

**Independence Charter School
Board of Trustees Meeting
June 13, 2007 7:00 pm**

Board Members Present: Becky Baehr, Anyabwile Banko'le, Ryan Boyer, Michelle Campbell, Eric Cramer, Joana Davis-Diaz, Susan Gobreski, Sean Hennessy, Nicole Perkins Kilcullen, Rosina Miller, Laval Miller-Wilson, Lisa Nelson-Haynes

Board Members Absent: Pam Prell

Others Present: Ramzy Andrawos, Operations Manager; Jurate Krokys, Principal/CEO; Jerry Santilli, Santilli and Thomson; Megan Steelman, Administrative Assistant; Amy Leigh, Tienne Martin, ICS teachers; Sandra Aidar, Dawn Ang, Rona Buchalter, Susan Burrows, Jane Fitzgerald, T.J. Gobreski, Stephanie Kindt, Tina Kluetmeier, Robin Kohles, Robert Kopf, Leland Lott, Fran, Melmed, Karl Olsen, Dawn Pakech, Amy Rivera, Caryn Seltzer-Devine, Alison Sprague, Cristina Vea and David Webber, parents; Alan Wohlstetter, attorney.

I. Call to Order

President Rosina Miller called the meeting to order at 7:11pm. Rosina noted that ICS lost a shining star last week when ICS founding member Beth Jacquot died in a car accident. She shared that Beth was a great spokeswoman for ICS before the school ever opened. A moment of silence was observed in Beth's memory.

II. Approval of Minutes

Rosina asked if there were any changes to be made to the May Board minutes for the regular Board meeting that were circulated. Nicole moved to accept the minutes; Becky seconded. The minutes were approved unanimously.

Michelle moved that the minutes from the May 30th Special Board meeting be approved; Laval seconded. The minutes were approved unanimously.

III. CEO Report

Jurate reported that tomorrow is the first ICS 8th grade graduation and that many of the students have been accepted to special admission high schools. She also stated that the Founder's Award that was to be presented at the graduation has been re-named as the Elizabeth Marking Jacquot Ambassador's Award. The first ICS yearbook has arrived and is selling fast. The International Festival was a huge success. Last Friday, ICS hosted visitors from West Africa, as well as the International Educational Advisory Council. The group that has been discussing school safety has been meeting regularly to decide ways we can continue to manage safety. A draft report has been sent to Rosina and will be sent to the Healthy Kids Committee. Assuming that we receive our PSSA results on schedule, Jurate asked to present those results at the July Board meeting.

Rosina asked if there were any questions. Ryan asked how the lateness policy is being addressed. He stated he was concerned because there were about 60 late kids waiting for a slip this morning when they could have been in class. Jurate stated that students are not supposed to be admitted to class without a late slip, so that we know students are not roaming the halls. Likewise, all families are encouraged to get their kids to school on time, so that a late slip isn't necessary. Nicole stated she thinks the Italian Embassy grant is great, but asked what happens if it doesn't continue. Jurate stated that we know we have it for at least two years. Cristina clarified that the first two years are a grant; after that, the

school is expected to contribute. Susan stated that she also thinks it's a great idea and asked for clarification as to when the two years begin and end and whether or not non-Wings kids can attend. Cristina stated that we have money from September 2007-December 2008, since it wouldn't be feasible to start the program over the summer. She added that it will be open to all kids. Jurate clarified that there will be three levels with 10 kids in each class. Susan asked why we are only considering including 30 kids. Jurate explained that we're trying to keep the classes small. Sean voiced concern about the possibility that preference might be given to children of one ethnicity. Jurate stated that this would not be the case; we would admit by lottery if there are more children than available slots.

Michelle moved the resolution about the Italian language grant; Nicole seconded. Jurate was asked to find the agreement, so Board members could see it before voting. The CEO report will continue later in the meeting.

IV. PTA Report

Cristina reported that the PTA raised over \$30,000 this year and said, "Thank you" to all who helped. This year's student talent show proved once again that ICS needs to find a larger place to hold such performances. She also reported that the Barnes & Noble "work free" book fair will be held at the Walnut Street Barnes & Noble's on Saturday, June 23rd. The PTA will send out a survey in the Fall.

V. Teachers' Report

Amy stated that everyone is gearing up for the 8th grade and kindergarten graduations. Yearbooks and 8th grade class t-shirts have been distributed. The field days at Palumbo Recreation Center were a major success; there were lots of parent volunteers and the days were very organized. The 7th & 8th grade trip to the wetlands was very successful and we hope to plan another one next year. All of the 8th graders worked on plays through the Young Playwrights group; they performed several of those plays earlier in June. At this point, many teachers are getting ready for curriculum writing and summer school.

VI. Committee Reports

A. Finance

Sean explained that since we have already approved the 2007-2008 budget, resolution #1 is the mechanism we use to pay for certain recurring expenses. Sean moved the resolution; Becky seconded. The motion carried unanimously. Sean asked Jerry to review the April financial statement. Jerry noted that there are several discrepancies due to timing issues; otherwise, ICS looks to be in good financial shape. Sean moved that the April disbursement in the amount of \$190,944.09 be approved; Joana seconded. The motion carried unanimously. Jerry stated that the audit report has been received, but there have been problems scheduling the exit interview; that will be done soon.

B. Human Resources

Becky stated the committee report was circulated before the meeting.

C. Curriculum

Rosina reported that because of a family emergency, Pam was unable to attend the meeting, so the draft unifying plan will be discussed at the July meeting instead of tonight. However, since Rona Buchalter was at the meeting, Rosina asked if anyone had questions for her. Susan asked whether there is any evaluation and/or tweaking process included. Rona stated that there are and there

will be a teacher point person who will connect with the Board, the CEO and others. Nicole asked whether numbers 3 & 4 can be fleshed out more by the July meeting. Rona stated that one of those is the curriculum writing, which will be taking place over the summer and that she will flesh out the other one.

D. Development

Laval reported that we haven't met the 06/07 fundraising goals of \$55,000, but have spent less than budgeted on development. He added that not reaching our financial goals has been a chronic problem. Laval also announced that he will be stepping down from the Board at the development plan is completed in July. Until a new chair is appointed, various committee members have agreed to carry on certain tasks, such as the parent campaign, Sol y Canto event, and the fundraising dinner.

E. Policy

Susan stated that the committee did meet, but there is no report since she didn't get the minutes until last weekend.

Rosina stated that we will consider some of the other resolutions at this time.

Nicole moved resolution #2 regarding the 2007-2008 calendar; Becky seconded. Becky noted that once the calendar is passed, other "special" dates, such as the National Geographic Bee, will be added. Susan stated that the school district starts on a different date. Jurate replied that the school district doesn't have staff come in August for orientation and is conducting professional development during that first week. Nicole stated that we need to make sure we communicate the every Wednesday early dismissal information as soon and as often as possible. The motion carried unanimously.

Ryan moved resolution #3 regarding the new administrative model; Sean seconded. Becky stated that we want to pass this plan for the upcoming year and will research models to ensure we find one that will last. Anyabwile asked whether we've clarified who reports to whom; Becky stated that was clarified with Jurate's revision of the chart. Nicole asked whether the committee discussed the questions that came up at last month's meeting. Becky asked Jurate to address those questions. Jurate stated that the HR Committee wants to make sure the administration is not overwhelmed. Ideas like having a separate CEO and principal are interesting, but we would need to be very specific about what duties are assigned to each as to avoid any type of confusion. Jerry asked what the effective date will be for this resolution; Susan asked to add a friendly amendment of noting the number of positions wherever they are plural. Eric stated that we don't need those numbers, since we already approved the budget, which included those numbers. Susan stated she feels they're needed for budget implications. A vote was taken as whether or not to use numbers; it was agreed that no numbers would be used. After more discussion, it was agreed to take out the third paragraph; the motion passed unanimously.

Nicole moved resolution #4.1 regarding teachers who cannot get PA certification due to residency issues; Becky seconded. Becky explained that this applies only to teachers who have done absolutely everything to obtain certification, but for whom the last step (gaining permanent residency) is beyond their control and that for them our policy may be discriminatory. Ryan asked whether these people have pending green cards. Becky explained that is not necessarily the case. Sean stated that our policy has increments for certification and that we are not discriminating, since PA holds us accountable to have at least 75% certified

teachers. Eric asked whether our program will continue to require people in these circumstances. Jurate stated that most likely it will due to the type of fluency we require. Sean stated that we already have an increment for Spanish language and just because currently have over 25% of our teachers who are not certified, doesn't mean that will always be the case. Becky stated that the Spanish language increment is for a skill. A vote was taken. Two were opposed; the motion carried.

Michelle moved resolution 4.2 regarding certification for ICS positions which don't exist in the state system; Joana seconded. Becky explained that with course such as dance, a PA teacher can get a 7th-12th certification, but not a K-6 or K-12. Therefore, we can never get a PA certified dance teacher. We want to have an incentive for our dance teacher becoming certified. The closest thing would be physical education. Eric suggested that we simply change our title to "Physical Education through Dance" so that we can be credited for a certified teacher in that area. Susan suggested that we approve these types of situations individually, as opposed to starting a new system. Becky stated that is included in the resolution. Nicole made a friendly amendment of changing "shall" to "will;" Becky agreed. There was one abstention; the motion carried.

Becky introduced resolution 4.3; she explained that rather than have a separate pay policy for visiting teachers, we simply need clarification as to what documentation is necessary. Eric moved the resolution; Michelle seconded. The motion carried unanimously.

At this point, the meeting went back to the issue of the Italian lessons resolution. Jurate circulated the letter as requested. Susan stated she was in favor, but that with all this money, it seems like it would be nice to offer the program to more students. Jurate explained that the average cost for the teachers will be between \$60 and \$100 per hour, plus the cost of books, etc. Sean stated that given the administrative costs the school will carry, we should make sure to get materials the school would want. The motion carried unanimously.

Becky moved resolution #9 regarding new hires, adding Ramzy Andrawos as Director of Operations; Nicole seconded. The motion carried unanimously.

Eric moved resolution #10 regarding payment to Santilli & Thomson for additional services; Lisa seconded. Rosina stated that Jerry approached the Executive Committee regarding additional work his group has been doing in regarding to ICS's building search. Susan suggested a cap of \$5,000. The motion passed unanimously.

VII. Facilities and Public Comment Period

Rosina stated that the Board has continued revisiting the possibility of Durham, because we need to ensure that we are keeping all of our options open; an emergency meeting was called at the end of May, since new information was received and due to deadlines a decision needed to be made before the regular June meeting. The School District did agree to give ICS an extension on the Durham agreement; at the same time, CHAD has started to negotiate with us again. Rosina asked Alan to give an update on CHAD.

Alan directed everyone to Exhibit A in the CHAD resolution. He explained that if we became partners with CHAD, the building would actually be sold to a new entity and both pay rent to that entity; that would also defer the payment of the real estate transfer tax until the debt is paid off. Ryan asked whether CHAD is

really ready to do this. Becky asked why ICS would pay so much more than CHAD. Rosina clarified that these numbers were from the original square footage numbers they gave us. Alan stated that any buyout of Landmark would be split 50-50 by ICS and CHAD; there is no clear move out date for Landmark; Rosina added that CHAD did start talking to Landmark about that yesterday. The target would be 6/16/08. Nicole clarified that ICS doesn't actually need the Landmark space, so that wouldn't affect ICS. Jurate asked whether our getting the full use out of our first and second floor space was dependent on Landmark moving. Nicole stated that under the agreement, if Landmark didn't move, CHAD would share their space, not ICS. Alan also stated that CHAD needs until November 2007 to finalize their construction numbers, which would affect our financing. Our construction would probably start in June 2008. Laval asked why CHAD would need until November. Jerry stated that getting a guaranteed maximum price (GMP) takes a long time and that ICS may need that same amount of time. Becky asked how the debt service compares with our current rent. Jerry answered that the debt service is less; Eric added that some of that money would also be earning interest. Jerry noted that CHAD would possibly need to pay some rent to ICS in the beginning for use of space. Alan pointed out the list of open issues. Rosina clarified that she just received a draft plan tonight at 5p.m. We'd have use of most of the first floor, except a little corner. CHAD still wants access to the basement, which they would own, for the possibility of building something like a small parking garage. If they did that, we'd lose a first floor classroom and they'd give us space somewhere else in the building. There would be about 26,000 square feet on the first floor and 28,000 on the second. Laval stated that given our relationship with CHAD, he is trying to determine how good of a co-habitant they will be. CHAD has debt. They are still considering our lease extension request, which they've had for three weeks. Jurate stated that it would cost \$5 million for renovations for the core program, \$7 million for the wish list. Rosina added that CHAD wants ICS to get its own elevator. Nicole stated that Durham renovations will cost \$10-\$11 million; with value engineering, Sullivan Construction brought those down to \$7.5. Schrader architects haven't yet been able to do value engineering on CHAD. Laval asked whether the fact the CHAD doesn't have investment grade financing would affect ICS. Alan stated that might raise our rate by half a percent or so. He added that CHAD has an expensive loan structure. Jerry clarified that CHAD didn't have a need for a multi-year financial plan, now they do, so it will be done. Anyabwile summarized that CHAD is now willing to negotiate, but the numbers are pretty iffy. Alan stated that they're not exactly iffy and that they do seem realistic.

Rosina then asked Robin to give an overview of the Durham situation. Robin explained that a small group met with Sullivan Construction to hear what Sullivan thought it would cost to renovate the building. At the Special Meeting in May, the Board voted to have further meetings to explore the possibility of renovating Durham for less than originally estimated. The School District agreed to extend the closing date, but instituted a strict timeline, which is tight, but possible. The zoning process could start tomorrow if the Board votes tonight to move forward on Durham. The Schrader group has refined the plans, so that Durham would now have the 36 required classrooms and 9 extra rooms for specials. The cafeteria would be the same size as we now have and there would not be a library. At the new estimated renovation cost of \$7.5 million, the roof and windows would be replaced, but they would not be historic windows. Laval asked whether we could really have a GMP by 7/15/07; Alan said that is possible. He added that zoning is always an open question. Robin stated that ICS also has the support of the Center City Residents' Association. Ryan added

that the liquidated damages cost is usually high, so contractors don't want to miss those deadlines. Alan stated that if the contractor misses deadlines, they are responsible to pay our debt service during the delay. Nicole stated that the Sullivan reps seemed to have a problem with the liquidated damages clause. Alan stated it will be in the contract. Rosina asked how the current plan differs from the plan Ken Roscioli plan. Robin replied that the additional extra special rooms have been added. Jurate asked for clarification on the square footage of the building and the play area. Nicole said it had been 54,000 square feet and not it is 57,000. Robin said she's not sure of the size of the play yard. Susan asked how the construction would be decided. Alan stated it would be a bidding process. Rosina asked whether Sullivan would need to sign a GMP before the bidding process started; Alan said that they would. Becky asked whether we'd have bathrooms between the kindergarten rooms as we do now. Robin said we are planning for that. They are not in the plan yet, since we weren't sure where the kindergarten rooms will be. Becky noted there are a lot of bathrooms in the basement; Jurate stated that a lot of bathroom scheduling would be at arrival and lunch time. Anyabwile asked what new money we have to spend. Lisa stated that is in the resolution. Laval stated he's concerned about utility costs and asked if there's an estimated heating budget. Jerry stated that it would be about \$1.75 per square foot at Durham; at our current location, it's about \$1.50 per square foot. Becky asked whether there is any news on the boiler. Robin said the mechanical contractor thinks it looks fine, but wasn't allowed to turn it on. Susan asked what amount of money is needed to move forward over the next four weeks. Alan responded that about \$147,000 would be needed until the 7/15/07 GMP date. An architectural agreement hasn't been signed, but would cost about \$252,000 for work from 7/15/07-8/15/07.

Ryan moved the resolution regarding Durham; Eric seconded. Michelle stated that we cannot keep both options and that a decision needs to be made tonight. Rosina announced that the public comment period would be held before the vote.

- T.J. Gobreski had left the meeting, so did not comment.
- Sandra Aidar: There's a \$3.2 million difference to get Durham; Babbette Josephs is supporting an RCAP grant for ICS. I recommend electing officers of the Board by secret ballot as a safeguard. People should be able to vote privately in board and officer elections without worries.
- Stephanie Kindt: Did not comment.
- Tina Kluetmeier: I find it difficult to understand why we're considering the current address. I find it hard to help CHAD close their debt gap. Do we want to go condo or own a facility with potential growth?
- Cristina: The Board voted no on Durham due to it being too expensive; if money is longer the problem, then there's nothing in the way. What would happen to our children while renovations were happening in the CHAD space?

Rosina asked Board members to take the opportunity to make a comment before a vote is taken. Becky stated that although she didn't feel the prior vote regarding CHAD space meant that we'd never consider staying in this location, she stated that she's a little more confident that we can make up the financial gap, but knows we can do a lot with the savings, which could go toward instruction. Charters are experiments, which can apply to where we are. She reminded everyone of how appalled some people were that ICS was going to be in an office building when it started, but it turned out great. Lisa stated that she feels an innovative approach can happen in another space, since it's not the space that makes the programming innovative. She added that she feels the prior vote

meant ICS would not consider staying at CHAD long term. Rosina noted that people vote certain ways on things for many different reasons. Eric stated that he's leaning toward Durham; however, he cautioned that people are saying the difference in cost (from CHAD) is not a lot of money, but that difference will mean giving up some things. He added that the construction schedule concerns him. Rosina asked Jerry what 3% of our budget would mean. Jerry stated that it will be tight at the beginning, but not bad later on. Laval stated that he feels the gap is significant and will mean program cuts. Jurate stated that the model she presented previously cut down three teaching positions and the numbers worked. Laval stated that CHAD has not welcomed us as they could have; they've been non-responsive. Nicole stated that we tend to talk about this building in terms of its problems and Durham as the oasis; we need to be realistic and that she's concerned about the money. Nicole estimates the difference as more like \$5 million, since the CHAD plan has not have value engineering run on it. Susan stated that it seems we're going to be spending a lot more money to basically get what we have. We're limiting our ability to be experimental. She added that something must appeal hear---that's why we all chose it. I think we should give CHAD one more chance; we've actually fared very well here. Jurate stated that we can be non-traditional in an old fashioned building. In regard to class size, she stated we would be working very hard to make things balance. She stated that solid programming is due to our teachers and how we do things. We're moving towards a blending model, not as a default, but because it makes sense. I worry about safety. What would dismissal look like if CHAD added a parking garage? Anyabwile stated he was never excited about this building, but was impressed with the energy. He reminded everyone that his vote kept CHAD alive, because cost was an issue. He added that today we need to make a choice and that he's confident that our attitude and energy will move with the school. Sean stated that responsible boards look out for long-term needs and that sometimes you need to face short-term financial challenges for long-term goals. Michelle stated that CHAD seemed to have its typical mindset until we had the special meeting. Rosina stated that her mind had changed and that she now feels Durham is the better option. She added that she senses what the cost would be of having to negotiate every time we want something new. She asked for a roll call vote:

Lisa- Yes	Anyabwile- Yes	Susan- No	Eric- Yes
Becky- Yes	Nicole- Abstain	Michelle- Yes	Laval- Yes
Ryan- Yes	Joana- Yes	Sean- Yes	

The motion carried.

VIII. Board Elections and Office Elections

Rosina explained that she had hoped to have time to have a discussion about what we want to see in Board members and had asked the candidates to be prepared to speak; however due to the late hour that is probably not feasible. She noted that Anyabwile's Parent seat is up tonight and there were no candidates to fill the seat. Since that seat is elected by parents, the Board doesn't have the authority to vote him back in; however, he has agreed to stay on.

Sean moved to have a secret ballot election; Joana seconded. Discussion followed. Laval said he feels there is no need for a secret ballot; as a deliberating body, we should caucus and take breaks, but vote publicly. Ryan added that we can disagree and get past that. Sean stated that a secret ballot is considered good governance, as opposed to what we think we need as individual board members. Eric stated that he feels strongly that the vote needs to be public in order to hold people accountable. Michelle noted that right before an election is not the time for this discussion and that she had brought this up last year. Sean withdrew the

motion. Rosina explained that in addition to Anyabwile's Parent seat, Becky, Nicole, Susan and Michelle's terms are also up tonight.

Eric moved to elect Becky to a 3-year Founder's seat; Rosina seconded. The motion carried unanimously. Michelle moved to elect Nicole to a 2-year Community seat; Eric seconded. The motion carried unanimously. Ryan moved to elect Susan to a 2-year Community seat; Eric seconded. There was not a clear voice vote, so a roll call vote was taken:

Lisa- No

Anyabwile- Yes; she's one of the strongest members on the Board

Susan- Yes

Eric- Yes; I think Susan is a very important voice on this Board and offers a different perspective

Becky- Yes; I echo Eric

Rosina- Yes

Nicole- Yes; Susan is an example of someone we want on the Board, someone who is willing to work, has a vie and understands complex issues

Michelle- Abstain

Laval- Yes; there should have been a lot more prep work before elections

Ryan- Yes; Susan and I are often on opposite sides, but we work well together

Joana- Abstain

Sean- No; I think it's the best thing for the school, not because of anything personal

The Bylaws require an affirmative vote of two-thirds of current board members, of whom there are 13 (which would be 9 affirmative votes), for election to a board seat. Therefore, the motion did not carry.

Rosina asked what we are looking for in Board members---is it a certain personality or workers? Lisa stated that some of these issues were brought up at the planning retreat, but weren't hashed out. Doing that is important for moving forward.

Lisa moved to elect Michelle to a 2-year term; Joana seconded. There was not a clear voice vote, so a roll call vote was taken:

Lisa- Yes

Anyabwile- Yes

Susan- No

Becky-Abstain

Rosina- Abstain

Nicole- Abstain

Laval- Yes

Ryan- Yes; she is a valued member, especially on the Discipline Committee

Joana- Yes

Sean- Yes

Michelle- Yes; I feel there should be a way to disagree, but still feel valued

Eric- Yes

The motion did not carry.

Rosina stated that officer elections would be held next. Rosina moved to nominate Becky as President; Eric seconded. Rosina moved to nominate Nicole as Vice President; Becky seconded. Sean moved to nominate Rosina as Treasurer; Eric seconded. Rosina moved to nominate Sean as Secretary; Lisa seconded. All officers were elected unanimously.

IX. Adjournment

Sean moved for adjournment; Anyabwile seconded. The meeting was adjourned at 11:19 p.m.

Handouts circulated at this meeting:

Agenda

Minutes from the May 2007 meeting

Minutes from May 30th special meeting

CEO report

Draft 2007-2008 calendar

Curriculum Committee report

Finance Committee minutes

Development Committee report

April financial report

Human Resources Committee report

Plan for Unifying the School (to be discussed at July meeting)

**Independence Charter School Board of Trustees Meeting
June 13, 2007**

Resolutions

Adopted

1. Recurring Payments/Contracts

BE IT RESOLVED that the Board of Trustees of Independence Charter School approves the following recurring payments and contracts for the school year 2007-2008:

<u>Vendor</u>	<u>Services</u>	<u>Rate</u>	<u>Not to Exceed Amount</u>
LA Liberty Squares	Electric	N/A	\$75,000
Larry Taylor, Ed.D.	Psych Serv.	\$250per /600	\$20,000
Pediatric Therapeutic Svcs.	OT; Speech PT	\$65 per hour \$95 per hour	\$90,000
Robb Quattro	Computer Svcs.	\$75 per hour	\$ 5,000
Theresa Haggins	Yoga classes	\$100/day	\$ 5,000

2. 2007-08 School Calendar

Be it resolved that the ICS BOT the 2007-2008 school calendar as attached.

3. Administrative Model

Be it resolved that the ICS BOT hereby directs the HR committee with the assistance of the CEO and/or her delegates, to research and present to the BOT by January 2008 various models for the administration and management of the school; and

Be it further resolved that the ICS BOT adopts the ICS administrative model for 2007-2008 as provided in the attached list; and

Administration

Principal/CEO

Director of Operations

Curriculum Specialists

Upper Dean of Students

Lower Dean of Students

Assistant to the CEO

Secretaries

Support Staff

Counselors

Nurses

Development (pt time)

Technology Support

Classroom assistants
Non-Teaching Assistants
Lunch time Assistants

Teaching Staff

Special Education Teachers
Math/Science Coach
Teaching Specialists: Art, Music, Dance/Movement
Classroom/Subject Teachers

4. Teacher Pay-Scale Amendments

Be it hereby resolved that the ICS BOT amend the Teacher Pay Policy, adopted by the Board of Trustees on April 11, 2007, as follows:

1. For the purposes of the Teacher Pay Scale, teachers shall be paid as if they are certified based on the appropriate PA certification in the area in which they teach when they have met all the criteria required for the certification, including educational requirements, successful completion of tests and other criteria necessary for one to become certified, including ongoing educational requirements of the Pennsylvania Department of Education, but are precluded from being fully certified only because of their immigration status. Payment under this provision requires CEO recommendation and BOT approval.

2. For the purposes of the Teacher Pay Scale, teachers who teach subject matter that does not require certification under Pennsylvania law or regulation shall be paid as if they are certified based on the appropriate PA certification in the area in which they teach when they have acquired certification in an subject matter that is substantially similar to the subject matter that they will be teaching. Payment under this provision requires CEO recommendation and BOT approval.

3. Visiting teachers, defined as teachers who are neither US citizens nor permanent residents, and who are matched with ICS through one of several foreign teacher placement agencies or similar program to teach at ICS for a period of not more than three years, will be paid as indicated by the Teacher Pay Scale. Degrees and qualifications from institutions outside of the US may be interpreted at the discretion of the CEO. All transcripts and other supporting documentation must be translated into English, at the teachers' expense, for the purposes of the pay calculation. Salaries for visiting teachers must be recommended by the CEO and approved by the BOT.

5. Durham Resolution

See attached.

6. April Disbursements

Be it resolved that the Independence Charter School Board of Trustees hereby approves disbursements from April 2007 in the amount of \$190,994.09 as presented to the Board.

7. Italian Language After-School Grant

Be it resolved that ICS accept a grant of \$ 10,000 from the America-Italy Society Ente Gestore for the purposes of holding Italian language courses for ICS students during after-school hours in the 2007 school year.

8. New Hires

Be it resolved that the following individuals be offered full time positions as listed for the 2007-2008 school year under the terms and conditions specified by the CEO and the ICS contract:

Daniel LaGrotte- Middle School Science
Christopher Torak- 6th Grade Immersion
Mary Beth Keiter- 1st Grade FLES
William Loskoch- K-4 Science
Lindsay Allen- FLES Spanish
Cynthia Cosio- Middle School Art (part-time)
Mireya Taylor- Gifted Support (75% time)
Ramzy Andrawos- Director of Operations

9. Santilli & Thomson Additional Services

Be it resolved that the ICS Board of Trustees engages Santilli & Thompson for supplemental services related to the financing and financial modeling necessary to support the acquisition and renovation of space for Independence Charter School at the cost of \$135/hour to a maximum of \$5,000.

BOARD OF TRUSTEES
INDEPENDENCE CHARTER SCHOOL
DURHAM RESOLUTION

WHEREAS, 1600 Lombard Associates L.P. (the “Partnership”), a wholly-owned subsidiary of Independence Charter School (the “School”), has the right to purchase the Durham School at 16th and Lombard Streets, Philadelphia, Pennsylvania (the “Facility”), from The School District of Philadelphia (the “School District”) under an Agreement of Sale (the “Agreement”) dated April 21, 2006, as amended, which right expires on September 1, 2007; and

WHEREAS, attached as Exhibit A is a proposal for the purchase and renovation of the Facility for use as a charter school by the School, including the financing thereof through the issuance of tax-exempt bonds by the Philadelphia Authority for Industrial Development or another appropriate governmental issuer; and

WHEREAS, the Board of Trustees of the School (the “Board”) desires to authorize those actions required to allow the School and the Partnership to move forward to purchase and renovate the Facility;

Now, therefore, be it resolved by the Board of Trustees of Independence Charter School, as follows:

Approval of Purchase and Financing. The Board hereby approves moving forward with the purchase and renovation of the Facility as described on Exhibit A; provided, that the closing of the purchase is subject to the approval of the Board of the terms of the financing therefore.

Zoning. The officers of the School are hereby authorized to take all actions necessary to obtain zoning approval as required for the School to occupy the Facility, including, but not limited to, the filing with the City of Philadelphia of all documents and information required therefore and engaging Cozen O'Connor as counsel to the School in connection therewith.

Contractor. Sullivan Construction is hereby approved as the contractor for the renovation of the Facility, and the officers of the School, subject to approval by the Executive Committee, are hereby authorized to enter into a guaranteed maximum price contract with Sullivan Construction for such renovation in accordance with Exhibit A; provided that under such contract, Sullivan Construction will separately bid for subcontractors as required under Pennsylvania law.

Architect. SCHRADERGROUP architecture, LLC is hereby approved as the architect for the renovation of the Facility, and the officers of the School, subject to approval by the Executive Committee, are hereby authorized to enter into a contract with SCHRADERGROUP architecture, LLC for its services in connection with such renovation in accordance with Exhibit A.

Expenditure of Funds. The President of the Board is hereby authorized to expend additional amounts up to \$150,000 to move forward with the purchase and renovation of the Facility, including, but not limited to, payments of fees due to SCHRADERGROUP architecture, LLC in connection with the design of the renovations to the Facility and legal fees due Cozen O'Connor in connection with the purchase and renovation of the Facility, the financing thereof and obtaining zoning approval for the School's use of the Facility.

Additional Actions. The officers of the School are hereby authorized to take such other actions as they deem necessary or convenient to expeditiously move forward with the purchase and renovation of the Facility, the financing thereof and obtaining zoning approval for the School's use of the Facility; provided, that no such actions may bind the School or the Partnership to complete such purchase and renovation (except to the extent already set forth in the Agreement) without the approval of the Board of the terms of the financing therefore.

Official Intent. In accordance with Treas. Reg. 1.150-2, the School hereby states its intention that a portion of the proceeds of tax-exempt bonds will be used to reimburse the School for original expenditures relating to the purchase and renovation of the Facility paid prior to the date of issuance of such bonds. All original expenditures to be reimbursed will be capital expenditures (as defined in Treas. Reg. 1.150-1(b)). The reasonably expected source of funds that will be used to reimburse the original expenditures is the proceeds of tax-exempt bonds. The description of the type and use of the property for which the original expenditures to be fully or partially reimbursed are costs related to the purchase and renovation of the Facility.

Effective Date. This resolution shall take effect immediately.

Adopted: June 13, 2007.

Exhibit A

Purchase of the Durham School

Property Acquired: Durham School at 16th and Lombard Streets.

Renovations: Renovation of the School to provide for 36 homerooms, 9 extras, new roof, new windows, 1350 square foot cafeteria, administrative area, small kitchen, restrooms, new elevator and stairwell.

Cost:

Property Acquisition:	\$6,360,000
Renovations:	\$7,500,000
Contingency (5%):	\$375,000
Architect's Fee:	\$500,000
Closing Costs:	\$536,650

Financing: Total financing: \$16,380,000
(costs shown above plus reserve fund)

Annual Debt Service: Approx. \$1.06 million.

See Exhibit B for an estimated bond sizing.

Timing:

June 19: Reactivate zoning application.

June 27, 2007: Architect submits drawings and performance specs for bidding of subcontracts by contractor.

June 30, 2007: Submission of financing application to PAID.

July 15, 2007: Guaranteed Maximum Price Design-Build construction contract finalized.

July 31, 2007: Zoning approval.

August 31, 2007: Close purchase and financing.

June 30, 2008: Construction completed
(estimated construction period of 10 months).

Not Moved

**BOARD OF TRUSTEES
INDEPENDENCE CHARTER SCHOOL
CHAD RESOLUTION**

WHEREAS, Independence Charter School (the "School") and Charter High School for Architecture and Design ("CHAD") currently lease space in 105 South 7th Street (the "Facility") from the Designing Futures Foundation; and

WHEREAS, attached as Exhibit A is a proposal for the joint sale and lease-back of the Facility by the School and CHAD for use as a charter school by each, including the

financing thereof through the issuance of tax-exempt bonds by the Philadelphia Authority for Industrial Development or another appropriate governmental issuer; and

WHEREAS, the Board of Trustees of the School (the "Board") desires to authorize the School to continue discussions with CHAD as to the joint sale and lease-back of the Facility;

WHEREAS, 1600 Lombard Associates L.P. (the "Partnership"), a wholly-owned subsidiary of the School, has the right to purchase the Durham School at 16th and Lombard Streets, Philadelphia, Pennsylvania (the "Durham School"), from The School District of Philadelphia (the "School District") under an Agreement of Sale (the "Agreement") dated April 21, 2006, as amended, which right expires on September 1, 2007; and

WHEREAS, the Board has determined that the purchase and renovation of the Durham School is not in the best interests of the School and desires to recover, to the extent possible, the deposit paid to the School District under the Agreement and other costs incurred by the school; and

Now, therefore, be it resolved by the Board of Trustees of Independence Charter School, as follows:

Durham School. The Board hereby approves assigning the Agreement to another purchaser in exchange for a payment approved by the Executive Committee.

Joint Sale-Leaseback with CHAD. The officers of the School are hereby authorized to continue to negotiate with CHAD for the joint sale-leaseback of the Facility as described on Exhibit A and to take any actions necessary or desirable in connection therewith, including, but not limited to, submission of a financing application to the Philadelphia Authority for Industrial Development; provided that any letter of intent or other agreement to go forward with such joint sale-leaseback shall be subject to the prior review and approval of the Board.

Additional Actions. The officers of the School are hereby authorized to take such other actions as they deem necessary or convenient to implement this resolution, subject to the limitations set forth herein.

Official Intent. In accordance with Treas. Reg. 1.150-2, the School hereby states its intention that a portion of the proceeds of tax-exempt bonds will be used to reimburse the School for original expenditures relating to the joint sale-leaseback and renovation of the Facility paid prior to the date of issuance of such bonds. All original expenditures to be reimbursed will be capital expenditures (as defined in Treas. Reg. 1.150-1(b)). The reasonably expected source of funds that will be used to reimburse the original expenditures is the proceeds of tax-exempt bonds. The description of the type and use of the property for which the original expenditures to be fully or partially reimbursed are costs related to the joint sale-leaseback and renovation of the Facility.

Effective Date. This resolution shall take effect immediately.

Exhibit A

Joint Lease/Renovation with CHAD

Note: terms set forth below are based on discussions with Stephen Pouppirt and Tony Bracali of CHAD and its counsel. No definitive agreement has been reached with CHAD and several issues have only been subject to preliminary discussions.

Property Acquired: 1st and 2nd floors of 105 South 7th Street.

ICS and CHAD to jointly sell 105 South 7th Street to PAID and then enter into long-term leases for space (triple net lease, lease term equal to term of financing, approximately 30 years, lease payments sufficient to cover debt service on allocated bonds). PAID to serve as title owner to allow financing; however, ICS and CHAD to be responsible for all costs of owning the building (taxes, maintenance, etc.).

ICS and CHAD to enter into an agreement on process for decisions on building issues and common space.

At end of term of lease, ownership of building to be sold for nominal price to limited partnership or other joint venture between ICS and CHAD. ICS and CHAD to have option to stay in building.

Renovations: \$5,000,000 estimated for renovations by ICS to 1st and 2nd floors.

<u>Cost:</u>	Acquisition of space:	\$6,415,750
	Renovations:	\$5,000,000
	Landmark Buyout:	\$375,000
	Closing Costs:	\$412,493

Financing: ICS and CHAD would enter into a joint financing with PAID; portion allocated to ICS would be as follows:

Total financing for ICS: \$13,095,000
(costs shown above plus reserve fund)

Annual Debt Service: Approx. \$850,000.

See Exhibit B for an estimated bond sizing.

Timing: November 2007: finalized construction contracts for renovations by CHAD and ICS

January 2008: close financing.

June 2008: begin construction of renovations.

Open Issues:

- Structure of joint ownership by CHAD/ICS and ownership interest of each party at the end of financing has not been fully discussed with CHAD.

- Landmark buyout: CHAD has just started the process. Terms are estimated and still subject to negotiation.
- Exact allocation of space. CHAD has not provided an exact allocation of 1st and 2nd floor space and may want to have an option to use one classroom for basement access.
- Lease extension for ICS. CHAD has not yet committed to providing ICS with a lease extension until September 2009 to allow ICS to find alternative space if joint sale and lease-back not completed.
- Joint operation of building has only been briefly discussed with CHAD.
- Detailed plans and costs for renovations by CHAD and ICS have not been developed.
- Uncertain whether switch to 1st and 2nd floors can occur by September 2008.
- CHAD has not yet provided financial information to PNC Bank to allow determination if investment grade rating available for joint financing.