**36. HEALTH AND SAFETY**

CONTRACTOR shall require that all regular and substitute employees, subcontractors, volunteers, and other individuals who may come into contact with a pupil on school grounds, except those whose functions do not necessitate frequent or prolonged contact with pupils (California Health & Safety Code §§ 121525 & 121545), provide verification of having been tested for tuberculosis and that the individual is free of tuberculosis, as evidenced by a state licensed medical doctor's signature. CONTRACTOR shall keep a copy of said information in the employee or volunteer file.

CONTRACTOR agrees to notify all regular and substitute employees, subcontractors, volunteers, and other individuals who may come into contact with a pupil on school grounds, except those whose functions do not necessitate frequent or prolonged contact with pupils, about universal health care precautions regarding infection control measures related to blood or bodily fluids when providing medical treatment or assistance to a pupil. CONTRACTOR further agrees to provide training regarding universal health care precautions as required by law, and to post required notices in areas designated in the California Health and Safety Code.

**37. BEHAVIOR MANAGEMENT/BEHAVIOR INTERVENTION AGENCIES**

If CONTRACTOR is certified to provide Behavior Intervention, CONTRACTOR shall provide a written description of the NPA's behavior management system and incident reporting procedures. CONTRACTOR shall designate one or more individuals employed, contracted and/or otherwise hired by CONTRACTOR as a "behavior intervention case manager" as that term is defined in Title 5 of California Code of Regulations § 3001(f). CONTRACTOR shall ensure that all staff members are trained annually in crisis intervention and emergency procedures as related to appropriate behavior management strategies. The CONTRACTOR is responsible for adhering to the general positive behavioral interventions and SELPA training procedures set forth in California Education Code §§ 56520-56524 and California Code of Regulations Title 5, §§ 3001 and 3052. This includes data collection for behavioral issues, conducting Functional Behavior Assessment or Functional Analysis Assessment, and formulating Positive Behavior Intervention Plans.

**38. PUPIL RETURN TO DISTRICT**

When an IEP/IFSP team has determined that a pupil should be transitioned into the public school setting, CONTRACTOR shall assist the LEA in implementing the IEP/IFSP team's recommended activities to support the transition of LEA pupils from the special education program. These provisions shall also apply to mediated agreements and OAH decisions.

**39. SURROGATE PARENTS**

CONTRACTOR agrees to notify the LEA and the LEA's SELPA within seven (7) school days when the CONTRACTOR becomes aware of the need for the appointment of a surrogate parent for a LEA pupil enrolled in CONTRACTOR's educational program. A surrogate parent is necessary when the parent of the pupil cannot be identified or located, the court has limited the parents' education rights to represent his/her child and/or the child is a dependent or ward of the court and the court has limited the parents' education rights and the court has no court-appointed responsible adult. CONTRACTOR agrees that the SELPA and authorized representatives will select, appoint and train said surrogate. A surrogate parent must have no interests that conflict with the interests of the child, have knowledge and skills that ensure adequate representation of the child, and may not be an employee of a public or private agency involved in the education and/or care of the child. The surrogate parent will sign an affidavit stating that no such conflict of interest exists and this affidavit will be kept on file by the SELPA.

**IV. PERSONNEL**

**40. FINGERPRINT CLEARANCE**

CONTRACTOR shall require each applicant for employment, and any subcontractor or volunteer in a position requiring contact with minor pupils to submit fingerprints consistent with California Education Code §§ 33192, 35021.1, 35021.2 and 44237. CONTRACTOR shall comply with the requirements of Education Code § 45125.1 including, but not limited to: obtaining California Department of Justice ("CDOJ") clearance for CONTRACTOR's employees; prohibiting its employees from coming in contact with pupils until CDOJ clearance is ascertained; and certifying in writing and proving such certification to the LEA that none of its employees who may come in contact with pupils have been convicted of or pleaded nolo contendere to a felony, unless that individual's employment is authorized under the California Education Code. Nor will any person be employed who has been convicted of or entered a plea of nolo contendere to charges of any sex offense as defined in Education Code § 44011, or to a felony that would disqualify that person from employment pursuant to Education Code § 44237.

**41. CREDENTIALS AND LICENSES**

- a. CONTRACTOR shall provide appropriately credentialed teachers or licensed personnel consistent with Title 5 of the California Code of Regulations and the California Education Code requirements to provide services(s) to pupils under this Master Contract, unless the California State School Board has granted a written waiver. CONTRACTOR shall employ, contract, and/or otherwise hire individuals who are adequately trained and have sufficient experience, according to prevailing professional standards, to provide those services for which the individual is contracted. Individuals employed, contracted, and/or otherwise hired by CONTRACTOR shall be licensed, credentialed, and/or otherwise qualified as specified in applicable California law. If CONTRACTOR has non-certificated employees and/or volunteers who supervise, direct or coach a LEA pupil activity, CONTRACTOR shall ensure compliance with the Activity Supervisor

Clearance Certificate (ASCC) in accordance with Education Code § 49024 and as required by the California Commission on Teach Credentialing.

- b. CONTRACTOR shall be responsible for verification of, credentials and licenses held by its employees, agents and subcontractors. Education credentials shall be on file at the office of the County Superintendent of Schools. Before the start of the school year, CONTRACTOR shall submit to LEA a staff list, and copies of all current credentials, licenses, permits and/or other documents that entitle the holder to provide special education and/or related services by individuals employed, contracted, and/or otherwise hired by CONTRACTOR.
- c. No later than forty-five (45) calendar days after any credentialed/licensed personnel change, CONTRACTOR shall provide copies to LEA and CDE of any changes in licenses or credentials, in accordance with Title 5, Section 3062.
- d. The above provisions of this section, shall apply in all circumstances except those in which a written waiver has been granted by the State of California Board of Education with respect to state laws and regulations or by LEA with respect to its requirements.

#### **42. RELATED SERVICE PROVIDER ABSENCE**

When a related service provider is absent, CONTRACTOR shall employ a substitute service provider who is an appropriately qualified and credentialed staff person to provide service and fulfill other duties of the absent service provider. Upon written or oral request, CONTRACTOR shall provide to LEA documentation of coverage. If a substitute service provider is not utilized and a pupil misses a related service session due to staff absence or any other staff-related reason, CONTRACTOR shall reschedule related service sessions consistent with Sections 34 and 46 of this Master Contract. LEA will not pay for services unless said service is provided by an appropriately qualified and credentialed service provider.

In the event the CONTRACTOR is unable to provide the NPA services consistent with this Master Contract due to service provider absence, the contract shall be terminated, per Section 13. CONTRACTOR shall notify the LEA within 10 days of their inability to provide the service.

#### **43. MANDATED REPORTING**

CONTRACTOR assures LEA that all staff members, including volunteers, have been informed of their obligations are under the Child Abuse and Neglect Reporting Act, California Penal Code § 11164 et seq., and if applicable, their dependent adult reporting obligations under California law, including but not limited to California Penal Code § 11166. CONTRACTOR agrees to provide training to all employees, within thirty (30) days of employment, regarding mandated reporting of child abuse, and (if applicable) dependent adults. CONTRACTOR shall maintain a signed statement by all personnel required to sign such a statement under the Child Abuse and Neglect Reporting Act as set forth in California Penal Code § 11166.5, to the effect that he or she has knowledge of the provisions of California Penal Code § 11166 (reporting duty and time) and will comply with those provisions.

When filing a suspected child abuse report under the Child Abuse Reporting laws, CONTRACTOR shall include in the report the name, telephone number and address of the LEA. When CONTRACTOR is aware of an allegation of staff abuse of a pupil, CONTRACTOR shall conduct an appropriate investigation and take other action, if appropriate, based on the particular facts known to CONTRACTOR at the time. CONTRACTOR shall adopt internal procedures regarding reporting

obligations as authorized in California Penal Code § 11166 (g) (1).

CONTRACTOR will notify it's staff of its responsibility to report to parents and local law enforcement, as appropriate, when a pupil leaves campus without permission, immediately upon confirmation that the pupil is missing, in accordance with Education Code § 49370.

If an employee of CONTRACTOR or subcontractor who has a reporting obligation under applicable California law, observes or has knowledge of an incident that reasonably appears to be physical abuse, abandonment, abduction, isolation, financial abuse or neglect of an elder or dependent adult, or if an elder or dependent adult credibly reports that he or she has experienced behavior including an act or omission constituting physical abuse, abandonment, abduction, isolation, financial abuse, or neglect, or reasonably suspects that abuse, CONTRACTOR shall submit the required report to the appropriate government or law enforcement agency

#### **44. SEXUAL HARASSMENT**

CONTRACTOR shall have a sexual harassment policy that clearly describes the kinds of conduct that constitutes sexual harassment, and that is prohibited by the CONTRACTOR's policy, as well as federal and state law. The policy should include procedures to make complaints without fear of retaliation, and for prompt and objective investigations of all sexual harassment complaints. CONTRACTOR further agrees to annually provide a copy of the sexual harassment policy to all employees, along with information regarding the laws concerning sexual harassment and related procedures. See Accident/Incident Report Section 30. Furthermore, if CONTRACTOR is subject to the requirements of Government Code section 12950.1, regarding sexual harassment training for supervisors, CONTRACTOR shall comply with these requirements.

### **V. FINANCIAL SECTION**

#### **45. SCHOOL CALENDAR**

- a. It is understood that related services provided by CONTRACTOR shall be provided consistent with the LEA's school calendar. In the event the LEA adjusts its school calendar, an amended school calendar shall be provided to CONTRACTOR. Any additional days must be approved in writing by the LEA's authorized representative. Creditable units of service are those specified in the IEP/IFSP or ISA for NPA services for each pupil.
- b. Educational services shall occur at the school site, unless otherwise specified by the pupils' IEP/IFSP.
- c. LEA observes legal holidays including, but not limited to, the following: Independence Day, Labor Day, Veterans' Day, Thanksgiving Day, Christmas Day, New Year's Day, Dr. Martin Luther King, Jr. Day, Lincoln's Birthday, Washington's Birthday, and Memorial Day, as specified in the LEA's school calendar. CONTRACTOR's NPA services may not be provided on legal holidays without prior written approval by the LEA.

**46. ABSENCES**

The LEA shall not be responsible for the payment of educational services when the pupil is absent. CONTRACTOR shall notify LEA in writing when the pupil's absences exceed three (3) sessions. When a pupil misses a session due to staff absence or any other staff-related reason (i.e. illness), a make-up session shall be provided by CONTRACTOR within thirty (30) calendar days of the missed session and CONTRACTOR shall provide LEA written notice of the completion of said make-up session and invoice accordingly as make-up session. Make-up sessions provided after thirty (30) calendar days of the missed session shall not be invoiced and will not be reimbursed by the LEA. When a pupil misses a scheduled session due to illness or absence, the missed session shall not be made up and the LEA shall not be invoiced by the CONTRACTOR for such missed session. CONTRACTOR shall provide all required make-up related services during a time mutually agreed upon between the CONTRACTOR and the LEA.

**47. ATTENDANCE RECORDS**

- a. CONTRACTOR shall keep records of each pupil's daily attendance in a register, report or record, with the pupil's absences clearly identified. These records shall be used to report the attendance of pupils as set forth in California Education Code § 56366 (a) (7). CONTRACTOR shall also keep a register, report, or record identifying all related services provided to a pupil, which will be signed by the related service provider verifying that the services were provided as indicated on the register, report or record. CONTRACTOR shall provide copies of the signed daily attendance records and related services registers with the monthly invoices submitted to the LEA for payment.
- a. CONTRACTOR shall permit LEA representatives, upon reasonable notice, to meet with staff of CONTRACTOR for auditing attendance reporting.

**48. MAINTENANCE OF RECORDS**

Any of the following records that exist shall be maintained by CONTRACTOR for at least five years from the date of origination, or as long as otherwise required by law (CCR 3061): registers and roll books of teachers; daily service logs and notes or other documents used to record the provision of related services; absence verification records (parent/doctor notes, telephone logs, and related documents); bus rosters; staff lists specifying credentials held, business licenses held, documents evidencing other qualifications, social security numbers, dates of hire, and dates of termination; non-exempt staff time sheets; non-paid volunteer sign-in sheets; transportation and other related services subcontracts; school calendars; bell/class schedules; liability and workers compensation insurance policies; state nonpublic school and/or agency certifications; marketing materials; by-laws; lists of current board of directors/trustees, if incorporated; statements of income and expenses; cash receipts and disbursement records; general ledgers and supporting documents; federal/state payroll quarterly reports; and bank statements and cancelled checks.



**49. PAYMENT UNIT**

A unit of service for payment purposes is one (1) hour of related services, or portion thereof. CONTRACTOR shall notify LEA when Medi-Cal is billed for education related expenses.

**50. RATE SCHEDULE**

Education service(s) and/or related services offered by CONTRACTOR in accordance with the IEP/IFSP and the charges for such service(s) during the term of this Master Contract shall be as follows:

<u>Designated Instruction and Services</u>	<u>Rate</u>	<u>Basis* (specify)</u>
(1) Adapted Physical Education	\$ _____	per _____ Minutes
(2) Counseling/Group	\$ _____	per _____ Minutes
(3) Counseling/Individual	\$ _____	per _____ Minutes
(4) Language/Speech Therapy/Group	\$ _____	per _____ Minutes
(4.1) SLP	\$ _____	per _____ Minutes
(4.2) SLPA	\$ _____	per _____ Minutes
(5) Language/Speech Therapy (\$110-130/hr)	\$ <b>130.00</b>	per <b>60</b> Minutes
(5.1) SLP	\$ _____	per _____ Minutes
(5.2) SLPA	\$ _____	per _____ Minutes
(6) Occupational Therapy (\$110-130/hr)	\$ <b>130.00</b>	per <b>60</b> Minutes
(6.1) Occupational Therapist (OT)	\$ _____	per _____ Minutes
(6.2) COTA	\$ _____	per _____ Minutes
(7) Physical Therapy (\$110-130/hr)	\$ <b>130.00</b>	per <b>60</b> Minutes
(8) Transportation - Bus Roundtrip/One Way (specify)	\$ _____	per _____ Day
(9) Transportaion - Other, specify:	\$ _____	per _____
(10) Behavior Intervention/Implementation (Tutor)	\$ _____	per _____ Minutes
(11) Behavior Intervention/Development (Supervision)	\$ _____	per _____ Minutes
(12) Other, specify:	\$ _____	per _____
(13) Other, specify:	\$ _____	per _____
(14) Other, specify:	\$ _____	per _____
(15) Other, specify:	\$ _____	per _____
(16) Other, specify:	\$ _____	per _____

<u>Other Services</u>	<u>Rate</u>	<u>Period Basis* (specify)</u>
(1) One-on-One Aide	\$ _____	per _____ Day
(2) Assessments/Testing/Evaluations	\$ _____	per _____
(99) Not Specified	\$ _____	per _____

- \* Basis of rate, such as: per # of Minutes, per Session, per Clinical Hour, per Day, per Hour, Flat Rate.

## 51. **PAYMENT DEMAND**

CONTRACTOR shall submit written invoices for payment on a monthly basis. CONTRACTOR shall submit said invoice for payment for services rendered via U.S. mail, other delivery service, or in person, no later than thirty (30) days after the end of the attendance accounting period in which said services are actually rendered. The LEA is not required to accept invoices that are submitted more than six (6) months after the expiration of this Master Contract. Proof of receipt may be established by return receipt requested through the mail, by proof of personal delivery, or any other reliable means. CONTRACTOR shall maintain separate registers for the basic education program and each related service. Original attendance forms (i.e., roll books for the basic education program and service logs and notes for each related service) shall be completed by the service provider whose signature must appear on such forms and shall be available for review, inspection, or audit by LEA during the effective period of this Master Contract and for a period of five (5) years thereafter. CONTRACTOR shall verify the accuracy of reported attendance which is the basis of services being billed for payment and shall inform service providers of their personal responsibility for the services being reported as rendered.

Upon approval of said payment demand, LEA shall make payment in an amount equal to the number of creditable days of attendance multiplied by the agreed upon unit amount, as well as all related services at the agreed upon rates. Payment shall be made within forty-five (45) days of receipt by LEA of invoices properly submitted and approved by LEA. If no notice of withholding is provided to CONTRACTOR within ten (10) business days of receipt of an invoice, the LEA shall not withhold any payment. If the payment is not postmarked from the LEA within forty-five (45) days of the receipt of invoice as indicated by proof of receipt, the LEA agrees to pay an additional fee of 1.5% interest per month on amounts not paid, such interest being calculated beginning forty-six (46) days from receipt of the invoice. The CONTRACTOR shall bill the LEA for the interest due.

CONTRACTOR shall submit rebilling invoices, via U.S. mail, other delivery service, or in person, no later than thirty (30) calendar days after the date deficiencies are corrected by the CONTRACTOR. If no notice of withholding is provided to CONTRACTOR within ten (10) business days of receipt of a rebilled invoice, the LEA shall not withhold any payment. If the rebilled payment is not postmarked from the LEA within forty-five (45) days of the receipt of the invoice as indicated by proof of receipt, the LEA agrees to pay an additional fee of 1.5% interest per month on amounts not paid, such interest being calculated beginning forty-six (46) days from receipt of the invoice. The CONTRACTOR shall bill the LEA for the interest due.

The LEA is not responsible for the costs associated with NPA services until the date on which an IEP/IFSP meeting is convened pursuant to law during which the IEP/IFSP team determines that a

NPA services are appropriate, and the IEP/IFSP is signed by all necessary parties, including the SELPA/LEA pupil's parent or another adult with educational decision-making rights.

**52. RIGHT TO WITHHOLD**

LEA has the right to withhold payment to CONTRACTOR, when LEA has reliable evidence described in writing to the CONTRACTOR at the time the notice of withholding is submitted that: (A) CONTRACTOR has not performed a service identified in the invoice; (B) CONTRACTOR has neglected, failed, or refused to furnish information or to cooperate with the inspection, review or audit of its program, work, or records; (C) education and/or related services is provided to LEA pupils by personnel who are not appropriately credentialed, licensed, or otherwise qualified; (D) CONTRACTOR was overpaid by LEA as determined by inspection, review, and/or audit of its program, work, and/or records; (E) CONTRACTOR has failed to provide to LEA all documents concerning one or more LEA pupils enrolled in CONTRACTOR's educational program within seven (7) days after school closure; (F) CONTRACTOR fails to notify LEA of a change of pupil's residence to a residence outside of LEA's attendance areas, within three (3) school days of when CONTRACTOR becomes aware of said change; (G) Educational funds received by CONTRACTOR from the LEA for the educational costs of pupils it has placed in the NPA were not used solely for those purposes but rather for the costs of a residential program.

If the basis for the withholding is subsection B and/or E of this section, the LEA may only withhold the proportionate amount of the bill related to that pupil or service for whom or which documents were not provided in accordance with this Master Contract, and may only withhold the amount until the documents are provided. If the basis for the withholding is subsection A, and/or D, LEA may only withhold the value of the service CONTRACTOR failed to perform or the amount of the overpayment. If the basis for the withholding is subsection C, LEA may only withhold payment for services provided by the individual for the period of time the individual was not properly licensed, credentialed, or otherwise qualified to provide that service. If the basis for the withholding is subsection F of this section, LEA may only withhold payment for service provided to a specific pupil three (3) days after CONTRACTOR becomes aware that the pupil moved to a residence outside of the LEA attendance area and failed to notify the LEA of this change in residence. If the basis for the withholding is subsection G, the LEA may only withhold the proportionate amount of the bill related to the funds received and used for purposes prohibited by subsection G.

If LEA determines that cause exists to withhold payment to CONTRACTOR, LEA shall within ten (10) business days of this determination, provide to CONTRACTOR written notice that LEA is withholding payment to CONTRACTOR. Such notice shall specify the basis for LEA withholding payment and the amount to be withheld. Within thirty (30) days from the date of receipt of such notice, CONTRACTOR shall take all necessary and appropriate action to correct the deficiencies that form the basis for LEA withholding payment. Upon receipt of CONTRACTOR's written request showing good cause, LEA shall extend Contractor's time to respond by an additional thirty (30) days

**53. INSPECTION AND AUDIT OF FINANCIAL RECORDS**

Upon request of LEA which shall include the reason for the request of records, and except as otherwise provided by law, CONTRACTOR shall provide LEA, a state agency, a federal agency, and/or an independent agency/firm contracted by LEA, access to the following record within ten business (10) days, except as otherwise provided by state and federal law: registers and roll books of teachers; daily service logs and notes or other documents used to record the provision of

related services; absence verification records (parent/doctor notes, telephone logs, and related documents); bus rosters; staff lists specifying credentials held, business licenses held, documents evidencing other qualifications, dates of hire, and dates of termination; staff time sheets; non-paid volunteer sign-in sheets; verification of staff training, transportation and other related services subcontracts; school calendars; bell/class schedules; liability and workers compensation insurance policies; state nonpublic school and/or agency certifications; marketing materials; by-laws; lists of current board of directors/trustees, if incorporated; statements of income and expenses; general journals; cash receipts and disbursement books; general ledgers and supporting documents; federal/state payroll quarterly reports; bank statements and cancelled checks. CONTRACTOR may request from the LEA an extension of time to comply with any records request, which shall not be unreasonably withheld. CONTRACTOR shall comply with any requests resulting from an inspection, review, or audit by LEA, a state agency, a federal agency, and/or independent agency/firm in a reasonable and timely manner. CONTRACTOR shall maintain cost data to verify the annual operating budget for providing special education and related services to LEA, which shall be made available for the relevant Master Contract period being audited. Fiscal records shall be maintained by CONTRACTOR for five (5) years after their origination and shall be available for audit.

#### **54. AUDIT EXCEPTIONS**

CONTRACTOR agrees to accept responsibility for receiving, replying to, and/or complying with any audit exceptions related to its educational program and identified by auditors hired by LEA or by appropriate state or federal audit agencies occurring because of CONTRACTOR's performance of this Master Contract.

If an inspection, review, or audit by LEA, CONTRACTOR, a state agency, a federal agency, and/or an independent agency/firm determines that CONTRACTOR or LEA owes the other party monies as a result of over billing, under payment, or failure to perform, in whole or in part, any of its obligations under this Master Contract, the party owed money shall provide to the other party written notice demanding payment and specifying the basis or bases for such demand. In the event that the party from whom payment is demanded disputes that any payment is owed, the matter shall be resolved in accordance with the Dispute Resolution section in section 9 of this Master Contract.

The parties hereto have executed this Master Contract by and through their duly authorized agents or representatives.

**CONTRACTOR**

**HealthBridge Childrens Hospital**

Print Name of Nonpublic, Nonsectraian School

Contracting Officer's Signature

Print Name and Title

Date

**LEA**

**Fountain Valley School District**

Print Name of LEA

Authorized Representative's Signature

**Marc Ecker, Ph.D.**

Print Name and Title

Date

APPROVED BY THE LOCAL EDUCATION AGENCY GOVERNING BOARD ON:

\_\_\_\_\_

NPS/NPA Contact Person & Mailing Address:

Contact Person

**393 S. Tustin Street, Orange, CA 92656**

Street Address, City, State & Zip

**714-464-1850**

Telephone Number

**714-464-1885**

FAX Number

LEA Contact Person & Mailing Address:

**Patrick J Middleton, Fiscal and MIS Manager**

Contact Person

**5832 Bolsa Avenue, Huntington Beach, CA 92649**

Street Address, City, State & Zip

**714-903-7000 ext 4615**

Telephone Number

**714-372-8109**

FAX Number