

A CALIFORNIA DISTINGUISHED SCHOOL

**REGULAR MEETING AGENDA  
BOARD OF DIRECTORS  
Tuesday, June 15, 2010  
5:00 PM, LIBRARY**

**I. PRELIMINARY**

- A. Call to order
- B. Roll call

**II. APPROVAL OF MINUTES**

- May 11, 2010 Special Board Meeting
- May 26, 2010 Board Meeting
- June 8, 2010 Special Board Meeting

**III. PUBLIC COMMENT:**

Non-agenda items: No individual presentation shall be for more than two (2) minutes and the total time for this purpose shall not exceed sixteen (16) minutes. Board members will not respond to presentations and no action can be taken. However, the Board may give direction to staff following a presentation. Use of names of individuals should be avoided when referring to accusations or wrongdoing (names should be presented to the Executive Director for follow-up action). Speakers may choose to speak during the public comment segment and/or at the time an agenda item is presented.

**IV. ORGANIZATIONAL REPORTS:**

- A. Executive Director's report- Amy Held
- B. Principal's report- Marcia Haskin
- C. Chief Business Officer's report- Greg Wood
- D. Students' report- Shahin Mohamadi
- E. Faculty report- James Paleno and/or Karen Perkins
- F. Budget and Finance Committee report- Rob King
- G. Policy Committee report- Julia O'Grady
- H. Educational Programs Committee report- Grant Smith
- I. Communications Committee report- Monica Iannessa
- J. Operations, Facilities and Technology Committee report- Maisha-Cole Perri

**V. DISCUSSION AND/OR ACTION ITEM**

- A. Introduction of new Interim Executive Director- Michael Smith
- B. Update on Governance Policies – Ad Hoc Policy Committee
- C. Executive Director-Interim Executive Director transition of responsibilities-
  - Legal, financial and other signature requirements.
  - List of critical school functions and personnel trained.
- D. Distance Learning Consulting Contract- Amy Held
  - Approval of consulting agreement which specifies milestones, deliverables, and payments against milestones.
  - Approval of consulting contract cost after review of comparison information.
- E. Board discussion and action to enter into a loan agreement for up to \$1,000,000 to complete pool construction, and \$354,000 to refinance existing loan on track and field. To be repaid ultimately with Civic Center Permit Fees- Tentative-Amy Held
  - Updated 10 Year Civic Center Permit Fees cash flow statement.
- F. Salary schedule for unrepresented staff- Amy Held
  - Comparisons
- G. Approval to submit and authorization for Executive Director to sign the 2010-2011 Consolidated Application Part 1 due June 30, 2010.
- H. Approval to update check signatories on all Palisades Charter High School bank accounts.
- I. Board Grade Appeal Committee report- John Riley

**VI. OUTSTANDING BUSINESS**

**VII. NEW BUSINESS**

*Board chair to announce items for closed session.*

**VIII. CLOSED SESSION**

- A. Conference with legal counsel- anticipated litigation
  - Significant exposure to litigation pursuant to subdivision b of section 54956.9
- B. Conference with labor negotiator: Amy Held, Executive Director
  - Employee organization: PESPU, UTLA

**OPEN SESSION**

*Board Chair will report publicly on any closed session action items for which a vote occurred.*

**IX. ADJOURNMENT**



A CALIFORNIA DISTINGUISHED SCHOOL

**SPECIAL MEETING MINUTES  
BOARD OF DIRECTORS  
Tuesday, May 11, 2010  
5:00 PM LIBRARY**

**I. PRELIMINARY:**

A. CALL TO ORDER 5:02 PM

B. ROLL CALL

Members Present:

Julia O'Grady  
Carol Osborne  
Karen Perkins  
John Riley  
John Callas

James Paleno  
Susan Frank  
Alex Shuhgalter  
Patrice Fisher

Officers/Non-Voting Members:

Greg Wood  
Marcia Haskin  
Azad Amanat

Absent:

Amy Held  
Jason Cutler

**II. PUBLIC COMMENTS:**

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Dan Kelly, teacher, presented a petition signed by 120 teachers and staff that recommends that the Board offer Marcia Haskin the Interim Executive Director position. He said that the effort arose from a number of faculty and staff members, with UCLA's work on structure being a contributing factor.

Leslie Woolley, parent, (who spoke after item III B.) expressed her opinion that, although Marcia Haskin has been a great presence at the school, she thought that an Interim Executive Director was needed alongside Ms. Haskin, and she wanted to see the search process continued. Ms. Woolley also said that she views the UCLA process positively.

Alison Holdorff-Polhill, parent, (who spoke after item III B.) felt that UCLA's work has been brilliant. She also spoke of her belief that an Interim Executive Director is needed to

handle the business end of the school. She suggested that both the Interim Executive Director, and the Interim Principal, report directly to the Board.

Stephanie Inyama, parent, (who spoke after item III B.) expressed appreciation to the UCLA team. She also said that the Board should work on its own leadership and accountability.

### III. DISCUSSION AND/OR ACTION ITEMS:

#### A. Interim Executive Director

The Board discussed the petition that was presented in the public session. There was a general consensus among Board members Marcia Haskin was well respected by both the Board, and the school community, as represented by the petition. Concerns were raised about whether it would be possible for Ms. Haskin to take on the duties of both Principal and Executive Director since these are both full-time jobs. Concerns were raised about whether parts of the Principal's job or the Executive Director's job would not get the full attention needed.

Marcia Haskin spoke about her years of experience as a principal, and said that she felt comfortable that she could handle the increased workload. She expressed that if she felt additional help was needed for a task, she would ask for it. Ms. Haskin questioned whether the time and energy needed to train an Interim Executive Director makes sense considering it is a short term position.

John Callas recommended that Marcia Haskin's name be added to the list of Interim Executive Director candidates. He recommended that it would not be necessary for her to go through the interview process given her extensive experience as an administrator.

Patrice Fisher questioned Ms. Haskin's ability to handle both the Executive Director and Principal positions given the scope of the two positions. She requested that Ms. Held give the Board her opinion about how Ms. Haskin handled both sets of responsibilities during her (Ms. Held's) maturity leave.

Alex Shuhgalter stated that he has full confidence in Marcia Haskin's ability to be Interim Executive Director.

Later in the evening, the Board decided that, because Ms. Haskin was now a candidate for the Interim Executive Director position, she should be replaced on the Interim Executive Director Search Committee. Carol Osborne and James Paleno were chosen to join the Search Committee.

#### B. UCLA School Management Program (SMP) presentation and analysis of stakeholder input regarding management structure and positions.

Pat Martinez Miller and Debbi Laidley from the UCLA School Management Program (SMP) presented to the Board the results of their focus group meetings with stakeholders.

After their presentation, the Board participated in group activities designed to facilitate consensus building.

An exercise concerning the upper management structure led to the consensus that the

Board favored one leader at the top of the organizational structure who came up from the academic side, but who also had some business experience.

Conclusions articulated after the upper management structure consensus building exercise were-

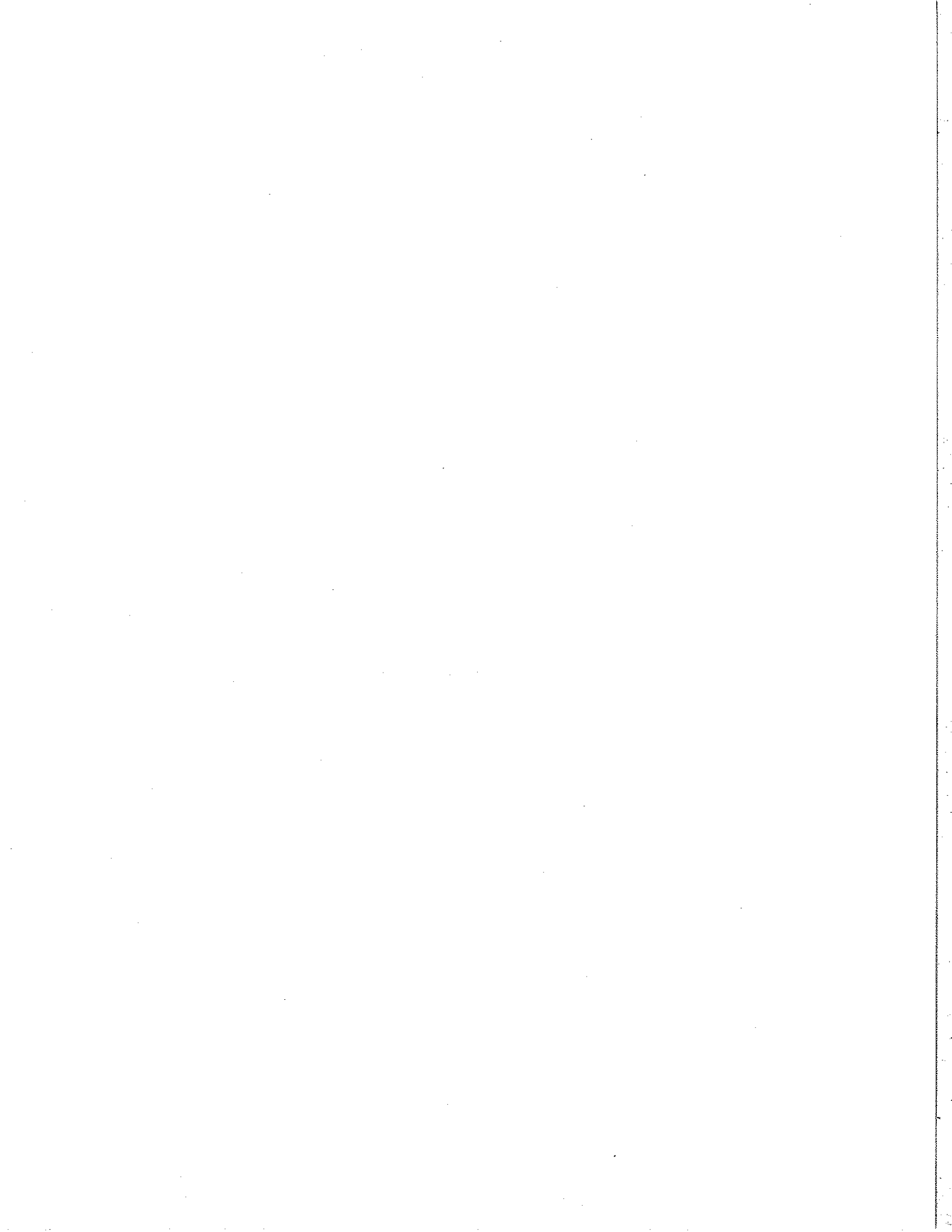
- One leader with both educational and business experience who reports to the board.
- Sufficient other administrative personnel to carry out responsibilities, and who report to the leader.

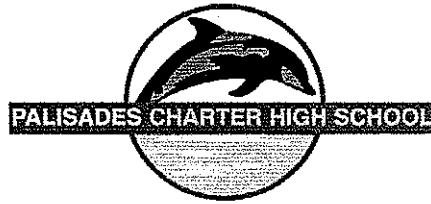
The UCLA team made some observations to the Board-

- There is confusion as to roles and responsibilities. Job descriptions need to be clarified.
- Indicators need to be put into place to judge the effectiveness of school leaders.
- Over the next year stakeholder groups need to come together on a shared vision.
- Work needs to be done on policies, governance, and transparency.
- They thought that we might be ready in the fall to begin the leader selection process.

**IV. ADJOURNMENT 9:53 P.M.**

(Meeting materials can be found on the Pali High website, [www.palihigh.org](http://www.palihigh.org), under About Pali, Governance, Board of Trustees, Agendas and Minutes, Material for Board Meetings)





A CALIFORNIA DISTINGUISHED SCHOOL

**REGULAR MEETING MINUTES  
BOARD OF DIRECTORS  
Wednesday, May 26, 2010  
5:00 PM, LIBRARY**

**I. PRELIMINARY**

- A. Call to order- the meeting was called to order at 5:03 PM.
- B. Roll call

Members Present

Amy Held  
Alex Shuhgalter  
Carole Osborne  
Jason Cutler  
John Callas

John Riley  
Julia O'Grady  
Karen Perkins  
Patrice Fisher  
Susan Frank

Absent

James Paleno

Officers/Non-Voting Members Present:

Marcia Haskin      Greg Wood      Azad Amanat (arrived 6:15 PM)

**CLOSED SESSION 5:03 PM**

**II. PUBLIC EMPLOYMENT**

Title: Chief Business Officer  
Title: Director of Student Support Services  
Title: Director of Instruction  
Title: Director of Admissions, Attendance and Student Welfare  
Title: Director of Student Activities, Athletics and Discipline  
Title: Operations Manager  
Title: Finance/ASB Manager  
Title: Community Service Coordinator  
Title: Security Supervisor  
Title: College Advisors  
Title: Executive Administrative Assistant

**OPEN SESSION 5:52 PM**

*The Board Chair reported publicly on the closed session action item for which a vote occurred.*

*Julia O'Grady moved that we retain the Chief Business Officer, Director of Student Support Services, Director of Instruction, Director of Admissions, Attendance and Student Welfare, Director of Student Activities, Athletics, and Discipline, Operations Manager, Finance/ASB Manager, Community Service Coordinator, Security Supervisor, College Advisors, and Executive Administrative Assistant for the next year. Patrice Fisher seconded the motion.*

**BOARD ACTION: MOTION PASSED**

**Yes – 8 (Amy Dresser Held, Carol Osborne, John Callas, John Riley, Julia O'Grady, Karen Perkins, Susan Frank, Patrice Fisher)**

**No – 1 (Alex Shuhgalter)**

**Abstain – 1 (Jason Culter)**

**III. APPROVAL OF MINUTES**

April 20, 2010

*Carol Osborne moved to approve the Minutes as amended. John Callas seconded the motion.*

**BOARD ACTION: MOTION PASSED**

**Yes – 10 (Amy Held, Carol Osborne, John Callas, John Riley, Julia O'Grady, Karen Perkins, Susan Frank, Patrice Fisher, Alex Shuhgalter, Jason Culter)**

**No – 0**

**Abstain – 0**

May 11, 2010

*Carol Osborne moved to have the Minutes changed and brought back to the Board. Julia O'Grady seconded the motion.*

**BOARD ACTION: MOTION PASSED**

**Yes – 8 (Carol Osborne, John Callas, John Riley, Julia O'Grady, Karen Perkins, Susan Frank, Patrice Fisher, Alex Shuhgalter,)**

**No – 0**

**Abstain – 2 (Amy Held, Jason Cutler)**

**IV. PUBLIC COMMENT:**

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Richard Thomas, administrator, said that during the transition period he thought the school would be best served with Marcia Haskin as the Interim Executive Director and Principal, with Mike Smith assisting her.

Mark Epstein, parent, (speaking before agenda item VI, A) presented to the Board an edited version of the Board-Executive Director Linkage Policies which was a collaborative effort of several parents. Mr. Epstein urged the Board to continue to have an open dialogue with all stakeholders regarding governance policies.

Jane Jaffe, parent, (speaking before agenda item VII, B) urged the Board to embrace change and to keep an open mind when considering the Interim Executive Director candidates.

Allison Holdorff Polhill, parent, (speaking before agenda item VII, B) felt all stakeholders would benefit from an explanation of the differences in roles and responsibilities between the Executive Director and Principal. She expressed strong support of Marcia Haskin, but was concerned that having both positions would diminish her academic effectiveness.

Leslie Woolley, parent, (speaking after agenda item VII, B) urged the Board to select a candidate for Interim Executive Director who is vibrant, has a vision, and is able to move the school forward.

**V. ORGANIZATIONAL REPORTS:**

A. Executive Director's report- Amy Held (see handout)  
PCHS's Charter was renewed by LAUSD.

B. Principal's report- Marcia Haskin (see handout)  
Marcia Haskin gave a report on Pali's educational program in general, successes this year and improvements to work on next year. In particular, she complimented Richard Thomas and Ann Davenport for a successful first year at Temescal Academy.

C. Chief Business Officer's report- Greg Wood (see handout)  
The fiscal 2009-2010 projected budget deficit is currently estimated at \$423,000. There is a Special Board Meeting dedicated to the budget on June 8<sup>th</sup>. Greg said that he and Amy Held would shortly be meeting with lenders to discuss the pool loan.

D. Students' report- Azad Amanat  
Wendy Hagan was elected as the student elected faculty representative, and Shahin Mohamadi the student representative, to the Board of Trustees for 2010-2011.

E. Faculty report- James Paleno and/or Karen Perkins  
No report.

F. Budget and Finance Committee report- Rob King  
No report.

G. Policy Committee report- Julia O'Grady

Julia O'Grady reported that the Policy Committee recently passed the Dress Code Policy, the Modified Schedule Policy, and the Perimeter Fence Banner Policy. These policies will be forwarded to the appropriate administrators for action.

H. Educational Programs Committee report- Grant Smith  
No report.

I. Communications Committee report- Monica Iannessa  
Monica Iannessa reported that the Communications Committee had recently finished the PCHS e-mail guidelines, which will be distributed to the faculty and staff at an upcoming meeting. That committee is also working on social networking guidelines.

J. Operations, Facilities and Technology Committee report- Maisha-Cole Perri  
No report.

**VI. DISCUSSION ITEMS:**

A. Board – Executive Director Linkage Policies – Karen Perkins (see handouts)  
There was a discussion regarding areas of conflict between Carver policy governance and our Charter, which centered on Board Committees.

A committee consisting of Julia O'Grady, Susan Frank, John Callas, John Riley, Allison Holdorff Polhill, and Mark Epstein will discuss this issue, and consider possible solutions. The committee will give an update to the Board at the June 15<sup>th</sup> regular meeting.

B. Board retreat- summer 2010

The Board discussed a summer retreat with the topic being fundraising.

**VII. DISCUSSION AND/OR ACTION ITEM**

A. Request for Policy Committee to Prepare Governance Policies Under Consideration for Approval by Board- Karen Perkins

This item was tabled pending further discussion.

B. Interim Executive Director Committee – Carol Osborne, Greg Wood, Jennifer Eustice, James Paleno, and Amy Held

Carol Osborne discussed the process that the Interim Executive Director Hiring Committee followed.

- April 20<sup>th</sup> the Interim Executive Director Search Committee was formed.
- May 11<sup>th</sup> a petition from employees was received recommending Marcia Haskin for the Interim Executive Director position. At that time, Ms. Haskin withdrew from the Search Committee and was replaced by Carol Osborne and James Paleno.
- May 14<sup>th</sup> the committee reviewed the 25 resumes they had received, and identified 5 candidates to interview for the Interim Executive Director position. Brian Bauer, the Executive Director at Granada, participated in the identification of potential candidates.
- May 20<sup>th</sup> the committee and Brian Bauer interviewed 4 candidates (one was unavailable). The committee brought forth 2 of the 4 candidates (Tom Stekol

and Mike Smith), plus Marcia Haskin, to the Board as the “short list” of candidates.

- May 24<sup>th</sup> Tom Stekol and Mike Smith met with the administrative team.

The Board heard a short presentation from 2 of the Interim Executive Director Candidates, Tom Stekol and Mike Smith.

C. Change of the Facilities Task Force from Board Ad Hoc to Management – Amy Held

Amy Held recommended that the Facilities Task Force, due to the nature of the committee, and issues regarding open meetings, would best be served by being a management committee.

*Julia O’Grady moved to dissolve the Facilities Task Force as an Ad-Hoc Board Committee. John Callas seconded the motion.*

**BOARD ACTION: MOTION PASSED**

**Yes – 10 (Amy Held, Carol Osborne, John Callas, John Riley, Julia O’Grady, Karen Perkins, Susan Frank, Patrice Fisher, Alex Shuhgalter, Jason Culter)**

**No – 0**

**Abstain – 0**

D. Dissolution of the Board Ad Hoc Auditor Selection Committee – Susan Frank

Susan Frank recommended dissolution of the Board Ad Hoc Auditor Selection Committee because in April the Committee recommended, and the Board approved, Wilkinson Hadley King as PCHS’s auditor for the 2010-2011 fiscal year.

*Carol Osborne moved to dissolve the Ad Hoc Auditor Selection Committee. Julia O’Grady seconded the motion.*

**BOARD ACTION: MOTION PASSED**

**Yes – 10 (Amy Held, Carol Osborne, John Callas, John Riley, Julia O’Grady, Karen Perkins, Susan Frank, Patrice Fisher, Alex Shuhgalter, Jason Culter)**

**No – 0**

**Abstain – 0**

E. Proposed salary schedule and comparisons for administration/management – Amy Held (see handouts)

Amy Held presented a salary schedule for administrators and comparison information.

*Alex Shuhgalter moved that an impartial Board committee, made up of non-employees, review the proposed salary schedule and make a recommendation to the Board. The motion died for lack of a second.*

*Patrice Fisher moved to accept the salary schedule with the inclusion of Master’s and Doctoral degrees. John Riley seconded the motion.*

Clarification and discussion of the salary schedule ensued.

*John Callas moved, and Carol Osborne seconded the vote.*

**BOARD ACTION: MOTION PASSED**

**Yes – 5 (Amy Held, John Callas, John Riley, Julia O’Grady, Patrice Fisher)**

**No – 4 (Jason Cutler, Karen Perkins, Alex Shuhgalter, Susan Frank)**

**Abstain – 1 (Carol Osborne)**

- F. Employment contracts (2010-2011) for PCHS administration/management and unrepresented staff - Amy Held (see handouts)

*Alex Shuhgalter moved to approve one year contracts for management, administrators, and unrepresented staff. Jason Cutler seconded the vote.*

**BOARD ACTION: MOTION PASSED**

**Yes – 9 (Amy Held, John Callas, John Riley, Julia O’Grady, Carol Osborne, Jason Cutler, Karen Perkins, Alex Shuhgalter, Susan Frank)**

**No – 1 (Patrice Fisher)**

**Abstain – 0**

- G. Alignment of Bylaws with Charter regarding new management board position-  
Carol Osborne and John Riley (see handouts)

Carol Osborne discussed the By-Law changes she and John Riley were recommending in order to align the By-Laws with the Charter in regard to the selection of administrator/management Board seat.

The proposed By-law revisions are being posted to the PCHS website in order to solicit stakeholder input, before adoption by the Board.

- H. Board grade appeal committee update and need for Board action.

It was reported that two grade appeals (011593F050, 0700193M103) were not upheld. The grades in both cases will remain as first given out.

**VIII. OUTSTANDING BUSINESS**

**IX. NEW BUSINESS**

A. Dissolution of Board Fundraising Committee and addition of Fundraising Policy to Governance Policies Under Consideration – Karen Perkins

This agenda item was tabled.

*Board chair to announce items for closed session*

**Open Session ended 9:25 PM**

**X. CLOSED SESSION 9:35 PM**

A. Conference with legal counsel- anticipated litigation

Significant exposure to litigation pursuant to subdivision b of section 54956.9

**B. Public Employment:**

Title: Interim Executive Director

**C. Public Employee Discipline/Dismissal/Release**

D. Conference with labor negotiator: Mrs. Amy Dresser Held, Executive Director  
Employee organization: PESPU, UTLA

**OPEN SESSION 11:45 PM**

*Board Chair will report publicly on any closed session action items for which a vote occurred.*

**B. Public Employment:**

Title: Interim Executive Director

*Julia O'Grady moved that we hire Tom Stekol as Interim Executive Director subject to reference and employment background checks. Carol Osborne seconded the motion.*

**BOARD ACTION: MOTION PASSED**

**Yes – 8 (Amy Held, Patrice Fisher, John Riley, Julia O'Grady, Carol Osborne, Jason Cutler, Karen Perkins, Alex Shuhgalter,)**

**No – 1 (Susan Frank)**

**Abstain – 0**

(John Callas left the Board meeting prior to the vote)

**C. Public Employee Discipline/Dismissal/Release**

*Julia O'Grady moved that we approve the non-re-election of 2 probationary teachers (#775909 0910 and #10008838 0910). Jason Cutler seconded the motion.*

**BOARD ACTION: MOTION PASSED**

**Yes – 9 (Amy Held, Patrice Fisher, John Riley, Julia O'Grady, Carol Osborne, Jason Cutler, Karen Perkins, Alex Shuhgalter, Susan Frank)**

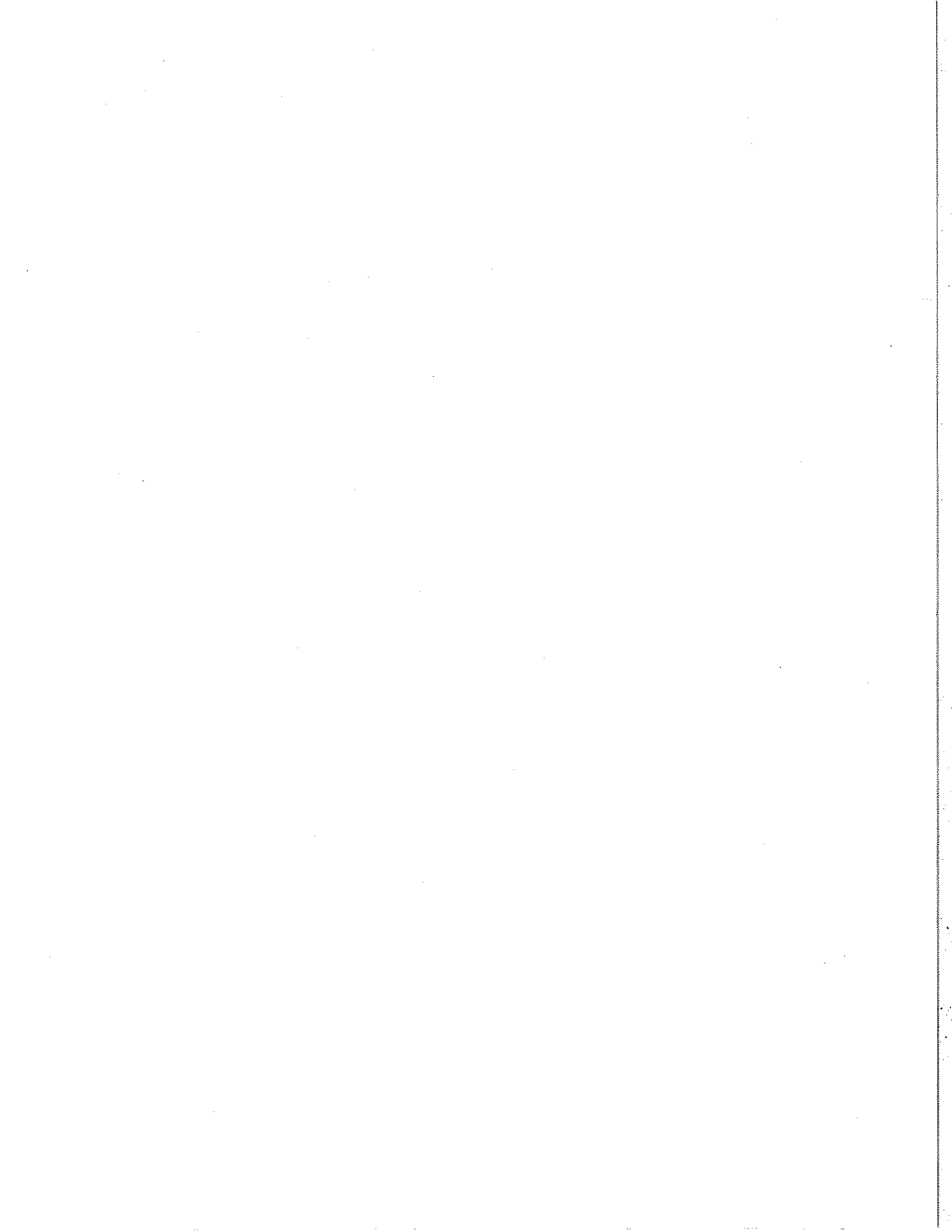
**No – 0**

**Abstain – 0**

(John Callas left the Board meeting prior to the vote)

**XI. ADJOURNMENT 11:46 PM**

(Meeting materials can be found on the Pali High website, [www.palihigh.org](http://www.palihigh.org), under About Pali, Governance, Board of Trustees, Agendas and Minutes, Material for Board Meetings)





A CALIFORNIA DISTINGUISHED SCHOOL

**SPECIAL MEETING MINUTES  
BOARD OF DIRECTORS  
Tuesday, June 8, 2010  
4:00 PM, LIBRARY**

**I. PRELIMINARY**

- A. Call to order 4:05 PM
- B. Roll call

**Members Present:**

Julia O'Grady      James Paleno  
Jason Cutler      Susan Frank  
Karen Perkins     Alex Shuhgalter  
John Riley        Patrice Fisher  
Amy Held          John Callas (arrived 6:15 PM)  
Carol Osborne (arrived 6:45 PM)

**Officers/Non-Voting Members:**

Greg Wood  
Marcia Haskin  
Shahin Mohamadi

**II. PUBLIC COMMENTS:**

Non-agenda items: No individual presentation shall be for more than two (2) minutes and the total time for this purpose shall not exceed sixteen (16) minutes. Board members will not respond to presentations and no action can be taken. However, the Board may give direction to staff following a presentation. Use of names of individuals should be avoided when referring to accusations or wrongdoing (names should be presented to the Executive Director for follow-up action). Speakers may choose to speak during the public comment segment and/or at the time an agenda item is presented.

Linda Burgess, teacher, urged the board to continue the UCLA process to determine what kind of leader, and leadership structure, stakeholders decide is best for Pali. She also urged the Board to continue to proceed with a 1 year Interim Executive Director Position.

Olivia Castro, teacher, said that she thinks the UCLA School Management Program (SMP) team process already begun is bringing consensus among faculty on what kind of school leader they want and hopes the Board decides to continue with the UCLA SMP team for the next school year.

Leslie Woolley, parent, thought the Board should have used a temp agency in the hiring of a 1 year Interim Executive Director position if it were truly only looking for a 1-year Interim Executive Director. Ms. Woolley said that she spent several months talking to individuals in the education field trying to find a long term visionary leader for Pali and had recommended several candidates. She urged the Board to continue to negotiate with Mr. Stekol.

George Savage, parent, wondered why Board members were not in attendance at the Pali Spirit Awards fundraiser on Sunday. Mr. Savage faulted this Board, and prior Boards, for micromanaging. He urged the Board to refrain from getting hung up on the technicality of the word "interim" in its negotiations with Mr. Stekol regarding the Interim Executive Director position.

Nancy Babcock, parent, (who spoke after agenda item III) applauded Amy Held's efforts to consolidate the fundraising of the Booster Club and Pali Fund regarding the two annual giving campaigns. Ms. Babcock also stated that the lack of an Executive Director will significantly undercut fundraising efforts.

Dan Kelly, teacher, (who spoke after agenda item III) wanted to acknowledge the tremendous efforts made by Greg Wood and Kevin Olson in the financial data and spreadsheets prepared for the Budget and Finance Committee. Mr. Kelly also urged the Board to continue with the UCLA process including the hiring of an Interim Executive Director.

### **III. DISCUSSION and/or ACTION ITEMS**

#### **A. 2010-2011 Budget Approval (see handouts)**

Robert King, Budget and Finance Committee Chair, discussed the assumptions behind the committee's recommendation for a \$337,000 projected budget deficit for fiscal year 2010-2011. The Budget and Finance Committee expects State educational funding to improve in fiscal years 2011-2012 and 2012-2013, and projects a cost of living adjustment (COLA) increase of 2.5% in both years. The COLA for fiscal year 2010-2011 is negative .38%. The committee thought with a return to COLA increases in 2011-2012 and beyond, it would be a prudent decision to dip into reserves. Mr. King also detailed a prioritized list of additional areas of the budget that could be reassessed should the Board decide not to dip into the reserve fund for the 2010-2011 school year.

Greg Wood, Chief Budget Officer, went into some detail on the proposed budget. He projected an increase in ADA (from 2,693 in 2009-2010 to 2,743 in 2011-2012) based on an additional 25 students at Temescal Academy, and 25 students in the new distance learning program.

Mr. Wood is projecting traveling pupil transportation costs of \$600,000 in fiscal year 2010-2011. This will be partially offset by the \$120,000 pledged from traveling parents to cover transportation costs.

Susan Frank questioned the ability of the Civic Center Permit fees to pay the expenses, interest and loan payments of the pool, track, gym, etc. Greg Wood



responded that the Civic Center Permit fee account will run a deficit for the next several years, but over a 10 year period would be neutral to the general fund.

*Alex Shuhgalter moved to reduce expenses in the highest priority category, expenses from additional personnel efficiencies, and to develop plans to increase ADA. Jason Cutler seconded the motion.*

**BOARD ACTION: MOTION FAILED**

**Yes – 3 (Karen Perkins, Alex Shuhgalter, Jason Culter)**

**No – 6 (James Paleno, Julia O’Grady, Amy Held, Patrice Fisher, John Riley, Susan Frank)**

**Abstain – 0**

*John Riley moved to accept the recommendation of the Budget Committee. Julia O’Grady seconded the motion.*

**BOARD ACTION: MOTION PASSED**

**Yes – 5 (James Paleno, Julia O’Grady, Amy Held, John Riley, Patrice Fisher)**

**No – 4 (Susan Frank, Jason Cutler, Alex Shuhgalter, Karen Perkins)**

**Abstain – 0**

**B. UCLA School Management Program (SMP)- review work completed and consideration of new contract (see handouts)**

Pat Martinez- Miller, one of the UCLA SMP team leaders, gave an oral review of the work completed so far with the PCHS stakeholders.

Ms. Martinez-Miller discussed 6 themes common to all of the stakeholder groups:

- There is a generalized understanding that leadership selection in the past has not been successful in bringing to the campus leaders who have lasted for the long run.
- There is recognition of the need to develop clear leadership job descriptions of the Executive Director and the Principal, without overlap of duties.
- There is a belief that PCHS lacks a well defined and commonly understood vision. There needs to be consensus of what that vision is, and how it will be manifested in the students’ education.
- There has been a general admission that the failure of former leaders is in part due to the perception at Pali that “Pali doesn’t trust leadership” and there is a “gotcha” mentality that exists on campus. There is a desire to build a different kind of culture.
- There was a generalized call for better communication among stakeholders, how meetings are agendized and how actions taken and information gathered at meetings are communicated back to stakeholders. PCHS lacks agreed upon processes and protocols that everyone follows, as well as the inability to determine what is a successful outcome.

- A generalized desire for a singular leader who has demonstrated successful teacher and secondary principal experiences, as well as having some business experience.

Ms. Martinez-Miller went over the UCLA SMP contract proposal for the 2010-2011 school year. The proposal will cost between \$24,500 - \$33,000 for the work outlined.

*John Callas moved that we accept the proposal as presented, with the proviso that the Board is updated regularly on where we are on the financial continuum laid out in the proposal. Julia O'Grady seconded the motion.*

**BOARD ACTION: MOTION PASSED**

**Yes – 8 (James Paleno, Julia O'Grady, Karen Perkins, Jason Cutler, Amy Held, John Riley, Susan Frank, John Callas)**

**No – 2 (Carol Osborne, Alex Shuhgalter)**

**Abstain – 1 (Patrice Fisher)**

*Board chair to announce items for closed session*

**IV. CLOSED SESSION 7:50 PM**

A. Interim Executive Director Position

*Board Chair will report publicly on any closed session action items for which a vote occurred.*

**V. OPEN SESSION 8:43 PM**

A. Interim Executive Director Position

*John Callas moved that we give Jennifer Eustice authority to hire Mike Smith as Interim Executive Director. Susan Frank seconded the motion.*

**BOARD ACTION: MOTION PASSED**

**Yes – 7 (James Paleno, Karen Perkins, Jason Cutler, Alex Shuhgalter, Susan Frank, John Callas, Carol Osborne)**

**No – 3 (Julia O'Grady, John Riley, Patrice Fisher)**

**Abstain – 1 (Amy Held)**

**VI. ADJOURNMENT 8:45 PM**

(Meeting materials can be found on the Pali High website, [www.palihigh.org](http://www.palihigh.org), under About Pali, Governance, Board of Trustees, Agendas and Minutes, Material for Board Meetings)

**INDEPENDENT CONTRACTOR AGREEMENT BETWEEN  
PALISADES CHARTER HIGH SCHOOL AND ANN DAVENPORT**

THIS INDEPENDENT AGREEMENT (hereinafter referred to as "Agreement") is made and entered into as of the date fully executed by and between the Board of Directors ("Board") of Palisades Charter High School ("PCHS"), a California Non-Profit Public Benefit Corporation and ANN DAVENPORT.

RECITALS

WHEREAS, PCHS is a corporation, organized and operating exclusively for educational and charitable purposes pursuant to and within the meaning of Section 501(c)(3) of the Internal Revenue Code; and

WHEREAS, PCHS is authorized pursuant to its Articles of Incorporation and By-Laws to contract for the services of an individual with expertise as a head counselor in the areas of master program development, creation of classes, implementation of instructional programs, etc. at PCHS and to perform the scope of services to select and launch a distance learning/independent study program as outlined in the attached document which is incorporated into this Agreement as Attachment A; and

WHEREAS, PCHS desires to contract with DAVENPORT to provide needs assessment and program development and implementation services by way of this Agreement and DAVENPORT is qualified to perform such duties; and

WHEREAS, DAVENPORT and PCHS desire to formalize this contractual arrangement by way of this Agreement;

NOW THEREFORE, in consideration of the foregoing recitals and the mutual terms and conditions contained herein, the parties hereby agree as follows:

AGREEMENT

1. **INDEPENDENT CONTRACTOR:** Subject to the terms and conditions of this Agreement, PCHS hereby engages DAVENPORT as an independent contractor to perform the services outlined in Attachment A, and DAVENPORT hereby accepts such engagement. DAVENPORT enters into this Agreement as, and shall continue to be, an independent contractor. Under no circumstances shall DAVENPORT look to PCHS as her employer, or as a partner, agent, or principal. DAVENPORT shall not be entitled to any benefits afforded to PCHS's employees including workers' compensation, disability insurance, vacation or sick pay. DAVENPORT shall be responsible for providing, at DAVENPORT's expense, and in DAVENPORT's name, disability, workers' compensation or other insurance as well as licenses and permits usual or necessary for performing the services necessary under this Agreement.
2. **TERM:** Subject to the potential of charter revocation and Section 6 herein, PCHS hereby contracts with ANN DAVENPORT to provide program development and implementation services to PCHS for the 2010-2011 academic year according to the terms and conditions set forth herein.
3. **COMPENSATION:** In exchange for the provision of the Services, PCHS shall pay DAVENPORT \$80,000 with one fourth (\$20,000) being due upon execution of this agreement and three other payments (\$20,000 each) to be due quarterly through June 30<sup>th</sup>, 2011 upon successful completion of deliverables according to the agreed upon benchmarked timeline.

4. **SCOPE OF SERVICES:** DAVENPORT shall perform the scope of work specified in the attached description of duties and performance objectives. This scope may be altered as needed in consultation with the DAVENPORT, the Academic Principal, the Executive Director and/or the Board. DAVENPORT shall also report on a periodically to the Principal and PCHS Board of Trustees regarding progress of the work performed and work to be performed in accordance with this Agreement.
5. **EVALUATION OF SERVICES:** The Principal is responsible for the management and administration of this contract and shall evaluate the services provided by DAVENPORT. This evaluation of services shall be based on the performance objectives and duties contracted for and defined in this Agreement and must be completed prior to renewal of this contract or entry into a subsequent contract, if applicable, with DAVENPORT.
6. **TERMINATION OF AGREEMENT:** This Agreement may be terminated by mutual written agreement of the parties, or if either party provides thirty (30) days advance written notice to the other party of termination. In the event of termination, PCHS shall pay DAVENPORT all amounts owed to DAVENPORT for work completed by DAVENPORT. In addition, DAVENPORT shall provide PCHS with a full status report regarding all ongoing projects under her supervision
7. **INTELLECTUAL PROPERTY:** Any and all inventions, discoveries, developments and innovations conceived by DAVENPORT during this engagement relative to the duties under this Agreement shall be the exclusive property of PCHS; and DAVENPORT hereby assigns all right, title, and interest in the same to PCHS. Any and all inventions, discoveries, developments and innovations conceived by DAVENPORT prior to the term of this Agreement and utilized by DAVENPORT in rendering duties to PCHS are hereby licensed to PCHS for use in its operations and for duration of this Agreement. This license is non-exclusive, and may be assigned without DAVENPORT's prior written approval by PCHS to a wholly-owned subsidiary of PCHS.
8. **CONFIDENTIALITY:** DAVENPORT acknowledges that during the engagement it will have access to and become acquainted with various trade secrets, inventions, innovations, processes, information, records and specifications owned or licensed by PCHS and/or used by PCHS in connection with the operation of its business including, without limitation, PCHS's business and product processes, methods, customer lists, accounts and procedures. DAVENPORT agrees that it will not disclose any of the aforesaid, directly or indirectly, or use any of them in any manner, either during the term of this Agreement or at any time thereafter, except as required in the course of this engagement with PCHS. All files, records, documents, blueprints, specifications, information, letters, notes, media lists, original artwork/creative, notebooks, and similar items relating to the business of PCHS, whether prepared by DAVENPORT or otherwise coming into DAVENPORT's possession, shall remain the exclusive property of PCHS. DAVENPORT shall not retain any copies of the foregoing without PCHS's prior written permission. Upon the expiration or earlier termination of this Agreement, or whenever requested by PCHS, DAVENPORT shall immediately deliver to PCHS all such files, records, documents, specifications, information, and other items in her possession or under her control. DAVENPORT further agrees that she shall at all times preserve the confidential nature of her relationship to PCHS and of the services hereunder.

To the extent that DAVENPORT has access to pupil records during the course of her work at PCHS, DAVENPORT agrees to maintain the confidentiality of all pupil records in accordance with state and federal law and PCHS policies.

9. **BACKGROUND CHECK:** If DAVENPORT is to have regular or intermittent contact with children of PCHS, this Agreement shall be conditional upon the completion of a background check,

including, but not limited to, fingerprinting and criminal background investigation, pursuant to PCHS policies.

10. **WORKERS' COMPENSATION:** PCHS shall not obtain workers' compensation insurance on behalf of DAVENPORT.
11. **LOCAL, STATE AND FEDERAL TAXES:** DAVENPORT shall pay all income taxes and FICA (Social Security and Medicare Taxes) incurred while performing services under this Agreement. PCHS shall not:
  - A. Withhold FICA from DAVENPORT's payments or make FICA payments on DAVENPORT's behalf;
  - B. Make state or federal unemployment compensation contributions on DAVENPORT's behalf; or
  - C. Withhold state or federal income tax from DAVENPORT's payments.

If DAVENPORT is required to pay any federal, state or local sales, use, and property or value added taxes based on the services provided under this Agreement, the taxes shall be separately billed to PCHS. DAVENPORT shall not pay any interest or penalties incurred due to late payment or nonpayment of any taxes by PCHS.

12. **ENTIRE AGREEMENT:** This Agreement supersedes any and all other Agreements, either oral or in writing, between the parties hereto with respect to the subject matter hereof, and no other Agreement, statement or promise related to the subject matter of this Agreement which is not contained in this Agreement shall be valid or binding.
13. **WAIVER:** Either party to this Agreement may specifically and expressly waive, in writing, compliance or any breach by the other party with any term, condition or requirements set forth in this Agreement. Any such waiver, however, shall not constitute a further or continuing waiver of the same requirement, unless a specific statement to the contrary is contained with such waiver. No waiver or consent shall be implied from the silence or from the failure of any party to act, except as otherwise specified in this Agreement.
14. **ASSIGNMENT:** DAVENPORT shall not assign any of her rights under this Agreement, or delegate the performance of any of her duties hereunder, without the prior written consent of PCHS.
15. **JURISDICTION:** The parties hereby understand and agree that this Agreement, and the attachments hereto, have been negotiated and executed in the State of California and shall be governed by, and constructed under, the laws of the State of California.
16. **AMENDMENTS:** No addition to, or modification of, any provision contained in this Agreement shall be effective unless fully set forth in writing and signed by the authorized representative of both parties.
17. **ARBITRATION OF DISPUTES:** The parties agree that any dispute regarding the application, interpretation or breach of this Agreement will be subject to final and binding arbitration. Attorney's fees, costs and damages (where appropriate) shall be awarded to the prevailing party in any dispute, and any resolution, opinion or order or Arbitrator may be entered as a judgment of the Superior Court.
18. **NOTICE:** Any and all notices, demands, or other communications required or desired to be given hereunder by either party shall be in writing and shall be validly given or made to the other party if

personally served, or if deposited in the United States mail, certified or registered, postage prepaid, return receipt requested. If such notice or demand is served personally, notice shall be deemed constructively made at the time of such personal service. If such notice, demand or other communication is given by mail, such notice shall be conclusively deemed given five days after deposit thereof in the United States mail addressed to the party to whom such notice, demand or other communication is to be given as follows:

If to DAVENPORT:

Ann Davenport

If to PCHS:

15777 Bowdoin St.  
Pacific Palisades, CA 90272

Any party hereto may change its address for purposes of this paragraph by written notice given in the manner provided above.

19. **INTERPRETATION AND OPPORTUNITY TO COUNSEL:** In the event of a controversy or dispute between the parties concerning the provisions herein, this document shall be interpreted according to the provisions herein. The parties hereto acknowledge and agree that each has been given an opportunity to independently review this Agreement with legal counsel.
20. **SEVERABILITY:** If any term, provision, condition or covenant of the Agreement shall to any extent be held invalid or unenforceable, the remainder of the Agreement shall not be affected thereby, and each term and provision of this Agreement shall be valid and enforceable to the fullest extent provided by law.
21. **COUNTERPART EXECUTION:** This Agreement may be executed in any number of counterparts, each of which shall be deemed a duplicate original when all counterparts are executed, but all of which constitute a single instrument.
22. **SIGNATURES:** We affix our signatures to this Agreement with the full and complete understanding of the relationship between the parties hereto.

Dated: \_\_\_\_\_

By: \_\_\_\_\_  
Executive Director, PCHS

Dated: \_\_\_\_\_

By: \_\_\_\_\_  
ANN DAVENPORT

**INDEPENDENT CONTRACTOR AGREEMENT BETWEEN  
PCHS AND ANN DAVENPORT FOR THE SELECTION AND LAUNCH OF A  
DISTANCE LEARNING/INDEPENDENT STUDY PROGRAM AT PCHS FOR 2010-2011**

**ATTACHMENT A - SCOPE OF SERVICES**

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**TASKS**

- Assess school readiness for distance learning and independent study
- Determine what is needed (step by step process and itemized list of materials, equipment, and training necessary to successfully launch independent study)
- Lead internal team with stakeholder representation to assist in process including the review of different distance learning and independent study programs and selection of one for palisades charter high school
- Implement distance learning program as soon as spring semester 2011 and at the latest by fall 2011 contingent upon provision of funding required to launch the program.

**DELIVERABLES**

- Selection and implementation of a distance learning/independent study program optimally by spring semester 2011
  - o distance learning/independent study program will be seamlessly integrated in to the master program with students being programmed into these classes by their counselors as they would any other class at Palisades Charter High School
  - o distance learning/independent study program will be free to students (excluding summer and intersession) and cost effective for the school
  - o distance learning/independent study program will aim to:
    - first and foremost reduce class size across the master program targeting the most overcrowded courses first
    - provide credit recovery options for students
    - enrich the curriculum by providing students alternatives
- Goal of 10% of student population enrolled in distance learning/independent study classes by fall 2011 increasing steadily up to a maximum of 20% total ADA for any given year

**TIMELINE**

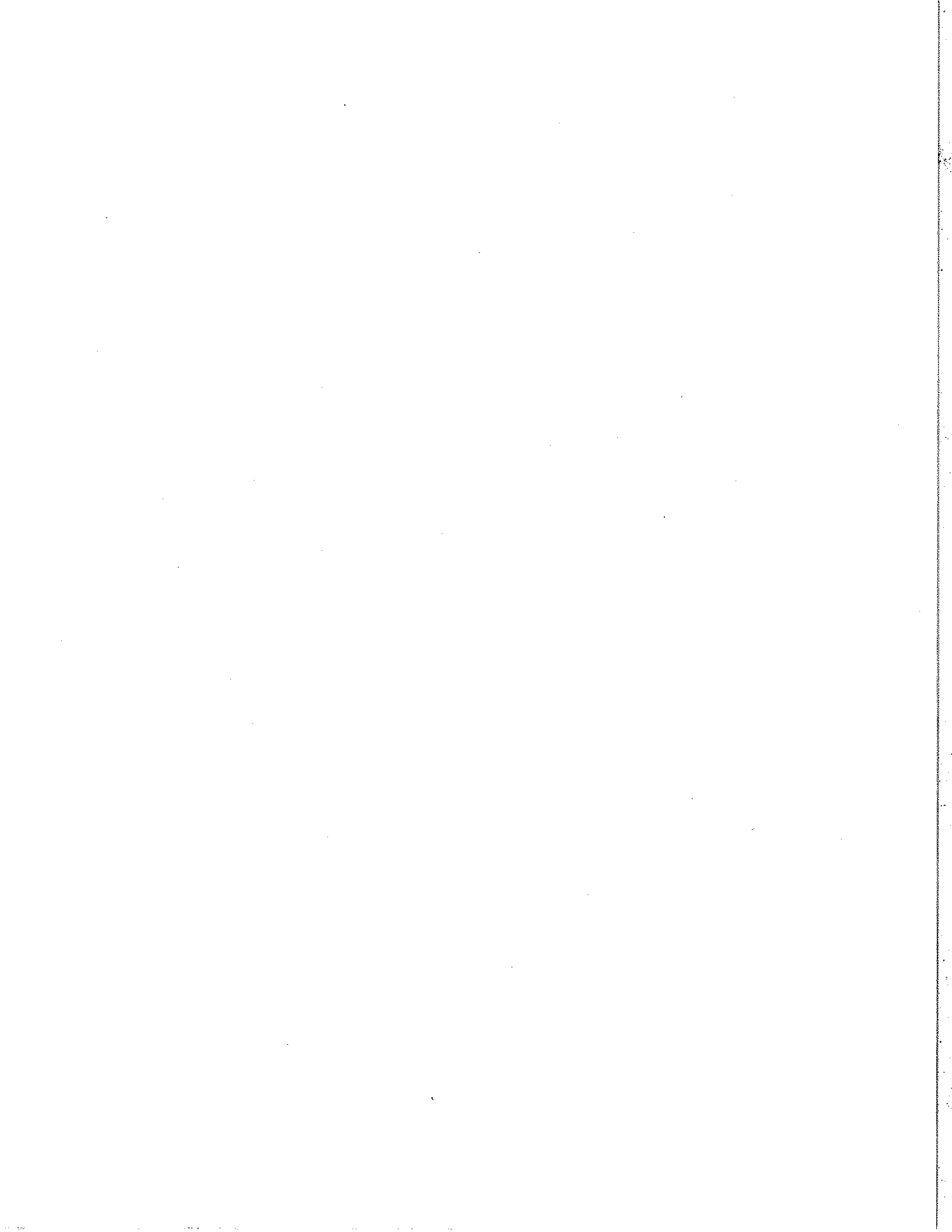
Assessment of school readiness (August 2010-October 2010)

- Technology in place at Pali and available to students at home
- Staff readiness/ability to assist/facilitate;
- Plan to integrate the distance learning and independent study programs into ISIS/SIS and into the master program
- Plan to incorporate distance learning/independent study grades/credits onto PCHS transcripts

Implementation Plan (October 2010-January 2010)

- Step by step process to review, select and launch a distance learning/independent study program
- Itemized list of equipment, materials, and training necessary to launch the program

Launch of the Program (February 2011-June 2011)







**CompassLearning Inc  
CompassLearning Odyssey Price Quote**

PALISADES CHARTER HIGH SCHOOL

**CompassLearning**

Installation Type: Enterprise  
LAN  
Quote ID: SO-71110-10449

Odyssey Sites in District: 1.0

Site	Qty	Part Number	Description	Ext Price
<b>Software</b>				
AC-670200-PALISADES CHARTER HIGH SCHOOL	1	SWKBB	Includes supplemental Science grades 1-6 and Social Studies grades 2-7, Brain Buzzers and Thematic Projects. A \$700 value.	\$0.00
AC-670200-PALISADES CHARTER HIGH SCHOOL	1	SWKM6S	Odyssey Math -- Grade 6 Unlimited-User License Spiral	\$1,350.00
AC-670200-PALISADES CHARTER HIGH SCHOOL	1	SWKM7S	Odyssey Math -- Grade 7 Unlimited-User License Spiral	\$1,350.00
AC-670200-PALISADES CHARTER HIGH SCHOOL	1	SWKM8S	Odyssey Math -- Grade 8 Unlimited-User License Spiral	\$1,350.00
AC-670200-PALISADES CHARTER HIGH SCHOOL	1	SWKLA6S	Odyssey Language Arts -- Grade 6 Unlimited-User License Spiral	\$1,350.00
AC-670200-PALISADES CHARTER HIGH SCHOOL	1	SWKLA7S	Odyssey Language Arts -- Grade 7 Unlimited-User License Spiral	\$1,350.00
AC-670200-PALISADES CHARTER HIGH SCHOOL	1	SWKLA8S	Odyssey Language Arts -- Grade 8 Unlimited-User License Spiral	\$1,350.00
AC-670200-PALISADES CHARTER HIGH SCHOOL	1	SWHSE1	Odyssey High School English 1 Unlimited-User License	\$2,700.00
AC-670200-PALISADES CHARTER HIGH SCHOOL	1	SWHSE2	Odyssey High School English 2 Unlimited-User License	\$2,700.00
AC-670200-PALISADES CHARTER HIGH SCHOOL	1	SWHSE3	Odyssey High School English 3 Unlimited-User License	\$2,700.00
AC-670200-PALISADES CHARTER HIGH SCHOOL	1	SWHSE4	Odyssey High School English 4 Unlimited-User License	\$2,700.00
AC-670200-PALISADES CHARTER HIGH SCHOOL	1	SWHSH1	Odyssey High School US History 1 Unlimited-User License	\$2,700.00
AC-670200-PALISADES CHARTER HIGH	1	SWHSH2	Odyssey High School US History 2 Unlimited-User License	\$2,700.00

All pricing shall be valid for 30 days from the date of this quote. All prices are net thirty (30) days from the date of invoice. All applicable taxes, if any, shall be paid by Customer. Past due invoices shall accrue interest at the rate of 1.5% per month. All products are shipped FOB CompassLearning. Financing shall be subject to credit approval. In the event of any conflict or inconsistency between the quote documents (including Exhibits, Terms and Conditions or the End User Agreement) and Customer's purchase order, the quote documents shall control. CompassLearning Inc. 203 Colorado, Austin, TX 78701

SCHOOL AC-670200-PALISADES CHARTER HIGH SCHOOL	1	SWHSWH	Odyssey High School World History Unlimited-User License	\$2,700.00
SCHOOL AC-670200-PALISADES CHARTER HIGH SCHOOL	1	SWHSGV	Odyssey High School US Government Unlimited-User License	\$2,700.00
SCHOOL AC-670200-PALISADES CHARTER HIGH SCHOOL	1	SWHSA1	Odyssey High School Algebra 1 Unlimited-User License	\$2,700.00
SCHOOL AC-670200-PALISADES CHARTER HIGH SCHOOL	1	SWHSA2	Odyssey High School Algebra 2 Unlimited-User License	\$2,700.00
SCHOOL AC-670200-PALISADES CHARTER HIGH SCHOOL	1	SWHSPC	Odyssey High School Pre-Calculus Unlimited-User License	\$2,700.00
SCHOOL AC-670200-PALISADES CHARTER HIGH SCHOOL	1	SWHSG	Odyssey High School Geometry Unlimited-User License	\$2,700.00
SCHOOL AC-670200-PALISADES CHARTER HIGH SCHOOL	1	SWHSB	Odyssey High School Biology Unlimited-User License	\$2,700.00
SCHOOL AC-670200-PALISADES CHARTER HIGH SCHOOL	1	SWHSC	Odyssey High School Chemistry Unlimited-User License	\$2,700.00
SCHOOL AC-670200-PALISADES CHARTER HIGH SCHOOL	1	SWHSP	Odyssey High School Physics Unlimited-User License	\$2,700.00
SCHOOL AC-670200-PALISADES CHARTER HIGH SCHOOL	1	SWHSPS	Odyssey High School Physical Science Unlimited-User License	\$2,700.00
SCHOOL AC-670200-PALISADES CHARTER HIGH SCHOOL	1	SWHSSPK	Odyssey AP Public Speaking Unlimited-User License	\$2,700.00
SCHOOL AC-670200-PALISADES CHARTER HIGH SCHOOL	1	SWHSMICE	Odyssey AP Microeconomics Unlimited-User License	\$2,700.00
SCHOOL AC-670200-PALISADES CHARTER HIGH SCHOOL	1	SWHSMACE	Odyssey AP Macroeconomics Unlimited-User License	\$2,700.00

**Software Subtotal: \$59,400.00**

Site	Qty	Part Number	Description	Ext Price
<b>Software Support</b>				
AC-670200-PALISADES CHARTER HIGH SCHOOL	1	SPTKEB	Enterprise Basic Software Maintenance Updates and Support End Date: 3/31/2011	\$4,230.00
<b>Software Support Subtotal:</b>				<b>\$4,230.00</b>

Site	Qty	Part Number	Description	Ext Price
<b>Professional Development</b>				
AC-670200-PALISADES CHARTER HIGH SCHOOL	1	PDDC2171	Professional Development District Consulting 2- 171 days End Date: 3/31/2011	\$156,208.50
<b>Professional Development Subtotal:</b>				<b>\$156,208.50</b>

Site	Qty	Part Number	Description	Ext Price
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All pricing shall be valid for 30 days from the date of this quote. All prices are net thirty (30) days from the date of invoice. All applicable taxes, if any, shall be paid by Customer. Past due invoices shall accrue interest at the rate of 1.5% per month. All products are shipped FOB CompassLearning. Financing shall be subject to credit approval. In the event of any conflict or inconsistency between the quote documents (including Exhibits, Terms and Conditions or the End User Agreement) and Customer's purchase order, the quote documents shall control. CompassLearning Inc. 203 Colorado, Austin, TX 78701

Offline Materials  
 AC-670200-PALISADES 20 OMMPD CompassLearning Mousepads \$0.00  
 CHARTER HIGH SCHOOL

Offline Materials Subtotal: \$0.00

Site	Qty	Part Number	Description	Ext Price
<b>Shipping</b>				
AC-670200-PALISADES CHARTER HIGH SCHOOL	1	SHIP	Shipping & Handling	\$45.00
<b>Shipping Subtotal:</b>				<b>\$45.00</b>

Site	Qty	Part Number	Description	Ext Price
<b>Service</b>				
AC-670200-PALISADES CHARTER HIGH SCHOOL	1	SISICOMBO	Server Software Installation (2 or fewer)	\$1,620.00
<b>Service Subtotal:</b>				<b>\$1,620.00</b>

Site	Qty	Part Number	Description	Ext Price
<b>Fulfillment</b>				
AC-670200-PALISADES CHARTER HIGH SCHOOL	1	DELENTNEWKH	Enterprise New- K8 and HS	\$0.00
<b>Fulfillment Subtotal:</b>				<b>\$0.00</b>

**Sub Total:** \$221,503.50  
**Total Sales Tax:** \$6,001.95  
**Grand Total:** \$227,505.45

All pricing shall be valid for 30 days from the date of this quote. All prices are net thirty (30) days from the date of invoice. All applicable taxes, if any, shall be paid by Customer. Past due invoices shall accrue interest at the rate of 1.5% per month. All products are shipped FOB CompassLearning. Financing shall be subject to credit approval. In the event of any conflict or inconsistency between the quote documents (including Exhibits, Terms and Conditions or the End User Agreement) and Customer's purchase order, the quote documents shall control. CompassLearning Inc. 203 Colorado, Austin, TX 78701



**CompassLearning**

As Seen And Agreed To By:

Site Contact For installation:

\_\_\_\_\_  
Signature

\_\_\_\_\_  
Name

\_\_\_\_\_  
Print Name

\_\_\_\_\_  
Title

\_\_\_\_\_  
Title

\_\_\_\_\_  
Phone #

\_\_\_\_\_  
Date

\_\_\_\_\_  
E-mail Address

Requested Installation Date:

Order Should Be Shipped To The Following Address:

\_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_

Not valid without a purchase order.

**Fax entire quote and order documentation to 512-391-1703.**

All pricing shall be valid for 30 days from the date of this quote. All prices are net thirty (30) days from the date of invoice. All applicable taxes, if any, shall be paid by Customer. Past due invoices shall accrue interest at the rate of 1.5% per month. All products are shipped FOB CompassLearning. Financing shall be subject to credit approval. In the event of any conflict or inconsistency between the quote documents (including Exhibits, Terms and Conditions or the End User Agreement) and Customer's purchase order, the quote documents shall control. CompassLearning Inc. 203 Colorado, Austin, TX 78701

SO-71110-10449 2010-02-16 09:20:00

**Pool Loan/Track and Field Refinance – Summary of Terms**

- Refinance balloon payment on track and field loan of \$354,000 through a 3 year fully amortizing term loan.
- Finance \$1m pool loan 5 year term amortized over 10 years with a 6 month interest only period in the beginning
- Fixed interest rate (still being finalized but projected to be lower than originally estimated in March and April)
- Financial covenants include: maintaining cash or cash equivalent balance of \$3,000,000; subordinating other loans, and maintaining accounts of at least \$1m with bank and a restricted balance of \$275,000 (equivalent to one year's loan payments) until loan is repaid.

