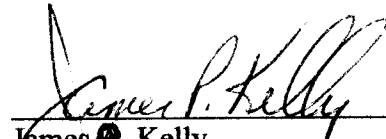


Authorization to Admit Liability and Try Case on Damages only


We, JAMES KELLY AND ROBERT THOMAS, Defendants in the Case No. 03 CA 006153 AA, captioned as JERRY SMITH v. THE SCHOOL BOARD OF PALM BEACH COUNTY, JAMES A. KELLY, Individually, and ROBERT K. THOMAS, Individually,, which case is currently pending in the 15th Judicial Circuit In and For Palm Beach County, here by authorize our Attorneys, Steven A. Stinson and Iola T. Mosley to admit liability at trial, subject to the further approval of THE SCHOOL BOARD OF PALM BEACH COUNTY, as follows:

Preferably, such admission of liability would be made in return for the Plaintiff, JERRY SMITH agreeing to dismiss with prejudice all Defamation counts in the law suit, which counts are Count II, III and IV. It is understood that such dismissal would have the effect of removing ROBERT K. THOMAS as a Defendant in the case, but JAMES A. KELLY and THE SCHOOL BOARD OF PALM BEACH COUNTY would still be Defendants in the case, but only as to the 42 U.S.C.A. § 1983 cause of action, which cause of action revolves around the failure to give said Plaintiff a name clearing as required by Federal case law. Defendants would nonetheless mount a strenuous defense as to the issue of damages, if any, sustained by the Plaintiff, JERRY SMITH.

Date: 1/20/06



James P. Kelly



Robert K. Thomas

Date: 1-19-06

Approved:

Date: _____

Tom Lynch, Chairman

Witness:

Attest:

Arthur Johnson, Ph.D., Superintendent

Date: _____