



LOS ANGELES UNIFIED SCHOOL DISTRICT
Facilities Services Division

Sent Via E-mail and Certified Mail (Return Receipt Requested)

August 10, 2020

Dr. Pamela Magee, Executive Director
Palisades Charter HS
15777 Bowdoin Street
Pacific Palisades, CA 90272

RE: NOTICE OF DEFAULT TO PALISADES CHARTER HS

This letter is a notice of default and triggers your right to cure, which cure period shall expire on September 10, 2020.

As of August 7, 2020, Palisades Charter High School (“Charter School”) owes \$476,831.04 (“Outstanding Amount”) to Los Angeles Unified School District (“District”) for services rendered.

Charter School executed a Sole Occupant Agreement on July 16, 2010, a First Amendment to Sole Occupant Agreement on November 17, 2014, and a Second Amendment to the Sole Occupant Agreement on October 15, 2019 (collectively “SOA”) for its occupancy of the former Palisades Senior High (“Campus”).

The SOA requires Charter School to pay invoices within twenty (20) days of its receipt. Charter School is in default of the SOA for failing to pay the Outstanding Amount. A reconciliation of the charges and payments from Charter School was previously provided and an updated reconciliation is attached.

The District met with Charter School several times regarding the payment of the Outstanding Amount including, but not limited to, an in person meeting with the Complex Project Manager, Maria Thorpe, in September of 2019. At that meeting, Ms. Thorpe went line by line through the charges comprising the Outstanding Amount. Ms. Thorpe sent a follow up summary e-mail in early January 2020 regarding what Charter School and Ms. Thorpe agreed was an accurate representation of the charges making up the Outstanding Amount. Based upon that email, as well as multiple conversations Ms. Thorpe had with you subsequently, it was the District’s expectation that the Outstanding Amount would be paid.

On June 30, 2020, you sent Ms. Thorpe an e-mail with the subject: LAUSD Invoices to PCHS - Proposal to Settle, in which you proposed a variety of adjustments be made which would have reduced the Outstanding Amount. According to your email, and conversations with Ms. Thorpe, it was Charter School’s position that the cost of various repairs associated with an underground utility project at the Campus should have been allocated to the District, paid for with bond funds, and those charges should be removed from your Outstanding Amount. You also proposed to pay the Outstanding Amount, less the adjustments you proposed, over time versus in one lump sum.

We have reviewed your request to make certain adjustments and find no reason to reduce the Outstanding Amount. This amount remains past due and unpaid. As to the request to pay the Outstanding Amount in installments, we have no authority to agree to anything other than payment of the full amount.

Pursuant to the SOA, Charter School shall pay interest on charges that are not paid within twenty (20) days of its receipt of an invoice. Pursuant to Section 5.4, interest shall accrue at the rate of 5.25%. This rate is based on the prime rate of 3.25% (as of March 16, 2020) of Chase Bank, the largest chartered bank operating in California, plus two percent.

Any payment received shall be applied to the oldest charge on the reconciliation.

The District reserves its right to pursue all additional rights and remedies as permitted by law and the Facilities Agreement.

Please contact Maria Thorpe at (213) 241-0354 or maria.thorpe@lausd.net if you have any questions regarding the invoice.

If you have any questions or concerns, please contact me at mark.hovatter@lausd.net.

Sincerely,



Mark Hovatter
Chief Facilities Executive
Facilities Services Division

Attachment

Cc: David Holmquist, General Counsel
Mark Miller, Chief Facilities Counsel
Jose Cole Gutierrez, Director, Charter Schools Division
Robert Perry, Administrative Coordinator, Charter Schools Division
Al Grazioli, Real Estate and Asset Development Director
Robert Laughton, Director, Maintenance and Operations
Angelo Robinson, Regional Facilities Director
Adrian Pacheco, Interim Regional Facilities Director
Maria Thorpe, Complex Project Manager



**LOS ANGELES UNIFIED SCHOOL DISTRICT
INDEPENDENT CHARTER 2019-20**

INVOICE

Los Angeles Unified School District M & O Branch - Operations	Date: Aug 7, 2020
333 South Beaudry Ave, Flr 22-133, L.A., CA 90017 (213) 241-0379	INVOICE # 8798-2020-234

TO	Palisades Charter High (1879801), 15777 Bowdoin Street, Pacific Palisades, CA 90272
	Attn: Dr. Pamela Magee, Exec. Dir/Principal pmagee@palihigh.org
	Don Parcell, dparcell@palihigh.org

SITE	COMPLEX PROJECT MANAGER	PAYMENT TERMS	PREPARED BY
Palisades HS	Maria Thorpe	Payable 30 days from receipt	Lance Agdigos

#	DESCRIPTION	AMOUNT
1	Utilities – Electric, Water and Gas Charges	N/A
2	Planned Preventative Maintenance/Regulatory Compliance	\$22,791.70
3	Planned Jobs	\$0.00
4	Service Calls	\$2,522.49
	Qtr #2 Total	\$25,314.19
5	Planned Preventative Maintenance/Regulatory Compliance	\$6,348.07
6	Planned Jobs	\$0.00
7	Service Calls	\$28,992.67
8	Credit Service Call WO # 29149989 - Repair hot water leak on hot water loop	(\$26,317.81)
	Qtr #3 Total	\$9,022.93
9	Planned Preventative Maintenance/Regulatory Compliance	\$1,679.44
10	Planned Jobs	\$0.00
11	Service Calls	\$33,369.76
	Qtr #4 Total	\$35,049.20
12	Previous Balance Q1 FY20	\$31,753.47
13	2018/19 Invoices	\$67,055.92
14	2018/19 Paid Check #20026798	(\$7,878.60)
15	2017/18 Invoices	\$182,455.19
16	2017/18 Paid Check #20026798	(\$18,048.29)
17	2017/18 Paid Check #24127882	(\$7,135.97)
18	2016/17 Invoices	\$159,475.47
19	2016/17 Credit	(\$232.47)
	GRAND TOTAL	\$476,831.04

IMPORTANT NOTICE

FY20 - Year End Billing covering Q2, Q3 and Q4. Due to circumstances beyond our control (mainly COVID-19 Pandemic/Shutdown), our billing was delayed for this current fiscal year. Should you have any issues/concerns, please let us know.

Make all checks payable to Los Angeles Unified School District and mail payment with a copy of this invoice to:

Ramy Ibrahim, Los Angeles Unified School District, Maintenance & Operations
333 S. Beaudry Avenue, Flr 22-155, Los Angeles, CA 90017