



Learners Today...

Leaders Tomorrow...

*Mustangs
Forever!*

**Marble Falls ISD
Regular Meeting**

**Monday, June 18, 2012
6:00 PM**

AGENDA OF REGULAR MEETING
MARBLE FALLS INDEPENDENT SCHOOL DISTRICT
BOARD OF TRUSTEES
MONDAY, JUNE 18, 2012 – 6:00 PM
Marble Falls ISD Central Office Community Room

Notice is hereby given that on June 18, 2012, the Board of Trustees of the Marble Falls Independent School District will hold a Regular meeting at 6:00 PM, at the Marble Falls ISD Central Office Community Room.

The subjects to be discussed or considered, or upon which any formal action may be taken are listed below. Items do not have to be taken in the order shown on this meeting notice. The Board will consider and may act on the “Consent Agenda” with one vote. Any Trustee may request the removal of an item from the “Consent Agenda” for individual consideration and action.

1. Call to Order
Presenter: Rick Edwards, President
2. Roll Call
Presenter: Rick Edwards
3. Invocation
Presenter: Kelly Fox
4. Pledge to the Flags
Presenter: Craig Mabray
5. Citizen Comments
6. Consent Agenda
 - A. Review and Approval of Minutes 4
 - B. Review of Financial Reports 9
 - C. Approval of Budget Amendments 23
7. Action Items
 - A. Discussion and Possible Approval of Contract with Burnet County Elections 31
Administrator for Election Services
Presenter: Rob O'Connor
 - B. Discussion and Possible Approval of Revisions to Local Policies FFH and FFI as 40
Recommended by District Attorney's
Presenter: Rob O'Connor
 - C. Discussion and Possible Approval of Settlement Agreement with ARAMARK 54
Services
Presenter: Rob O'Connor
 - D. Discussion and Possible Approval of Automated Clearing House Agreement with 67
IBC Bank
Presenter: Lisa LeMon
8. Superintendent's Report
 - A. TAKS/EOC/AP Testing Report
Presenter: Eric Penrod
 - B. Child Nutrition Department Report 91
Presenter: Mary Davidson
 - C. Quarterly Investment Report 110
Presenter: Lisa LeMon
9. Executive Session

B. Superintendent's Formative Evaluation

10. Discussion and Possible Approval of Action Arising from Executive Session

A. Possible Employment of Professional Personnel

Presenter: Rob O'Connor

11. Adjourn

If during the course of the meeting, discussion of any item on the agenda should be held in a closed meeting, the board will conduct a closed meeting in accordance with the Texas Open Meetings Act, Texas Govt. Code, Chapter 551, Subchapters D and E. Before any closed meeting is convened, the presiding officer will publicly identify the section or sections of the Act authorizing the closed meeting. All final votes, actions, or decisions will be taken in open meeting.

FOR THE BOARD OF TRUSTEES
MARBLE FALLS INDEPENDENT SCHOOL

Rob O'Connor, Superintendent of Schools

Marble Falls Independent School District
Board Meeting Minutes
May 21, 2012

Rick Edwards, President, called the regular meeting to order at 6:06 p.m. at the Marble Falls ISD Administration Building. A quorum was present; notice of this meeting was posted in accordance with the Texas Open Meetings Act, Texas Government Code Chapter 551.

Board Members Present: Rick Edwards, Kelly Fox, Craig Mabray, Kevin Naumann, Mike Savage and Karl Westerman.

Board Members Absent: Tommy Chaney

Administrators Present: Dr. Rob O'Connor, Superintendent, Allen Roberts, Mary Davidson, John Schumacher, Andy Reddock, Eric Penrod, Susan Maughan, Peggy Little, George Hamilton, Michael Phillips, Keith Powell, Kevin Wier and Michael Pittard

Members of the Press: Daniel Clifton, *The River Cities Tribune*
Katie White, *The Highlander*
Randy Turner – K-BEY Radio

Spotlight on Excellence

- The Board presented gifts to the following 2012 Retirees: Carl Coleman, Judy Pipes, Tom Barr, Marilyn Barr, Patsy Goff, Kathy Gould, Stephen Sanders, Tom Lane, Diana Collins, Jan Tomison, Pat Bible, Peggy Turner, James Hubble and Cathy Giddens.
- Falls Career High School students, Trisha Keenan and Roman Torres, were recognized for their fortitude and drive to complete their high school education. Roman spoke of living in Mexico and never having the opportunity to go to school as the reason for his determination to receive his diploma. Trisha expressed her appreciation for the chance to attend Falls CHS as it was the best choice for her. She will be graduating and attending St. Louis Community College in the Fall.
- Megan Flowers from the Anti-Defamation League, presented the Middle School with a banner designating the school as a “No Place for Hate” campus. The students from the Middle School flash-mobbed the meeting singing “One Tribe” by the Blackeyed Peas – instrumental arrangement by Brad Behrens and Cristi Reyes.
- The Highland Lakes Elementary Micro Mechanics students showcased the motor that they rebuilt during the school year and talked about how the program has helped them in everyday life.
- Kyle Futrell recognized the Regional Qualifiers for MFHS Track and Field: Rey Baltazar, Austin Bird, Johnny Garcia, Aaron Hinojosa, Sarah Lewis, Priscilla Martinez, Sarah Stripling, Tiffany Winters and Cody Schulz, who competed at the State Level.
- Eric Garcia was recognized for qualifying for the FCCLA National Competition to be held in Orlando, Florida.
- Dr. O'Connor announced Spicewood Elementary as the winner of the new district motto: Learners Today....Leaders Tomorrow...Mustangs Forever!

Open Forum

No patrons asked to be heard.

Oath of Office

Re-elected board members Kelly Fox, Rick Edwards and Kevin Naumann took the Oath of Office administered by Sylvia Weed, Notary.

Executive Session

At 7:18 p.m. the Board adjourned into executive session to discuss personnel matters (Gov't Code 551.074) specifically the board reorganization. The Board reconvened into open session at 7:53 p.m.

Board Reorganization

Mr. Edwards opened the floor for nominations for Board Officers for 2012-2013. Karl Westerman made the following nominations: Rick Edwards as President, Kevin Naumann as Vice-President, and Craig Mabray as Secretary. The nominations ceased and the vote was unanimous for the nominees.

Board Standing Committee Assignments

Mr. Edwards announced the following 2012-2013 Board standing committee assignments:

- Board Officers Committee: Rick Edwards, Kevin Naumann, and Craig Mabray
- District Finance, Support and Accountability Committee: Craig Mabray, Kevin Naumann and Mike Savage
- Governmental Relations, Policy, Innovations and Communications Committee: Rick Edwards, Kelly Fox, and Karl Westerman
- Instruction and Curriculum Committee: Kelly Fox, Kevin Naumann, and Tommy Chaney
- Board Advisory Committee: Three board members with participation of staff and students

Consent Agenda

Upon a motion by Kevin Naumann, second by Craig Mabray, the Board approved the following from the consent agenda:

- Minutes from previous meetings
 - Regular – April 16, 2012
 - Special – April 30, 2012
- Financial Report as of April 2012
- Budget Amendments as recommended by David Hemond, Accounting Supervisor

For: 6 Against: 0 Absent: 1

Action Items

MFHS FCCLA Trip

Upon a motion by Karl Westerman, second by Kevin Naumann, the Board approved an out-of state trip to Orlando, Florida for the MFHS FCCLA contestant, Eric Garcia, and sponsor, Suzanne Dyer, to attend the national competition.

For: 6 Against: 0 Absent: 1

Auditor Letter of Engagement

Upon a motion by Kelly Fox, second by Craig Mabray, the Board approved the agreement for auditing services with West, Davis & Company, LLP.

For: 6 Against: 0 Absent: 1

Policy Update 93

Kelly Fox made a motion that the Board add, revise, or delete local policies as recommended by TASB Policy Service and according to the instruction sheet for TASB Localized Policy Manual Update 93 with the following changes:

FFH (Local) & FFI (Local) are to be adopted using the revisions recommended by District attorneys, Eichelbaum Wardell.

DH (Local) – paragraph titled: Arrest, Indictments, Convictions & Other Adjudications, #4 – include the sentence which has been stricken from the text – “Acts constituting public intoxication, operating a motor vehicle while under the influence of alcohol, or disorderly conduct.”

The motion was seconded by Craig Mabray.

Kevin Naumann moved to amend the motion to table the approval of revisions to local policies FFH and FFI allowing more time to review the attorney’s recommendations. Kelly Fox seconded and the motion carried with all present voting for the motion except Karl Westerman, who was opposed.

Mr. Edwards called for a vote on the original motion and the motion passed with all present voting for the original motion.

Texas Fleet Fuel Agreement

Upon a motion by Karl Westerman, second by Craig Mabray, the Board approved the agreement with Texas Fleet Fuel, Ltd. for consignment fuel provider services for District vehicles.

For: 6 Against: 0 Absent: 1

Interlocal Agreement with City of Marble Falls

Upon a motion by Kelly Fox, second by Kevin Naumann, the Board approved the inter-local

agreement with the City of Marble Falls to partner with the District to secure consignment fuel provider services.

For: 6

Against: 0

Absent: 1

Superintendent's Report

TTIPS Grant Report

Eric Penrod, TTIPS Grant Shepherd, presented an update on the many goals reached during the first year of implementation of the grant specifically; the alignment of the curriculum, dedicated time for teacher collaboration and on-going job embedded professional development. The report further included plans/goals for year two.

Curriculum Update

Dr. Janice Mauldin, Assistant Supt. of Academics, further elaborated on Mr. Penrod's report noting that the Grant's teacher leader model and the frequency of common assessments has proven to be effective. The frequent data allows the opportunity to catch those students before they get too far behind. Dr. Mauldin also mentioned that teacher feedback regarding staff development has been positive and productive.

Athletic Program Report

Todd Dodge, Athletic Director, reported on the successes of the Spring sports, the move of David Norwood to Middle School as athletic coordinator, and the summer conditioning program that is being planned.

Executive Session

At 9:31 p.m. the Board adjourned into executive session to discuss personnel matters (Gov't Code 551.074) specifically professional contracts for new personnel. The Board reconvened into open session at 11:08 p.m.

Mr. Savage left the meeting at 10:41 p.m.

Upon a motion by Kevin Naumann, second by Karl Westerman, the Board approved the professional employment on a one year probationary contract subject to assignment of Kevyn Packer, Devin Wuest, and Inga Young.

The Board was informed of the following professional resignations:

Marble Falls High School
Angela Gamez – English teacher/Cheerleading Sponsor effective 5/25/12
Marble Falls Middle School
Jennifer Wright – Science teacher/coach effective 5/25/12
Colt Elementary
Colleen Acosta – LSSP effective 5/25/12

The Board was informed of the paraprofessional resignation of Diana Collins effective 6/4/12.

Adjournment:

Hearing no objection the Board adjourned at 11:09 p.m.

Approved:

Rick Edwards, President

Craig Mabray, Secretary

Marble Falls ISD

Statement of Revenues and Expenditures - General Fund

As of May 31, 2012

75% Of Fiscal Year

REVENUES	CURRENT YEAR				PRIOR YEAR		
	BUDGET	YTD ACTIVITY	BALANCE	% OF BUDGET	BUDGET	YTD ACTIVITY	% OF FINAL BUDGET
5710 LOCAL TAX REVENUES	\$29,990,749	\$29,048,505	\$942,244	96.86%	\$30,044,700	\$29,004,774	96.54%
57XX OTHER LOCAL REVENUES	\$438,316	\$344,676	\$93,640	78.64%	\$503,642	\$529,152	105.07%
58XX STATE PROG. REVENUES	\$7,640,504	\$5,157,973	\$2,482,531	67.51%	\$5,573,472	\$5,683,459	101.97%
5900 FEDERAL REVENUE	\$210,000	\$ 490,155	(\$280,155)	233.41%	\$216,540	\$ 121,775	56.24%
TOTAL REVENUE	\$ 38,279,569	\$ 35,041,309	\$3,238,260	91.54%	\$36,338,354	\$35,339,159	97.25%
EXPENDITURES							
11 INSTRUCTION	\$ 18,004,983	\$ 12,792,201	\$ 5,212,782.12	71.05%	\$ 17,580,424	\$ 11,953,188	67.99%
12 LIBRARY	\$ 482,143	\$ 377,877	\$ 104,266.35	78.37%	\$ 521,498	\$ 392,371	75.24%
13 STAFF DEVELOPMENT	\$ 157,828	\$ 94,938	\$ 62,890.50	60.15%	\$ 164,790	\$ 105,177	63.83%
21 INST ADMINISTRATION	\$ 590,330	\$ 413,342	\$ 176,987.84	70.02%	\$ 755,498	\$ 549,560	72.74%
23 SCHOOL ADMINISTRATION	\$ 2,165,227	\$ 1,562,581	\$ 602,646.09	72.17%	\$ 2,068,147	\$ 1,427,651	69.03%
31 GUID AND COUNSELING	\$ 1,100,526	\$ 829,115	\$ 271,410.79	75.34%	\$ 1,082,324	\$ 800,594	73.97%
33 HEALTH SERVICES	\$ 391,009	\$ 290,633	\$ 100,376.43	74.33%	\$ 395,238	\$ 276,953	70.07%
34 PUPIL TRANSP - REGULAR	\$ 1,347,686	\$ 1,269,747	\$ 77,939.02	94.22%	\$ 1,599,745	\$ 1,445,874	90.38%
36 CO-CURRICULAR ACT	\$ 1,371,954	\$ 1,046,683	\$ 325,270.43	76.29%	\$ 1,375,863	\$ 1,100,138	79.96%
41 GEN ADMINISTRATION	\$ 1,142,880	\$ 847,919	\$ 294,960.88	74.19%	\$ 1,069,406	\$ 708,662	66.27%
51 PLANT MAINT & OPERATION	\$ 4,325,343	\$ 2,816,434	\$ 1,508,909.17	65.11%	\$ 5,098,223	\$ 3,175,691	62.29%
52 SECURITY & MONITORING	\$ 83,082	\$ 18,018	\$ 65,063.55	21.69%	\$ 80,465	\$ 17,974	22.34%
53 DATA PROCESSING	\$ 857,053	\$ 606,098	\$ 250,955.04	70.72%	\$ 1,151,814	\$ 838,679	72.81%
61 COMMUNITY SERVICES	\$ 53,341	\$ 48,977	\$ 4,364.40	91.82%	\$ 228,203	\$ 94,978	41.62%
81 FACILITIES ACQ & CONST	\$ -	\$ -	\$ -	0.00%	\$ -	\$ -	0.00%
91 STUDENT ATTENDANCE CR	\$ 5,567,564	\$ 3,304,827	\$ 2,262,737.12	59.36%	\$ 2,861,005	\$ 2,358,940	82.45%
99 PURCHASES & CONT SRVS	\$ 667,570	\$ 495,841	\$ 171,728.62	74.28%	\$ 677,500	\$ 492,803	72.74%
TOTAL EXPENDITURES	\$ 38,308,519	\$ 26,815,231	\$ 11,493,288	70.00%	\$ 36,710,143	\$ 25,739,232	70.11%
7000 Other Sources	\$-				Other Sources	\$ 5,500	
8000 Other Uses	\$-				Other Uses	\$ 1,600	
1200 EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	\$ 8,226,078		EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES - FY 2010-2011		\$ 9,603,827		
3000 BEG FUND BAL 9/1/11	\$ 7,821,636						
3000 END FUND BAL 5-31-12	\$ 16,047,714	Unaudited					

Marble Falls ISD

Statement of Revenues and Expenditures - Food Service

As of May 31, 2012

75% Of Fiscal Year

REVENUES	BUDGET	YTD ACTIVITY	BALANCE	% OF BUDGET
57XX Local & Intermed Revenues	\$ 902,562	\$ 597,783	\$ 304,779	66.23%
58XX State Program Revenues	\$ 12,110	\$ 12,134	12,110	100.20%
59xx Federal Program Revenues	\$ 1,457,334	\$ 1,231,026	\$ 226,308	84.47%
TOTAL REVENUE	\$ 2,372,006	\$ 1,840,944	\$ 543,196	77.61%
EXPENDITURES				
61 PAYROLL COST	\$ 1,261,933	\$ 570,116	\$ 691,817	45.18%
62 PURCHASE & CONTRACTED	\$ 35,221	\$ 26,470	\$ 8,751	75.15%
63 SUPPLIES AND MATERIALS	\$ 1,043,317	\$ 843,535	\$ 199,782	80.85%
64 OTHER OPERATING EXP	\$ 9,210	\$ 7,095	\$ 2,115	77.03%
66 CPTL OUTLAY	\$ 22,325	\$ 11,928	\$ 10,397	53.43%
TOTAL EXPENDITURES	\$ 2,372,006	\$ 1,459,144	\$ 912,862	61.52%

Marble Falls Independent School District

Financial Report

June 18, 2012

Check Payment Fund Summary

Expenditure to Budget Report

Check Payment Fund Summary

For Bills Paid

May 1 – May 31, 2012

FUND SUMMARY

<u>FUND</u>	<u>DESCRIPTION</u>	<u>BALANCE SHEET</u>	<u>REVENUE</u>	<u>EXPENSE</u>	<u>TOTAL</u>
199	GENERAL FUND	68,144.08	26,446.33	470,653.71	565,244.12
211	TITLE I PART A, BASIC PROGRAMS	3,648.02	0.00	1,241.31	4,889.33
224	IDEA PART B FORMULA	2,430.75	0.00	19,818.03	22,248.78
240	FOOD SERVICE	3,417.21	10.95	90,348.74	93,776.90
244	VOC. ED.-BASIC GRANT	0.00	0.00	2,562.83	2,562.83
255	TITLE II PART A TCHR & PRINCPL	368.45	0.00	0.00	368.45
263	TITLE III - BILINGUAL	51.80	0.00	10,944.47	10,996.27
270	TITLE VI, PART B	374.95	0.00	0.00	374.95
276	Texas Title I Priority Schools	6,254.54	0.00	116,758.55	123,013.09
287	EDUCATIONS JOBS FUND	635.55	0.00	0.00	635.55
397	ADVANCED PLACEMENT INCENTIVES	0.00	0.00	1,099.00	1,099.00
863	PAYROLL CLEARING	740,594.43	0.00	0.00	740,594.43
***	Fund Summary Totals ***	825,919.78	26,457.28	713,426.64	1,565,803.70

***** End of report *****

Expenditure to Budget Report

June 18, 2012

General Operating Fund

&

Food Service Fund

Obj	Obj	2011-12 ESTIMATED REVENUE	May 2011-12 MTHLY ACTIVITY	2011-12 Activity	REVENUE BALANCE	PERCENT REALIZED	2011-12 YTD %
199	GENERAL FUND						
5700	REVENUE-LOCAL & INTERMED						
	571- LOCAL REAL-PROPERTY TAXES	29,990,749.00	335,470.60	29,048,504.91	942,244.09	98.05	96.86
	573- TUITION & FEES FROM PATRONS	57,000.00	7,694.00	40,503.00	16,497.00	87.20	71.06
	574- TRANS FROM WITHIN STATE	236,215.95	24,131.31	195,936.89	40,279.06	95.22	82.95
	575- ENTERPRISING ACTIVITIES	145,100.00	12,351.33	108,236.00	36,864.00	75.32	74.59
	57-- REVENUE-LOCAL & INTERMED	30,429,064.95	379,647.24	29,393,180.80	1,035,884.15	97.90	96.60
5800	STATE PROGRAM REVENUES						
	581- PER CAPITA-FOUNDATION REV	6,035,504.00	149,034.00	4,151,652.00	1,883,852.00	68.79	68.79
	582- STATE REVENUE DISTRBD BY TEA	5,000.00	0.00	0.00	5,000.00	0.00	0.00
	583- TRS ON BEHALF BENEFIT	1,600,000.00	114,254.07	1,006,321.17	593,678.83	62.90	62.90
	58-- STATE PROGRAM REVENUES	7,640,504.00	263,288.07	5,157,973.17	2,482,530.83	67.51	67.51
5900	FEDERAL PROGRAM REVENUES						
	591- FEDERALLY DIST REVENUES	35,000.00	7,500.00	53,445.75	-18,445.75	152.70	152.70
	593- VOC ED NON FOUNDATION	175,000.00	63,975.00	436,709.14	-261,709.14	249.55	249.55
	59-- FEDERAL PROGRAM REVENUES	210,000.00	71,475.00	490,154.89	-280,154.89	233.41	233.41
	---- GENERAL FUND	38,279,568.95	714,410.31	35,041,308.86	3,238,260.09	92.58	91.54

Obj	Obj	2011-12 ESTIMATED REVENUE	May 2011-12 MTHLY ACTIVITY	2011-12 Activity	REVENUE BALANCE	PERCENT REALIZED	2011-12 YTD %
240	FOOD SERVICE						
5700	REVENUE-LOCAL & INTERMED						
574-	TRANS FROM WITHIN STATE	0.00	271.16	1,999.41	-1,999.41	0.00	0.00
575-	ENTERPRISING ACTIVITIES	902,562.00	50,208.84	595,783.65	306,778.35	66.91	66.01
57--	REVENUE-LOCAL & INTERMED	902,562.00	50,480.00	597,783.06	304,778.94	67.13	66.23
5800	STATE PROGRAM REVENUES						
582-	STATE REVENUE DISTRBD BY TEA	12,110.00	12,134.49	12,134.49	-24.49	100.20	100.20
58--	STATE PROGRAM REVENUES	12,110.00	12,134.49	12,134.49	-24.49	100.20	100.20
5900	FEDERAL PROGRAM REVENUES						
592-		1,457,334.00	155,419.30	1,231,026.46	226,307.54	84.47	84.47
59--	FEDERAL PROGRAM REVENUES	1,457,334.00	155,419.30	1,231,026.46	226,307.54	84.47	84.47
----	FOOD SERVICE	2,372,006.00	218,033.79	1,840,944.01	531,061.99	77.95	77.61

Number of Accounts: 146

***** End of report *****

	Obj	Obj	2011-12 ESTIMATED REVENUE	May 2011-12 MTHLY ACTIVITY	2011-12 Activity	REVENUE BALANCE	2011-12 YTD %
199		GENERAL FUND					
	5---	REVENUE	38,279,568.95	714,410.31	35,041,308.86	3,238,260.09	91.54
	----	GENERAL FUND	38,279,568.95	714,410.31	35,041,308.86	3,238,260.09	91.54
240		FOOD SERVICE					
	5---	REVENUE	2,372,006.00	218,033.79	1,840,944.01	531,061.99	77.61
	----	FOOD SERVICE	2,372,006.00	218,033.79	1,840,944.01	531,061.99	77.61

Number of Accounts: 110

***** End of report *****

Obj	Obj	2011-12 BUDGET	ENCUMBRANCE YTD	2011-12 EXPENDITURES	May 2011-12 ACTIVITY	2011-12 BALANCE	2011-12 YTD %
199	GENERAL FUND						
11	INSTRUCTION						
	61-- PAYROLL COSTS	17,008,359.37	0.00	12,097,371.70	1,398,677.92	4,910,987.67	71.13
	62-- PURCHASE & CONTRACTED SVS	345,417.83	25,194.67	272,943.48	23,821.72	47,279.68	79.02
	63-- SUPPLIES AND MATERIALS	596,885.66	35,812.80	390,657.00	100,886.58	170,415.86	65.45
	64-- OTHER OPERATING EXPENSES	47,945.14	1,562.45	31,228.70	7,932.88	15,153.99	65.13
	66-- CPTL OUTLY LAND BLDG & EQ	6,375.00	0.00	0.00	0.00	6,375.00	0.00
	---- INSTRUCTION	18,004,983.00	62,569.92	12,792,200.88	1,531,319.10	5,150,212.20	71.05
12	INST. RESOURCES & MEDIA SVCS						
	61-- PAYROLL COSTS	385,153.50	0.00	286,333.93	31,813.83	98,819.57	74.34
	62-- PURCHASE & CONTRACTED SVS	18,728.50	0.00	15,436.57	0.00	3,291.93	82.42
	63-- SUPPLIES AND MATERIALS	73,413.50	916.55	71,590.03	9,306.37	906.92	97.52
	64-- OTHER OPERATING EXPENSES	4,847.50	0.00	4,516.12	373.00	331.38	93.16
	---- INST. RESOURCES & MEDIA S	482,143.00	916.55	377,876.65	41,493.20	103,349.80	78.37
13	CURRICULUM DEV & INST STFF DEV						
	61-- PAYROLL COSTS	90,412.00	0.00	76,602.56	7,595.41	13,809.44	84.73
	62-- PURCHASE & CONTRACTED SVS	45,690.00	14,631.25	8,910.51	0.00	22,148.24	19.50
	63-- SUPPLIES AND MATERIALS	9,400.00	14.95	6,444.29	4,308.36	2,940.76	68.56
	64-- OTHER OPERATING EXPENSES	12,326.00	2,500.08	2,980.14	821.85	6,845.78	24.18
	---- CURRICULUM DEV & INST STF	157,828.00	17,146.28	94,937.50	12,725.62	45,744.22	60.15
21	INSTRUCTIONAL LEADERSHIP						
	61-- PAYROLL COSTS	540,980.00	0.00	391,677.93	39,307.41	149,302.07	72.40
	62-- PURCHASE & CONTRACTED SVS	11,250.00	798.06	1,604.94	169.18	8,847.00	14.27
	63-- SUPPLIES AND MATERIALS	20,658.00	1,015.70	11,312.07	2,755.38	8,330.23	54.76
	64-- OTHER OPERATING EXPENSES	17,442.00	312.95	8,747.22	836.00	8,381.83	50.15
	---- INSTRUCTIONAL LEADERSHIP	590,330.00	2,126.71	413,342.16	43,067.97	174,861.13	70.02

Obj	Obj	2011-12 BUDGET	ENCUMBRANCE YTD	2011-12 EXPENDITURES	May 2011-12 ACTIVITY	2011-12 BALANCE	2011-12 YTD %
199	GENERAL FUND						
23	SCHOOL LEADERSHIP						
61--	PAYROLL COSTS	2,048,846.00	0.00	1,487,204.98	166,727.05	561,641.02	72.59
62--	PURCHASE & CONTRACTED SVS	32,564.00	7,240.90	23,288.50	1,318.75	2,034.60	71.52
63--	SUPPLIES AND MATERIALS	66,953.00	2,764.34	41,704.05	5,296.72	22,484.61	62.29
64--	OTHER OPERATING EXPENSES	16,864.00	1,007.58	10,383.38	810.14	5,473.04	61.57
----	SCHOOL LEADERSHIP	2,165,227.00	11,012.82	1,562,580.91	174,152.66	591,633.27	72.17
31	GUIDANCE & COUNSELING						
61--	PAYROLL COSTS	1,050,503.90	0.00	795,140.48	87,517.30	255,363.42	75.69
62--	PURCHASE & CONTRACTED SVS	8,341.00	0.00	5,027.00	1,121.00	3,314.00	60.27
63--	SUPPLIES AND MATERIALS	29,294.10	206.58	19,679.04	2,258.40	9,408.48	67.18
64--	OTHER OPERATING EXPENSES	12,387.00	827.33	9,268.69	904.15	2,290.98	74.83
----	GUIDANCE & COUNSELING	1,100,526.00	1,033.91	829,115.21	91,800.85	270,376.88	75.34
33	HEALTH SERVICES						
61--	PAYROLL COSTS	377,113.50	0.00	279,390.57	32,012.46	97,722.93	74.09
62--	PURCHASE & CONTRACTED SVS	5,041.40	0.00	4,762.88	396.00	278.52	94.48
63--	SUPPLIES AND MATERIALS	8,155.10	200.39	5,896.54	1,992.09	2,058.17	72.30
64--	OTHER OPERATING EXPENSES	699.00	90.78	582.58	204.50	25.64	83.34
----	HEALTH SERVICES	391,009.00	291.17	290,632.57	34,605.05	100,085.26	74.33
34	PUPIL TRANSPORTATION						
61--	PAYROLL COSTS	1,067,059.00	0.00	959,364.18	113,639.91	107,694.82	89.91
62--	PURCHASE & CONTRACTED SVS	19,000.00	4,558.15	13,358.99	769.75	1,082.86	70.31
63--	SUPPLIES AND MATERIALS	343,847.29	13,491.17	365,981.70	37,114.73	-35,625.58	106.44
64--	OTHER OPERATING EXPENSES	-205,220.00	909.23	-68,957.60	-27,720.52	-137,171.63	33.60
66--	CFTL OUTLY LAND BLDG & EQ	123,000.00	124,990.00	0.00	0.00	-1,990.00	0.00
----	PUPIL TRANSPORTATION	1,347,686.29	143,948.55	1,269,747.27	123,803.87	-66,009.53	94.22

	Obj	Obj	2011-12 BUDGET	ENCUMBRANCE YTD	2011-12 EXPENDITURES	May 2011-12 ACTIVITY	BALANCE	2011-12 YTD %
199		GENERAL FUND						
36		COCURR./EXTRACURR.ACTIVITIES						
	61--	PAYROLL COSTS	659,075.20	0.00	561,028.14	77,868.90	98,047.06	85.12
	62--	PURCHASE & CONTRACTED SVS	157,438.60	18,731.06	127,309.00	5,002.94	11,398.54	80.86
	63--	SUPPLIES AND MATERIALS	248,238.41	135,600.99	129,746.36	34,343.47	-17,108.94	52.27
	64--	OTHER OPERATING EXPENSES	307,201.45	7,643.69	228,599.73	30,901.63	70,958.03	74.41
	----	COCURR./EXTRACURR.ACTIVIT	1,371,953.66	161,975.74	1,046,683.23	148,116.94	163,294.69	76.29
41		GENERAL ADMINISTRATION						
	61--	PAYROLL COSTS	867,795.50	0.00	681,179.98	90,089.93	186,615.52	78.50
	62--	PURCHASE & CONTRACTED SVS	164,342.00	32,717.44	81,445.08	80.10	50,179.48	49.56
	63--	SUPPLIES AND MATERIALS	27,497.69	938.19	20,792.56	684.10	5,766.94	75.62
	64--	OTHER OPERATING EXPENSES	83,244.81	2,318.82	64,501.50	3,652.65	16,424.49	77.48
	----	GENERAL ADMINISTRATION	1,142,880.00	35,974.45	847,919.12	94,506.78	258,986.43	74.19
51		PLANT MAINTENANCE & OPERATIONS						
	61--	PAYROLL COSTS	1,936,758.00	0.00	1,428,625.98	156,485.32	508,132.02	73.76
	62--	PURCHASE & CONTRACTED SVS	1,584,510.00	53,618.01	877,690.09	101,949.60	653,201.90	55.39
	63--	SUPPLIES AND MATERIALS	486,650.00	63,595.58	287,177.33	24,424.34	135,877.09	59.01
	64--	OTHER OPERATING EXPENSES	190,700.00	576.96	166,215.43	235.00	23,907.61	87.16
	66--	CPTL OUTLY LAND BLDG & EQ	126,725.00	87,960.00	56,725.00	32,100.00	-17,960.00	44.76
	----	PLANT MAINTENANCE & OPERA	4,325,343.00	205,750.55	2,816,433.83	315,194.26	1,303,158.62	65.11
52		SECURITY & MONITORING SERVICES						
	61--	PAYROLL COSTS	16,272.00	0.00	11,280.45	1,253.25	4,991.55	69.32
	62--	PURCHASE & CONTRACTED SVS	61,810.00	1,675.00	3,175.00	390.00	56,960.00	5.14
	63--	SUPPLIES AND MATERIALS	5,000.00	0.00	3,563.00	0.00	1,437.00	71.26
	----	SECURITY & MONITORING SER	83,082.00	1,675.00	18,018.45	1,643.25	63,388.55	21.69

Obj	Obj	2011-12 BUDGET	ENCUMBRANCE YTD	2011-12 EXPENDITURES	May 2011-12 ACTIVITY	BALANCE	2011-12 YTD %
199	GENERAL FUND						
53	DATA PROCESSING SERVICES						
61--	PAYROLL COSTS	438,083.00	0.00	330,672.70	36,560.64	107,410.30	75.48
62--	PURCHASE & CONTRACTED SVS	270,000.00	46,394.04	177,836.19	46,643.82	45,769.77	65.87
63--	SUPPLIES AND MATERIALS	107,795.00	5,294.78	86,511.21	5,337.69	15,989.01	80.26
64--	OTHER OPERATING EXPENSES	31,175.00	0.00	11,077.86	169.00	20,097.14	35.53
66--	CPTL OUTLY LAND BLDG & EQ	10,000.00	0.00	0.00	0.00	10,000.00	0.00
----	DATA PROCESSING SERVICES	857,053.00	51,688.82	606,097.96	88,711.15	199,266.22	70.72
61	COMMUNITY SERVICES						
61--	PAYROLL COSTS	52,591.00	0.00	38,840.21	6,976.91	13,750.79	73.85
62--	PURCHASE & CONTRACTED SVS	0.00	1,500.00	10,000.00	0.00	-11,500.00	0.00
64--	OTHER OPERATING EXPENSES	750.00	0.00	136.39	0.00	613.61	18.19
----	COMMUNITY SERVICES	53,341.00	1,500.00	48,976.60	6,976.91	2,864.40	91.82
91	INTERGOVERNMENTAL CHARGES						
62--	PURCHASE & CONTRACTED SVS	5,567,564.00	0.00	3,304,826.88	826,206.72	2,262,737.12	59.36
----	INTERGOVERNMENTAL CHARGES	5,567,564.00	0.00	3,304,826.88	826,206.72	2,262,737.12	59.36
99	OTHR INTERGOVERNMENTAL CHARGES						
62--	PURCHASE & CONTRACTED SVS	667,570.00	0.00	495,841.38	0.00	171,728.62	74.28
----	OTHR INTERGOVERNMENTAL CH	667,570.00	0.00	495,841.38	0.00	171,728.62	74.28
----	GENERAL FUND	38,308,518.95	697,610.47	26,815,230.60	3,534,324.33	10,795,677.88	70.00

Obj	Obj	2011-12 BUDGET	ENCUMBRANCE YTD	2011-12 EXPENDITURES	May 2011-12 ACTIVITY	2011-12 BALANCE	2011-12 YTD %
240	FOOD SERVICE						
35	FOOD SERVICES						
	61-- PAYROLL COSTS	1,261,933.00	0.00	570,115.94	65,235.19	691,817.06	45.18
	62-- PURCHASE & CONTRACTED SVS	35,221.00	1,697.26	26,470.27	1,444.09	7,053.47	75.15
	63-- SUPPLIES AND MATERIALS	1,043,317.00	54,833.95	843,534.60	88,786.93	144,948.45	80.85
	64-- OTHER OPERATING EXPENSES	9,210.00	419.28	7,094.85	2,117.15	1,695.87	77.03
	66-- CPTL OUTLY LAND BLDG & EQ	22,325.00	154.34	11,928.21	0.00	10,242.45	53.43
	---- FOOD SERVICES	2,372,006.00	57,104.83	1,459,143.87	157,583.36	855,757.30	61.52
	---- FOOD SERVICE	2,372,006.00	57,104.83	1,459,143.87	157,583.36	855,757.30	61.52

Number of Accounts: 5067

***** End of report *****

Obj	Obj	2011-12 BUDGET	ENCUMBRANCE YTD	2011-12 EXPENDITURES	May 2011-12 ACTIVITY	2011-12 BALANCE	2011-12 YTD %
199	GENERAL FUND						
6---	EXPENDITURES	38,308,518.95	697,610.47	26,815,230.60	3,534,324.33	10,795,677.88	70.00
----	GENERAL FUND	38,308,518.95	697,610.47	26,815,230.60	3,534,324.33	10,795,677.88	70.00
240	FOOD SERVICE						
6---	EXPENDITURES	2,372,006.00	57,104.83	1,459,143.87	157,583.36	855,757.30	61.52
----	FOOD SERVICE	2,372,006.00	57,104.83	1,459,143.87	157,583.36	855,757.30	61.52

Number of Accounts: 4934

***** End of report *****



Date: June 13, 2012

To: Board of Trustees and Dr. O'Connor

From: David Hemond, Accounting Supervisor

Subject: Consider Approval of Budget Amendments

Budget amendments included for approval (copies follow):

11-00045	To increase budget for operating supplies - \$2,157
11-00050	To increase budget for testing materials - \$6,993
11-00051	To adjust budget for payment of ARAMARK settlement

Report of grants and other programs (for information only):

11-00046	Set up additional Title I, Part A funds - \$11,857
11-00047	Set up additional Title II, Part A funds - \$1,603
11-00048	Set up reallocated Title VI, Part B funds - \$12,556
11-00049	Set up Summer Food Service Program funds - \$57,485

MARBLE FALLS ISD
BUDGET AMENDMENT

MAY 18 2012

COPY

Batch #: 11-00045		Reason for amendment: Transfer funds from revenue to expense accounts for Special Olympics	
Fiscal Year: 2011-2012		Account Description	
Account Number	Account Description	Debit	Credit
EXPENDITURES		Increase	Decrease
1			
2	199-36-6399-00-999-0-23-012	1,772.66	
3	199-36-6499-00-999-0-23-012	384.00	
4			
5			
6			
7			
8			
9			
10			
11			
12			
13			
14			
15			
16			
17			
18			
19			
20			
REVENUE		Decrease	Increase
21	199-00-5749-00-000-0-00-012		
22	Special Olympics donations		2,156.66
23			
24			
Totals		2,156.66	-2,125.66

Prepared by: *Trisha Clifton* Date: 05/17/12
 Approved by: *Debra Meeple* Date: 5/17/2012
 Reviewed by: *Jmc* Date: 05-18-12
 Entered by: *Jmc* Date: 05-18-12

Revised 8/01/05

MARBLE FALLS ISD
BUDGET AMENDMENT

JUN 06 2012

Batch #:	11-00050	Reason for amendment:	To increase budget to cover testing materials
Fiscal Year:	2011-2012	Account Description	
Account Number			
EXPENDITURES			
1	199-31-6339-00-001-099-000	Testing Materials	
2	199-11-6223-00-001-099-000	Student Tuition - Non Public	6,993.00
3			
4			
5			
6			
7			
8			
9			
10			
11			
12			
13			
14			
15			
16			
17			
18			
19			
20			
REVENUE			
21			
22			
23			
24			
Totals			6,993.00

Board Approval Required Yes No

Prepared by: David Hermond
Date: 06/06/12

Reviewed by: *Jmc*
Date: 06-06-12

Entered by:
Date:

MARBLE FALLS ISD
BUDGET AMENDMENT

Batch #: 11-00051
Fiscal Year: 2011-12
Reason for amendment: To adjust budget for payment of ARAMARK settlement

Account Number	Account Description	Debit		Credit	
		Increase	Decrease	Increase	Decrease
EXPENDITURES					
1 240-00-8949.00-000-000-000	Other Uses	104,860.00			
2					
3					
4					
5					
6					
7					
8					
9					
10					
11					
12					
13					
14					
15					
16					
17					
18					
19					
20					
REVENUE					
21					
22					
23					
24					
Totals		104,860.00		104,860.00	

Board Approval Required
 Yes No
 Prepared by: isa LeMon
 Date: 06/13/12
 Reviewed by: *isa c*
 Date: *06-13-12*
 Entered by:
 Date:

COPY

RECEIVED
MAY 25 2012

**MARBLE FALLS ISD
BUDGET AMENDMENT**

Batch #: 11-00047 Reason for amendment: To add additional mones for Title II, Part A - Teacher & Principal Training and Recruiting.
 Fiscal Year: 2011 - 2012

Account Number	Account Description	Debit		Credit	
		Increase	Decrease	Increase	Decrease
EXPENDITURES					
1					
2	255 13 629 00 999 224 000 Professional Services		1,603.00		
3					
4					
5					
6					
7					
8					
9					
10					
11					
12					
13					
14					
15					
16					
17					
18					
19					
REVENUE					
21	255 00 5929 00 000 200000 Title II, Part A - Teacher & Principal Training and Recruiting			1,603.00	1,603.00
Totals			1,603.00	1,603.00	

Board Approval Required Yes No

Prepared by: D.A. Date: 05/25/12
 Approved by: [Signature] Date: 5/25/12
 Reviewed by: pmc Date: 05-25-12
 Entered by: pmc Date: 05-29-12

COPY

**MARBLE FALLS ISD
BUDGET AMENDMENT**

MAY 31 2012

Batch #: 11-00048	Reason for amendment: To add reallocation funds for Title VI, Part B, Rural & Low-income School Program
Fiscal Year: 2011-2012	BY: JPMC
Account Number	Account Description
EXPENDITURES	
1 270 11 6119 00 041 230000	Professional Salaries
2	
3	
4	
5	
6	
7	
8	
9	
10	
11	
12	
13	
14	
15	
17	
18	
19	
REVENUE	
21 270 00 5929 00 000 200000	Title VI, Part B, Rural & Low-income School Program
Totals	
	Increase 12,556.00
	Decrease 12,556.00
	Increase 12,556.00
	Decrease 12,556.00

Prepared by: *JPMC*
Date: 05/31/12
Approved by: *JPMC*
Date: 05-31-12
Reviewed by: *JPMC*
Date: 05-31-12
Entered by: *JPMC*
Date: 05-31-12

Revised 8/07/05

MARBLE FALLS ISD
BUDGET AMENDMENT

MAY 31 2012

COPY

Batch #: 11-00049		Reason for amendment: Summer Food Service Program 2011-2012	
Fiscal Year:		Account Description	
Account Number	Account Description	Debit	Credit
EXPENDITURES			
1 242-35-6129.00-999-0-99-000	OPERATIONAL PERSONNEL	23,268.00	
2 242-35-6141.00-999-0-99-000	FICA	3,723.00	
3 242-35-6341.00-999-0-99-000	FOOD PURCHASES	26,719.00	
4 242-35-6342.00-999-0-99-000	NON-FOOD SUPPLIES	3,000.00	
5 242-35-6399.00-999-0-99-000	OFFICE SUPPLIES & PRINTING	500.00	
6 242-35-6411.00-999-0-99-000	MILEAGE	275.00	
7			
8			
9			
10			
11			
12			
13			
14			
15			
16			
17			
18			
19			
20			
REVENUE			
21 242-00-5939.00-000-0-00-000	SFSP BREAKFAST REIMBURSEMENT		13,545.00
22 242-00-5939.00-000-0-00-000	SFSP LUNCH REIMBURSEMENT		43,940.00
23			
24			
Totals		57,485.00	57,485.00
Board Approval Required <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No		Prepared by: MED	Reviewed by: Jm
		Date: 5/31/12	Date: 05-31-12

CONTRACT FOR ELECTION SERVICES
BETWEEN
THE BURNET COUNTY ELECTIONS ADMINISTRATOR
AND
THE MARBLE FALLS INDEPENDENT SCHOOL DISTRICT
FOR THE AUGUST 25, 2012 TAX RATIFICATION ELECTION

THIS CONTRACT is made and entered into by and between Barbara Agnew, the Burnet County, Texas Elections Administrator, hereinafter referred to as “Contracting Officer,” and the Local Political Subdivision, The Marble Falls Independent School District hereinafter referred to as “the LPS,” pursuant to the authority under Section 31.092(a) of the Texas Election Code. In consideration of the mutual covenants and promises hereinafter set forth, the parties to this contract agree to the following with regard to coordination and supervision of the LPS’s August 25, 2012 Tax Ratification Election (“the election”).

I. RESPONSIBILITIES OF CONTRACTING OFFICER. The Contracting Officer shall perform the following services and furnish the following materials and equipment in connection with the election:

A. *Selection of Presiding Judges, Alternate Judges, and Election Clerks.*

1. The Contracting Officer shall appoint one presiding election judge and one alternate judge at its Election Day polling location, each of which will be qualified voters of the LPS. The Contracting Officer shall appoint a presiding judge, an alternate judge and a clerk for the central counting station on Election Day. The Contracting Officer shall appoint a presiding judge and two clerks for the Early Voting Ballot Board (EVBB). By signing this contract, the LPS hereby approves such selections. The Contracting Officer shall notify the election workers of their selection and shall provide the names and addresses of those selected to the LPS.

2. The Contracting Officer shall provide the presiding judge the names of registered voters in the territory of the LPS who are willing to serve as election clerks at the Election Day polling location from which the presiding judge shall make his or her clerk appointments. If a presiding judge or the alternate judge does not speak both English and Spanish, the Contracting Officer shall ensure that such presiding judge appoints a bilingual election clerk.

B. *Election Training.* The Contracting Officer shall be responsible for training the presiding judge, alternate judge, election clerks, and Early Voting deputies in the operation and troubleshooting of the direct record electronic (DRE) voting system and the conduct of elections, including qualifying voters, issuing ballot style codes, maintaining order at the polling location, and provisional voting.

C. *Logic and Accuracy Testing.* In advance of Early Voting (including the sending out of any mail ballots), the Contracting Officer, the tabulation supervisor and two other members she designates

for the testing board shall conduct all logic and accuracy testing in accordance with the procedures set forth by the Texas Secretary of State. The Contracting Officer shall also be responsible for the publication of the required notice of such testing.

E. Election Supplies. The Contracting Officer shall procure, prepare, and distribute to the presiding judge for use at the polling location on Election Day (and to the Early Voting clerks during Early Voting) the following consumable election supplies: election and early voting kits from third-party vendors or the equivalent (including the appropriate envelopes, lists, forms, name tags, posters, and signage described in Chapters 51, 61, and 62, and Subchapter B of Chapter 66 of the Texas Election Code); seals; sample ballots; thermal paper rolls for use in the Judge's Booth Controllers (JBCs); batteries for use in the JBCs and eSlates; and all consumable-type office supplies necessary to hold an election. The Contracting Officer may purchase additional or make additional copies of election forms, including sample ballots and combination poll lists/signature rosters.

F. Registered Voter List. The Contracting Officer shall provide lists of registered voters in the LPS territory required for use on Election Day and for the Early Voting period.

G. Election Equipment.

1. The Contracting Officer shall use the Direct Record Electronic (DRE) voting system and the mail ballot system purchased by Burnet County from Hart InterCivic, Inc. ("Hart") for the election. This voting system includes the equipment referred to as "eSlates" and "Judge's Booth Controllers" (JBCs). The Early Voting location and the Election Day polling location will have at least one voting machine that is accessible to disabled voters. The Contracting Officer or designee shall prepare the JBCs and eSlates for Early Voting and for Election Day.

2. The Contracting Officer or designee shall program the ballot for the voting system (as well as for the mail ballots) based on the information provided by the LPS including proposition on the ballot and the English and Spanish translation of the proposition.

H. Early Voting.

1. The Contracting Officer shall serve as Early Voting Clerk for the election, and by signing this contract, the LPS does hereby appoint her as such. The Contracting Officer shall conduct Early Voting at the district's Administrative Offices at 1800 Colt Circle, Marble Falls, TX 78654. The Contracting Officer shall hire at least 3 temporary deputies to work each day at the Early Voting location. Early Voting by personal appearance for the election shall be conducted during the hours and time period and at the location listed in Exhibit A.

2. The Contracting Officer may receive mail ballot applications on behalf of the LPS. All applications for mail ballots shall be processed in accordance with Title 7 of the Texas Election Code by the Contracting Officer or her deputies at the Records Building, located behind the Burnet County Courthouse Annex, 1701 E. Polk St., Burnet, TX 78611.

I. Election Day Polling Location. The Election Day polling location shall also be the district's Administrative Offices at 1800 Colt Circle, Marble Falls, TX 78654, set forth in Exhibit B. The Contracting Officer shall arrange for the setting up of the polling location.

J. Election Day Activities.

1. The Contracting Officer and staff shall be available from 6:00 am until the completion of vote counting on Election Day to render technical support and assistance to voters and election workers.

2. The Contracting Officer and staff shall do Election Night intake preparation and intake of election equipment and records starting at 6:00 pm on Election Day.

3. The Contracting Officer shall count the votes in accordance with Chapter 127 of the Texas Election Code. The Contracting Officer shall serve as central counting station manager and Elections Assistant Karen Peraino shall serve as tabulation supervisor. By signing this contract, the LPS hereby approves such appointments.

K. Election Night Reports. The Contracting Officer shall prepare the unofficial tabulation of precinct election results under Section 66.056(a) of the Texas Election Code. The unofficial tabulation of Early Voting precinct results and Election Day precinct results shall be made available to the LPS via e-mail as soon as they are prepared and may be released under law, but no earlier than 7:05 pm on Election Day.

L. Provisional Votes/Determination of Mail Ballots Timely Received under Section 86.007(d) of the Texas Election Code. The Contracting Officer, serving as voter registrar, shall retain the provisional voting affidavits and shall provide factual information on each of the provisional voters' status. The Contracting Officer will reconvene the EVBB after the election within the time set forth in Section 65.051 of the Texas Election Code for the purpose of determining the disposition of the provisional votes. At the same time, the EVBB shall review mail ballots timely received under Section 86.007(d) of the Texas Election Code to determine whether such will be counted and to resolve any issues with such ballots.

M. Canvass Material Preparation. Promptly after determination of the provisional votes and resolution of any mail ballots, the Contracting Officer shall work with the Early Voting Ballot Board to tally the accepted provisional votes and resolved mail ballots, amend the unofficial tabulations, and submit new unofficial tabulations to the LPS. The reports shall serve as the canvass materials for the LPS.

N. Custodian of Election Records. The election records shall be submitted to the LPS secretary, except for those records that must be maintained by the Contracting Officer as Voter Registrar in accordance with Section 66.051 of the Texas Election Code. The Contracting Officer is hereby appointed the custodian of voted ballots (which in the case of the ballots cast on the DRE voting system consists of the DVD backup) and shall preserve them in accordance with Chapter 66 of the Texas Election Code and other applicable law. The Contracting Officer shall also maintain custody of the records pertaining to the operation of the JBCs and eSlates.

O. Recount.

1. If required by law, the Contracting Officer shall perform a partial manual count of electronic voting system ballots in accordance with section 127.201 of the Texas Election Code. A recount may also be requested in accordance with Chapter 212 of the Texas Election Code.

2. The LPS shall advise the Contracting Officer if a recount is required by law or requested and the Contracting Officer and the LPS shall discuss how such recount is to be conducted. The LPS shall reimburse the Contracting Officer for the cost of such count which is not included in the estimate set forth in Exhibit C.

P. Contracting with Third Parties. In accordance with Section 31.098 of the Texas Election Code, the Contracting Officer is authorized to contract with third parties for election services and supplies, except where such services and supplies will be procured by the LPS as provided in this contract. The cost of such third-party services and supplies will be paid by the Contracting Officer and reimbursed to her by the LPS, or the LPS shall pay such cost directly to the third parties, as agreed by the parties at the time the services and supplies are ordered.

II. RESPONSIBILITIES OF THE LPS. The LPS shall perform the following tasks, which are not the responsibility of the Contracting Officer:

A. Applications for Mail Ballots. The LPS shall date stamp and then immediately fax to the Contracting Officer all applications for mail ballots that it receives. Promptly thereafter, the LPS shall deliver or send by mail the original mail ballot applications to the Contracting Officer.

B. Election Orders, Election Notice, and Canvass. The LPS shall prepare the election order, resolutions, and official canvass. The LPS shall be responsible for having the required election notice under Section 4.003(a)(1) of the Texas Election Code timely published in the newspaper. The LPS shall also be responsible for timely posting the notice required under Section 4.003(b) of the Texas Election Code in the proper location(s). The LPS is responsible for ensuring that all necessary documents are in both English and Spanish.

C. Map. The LPS shall provide the Contracting Officer with an updated map and street index of its jurisdiction in an electronic or printed format.

D. Ballot Information. As soon as possible and in time to prepare mail ballots by July 11, the LPS shall provide the Contracting Officer with the ballot information including the English language and Spanish translation of proposition that is to appear on the ballot. The LPS shall promptly review for correctness the final ballot when requested by the Contracting Officer to do so prior to finalization.

E. Precinct Reports to the Texas Secretary of State. The LPS shall prepare and file all required precinct reports with the Texas Secretary of State.

F. Department of Justice Preclearance. The LPS shall submit any required preclearance documents specifically related to this election to the United States Department of Justice under the Federal Voting Rights Act of 1965.

III. SPECIAL PROVISIONS RELATING TO ELECTION WORKERS

A. Number of Early Voting Workers at Early Voting Polling Location. It is agreed by the Contracting Officer and the LPS that there shall be three to four early voting workers at the polling location. The workers shall consist of a lead deputy and other deputies appointed by the Contracting Officer.

B. Number of Election Workers at Election Day Polling Location. It is agreed by the Contracting Officer and the LPS that there shall be three to four election workers at the Election Day polling location. The workers shall consist of the presiding judge, alternate judge, and at least one election clerk appointed by the presiding judge.

C. Number of Early Voting Ballot Board Members. It is agreed by the Contracting Officer and the LPS that the EVBB shall consist of three members.

D. Compensation for Election Workers. The Contracting Officer and the LPS agree that election workers will be compensated as follows:

- Presiding judges and alternate judges
(including EVBB and the central counting station): \$9.00/hr
- Election clerks: \$8.00/hr
- Early Voting deputies: \$8.00/hr

Election workers will be paid for the time spent setting up the polling location and closing the polling location each evening, but not to exceed one hour before and one hour after the polling location is open for voting. The LPS shall pay the workers directly.

E. Delivery Fee.

1. The presiding judge (or the alternate judge or election clerk, if designated by the presiding judge) shall bring the eSlates, JBC, completed paperwork, and all unused supplies back to the Records Building after the polls close on Election Night. The presiding judge or judge’s designee shall be paid mileage for this delivery at the current mileage rate paid by Burnet County (\$.555/mile) between the polling location and the Records Building, but not to exceed a total of \$12.50. The eSlates, JBC, and election supplies shall be delivered to the polling location either by a member of the Contracting Officer’s staff or picked up by the presiding judge or judge’s designee at the Records Building before the election. The presiding judge or judge’s designee shall be paid mileage for this pickup at the current mileage rate paid by Burnet County (\$.555/mile) between the polling location and the Records Building, but not to exceed a total of \$12.50. The delivery fee shall be paid along with the compensation.

2. The LPS shall pay the election workers the delivery fee directly.

IV. PAYMENT

A. Compensation. Within 60 days after Election Day, the Contracting Officer will submit an itemized invoice to the LPS for actual expenses directly attributable to the scope of work of the election, including the following:

- ballot programming and printing costs
- a “per election” user fee of \$150 for each regular eSlate, accessible eSlate, and JBC placed in service at each Election Day polling location
- supply costs
- newspaper notice publication expense for logic and accuracy testing.

Costs for which reimbursement is sought shall be supported by appropriate documentation.

A cost estimate for election expenses is set forth in Exhibit C. The parties agree that this is an estimate only and the LPS is obligated to pay the actual expenses of the election. The Contracting Officer agrees to advise the LPS if it appears that the actual expenses will exceed by 20% or more the estimated expenses to be paid initially by the Contracting Officer and reimbursed by the LPS.

B. Administrative Fee. In accordance with Section 31.100(d), the LPS shall pay the Contracting Officer an administrative fee in the amount of 10% of the total cost of the contract (but not less than \$75.00).

C. Payment. The Contracting Officer's invoice shall be due and payable to the address set forth in the invoice within 30 days from the date of receipt by the LPS. If the LPS disputes any portion of the invoice, the LPS shall notify the Contracting Officer within such 30-day period or the invoice will be deemed to be an accurate rendering of the amount that is due.

VI. GENERAL PROVISIONS

A. Nontransferable Functions. Nothing in this contract shall authorize or permit a change in:

1. the authority with whom or the place at which any document or record relating to the election is to be filed;
2. the officers who conduct the official canvass of the election returns;
3. the authority to serve as custodian of voted ballots or other election records; or
4. any other nontransferable function specified under Section 31.096 of the Texas Election Code.

B. Cancellation of Election. If the LPS cancels its election pursuant to Section 2.053 of the Texas Election Code, the Contracting Officer shall be entitled to receive an administrative fee of \$75. The Contracting Officer shall submit an invoice for the administrative fee within 60 days after the cancellation, and the LPS shall make payment therefore in a manner similar to that set forth in **V. PAYMENT** above.

C. Contract Copies to Treasurer and Auditor. In accordance with Section 31.099 of the Texas Election Code, the Contracting Officer agrees to file copies of this contract with the County Treasurer of Burnet County, Texas and the County Auditor of Burnet County, Texas.

D. Representatives. For purposes of implementing this contract and coordinating activities, the Contracting Officer and the LPS designate the following individuals for submission of information, documents and notice:

For the Contracting Officer:

Barbara Agnew
Elections Administrator, Burnet County
220 S. Pierce
Burnet, TX 78611
Tel: (512) 715-5288
(512) 755-5495 (cell)
Fax: (512) 715-5287
Email: electadmin@burnetcountytexas.org

For the LPS:

Allen Roberts
Assistant Superintendent
Marble Falls Independent School District
1800 Colt Circle
Marble Falls, TX 78654
(830) 693-4357
Email: aroberts@mfisd.txed.net

WITNESS BY MY HAND THIS THE _____ DAY OF _____, 2012.

Barbara Agnew
Elections Administrator
Burnet County, Texas

WITNESS BY MY HAND THIS THE _____ DAY OF _____, 2012.

Name: _____
Title: _____
Duly Authorized to Sign this Contract on
Behalf of the Marble Falls Independent
School District

ATTEST: _____

**Marble Falls Independent School District
August 25, 2012 Tax Ratification Election**

**Exhibit A
Early Voting Location and Hours**

Polling Place		Address			City	
Marble Falls I.S.D. Administrative Offices – Community Room		1800 Colt Circle			Marble Falls, TX 78654	
Sunday	Monday	Tuesday	Wednesday	Thursday	Friday	Saturday
	<i>August 6</i>	<i>August 7</i>	<i>August 8</i> 8am-5pm	<i>August 9</i> 8am-5pm	<i>August 10</i> 8am-5pm	<i>August 11</i>
<i>August 12</i>	<i>August 13</i> 8am-5pm	<i>August 14</i> 8am-5pm	<i>August 15</i> 8am-5pm	<i>August 16</i> 8am-5pm	<i>August 17</i> 8am-5pm	<i>August 18</i>
<i>August 19</i>	<i>August 20</i> 8am-5pm	<i>August 21</i> 8am-5pm	<i>August 22</i>	<i>August 23</i>	<i>August 24</i>	<i>August 25</i> Election Day Polls Open 7am-7pm

**Exhibit B
Election Day Polling Location**

Precincts	Location	Address	City
Burnet County 3, 4, 6, 9, 18, 19, and 20 Travis County 308, 370 and 371	Marble Falls I.S.D. Administrative Offices – Community Room	1800 Colt Circle	Marble Falls, TX 78654

**Marble Falls Independent School District
August 25, 2012 Tax Ratification Election**

**Exhibit A
Estimated Election Expenses**

Payroll:

Early Voting Workers	\$ 2,400.00
Election Day Judges and Clerks	\$ 500.00
Early Voting Ballot Board	\$ 150.00
Testing Board Members	\$ 50.00
Central Counting Station judges and clerks	\$ 100.00

Delivery/ Mileage

Pickup and delivery of supplies by judges \$ 25.00

User Fee for DRE equipment * \$ 1,200.00

Newspaper notice for L & A Testing \$ 50.00

Consumable Supplies \$ 50.00

Ballot Programming \$ 75.00

Subtotal \$ 4,600.00

10% Administrative Fee Payable to Burnet County Elections \$ 460.00
Administrator:

Grand Total Estimated Election Expenses: \$ 5,060.00

* User fee as established by commissioners court is \$150.00/unit.



April 16, 2012

CONFIDENTIAL: ATTORNEY-CLIENT COMMUNICATION

Re: TASB Update 93-Proposed FFH (LOCAL) and FFI (LOCAL)

Dear Client:

Districts are currently receiving Localized Update 93 through their subscription to the TASB Policy Service. TASB continues to prepare and disseminate legal framework policies and local policies to be reviewed and ultimately adopted by local boards of trustees and provides an invaluable service to Texas school districts in so doing. The challenges of preparing policy text or options that will fit the needs of a Houston or Dallas ISD, as well as the smallest 1A school district, are significant; in the vast majority of instances, the policies TASB develops will meet most districts' needs.

Occasionally, however, as your legal counsel, we may have a slightly different perspective on a topic and how to address it in policy. You may recall that a few years ago, we corresponded with you about concerns related to the some of the Localized Update 83 proposed local policies distributed by the TASB Policy and Legal Services at the above-referenced policy codes, as well as other policies. TASB Policy and Legal have updated those policies in anticipation of the 2012-13 school year when certain provisions of H.B. 1942, enacted by the 82nd Legislature become effective. As your attorneys, we are obligated to advise you when we have a different perspective on those topics.

As we noted in 2008, we continue to have some apprehension about including the "EXAMPLE" paragraphs in the board-adopted policy. While this information certainly can be helpful to administrators in assessing a claim of discrimination, harassment, retaliation, or bullying, it also can serve as a fount of inspiration for those who sometimes seek out things about which to complain. Nothing prevents administrators from keeping and using the examples as an administrative tool; however, such lists of examples provide a ready-made attack at a deposition where counsel for the student or parent cross-examines the principal or other administrator on each example and asks



why the principal did or did not take that into account or why she did or not did not try each "corrective action."

We have developed revised versions of FFH (LOCAL) and FFI (LOCAL) that remove all the EXAMPLE and CORRECTIVE ACTION paragraphs and incorporate other revisions based on our experience in assisting clients over the past 3-4 years in interpreting and administering the policies. All instances of "immediately" have been changed to "promptly"; "immediately" creates unwarranted expectations for students and parents and sets administrators up for challenge if, at the first hint of allegations of "harassment" or "bullying," the principal does not stop in his tracks and focus all attention on those allegations.

We bring the following specific issues to your attention:

- FFH (LOCAL) 3 of 6, Student Report: insert "professional" between "District" and "employee." Students may, of course, tell other classes of employees about alleged harassment, etc., but the district's exposure to liability should be limited by the actual knowledge of someone who has the authority to respond.
- FFH (LOCAL) 3 of 6, Definition of District Officials: We have added "campus administrators" to this list. The reality is that in many, many of our client districts, the principal is still going to be the first person with knowledge; particularly in smaller districts, it is unlikely that there will be layers of administrators whose whole job is to deal with these kinds of allegations.
- FFH (LOCAL) 4 of 6: at SUPERINTENDENT, insert "or designee" for additional flexibility.
- FFH (LOCAL) 4 of 6: at Timely Reporting, we delete "and address the alleged prohibited conduct." The critical issue is that a delay in reporting will make it difficult to investigate. Addressing the conduct will naturally flow from the results of the investigation.
- FFH (LOCAL) 4 of 6: we add Notice to Other Officials to remind that there is always the requirement to report known or suspected child abuse or neglect.
- FFH (LOCAL) 5 of 6: we add a new fourth paragraph under Investigation of the Report to specify what happens when the investigator determines that whatever



has been reported is NOT prohibited conduct under FFH or bullying under FFI. In the TASB version, there is no guidance on what should happen when the determination is that there has been no prohibited conduct or bullying.

- FFH (LOCAL) 5 of 6: we also remove last paragraph under Investigation of the Report regarding steps that might be taken in an investigation. In our view, this paragraph is too process oriented.
- FFH (LOCAL) 5 of 6: at Concluding the Investigation, we add an additional sentence indicating that a summary of the investigation and its conclusions will be provided to the complainant. Again, the original policy contained no guidance for communicating to the concerned party. Note however, the first sentence of the next section making clear that the district will never have to tell the complainant **exactly** what happened to the perpetrator.

Many of the revisions at FFI (LOCAL) are similar to those at FFH (LOCAL); examples and corrective actions have been removed, and “immediately” is now “promptly” at each occurrence. In an effort to guide administrators in using these two policies— which necessarily have a great deal of overlap, somewhat along the lines of “prohibited conduct” will very often also be bullying, but not all bullying is ‘prohibited conduct’— we inserted a new second sentence at the **Note** at the beginning to direct everyone first to the discrimination, harassment, retaliation policy (FFH) to see whether that is the appropriate place to start.

The most significant change in the FFI (LOCAL) policy is the revision of the definition of “Bullying” on page 1 of 3. We have reordered the statutory components of the definition to help the school administrator engage in the correct analysis.

The statutory definition requires administrators to focus on the **location** of the alleged activity (at school, school activity, school transportation) and also requires an analysis of whether there is an “imbalance of power” between the “victim” and the “perpetrator” and a determination whether the conduct substantially disrupts school operations or interferes with a student’s education. Per the state definition, without an “imbalance of power” and “substantial disruption” or “interference” in a student’s education by conduct that is taking place at school, at a school event, or on school transportation, there is no “bullying,” regardless of the actual conduct.



Additionally:

- FFI (LOCAL) 2 of 3: remove Corrective Action for same reason as at FFH.
- FFI (LOCAL) 2 of 3: at Counseling, insert “District” before “counseling” to make clear that the district has no obligation to inform those listed of all public and private counseling opportunities that might be available in the community.
- FFI (LOCAL) 2 of 3: at Transfers, recast the provision so that it is clear that someone has to request a transfer before anyone has to refer to the transfer policy.

One thing that will be certain as a result of these policies’ being in place is that school administrators will be conducting more investigations—and we mean a real investigation with a real paper trail and a real report at the end. For over a year, our firm has published an Investigation Manual complete with checklists, forms, and step-by-step guidance for conducting a thorough investigation of complaints of harassment, retaliation, discrimination, and so on. Check it out on our website www.edlaw.com.

If you have any questions or wish to discuss these issues, please don’t hesitate to contact us.

Very truly yours,

EICHELBAUM WARDELL
HANSEN POWELL & MEHL, P.C.

(800) 488-9045 | information@edlaw.com

Note: This policy addresses discrimination, harassment, and retaliation involving District students. For provisions regarding discrimination, harassment, and retaliation involving district employees, see DIA. For reporting requirements related to child abuse and neglect, see FFG. Note that FFH shall be used in conjunction with FFI (bullying) for certain prohibited conduct.

STATEMENT OF
NONDISCRIMINATION

The District prohibits discrimination, including harassment, against any student on the basis of race, color, religion, gender, national origin, disability, or any other basis prohibited by law. The District prohibits dating violence, as defined by this policy. Retaliation against anyone involved in the process set out in this policy is a violation of District policy.

DISCRIMINATION

Discrimination against a student is defined as conduct directed at a student on the basis of race, color, religion, gender, national origin, disability, or any other basis prohibited by law, that adversely affects the student.

PROHIBITED HARASSMENT

Prohibited harassment of a student is defined as physical, verbal, or non-verbal conduct based on a student's race, color, religion, gender, national origin, disability, or any other basis prohibited by law that is so severe, persistent, or pervasive that the conduct:

1. Affects a student's ability to participate in or benefit from an educational program or activity, or creates an intimidating, threatening, hostile, or offensive educational environment;
2. Has the purpose or effect of substantially or unreasonably interfering with the student's academic performance; or
3. Otherwise adversely affects the student's educational opportunities.

Prohibited harassment includes dating violence as defined by this policy.

SEXUAL HARASSMENT
BY AN EMPLOYEE

Sexual harassment of a student by a District employee includes both welcome and unwelcome sexual advances; requests for sexual favors; sexually motivated physical, verbal, or nonverbal conduct; or other conduct or communication of a sexual nature when:

1. A District employee causes the student to believe that the student must submit to the conduct in order to participate in a school program or activity, or that the employee will make an educational decision based on whether or not the student submits to the conduct; or
2. The conduct is so severe, persistent, or pervasive that it:
 - a. Affects the student's ability to participate in or benefit from an educational program or activity, or otherwise adversely affects the student's education opportunities; or
 - b. Creates an intimidating, threatening, hostile, or abusive edu-

cation environment.

Romantic or inappropriate social relationships between students and District employees are prohibited. Any sexual relationship between a student and a District employee is always prohibited even if consensual. [See DF]

BY OTHERS

Sexual harassment of a student, including harassment by another student, includes unwelcome sexual advances; requests for sexual favors; or sexually motivated physical, verbal, or nonverbal conduct when the conduct is so severe, persistent, or pervasive that it:

1. Affects a student's ability to participate in or benefit from an educational program or activity, or creates an intimidating, threatening, hostile, or offensive educational environment;
2. Has the purpose or effect of substantially or unreasonably interfering with the student's academic performance; or
3. Otherwise adversely affects the student's educational opportunities.

Necessary or permissible physical contact by an employee or other student such as assisting a child by taking the child's hand, comforting a child with a hug, or other physical contact not reasonably construed as sexual in nature is not sexual harassment.

GENDER-BASED
HARASSMENT

Gender-based harassment includes physical, verbal, or nonverbal conduct based on the student's gender, the student's expression of characteristics perceived as stereotypical for the student's gender, or the student's failure to conform to stereotypical notions of masculinity or femininity. For purposes of this policy, gender-based harassment is considered prohibited harassment if the conduct is so severe, persistent, or pervasive that the conduct:

1. Affects a student's ability to participate in or benefit from an educational program or activity, or creates an intimidating, threatening, hostile, or offensive educational environment;
2. Has the purpose or effect of substantially or unreasonably interfering with the student's academic performance; or
3. Otherwise adversely affects the student's educational opportunities.

DATING VIOLENCE

Dating violence occurs when a person in a current or past dating relationship uses physical, sexual, verbal, or emotional abuse to harm, threaten, intimidate, or control the other person in the relationship. Dating violence also occurs when a person commits these acts against a person who is in a marriage or dating relationship with the individual who is or was once in a marriage or dating relationship with the person committing the offense.

For purposes of this policy, dating violence is considered prohibited harassment if the conduct is so severe, persistent, or pervasive that the

conduct:

1. Affects a student's ability to participate in or benefit from an educational program or activity, or creates an intimidating, threatening, hostile, or offensive educational environment;
2. Has the purpose or effect of substantially or unreasonably interfering with the student's academic performance; or
3. Otherwise adversely affects the student's educational opportunities.

RETALIATION

The District prohibits retaliation against a student who claims to have experienced discrimination or harassment, as defined in this policy, or another student who, in good faith, makes a report of discrimination or harassment experienced by another student, serves as a witness in any investigation under this policy, or otherwise participates in an investigation under this policy.

FALSE CLAIM

A student who intentionally makes a false claim, offers false statements, or refuses to cooperate with a District investigation regarding discrimination or harassment under this policy is subject to appropriate discipline.

PROHIBITED CONDUCT

In this policy, the term "prohibited conduct" includes discrimination, harassment, dating violence, and retaliation as defined by this policy even if the conduct does not rise to the level of "unlawful" conduct.

REPORTING PROCEDURES
STUDENT REPORT

Any student who believes that he or she has experienced prohibited conduct or believes that another student has experienced prohibited conduct should immediately report the alleged acts to a teacher, counselor, principal, other District professional employee, or the appropriate District official listed in this policy.

EMPLOYEE REPORT

Any District employee who suspects or receives notice that a student or group of students has or may have experienced prohibited conduct shall promptly notify the appropriate District official listed in this policy and take any other steps required by this policy.

DEFINITION OF DISTRICT
OFFICIALS

For purposes of this policy, District officials are the Title IX coordinator, the ADA/Section 504 coordinator, the Superintendent, and the campus administrator.

TITLE IX COORDINATOR

Reports of discrimination or harassment based on sex or gender may be directed to the Title IX coordinator. The District designates the following person to coordinate its efforts to comply with Title IX of the Education Amendments Act of 1972, as amended:

Name:

Position:

Address:

Telephone:

ADA/SECTION 504
COORDINATOR

Reports of discrimination based on disability may be directed to the ADA/Section 504 coordinator. The District designates the following per-

son to coordinate its efforts to comply with Title II of the American with Disabilities Act of 1990, as amended, which incorporates and expands upon the requirements of Section 504 of the Rehabilitation Act of 1973, as amended:

Name:

Position:

Address:

Telephone:

SUPERINTENDENT

The Superintendent shall serve as coordinator for purposes of all other anti-discrimination laws.

ALTERNATE REPORTING PROCEDURES

No student is required to report prohibited conduct to the person alleged to have committed the conduct. Reports of alleged prohibited conduct, including reports against the Title IX or ADA/Section 504 coordinators, may be addressed to the Superintendent.

A report against the Superintendent may be made directly to the Board. If a report is made directly to the Board, the Board shall take action at a properly posted Board meeting that includes an agenda item related to a complaint against the Superintendent to appoint an appropriate person, who need not be a District employee, to conduct an investigation.

TIMELY REPORTING

Reports of prohibited conduct shall be made as soon as possible after the alleged act or knowledge of the alleged act. A failure to promptly report may impair the District's ability to investigate.

NOTICE TO PARENTS

The District official or designee shall promptly notify the parents of any student alleged to have experienced prohibited conduct by a District employee or another adult.

NOTICE TO OTHER OFFICIALS

If the alleged perpetrator is not a District employee or other adult over whom the District can exercise any jurisdiction, the District official shall also promptly notify appropriate law enforcement or Child Protective Services if the official has reason to believe that the child has been or may be neglected or abused.

INVESTIGATION OF THE REPORT

The District may request but shall not require a written complaint or report of alleged prohibited conduct. If a report is made orally, the District official shall prepare a written report from the oral information.

Upon receipt or notice of the report, the District official shall determine whether the allegations, if proven, would constitute prohibited conduct, as defined by this policy. If so, the District official shall promptly authorize or undertake an investigation, regardless of whether a criminal or regulatory investigation of the same or similar allegations is pending, and shall also determine whether the reported conduct would, if proven, constitute bullying under policy FFI.

If no investigation is warranted under this policy, the District official shall make a determination under FFI, Freedom from Bullying, whether the alleged conduct would constitute bullying rather than discrimination, har-

assessment, or retaliation. If so, the matter shall be referred to be handled under FFI.

If the District official determines that the alleged conduct, if proven, would not be a violation of this policy or of policy FFI, the District official shall so notify the complainant/reporter in writing and dismiss the complaint.

If appropriate, the District official shall promptly take interim action calculated to address prohibited conduct or bullying during the course of the investigation.

The investigation may be conducted by a District official or a designee, such as the campus principal, or by a third party designated by the District, such as an attorney. When appropriate, the campus principal shall be involved in or informed of the investigation.

CONCLUDING THE
INVESTIGATION

Absent extenuating circumstances, the investigation should be completed within ten District business days from the date of the report; however, the investigator shall take additional time if necessary to complete a thorough investigation.

The investigator shall prepare a written report of the investigation. The report shall include a determination of whether prohibited conduct or bullying occurred. The report shall be filed with the District official overseeing the investigation. That official shall communicate a summary of the report and its conclusions to the complainant.

DISTRICT ACTION
PROHIBITED CONDUCT

In no circumstance shall the District be required to inform the complainant of the specific disciplinary or corrective action taken.

If the results of an investigation indicate that prohibited conduct occurred, the District shall promptly respond by taking appropriate disciplinary action in accordance with the Student Code of Conduct and may take corrective action reasonably calculated to address the conduct.

BULLYING

If the results of the investigation indicate bullying occurred, the official shall refer to FFI for appropriate notice to parents and District action and to FDB for applicable transfer provisions.

IMPROPER CONDUCT

If the investigation reveals improper conduct that was neither "prohibited conduct" nor "bullying," the District may nonetheless take appropriate disciplinary action consistent with the Code of Student Conduct or other corrective action to address the conduct.

CONFIDENTIALITY

To the extent possible, the District shall endeavor to protect the privacy of the complainant, persons against whom a complaint is filed, and witnesses. However, limited disclosures may be necessary in order to conduct a thorough investigation and comply with applicable law.



CONFIDENTIAL ATTORNEY-CLIENT COMMUNICATION

Date: May 11, 2012
To: Superintendent
From: Eichelbaum Wardell Hansen Powell & Mehl, P.C.
Re: Alternate Update 93 Policy

You recently received a letter and suggested policies from us related to bullying and to harassment, etc. We are today provided a corrected FFI (LOCAL), Bullying, that reflects two changes to the policy originally sent. Those changes are the elimination on page 1, at TIMELY REPORTING, of a 90-day "statute of limitations" for making a report of bullying. Even though all state and federal anti-discrimination statutes impose deadlines for filing administrative complaints or lawsuits, the application of a timeframe within which a claim of "bullying" must be made has not yet been tested in court. The other change is the inclusion of STUDENTS WITH DISABILITIES at the bottom of page 2. We originally removed it because that requirement is addressed in the LEGAL policy at FFI. However, the statute requires that the board's adopted policy include such a provision, and school districts do not ordinarily ADOPT the referenced policies.

If you have any questions, please don't hesitate to contact one of our attorneys.

Note: This policy addresses bullying of students. Before proceeding under this policy, review FFH to first determine whether that policy applies. For provisions regarding discrimination and harassment involving District students, see FFH. Note that FFI shall be used in conjunction with FFH for certain prohibited conduct. For reporting requirements related to child abuse and neglect, see FFG.

BULLYING PROHIBITED

The District prohibits bullying as defined by this policy. Retaliation against anyone involved in the complaint process set out in this policy is a violation of District policy.

DEFINITION

Bullying occurs when a student or group of students who are on school property, at a school-sponsored or school-related activity, or in a vehicle operated by the District engages in written or oral expression, expression through electronic means, or physical conduct that:

1. Exploits an imbalance of power between the student perpetrator and the student victim through written or oral expression or physical conduct and interferes with a student's education or substantially disrupts the operation of a school; and
2. Such conduct:
 - (a) Has the effect or reasonably will have the effect of physically harming a student, damaging a student's property, or placing a person in reasonable fear of harm to the student's person or of damage to the student's property; or
 - (b) Is sufficiently severe, persistent, and pervasive enough that the action or threat creates an intimidating, threatening, or abusive educational environment for a student.

RETALIATION

The District prohibits retaliation by a student or District employee against any person who, in good faith, makes a report of bullying, serves as a witness, or otherwise participates in an investigation under this policy.

FALSE CLAIM

A student who intentionally makes a false claim, offers false statements, or refuses to cooperate with a District investigation regarding bullying under this policy is subject to appropriate discipline.

TIMELY REPORTING

Reports of bullying shall be made as soon as possible after the alleged act or knowledge of the alleged act. A failure to promptly report may impair the District's ability to investigate.

**REPORTING PROCEDURES
STUDENT REPORT**

To obtain intervention and assistance, any student who believes that he or she has experienced bullying or believes that another student has experienced bullying should immediately report the alleged acts to a teacher, counselor, principal, or other District professional employee.

EMPLOYEE REPORT

Any District employee who suspects or receives notice that a student or group of students has or may have experienced bullying shall promptly notify the principal or designee.

REPORT FORMAT

A report may be made orally or in writing. If a report is made orally, the

	<p>principal or designee shall prepare a written report from the oral information.</p>
INVESTIGATION OF REPORT	<p>The principal or designee shall determine whether the allegations, if proven, would constitute prohibited conduct under FFH (LOCAL), Freedom from Discrimination, Harassment, and Retaliation. If so, the matter shall be referred to the appropriate District official, as set out in FFH (LOCAL) for processing in accordance with that policy. If not, the principal or designee shall conduct an investigation based on the allegations of bullying. If appropriate, the principal shall promptly take interim action calculated to prevent bullying during the course of the investigation.</p> <p>If the District official determines that the alleged conduct, if proven, would not be a violation of this policy or of policy FFH, the District official shall so notify the complainant/reporter in writing and dismiss the complaint.</p>
CONCLUDING THE INVESTIGATION	<p>Absent extenuating circumstances, the investigation should be completed within ten District business days from the date of the report; however, the investigator shall take additional time if necessary to complete a thorough investigation.</p> <p>The investigator shall prepare a written report of the investigation. The report shall include a determination of whether bullying occurred. If the alleged victim is facing possible disciplinary action based on a physical interaction or altercation with the alleged perpetrator, the report shall include a determination whether the victim used reasonable self-defense. A copy of the report will be filed with the Superintendent or other appropriate administrator. The principal shall also communicate a summary of the report and its conclusions to the complainant.</p>
NOTICE TO PARENTS	<p>If an incident of bullying is confirmed, the principal or designee shall promptly notify the parents of both the victim and the perpetrator.</p>
DISTRICT ACTION BULLYING	<p>In no circumstance shall the District be required to inform the complainant of the specific disciplinary or corrective action taken.</p> <p>If the results of an investigation indicate that bullying occurred, the District shall promptly respond by taking appropriate disciplinary action in accordance with the Student Code of Conduct and may take corrective action reasonably calculated to address the conduct.</p>
COUNSELING	<p>If the results of the investigation indicate bullying occurred, the principal or designee shall inform the victim, the perpetrator, and any witnesses of District counseling options available to them.</p>
STUDENTS WITH DISABILITIES	<p>Before a student with disabilities is disciplined for engaging in bullying, the District shall comply with state and federal requirements related to discipline of students with disabilities.</p>
TRANSFERS	<p>If the results of the investigation indicate bullying occurred, policy FDB will apply to any transfer request.</p>

IMPROPER CONDUCT	If the investigation reveals improper conduct that was not "bullying," the District may nonetheless take appropriate disciplinary action consistent with the Student Code of Conduct or other corrective action to address the conduct.
CONFIDENTIALITY	To the extent possible, the District shall endeavor to protect the privacy of the complainant, persons against whom the complaint is brought, and witnesses. However, limited disclosures may be necessary in order to conduct a thorough investigation.
APPEAL	A student who is dissatisfied with the outcome of the investigation may appeal through FNG (LOCAL), beginning at the appropriate level.
RECORDS RETENTION	The District shall retain records of the complaint and investigation in accordance with CPC (LOCAL).
ACCESS TO POLICY AND PROCEDURES	Information regarding this policy and any related procedures shall be included annually in the employee and student handbooks. The policy and procedures shall be posted on the District's website; a copy may also be obtained at each campus and the District's administrative offices.



Eric E. Muñoz
Associate

June 11, 2012

VIA E-MAIL

Dr. Rob O'Connor
Superintendent
Marble Falls ISD
1800 Colt Circle
Marble Falls, TX 78654

Re: ARAMARK settlement

Dear Dr. O'Connor:

Enclosed with this letter is the proposed settlement agreement with ARAMARK. The agreement reflects the product of our negotiations with ARAMARK's counsel, based on the District's direction during the negotiation process. Though I recommend you read the agreement in its entirety, the following are issues that I wanted specifically to point out to you:

1. The amount to be paid by the District is \$285,000. This includes the undisputed amount of \$186,946.14. For a more detailed explanation of the settlement amount, please refer to my letter of April 16, 2012. I've enclosed a copy of that letter for your convenience.
2. The District must remit payment within **seven days** of the date it executes the agreement. Payment must be made payable to ARAMARK Educational Services, LLC and delivered to Duane Morris LLP, Attention: Jonathan L. Swichar, Esquire, 30 S. 17th Street, Philadelphia, Pa 19103.
3. If the District fails to make payment as required by the agreement, ARAMARK will be entitled to recover—in addition to the settlement sum—its costs and expenses related to collecting on the agreement, including attorney's fees. **For**



this reason, it is imperative that the District not execute the agreement until it is absolutely ready to pay the \$285,000.

4. By entering into the agreement, the District is waiving **any and all** claims it may have against ARAMARK that relate in any way to the 2005 or the 2010 contracts. The language in the agreement extends to claims that are both “known and unknown.” **Before signing the agreement, the District should make certain that it has no possible claims against ARAMARK (or persons that have a connection to ARAMARK) that it may choose to enforce in the future, without regard to whether any such claims are related to the 2005/2010 contracts.**

Please also note that ARAMARK has insisted that the agreement be approved by the Board no later than the June 18, 2012 meeting, and that it receive payment within the month of June. ARAMARK has threatened to file its lawsuit the next day if the Board does not approve the agreement at the June meeting.

Please contact me with any questions.

Sincerely,

EICHELBAUM WARDELL
HANSEN POWELL & MEHL, P.C.

By _____

Eric E. Muñoz
emunoz@edlaw.com

Enclosures



Eric E. Muñoz
Associate

CONFIDENTIAL ATTORNEY-CLIENT COMMUNICATION

April 16, 2012

VIA E-MAIL

Dr. Rob O'Connor
Superintendent
Marble Falls ISD
1800 Colt Circle
Marble Falls, TX 78654

Re: ARAMARK dispute

Dear Dr. O'Connor:

As you know, over last few weeks, I have been attempting to negotiate a resolution to the District's dispute with ARAMARK. You'll recall that, last year, the District submitted a final payment to ARAMARK of \$180,141.16. ARAMARK's attorney rejected this payment and demanded that the District pay \$368,355.21. The disputed amount comprises the following:

- \$53,195 attributable to the Guaranteed Surplus;
- \$127,420 attributable to ARAMARK's claim for liquidated damages;
- \$794.05 in interest charges; and
- \$6,804.98 attributable to a probable calculation error.

In the past few weeks, I've exchanged several counter-offers (all subject to final Board approval) with ARAMARK's attorney. ARAMARK's latest offer is to settle this matter for a payment of \$285,000 (this amount includes the undisputed amounts that MFISD has always been willing to pay). MFISD does not dispute that it owes \$186,946.14 (last year's payment plus the \$6,804.98 that should have been included). Thus, if the District agrees to this latest settlement offer, in addition to the undisputed amount, it would pay \$98,053.86, or a bit more than half of the disputed amount:

ARAMARK'S demand	\$368,355.21	
Undisputed amounts	-\$180,141.16	<--Last year's payment
	<u>-\$6,804.98</u>	<--Should have been included in last year's payment*
Total disputed amount	\$181,409.07	
ARAMARK'S offer	\$285,000.00	
Undisputed amounts	-\$180,141.16	<--Last year's payment
	<u>-\$6,804.98</u>	<--Should have been included in last year's payment*
MFISD's settlement	\$98,053.86	

In other words, if we ignore the undisputed amounts, ARAMARK has reduced its demand from \$181,409.07 to \$98,053.86. We can interpret this number in the context of the underlying disputes. The dispute essentially boils down to two numbers: \$127,420 in cross-hire liquidated damages, and \$53,989.05 for everything else. As I've explained before, I feel that MFISD is in a strong position with respect to the \$53,989.05, but is in a less desirable position regarding the \$127,420.

If we use a conservative estimate of MFISD's chances at prevailing on the \$53,989.05, let's say 75%, then, by accepting this latest settlement offer, we've put our chances of prevailing on the \$127,420 at approximately 34%, as follows:

Amount		ARAMARK's Chances		Total	MFISD's Chances
\$53,989.05	x	25%	=	\$13,497.26	75.00%
\$127,420.00	x	66.36%	=	<u>\$84,556.60</u>	33.64%
				\$98,053.86	

The bottom line is that we have a dispute over \$181,409.07 that ARAMARK is willing to settle for \$98,053.06. As you know, ARAMARK has been threatening to sue all along, even going so far as drafting (but not filing) the actual lawsuit. ARAMARK's attorney claims this is the lowest offer that his client is willing to make.

I'll be happy to discuss this with you and the Board at tonight's meeting and answer any questions you may have.

*Allen Roberts has confirmed that this amount should have been included in last year's payment.



EICHELBAUM WARDELL
HANSEN POWELL & MEHL, P.C.

Sincerely,

EICHELBAUM WARDELL
HANSEN POWELL & MEHL, P.C.

By


Eric E. Muñoz
emunoz@edlaw.com

SETTLEMENT AGREEMENT AND MUTUAL RELEASE

This Settlement Agreement and Mutual Release (“Release”) is made and entered into this ____ day of June 2012, by and between ARAMARK Educational Services, LLC, on the one hand, and Marble Falls Independent School District, on the other hand. The aforementioned parties to this Release shall hereinafter be referred to collectively as the “Parties.”

DEFINITIONS

ARAMARK: For purposes of this Release, the term “ARAMARK” shall mean ARAMARK Educational Services, LLC and any of its respective past, present or future parent or subsidiary corporations, affiliates, divisions, predecessors, successors, administrators, assigns, insurers, underwriters, agents, officers, board members, trustees, receivers, custodians, directors, partners, shareholders, employees, attorneys and all parties in privity therewith.

District: For purposes of this Release, the term the “District” shall mean Marble Falls Independent School District and any of its respective past, present or future parent or subsidiary corporations, affiliates, divisions, predecessors, successors, administrators, assigns, insurers, underwriters, agents, officers, board members, trustees, receivers, custodians, directors, partners, shareholders, employees, attorneys and all parties in privity therewith.

RECITALS

WHEREAS, ARAMARK is in the business of providing food services and food service management;

WHEREAS, pursuant to that certain Food Services Management Agreement dated on or about May 27, 2005 (as the same has been amended from time to time, the “2005 Contract”) and that certain Request for Proposal and Contract No. FS1011 dated on or about July 29, 2010 (as the same has been amended from time to time, the “2010 Contract,” and collectively with the

2005 Contract, the “Contracts”), ARAMARK provided certain food services and food service management to the District (collectively, the “Services”);

WHEREAS, ARAMARK alleges that, at the time the 2010 Contract terminated, the District: (i) retained certain of ARAMARK’s inventory (the “Inventory”); (ii) retained ARAMARK’s serving line (the “Serving Line”) existing at the District’s premises; and (iii) breached the cross hire provision in Section 9(C) of the 2005 Contract by hiring one of ARAMARK’s supervisory employees (the “Cross Hire Breach”);

WHEREAS, ARAMARK alleges that, as a result of the District’s various breaches of the Contracts, the District owes ARAMARK amounts for: (i) unpaid Services; (ii) the Inventory retained by the District; (iii) the Serving Line retained by the District; and (iv) the Cross Hire Breach;

WHEREAS, the District alleges that it is not responsible for any sums due in connection with the Serving Line and the Cross Hire Breach, and further alleges that it is entitled to credits against any sums that may be due to ARAMARK (collectively, the “Credits”): (i) for a contribution to the District’s Legacy Fund; (ii) for a contribution to the District’s School Supply Drive; and (iii) for a TDA fine assessed against the District; and

WHEREAS, in an effort to avoid the uncertainties and costs of protracted litigation, the Parties now desire and intend to resolve any and all disputes between them.

NOW, THEREFORE, in consideration of the promises, agreements and releases contained herein, the legal sufficiency of which is hereby acknowledged by the Parties, and intending to be legally bound, the Parties now agree as follows:

1. Representations of the Parties.

a. The Parties warrant and represent that they have been fully informed and have full knowledge of the terms, conditions and effects of this Release.

b. The Parties warrant and represent that they have, either personally or through their attorneys, fully investigated, to their full satisfaction, all facts surrounding the various claims, controversies and disputes between them, and are fully satisfied with the terms and effects of this Release.

c. The Parties warrant and represent that no promise, representation, or inducement has been offered or made except as herein set forth and that this Release is executed without reliance upon any statement or representation by any of the Parties or their employees, partners, officers, affiliates, agents or attorneys.

2. Compromise/No Admissions. This Release is expressly agreed to be in compromise of disputed claims between the Parties and is intended to avoid the time, cost and uncertainty of litigation. This Release shall not be construed as an admission by any of the Parties of any liability or wrongdoing of any nature whatsoever.

3. Payment By the District.

a. In full and final payment of any and all amounts that either of the Parties may claim due pursuant to, arising out of and/or relating in any way to the Services, the Inventory, the Serving Line, the Cross Hire Breach and/or the Credits, and in consideration of the mutual releases set forth herein, the District shall pay to ARAMARK, within seven (7) business days of the date of this Release, the sum of \$285,000.00 (the "Settlement Sum").

b. ARAMARK acknowledges prior receipt from the District of a check in the amount of \$181,141.16 (the "Check"). The Check was not cashed by ARAMARK, and will be

returned to the District within seven (7) days of ARAMARK's receipt of the entire Settlement Sum.

c. Payment of the Settlement Sum shall be made payable to ARAMARK Educational Services, LLC and delivered to Duane Morris LLP, Attention: Jonathan L. Swichar, Esquire, 30 S. 17th Street, Philadelphia, Pa 19103.

4. Event of Default.

a. In the event that the payment required by Paragraph 3 of this Release is not made as specified above, ARAMARK shall give written notice of that payment default by facsimile or mail to Dr. Rob O'Connor, Superintendent of District.

b. In the event that such payment default remains uncured at the expiration of five (5) business days from the date that notice of such payment default is received (the "Uncured Default Date"), District will have defaulted on its obligations under this release (an "Event of Default"). In the event of an Event of Default, ARAMARK's Settlement Sum, minus the total amount of any payments the District made prior to the Uncured Default Date (the "Default Settlement Sum"), together with reasonable and documented attorneys' fees, costs and expenses, shall become immediately due and payable from the District to ARAMARK.

c. The Default Settlement Sum shall include all costs and expenses, including reasonable and documented attorneys' fees and costs incurred by ARAMARK in the collection, administration and/or enforcement of this Release, which shall be reimbursed by and shall become a part of the Settlement Sum due and owing by the District to ARAMARK hereunder.

5. Costs. The Parties agree that each shall bear its own attorney's fees and costs in connection with this dispute. This Paragraph, however, does not release the District's

obligations to pay all costs, expenses, and attorneys' fees incurred by ARAMARK in the collection, administration and/or enforcement of this Release as set forth in Paragraph 4.

6. Release.

a. In consideration of the promises set forth herein, the receipt and sufficiency of which is hereby acknowledged, and upon receipt of the Settlement Sum, ARAMARK hereby irrevocably and unconditionally releases, acquits, exonerates and forever discharges and covenants not to sue the District for and from any and all charges, complaints, claims, liabilities, obligations, promises, agreements, controversies, damages, actions, causes of action, suits, rights, demands, costs, losses, debts, dues, sums of money, deposits, advances, pre-payments, accounts, reckonings, reconciliations, accountings, audits, bonds, bills, specialties, covenants, expenses and/or attorneys' fees, of every conceivable kind, character and nature whatsoever, in law, equity or otherwise, whether accrued or unaccrued, known or unknown, suspected or unsuspected, arising out of and/or relating in any way to the Contracts including, but not limited to, claims for principal, interest, penalties and/or attorneys' fees owed to ARAMARK pursuant to the Contracts, which ARAMARK now has, owns or holds or claims to have owned or held, or which ARAMARK has at anytime heretofore owned or held or claimed to have owned or held; but saving and excepting the rights, duties and obligations of the Parties under this Release.

b. In consideration of the promises set forth herein, the receipt and sufficiency of which is hereby acknowledged, the District hereby irrevocably and unconditionally releases, acquits, exonerates and forever discharges and covenants not to sue ARAMARK for and from any and all charges, complaints, claims, liabilities, obligations, promises, agreements, controversies, damages, actions, causes of action, suits, rights, demands,

costs, losses, debts, dues, sums of money, deposits, advances, pre-payments, accounts, reckonings, reconciliations, accountings, audits, bonds, bills, specialties, covenants, expenses and/or attorneys' fees, of every conceivable kind, character and nature whatsoever, in law, equity or otherwise, whether accrued or unaccrued, known or unknown, suspected or unsuspected, arising out of and/or relating in any way to the Contracts and/or the Credits including, but not limited to, claims to setoff against any principal, interest, penalties and/or attorneys' fees owed to District pursuant to the Contracts and/or the Credits, which the District now has, owns or holds or claims to have owned or held, or which the District has at anytime heretofore owned or held or claimed to have owned or held; but saving and excepting the rights, duties and obligations of the Parties under this Release.

7. **Binding Effect.** This Release shall inure to the benefit of and be binding upon the Parties and upon their respective heirs, beneficiaries, administrators, representatives, executors, successors and assigns.

8. **Governing Law.** This Release shall be governed by and interpreted in accordance with the substantive laws of the State of Texas, without regard to its choice of law or conflict principles, in relation to all matters of formation, interpretation, construction, validity, performance and enforcement. Exclusive venue for any action arising out of this Agreement is in the State Courts located in Burnet County, Texas.

9. **Severability.** In the event any provision of this Release shall be judged, declared, held or ruled to be invalid, illegal or unenforceable, in whole or in part, such provision shall be deemed severable, and it shall not invalidate or impair the Release as a whole or any other provision of the Release.

10. Entire Agreement. This Release constitutes the entire agreement between the Parties pertaining to the subject matter contained therein. This Release supersedes all other prior agreements and understandings, both written and oral, among the Parties with respect to the subject matter hereof.

11. Amendment. This Release shall not be modified or amended except by an instrument in writing signed by all of the Parties.

12. Counterparts. This Release may be executed in any number of counterparts and by different Parties hereto in separated counterparts with the same effect as if the Parties had signed the same document. All such counterparts shall be deemed an original, shall be construed together and shall constitute one and the same instrument.

13. Headings. The Headings contained in this Release are for convenience only. They form no part of this Release and shall not affect its interpretation.

14. Authority. Each Party represents, acknowledges, and warrants that the person who signs this Release on their or its behalf has been duly authorized to execute this Release.

[SIGNATURES APPEAR ON THE FOLLOWING PAGE]

IN WITNESS WHEREOF, the Parties hereto intending to be legally bound hereby set their names and have hereby executed this Confidential Settlement Agreement and Mutual Release on the date indicated below.

ARAMARK EDUCATIONAL SERVICES, LLC

By: _____ Date: _____
Name: _____
Title: _____

ATTEST:

By: _____ Date: _____
Name: _____
Title: _____

MARBLE FALLS INDEPENDENT SCHOOL DISTRICT

By: _____ Date: _____
Name: _____
Title: _____

ATTEST:

By: _____ Date: _____
Name: _____
Title: _____



INTEROFFICE MEMORANDUM

Date: June 13, 2012

To: Board of Trustees and Dr. O'Connor

From: Lisa LeMon, Director of Business Operations

Subject: Consider Approval of Bank ACH Agreement

The Texas Education Agency requires school districts to select a depository for school funds each biennium. We are currently in the middle of a two year agreement which will expire August 31, 2013. The purpose of this agreement is to allow the district to make some transactions using this ACH (Automated Clearing House) system. The use of the ACH system was not addressed in the original depository agreement. Thank you for your consideration.

Schedule "D"
INTERNATIONAL BANK OF COMMERCE/COMMERCE BANK
AUTOMATED CLEARING HOUSE AGREEMENT
(this "Agreement")

THIS AGREEMENT is entered into as of the 23 day of April, 2012, by and between Marble Falls Independent School District ("Customer") and International Bank of Commerce/Commerce Bank ("Bank"). Customer is an individual or a validly existing entity duly organized under laws of The State of Texas and is:

- | | |
|------------------------------------------------------------|-------------------------------------------------------|
| <input type="checkbox"/> a Corporation; | <input type="checkbox"/> a General Partnership, |
| <input type="checkbox"/> a Professional Corporation; | <input type="checkbox"/> a Partnership, |
| <input type="checkbox"/> a Non-Profit Corporation | <input type="checkbox"/> a Limited Partnership, |
| <input checked="" type="checkbox"/> a Governmental entity, | <input type="checkbox"/> a Limited Liability Company, |
| <input type="checkbox"/> an Association; and/or | <input type="checkbox"/> Other (please describe) |
| <input type="checkbox"/> a Limited Liability Customer | _____ |

Allowable SEC codes customer is authorized to originate with:

- PPD (Prearranged Payment and Deposit)
 CCD (Corporate Credit and Debit)
 CTX (Corporate Trade Exchange)
 OTHER Upon acceptance by Bank, Customer may initiate _____.

The origination of International ACH transactions ("IAT") by Customer shall not be permitted. In the event that Customer submits an IAT Entry to Bank, Bank shall reject the Entry.

RECITALS

- A. Customer wishes to retain Bank for the performance of certain automated clearing house services ("ACH Services"), which are designed to electronically transfer funds from or through Bank to accounts maintained at Bank and at other financial institutions, by transmitting debit or credit entries utilizing the capabilities of the National Automated Clearing House Association ("NACHA"), the SouthWestern Automated Clearing House Association ("SWACHA"), (NACHA and SWACHA collectively referred to as "NACHA/SWACHA"), correspondent banks, Federal Reserve Banks and other automated clearing house associations ("ACH Associations"), and pursuant to the rules of the NACHA/SWACHA.
- B. Bank is willing to provide ACH Services to Customer by processing for ultimate delivery to other participant financial institutions the electronic Entries by means of its correspondent banks, Federal Reserve Banks, NACHA, SWACHA and other ACH Associations, subject to the following terms and conditions.

NOW, THEREFORE, as a condition to Bank's performance of ACH Services and for good and valuable consideration, including the mutual promises contained herein, the receipt and sufficiency of which are hereby acknowledged, Customer and Bank agree as follows:

1. **APPROVAL AND MONITORING OF CUSTOMER'S ACH RISK:**

- A. **Prior Approval.** Customer agrees and acknowledges that Bank shall provide ACH Services to Customer subject to Bank's prior approval. To obtain approval from Bank, Customer is required to undergo Bank's screening and risk analysis process regarding Customer's proposed ACH operations. In addition, after any initial approval for ACH Services by Bank, Bank shall also, from time-to-time and in its sole discretion (including the occurrence of certain events described in subparagraph C. below), undertake additional ACH operations credit and risk analysis monitoring activities that are deemed necessary, in Bank's sole and absolute discretion, while Bank is providing ACH Services to an approved customer. Customer agrees to cooperate with Bank

regarding any ongoing risk analysis activities by Bank, including providing financial or other documents in a timely manner upon Bank's request, and taking any risk mitigation or other ACH Entry origination procedures as required by Bank.

B. ACH Operations Credit and Risk Criteria. Bank's ACH operations credit and risk analysis shall be based on certain factors deemed relevant by Bank in its sole discretion, including, but not limited to, the following factors: (i) the credit worthiness, financial condition and financial performance of Customer, particularly Customer's capital adequacy relative to Customer's ACH activity volume; (ii) the nature, conduct and geographic location of Customer's business, including whether Customer engages in certain high-risk ACH activities or transaction environments, or whether certain "Standard Entry Class" ("SEC") codes that Bank either deems to be high-risk or does not allow are present in Customer's ACH transactions; (iii) the historic level and dollar amounts of Customer's ACH returns, including any return levels or dollar amounts in excess of generally acceptable ACH return parameters (as determined by Bank in its sole discretion), or a sudden increase in Customer's ACH return levels; and (iv) whether Customer adheres to all authorization requirements set forth herein.

C. Material Change in Credit and Risk Analysis Criteria. In the event a customer approved for ACH Services either fails to maintain the minimum risk analysis criteria as required by Bank, or if, in the opinion of Bank, Customer undergoes a material change in its operations that Bank believes increases the risk of Customer's ACH operations, then Bank may, in its sole discretion, take any and all of the following actions: require Customer to pre-fund their ACH activities (as defined in Paragraph 2, Required Prefunding, below); require Customer to establish a Reserve Account (as defined in Paragraph 20. D. below); or terminate ACH Services to Customer, generally upon prior written notice from Bank, or immediately if Bank deems immediate termination necessary, in Bank's sole discretion, to comply with the Rules. Events that constitute a material change in a Customer's business operations include, but are not limited to: (i) levels of ACH returns that exceed generally acceptable return levels (as determined by Bank); (ii) a significant or sudden increase in Customer's ACH return levels as compared to Customer's historic ACH return levels; (iii) significant changes in the nature of Customer's business, including its product and services lines or transaction environments; or (iv) the occurrence of any other event that Bank believes represents a material change in Customer's financial performance or financial condition. Upon learning of any such material change, Bank will inform Customer of the issue, and Customer may exercise its right to temporarily suspend Customer's ACH Services in order to investigate the issue. After investigation, Bank may invoke its rights to require Customer to pre-fund ACH Services or to establish a Reserve Account, or Bank may, in its sole discretion, exercise its right to terminate ACH Services to Customer generally upon prior written notice from Bank, or immediately if Bank deems immediate termination necessary, in Bank's sole discretion, to comply with the Rules.

2. **REQUIRED PREFUNDING:** If Customer does not meet Bank's minimum credit and risk analysis requirements to become fully approved for ACH Services, Bank may choose to offer Customer the option of obtaining ACH Services on a pre-funded basis ("Prefunding"). Bank can also exercise its rights under Section 1, ACH Services Approval and Underwriting Process, to require a customer approved for ACH services to begin Prefunding its ACH Services. If Bank exercises its rights to require Prefunding under this Section 2 and Customer does not immediately comply with Bank's request, then such non-compliance shall be grounds for immediate termination of Customer's ACH Services provided by Bank, with such termination in Bank's sole discretion. If Bank is required to use Prefunding for ACH Services, Customer is required to submit the ACH credit Entry file two (2) Business Days in advance of the desired settlement date. If Customer's account has funds that are at least equal to the amount of the ACH credit Entry file, then the ACH credit Entry file will be processed as normal on the desired settlement date. However, if Customer does not have the necessary funds available in its account, then the ACH system will continue to check for funds each time Bank's operations area sends a batch to the ACH Processor. If funds become available in Customer's account regarding an ACH credit Entry file that was previously unfunded, then the ACH system will automatically pick up that ACH credit Entry file in the next batch run. If, however, the ACH credit Entry file is unfunded, then Bank's ACH department will notify the appropriate Bank officer or branch manager to inform such individual that the Prefunding Customer is trying to process an ACH credit

Entry file without the necessary funds. Bank officer or branch manager will then have the option to contact Customer to fund the Account, or to request Bank to "force" the ACH credit Entry file in question through with appropriate approval from Bank management. If neither option is possible, then the ACH credit Entry file will sit on Bank's ACH system in suspense until the intended effective date. If the ACH credit Entry file is still not funded or approved before the intended effective date, it will be deleted from Bank's system.

3. **TRANSMITTAL OF ENTRIES BY CUSTOMER:** Customer shall transmit ACH entries to Bank to the location(s) and in compliance with the formatting and other requirements set forth in Attachment 1 attached hereto. The total dollar amount of credit entries that may be transmitted by Customer to Bank on any single business day shall not exceed \$ 80,000 and in debits \$ 0, the amounts approved by the Bank's ACH Customer Loan Committee. Customer gives Bank the right to change the exposure limit(s) at any time at Bank's sole discretion without prior written notice to Customer. Customer agrees to abide by the exposure limits as set forth in such notice.

4. **AUTHORIZATION TO TRANSMIT:** Customer authorizes Bank, in its capacity as Originating Depository Financial Institution ("ODFI"), to transmit either credit or debit entries to a Receiving Depository Financial Institution ("RDFI") for further debiting or crediting to the Receiver's account with that RDFI. "ODFI" means a financial institution that accepts and processes debit and credit entries for distribution to and through the various ACH Associations. For purposes of this Agreement, Bank is the ODFI and may also be a RDFI. Instructions to transmit credit or debit entries shall be referred to herein as "payment orders".

5. **OPERATING GUIDELINES OF THE ACH RULES:**

It shall be the responsibility of Customer to assure that the origination of ACH transactions complies with the laws of the United States. This includes, but is not limited to sanctions enforced by the Office of Foreign Assets Control ("OFAC"). It shall further be the responsibility of the Customer to obtain information regarding such OFAC enforced sanctions. (This information may be obtained directly from the OFAC Compliance Hotline at (800) 540-OFAC.)

The Customer will obtain written authorizations for consumer Entries in accordance with ACH Rules and the laws of the United States and shall retain the original or a microfilm record for two (2) years after termination or revocation of such authorization.

6. **OPERATING RULES:**

A. To receive the ACH Services and the payments exchange made possible by NACHA/SWACHA, Customer understands that all participants must adhere to the uniform and consistent procedures and rules of NACHA/SWACHA. Bank agrees to have on file current copy of the combined SouthWestern Automated Clearing House Association Rules and National Automated Clearing House Association Rules (hereinafter referred to as the "Rules") and agrees to comply with all terms and conditions of the Rules and any amendments thereto. Customer agrees to comply with the rules and terms of the NACHA/SWACHA as required by Bank.

B. Unless otherwise defined herein, capitalized terms shall have the meanings provided in the Rules. The term "Entries" shall have the meaning provided in the Rules and shall also mean the data received from Customer hereunder from which Bank prepares Entries.

C. Customer and Bank agree to cooperate promptly and fully in the investigation of any claim asserted by any person arising out of this Agreement or any transaction subject to the Rules.

D. Customer hereby specifically adopts and makes the representations and warranties, as applicable, of the Receiver and the Originator as defined and set forth in the Rules. Customer agrees to make the same warranties to Bank as Bank would be required to make pursuant to the Rules were Bank

an ODFI with respect to "On-Us" electronic debit and/or credit Entries. Furthermore, Customer shall be deemed to make each and every warranty in favor of Bank as Bank is required to make in favor of each RDFI, ACH Associations and members of NACHA/SWACHA under the Rules.

- E. Customer agrees to be bound by the administrative rules and procedures which Bank may adopt and implement from time to time with respect to the ACH Services provided hereunder, including but not limited to: timing of receipt of Entries; format; notification of changes; security procedures; and delivery locations. These rules and procedures are set forth in the Attachments 1 and 2 of this document and updates thereto. Customer shall receive thirty (30) days notice prior to any change in Attachments 1 and 2 that affects Customer unless a shorter period is required by Bank in its sole discretion to maintain the security or integrity of its systems or the ACH Services.
- F. In the event that the operating rules of a local or regional ACH Association, or the arrangements between Bank and a correspondent bank are more restrictive than, or at variance with the Rules, Customer agrees to be bound by the operating rules of the local or regional ACH Association or the Bank arrangements with correspondent bank, as the case may be.

7. **SECURITY PROCEDURE:**

- A. Customer and Bank shall comply with the security procedure requirements ("Security Procedures") described in Attachment 2 attached hereto with respect to Entries transmitted by Customer. Customer acknowledges that the purpose of such Security Procedures is for verification of authenticity and not to detect an error in the transmission or content of Entry. No Security Procedure for the detection of any such error has been agreed upon between Bank and Customer.
- B. Customer acknowledges that the Security Procedures it has been provided with are designed to protect Customer against the transmittal of ACH debit or credit Entries which have not been authorized by Customer and which may include direct transmission via terminal to terminal delivery of input which will require a User I.D. and password. Customer further recognizes and agrees that the Security Procedures it has chosen represent commercially reasonable security procedures for Customer, or alternatively, acknowledges that commercially reasonable security procedures were offered. Customer agrees that all instructions to transmit ACH debit or credit Entries contained on input data delivered to Bank pursuant to the agreed-upon Security Procedure shall be deemed to have been authorized by Customer and Bank shall have no liability with respect to Entries it transmits in accordance with such instructions. Customer recognizes and agrees that such Security Procedures are not designed to detect errors and Bank shall not be liable for any failure to detect errors in any instruction given by Customer.
- C. Customer is strictly responsible to establish and maintain the procedures to safeguard against unauthorized transmissions. Customer warrants that no individual will be allowed to initiate transfers in the absence of proper supervision and safeguards, and agrees to take responsible steps to maintain the confidentiality of the Security Procedures and passwords, codes, security devices, and related instructions provided by Bank in connection with the Security Procedures described in Attachment 2. If Customer believes or suspects that any such information or instructions has been discovered or accessed by unauthorized persons, Customer agrees to notify Bank immediately followed by written confirmation. The occurrence of unauthorized access will not affect any transfers made in good faith by Bank prior to receipt of such notification and within a reasonable time period after to prevent unauthorized transfers. Bank shall not be liable in the event of a compromise of the Customer's credentials by unauthorized parties.
- D. Bank is under no duty to act on instructions or requests which Bank reasonably believes may cause Bank to be exposed to any civil or criminal liability.
- E. Bank reserves the right to amend the Security Procedures, from time-to-time and in Bank's sole discretion, upon 30 days' written notice to Customer.

8. **COMPLIANCE WITH SECURITY PROCEDURE:**

- A. If an Entry (or a request for cancellation or amendment of an Entry) received by Bank purports to have been transmitted or authorized by Customer, it will be deemed effective as Customer's Entry (or request) and Customer shall be obligated to pay Bank the amount of such Entry even though the Entry (or request) was not authorized by Customer provided Bank accepted the Entry in good faith and acted in compliance with the Security Procedures referred to in Attachment 2 with respect to such Entry..
- B. If an Entry (or request for cancellation or amendment of an Entry) received by Bank was transmitted or authorized by Customer, Customer shall pay the amount of the Entry, whether or not Bank complied with the security procedures referred to in Attachment 2 with respect to that Entry and whether or not that Entry was erroneous in any respect or that error would have been detected if Bank had complied with such procedure.

9. **CUSTOMER AUTHORIZATION:** Customer represents that it shall obtain the authorization of its customer / employee / third party through a written authorization and agreement, as required by the Rules, before initiating any credit or debit Entry to the customer's / employee's / third party's ("Receiver") account and that the electronic Entry initiated by Customer is in accordance with a valid authorization held by Customer, and that Customer has complied with the Rules with respect to the same, including retention of the original or a copy of each authorization. All authorization forms must be retained by Customer for a period of two (2) years after written termination or written revocation of such authorization.

10. **NOTICE BY CUSTOMER TO RECEIVER:**

- A. Except as hereinafter provided, Customer shall provide positive notice to the Receiver that the preauthorized Entry has been initiated or that a correcting Entry has been made. If Customer informs a Receiver of the right to receive such notification, the Receiver may elect to receive notice only when an Entry does not fall within a specified range of amounts or alternatively, only when an Entry differs from the most recent Entry by more than an agreed upon amount.
- B. Customer shall, upon request from the RDFI, provide it with the copies of the authorizations from Receivers who are customers of that RDFI.

Customer is solely responsible for compliance, and shall at all times comply, with the laws and regulations governing the initiation of preauthorized electronic debits, including but not limited to the Electronic Fund Transfer Act of 1978 and Federal Reserve Regulation E, in particular 12 CFR sections 205.10 (b) and (d) currently in effect and as may amended from time to time.

11. **PRENOTIFICATION:** Customer shall provide Bank six (6) calendar days prior to initiation of any new PPD and/or CTX debit Entries as defined in the Rules or change in any of the required fields which may cause RDFI to reject the Entry for "No Prenotification of File", a prenotification record to include: receiver name, identification number, account number, receiving institution routing transit number, zero dollar amount and any other information required by the Rules or Bank.
12. **RESUBMISSION OF PRENOTIFICATION:** If Customer's prenotification record is rejected by a RDFI and Customer is so notified, Customer must correct the reason for rejection, resubmit another prenotification record, and wait the prescribed six (6) calendar days before submitting any further Entries for the Receiver in question.
13. **PREPARATION OF ENTRIES:** All Entries submitted by Customer shall be prepared and delivered in accordance with the requirements stated in the Rules. Should Customer fail to prepare Entries in

accordance with the requirements or fail to provide Entries acceptable to Bank, Bank may refuse to process and transmit the Entries. In the event Customer provides to Bank Entries on a medium such as computer disk/software or other electronic and/or digital medium and Bank is unable to process such medium in a manner satisfactory to Bank due to a repeated incidence of error or rejection rate unsatisfactory to Bank, Bank may terminate this Agreement or, at its sole and absolute discretion, may work with Customer to correct such unsatisfactory medium provided that Customer maintains a reserve in an amount to reasonably cover the dollar amount of rejected Entries in the Settlement Account (hereinafter defined). Bank shall advise Customer of the amount at which such reserve must be maintained. Bank shall have an immediate and unqualified right to deduct at any time any returned Entries from (i) the Customer's account from which the Entries originated, (ii) the Settlement Account, (iii) the Reserve Account ((hereinafter defined), or (iv) any other of Customer's accounts with Bank.

14. **DELIVERY OF INPUT DATA:** Customer shall submit a schedule of delivery dates along with this Agreement (Attachment 3). The settlement and delivery dates shall be dates acceptable to the Originator in its sole and absolute discretion. Should the delivery or settlement cycle be altered at any time, the Originator must be informed in writing of the new schedule at least two (2) weeks prior to the effective date of change. The Originator will use reasonable diligence and ordinary care in implementing and adhering to the scheduled delivery dates. Customer shall provide Bank with Entry information in a prescribed medium and format. This input must be received by 3:00 p.m. Central Time, two business days before the effective date for two day settlement and by 3:00 p.m. Central Time, one business day before the effective date one day settlement. Customer files shall be sent to Bank via IBC Link using a template or send file method. In the event that IBC Link is down for more than a 24 hour period, Customer may hand deliver input media in the form of a computer disk or CD Rom to Bank's designated area as listed in Attachment 1.

The above times may be changed by Bank from time to time. The time and place of delivery will be specified by Bank.

Should Bank determine that Customer's input is unreadable or unprocessable, Customer will be notified and a replacement file requested. Customer must then indicate when the replacement file will be available to Bank. Should it be determined that a replacement file cannot be provided one or two days prior to settlement, Customer will be advised of available recovery options.

15. **ERRONEOUS INPUT:** If Customer discovers that any Entry it has initiated was in error, it shall notify Bank of such error. If such notice is received by Bank within five (5) business days after the designated settlement date, Bank shall initiate a reversal Entry on behalf of Customer; however, Bank cannot guarantee the return of funds transferred by the erroneous Entry. If Bank does not receive notice of the error on or before the time specified herein, it shall otherwise request the return of such funds on behalf of Customer, consistent with the Rules. Bank shall not be liable for any RDFI's or other party's noncompliance with the Rules. Bank's sole obligation is to initiate a reversal Entry as permitted by the Rules.
16. **RETURNED ENTRIES:** Upon notification that any Entry (or group of Entries) has been rejected/returned by any ACH Association or any RDFI for any reason, Bank will notify Customer, and the rejected Entry (s) will be returned and, as applicable, credited to or debited from the Settlement Account and confirmation of the action will be sent to Customer by Bank. Bank assumes no other responsibility with respect to any such rejected or returned Entries. Customer shall assume sole responsibility for remaking and resubmitting rejected Entry(s) or otherwise handling the payments due Receivers unless rejection was due solely to an error in the handling of such Entries by Bank and sufficient data is available to Bank to permit it to re-transmit such Entries. In such latter event, Bank's sole obligation for its own error shall be to properly transmit Customer's Entries for no additional fee and to pay the compensation described in paragraph 23. C.
17. **CONSENT TO RECORDING AND USE OF COMMUNICATIONS:** Customer consents, at Bank's option, to the mechanical, electronic or other recording of telephonic or other oral instructions consisting of Payment Orders or relating to the same and Bank's retention and reasonable use of such recordings.

Customer acknowledges and agrees, however, that nothing contained herein shall be deemed to require Bank to record such telephonic instructions or to retain any such recordings made for any period of time.

18. **PROVISIONAL PAYMENT DISCLOSURE:** Credit given by Bank to Customer with respect to an automated clearing house credit Entry is provisional until Bank receives final settlement for such Entry through a Federal Reserve Bank. If Bank does not receive such final settlement, Customer is hereby notified and agrees that Bank is entitled to a refund of the amount credited to Customer in connection with such Entry, and the party making payment to Customer via such Entry (i.e. the Originator of the Entry) shall not be deemed to have paid Customer in the amount of such Entry.
19. **NOTICE DISCLOSURE:** Under the operating rules of the National Automated Clearing House Association, which are applicable to ACH transactions involving your account, Bank is not required to give next day notice to Customer of receipt of an ACH item and Bank will not do so. Bank will continue to notify Customer of the receipt of payments in the periodic account statements Bank provides to Customer.
20. **SETTLEMENT ACCOUNT:**
 - A. Customer shall designate a demand deposit account (hereinafter called the "Settlement Account") at Bank or, if approved by Bank, at an affiliate bank ("Affiliated Bank") that is a branch bank of International Bank of Commerce and/or a subsidiary bank of International BancShares Corporation, to be utilized for Customer's transactions in connection with ACH Services. Bank is authorized to, and shall debit, by any method chosen by Bank, the Settlement Account for all electronic credit Entries and/or shall credit the Settlement Account for all debit Entries, submitted by Customer on the effective date or settlement date for the offset amount provided on any medium acceptable to Bank. Customer authorizes Bank, at any time, to instruct any Affiliate Bank maintaining a Settlement Account to transfer any funds in the Settlement Account to Bank, and hereby authorizes such Affiliate Bank to honor such instructions. All credit or debit Entries are provisional. The Settlement Account will also be utilized to apply credits or debits for rejected, returned or erroneous electronic Entries.
 - B. Customer agrees that the collected balance in the Settlement Account shall at all times be sufficient to cover Customer's daily "net" settlement amount on the effective date or settlement date. Bank is not obligated to process any electronic credit Entry unless Customer's Settlement Account contains a balance in collected funds sufficient to pay all electronic credit Entries submitted by Customer. If Bank should elect to process any electronic credit Entry for which it has not received final settlement therefore, the amount of such Entry, at the option of Bank, shall become immediately due and payable by Customer to Bank, and Bank shall have the right to charge the amount thereof to any account of Customer maintained at Bank or at the Affiliate Bank which maintains the Settlement Account.
 - C. If the offsetting debit exceeds the collected balance of the Settlement Account, or if the Bank otherwise determines in its sole discretion that any single credit item or combination of credit items involves an unacceptable risk to Bank, Bank has the right to hold all or some of the credit items originated. Bank shall have the right at any time to terminate this agreement without prior notice should Customer fail to maintain adequate collected balances in the Settlement Account.
 - D. In addition, Bank may notify Customer at any time and at Bank's sole discretion, that Customer must maintain a reserve amount of such amount of such reserve as part of the Settlement Account or as a separate account with Bank ("Reserve Account"). Customer consents and agrees that such reserve is available to Bank at anytime to offset any liabilities incurred by Customer under this Agreement and furthermore Customer assigns, pledges and grants a security interest in the Settlement Account and Reserve Account to secure the performance of its obligations hereunder and to secure all indebtedness to Bank incurred hereunder.
 - E. **ANY EXTENSION OF CREDIT BY BANK TO CUSTOMER IS AT THE SOLE AND ABSOLUTE DISCRETION OF BANK.**

Bank shall have the option, but not the obligation, to extend credit to Customer from time to time, either by a credit to the Settlement Account or reserve Account, or by such other means as the Bank may elect, in a sum sufficient to cover any Entry and all related fees or charges to be debited, to the Customer's Settlement Account or other account. In the event such an extension of credit is made, the amount thereof shall bear interest at a per annum interest rate equal to International Bank of Commerce Prime Rate ("Prime Rate") plus ____ percent, but in no event not greater than the Highest Lawful Rate as hereafter defined, from the date such extension of credit is made until the date it is repaid to Bank. The Prime Rate means the prime rate of the Bank as determined from time to time by the Bank and thereafter entered in the minutes of the Bank's Loan and Discount Committee. Without notice to Customer or any other person, the Prime Rate shall automatically fluctuate upward or downward on the day of each such determination as and in the amount by which said prime rate shall fluctuate. Customer understands that the Prime Rate may not be the Bank's best or lowest rate or a favored rate, and any statement, representation or warranty in that regard or to that effect is expressly disclaimed by Bank. The Highest Lawful Rate means on any day the maximum nonusurious rate of interest permitted for that day under Texas or federal law (whichever is applicable and produces the higher rate). On each day, if any, Texas law shall establish the Highest Lawful Rate, which shall be the "weekly" ceiling (as defined in the Texas Finance Code, Section 303.003) in effect on such date. In the event Bank does not elect to make any such extension of credit, Customer shall provide Bank with immediately available funds in an amount sufficient to cover all credit Entries and related charges on the same day as the file containing such credit Entries is delivered/ transmitted to Bank.

21. **EXECUTION OF PAYMENT ORDERS:**

- A. Bank shall use its best efforts to execute all properly authorized request transfer on the date received, provided these request are received by Bank within the established deadline.
- B. Bank is hereby authorized and may transmit the electronic credit and/or debit Entries by any means Bank deems appropriate to process or send Customer's Entries.
- C. Bank may handle orders from Customer and those which it may receive from other customers in any order selected by Bank, in its sole and absolute discretion, and in accordance with the Rules regarding sending, receiving and returning.
- D. Bank and any RDFI may execute payment orders for the transfer of funds to a beneficiary in the name of the beneficiary and/or the account member of the beneficiary furnished to Bank by Customer. In the event there is a discrepancy between the name of the beneficiary and the account number, the payment order may be executed by use of the account number only.
- E. Bank may refuse to honor an instruction if the party to receive the transmission of funds is not a financial institution.
- F. Bank may, but shall not be required to, verify the existence or ownership of the accounts to which the funds are transferred.
- G. **BANK MAKES NO REPRESENTATIONS OR WARRANTIES WITH RESPECT TO FITNESS FOR A PARTICULAR PURPOSE OR OF MERCHANTABILITY OR SUITABILITY OF ACH SERVICES TO CUSTOMER. BANK MAKES NO REPRESENTATIONS OR WARRANTIES REGARDING THE SUITABILITY OR COMPATIBILITY OF CUSTOMER'S SOFTWARE, EQUIPMENT OR COMMUNICATION INTERFACES WITH BANK'S SOFTWARE, EQUIPMENT OR COMMUNICATION DEVICES.**

22. **FEES AND CHARGES:**

- A. Customer agrees to pay Bank, or shall cause Bank to be paid, for the services provided hereunder in accordance with Bank's fee schedules in effect from time to time. Bank will provide Customer with not less than thirty (30) days prior written notice of any changes to Bank's fee schedule.
- B. Customer agrees to pay all expenses incurred by Bank in discharging its obligations under this Agreement.
- C. Unless otherwise arranged with Bank, fees shall be considered in Bank's account analysis of Customer's accounts with Bank, or if the Settlement Account is maintained at an Affiliate Bank, in such Affiliate Bank's account analysis of Customer's accounts with that Affiliate Bank. Customer shall pay fees for services rendered by retaining sufficient balances with Bank or Affiliate Bank, as the case may be. If the account analysis is to be performed by an affiliate under this section, such Affiliate Bank shall pay fees incurred by Customer for ACH Services under this Agreement.
- D. Customer shall pay all taxes or assessments now or hereafter in effect and payable by reason of or in connection with services to be performed by Bank hereunder except for taxes on Bank's income.

23. **LIABILITY AND INDEMNIFICATION:**

- A. This Agreement is provided as an accommodation and convenience to Customer. The obligations and responsibilities of Bank shall be limited to those specified in this Agreement. Bank will not be obligated or responsible with respect to any act of failure to act by a correspondent bank, a Federal Reserve Bank, NACHA, SWACHA, a regional or local automated clearing house, or any other third party. Bank shall incur no liability to Customer or any other person in the event the funds are not received by the intended third party if Bank shall have acted reasonably in transmitting the funds in accordance with its instructions.
- B. Customer shall indemnify and hold harmless Bank and its Officers, Directors, Employees, Agents and Representatives from and against any and all claims, demands, proceedings, losses, liabilities, expenses, including attorney fees, and damages, including lost profits, consequential, special and punitive damages, directly or indirectly, against Bank arising out of Bank's performance of the its warranties hereunder; (a) Schedules; (b) the Rules; and (c) any other agreement(s) between Customer and any Receiver to the extent that the such liability, loss or damage is caused by negligence of Customer its Officers, Directors, Employees, Agents and/or Representatives, or of any other person or entities who are directly or indirectly associated with Customer. Customer shall have no obligation to indemnify Bank against any liability, loss or damage Bank might suffer arising solely out of Bank's negligent performance under this agreement.
- C. In the event of any negligent, grossly negligent or willful failure on the part of Bank to comply with the provision of this Agreement or the Rules, including Bank's mishandling of, or error in transmitting debit or credit Entries, Bank's liability shall be limited to the correction, at Bank expense, of any error, the restitution of any service charge imposed with the making of any such erroneous transfer, and interest or compensation for the loss of use of funds, as provided in paragraph 24 below. Customer expressly agrees that, with respect to ACH credit items, Bank shall exercise the same degree of care that is imposed upon "receiving banks" under (and as that term is defined in) Article 4A of the Texas Business and Commerce Code, as enacted in the state of Texas, which has, in large part, been incorporated into the Rules. As such, Bank's liability to Customer shall be limited to the face amount of any ACH credit request erroneously executed by Bank and, in cases where Customer timely reports an error in execution, interest or compensation for the loss of use of funds, as provided in paragraph 24 below. Correction shall take the form of transferring the correct amount and/or refunding any amounts transferred in error, provided that Customer promptly notifies Bank of any error. Bank shall have no liability for the payment of interest in connection with the erroneous transmittal of Entries if Customer fails to notify Bank within sixty (60) days from the date Customer obtained actual knowledge of or reasonably should

have known of the error. Customer shall fully assist Bank in obtaining a recovery of any funds transferred in error. Bank shall have a reasonable amount of time to research and correct any alleged error. Bank shall have no liability to Customer for errors occurring more than (1) year prior to notice from Customer. In the event the transfer was subject to Regulation E of the Federal Reserve Board, Bank shall comply with the error resolution procedures set forth therein (which are incorporated herein for all purposes).

- D. If an accepted payment order is not under Section 4A-202(a) of Article 4A of the Texas Business and Commerce Code an authorized order of Customer but is effective as an order of Customer pursuant to Section 4A-202(b) thereof, Bank, notwithstanding that it might otherwise be entitled to enforce or retain payment of the order expressly agrees to assume liability for one-half of any loss sustained by Customer (not to exceed one-half of the payment order), provided that: (i) it cannot be determined who caused the payment order notwithstanding detailed investigations by Customer or the Federal Bureau of Investigation or other governmental authorities; (ii) Bank cannot prove that the order was caused by a person referred to in Section 4A-203(a)(2) of Article 4A; and (iii) Customer shall at all times relevant to the causing of the payment order have exercised reasonable care in safeguarding the security procedures entrusted to it by Bank for the purpose of verifying the authenticity of payment orders issued to Bank in the name of Customer and in protecting its payment order transmitting facilities. Bank and Customer shall cooperate with one another in the investigation of the payment order.
- E. Bank shall not be liable for any unauthorized act of any Customer's officers, employees, directors, former employees, agents, representatives and/or other persons affiliated with Customer.
- F. **CUSTOMER EXPRESSLY AGREES IN NO EVENT WILL BANK BE LIABLE FOR ANY INDIRECT DAMAGES, LOST PROFITS, SPECIAL, PUNITIVE, OR CONSEQUENTIAL DAMAGES WHICH ARISE OUT OF OR IN CONNECTION WITH THE SERVICES CONTEMPLATED BY THIS AGREEMENT.**
- G. The provision of this paragraph shall survive termination of this Agreement.

24. **COMPENSATION FOR ERRORS:** Customer agrees that compensation, if any, for the loss of interest or use of funds due Customer as a result of a Bank error, whether for delay, non-completion or failure to follow instructions or other error or of Bank's failure to execute a payment order on the date received when received prior to the deadline established by Bank, provided such execution or error is within Bank's direct control, will be for interest losses for a period from the date the transfer should have been made to the date the proper transfer is made but not to exceed ninety (90) days and will be in the form of either of the following, at the sole option of Bank:

- (i) Adjustment of the aggregate ledger and collected balance of the Customer's account(s) to reflect properly in the average balances on the account analysis the amounts that would have resulted had no error occurred; or
- (ii) Reimbursement not exceeding the average Fed Funds interest rate for the period and amount in question, less reserves, computed on a daily basis.

25. **REPORT OF DISCREPANCIES:** Customer agrees to promptly review and reconcile its statements of account and shall promptly report in writing any discrepancies between Customer's records of payment order requests and the periodic statement or other notification furnished or made available by Bank within ninety (90) days after the date on which notification is given to Customer whether such notice is given by telephone, written advice, periodic statement or made available to Customer through a computer terminal, it being expressly agreed that the failure to notify Bank of any discrepancies within a ninety (90) day period from the date of the payment order shall totally relieve Bank of any liability for compensation for loss of use of funds or interest.

26. **TERMINATION:**

A. Except as otherwise provided for in this Agreement, this Agreement may be terminated immediately without notice for cause.

Notice shall be deemed given if properly addresses to:

Bank at:	CUSTOMER at:
International Bank of Commerce	<u>Marble Falls ISD</u>
8770 Tesoro Drive	<u>1800 Colt Circle</u>
San Antonio, TX 78217	<u>Marble Falls, TX 78654</u>
Attention: Kevin Mullins	Attention: <u>Lisa LeMon</u>

And deposited in the U.S. Mail first class postage prepaid or by receipted messenger delivery. Notwithstanding such termination, this Agreement shall remain in full force and effect as to all transactions taking place under this Agreement prior to the termination date, and with regard to the provisions of the paragraphs of this Agreement which state that should one or more of the procedure to this Agreement be held to be illegally invalid or unenforceable under applicable law, this Agreement shall remain in full force and effect.

B. In addition, this Agreement may be terminated immediately by Bank, at its sole and absolute discretion, in the event a change in federal or state law or regulation makes it impracticable for Bank, in its sole discretion, to perform hereunder.

C. In addition, this Agreement may be terminated by Bank, at its sole and absolute discretion, without prior notice, in the event:

- i. Customer fails to pay to Bank upon Bank's demand therefore, any overdraft of any kind whether caused by check, draft, wire transfer request, electronic Entry or other order for payment from or drawn on any account of Customer or by a chargeback or return to Bank of any item or other order for payment.
- ii. Customer fails to perform, observe or comply with any covenant, agreement or term contained in this Agreement or if any default or event of default shall have occurred there under, or under any loan, credit, letter of credit or other financing agreement for borrowed money under which the Customer is a debtor or an account party (whether with Bank or other bank, financial institution or other creditor).
- iii. Customer fails to provide financial information reasonably requested by Bank.
- iv. There is a material adverse change in the assets, liabilities, financial condition, business operations, affairs or circumstances of Customer.
- v. Customer fails to notify Bank of any matter that might have a material adverse effect on the business, financial condition or operations of the Customer or any of its subsidiaries.
- vi. Customer shall make general assignment for the benefit of creditors or shall petition or apply to any tribunal for the appointment of a trustee, custodian, receiver or liquidator of all or any substantial part of Customer's business, estate or assets or Customer shall commence any proceedings under any bankruptcy, reorganization, arrangement, insolvency, readjustment or debt, receivership, conservatorship, dissolution or liquidation law of any jurisdiction, whether now or hereafter in effect.

- vii. Any such petition or application shall be filed or any such proceeding shall be commenced against Customer, or Customer, by any act or omission, shall indicate approval thereof, consent thereto or acquiescence therein, or an order shall be entered or an administrative action shall be taken appointing a trustee, custodian, receiver or liquidator of all or any substantial part of the assets of Customer or granting relief to Customer or approving the petition in any such proceeding.
 - viii. Bank notifies Customer that Customer must maintain a Reserve Account within the sole control of Bank and Customer fails to comply with Bank's request within one (1) business day of notification.
 - ix. Bank notifies Customer that input medium is unsatisfactory due to an incidence of error or rejection rate unsatisfactory to Bank which Customer was requested to resolve but did not.
 - x. Customer fails to maintain adequate collected balances in the Settlement Account and/or Reserve Account.
 - xi. Customer refuses Bank the right to audit Customer's compliance with this Agreement.
- E. Cause shall include, without limitation, excessive number of consumer debit transactions returned as unauthorized, fines assessed by NACHA for recurring rule violations, adverse action taken against the Customer by the Federal Trade Commission or a state Attorney General for deceptive trade practices or other objective criteria such as consent decrees or court orders.
- F. The Settlement Account and Reserve Account shall be maintained for a period of at least seventy (70) days following termination of this Agreement.
27. **FINANCIAL CONDITION/RIGHT TO AUDIT:** Upon Bank's request, Customer shall furnish a detailed statement of its financial condition. Customer agrees to provide to Bank financial statements and the reports required to be filed with the Securities and Exchange Commission and to provide such other financial information as may be reasonably requested by Bank. Upon Bank's request, Customer agrees to allow Bank to audit Customer's records for compliance with the Rules.
28. **COMPLIANCE:** Customer shall comply with all applicable Rules, federal and state laws, codes, regulations and all municipal laws, ordinances and regulations now or hereafter in effect. Customer shall be liable for any fees assessed for violation of the Rules.
29. **ASSIGNMENT:** This Agreement is binding upon and shall inure to the benefit the Customer and Bank and their respective heirs successors and assigns, except that Customer may not assign or transfer any of its rights or obligations under this Agreement without the prior written consent of Bank.
30. **CHOICE OF LAW:** Bank may accept on Customer's behalf payments to Customer's account which have been transmitted through one or more Automated Clearing Houses and which are not subject to the Electronic Fund Transfer Act. Customer rights and obligations with respect to such payments shall be construed in accordance with and governed by the laws of the State of Texas and State of Oklahoma, without regard to its conflicts of laws provisions, as provided by the Rules, which are applicable to ACH transactions involving Customer's accounts.
31. **FORCE MAJEURE:** Notwithstanding any other provision of this Agreement, no failure, delay or default in performance of any obligation hereunder by any part to this Agreement shall constitute an event of default or a breach of this Agreement to the extent that such failure to perform, delay or default arise out of causes beyond the control and without fault or negligence of the party otherwise chargeable with failure, delay or default, including but not limited to: action or inaction of governmental, civil or military authority; breakdown in communication facilities; fire; strike; lockout or other labor disputes; flood; war; riot; theft;

earthquake; natural disaster; or default of common carrier or third party vendors; suspension in payments by another financial institution; or any other causes beyond the reasonable direct control of such party. In the event Bank is unable to transmit the credit or debit Entries as a result of any causes beyond its control, Customer shall, upon request by Bank, resubmit input data required for the transmittal of such Entries.

32. **NOTIFICATION:** Customer will promptly notify, and will cause each of its subsidiaries to promptly notify, Bank of (a) the occurrence of a default or an event of default or of any event that with notice or lapse of time or both would be default or an event of default under any material agreement to which Customer or any of its subsidiaries is a party; (b) the commencement of any action, suit or proceeding against Customer or any of its subsidiaries that might have a material adverse effect on the business, financial condition or operations of Customer or any of its subsidiaries; and (c) any other matter that might have a material adverse effect on the business, financial condition or operations of Customer or any of its subsidiaries.
33. **TITLES AND SUBTITLES, FORM OF PRONOUNS:** The titles of the paragraphs and sections of this Agreement are for convenience only and are not to be considered in construing this Agreement. All pronouns used in this Agreement shall be deemed to include masculine, feminine and neutral forms, as applicable.
34. **IMPRACTICABILITY OF PERFORMANCE:** Bank shall be excused from failing to act or any delay in acting, provided that its failure or delay is caused by interruption of transmission or communication facilities, equipment failure, war, emergency conditions, or any other circumstances beyond its sole control.
35. **CONFIDENTIALITY:** Except as required by law and permitted by this Agreement, all information furnished to Customer by Bank or obtained in connection with this Agreement including, but not limited to, any system; software; customer records; manuals and any information derived therefrom including but not limited to any transferred or reformatted information; duplicates and reproduction (each and all collectively the "Bank Data") shall be held confidential and not disclosed by Customer to any third party except as Bank may authorize in writing. Customer will not disclose, transfer, duplicate, reproduce or retain Bank Data in any form and will not permit or allow any agent, contractor, third party or employee to do so except to the extent necessary to perform the services described in this Agreement. This provision shall survive termination of this Agreement.
36. **SEVERABILITY/WAIVER:** If one or more provisions of this Agreement are held to be invalid, illegal or unenforceable under applicable law, such provision in their entirety or portions thereof, to the extent necessary, shall be severed from this Agreement, and the balance of this Agreement shall be enforceable in accordance with its terms to the extent possible. Waiver of any default under this Agreement shall not constitute waiver of any prior or subsequent default. If a conflict exists between any provision of this Agreement, any Bank disclosures, and/or any statements, oral or written, made by any employee, officer or director of Bank or any member Bank or branch Bank of International Bancshares Corporation, this Agreement will control.
37. **ADDITIONAL INFORMATION:** Customer shall supply Bank with any information that Bank may reasonably request, including, but not limited to the money amounts, dates of transfer and further evidence of any persons' authority to transfer funds or to do any other act contemplated under procedures established pursuant to this Agreement. The Settlement Account and Reserve Account shall be subject to the standard terms and conditions of International Bank of Commerce Deposit Account Agreement(s), except in the event of a conflict between the Deposit Account Agreement(s) and this Agreement when in such event this Agreement shall control.
38. **COUNTERPARTS:** This Agreement may be executed in two or more counterparts, each of which shall be deemed an original, but all of which together shall constitute one and the same instrument.
39. **ENTIRE AGREEMENT:** UPON EXECUTION, THIS AGREEMENT IS A COMPLETE AND EXCLUSIVE STATEMENT OF THE AGREEMENT BETWEEN THE PARTIES WHICH SUPERSEDES ALL PROPOSALS OR PRIOR AGREEMENTS, ORAL OR WRITTEN AND ALL

OTHER COMMUNICATIONS BETWEEN PARTIES RELATING TO THE SUBJECT MATTER OF THIS AGREEMENT AND MAY NOT BE CONTRADICTED OR VARIED BY EVIDENCE OF PRIOR, CONTEMPORANEOUS OR SUBSEQUENT ORAL AGREEMENTS BETWEEN THE PARTIES TO THIS AGREEMENT. THE PROVISIONS OF THIS AGREEMENT MAY BE AMENDED OR WAIVED ONLY BY AN INSTRUMENT IN WRITING SIGNED BY THE PARTIES HERETO.

40. **REPRESENTATIONS:** Customer represents and warrants to Bank that if Customer is not a natural person, it is duly organized and validly existing and in good standing under the laws of the state of its incorporation or organizations; has full power to own its properties and to carry on its business as now conducted; is duly qualified to do business and is in good standing in each jurisdiction in which the name of business conducted by it makes such qualification necessary and/or desirable; and has not commenced any dissolution proceedings. Customer further represents and warrants that it has properly filed Assumed name Certificate(s) in the office(s) required by applicable state law. Each of the persons signing below represents and warrants that he/she has full requisite power and authority to execute and deliver this Agreement to Bank on behalf of the party for whom he/she signs and to bind such party to the terms and conditions of this Agreement and that this Agreement is enforceable against such party.
41. **AUTHORIZED REPRESENTATIVES:** Bank is entitled to rely on the instructions regarding the Account(s), that Bank receives from those persons as authorized by Customer in Attachment 3 ("Authorized Representatives" or "Authorized Representative") until Bank receives written instructions or notice revoking such instructions. Customer must submit a new listing whenever Authorized Representatives are added or deleted except as Customer assumes responsibility for such authorizations established by Customer's Administrator within IBC Link. Bank shall be entitled to rely on any written notice or other written communication believed by it in good faith to be genuine and to have been signed by an Authorized Representative, and any such communication shall be deemed to have been signed by such person.

In addition, each of the Authorized Representatives named on Attachment 3 attached hereto other representatives to execute instructions, to provide changes to instructions and/or to confirm submitted instructions as fully as if such representative named in this Agreement and any such representative so appointed shall be an Authorized Representative. Customer authorizes Bank to honor changes to instructions given by telephone, facsimile or other communication method when Bank reasonably believes that such changes are given by an Authorized Representative and when such change is acceptable to Bank. Bank shall have the right to insist on written confirmation of any requested change, but shall be fully protected for relying on such request for a change given orally or by facsimile or by other method of communication should Bank act on such requested change.

Customer consents to the recording mechanically of any electronic instructions received by Bank's designated area from Customer and the retention of the recording for a minimum of sixty-one (61) days (the period for Customer notification of discrepancies) or longer at Bank's option following such requests; however, Bank is not required to so record and/or retain.

42. **ARBITRATION:**

CUSTOMER AND BANK FURTHER AGREE AS FOLLOWS:

- I. **CONSUMER-RELATED CLAIMS OF \$75,000.00 OR LESS IN ACTUAL DAMAGES:**
- (a) **WITH REGARD TO ALL CONSUMER-RELATED CLAIMS OF \$75,000.00 OR LESS IN ACTUAL DAMAGES, ANY AND ALL CONTROVERSIES OR CLAIMS ARISING OUT OF THIS CONTRACT, ITS NEGOTIATION AND/OR THE BREACH THEREOF, SHALL BE SETTLED BY ARBITRATION ADMINISTERED BY THE AMERICAN ARBITRATION ASSOCIATION UNDER ITS SUPPLEMENTAL PROCEDURES FOR RESOLUTION OF CONSUMER-RELATED DISPUTES AND CONSUMER DUE PROCESS PROTOCOL (WHICH ARE INCORPORATED**

HEREIN FOR ALL PURPOSES), AND JUDGMENT ON THE AWARD RENDERED BY THE ARBITRATOR(S) MAY BE ENTERED IN ANY COURT HAVING JURISDICTION THEREOF. IT IS INTENDED BY ALL PARTIES THAT THIS ARBITRATION CLAUSE MEET AND INCLUDE ALL FAIRNESS STANDARDS AND PRINCIPLES OF THE AMERICAN ARBITRATION ASSOCIATION'S CONSUMER DUE PROCESS PROTOCOL AND DUE PROCESS IN PREDISPUTE ARBITRATION.

- (b) INSTEAD OF PROCEEDING IN ARBITRATION, ANY PARTY HERETO MAY PURSUE ITS CLAIM IN THE CONSUMER'S LOCAL SMALL CLAIMS COURT, IF THE CONSUMER-RELATED CLAIM IS WITHIN THE SMALL CLAIMS COURT JURISDICTIONAL LIMITS. IF THE SMALL CLAIMS COURT OPTION IS CHOSEN, THE PARTY MUST CONTACT THE SMALL CLAIMS COURT DIRECTLY.
- (c) THE PARTIES FURTHER AGREE THAT (i) NO ARBITRATION PROCEEDING HEREUNDER SHALL BE CERTIFIED AS A CLASS ACTION OR PROCEED AS A CLASS ACTION, OR ON A BASIS INVOLVING CLAIMS BROUGHT IN A PURPORTED REPRESENTATIVE CAPACITY ON BEHALF OF THE GENERAL PUBLIC, OTHER CUSTOMERS OR POTENTIAL CUSTOMERS OR PERSONS SIMILARLY SITUATED AND (ii) NO ARBITRATION PROCEEDING HEREUNDER SHALL BE CONSOLIDATED WITH, OR JOINED IN ANY WAY WITH, ANY OTHER ARBITRATION PROCEEDING.
- (d) THIS ARBITRATION PROVISION SHALL SURVIVE ANY TERMINATION, AMENDMENT, OR EXPIRATION OF THE AGREEMENT IN WHICH THIS PROVISION IS CONTAINED, UNLESS ALL OF THE PARTIES OTHERWISE EXPRESSLY AGREE IN WRITING.
- (e) THE PARTIES ACKNOWLEDGE THAT THIS AGREEMENT EVIDENCES A TRANSACTION INVOLVING INTERSTATE COMMERCE. THE FEDERAL ARBITRATION ACT SHALL GOVERN THE INTERPRETATION, ENFORCEMENT, AND PROCEEDINGS PURSUANT TO THE ARBITRATION CLAUSE OF THIS AGREEMENT.

II. ADDITIONAL PROVISIONS FOR CONSUMER-RELATED CLAIMS ABOVE \$75,000.00 IN ACTUAL DAMAGES AND/OR ALL COMMERCIAL CLAIMS:

- (a) ANY ARBITRATION INVOLVING CONSUMER-RELATED CLAIMS ABOVE \$75,000.00 IN ACTUAL DAMAGES AND/OR COMMERCIAL CLAIMS HEREUNDER SHALL BE BEFORE AT LEAST THREE NEUTRAL ARBITRATORS ASSOCIATED WITH THE AMERICAN ARBITRATION ASSOCIATION AND SELECTED IN ACCORDANCE WITH THE COMMERCIAL ARBITRATION RULES OF THE AMERICAN ARBITRATION ASSOCIATION. FAILURE OF ANY ARBITRATOR TO DISCLOSE ALL FACTS WHICH MIGHT TO AN OBJECTIVE OBSERVER CREATE A REASONABLE IMPRESSION OF THE ARBITRATOR'S PARTIALITY, AND/OR MATERIAL ERRORS OF LAW SHALL BE GROUNDS [IN ADDITION TO ALL OTHERS] FOR VACATUR OF AN AWARD RENDERED PURSUANT TO THIS AGREEMENT.
- (b) THE PARTIES FURTHER AGREE THAT (i) NO ARBITRATION PROCEEDING HEREUNDER SHALL BE CERTIFIED AS A CLASS ACTION OR PROCEED AS A CLASS ACTION, OR ON A BASIS INVOLVING CLAIMS BROUGHT IN A PURPORTED REPRESENTATIVE CAPACITY ON BEHALF OF THE GENERAL PUBLIC, OTHER CUSTOMERS OR POTENTIAL CUSTOMERS OR PERSONS SIMILARLY SITUATED AND (ii) NO ARBITRATION PROCEEDING HEREUNDER SHALL BE CONSOLIDATED WITH, OR JOINED IN ANY WAY WITH, ANY OTHER ARBITRATION PROCEEDING.
- (c) THIS ARBITRATION PROVISION SHALL SURVIVE ANY TERMINATION, AMENDMENT, OR EXPIRATION OF THE AGREEMENT IN WHICH THIS PROVISION IS CONTAINED, UNLESS

ALL OF THE PARTIES OTHERWISE EXPRESSLY AGREE IN WRITING.

- (d) THE PARTIES ACKNOWLEDGE THAT THIS AGREEMENT EVIDENCES A TRANSACTION INVOLVING INTERSTATE COMMERCE. THE FEDERAL ARBITRATION ACT SHALL GOVERN THE INTERPRETATION, ENFORCEMENT, AND PROCEEDINGS PURSUANT TO THE ARBITRATION CLAUSE OF THIS AGREEMENT.

III. ADDITIONAL PROVISIONS FOR ALL COMMERCIAL CLAIMS:

- (a) ANY AND ALL COMMERCIAL CONTROVERSIES BETWEEN THE PARTIES, SHALL BE RESOLVED BY ARBITRATION IN ACCORDANCE WITH THE COMMERCIAL ARBITRATION RULES OF THE AMERICAN ARBITRATION ASSOCIATION IN EFFECT AT THE TIME OF FILING, UNLESS THE COMMERCIAL ARBITRATION RULES CONFLICT WITH THIS PROVISION, AND IN SUCH EVENT THE TERMS OF THIS PROVISION SHALL CONTROL TO THE EXTENT OF THE CONFLICT.
- (b) THE AWARD OF THE ARBITRATORS, OR A MAJORITY OF THEM, SHALL BE FINAL, AND JUDGMENT UPON THE AWARD RENDERED MAY BE ENTERED IN ANY COURT, STATE OR FEDERAL, HAVING JURISDICTION. THE ARBITRATION AWARD SHALL BE IN WRITING AND SPECIFY THE FACTUAL AND LEGAL BASIS FOR THE AWARD. UPON THE REQUEST OF ANY PARTY, THE AWARD SHALL INCLUDE FINDINGS OF FACT AND CONCLUSIONS OF LAW.
- (c) ARBITRABLE DISPUTES INCLUDE ANY AND ALL CONTROVERSIES OR CLAIMS BETWEEN THE PARTIES OF WHATEVER TYPE OR MANNER, INCLUDING WITHOUT LIMITATION, ANY CLAIM ARISING OUT OF OR RELATING TO THIS SECURITY INSTRUMENT, ALL PAST, PRESENT AND/OR FUTURE CREDIT FACILITIES AND/OR AGREEMENTS INVOLVING THE PARTIES, ANY TRANSACTIONS BETWEEN OR INVOLVING THE PARTIES, AND/OR ANY ASPECT OF ANY PAST OR PRESENT RELATIONSHIP OF THE PARTIES, WHETHER BANKING OR OTHERWISE, SPECIFICALLY INCLUDING ANY ALLEGED TORT COMMITTED BY ANY PARTY.
- (d) THE PARTIES SHALL ALLOW AND PARTICIPATE IN DISCOVERY IN ACCORDANCE WITH THE FEDERAL RULES OF CIVIL PROCEDURE FOR A PERIOD OF ONE HUNDRED TWENTY (120) DAYS AFTER THE FILING OF THE ORIGINAL RESPONSIVE PLEADING. DISCOVERY MAY CONTINUE THEREAFTER AS AGREED BY THE PARTIES OR AS ALLOWED BY THE ARBITRATORS. UNRESOLVED DISCOVERY DISPUTES SHALL BE BROUGHT TO THE ATTENTION OF THE ARBITRATORS BY WRITTEN MOTION FOR PROPER DISPOSITION, INCLUDING RULING ON ANY ASSERTED OBJECTIONS, PRIVILEGES, AND PROTECTIVE ORDER REQUESTS AND AWARDED REASONABLE ATTORNEY'S FEES TO THE PREVAILING PARTY.
- (e) IN THE EVENT THE AGGREGATE OF ALL AFFIRMATIVE CLAIMS ASSERTED EXCEED \$500,000.00, EXCLUSIVE OF INTEREST AND ATTORNEY'S FEES, OR UPON THE WRITTEN REQUEST OF ANY PARTY, (1) PRIOR TO THE DISSEMINATION OF A LIST OF POTENTIAL ARBITRATORS, THE AMERICAN ARBITRATION ASSOCIATION SHALL CONDUCT AN IN PERSON ADMINISTRATIVE CONFERENCE WITH THE PARTIES AND THEIR ATTORNEYS FOR THE FOLLOWING PURPOSES AND FOR SUCH ADDITIONAL PURPOSES AS THE PARTIES OR THE AMERICAN ARBITRATION ASSOCIATION MAY DEEM APPROPRIATE, (A) TO OBTAIN ADDITIONAL INFORMATION ABOUT THE NATURE AND MAGNITUDE OF THE DISPUTE AND THE ANTICIPATED LENGTH OF HEARINGS AND SCHEDULING; (B) TO DISCUSS THE VIEW OF THE PARTIES ABOUT ANY TECHNICAL AND/OR OTHER SPECIAL QUALIFICATIONS OF THE ARBITRATORS; AND (C) TO CONSIDER, WHETHER MEDIATION OR OTHER METHODS OF DISPUTE RESOLUTION MIGHT BE APPROPRIATE, AND (2) AS

PROMPTLY AS PRACTICABLE AFTER THE SELECTION OF THE ARBITRATORS, A PRELIMINARY HEARING SHALL BE HELD AMONG THE PARTIES, THEIR ATTORNEYS AND THE ARBITRATORS. WITH THE AGREEMENT OF THE ARBITRATORS AND THE PARTIES, THE PRELIMINARY HEARING MAY BE CONDUCTED BY TELEPHONE CONFERENCE CALL RATHER THAN IN PERSON. AT THE PRELIMINARY HEARING THE MATTERS THAT MAY BE CONSIDERED SHALL INCLUDE, WITHOUT LIMITATION, A PREHEARING SCHEDULING ORDER ADDRESSING (A) EACH PARTY'S DUTY TO SUBMIT A DETAILED STATEMENT OF CLAIMS, DAMAGES AND/OR DEFENSES, A STATEMENT OF THE ISSUES ASSERTED BY EACH PARTY AND ANY LEGAL AUTHORITIES THE PARTIES MAY WISH TO BRING TO THE ATTENTION OF THE ARBITRATORS; (B) RESPONSES AND/OR REPLIES TO THE PLEADINGS FILED IN COMPLIANCE WITH SUBPART 2(A); (C) STIPULATIONS REGARDING ANY UNCONTESTED FACTS; (D) EXCHANGE AND PREMARKING OF ALL DOCUMENTS WHICH EACH PARTY BELIEVES MAY BE OFFERED AT THE FINAL ARBITRATION HEARING; (E) THE IDENTIFICATION AND AVAILABILITY OF WITNESSES, INCLUDING EXPERTS, AND SUCH ADDITIONAL MATTERS REGARDING WITNESSES INCLUDING THEIR BIOGRAPHIES AND A SHORT SUMMARY OF THEIR EXPECTED TESTIMONY, (F) WHETHER A STENOGRAPHIC OR OTHER OFFICIAL RECORD OF THE PROCEEDINGS SHALL BE MAINTAINED; AND (G) THE POSSIBILITY OF UTILIZING MEDIATION OR OTHER ALTERNATIVE METHODS OF DISPUTE RESOLUTION.

- (f) FOR PURPOSES OF THIS PROVISION, "THE PARTIES" MEAN CUSTOMER AND BANK, AND EACH AND ALL PERSONS AND ENTITIES SIGNING THIS AGREEMENT OR ANY OTHER AGREEMENTS BETWEEN OR AMONG ANY OF THE PARTIES AS PART OF THIS TRANSACTION. "THE PARTIES" SHALL ALSO INCLUDE INDIVIDUAL PARTNERS, AFFILIATES, OFFICERS, DIRECTORS, EMPLOYEES, AGENTS AND/OR REPRESENTATIVES OF ANY PARTY TO SUCH DOCUMENTS, AND SHALL INCLUDE ANY OTHER OWNER AND HOLDER OF THIS AGREEMENT.
- (g) THE PARTIES SHALL HAVE THE RIGHT TO INVOKE SELF- HELP REMEDIES (SUCH AS SET-OFF, NOTIFICATION OF ACCOUNT DEBTORS, SEIZURE AND/OR FORECLOSURE OF COLLATERAL, AND NON-JUDICIAL SALE OF PERSONAL PROPERTY AND REAL PROPERTY COLLATERAL) BEFORE, DURING OR AFTER ANY ARBITRATION AND/OR REQUEST ANCILLARY OR PROVISIONAL JUDICIAL REMEDIES (SUCH AS GARNISHMENT, ATTACHMENT, SPECIFIC PERFORMANCE, RECEIVER, INJUNCTION OR RESTRAINING ORDER, AND SEQUESTRATION) BEFORE OR AFTER ANY ARBITRATION. THE PARTIES NEED NOT AWAIT THE OUTCOME OF THE ARBITRATION BEFORE USING SELF-HELP REMEDIES. USE OF SELF-HELP OR ANCILLARY AND/OR PROVISIONAL JUDICIAL REMEDIES SHALL NOT OPERATE AS A WAIVER OF EITHER PARTY'S RIGHT TO COMPEL ARBITRATION. ANY ANCILLARY OR PROVISIONAL REMEDY WHICH WOULD BE AVAILABLE FROM A COURT AT LAW SHALL BE AVAILABLE FROM THE ARBITRATORS, INCLUDING INJUNCTION AND RESTRAINING ORDERS.
- (h) THE PARTIES AGREE THAT ANY ACTION REGARDING ANY CONTROVERSY BETWEEN THE PARTIES SHALL EITHER BE BROUGHT BY ARBITRATION, AS DESCRIBED HEREIN, OR BY JUDICIAL PROCEEDINGS, BUT SHALL NOT BE PURSUED SIMULTANEOUSLY IN DIFFERENT OR ALTERNATIVE FORMS. A TIMELY WRITTEN NOTICE OF INTENT TO ARBITRATE PURSUANT TO THIS AGREEMENT STAYS AND/OR ABATES ANY AND ALL ACTION IN A TRIAL COURT, SAVE AND EXCEPT A HEARING ON A MOTION TO COMPEL ARBITRATION AND/OR THE ENTRY OF AN ORDER COMPELLING ARBITRATION AND STAYING AND/OR ABATING THE LITIGATION PENDING THE FILING OF THE FINAL AWARD OF THE ARBITRATORS. ALL REASONABLE AND NECESSARY ATTORNEY'S FEES AND ALL TRAVEL COSTS SHALL BE AWARDED TO THE PREVAILING PARTY ON ANY MOTION TO COMPEL ARBITRATION AND MUST BE PAID TO SUCH PARTY WITHIN TEN (10) DAYS OF THE SIGNING OF THE ORDER COMPELLING ARBITRATION.

- (i) ANY PARTY SEEKING TO ARBITRATE SHALL SERVE A WRITTEN NOTICE OF INTENT TO ARBITRATE TO ANY AND ALL OPPOSING PARTIES WITHIN 360 DAYS AFTER DISPUTE HAS ARISEN. A DISPUTE IS DEFINED TO HAVE ARISEN ONLY UPON RECEIPT OF SERVICE OF JUDICIAL PROCESS, INCLUDING SERVICE OF A COUNTERCLAIM, FAILURE TO SERVE A WRITTEN NOTICE OF INTENT TO ARBITRATE WITHIN THE TIME SPECIFIED ABOVE SHALL BE DEEMED A WAIVER OF THE AGGRIEVED PARTY'S RIGHT TO COMPEL ARBITRATION OF SUCH CLAIM. THE ISSUE OF WAIVER PURSUANT TO THIS AGREEMENT IS AN ARBITRABLE DISPUTE.
- (j) ACTIVE PARTICIPATION IN PENDING LITIGATION DURING THE 360 DAY NOTICE PERIOD, WHETHER AS PLAINTIFF OR DEFENDANT, IS NOT A WAIVER OF THE RIGHT TO COMPEL ARBITRATION. ALL DISCOVERY OBTAINED IN THE PENDING LITIGATION MAY BE USED IN ANY SUBSEQUENT ARBITRATION PROCEEDING.
- (k) THE PARTIES FURTHER AGREE THAT (i) NO ARBITRATION PROCEEDING HEREUNDER SHALL BE CERTIFIED AS A CLASS ACTION OR PROCEED AS A CLASS ACTION, OR ON A BASIS INVOLVING CLAIMS BROUGHT IN A PURPORTED REPRESENTATIVE CAPACITY ON BEHALF OF THE GENERAL PUBLIC, OTHER CUSTOMERS OR POTENTIAL CUSTOMERS OR PERSONS SIMILARLY SITUATED AND (ii) NO ARBITRATION PROCEEDING HEREUNDER SHALL BE CONSOLIDATED WITH, OR JOINED IN ANY WAY WITH, ANY OTHER ARBITRATION PROCEEDING.
- (l) ANY ARBITRATOR SELECTED SHALL BE KNOWLEDGEABLE IN THE SUBJECT MATTER OF THE DISPUTE. EACH OF THE PARTIES SHALL PAY AN EQUAL SHARE OF THE ARBITRATION COSTS, FEES, EXPENSES, AND OF THE ARBITRATORS' FEES, COSTS AND EXPENSES.
- (m) ALL STATUTES OF LIMITATIONS WHICH WOULD OTHERWISE BE APPLICABLE SHALL APPLY TO ANY AND ALL CLAIMS ASSERTED IN ANY ARBITRATION PROCEEDING HEREUNDER AND THE COMMENCEMENT OF ANY ARBITRATION PRECEDING TOLLS SUCH STATUTES OF LIMITATIONS.
- (n) IN ANY ARBITRATION PROCEEDING SUBJECT TO THIS PROVISION, THE ARBITRATORS, OR MAJORITY OF THEM, ARE SPECIFICALLY EMPOWERED TO DECIDE (BY DOCUMENTS ONLY, OR WITH A HEARING, AT THE ARBITRATORS' SOLE DISCRETION) PRE-HEARING MOTIONS WHICH ARE SUBSTANTIALLY SIMILAR TO PRE-HEARING MOTIONS TO DISMISS AND MOTIONS FOR SUMMARY ADJUDICATION.
- (o) THIS ARBITRATION PROVISION SHALL SURVIVE ANY TERMINATION, AMENDMENT, OR EXPIRATION OF THE AGREEMENT IN WHICH THIS PROVISION IS CONTAINED, UNLESS ALL OF THE PARTIES OTHERWISE EXPRESSLY AGREE IN WRITING.
- (p) THE PARTIES ACKNOWLEDGE THAT THIS AGREEMENT EVIDENCES A TRANSACTION INVOLVING INTERSTATE COMMERCE. THE FEDERAL ARBITRATION ACT SHALL GOVERN THE INTERPRETATION, ENFORCEMENT, AND PROCEEDINGS PURSUANT TO THE ARBITRATION CLAUSE OF THIS AGREEMENT.
- (q) THE ARBITRATORS, OR A MAJORITY OF THEM, SHALL AWARD ATTORNEY'S FEES AND COSTS TO THE PREVAILING PARTY PURSUANT TO THE TERMS OF THIS AGREEMENT.
- (r) NEITHER THE PARTIES NOR THE ARBITRATORS MAY DISCLOSE THE EXISTENCE, CONTENT, OR RESULTS OF ANY ARBITRATION HEREUNDER WITHOUT PRIOR WRITTEN CONSENT OF ALL PARTIES AND/OR COURT ORDER.

(s) VENUE OF ANY ARBITRATION PROCEEDING HEREUNDER SHALL BE IN Bexar COUNTY, TEXAS.

TO THE EXTENT THE PARTIES ARE PROHIBITED FROM CREATING AN INDEPENDENT ARBITRATION PROVISION, BANK AND CUSTOMER ADOPT THE ARBITRATION PROVISIONS SET FORTH IN THE RULES.

IN WITNESS WHEREOF, the parties hereto have caused this Agreement to be executed by their duly authorized officers.

CUSTOMER: Marble Falls ISD

BY: _____

TYPED NAME: Customer Authorized Signature
Dr. Robert O'Connor

TITLE: Superintendent

DATE: June 18, 2012

BY: _____

TYPED NAME: Customer Authorized Signature
Rick Edwards

TITLE: School Board President

DATE: June 18, 2012

ACCEPTED:

BANK: INTERNATIONAL BANK OF COMMERCE/COMMERCE BANK

BY: _____

TYPED NAME: SIGNATURE

TITLE: _____

DATE: _____

ATTACHMENT 1 - ACH
Transmission Location and Formatting Instructions

All files will be formatted in a NACHA format. Transmission specifications will be established by International Bank of Commerce/Commerce Bank (also referred to as "IBC") using the IBC Link application for template or send file options. In the event that Customer cannot establish a secure session with the IBC system for more than a 24 hour period, then files can be hand delivered for processing.

Hand-Delivered Files

The Customer will deliver files to International Bank of Commerce Service Center, 8770 Tesoro Drive, San Antonio, Texas 78217, Attn: Kevin Mullins.

The files may be delivered via computer disk or CD Rom.

ACH Processing Deadlines

Processing Deadline for:

Credit Entries:

Transmission of a File: until 3:00 p.m. two (2) business days prior to effective date

Debit Entries:

Transmission of a File: until 3:00 p.m. one (1) business day prior to effective date

"Business Day" is a day International Bank of Commerce is open to the public for conducting substantially all of its business (other than Saturday, Sunday, or Federal holidays).

"Effective Date" must be a business day, or the record will be processed on the first business day following the effective date.

**ATTACHMENT 2 - ACH
Security Procedures**

International Bank of Commerce/Commerce Bank ("IBC") shall be entitled to rely on any written notice or other written communication believed by it in good faith to be genuine and delivered to it by the Authorized Representative, and any such communication shall be deemed to have been authorized.

Representative Computer File Transmission

The Customer's Authorized Representative will access the ACH system by utilizing the prearranged log-on procedures, remote ID, and file ID, and Digital Signature, if required by Bank.

IBC Representative will verify the totals and effective date of an ACH file via phone, fax or email with a given customer Authorized Representative if the file exceeded \$250,000.00 in outgoing credits.

International Bank of Commerce will anticipate the receipt of an IBC Link ACH transmission from the Customer in writing and agreed to by IBC. The Customer's Authorized Representative will notify IBC if a transmission will not take place on the prearranged scheduled processing date. The Customer is responsible for ensuring that IBC receives the transmission on each processing date indicated in the processing schedule.

IBC will verify that the file totals agree with the Customer information confirmed using the IBC Link application. In the event of a discrepancy in the totals, IBC will call the specified Customer Authorized Representative. If an Authorized Representative is not available for notification, the file will not be processed until the Customer's Authorized Representative can be contacted on the next business day.

The Customer is solely responsible for accurate creation, modification, and deletion of the account information maintained on the Customer's Representative's computer and used for the IBC Link ACH money transfer. The Customer agrees to comply with written procedures provided by IBC for the creation, maintenance, and initiation of the IBC Link ACH money transfers.

The Customer is solely responsible for access by its employees of the data files maintained on the Customer's computer.

The Customer is responsible for operator security procedures on the personal computer(s) licensed for use of the Program.

Customer understands and agrees to be binding to the Security Procedures set forth.

Marble Falls ISD

(Customer)

By: _____

(Authorized Signature)

Superintendent

Title

Dr. Robert O'Connor

Typed Name

June 18, 2012

(Date)

Marble Falls ISD

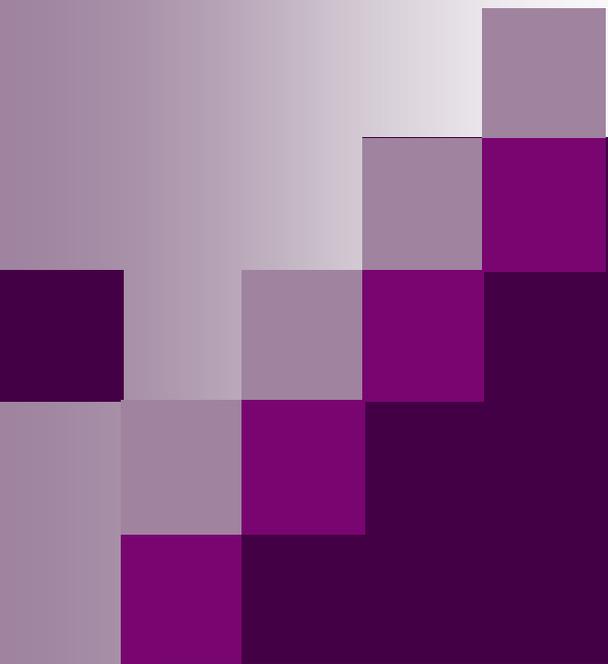
(Customer)

By: _____
(Authorized Signature)

School Board President
Title

Rick Edwards
Typed Name

June 18, 2012
(Date)



Child Nutrition

3 Month Review

March, April & May 2012

Participation Comparison

March 2011 to 2012

<u>March</u>	<u>2011</u>	<u>18 days</u>	<u>2012</u>	<u>17 days</u>
Breakfast	23,754	1,320	20,435	1,202
Adult	607	34	549	32
Lunch	48,975	2,721	45,792	2,694
Adult	2003	111	2,037	120
A la Carte	\$29,892	\$1,661	\$31,928	1,878
Reimbursement	\$135,102	\$7,506	\$129,236	\$7,602

Participation Comparison

April 2011 to 2012

<u>April</u>	<u>2011</u>	<u>20 days</u>	<u>2012</u>	<u>20 days</u>
Breakfast	26,427	1,321	24,854	1,243
Adult	1018	51	628	31
Lunch	55,184	2,759	54,912	2,746
Adult	2,221	111	2,356	118
A la Carte	\$36,728	\$1,836	\$38,113	\$1,906
Reimbursement	\$151,646	\$7,582	\$154,586	\$7,729

Participation Comparison

May 2011 to 2012

<u>May</u>	<u>2011</u>	<u>20 days</u>	<u>2012</u>	<u>18 days</u>
Breakfast	24,174	1,209	21,543	1,197
Adult	685	34	603	34
Lunch	51,070	2,554	46,546	2,585
Adult	2,013	101	1,922	107
A la Carte	\$32,574	\$1,629	\$32,306	\$1,795
Reimbursement	\$143,706	\$7,185	\$134,675	\$7,482

Budget Comparison 11 vs. 12

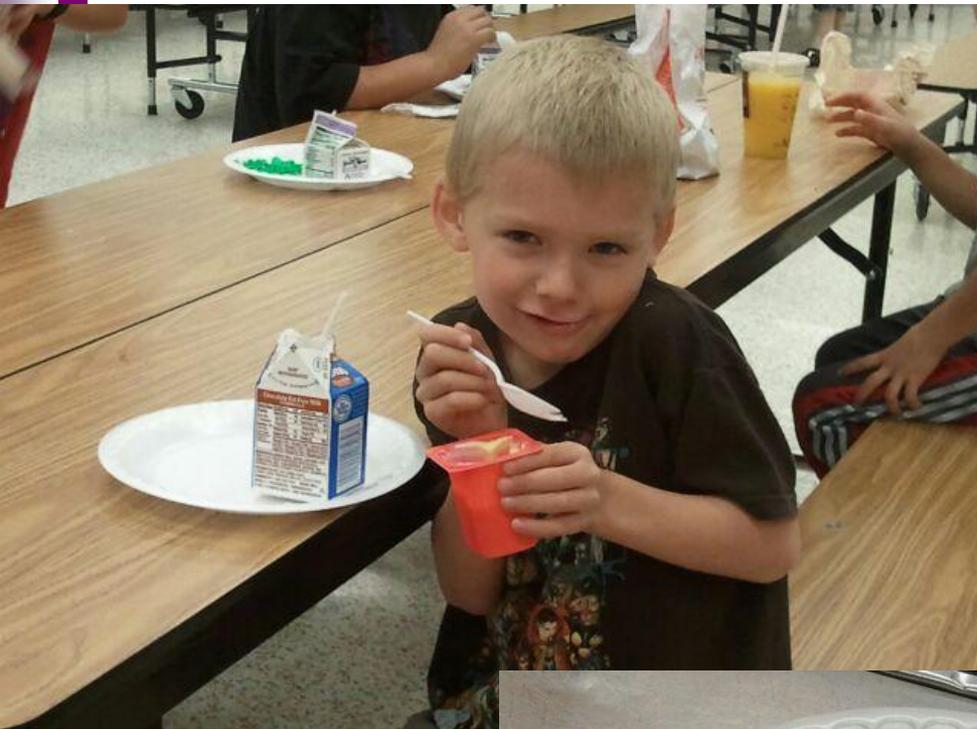
Current

Year to date

	2011	YTD Diff (+/-) Per DAY @177	2012	YTD Diff (+/-) Per DAY @177	YTD Diff (+/-)
Revenue	\$1,699,413	\$9601	\$1,840,944	\$10,401	\$141,531
Expenses	\$1,559,308	\$8,810	\$1,459,144	\$8,244	\$100,164
Year to Date (+/-)	\$140,105	\$792	\$381,800	\$2,158	\$243,852

...and why we do what we do...







Marble Falls Elementary



Colt Elementary





Highland Lakes Elementary









Spicewood Elementary



UWL Food Fair



Staff Recognition Lunch





**Marble Falls ISD
Cash Balances and Interest Earned
For The Quarter Ended May 2012**

IBC Bank

Bank	Account	Month	Interest Earned	Month Ending Bank Balances
IBC	Finance Acct	Mar-12	\$ 179.52	\$ 354,950.57
		Apr-12	\$ 155.87	\$ 332,994.30
		May-12	\$ 171.45	\$ 309,070.24
		Total	\$ 506.84	
IBC	Money Market	Mar-12	\$ 9,867.29	\$ 20,840,515.48
		Apr-12	\$ 9,727.99	\$ 18,815,763.34
		May-12	\$ 8,768.10	\$ 16,116,751.63
		Total	\$ 28,363.38	
IBC	Debt Service	Mar-12	\$ 1,261.82	\$ 5,846,718.64
		Apr-12	\$ 2,904.19	\$ 5,849,622.83
		May-12	\$ 3,002.49	\$ 5,852,625.32
		Total	\$ 7,168.50	
IBC	Payroll Clearing	Mar-12	\$ 763.32	\$ 1,423,879.61
		Apr-12	\$ 686.72	\$ 1,447,684.28
		May-12	\$ 791.94	\$ 1,483,764.37
		Total	\$ 2,241.98	

Lone Star Investment Pool

	Corporate Overnight Plus Fund
Beginning Balance @ 3-1-12	\$ 11,053,130.71
Transfers In	\$ 2,221,408.70
Transfers Out	\$ (10,826,766.90)
Interest Earned	\$ 3,128.97
Ending Balance @ 5-31-12	<u>\$ 2,450,901.48</u>

Total Interest Earned For Reported Quarter	\$ 41,409.67
Total Cash Balance - Quarter Ending	\$ 26,213,113.04

Average Rates of Return:	March	April	May
IBC (Greater of T-Bill - .20% or .75%)	0.75%	0.75%	0.75%
Corporate Overnight Plus Fund	27.00%	27.00%	24.00%

Michael Pittard

June 11, 2012

Principal signature

Date

W. [Signature]

6-12-12

Administrator's signature

Date

**RECOMMENDATION FORM
TEACHER AND PROFESSIONAL EMPLOYEES**

Name: Kerri O'Connor Grade/Subject area assignments: Intervention Specialist

Coaching or other assignments: N/A

New position _____ OR replacement for: Chris Delmas

Background information to the board:

Degree held: EdD. College/University: Texas A&M - Commerce

Years of experience: Is this person fully certified in Texas: Yes

If no, please justify: NA

Does this person meet NCLB highly qualified for this position (yes or no): Yes

How does this person meet highly qualified?

Brief background on candidate:

Kerri brings a great deal of energy and knowledge to the development of MFHS intervention program. She holds an Ed.D. in Curriculum and Instruction and will serve the students to her upmost ability.

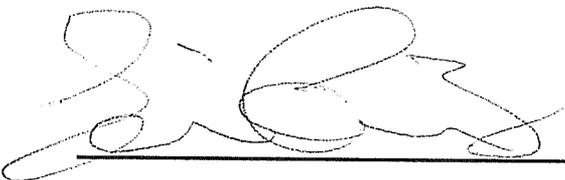
References and their comments:

Name: Eric Penrod Title: Director of Secondary Academic Programs

Kerri will do an outstanding job in developing the intervention program at the high school .

Name: Manny Lunoff Title: MFHS Principal

Name: Title:

 HIPS Director

**RECOMMENDATION FORM
TEACHER AND PROFESSIONAL EMPLOYEES**

Name: **Rebecca Rios**

Grade/Subject area assignments: PK

Replacement for: Aleyda Martinez-Galeas

Background information to the board:

Degree held: Bachelor Psychology/Spanish University: Southwestern

Years of experience: One

Is this person fully certified in Texas: Yes

Does this person meet NCLB highly qualified for this position (yes or no): YES

How does this person meet highly qualified? Bilingual Generalist (EC-4)

**Brief background on candidate: Rebecca has taught PK Bilingual in Marble Falls
ISD in 2002-03 under Bill Rives. She had committed to staying home to raise her
children, but has returned to work this past year under the Grant Program
servicing High School ELL students in ELA and Algebra I.**

References and their comments:

Name: Leslie Talamantes

Title: Bilingual Grant Interventionist

-strong instructional background

-understands the TEKS

-positive influences on students

-would hire

Name: Eric Penrod

Title: Secondary Programs Director

-positive

-able to adapt to new challenging situations

-benefit to the bilingual component of the grant program

Michael Pittard, Principal HLES

June 11, 2012

Principal Signature

Date


Administrator's signature


Date

RECOMMENDATION FORM TEACHER AND PROFESSIONAL EMPLOYEES

Name: Pamela Walton Grade/Subject area assignments: 4th Bilingual
Replacement for: Nancy Otero

Background information to the board:

Degree held: Bachelor of Business Administration University: Sam Houston State
Current: Masters of Curriculum and Instruction Texas A&M

Years of experience: None Is this person fully certified in Texas: No
If no, please justify: Currently under the ITEACH program and has applied for
Bilingual Supplemental, Generalist (EC-6), Generalist (4-8).

Does this person meet NCLB highly qualified for this position (yes or no): YES
How does this person meet highly qualified? Probationary Certification through
ITEACH Program

**Brief background on candidate: Pamela has been a substitute within Marble Falls
ISD and Burnet ISD.**

References and their comments:

Name: Keith Powell	Title: Principal-Colt Elementary
-excellent teacher	-first selection for a teacher if a position was available
-team player	-professional
-positive attitude	

Name: Mindy Evans	Title: Principal-Burnet Middle School
-bright	-loves kids
-great classroom management	-positive
-would hire her if a position was available	

Name: Russell Suggs	Title: Past owner of Mustang Mania, LLC
-very neat, organized	-dependable
-super person	-conscientious

Michael Pittard

June 11, 2012

Principal signature

Date


Administrator's signature

6-12-12

Date

**RECOMMENDATION TRANSFER FORM
TEACHER AND PROFESSIONAL EMPLOYEES**

Name: **Jill Watson** Grade/Subject area assignments: 5th Grade Math/Science

Coaching or other assignments:

New position _____ OR replacement for: Jessica Perez

Background information to the board:

Degree held: _____ College/University: _____

Years of experience: 6 Is this person fully certified in Texas (yes or no): YES

If no, please justify

Does this person meet NCLB highly qualified for this position (yes or no): YES

How does this person meet highly qualified? Holds valid EC-6 Generalist Certification

Brief background on candidate:

References and their comments:

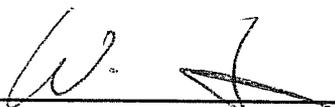
Name: _____ Title: _____

Andy Reddock

06/13/2012

Principal signature

Date



6-13-12

Administrator's signature

Date

Rachel King
702 Sherman Avenue
Marble Falls, Texas 78654
May 31, 2012

Dr. Janice Mauldin
Assistant Superintendent of Academic Programs
Marble Falls Independent School District
1800 Colt Circle
Marble Falls, Texas 78654

Dear Dr. Mauldin:

I am submitting my resignation from the Marble Falls Independent School District. The last seven years with the District have given me the opportunity to grow professionally and develop leadership skills. However, it is time for me to set out in new directions and spend time with my family.

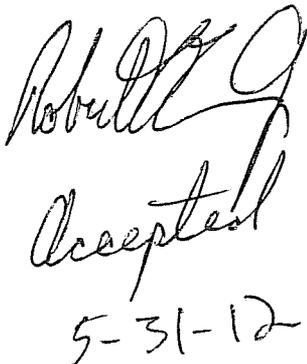
My last day will be Wednesday, June 20, 2012. I would be happy to meet with you at your convenience to discuss the transition of my duties to my successor.

I wish the School District and the Bilingual/ESL program much success in the coming years.

Sincerely,



Rachel King
District Bilingual/ESL Coordinator



Robert G.
Accepted
5-31-12