



WISEBURN UNIFIED SCHOOL DISTRICT

Blake Silvers, Ed.D., Superintendent

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Matthew Wunder, Ed.D.
Chief Executive Officer & Superintendent
Da Vinci Schools
201 N. Douglas Street
El Segundo, CA 90245

Re: Notice of Termination of the Facilities Use Agreement dated May 14, 2015 for Non-Cause

Dear Dr. Wunder:

This correspondence responds to Greta A. Proctor's March 1, 2023 letter regarding Da Vinci Schools' ("Da Vinci") desire to construct a separate CTE Studio on the Wiseburn Unified School District-owned ("District") property located at 201 N. Douglas Street, El Segundo, California 90245 ("School Site") without first signing a License Agreement and Memorandum of Understanding, as requested by the District. Ms. Proctor asserts that those agreements are unnecessary because Sections 1.2.3 and 7.4 of the May 14, 2015 Facilities Use Agreement between the District and Da Vinci ("FUA") authorize Da Vinci to construct and exclusively use the CTE Studio, and that the District required no additional agreements when Da Vinci made other improvements at the School Site over the years, including the Black Box Theater project.

As you know, the District disagrees with Ms. Proctor's assessment. At the time the District and Da Vinci signed the FUA, it was never contemplated that Da Vinci would seek to build an entirely separate structure on the School Site. Sections 1.2.3 and 7.4 of the FUA were instead intended to enable Da Vinci to make additions or modifications to the existing facilities, and to complete projects that had been discussed by the District and Da Vinci at the time funding was secured for the construction of the Wiseburn High School facility. At the time, the District desired to provide some flexibility to Da Vinci in the event that cost overruns related to the construction of the Wiseburn High School facility led to the removal of some of the desired elements of the project from the overall scope. The Black Box Theater and the other improvements Da Vinci made after entering into the FUA were exclusively additions or modifications to existing structures. The Black Box Theater is contained within the main Wiseburn High School building and is not a separate structure.

The area where Da Vinci seeks to construct the CTE Studio is independent of the existing Wiseburn High School facility and is adjacent to the activity field. Because the FUA was not intended to apply to the construction of separate structures, the proposed License Agreement is necessary to grant Da Vinci use of the CTE Studio for its CTE program, while still enabling the District to maintain its fiduciary responsibility for property that was purchased with money from the Wiseburn community, largely in the form of a bond. The accompanying Memorandum of Understanding acknowledges, among other things, that the District owns the School Site, that there would be a benefit to both the District and Da Vinci of building a CTE Studio, that the District and Da Vinci

have worked collaboratively to secure state funding for the construction of a CTE Studio, and that title and ownership of the CTE Studio will remain solely with the District.

As it became clear that the District and Da Vinci had a disagreement over the applicability of the FUA to a separate CTE Studio, in accordance with Section 1.4 of the FUA, the District convened a Working Group consisting of the two of us (Blake Silvers and Matthew Wunder), two members of Da Vinci's Board of Trustees (Jo Webber and Ray Santiago), and two members of the District's Board of Education (Nelson Martinez and Roger Banuelos), to discuss the District's request that Da Vinci sign the License Agreement and Memorandum of Understanding regarding the CTE Studio. The Working Group discussed the issue extensively but was unable to reach an agreement, with Da Vinci remaining steadfast in its position that the existing FUA authorizes it to construct and occupy a CTE Studio and that it is not obligated to sign any additional agreements to do so. That position not only impacts the CTE Studio, but it also threatens the District's ability to fully manage and control future additions, alterations, and/or modifications to the School Site by enabling Da Vinci to assert that it may do so without the proper documentation necessary to uphold the District's fiduciary responsibility to the community.

The District invested approximately \$160,000,000 to develop the state-of-the-art Wiseburn High School facility on District-owned property to serve District students. That total includes a \$52,416,968 grant from the State-managed Charter School Facilities Program. Receipt of the grant was conditioned upon the District providing a \$52,416,968 match, which it contributed from bond funds. Additionally, \$16,500,000 of the \$52,416,968 grant was designated for land acquisition by the District. That funding would not have been available to Da Vinci as a charter school organization.

The District and its Board of Education have an obligation to the Wiseburn community to maintain prudent control over both the District's finances and its investments, which include the Wiseburn High School facility and the School Site. Although the District and Da Vinci have maintained a close and collaborative relationship, in signing the FUA enabling Da Vinci to occupy the Wiseburn High School facility, it was not the District's intention to cede all control over the entire property to Da Vinci, as doing so would be contrary to its fiduciary responsibility to the community. Further, Da Vinci's understanding of the District's responsibility to the Wiseburn community, which made this state-of-the-art facility possible, is of critical importance and must be the center of the ongoing partnership between the two organizations.

Da Vinci requires District cooperation to construct the CTE Studio and any other major facility improvements because any such work would require Division of State Architect approval, and as a charter school occupying District-owned property, Da Vinci can only seek such approval through the District. The District and Da Vinci have historically enjoyed a productive working relationship, and the District would like to work with Da Vinci to construct the CTE Studio, which would benefit District students and the Wiseburn community as a whole. However, the District cannot agree to construction of the facility if Da Vinci is unwilling to sign the License Agreement and Memorandum of Understanding, a simple set of steps that was previously shared many times with Da Vinci staff and Trustees.

Given Da Vinci's unwillingness to sign the License Agreement and Memorandum of Understanding, it is clear that the District and Da Vinci have reached an impasse. Moreover, the stance Da Vinci has taken regarding the CTE Studio License Agreement leads the District to believe that Da Vinci feels the current FUA grants it the power to plan future additions, modifications, and/or alterations with limited consent from and control by the District – a position that is contrary to the District's responsibility to the Wiseburn community that has entrusted the District with managing millions of dollars and state-of-the-art facilities on its behalf. This responsibility is one that we do not take lightly and is non-negotiable.

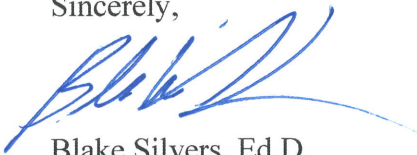
Therefore, the District has carefully considered all available options and has determined that it has no choice but to provide Da Vinci with notice that, pursuant to Section 3.5 of the FUA, the District will terminate the FUA for "non-cause" effective July 1, 2023. Accordingly, Da Vinci Design, Da Vinci Science, and Da Vinci

Communications should plan to submit Proposition 39 facilities requests to the District by November 1, 2023 to receive facilities for the 2024-25 school year.

Before July 1, 2023, the District will prepare an agreement pursuant to California Code of Regulations, title 5, section 11969.1, subdivision (b), in lieu of Proposition 39, that will enable Da Vinci to remain in its current footprint at the 201 N. Douglas Street facility for the 2023-24 school year, with similar terms to those that exist currently, to ensure that there is no disruption to its program.

The District is committed to entering into a new agreement with Da Vinci that is respectful of both Da Vinci's interest in continuing its use of the Wiseburn High School facility and the District's interest and obligations to the Wiseburn community as the owner of the facility and the School Site. The District looks forward to continued collaboration with Da Vinci to serve Wiseburn students.

Sincerely,

A handwritten signature in blue ink, appearing to read "Blake Silvers", with a stylized flourish extending to the right.

Blake Silvers, Ed.D.
Superintendent
Wiseburn Unified School District