

CHARTER SCHOOL CONTRACT

BETWEEN

**THE SCHOOL BOARD OF CLAY COUNTY,
FLORIDA**

AND

**ORANGE PARK PERFORMING ARTS
ACADEMY, INC.**

Dated: _____

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Exhibits

Exhibit A

Charter School Application

CHARTER SCHOOL CONTRACT

This Charter School Contract (“Contract” or “Charter”) is entered between **The School Board of Clay County, Florida** (“School Board” or “Sponsor”), the contracting body for the School District of Clay County (the “District” or “School District”) and **Orange Park Performing Arts Academy, Inc.**, a not-for-profit corporation, organized under the laws of the State of Florida (“Charter School” or “School”) with a principal place of business at 1324 Kingsley Avenue, Orange Park, FL 32073.

RECITALS

WHEREAS, the purpose of the School shall be consistent with Section 1002.33, *Florida Statutes* (the “Charter School Legislation”), and as outlined in the Charter Application; and

WHEREAS, the School has submitted an Application to obtain a Charter and to operate a charter school within the School District to be known as “Orange Park Performing Arts Academy”; and

WHEREAS, the School will be nonsectarian and nondiscriminatory in its programs, admissions policies, employment practices, and operations; be accountable to the School Board for its performance; not charge tuition or fees for State funded programs; meet all applicable Federal, State and local health, safety, and civil rights requirements; and be subject to an annual financial audit as required by the Charter School Legislation.

NOW, THEREFORE, for and in consideration of the foregoing, the parties agree as follows:

I. General Provisions

- A. **Recitals.** Recitals in the Whereas clauses are incorporated herein and made part of this Contract.
- B. **Approved Application.** It is the intent of the parties that this Charter shall constitute the School’s Charter. The application was approved by the School Board by a vote of 5-0 on May 16, 2013. The Application is attached hereto and made a part hereof as **Exhibit A** (the “Application”). This Charter consists of the Charter and **Exhibits A**, which are binding and incorporated by reference. In the event of any conflict between this Charter and the Exhibits, the terms of this Charter control.
 1. **School Board Rules.** The School Board of Clay County policies shall not apply to the School unless they are adopted by the Schools Governing Board. The School Board shall add the School on the notice list for School

Board meetings at which changes to rules or policies are to be introduced or voted upon.

C. **Term**

1. **Effective Date.** This Charter shall become effective upon the last date a party hereto signs this Charter.
2. **Term.** Unless terminated earlier pursuant to Section 1002.33, *Florida Statutes*, or pursuant to the terms hereof, this Charter shall cover a term of five (5) school years, commencing with the 2014-2015 school year. Students shall begin classes with the 2014-2015 school year. The Charter shall expire at the conclusion of the 2018-2019 school year.
3. **Start-up Date.** The initial opening date for students of the School shall be the same date that school is opened for students of the School District of Clay County for the 2014-2015 school year. In all subsequent years of operation, the School will follow the public school calendar adopted by the School Board unless otherwise approved by an amendment to this Charter. The School shall provide instruction for a minimum of 180 days for each school year or the amount required by Florida law. If the School Board is required to or elects to provide more than 180 days, the School shall also provide instruction for that number of days. The School may provide instruction for additional days.
4. **Pre-opening Deadline.** If the School has not secured at least temporary facility approval from the appropriate licensing or zoning authority at least fifteen (15) calendar days prior to the opening of the School, then this Charter will automatically terminate without the necessity of any notice or hearing. The Sponsor, at its sole discretion, may grant, upon request, an additional planning year during which the School shall not enroll any students and shall not be eligible to receive any funding from the Sponsor.
5. **Modification.** This Charter may be modified during its initial term by mutual agreement of the parties and any modifications shall be agreed to in writing and executed by both parties.
6. **Renewal.** This Charter may be renewed upon mutual execution of a written renewal in the manner required by law on the and based standards set forth in Section 1002.33(7)(b)1 Florida Statutes. The School Board may choose not to renew for the grounds listed in Section I, Paragraph E.

D. **Educational Program and Curriculum**

1. **General.** The Charter School agrees to implement its educational and related programs as specified in the School's Application, setting forth the School's curriculum, the instructional methods, and any distinctive instructional techniques to be used in compliance with Sections 1002.33

and 1002.45, *Florida Statutes*. An outline of the School's curriculum is in the Application (Exhibit A) (the "School Curriculum"). The School agrees to faithfully adhere to the School Curriculum. The School Curriculum may be amended upon approval by the School Board. The Charter School agrees to document to the School Board the current baseline standard of student achievement for its students, the outcome to be achieved, and the method of measurement, which will be mutually agreed upon and identified in the School's Curriculum.

2. **Accountability Criteria.** The methods used to identify the educational strengths and needs of students and the educational goals and performance standards and Student Achievement Objectives shall be documented and set forth to the reasonable satisfaction of the School Board. This accountability criteria shall be based upon the School's assessment system and appropriate required statewide assessment programs, as specified in the School Curriculum and other reports to the School Board.

E. Non-Renewal/Cancellation and Termination

1. **Non-Renewal Provisions.** During the term of the Charter or any renewal thereof, the School Board of Clay County may cancel the Charter under procedures in this Paragraph for any of the following grounds:
 - a. Failure to meet the Student Achievement Objectives, including insufficient progress made in attaining Student Achievement Objectives and it is not likely that such objectives can be achieved during the term of the Charter. This Charter may be terminated by the School Board if seventy-five percent (75%) of the goals and outcomes designated in the School Improvement Plan have not been met, or the School receives a state-designated grade of "F" in two consecutive years unless a waiver is granted by the State Board of Education in accordance with Section 1002.33 (9)(n), *Florida Statutes*.
 - b. Failure to participate in the State's education accountability system created in Section 1008.31, *Florida Statutes*.
 - c. Failure to meet generally accepted standards of fiscal management, which includes, but is not limited to, negative fund balance in any governmental fund as reported in a budget or audit report; failure to file reports required by the School Board on time; improper expenditure of grant funds; failure to maintain required insurance; and failure to correct audit findings related to violations of laws, rules, regulations or contractual provisions associated with spending in excess of approved appropriations.
 - d. Violation of Federal, State or local law, or the provisions of this Charter.

- e. Any action by the Charter School that is detrimental to the welfare of the Charter School students and is not timely cured after notice in accordance with the procedure for cure contained herein.
- f. Other good cause shown, which shall include, but not be limited to:
 - i. a failure by the School to implement a reading curriculum that is consistent with effective teaching strategies grounded in scientifically-based reading research;
 - ii. receipt by the School of a state-designated grade of "F" in any two (2) consecutive years, unless a waiver is granted by the State Board of Education in accordance with 1002.33(9)(n) Florida Statutes;
 - iii. a failure by the School to comply with a Corrective Action Plan;
 - iv. a failure by the School to make contributions to the Florida Retirement System (FRS), if the School has elected to participate in the FRS;
 - v. a failure by the School to pay payroll taxes to the Internal Revenue Service;
 - vi. the School's filing for voluntary bankruptcy, adjudication of bankruptcy or of insolvency, or other state of financial impairment such that the School can no longer operate or is no longer economically viable as determined by Section 218.503, *Florida Statutes*;
 - vii. failure of the School's annual audit to comply with the requirements specified in this Charter or the School's failure to timely submit financial reports or other reports required by Section 1002.33(9), *Florida Statutes*, or by this Charter;
 - viii. the School's failure to meet generally accepted accounting principles;
 - ix. the School's failure to comply with the maximum class size requirements of Article IX, Sections (a)(1) - (3), Florida Constitution, to the extent said requirements are applicable to charter schools, and the School fails to implement a corrective action plan approved by the FDOE;
 - x. the School's failure to maintain insurance coverage as described in this Charter;
 - xi. the School's failure to provide the Sponsor with the required access to records;

- xii. the School's violation of any court order;
- xiii. a criminal conviction upon matters involving the School against either the School's Governing Board, its members (collectively or individually), or by the management company contracted by the School;
- xiv. the School's failure to submit to the Sponsor a Financial Recovery Plan within thirty (30) days following a determination by the Commissioner of Education that a financial recovery plan is needed;
- xv. the School's failure to implement any financial recovery plan approved by the Commissioner of Education pursuant to Section 218.503, *Florida Statutes*;
- xvi. a failure by the School to provide periodic progress reports as required by the financial recovery plan;
- xvii. the School's receipt of a finding of financial emergency, pursuant to Section 218.503, *Florida Statutes*, for two consecutive years or more than once during anyone fiscal year;
- xviii. the School's failure to (1) cooperate with representatives of a financial emergency board seeking to inspect and review the School's records, information, reports and assets; (2) consult with representatives of a financial emergency board regarding any steps necessary to bring the School's books of account, accounting systems, financial procedures, and reports into compliance with state requirements; (3) permit the representatives of a financial emergency committee to review the School's operations, management, efficiency, productivity, and financing of functions and operation; or (4) provide periodic progress reports as required by any financial recovery plan issued pursuant to Section 218.503. *Florida Statutes*;
- xix. a finding that the School or its representative have perpetrated a material fraud upon the Sponsor or made material intentional misrepresentations in the Application (Exhibit A);
- xx. a failure by the School to comply with background screening, including the payment of all associated costs, and other requirements set forth in Section 1002.33(12)(g), *Florida Statutes*;
- xxi. any other good cause shown, which shall include, without limitation, any material breach or violation by the School of the standards, requirements, or procedures of this Charter such as:
 - (a) the School's failure to fulfill all the requirements for highly qualified instructional personnel as defined by the No Child Left Behind Act (NCLB);

- (b) the School's failure to comply with the conflict of interest provisions applicable to charter schools;
- (c) the School's failure to timely submit the annual report to the Sponsor;
- (d) the School's failure to timely submit the School Improvement Plan to the Sponsor, as required by State law;
- (e) the School's failure to participate in all State assessment programs;
- (f) the School's failure to allow the Sponsor reasonable access to facilities and records to review data sources, including collection and recording procedures;
- (g) the School's failure to comply with the education goals established by and identified in Section 1000.03(5), *Florida Statutes*;
- (h) the School's failure to use records and grade procedures that adequately provide the information required by the Sponsor;
- (i) the School's failure to provide Special Education (SPED) students and English Language Learners (ELL) with programs and services in accordance with federal, state and local school district policies;
- (j) the School's failure to obtain proof of consent to enroll each student from the student's parent/guardian or from the student if the student is eighteen (18) years of age or older;
- (k) the School's failure to timely submit the annual financial audit as required by the Charter School Legislation;
- (l) the School's failure to comply with Chapter 553, *Florida Statutes* (including Chapter 423 of the Florida Building Code, where the School has chosen to comply with SREF) and the Florida Fire Prevention Code, including reference documents, and applicable Federal and State laws and rules pertaining to facilities requirements;
- (m) the School's failure to comply with all applicable laws, ordinances and codes of Federal, State and local governance including, without limitation, the Individuals with Disabilities Education Act (IDEA);
- (n) the School's failure to obtain and maintain all necessary licenses, permits, zoning, use approval, facility certifications, and any other approval

required by the local government or any other governmental authorities having jurisdiction at any time during the term of this Charter;

- (o) the violation by a member of the School's Governing Board of Section 112.313 or 112.3143, *Florida Statutes*, or any other applicable portion of the Code of Ethics for Public Officers and employees that is not promptly remedied upon notification of the violation to the School's Governing Board;
- (p) a failure by the School to achieve adequate student performance such that the Charter may be terminated as allowed by the Charter School Statute, Section 1002.33, *Florida Statutes*;
- (q) the School's willful or reckless failure to manage public funds in accordance with the law.

2. **Ninety (90) Day Termination.** At least ninety (90) calendar days prior to renewing or terminating this Charter, the School Board shall notify the governing board of the Charter School of the proposed action in writing. This written notice shall state in reasonable detail the grounds for the proposed action and that the Charter may be terminated at the sole discretion of the School Board unless the governing board of the Charter School requests a hearing in accordance with the procedures specified hereinafter.

The hearing procedure shall be as follows: The Charter School's governing board may request a hearing on the proposal of the School Board of Clay County to not renew or to terminate this Charter or the Charter Contract within fourteen (14) calendar days after receiving the School Board's Notice. The request for hearing shall be in writing, served on the Superintendent and the Attorney for the School Board. The request for hearing shall specify the issues that the governing board of the Charter School wishes to address during the course of the hearing. Upon the receipt of a timely written request for a hearing, the School Board shall abate any action to formally terminate or not renew the Charter until such time as the hearing procedure is completed. The School Board shall conduct the hearing within sixty (60) days of receiving the written request for hearing. After conducting the hearing, the School Board will make a decision regarding the allegations of default and whether the Charter should be terminated. The hearing will be conducted in accordance with Sections 120.569 and 120.57, *Florida Statutes*. The Charter School may appeal the decision of the School Board pursuant to procedures specified in the Charter School legislation.

3. **Immediate Termination.** This Charter may be terminated immediately if the School Board sets forth in writing facts and circumstances indicating that an immediate and serious danger to the health, safety, or welfare of

the students exists. The Charter School's governing board may request a hearing on the immediate termination within ten (10) calendar days after receiving the School Board's notice. The request for a hearing shall be in writing, served on the Superintendent and the attorney for the School Board, and it shall specify the issues that the governing board of the Charter School wishes to address during the course of the hearing. The hearing will be conducted by the School Board in accordance with Sections 120.569 and 120.57, *Florida Statutes*. The School Board will expedite the scheduling of the requested hearing, and a final order will be issued within sixty (60) days after the date of the request. The School Board shall assume the operation of the school during the pendency of the requested hearing, unless the continued operation of the school would materially threaten the health, safety or welfare of the students in the discretion of the School Board. The Charter School agrees that it will cooperate and will not impede the School Board as it takes such action. The School Board agrees that it will provide immediate access to and copies of records of the School that the School may need for the hearing. The School Board will use School funds to pay the operating expenses of the School. The Charter School may appeal the decision of the School Board pursuant to procedures specified in the Charter School legislation.

4. **Post Termination Provisions.** In the case of termination, expiration or non-renewal of the Charter:
 - a. The charter school shall be dissolved.
 - b. All student records, assets, unencumbered funds, facilities, supplies, improvements, furnishings, and equipment purchased with public funds owned, and not leased, by the Charter School or which would otherwise be due and payable or deliverable to the Charter School shall instead be delivered to, retained and owned by the School Board of Clay County, provided, however, that all capital outlay funds shall be returned as required by law.
 - c. Any property and improvements, furnishings, and equipment purchased with public funds shall automatically revert or transfer as the case may be to full ownership by the School Board of Clay County, subject to any lawful liens or encumbrances.
 - d. The Charter School is responsible for all debts and leases of the Charter School. The parties expressly acknowledge that the School Board of Clay County may not assume any lease agreement or the debt from any contract made between the Charter School and a third party, unless the lease, contract or debt is agreed upon in writing and expressly assumed by the School Board of Clay County.

- e. Any student who attended the Charter School may apply to and shall be enrolled in another public school within the school district in which such student resides and in accordance with the normal application and enrollment procedures, except that normal application deadlines shall be disregarded under these circumstances.
- f. The Charter School shall submit all records to the School Board within ten (10) days, unless the records are necessary for providing services to current students which records will be produced at the time of takeover of the Charter School.
- g. During the fiscal year in which termination or nonrenewal occurs, the School Board Clay County shall withhold from the Charter School's Florida Education Finance Program (FEFP) funds those monies necessary to cover the cost of a final financial audit.

Notwithstanding any other provision to the contrary in this Charter Contract, in all events, the substantive grounds for both a ninety (90) day termination and an immediate termination, and the procedures for accomplishing any termination of the Charter, shall be consistent with the laws of Florida, including the Charter Statute, Section 1002.33, *Florida Statutes*, and SB 1546, as enacted in Chapter 2011-232, Laws of Florida, and companion bills as enacted in 2011-137 and 2011-55, Laws of Florida.

F. Statutory Requirements

- 1. **Health, Welfare and Safety.** The Charter School shall comply with all applicable Federal, State, and local health, welfare, and safety laws.
- 2. **Non-Discrimination.** The Charter School agrees to adhere to a policy of non-discrimination in educational programs and activities and employment practices. It will strive affirmatively to provide equal opportunity for all as required by Federal and State law, including but not limited to:
 - a. Title VII of the Civil Rights Act of 1964 (prohibiting discrimination on the basis of race, color, gender, religion or national origin).
 - b. Title IX of the Education Amendments of 1972 (prohibiting discrimination on the basis of gender).
 - c. Age Discrimination Employment Act of 1967 (prohibiting discrimination on the basis of age with respect to individuals who are at least forty years of age).

- d. Section 504 of the Rehabilitation Act of 1973 (prohibiting discrimination against the disabled).
 - e. Americans with Disabilities Act of 1990 (prohibiting discrimination against individuals with disabilities in employment, public service, public accommodations and telecommunications).
 - f. The Family and Medical Leave Act of 1993 (requiring covered employers to provide leave to eligible employees for certain family and medical reasons).
 - g. Florida Educational Equity Act (prohibiting discrimination on the basis of race, gender, national origin, marital status, or disability against a student or employee).
 - h. The Florida Civil Rights Act of 1992 (securing for all individuals in the State of Florida freedom from discrimination because of race, color, religion, gender, national origin, age, disability or marital status).
 - i. Laws providing preference to veterans in employment, including Section 295.07, *Florida Statutes*.
 - j. Applicable School Board rules except as provided in Section 1002.33(5)(b)1.d., *Florida Statutes*.
3. **Charter School Legislation.** The parties agree to comply with the provisions of Section 1002.33, *Florida Statutes*, as such section shall be amended from time to time, and all other applicable laws and regulations regarding charter schools. If any conflict exists between the provisions of the Application or this Contract and any specific provision of law, then the provision of law shall prevail. The School shall be bound by amendments to applicable statutes, rules and regulations, as any such amendments take effect.
4. **Ethics in Education.** The Charter School shall comply with the Ethics in Education Act, Ch. 2008-108, Laws of Florida and all other applicable ethics laws.

II. **Academic Accountability**

A. **Student Performance: Assessments and Evaluation**

- 1. **Initial Year.** The School will implement its educational program during the initial year as specified in the School's approved Application (Exhibit A) and the Charter Application Approval and Deferral Agreement dated May 16, 2013, which application sets forth the School's curriculum, instructional methods, any distinctive instructional techniques to be used,

and the identification and acquisition of appropriate technologies needed to improve educational and administrative performance, which include a means for promoting safe, ethical, and appropriate uses of technology which comply with legal and professional standards. The School shall ensure that reading is a primary focus of the curriculum and the necessary resources will be provided to identify and provide specialized instruction for students who are reading below grade level. Further, the curriculum and instructional strategies for reading shall be consistent with the Next Generation Sunshine State Standards or the standards required by State law, and be grounded in scientifically-based reading research. The School further agrees that its programs and operations shall be nonsectarian in the initial year. The School shall ensure that its program is innovative and consistent with State education goals established by Section 1000.03(5), *Florida Statutes*.

- a. **Initial Year Expected Outcomes.** In the initial year, the School agrees to implement the current incoming baseline standard of student academic achievement, the outcomes to be achieved, and the methods of measurement that have been mutually agreed upon and identified in the School's approved Application (Exhibit A), in this Charter, and as specified by those laws and rules applicable to the School.
- b. **Initial Year Methods of Measurement.** The School's expected outcomes will be measured in the initial year as described in the School's approved Application (Exhibit A), in this Charter, and as specified by those laws and rules applicable to the School.
- c. **Initial Year Assessments.** The parties agree that the methods set forth in School's approved Application (Exhibit A), in this Charter, and as specified by those laws and rules applicable to the School shall be used to identify the educational strengths and needs of students and the educational goals and performance standards in the School's initial year. This accountability criteria shall be based upon the School's assessment system, as agreed, and on Statewide assessment programs. All initial year assessments shall be conducted at the times specified in the School's approved Application (Exhibit A) unless another time is required by the State of Florida.
 - i. **State-Required Initial Year Assessment.** Students attending the School in its initial year shall participate in the Statewide assessment program and in all State-required assessments. In accordance with the provisions of Section 1002.33(7)(a)(4), *Florida Statutes*, the School will participate in all State assessment programs in which the Sponsor's students enrolled in comparable grades/schools participate. To facilitate this participation, the Sponsor will

provide consultation in the initial year by its applicable School District staff and those services/support activities, which are routinely provided to the Sponsor's School District staff regarding implementation of State-required assessment activities (e.g., staff training, dissemination and collection of materials, monitoring, scoring, analysis, and summary reporting).

- ii. **Additional Initial Year Assessments.** When the Sponsor requires the School to participate in any District-wide assessments during the School's initial year, the Sponsor shall bear the costs of the School's participation in those assessments. When the School opts to participate in District-wide assessments during the School's initial year, the School shall bear the costs associated with District-wide assessments. The School, at its discretion and at its own expense, may use other assessment tools during its initial year that are educationally relevant, sound and consistent with this Charter.

2. **Annual.** The School will annually implement its educational program as specified in the School's approved Application (Exhibit A), setting forth the School's curriculum, instructional methods, any distinctive instructional techniques to be used, and the identification and acquisition of appropriate technologies needed to improve educational and administrative performance, which include a means for promoting safe, ethical, and appropriate uses of technology which comply with legal and professional standards. The School shall ensure that reading is a primary focus of its annual curriculum and the necessary resources are provided to identify and provide specialized instruction for students who are reading below grade level. The School's curriculum and instructional strategies for reading shall be consistent with the Next Generation Sunshine State Standards or the standards required by State law, and be grounded in scientifically-based reading research. The School further agrees that its programs and operations shall be nonsectarian and shall ensure that its program is innovative and consistent with the state educational goals established by Section 1000.03(5), *Florida Statutes*.

- a. **School Improvement Plan (SIP).** The School's Governing Board shall approve a School Improvement Plan ("SIP"), as applicable, in each year of this Charter, as required by Section 1002.33, *Florida Statutes*.

- i. **Minimum Components of SIP.** During each year of the Charter, the School agrees to include in the School Improvement Plan all requirements outlined in the plan based on the School's status under school grades, NCLB, Differentiated Accountability, Title 1 status or other State

or Federal requirements. The School Improvement Plan shall also contain the baseline standard of achievement, the outcomes to be achieved, and the methods of measurement that have been mutually agreed upon in the School Accountability Plan submitted to the Sponsor. The School Improvement Plan must require the clear identification source documentation for date and, where applicable, reliance upon State generated disaggregated data. The School Improvement Plan must require annual adequate progress toward Accountability Plan goals.

- ii. **Deadline for Governing Board Approval.** The School's Governing Board shall approve a School Improvement Plan ("SIP") each year concurrent with the Sponsor's School Improvement Plan approved timeframe.
- iii. **Monitoring the SIP.** The School's Governing Board shall be responsible for monitoring the School's Improvement Plan.

b. **Annual Assessments.** The School's student performance will be annually assessed as described in the School's approved Application (Exhibit A), in this Charter, and as specified in those laws and rules applicable to the School. The School will annually implement its educational program as specified in the School's approved Application setting forth the School's curriculum, instructional methods, any distinctive instructional techniques to be used, and the identification and acquisition of appropriate technologies needed to improve educational and administrative performance, which include a means for promoting safe, ethical, and appropriate uses of technology which comply with legal and professional standards. The School shall ensure each year that reading is a primary focus of the curriculum and the necessary resources will be provided to identify and provide specialized instruction for students who are reading below grade level. Further, the School's annual curriculum and instructional strategies for reading shall be consistent with the Next Generation Sunshine State Standards or the standards required by State law, and shall be grounded in scientifically-based reading research. The School further agrees that its programs and operations shall be nonsectarian each year. The School shall ensure each year that its program is innovative and consistent with the State's education goals established by Section 1000.03(5), *Florida Statutes*.

- i. **State-Required Annual Assessments.** The School will annually administer all State-required assessments to its students, within the State timeframe during each year of the term of the Charter. In accordance with the provisions of Section 1002.33(7)(a)(4), *Florida Statutes*, the School will participate in all State assessment programs in which the Sponsor's students enrolled in comparable grades/schools

participate. To facilitate this participation, the Sponsor will provide consultation in each year by its applicable School District staff and those services/support activities, which are routinely provided to the Sponsor's School District staff regarding implementation of State-required assessment activities (e.g., staff training, dissemination and collection of materials, monitoring, scoring, analysis, and summary reporting).

- ii. **Additional Annual Assessments.** The School will implement, at its own expense, any assessments specified in its approved Application (Exhibit A). When the Sponsor requires the School to participate in any District-wide assessments during the term of this Charter, the Sponsor shall bear the cost of the School's participation in those assessments. When the School opts to participate in District-wide assessments during the term of this Charter, the School shall bear the costs associated with District-wide assessments. The School, at its discretion and own expense, may use other assessment tools during the term of this Charter that are educationally relevant, sound and consistent with this Charter.

B. **Student Promotion.** The School agrees that its students shall be promoted in accordance with the School Board's Student Progression Plan.

1. **Promotion Requirements.** The School shall comply with the method described the Sponsor's policy for determining that a student has satisfied the requirements for promotion.
2. **Other Assessment Tools.** In addition to those assessment tools identified in this Charter and in the School's governing laws and rules, the School will utilize all other assessment tools specified in the School's approved Application (Exhibit A).

C. **Data Access and Use.** The School agrees to allow the Sponsor access to its facilities and records to review data sources, including collection and recording procedures, in order to assist the Sponsor in making a valid determination as to whether student performance requirements have been met as stated in the Charter, and as required by Sections 1008.31 and 1008.345, *Florida Statutes*. The School must use the Sponsor's student information system and the Sponsor agrees to provide the School with sufficient access to such student information system. The School agrees to utilize data provided by the Sponsor in its electronic data processing systems pertaining to admissions, registration, and student records. The School shall also use records and grade procedures that adequately provide the information required by the Sponsor. If the School chooses to use an alternate grade book system other than the Sponsor's, the Sponsor will not be required to provide any technical support. The Sponsor will provide those services/support activities which are routinely provided to the Sponsor's staff regarding implementation of State-required assessment activities (e.g. staff-training, dissemination and collection of materials, monitoring, scoring, analysis and summary reporting). Student performance data for each student in the School, including, but not limited to, FCAT scores, standardized test scores, previous

public school student report cards, and student performance measures, shall be provided by the Sponsor to the School in the same manner provided to other public schools in the district. Any expense other than for the aforementioned services that is not included as part of the Sponsor's administration fee under Section 1002.33(20), *Florida Statutes*, will be the responsibility of the School.

- D. Records and Grading Procedures.** Due to the possibility that students enrolled in the School may return to a District school or transfer to another charter school within the School District, the School will utilize a records and grading procedure that is consistent with the Sponsor's current records and grading procedures.
- E. State Student Performance Requirements.** The School will be accountable for meeting the State's student performance requirements as delineated in State Board of Education Rule 6A-1.09981, Florida Administrative Code - *Implementation of Florida's System of School Improvement and Accountability*, based on Sections 1001.02, 1008.33, and 1008.345, *Florida Statutes*.
- F. Annual Accountability Report.** The School shall submit an Annual Accountability Report to the Sponsor by the date specified by the Florida Department of Education each year during the term of this Charter School Agreement, as required by Section 1002.33, *Florida Statutes*. The Annual Accountability Report will be in accordance with the School's governing laws and rules and any Accountability Plan Guidelines adopted by the Sponsor. This Annual Accountability Report shall be prepared pursuant to statutory requirements which shall include, but not be limited to, comparative student performance data and information required by Section 1008.345, *Florida Statutes*. In preparing this report, the School agrees to utilize data provided through its participation with the Sponsor pertaining to admissions, registration and student records. After verification of the School's Annual Accountability Report, the Sponsor shall forward it to the Florida Commissioner of Education at the same time as other annual school accountability reports are submitted. The School's Annual Accountability Report shall include at least the following information:
1. The School's progress toward achieving the goals outlined in this Charter School Agreement;
 2. Student achievement performance data, including the information required for the annual school report and education accountability pursuant to Sections 1008.31 and 1008.345, *Florida Statutes*;
 3. Financial records of the School, including, but not limited to, revenues and expenditures, at a level of detail that allows for analysis of the ability to meet financial obligations and timely repayment of debt, and audited financial statements;
 4. Documentation of facilities in current use and any planned facilities for use by the School for instruction of students, administrative functions, or investment purposes; and
 5. Descriptive information about the Charter School's personnel, including salary and benefit levels of the School's employees, the proportion of instructional personnel who hold professional or temporary certificates, and the proportion of instructional personnel teaching in-field or out-of-

field.

- G. **School Performance.** The School shall participate in Florida's System For High Quality Schools and achieve a school grade of at least "C" for the first school year it is graded. In the event the School receives a school grade of "D" or below for any school year it is in operation, the then pending school improvement plan shall be revised and resubmitted for the School Board's approval prior to the beginning of the following school year. If the School Improvement Plan for improving the School grade above "D" is not approved by the School Board, the School shall have ten (10) days within which to revise and submit the revised plan for approval. Failure to submit such revised plan within the ten-day period may result in termination of the Contract. Notwithstanding the foregoing, the Charter may be terminated by the School Board if seventy-five percent (75%) of the goals and outcomes designated in the School Improvement Plan have not been met, or the School receives a State-designated grade of "F" in two (2) consecutive years and no waiver is granted by the State Board of Education in accordance with Section 1002.33(9)(n), Florida Statutes..

III. **Students**

- A. **Eligible Students.** The parties agree that the Charter School shall serve eligible Clay County students who reside within Clay County. The School shall not recruit or enroll any students that reside outside of Clay County, nor shall it receive funding for any such student, unless authorized by an Interlocal Agreement approved by both the School Board, and the School Board of the County in which the students reside.
1. The School further agrees that it will work to achieve a racial/ethnic balance within the range served by other public schools in the District; that it will not discriminate against students with disabilities who are served in Exceptional Student Education programs (ESE) and students who are served in English for Speakers of Other Languages (ESOL) programs; and that it shall not violate the anti-discrimination provisions of Section 1000.05, *Florida Statutes*, The Florida Education Equity Act or any other anti-discrimination law. The School shall guarantee that its admissions policies shall be nonsectarian.
 2. No student will be eligible for enrollment unless the student is in "good standing" with his or her regular school district. A student is not in good standing if the student is subject to expulsion or has been administratively placed in an alternative educational program for disciplinary reasons.
- B. **Grades Served.** The School will serve students in grades K through 5 during the five (5) year term of this Charter. The School's maximum capacity shall be 276 students for the 2014-2015 school year and may increase 348 students, 392 students, 392 students and 414 students for school years two through five, respectively.

- C. **Class Size.** The School acknowledges and agrees that it must comply with the class size reduction provisions set forth in Section 1, Article IX, of the State Constitution and Section 1003.03, *Florida Statutes* as required by the Charter School Legislation.
- D. **Annual Projected Enrollment.** The School shall provide to the Sponsor its projected Full Time Equivalent (FTE) enrollment for the upcoming school year no later than November 15th of the current school year during the term of this Charter. This projection shall not serve as a cap on actual enrollment for the upcoming year as capacity is governed by Section III B. of this Contract.
- E. **Annual Capacity Determination.** Any change in the School's approved maximum school enrollment capacity must be achieved through an amendment of this Charter. If a change in its maximum school enrollment capacity is desired for an upcoming school year during the term of this Charter, the School must provide notice to the Sponsor of the proposed change in school enrollment capacity and the facts supporting that request no later than March 1 prior to the school year in which the increased capacity is requested. The Sponsor shall consider the provisions of Section 1002.33(10), *Florida Statutes*, when determining whether to approve a requested change in school enrollment capacity. Maximum school enrollment capacity shall not exceed the maximum capacity established by any applicable certificate of occupancy, certificate of use, fire permit or applicable provision of Article IX, Section 1, of the Florida Constitution or any other law or rule that is applicable to the School.
- F. **Enrollment Process**
1. The School shall be open to any student within Clay County Section III,A covers admission and eligibility of out of county students.
 2. The School agrees to enroll any eligible student who submits a timely application. However, if the number of applications exceeds the capacity of a program, class, grade level, or building, all applicants shall have an equal chance of being admitted through a random lottery.
 3. Enrollment is subject to compliance with the provisions of Sections 1003.21 and 1003.22, *Florida Statutes*, concerning school attendance, and school entry health examination and immunizations.
 4. The number of students in the School shall not exceed the levels set forth in Section III, Paragraph B, unless otherwise mutually agreed.
- G. **Record Keeping**
1. The Charter School will maintain both active and archival records for current and former students in accordance with *Florida Statutes* and Florida Administrative Code Rule 6A-1.0955.

- a. All permanent (Category A) records of students leaving the Charter School, whether by graduation, transfer to the public school system, or withdrawal to attend another school, will be transferred to the School Board, IS Department, at 900 Walnut Street, Green Cove Springs, Florida, 32043. Copies may be retained by the School.
 - b. Records relating to a student's progress (Category B) will be transferred to the appropriate school if a student withdraws to return to the regular Clay County public school system or another school system. The School may retain copies of the departing student's academic records created during the student's attendance at the School.
2. The School will insure that all student records are kept confidential as required by applicable law.
 3. The School agrees to report its student enrollment to the School Board as required in Section 1011.62, *Florida Statutes*, and in accordance with the definitions in Section 1011.61, *Florida Statutes*, at the agreed upon intervals and using the method used by the District when recording and reporting cost data by program. The School Board agrees to include the School's enrollment in the District's report of student enrollment. In order to receive full FTE funding, the School shall provide all required information within the same time schedule required for other Clay County Schools. If the School submits data relevant to FTE funding that is later determined through the audit procedure to be inaccurate, the School shall be responsible for any reimbursement to the State for such inaccuracies, errors or omissions, provided the School Board has sent notice to the School of such audit and alleged errors to afford the School the opportunity to challenge or appeal such audit findings.
 4. The School Board agrees to utilize its existing automated reporting system to input data required for various reports required by the Department of Education. The School agrees to provide the necessary data required for input in a format acceptable for transmission to the Department of Education. The data elements shall include the following.
 - a. Demographic Information
 - b. ESE data
 - c. Grade Level Assignments
 - d. Required health information
 - e. Required Discipline Codes/Incident Data

- f. Daily Attendance
- g. Transportation
- h. Student Schedules
- i. Teacher Demographics
- j. Master Schedule
- k. ESOL/Migrant Codes
- l. Grades/grading period/grading scale
- m. ERW (Entry, Reentry, Withdrawal) Information
- n. Test Scores
- o. Transcripts
- p. Student Lunch Information as Required

The School Board may modify the required data elements and the parties will work cooperatively so that the proper data is transmitted.

- 5. An annual report from the School will be transmitted to the Sponsor, listing all students enrolled during the school year and the disposition of each student's permanent records, i.e., stored on site, transmitted to the School Board or other disposition if appropriate. This report shall be transmitted each year prior to July 1st.

H. ESE Students

- 1. Exceptional students shall be provided with programs implemented in accordance with Federal, State, and local laws, policies and procedures, including:
 - a. The Individuals with Disabilities Education Act (IDEA) and its implementing regulations.
 - b. Section 504 of the Rehabilitation Act of 1973, and the Clay County policies and procedures for Section 504.
 - c. Americans with Disabilities Act.
 - d. Florida's Education Equity Act.

- e. Chapter 6A-6 of the Florida Administrative Code, and certain rules under Chapter 6A-1, FAC, pertaining to confidentiality of records, testing programs and course modifications.
 - f. The Clay County Special Policies and Procedures Manual.
 - g. The Clay County Admission and Placement Manual and its accompanying forms.
 - h. Appropriate sections of the Clay County Pupil Progression Plan dealing with exceptional students.
 - i. Appropriate sections of the Clay County Code of Student Conduct dealing with discipline of exceptional students.
2. The programs shall include, but are not limited to, providing the following:
- a. Non-discriminatory policy regarding placement, assessment identification, and selection.
 - b. Free appropriate public education.
 - c. Individual educational plans (“IEP”) which include an IEP meeting with the student’s family. Students with disabilities will be educated in the least restrictive environment and will be segregated only if the nature and severity of the disabilities is such that education in regular classes with the use of supplementary aides and services cannot be achieved satisfactorily. It is the School’s goal to place students in an environment where they can flourish. Those students whose needs cannot be adequately addressed at the School will be appropriately referred.
- School staff will work closely and as early as possible in the planning and development stages with School District staff to discuss the needed services of the School’s students with disabilities. Parents of students with disabilities will be afforded the procedural safeguards required by law.
3. The School will work closely with appropriate School District staff in planning and developing programs for ESE. As part of the services provided in administration of the ESE program as described in 1002.33(20)(a)1., Florida Statutes, and Sponsor’s responsibilities as LEA, members of the Schools staff shall attend training on the School Board’s ESE policies and Procedures that is provided to School District personnel.
4. The School will follow the School Board’s Special Policies and Procedures Manual and the Admissions and Placement Manual and forms

with respect to any activity involving referral of students, initial referrals, initial evaluations, reevaluations, transfers, staffing, IEPs, dismissals, reassignments, surrogate parents, procedural safeguards and due process provisions.

5. The School will complete Federal and State reports in accordance with the time lines and specifications of the School Board and the Department of Education.
6. The School will notify and invite the appropriate School District staff to each staffing and IEP meeting, by giving at least two weeks prior notice, with a copy of the Parent Participation Form, by mail or given in person. Any shorter notice period must be approved by the parents in writing, provided, however, that the School shall at all times comply with IDEA requirements.
7. The School will make available the amount of regular education and special education and related services listed on each student's IEP. Those students whose needs cannot be adequately addressed at the School will be appropriately referred. Also, the School will make available appropriate inclusion environments as may be stated on the student's IEP. The failure to implement student IEPs shall constitute good cause for termination of the Charter.
8. Recognizing the precedential effect on the School Board of administrative and judicial decisions in ESE due process proceedings and related litigation, the School Board shall have the right to approve the School's choice of legal counsel to represent the School in all such proceedings and litigation. The School Board's approval shall not be unreasonably withheld. Payment of attorney's fees and costs shall be the School's responsibility.
9. Failure to comply with the laws and regulations regarding rights of disabled students will be considered a breach under Paragraph I(E)(1) of this Contract, and good cause to terminate.

I. ESOL Students

Students at the School who are English Language Learners (EELs) will be served by English Speakers of Other Languages (ESOL) endorsed personnel or teachers otherwise in compliance with DOE rules by working towards such ESOL endorsement. The School will meet the requirements of the League of the United Latin American Citizens (LULAC) v. State Board of Education Consent Decree.

J. Discipline

1. The School agrees to maintain a safe learning environment at all times. The School shall be guided by Florida law and the School Board's policies in the development of the School's disciplinary policies.
2. Charter School students may be expelled by the School Board upon a recommendation by the School. Any of the following behaviors are grounds for disciplinary action which may lead to possible expulsion of the student:
 - a. Use, possession or sale of controlled substances, as defined in Chapter 893, *Florida Statutes*, or use, possession or sale of electronic pagers, alcohol, or counterfeit drugs that would be prohibited if genuine, by any student while the student is on school property or in attendance at a school function or sponsored event.
 - b. Possession of a firearm, knife, other weapon, or an item which may be used as a weapon or to harm another (such as explosives, inflammables, acids and other chemicals and poison) by any student while the student is on school property or in attendance at a school function or sponsored event. This policy shall apply equally with regard to any facsimile of a firearm, knife, other weapon, or an item which may be used as a weapon or to harm another.
 - c. Violence against any school personnel or another student.
 - d. Sexual harassment.
 - e. Vandalism (defacing, misuse of property) or theft.
 - f. The attempt to do or participation in a conspiracy to do anything covered in subparagraphs a-e above.
 - g. The School may expand this list in the development of its disciplinary policy. Further, the Charter School shall apply the School Board of Clay County policy regarding cell phones in implementation of its disciplinary policy at the Charter School.
3. The School agrees to comply with the Federal Gun Free Schools Act of 2002, and the State's Zero Tolerance regulations, and any other applicable state and/or federal law pertaining to the health, safety, and welfare of students.

K. Extracurricular Activity. Students at the School will be eligible for participation in extracurricular activities and opportunities at the School in the same manner as other schools in the District to the extent such activities and opportunities are offered.

IV. Financial Accountability

A. Revenue

1. Basis for Funding

- a. **Student Reporting.** The School Board agrees to pay the School for eligible students enrolled in and taught by the School in accordance with the Charter School Legislation, and that have been successfully entered into the School Board's student system. Students enrolled in the School shall be funded as if in a basic program or a special program, the same as students enrolled in other public schools in the District. The School shall report its student enrollment to the School Board as required in Section 1011.62, *Florida Statutes*. The School Board shall include the School's enrollment in the School Board's enrollment. Total funding for the School will be recalculated during the year to reflect the revised calculations under the Florida Education Finance Program (FEFP) by the State and the actual weighted FTE students reported by the School. Funding for student enrollment in the School shall be a proportionate allocation of School Board operating funds according to the formulas prescribed by the Department of Education and as set forth in Section 1002.33(17)(b), *Florida Statutes*. Whenever the School's students or programs meet the eligibility criteria, the School shall also receive its proportionate share of categorical program funds included in the FEFP. The School shall provide the School Board with documentation that categorical funds received by the School were expended for purposes for which the categorical funds were established by the Legislature. The School shall not be entitled to monthly payments for students in excess of the number of students set forth in Section III, Paragraph B and the School facility's valid capacity as determined by the School's Certificate of Occupancy, Certificate of Use, or Fire Permit (whichever is less). Payments may be withheld if the School's Certificate of Occupancy, Certificate of Use or Fire Permit has expired or has otherwise become invalid.
- b. **Transportation Funding.** With respect to transportation funding, the parties may, but are not required to, agree that the School Board will provide transportation to and from the School. If the Charter School and the Sponsor elect to contract for the provision of transportation, and the School Board is able to satisfy the requirements for transportation and enter into a mutually agreeable contract for the provision of transportation services, then the School Board shall receive all State funding for transportation and transportation funds shall not be payable to the School. If, however, the School decides that it will provide transportation to meet the requirements of state statute, then the School Board shall

pay over to the School all transportation funding received by the School Board and payable to the School in accordance with the provisions of Florida law for funding transportation on the basis of students being transported by the School and reported as such in accordance with the requirements of Florida law and the Department of Education.

- c. **Distribution of Funds.** Distribution of funds to the School shall begin in July 2014. The School Board shall pay the School one-twenty fourth (1/24) of the available funds as set forth in Section IV, Paragraph A less the five percent (5%) administrative fee, as set forth in and calculated pursuant to Section 1002.33(20)(a), Florida Statutes, within ten (10) working days of receipt by the School Board of a distribution of State or local funds. If payment is not made within ten (10) working days after receipt by the School Board, the School Board shall pay to the School, in addition to the amount of the invoice, interest at the rate of one percent (1%) per month calculated on a daily basis on the unpaid balance from the expiration of the ten (10) day period until such time as the payment is made. Payments due the School may be reduced or withheld for failure of the School to comply with the financial reporting requirements of this Charter, after notice and a ten (10) day cure period. No interest will accrue during such periods for which funds are withheld.
 - i. **Initial Costs.** The School agrees to provide reasonable proof of its ability to fund the initial startup of the School. The submission of the School's budget approved by its governing board shall satisfy this requirement.
- d. **Funding Adjustment.** Total funding shall be recalculated during the school year to reflect actual weighted FTE ("WFTE") students reported by the School during the FTE student survey periods. Additionally, funding for the School shall be adjusted during the year as follows:
 - i. In the event of a State hold back or a proration which reduces School District funding, the School's funding will be reduced proportionately.
 - ii. In the event that the School District exceeds the State cap for WFTE for Group 2 programs established by the Legislature as defined in Section 1011.62(1)(d)(3), *Florida Statutes*, resulting in unfunded WFTE for the District, then the School's funding shall be reduced to reflect its proportionate share of any unfunded WFTE.

Subject to the notice provision set forth in Section III, Paragraph G(3) above, should the School Board receive notice of an FTE funding adjustment which is attributable to substantial noncompliance by the School, the School Board shall deduct such assessed amount from the next available payment otherwise due the School. In the event that the assessment is charged near the end of or after the term of the Charter where no further payments are due to the School, the School Board shall provide prompt notice to the School and request reimbursement within thirty (30) days.

2. **Federal Funding.** Any eligible student enrolled in the School shall be provided Federal funds for the same level of service as provided other eligible students in the schools operated by the School Board and in accordance with Section 1002.33(17)(c), Florida Statutes. The School will comply with all guidelines, requirements and conditions for the receipt of Federal funding applicable to other School District schools. Federal funds shall not be advanced to the School, but shall be held by the School Board and paid directly to vendors or reimbursed to the School in accordance with standard procedures of the School Board's purchasing and financial accounting systems.

3. **Charter School Capital Outlay Funds.** Capital outlay funding is not available to a charter school until it has been in operation for three (3) years. Any Capital Outlay plan must be submitted by the School to the Sponsor's Assistant Superintendent for Business Affairs and the Assistant Superintendent for Support Services for approval. Each Capital Outlay plan must contain a written list specifically enumerating the proposed capital expenditures. Sales contracts, construction contracts, purchase orders, leases, lease-purchase agreements, rental agreements or bills of sale will be accepted by the Sponsor to document the School's expenditure of capital outlay funds. A copy of the previous year's annual audited financials must be submitted with a Capital Outlay plan, as well as any other supporting documentation, which verifies that the School qualifies for capital outlay funds. Conversion charter schools are ineligible for capital outlay funding allocations.

After the Sponsor's certification of a Capital Outlay plan submitted by the School, the Sponsor shall deliver any public capital outlay funds ("CO Funds") that are allocated and prorated to the School by the Commissioner of Education within ten (10) days of the delivery of such funds to the Sponsor by the Commissioner of Education. The property and/or improvements purchased by the School using the CO Funds and any unencumbered CO Funds shall be subject to reversion to the Sponsor pursuant to Sections 1002.33(8)(e) and 1013.62(3), *Florida Statutes*, and shall automatically revert to full ownership by the Sponsor, subject to complete satisfaction of any other lawful liens and encumbrances, upon: (a) the termination or non-renewal of this Charter, or (b) the material breach of this Charter by the School.

Any property, improvements, furnishings or equipment purchased without CO Funds or public funds for the School which have not been reimbursed by CO Funds, or public funds, shall be the property of the School should the Charter terminate or fail to renew. However, ownership of an asset shall revert to the Sponsor in the event of termination or non-renewal of this Charter if the School's accounting records fail to clearly establish whether a particular asset was purchased with CO Funds, or public funds, or from another funding source.

Except as otherwise provided herein, and except for any interest conferred upon the Sponsor by applicable law or this Charter, and except for other lawful liens or encumbrances, the School shall not rent, hire, or lend any of the property and/or improvements purchased with CO Funds. The Sponsor acknowledges that the facilities leased with CO Funds may be leased by the School for community and educational services for use when School is not in session. If the School leases such facilities to third persons as provided herein, any funds paid pursuant to such lease shall be the property of the School.

The parties agree that a failure to satisfy the obligations imposed by this section shall constitute a material breach of this Charter and good cause for its termination. The School shall provide the Sponsor's Accounting Department with copies of invoices for the property and/or improvements purchased with CO Funds. The School shall provide the Sponsor's Accounting Department with lists of any property and/or improvements purchased with CO Funds that the School may subsequently propose to dispose of as surplus property. The property and/or improvements purchased by the School using CO Funds shall not be sold, transferred or encumbered, other than as provided herein, or disposed of by the School without obtaining the prior written consent of the Sponsor.

4. **Fund Availability.** The School Board's performance of its obligations under this Charter shall be subject to and contingent on the availability of monies lawfully appropriated for such purposes.
- B. **Administrative Fee.** The School Board shall retain an administrative fee of five percent (5%) of the available public funds for the administration of this Charter as allowed by Florida law
- C. **Restriction on Charging Tuition.** In accordance with the provisions of Section 1002.33(9)(d), *Florida Statutes*, the School agrees that it shall not charge any tuition or fees to students enrolled in an FEFP funded program in any grade through Grade 5.
- D. **Allowable Student Fees.** The School further agrees that it shall not charge fees except for those fees normally charged by other public schools.
- E. **Budget**
 1. **Annual Budget.** The School shall provide the School Board with annual preliminary and original budgets in the format prescribed by the School

Board. The budgets must include a revenue projection sheet, a detailed budget worksheet, and a summary budget. The tentative budget is due May 30th of the preceding school year, and the original budget is due October 31st of the school year.

2. **Amended Budget.** In the event that the School's Governing Board approves an amended budget, a copy of the amended budget shall be provided to the Sponsor within ten (10) days of its approval by the School's Governing Board.

F. Financial Records, Reports and Monitoring

1. **Maintenance of Financial Records.** For financial reporting, the School shall adopt the governmental accounting model as adopted by the Governmental Accounting Standards Board, and shall utilize the standard state codification of accounts as contained in the Financial Program Cost Accounting Reporting for Florida Schools. Federal, State, and local funds shall be maintained according to existing mandates and practices, i.e., separate funds for Federal funds and State and local funds. The School shall maintain a separate bank account for School funds and shall not commingle School funds with funds of any other entity. All funds received by the School shall be immediately deposited into this account. Withdrawals shall be permitted only for School operating expenses as authorized by the approved budget.
2. **Financial and Program Cost Accounting.** The School shall conduct an annual cost accounting in a form and manner consistent with generally accepted governmental accounting in Florida.
3. **Financial Reports**
 - a. **Monthly Financial Reports.** The School will provide monthly financial reports in the format as prescribed by State Board of Education Rule 6A-1.0081, to be delivered to the School Board no later than the 20th day of the month following the expenditure. These financial reports shall be cumulative. The reports shall include balance sheet and revenue and expenditure information in detail commensurate with the original budget. As such, they shall have individual columns for each fund:
 - i. Assets, liabilities, fund balances for each fund type;
 - ii. The original budget as approved by the School;
 - iii. Current budget as approved by the School;
 - iv. Revenues and expenditures, year-to-date; and

- v. The budget balance (excess or deficiency of budgeted to actual)

- b. **Annual Property Inventory.** The School shall comply with Chapter 274, *Florida Statutes*, and Rules of the Chief Financial Officer of the State of Florida, which prescribe requirements for marking, recording and accounting for tangible personal property. On or before September 20 in each year during the term of the Charter, or any renewal thereof, the School shall provide to the School Board a list of all real and tangible personal property that was purchased with public funds and a list of all real and non-consumable tangible personal property that was purchased with private funds valued at greater than \$750.00 each. Tangible personal property shall be identified as required by the first sentence of this subsection and real property shall be identified by address and parcel number. In addition thereto, and without limitation, the list shall set forth with respect to such property a unique identifier or property identification number, a description of the property, the date of its acquisition, its acquisition cost and accumulated depreciation to the immediately preceding June 30th.

- c. **Annual Financial Reports.** The School shall provide the School Board with annual financial reports in the format prescribed by the School Board. These reports must include a complete set of financial statements formatted by revenue source and expenditures, and detailed by function and object, a program cost report, and a report of categorical program revenues and expenditures in accordance with the following time line:
 - i. Unaudited financial statements no later than August 20th of each year;
 - ii. Program cost report no later than September 1st of each year; and
 - iii. Reports of categorical program revenues and expenditures no later than September 20 of each year.

- d. **Financial Audits.** The School shall provide for an annual financial audit as required by law. The financial audits shall be performed by a qualified, independent certified public accountant selected pursuant to the provisions and through the process of Section 218.391, *Florida Statutes*, and who is paid for by the School. The audits shall be performed in accordance with Generally Accepted Auditing Standards, Government Auditing Standards, issued by the Comptroller General of the United States, and the Rules of the Auditor General for the State of Florida. The audited reports shall show all revenues received from all sources and all expenditures.

The reports shall be a complete presentation in accordance with generally accepted accounting principles including management's discussion and analysis ("MD&A"). MD&A may be omitted from the audit with the consent of the School Board. Audited financial reports are due by the following dates:

- i. Audited financial statements for the School shall be submitted no later than September 20 of each year.
- ii. In the event the School retains a company to manage the operations of the School, audited financial statements of the management company shall be submitted no later than October 15 of each year; provided, however, if all fees, costs and expenses of the School are paid from School accounts, then such statements shall not be required.
- iii. In the event the School becomes a component unit of the School Board, audited financial statements shall be submitted no later than October 15 of each year. On June 30 of every year during the term of the Charter, or any renewal thereof, the School shall certify to the School Board whether or not it operates charter schools in Florida, which are outside the boundaries of Clay County. Such certification or notification shall be in writing and given in the manner provided in this Charter for giving notice.
- iv. Funding for any subsequent year or Contract extension if approved by the School Board, shall be withheld by the School Board if the audit is not received by its due date, and funds will be released according to the terms of the Contract upon receipt of the appropriate audit in proper form.

In the event the financial audit reveals a state of financial emergency as defined by Section 218.503, *Florida Statutes*, or deteriorating financial condition, as defined in Section 1002.345(1)(a)3., *Florida Statutes*, the School shall notify the School Board in writing within seven (7) calendar days after the determination of the state of financial emergency or deficit position. Within thirty (30) calendar days thereafter, the School shall provide to the School Board a written, detailed financial recovery plan or corrective action plan, as applicable.

- e. **Other Financial Reports and Audits.** The School shall provide other financial reports in accordance with the School Board's format and time deadline requirements. The School Board may require a special purpose audit which will be subject to the following conditions and limited as follows: (a) if a lawsuit is filed

against the School and the lawsuit seeks at least in part a claim for monetary damages based on an alleged breach of contract, default in any type of business transaction or a default in any type of financial arrangement, the special purpose audit shall be limited to the transactions described or subject to the lawsuit; (b) if a lien is recorded against the School or any assets within or owned by the School, then the School Board may require a special purpose audit limited to the transactions or issues that are the subject of the lien; and (c) if the School files for bankruptcy of any type or has an involuntary bankruptcy petition filed against it, or if the School files a legal assignment for the benefit of creditors or otherwise becomes insolvent, then the School Board may require a special purpose audit. If a special purpose audit is properly demanded by the School Board, then the School Board shall pay all fees and costs of the special purpose audit. The School Board reserves the right to perform additional audits at its expense as part of the School Board's financial monitoring responsibilities as it deems necessary.

- f. **Form 990 (if applicable).** The School will annually provide the School Board with a copy of its Form 990, Return of Organization Exempt from Income Tax, and all accompanying schedules and attachments, within fifteen (15) days of filing with the IRS. If the IRS does not require Form 990 to be filed, the School will provide the School Board with written confirmation from the IRS of such non-requirement.
4. **School's Fiscal Year.** The School's fiscal year shall be the same as that of the Sponsor during the term of this Charter and shall commence on July 1 and conclude on June 30.
5. **Financial Recovery Plans.** If the School is found by a certified public accountant or auditor to be in a state of financial emergency, and that state of financial emergency is determined in accordance with the substantive and procedural requirements of Florida law, then the School shall file a detailed Financial Recovery Plan with the Sponsor within thirty (30) days after notification by the Commissioner of Education that a Financial Recovery Plan is needed. Thereafter, the School and the Sponsor shall comply with all substantive and procedural requirements specified under Florida law, including the provisions of Chapter 218, *Florida Statutes*, and Section 218.503 thereof.
6. **Corrective Action Plans.** The Governing Board of the School shall be responsible for performing all duties required by Section 1002.345, *Florida Statutes*, including the implementation of a Corrective Action Plan. Following the presentation of a Corrective Action Plan in accordance with the requirements of Section 1002.345, *Florida Statutes*, the parties shall thereafter comply with the legal requirements specified by Florida law, including the fact that the Sponsor shall have such rights as

provided under Florida law if the School fails to correct the deficiencies identified in the Corrective Action Plan within one (1) year. The parties will cooperate reasonably and schedule meetings periodically to monitor progress on any Corrective Action Plan.

7. **Reports/Right to Inspect.** The parties agree that the School Board, with reasonable notice, may request and the School shall provide reports on School operations and student performance. The School Board has the right to inspect all records of students attending the School and all financial records of the School upon reasonable notice. The School shall take all measures necessary to guarantee that the School Board has access to those records. Notwithstanding the foregoing, the School must consent to periodic, unannounced visits and inspection of records by the School Board and/or its duly authorized designee, provided that such inspections do not unreasonably interfere with the School's operations.
 8. **Loans Prohibited.** The School may not make any loans or advances of School funds without the express written consent of the School Board. The School shall provide copies of long-term loans, leases, capital leases, lease-purchases, or any other long term obligations in excess of \$25,000 to the School Board. For the purpose of this section, long-term obligation is defined as any obligation not reported as a liability on the governmental funds balance sheet.
 9. **Contracts.** In the event the School enters into an agreement with any person or entity for the management of the School, either the School or the management entity shall provide copies of any long-term purchases, leases, lease-purchases, or any other long term obligations in excess of \$25,000 to the School Board. Purchases, leases and lease-purchases with the same or related entities shall not be split into multiple transactions to circumvent this requirement. For the purpose of this section, long-term obligation is defined as any obligation not reported as a liability on the governmental funds balance sheet.
 10. **Additional Requirements.** The School Board and Charter School will adhere to any additional requirements mandated by the Florida Department of Education or required as the result of a change in Florida Law as such requirements pertain to school boards and charter schools, respectively.
- G. Financial Management of School.** The School shall conduct fiscal management of the charter school's operations in accordance with the School's governing laws and rules, the provisions of this Charter, and the School's approved Application (Exhibit A).
- H. Internal Audit Procedures.** The School shall implement the internal audit procedures described in the School's governing laws and rules, the provisions of this Charter, and the School's approved Application (Exhibit A).

V. **Facilities**

- A. **Location.** The School shall be located in Clay County. The School shall notify the School Board of the School's street address, with folio number, sixty (60) days before the initial opening day of classes. The School acknowledges that it plans to obtain a school facility no later than the 2014-2015 school year. The School should consult with the Superintendent, or the Superintendent's designee, concerning the School's location within the county with regard to educational concerns and student safety. The School shall present its facility plan, including, without limitation, a copy of the design/construction drawings for purposes of obtaining a permit, before commencement of construction work, to the appropriate jurisdiction for written approval once the design has been finalized. Once approved and permitted, a copy of the design/construction documents, and issued permit shall be forwarded to the Superintendent within fifteen (15) calendar days.
- B. **Standards.** The School agrees to utilize facilities which comply with the Florida Building Code pursuant to Chapter 553, *Florida Statutes*, and the Florida Fire Prevention Code, pursuant to Section 633.025, *Florida Statutes*. The School is encouraged to consider compliance with the Florida Building Code, Chapter 423, State Requirements for Educational Facilities.
- C. **Documentation.** The School agrees to provide the School Board with documentation regarding the School's property interest, as owner or lessee of the property and/or facility where the School will operate. If the School does not own the property and facility, the School must show proof of an executed lease sixty (60) days before the initial opening day of classes.
- D. **Certification.** The Charter School will show proof of the appropriate facility certification, including all certificates that are required by the applicable building codes, to include the Certificate of Occupancy, before the initial opening day of classes. If the School does not have the appropriate certification by the initial opening day of classes, this Contract shall automatically terminate without the necessity of any notice or hearing. The Application shall be deemed approved for the next school year, and the parties will renegotiate another Charter Contract. Any lack of compliance with the requirements of this section, throughout the term of the Contract shall be good cause to terminate this Contract.
- E. **Right to Inspect.** The School will allow the School Board to inspect the facilities at reasonable times to ensure compliance with all applicable requirements and contractual obligations.
- F. **Alteration to Facility Plan.** The appropriate agency shall approve in writing the disposal of or any changes to any facility plan previously approved in subparagraph A above, prior to such disposal or change, which approval shall not be unreasonably withheld or delayed.

G. **Lessees.** In the event the School leases its facilities, Lessor and Lessee shall provide the School Board with a disclosure affidavit in accordance with Section 286.23, *Florida Statutes*. The lease term shall be for at least the term of this Contract, or in lieu thereof, the School shall present a lease with a plan to ensure a facility for the duration of the Contract. Failure to do so shall be good cause to terminate this Contract.

VI. **Transportation/Food Service.** The parties agree that transportation and food service will be provided by the Charter School in a manner which is acceptable to the School Board.

A. **Transportation.** The transportation plan shall not be a bar to the attendance of any student who is eligible. The School agrees to provide transportation services on terms that comply with all applicable State and Federal statutes and regulations, for all students residing within a reasonable distance of the School including providing the transportation of its students required under the McKinney –Vento Homeless Education Assistance Improvements Act of 2001, (42 U.S.C. sections 11431-11435) where the School is determined to be the “school of origin” for such students. The transportation plan shall be mutually agreeable to the parties. If applicable the School shall provide to the School Board a copy of its contract with the transportation provider, at least sixty (60) days before the initial day of classes.

B. **Food Service.** The School shall provide food service on terms that comply with all applicable State and Federal statutes and regulations including requirements for free and reduced meal service. In the event the School will be contracting with a third party to provide food services to its students, the School shall provide a copy of the food service contract to the School Board at least sixty (60) days prior to the initial day of classes.

VII. **Insurance**

A. **Indemnification**

1. **School Indemnification and Hold Harmless.** The School hereby does indemnify and hold the School Board, its members, officers, employees, and agents, harmless from any and all claims, actions, costs, expenses, damages and liabilities, including reasonable attorneys’ fees at the trial, appellate, and administrative level arising out of, connected with or resulting from:

a. The negligence, intentional wrongful act, misconduct or culpability of the School’s employees or other agents in connection with or arising out of their services;

i. The School’s material breach of this Contract or violation of law;

- ii. The School's failure to pay its employees, suppliers or any subcontractors;
- iii. The School's failure to perform any imposed or required duty; or,
- iv. Any actual or alleged infringement of patent, copyright, or other proprietary rights in any material, process, machine or appliance used by the Charter School.

Said indemnification shall include the duty to defend with competent counsel approved by School Board. In the event that legal counsel is selected and provided by the School's insurance carrier, said legal counsel must be approved by the School Board. If said legal counsel is not approved by the School Board, the School Board may elect to hire its own legal counsel at its own expense. However, the School shall not be obligated to indemnify the School Board, or the School District against claims, damages, expenses or liabilities to the extent these may result from the negligence of the School Board, the School District, or their respective directors, officers, employees, subcontractors, or others acting on their behalf. The duty to hold harmless and indemnify will continue in full force and effect notwithstanding the expiration or early termination of this Contract.

- 2. **No Waiver of Sovereign Immunity.** Notwithstanding anything to the contrary contained herein, the School does not waive sovereign immunity to the extent sovereign immunity is available or applicable. Any obligation of the School to indemnify, defend or hold harmless the School Board as stated above shall extend only to the limits, if any, permitted by Florida law and shall be subject to the monetary limitations established by Section 768.28, *Florida Statutes*, to the extent applicable.
- 3. **School Board Indemnification and Hold Harmless.** To the extent permitted by Florida law, the School Board agrees to indemnify and to hold the School, its members, officers, employees, and agents, harmless from any and all claims, actions, costs, expenses, damages, and liabilities, including reasonable attorneys' fees, at the trial, appellate and administrative level, arising out of, connected with or resulting from:
 - a. The negligence, intentional wrongful act, misconduct or culpability of the School Board's employees or other agents in connection with and arising out of their services within the scope of this Contract; and
 - b. The School Board's material breach of this Contract or law. However, the School Board shall not be obligated to indemnify the School, against claims, damages, expenses or liabilities to the

extent these may result from the negligence of the Charter School, its directors, officers, employees, subcontractors, or others acting on its behalf.

4. **No Waiver of Sovereign Immunity.** Notwithstanding anything to the contrary contained herein, the School Board does not hereby waive any of its sovereign immunity. The School Board's obligation to indemnify, defend or hold the School harmless, as stated above, shall extend only to the limits permitted by law, and shall be subject to the monetary limitations established by Section 768.28, *Florida Statutes*.
5. **Notification.** The School and the School Board shall notify each other of the existence of any third-party claim, demand or other action giving rise to a claim for indemnification under this provision ("Third-Party Claim") and shall give each other a reasonable opportunity to defend the same at its own expense and with its own counsel, provided that the School or the School Board shall at all times have the right to participate in such defense at its own expense. If, within a reasonable amount of time after receipt of notice of a Third-Party Claim, the School or the School Board shall fail to undertake to so defend, the other party shall have the right, but not the obligation, to defend and to compromise or settle (exercising reasonable business judgment) the Third-Party Claim for the account and at the risk and expense of the School or the School Board which they agree to assume. The School and the School Board shall make available to each other, at their own expense, such information and assistance as each shall request in connection with the defense of any Third-Party claim.

B. Evidence of Insurance. The School shall provide evidence of insurance in the following manner:

1. **Certificates of Insurance, Additional Insured.** As evidence of compliance with the insurance required by this Contract, the Charter School shall furnish the School Board with fully completed certificate(s) of insurance signed by an authorized representative of the insurer(s) confirming that coverage begins before the initial opening day of classes. The certificates shall be issued to the School Board and name the School Board as an additional insured.
2. **Notification of Cancellation.** Each certificate of insurance shall provide that the School Board be given no less than thirty (30) calendar days written notice prior to cancellation.
3. **Renewal/Replacement.** Until such time as the insurance is no longer required to be maintained by the Charter School, the School shall provide the School Board with evidence of the renewal or replacement of the insurance no less than thirty (30) calendar days, if practicable, before the expiration or termination of the required insurance, but no later than seven (7) calendar days before expiration or termination of said insurance.

C. **Insurance Coverage Requirements**

1. **Insurance Requirements.** Without limiting any of the other obligations or liabilities of the School, the School shall, at the School's sole expense, procure, maintain and keep in force the amounts and types of insurance set forth in this Charter. Except as otherwise specified herein, the insurance shall commence prior to the commencement of the opening of the School and shall remain in full force and effect, without interruption, until this Charter is terminated.
2. **Minimum Requirements.** Insurers providing the insurance required by this Charter must meet the following minimum requirements:
 - a. Be authorized by certificates of authority from the Department of Insurance of the State of Florida, or an eligible surplus lines insurer under *Florida Statutes*. In addition, the insurer must have a Best's Rating of "A-" or better and a Financial Size Category of "VI" or better, according to the latest edition of Best's Key Rating Guide, published by A.M. Best Company.
 - b. If at any time an insurer providing insurance as required by this Charter fails to comply with the foregoing minimum requirements, the School shall immediately notify the School Board and immediately replace the insurance provided by the insurer with an insurer meeting the requirements.
3. **Other Insurance.** The insurance provided by the School shall apply on a primary basis and any other insurance or self-insurance maintained by the School Board, or its members, officers, employees or agents, shall be in excess of the insurance provided by or on behalf of the School.
4. **Deductible, Self-Insurance.** Except as otherwise specified, the insurance maintained by the School shall apply on a first dollar basis without application of a deductible or self-insurance retention.
5. **Other Remedies.** Compliance with the insurance requirements of this Charter shall not limit the liability of the School, its contractors, subcontractors, sub-subcontractors, its employees or its agents to the School Board or others. Any remedy provided to the School Board or its members, officers, employees or agents by the insurance shall be in addition to, but not in lieu of, any other remedy available under this Charter or otherwise.
6. **School Subcontractors.** The School shall require its subcontractors and its sub-subcontractors to maintain any and all insurance required by law. Except to the extent required by law, this Charter does not establish

minimum insurance requirements for subcontractors or sub-subcontractors.

7. **No Waiver.** Neither approval by the School Board, nor failure to disapprove the insurance furnished by the School, shall relieve the School of the School's full responsibility to provide the insurance as required by this Charter.
8. **Default.** The School shall be in material default of this Charter for failure to procure, maintain and keep the insurance as required by this Charter.

D. **Commercial General Liability Insurance.** Except as otherwise provided, the Commercial General Liability Insurance provided by the Charter School shall conform to the following requirements:

1. The Charter School's insurance shall cover the School for those sources of liability, including, but not limited to, coverage for operations, Products/Completed Operations, independent contractors, and liability contractually assumed, which would be covered by the latest occurrence form edition of the standard Commercial General Liability Coverage Form (ISO Form CG00 01), as filed for use in the State of Florida by the Insurance Services office.
2. The minimum limits to be maintained by the Charter School, inclusive of any amounts provided by an umbrella or excess policy, shall be \$1 million per occurrence/\$2 million annual aggregate.
3. Subject to reasonable commercial availability, coverage shall be on an occurrence basis. If coverage is obtained on a claims made basis, the School shall maintain, without interruption, the Commercial General Liability Insurance until four (4) years after termination of this Charter.
4. The Charter School shall include the School Board and its members, officers, employees and agents as "Additional Insureds" on the required Commercial General Liability Insurance policy. The coverage afforded such Additional Insureds shall be no more restrictive than that which would be afforded by adding the School Board as an Additional Insured using the latest Additional insured - Owners, Lessees or Contractors (Form B) Endorsement (ISO Form CG 20 10). The certificate of insurance shall be clearly marked to reflect "The School Board, its members, officers, employees and agents as additional insureds."

E. **Automobile Liability Insurance.** The Automobile Liability Insurance provided by the Charter School shall conform to the following requirements:

1. The Charter School's insurance shall cover the School for those sources of liability which would be covered by Section II of the latest occurrence edition of the standard Business Auto Policy (ISO Form CA 00 01),

including coverage for liability contractually assumed, as filed for use in the State of Florida by the Insurance Service Office.

2. Coverage shall be included on all owned, non-owned and hired autos used in connection with this Contract.
3. Subject to reasonable commercial availability, coverage shall be on an occurrence basis. If coverage is obtained on a claims made basis, the School shall maintain, without interruption, the Automobile Liability Insurance until four (4) years after termination of this Charter.
4. The minimum limits to be maintained by the School, inclusive of any amounts provided by an umbrella or excess policy, shall be \$1 million per person/\$1 million per accident for Bodily Injury and \$1 million per accident for Property Damage, or \$1 million combined single limit each accident.

F. **Workers' Compensation/ Employers' Liability.** The Workers' Compensation/Employers' Liability Insurance provided by the School shall conform to the following requirements:

1. The Charter School's insurance shall cover the School, and its subcontractors and sub-subcontractors to the extent they are not otherwise insured, for those sources of liability which would be covered by the latest edition of the standard Workers' Compensation Policy, as filed for use in Florida by the National Council on Compensation Insurance, without restrictive endorsements. In addition to coverage for the Florida Workers' Compensation Act, where appropriate, coverage is to be included for the Federal Employers Liability Act and any other applicable Federal or State law.
2. Subject to the restrictions found in the standard Workers' Compensation Policy, there shall be no maximum limit on the amount of coverage for liability imposed by the Florida Workers' Compensation Act or any other coverage customarily insured under Part One of the standard Workers' Compensation Policy. The minimum amount of coverage for Part Two of the standard Workers' Compensation Policy (inclusive of any amounts provided by any umbrella or excess policy) shall be \$500,000.00 each accident, \$500,000.00 Disease-Policy Limits, and \$500,000.00 Disease-Each Employee.

G. **School Leader's Errors & Omissions Insurance.** The Charter School shall provide, subject to reasonable commercial availability, School Leader's Errors & Omissions Liability Insurance conforming to the following requirements:

1. School Leader's Errors & Omissions Liability Insurance shall be on a form acceptable to the School Board and shall cover the School for those sources of liability typically insured by School Leader's Errors &

Omissions Insurance (E&O), such as policies offered by National Union Fire Insurance Co. of Pennsylvania, arising out of the rendering or failure to render professional services in the performance of this Contract, including all provisions of indemnification which are part of this Contract.

2. The insurance shall be subject to a maximum deductible not to exceed \$25,000 per claim.
3. The minimum limits to be maintained by the School, inclusive of any amounts provided by an umbrella or excess policy, shall be \$1 million per claim/\$2 million annual aggregate.
4. Subject to reasonable commercial availability, coverage shall be on an occurrence basis. If coverage is maintained on a claims-made basis, the School shall maintain, without interruption, the E&O Insurance until four (4) years after termination of this Charter.
5. If the School Leaders' E&O Liability Insurance required herein is not reasonably commercially available, the School shall provide Officers, Directors and Employees Errors and Omissions Liability Insurance in lieu thereof with the same minimum limits of coverage as set forth above. Subject to reasonable commercial availability, coverage shall be on an occurrence basis. If such insurance is obtained on a claims-made basis, the School shall maintain, without interruption, the insurance until four (4) years after termination of this Contract.

H. Property Insurance. The School shall maintain hazard insurance on the buildings and property used during the term of this Contract.

1. Option #1: If the School is the owner and/or has a mortgage on the School site location or facility, the School shall furnish, in a form acceptable to the School Board, property insurance for the location and facility which shall include the structure as described in Section V, including permanently installed fixtures, machinery and equipment, outdoor fixtures, and personal property to service the premises. If the building is under construction, the School shall provide evidence of property insurance for the additions under construction and alterations, repairs, including materials, equipment, supplies and temporary structures within 100 feet of the premises. In addition, the School shall provide evidence of Business Personal Property coverage to include furniture, fixtures, equipment and machinery used in the School.
2. Option #2 (Lease Property): If the School leases the site location, then the School shall provide in a form acceptable to the School Board, no later than ten (10) days prior to the opening of the School, evidence of Business Personal Property Insurance to include furniture, fixtures, equipment and machinery used in the School.

3. Option #3: If the School occupies a physical plant owned by the School Board, then the School shall provide, in a form acceptable to the School Board no later than ten (10) days prior to the opening of School, evidence of Business Personal Property Insurance to include, furniture, fixtures, equipment and machinery used in the School.
4. If the School is the owner and/or has a mortgage on any temporary or relocatable facilities, wherever located, the School shall furnish, in a form acceptable to the School Board, Property Insurance for any such temporary or relocatable facilities, including permanently installed fixtures, machinery and equipment, outdoor fixtures, and personal property to serve the premises.
5. Subject to reasonable commercial availability, the insurance shall be subject to a maximum deductible not to exceed \$25,000 per claim for All Perils except Wind and Hail: 5%/\$25,000 minimum.
6. The School shall accept all risk of loss for said property and will provide proof of Risk Replacement Cost Property Insurance with limits commensurate with the replacement cost of the property. The School Board shall be listed as an additional insured.

- I. **Commercial Crime Insurance.** The School shall maintain coverage for Employee Dishonesty. This insurance shall be underwritten on a blanket form amending the definition of "employee" to include all members, officers, employees, volunteers or agents of the School regardless of position or category. The minimum limits to be maintained by the School, inclusive of any amounts provided by an umbrella or excess policy, shall be \$100,000 per loss limit. The insurance shall be subject to a maximum deductible not to exceed \$10,000 per loss. This policy shall include the School Board as an additional insured.

VIII. **Governance Structure**

- A. **Public or Private Employer.** The School will operate as a private employer.
- B. **Board of Directors.** The School will be governed and operated as required by law and as set forth in the Application (Exhibit A), under the direction and control of a Governing Board. Wherever appearing in this Contract, the reference to the "governing body" of the Charter School shall be a reference to the Governing Board as defined in the previous sentence.
- C. **Non-Profit Organization.** As indicated in the Application (Exhibit A), the School has been organized as a non-profit organization. The School shall apply for tax exempt status.
- D. **Public Records.** The School shall comply with Chapter 119, *Florida Statutes*, the Public Records Act, and all other applicable statutes pertaining to public records.

- E. **Reasonable Access to Records by Sponsor.** The School shall provide the Sponsor access to public records, at no cost, related to the governing board. Failure to provide such access will constitute a material breach of this Contract and good cause for termination.
- F. **Sunshine Law.** The School's governing board meetings shall take place locally and in a physical location and facility that is easily accessible to the School's parents, students and employees, be publicized in advance to the School community and be open to the public pursuant to Section 286.011, *Florida Statutes*, the Sunshine Law.
- G. **Reasonable Notice of Governing Board Meeting.** The School shall provide the School Board with reasonable notice of all governing board meetings.
- H. **Identification of Governing Board Members.** The School's Governing Board shall be selected as set forth in the approved Application (Exhibit A) and shall be reported to the School Board prior to the first day of classes. The Governing Board shall appoint a Representative, who shall reside in Clay County, Florida and who shall otherwise perform the duties as set out in the Charter Legislation. The name of the School's designated Representative shall be reported to the School Board prior to the first day of classes. Any change in governing board membership or change in the appointed Representative must be reported to the Sponsor in writing within 96 hours of the change. Any violation of this provision will result in the withholding of FTE payments, without penalty of interest, until the violation is cured and constitutes good cause for termination.
- I. **Appointment of Representative to Facilitate Parental Involvement.** The School's Governing Board must appoint a representative to facilitate parental involvement, provide access to information, assist parents and others with questions and concerns, and resolve disputes. The representative must reside in the District in which the Charter School is located and may be a Governing Board member, Charter School employee, or individual contracted to represent the Governing Board. If the Governing Board oversees multiple charter schools in the same district, a single representative may be appointed to serve all such schools. The representative's contact information must be provided annually in writing to parents and posted prominently on the Charter School's website if a website is maintained by the School.
- J. **Annual Meetings to be held by School's Governing Board.** The School's Governing Board must hold at least two (2) public meetings per school year in the School District. The meetings must be noticed, open, and accessible to the public. Attendees must be provided an opportunity to receive information and provide input regarding the Charter School's operations. The appointed representative and Charter School principal or director, or his or her equivalent, must be physically present at each such meeting.

IX. Management Company Contract

- A. Contract.** If a management company will be managing the School the executed contract between the management company and the School shall be submitted to the Superintendent prior to the date upon which the School opens for students. All amendments to the contract between the management company and the School shall be submitted to the Superintendent within five (5) days after execution.
- B. Terms and Conditions.** The contract between the School and the management company shall require that the management company operate the School in accordance with the terms stipulated in this Contract and all applicable laws, ordinances, rules, and regulations. Neither employees of the management company nor members of their families shall sit on the School's governing board or serve as officers of Orange Park Performing Arts Academy, Inc.
- C. Default.** Any default or breach of the terms of this Contract by the management company shall constitute a default or breach by the School under the terms of the Contract between the School and the School Board.
- D. Qualifications for Management Company.** The School shall not enter into any agreement with a management company if:
1. On the date the contract is submitted to the School Board, the management company or its principals are then debarred, suspended, proposed for debarment, declared ineligible or voluntarily excluded from covered transactions by any Federal, State or local governmental department or agency.
 2. Within the five (5) years previous to the date the contract is submitted to the School Board, the management company, or its principals, have been convicted of or had a civil judgment rendered against them for commission of fraud or a criminal offense in connection with obtaining, attempting to obtain, or performing a public (Federal, State or local) transaction or contract; violation of Federal or State antitrust statutes or commission of embezzlement, theft, forgery, bribery, falsification or destruction of records, making false statements or receiving stolen property.
 3. On the date the contract is submitted to the School Board, the management company, or its principals, have been indicted or otherwise criminally charged by a governmental entity (Federal, State or local) with commission of any of the offenses enumerated in the preceding Paragraph 2.
 4. Within the five (5) years previous to the date the contract is submitted to the Superintendent:

- a. the charter of any school managed by the management company shall have been terminated or non-renewed by the sponsor for:
 - i. the failure of the school to: participate in the State's education accountability system, where such participation was required by law; or
 - ii. for the reason that the School failed to meet generally accepted standards of fiscal management; or
 - iii. for the reason that the School violated a material law except where a plan to mitigate such violation was submitted as allowed by law and fulfilled; or
- b. any charter school has terminated the management agreement with the management company because of:
 - i. a failure to comply with a substantive provision of law except where a plan to mitigate such violation was submitted as allowed by law and the plan was or is being complied with; or
 - ii. because the management company failed to follow generally accepted standards of fiscal management.

X. Human Resources

A. Hiring Selection. The parties to this Contract agree that the School shall select its own employees.

1. **Reporting Staffing Changes.** The School agrees to provide written notice to Sponsor using the Sponsor's designated form within thirty (30) calendar days of any new hires, leaves of absence, transfers and terminations. Teaching assignments for new hires must match the State course code directory numbers and teacher certification. The School will complete and submit all required personnel reports, including employee database surveys, in accordance with due dates required by the Sponsor or the Florida Department of Education.
2. **Non-Discrimination.** The School agrees that its employment practices shall be nonsectarian and non-discriminatory.
3. **Teacher Certification.** Teachers employed by or under Contract to the School shall be certified as required by *Florida Statutes*. The School may employ or contract with skilled selected non-certified personnel to provide instructional services or to assist instructional staff members as teacher aides in the same manner as permitted in Section 1012.55, *Florida Statutes*, and/or the Charter Legislation. The Charter School will not

employ an individual to provide instructional services if the individual certificate or license as an educator is suspended or revoked in Florida or in any other state.

4. **Disclosure.** The School agrees to disclose to the parents and the School Board the qualifications of its teachers.
5. **Fingerprinting, Background.** The School shall require all employees upon employment, all Board of Directors upon assuming office, and all contractual personnel, to comply with the fingerprinting requirements of Sections 1012.32 and 1012.465, *Florida Statutes*, as amended, and all applicable procedures and regulations promulgated by the School Board, the Florida Department of Education, and the Florida Division of Law Enforcement. The Charter School shall check the backgrounds of all employees in accordance with the School Board of Clay County's Rules and *Florida Statutes*, including pre-employment drug testing and the Drug Free Workplace Policy.

B. Employment Practices. The School's hiring practices shall at all times be in compliance with the requirements of Sections 1002.33(12) and 1002.33(24), *Florida Statutes*. Charter School personnel may not appoint, employ, promote, advance, or advocate for appointment, employment, promotion, or advancement, in or to a position in the Charter School in which the Charter School Personnel may exercise jurisdiction over or control any individual who is a relative. For the purposes of this section, the following definitions shall be used:

1. "Charter School Personnel" means a charter school owner, president, chairperson of the Governing Board, superintendent, Governing Board member, principal, assistant principal, or any other person employed by the charter school to whom equivalent decision making authority has been delegated, to appoint, employ, promote, or advance individuals or to recommend individuals for appointment, employment, promotion, or advancement in connection with employment in a charter school, including the authority as a member of a Governing Board of a charter school to vote on the appointment, employment, promotion, or advancement of individuals.
2. "Relative" means father, mother, son, daughter, brother, sister, uncle, aunt, first cousin, nephew, niece, husband, wife, father-in-law, mother-in-law, son-in-law, daughter-in-law, sister-in-law, stepfather, stepmother, stepson, stepdaughter, stepbrother, stepsister, half-brother, or half-sister.

C. School Board Training. The School's teachers may participate in training conducted by the Sponsor.

1. **Participation and Cost for Training Activities.** Training activities shall be made available by the Sponsor to the School's employees on a space available basis. The School shall pay all of the additional costs associated with the participation of the School's employees in such training activities

at the same rates and reimbursement methodologies currently charged to the Sponsor for the participation of the Sponsor's employees.

2. **Participation in Federally Funded Training.** Federally funded training activities that are provided by the Sponsor shall be made available to the School's employees on a space available basis without any charge to the School other than any charges that are also incurred by the Sponsor for the participation of the Sponsor's employees.

D. **Substitute Teachers.** The School accepts the obligation to make provision for the hiring of substitute teachers. Substitute teachers are not available through the Sponsor.

E. **School Board Personnel Services.** The parties agree that the School may utilize the services of the School Board in specialized areas such as ESE testing. The School Board will charge the School for services agreed upon by the parties and provided by the School Board at the actual hourly rate plus benefits of the School Board's personnel performing such services, multiplied by the number of actual hours during which such services were performed. The School Board will charge the School monthly for these services and other goods or services provided, and deduct the amounts due from the next funding check due to the School.

XI. **Required Reports and Documents**

The School will provide all reports and documents required of it pursuant to this Charter and the statutes and regulations governing Charter schools.

XII. **Miscellaneous Provisions**

A. **Act of God.** Neither party shall be in default of this Contract, if the performance of this Contract either in whole or in part is prevented, delayed, hindered or otherwise made impracticable or impossible by reason of any strike, flood, hurricane, riot, fire, explosion, war, act of God, sabotage, accident or any other casualty or cause beyond either party's control, and which cannot be overcome by reasonable diligence and without unusual expense.

B. **Assignment.** This Contract shall not be assigned by either party without the prior written consent of the other party. The School may, without the consent of the School Board, enter into contracts for services with an individual or group of individuals organized as a partnership or cooperative.

C. **Survival.** All representations and warranties made herein shall survive termination of this Contract.

D. **Drug-Free Workplace.** The School is a Drug-Free Work Place. The School shall provide the Sponsor with a copy of the School's applicable Drug-Free Work Place policy and any amendments thereto.

- E. **Default.** It shall be an event of default hereunder if any party fails to perform its obligation hereunder or fails to abide by any of its promises and covenants hereunder. Default will be good cause for termination as provided in Section I, Paragraph B.
- F. **Representations and Warranties.** Each party warrants and represents, with respect to itself, that neither the execution of this Contract, nor the performance of the obligations contemplated hereby, shall violate any legal requirement, result in or constitute a breach or default under any indenture, contract, or other commitment or restriction to which it is a party or by which it is bound, or require any consent, vote or approval which has not been obtained, or, at the appropriate time, shall not have been given or obtained. Each party covenants that it has, and will continue to have throughout the term of this Contract, full right and authority to enter into this Contract and to perform its obligations hereunder, and each party agrees to supply to the other party, upon request, evidence of such right and authority.
- G. **Binding Effect.** Each and all of the covenants, terms, provisions and Contracts contained herein shall be binding upon and inure to the benefit of the parties hereto and their respective assigns, successors, subsidiaries, affiliates, holding companies and legal representatives, as allowed in this Contract.
- H. **Notice.** All notices to be given hereunder shall be in writing, and all payments to be made hereunder shall be by check, and may be served by hand delivery, express delivery or by depositing the same in the United States mail addressed to the party to be notified, postage paid, and registered or certified with return receipt requested. Notice given in any manner shall be effective only if and when received by the party to be notified. All notices to be given to the parties hereto shall be sent to or delivered at the addresses set forth below:

If to School Board: Charles VanZant, Jr., Superintendent
 School District of Clay County, Florida
 900 Walnut Street
 Green Cove Springs, Florida 32043
 Telephone: (904) 284-6500
 Facsimile: (904) 284-6525

With copy to: Denise Adams, Deputy Superintendent
 School District of Clay County, Florida
 900 Walnut Street
 Green Cove Springs, Florida 32043
 Telephone: (904) 529-4840
 Facsimile: (904) 284-6500

If to School: Dr. Alesia Ford-Burse
1324 Kingsley Avenue
Orange Park, Florida 32073
Telephone: (904) 563-5761
Email: rev alesia62@bellsouth.net

With copy to: Melissa Gross-Arnold, Esq.
The Arnold Law Firm
6279 Dupont Station Ct.
Jacksonville, Florida 32217
Telephone: (904)731-3800
Facsimile: (904)731-3807

By giving the other party at least fifteen (15) days' written notice thereof, a party may change its address and specify its new address for the purposes stated herein, and/or to notify a change of attorney.

- I. **No Waiver.** No consent to, or waiver of, any breach or default by the other in the performance of any obligation hereunder shall constitute consent to, or waiver of, any other breach or default. Except as otherwise provided herein, failure on the part of any party hereto to complain of any act or failure to act by the other party or to declare the other party in default hereunder, irrespective of how long such failure continues, shall not constitute a waiver of the rights of such party hereunder.
- J. **Captions.** The captions used for the Sections in this Contract are inserted only as a matter of convenience and for reference, and in no way define, limit, or describe the scope or the intent of this Contract or any Article or Section hereof.
- K. **Severability.** In the event any of the foregoing provisions of this Contract are determined by a court of competent jurisdiction to be illegal or unenforceable, then such unenforceable or unlawful provision shall be excised here from, and the remainder of this Contract will continue in full force and effect. Notwithstanding the foregoing, if the result of the deletion of such provision will materially and adversely affect the rights of a party hereunder, such party may elect, at its option, to terminate this Contract in its entirety.
- L. **Cumulative Rights.** All rights, powers, remedies, benefits, and privileges available under any provision of this Contract to any party hereunder is in addition to any cumulative of any and all rights, powers, remedies, benefits, and privileges available to such party under all other provisions of this Contract, at law or in equity.
- M. **Governing Law and Venue.** This Contract shall be governed by and construed under the laws of the State of Florida and the United States of America. Except for a legal action in Federal Court, Clay County, Florida, shall be the proper place

of venue for all legal actions to enforce this Contract. Any legal proceeding arising out of or in connection with this Contract shall be brought in the Fourth Judicial Circuit Court, in and for Clay County, Florida, or if appropriate, the United States District Court for the Middle District of Florida, Jacksonville Division.

- N. **Further Assurances.** Whenever any review or approval is required by any party hereunder, such party agrees that such review or approval will be promptly and expeditiously prosecuted to conclusion. The parties hereto agree to execute any and all further instruments and documents, and take all such action as may be reasonably required by either party to effectuate the terms and provisions of this Contract and the transactions contemplated herein.
- O. **No Partnership, Joint Venture.** It is understood and agreed that nothing contained in this Contract shall be deemed or construed as creating a partnership or joint venture between the School Board and Charter School or any other party, or cause either party to be responsible in any way for the debts and obligations of the other party.
- P. **Third-Party Beneficiary.** This Contract is not intended to create any third party beneficiary rights. No third-party beneficiaries exist or were created by this Contract.
- Q. **No Construction Against Drafter.** Each of the parties hereto has been represented by legal counsel who have had ample opportunity to, and have, participated in the drafting of this Contract. Therefore, this Contract shall not be construed, either favorably or unfavorably, against either party to the Contract.
- R. **Waiver of Jury Trial.** The parties waive trial by jury in the event of any litigation between the parties regarding any matter related to this Charter or the School.
- S. **Mediation.** Any conflict arising out of this Contract may proceed to non-binding mediation pursuant to Section 1002.33(6)(h), Florida Statutes. If an agreement is not reached through mediation, the issue may proceed to the appropriate judicial forum, pursuant to Section 1002.33(6)(h), Florida Statutes.
- T. **Attorneys' Fees and Costs.** In the event of any conflict, each party shall bear its own costs and attorneys' fees.
- U. **Entire Agreement.** This Contract constitutes the entire agreement between the parties hereto with respect to the matters covered hereby. All prior negotiations, representations, and agreements with respect thereto not incorporated in this Contract are hereby canceled. This Contract may be modified or amended only by a written document duly executed by the parties hereto.
- V. **Legislative Amendment.** Whenever a Florida Statute or State Board Rule is referenced in this Contract, it shall mean the Rule or Statute as it is amended from

time to time. The parties agree that this Contract requires compliance with all applicable *Florida Statutes* and administrative rules, including but not limited to, the Charter School Legislation, as amended during its term.

W. **Interchangeability of Terms.** The terms "Charter School" and "School" refer to the governing body responsible for the operation of Orange Park Performing Arts Academy, Inc., which is a party to this Charter, as the context of the Charter may require.

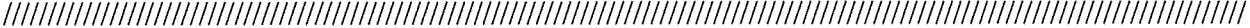
THE SCHOOL BOARD OF CLAY COUNTY, FLORIDA

By: _____
CAROL Y. STUDDARD
Chair

ATTEST:

BY: _____
CHARLES VANZANT, JR.
Superintendent

Date Approved: _____ *



ORANGE PARK PERFORMING ARTS ACADEMY, INC.

By: _____
Printed Name: _____
Title: _____

ATTEST:

By: _____
Printed Name: _____
Date Approved: _____ *

* Note - the last date noted above shall be the "effective date" of the commencement of this Contract

Exhibit A

Charter School Application