

HIGHLAND PARK INDEPENDENT SCHOOL DISTRICT

AMENDMENT NUMBER ONE TO

AMENDED SUPERINTENDENT'S CONTRACT

This Amendment Number One to Amended Superintendent's Contract (the "Amendment") is made and entered into by and between the Board of Trustees (the "Board") of the Highland Park Independent School District (the "District") and Dr. Thomas Trigg (the "Superintendent"), and is effective January 11, 2017 (the "Effective Date").

The parties previously entered into an Amended Superintendent's Contract effective July 1, 2016 (the "Amended Superintendent's Contract"), and the parties desire to amend the Amended Superintendent's Contract according to the terms and conditions in this Amendment. The Board and the Superintendent, for and in consideration of the terms hereinafter established and pursuant to Section 11.201 and Chapter 21, Subchapter E of the of the Texas Education Code, do hereby agree to amend the Amended Superintendent's Contract in the following respects only:

FIRST: Section 4.8(c) of the Amended Superintendent's Contract is hereby amended by restatement in its entirety to read as follows:

- (c) For each calendar year during which any portion of the interest-free purchase money loan described in Section 4.8(b) remains outstanding, the District will make a tax gross-up payment to the Superintendent to compensate the Superintendent for the federal income and employment taxes that will be imposed upon the Superintendent with respect to the compensation includible in his income for such tax purposes by reason of there being no interest associated with such purchase money loan (the "Gross-Up Payment"), after taking into account any federal income tax deduction available to the Superintendent for home mortgage interest. The Gross-Up Payment to be paid for each year shall be computed using the actual effective federal income tax rate of the Superintendent and the actual effective federal employment tax rates applicable to such compensation for such year. The Gross-Up Payment shall be paid in the calendar year next following the calendar year in which compensation is includible in the Superintendent's income by reason of the District's extending the purchase

money loan on an interest-free basis (the "Payment Year"). After the Superintendent has completed his personal tax return applicable to the year preceding the Payment Year and such return is in final form sufficient for filing with the Internal Revenue Service (the "Completed Return"), the Superintendent shall, before filing the Completed Return with the Internal Revenue Service, submit the Completed Return to the District as substantiation of his actual effective federal income tax rate for the year preceding the Payment Year. Within 10 days after the Superintendent's submission to the District of the Completed Return, the District shall pay the Gross-Up Payment based on the actual effective federal income tax rate as reflected in the Completed Return. Thereafter, the Superintendent shall promptly file the Completed Return with the Internal Revenue Service. Should any changes be made to the Completed Return (other than the addition of signatures and dates) prior to its filing with the Internal Revenue Service, the Superintendent will immediately notify the District and provide the District with documentation of such changes. If such changes result in a change to the Superintendent's actual effective federal income tax rate for the year preceding the Payment Year, then within 10 days the Gross-Up Payment shall be reconciled, either by the Superintendent's repayment of any overpayment or by the District's payment to the Superintendent of any underpayment. In no event shall the Gross-Up Payment be paid later than November 30 of the Payment Year. If the Superintendent's employment terminates before the end of any calendar year after 2015, then any provision of this Section to the contrary notwithstanding, the Gross-Up Payment for the year of termination shall be determined by multiplying the number of completed months of employment during that year by the monthly rate of the prior year's Gross-up Payment (determined based on the Superintendent's actual period of employment completed during that prior year) and shall be paid no later than the later of (i) November 30 of the year of termination or (ii) the 60th day after the date of termination. For purposes of clarity, the Gross-Up Payment payable under this Section 4.8(c) does not relate to any taxes that will be imposed upon the Superintendent with respect to the compensation includible in his income by reason of the District forgiving any portion of the debt owed on the purchase money loan as described in Section 4.8(d).

SECOND: Section 4.8 of the Amended Superintendent's Contract is hereby amended by adding to the end thereof a new subsection (d) to read as follows:

- (d) Notwithstanding anything herein to the contrary, the District agrees to forgive a portion of the debt owed on the interest-free purchase money loan described in Section 4.8(b) (the "Annual Forgiveness Amount") effective on the last day of each Contract Year described in Section 4.8(d)(i), as long as the Superintendent remains employed by the District on such date that such Annual Forgiveness Amount is forgiven. The District shall have the right to require the Superintendent to remit to the District, or to withhold from other amounts payable to the Superintendent, as compensation or otherwise, an amount sufficient to

satisfy all federal withholding tax requirements applicable with respect to any Annual Forgiveness Amount. For purposes of this Section 4.8(d):

- (i) The “Annual Forgiveness Amount” for the applicable Contract Year shall be determined in the sole discretion of the Board by May 31 of the applicable Contract Year based on the Superintendent’s level of satisfaction of the Performance Standards; provided, however, that the Annual Forgiveness Amounts for the applicable Contract Years will not exceed the following maximum Annual Forgiveness Amounts:

<u>Contract Year</u>	<u>Maximum Annual Forgiveness Amount</u>
July 1, 2016 to June 30, 2017	\$50,000
July 1, 2017 to June 30, 2018	\$60,000
July 1, 2018 to June 30, 2019	\$75,000
July 1, 2019 to June 30, 2020	\$85,000
July 1, 2020 to June 30, 2021	\$85,000

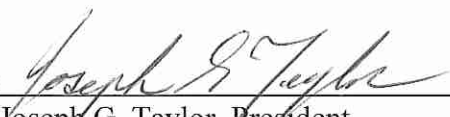
If the Board determines in its sole discretion that the Superintendent has not fully satisfied the Performance Standards for a particular Contract Year, the Superintendent will not be entitled to the maximum Annual Forgiveness Amount for that Contract Year; provided, however, that the Board may determine in its sole discretion that the Superintendent is entitled to an Annual Forgiveness Amount less than the maximum Annual Forgiveness Amount for a particular Contract Year based on his partial satisfaction of the Performance Standards for that Contract Year.

- (ii) The “Performance Standards” to be used by the Board for measurement of the Superintendent’s performance for purposes of this Section 4.8(d) shall be established by the Board, after consultation with the Superintendent, by July 31 of the Contract Year, provided however that for the initial Contract Year to which this Section 4.8(d) applies, the Performance Standards will be established by the Board, after consultation with the Superintendent, by February 28, 2017. The Superintendent’s level of satisfaction of the Performance Standards for a particular Contract Year shall be determined in the sole discretion of the Board by May 31 of the applicable Contract Year.


[Signature page follows]

EXECUTED AND AGREED TO:


HIGHLAND PARK INDEPENDENT SCHOOL
DISTRICT

By: 
Joseph G. Taylor, President
Board of Trustees
7015 Westchester Drive
Dallas, Texas 75201

ATTEST:

By: 
Sam Dalton, Secretary
Board of Trustees

SUPERINTENDENT


Dr. Thomas Trigg