GRANT OF CHARTER AND CHARTER SCHOOL AGREEMENT
(___________________________________________________)

THIS GRANT OF CHARTER AND CHARTER SCHOOL AGREEMENT ("Agreement") dated July 1, 20__ (the “Effective Date”) is entered into by and between the Board of Education of the City of Chicago, a body politic and corporate (the “Board”) and the ____________________________________, an Illinois not-for-profit corporation (the “Charter School”), an independent public school established under the Charter Schools Law, 105 ILCS 5/27A-1 et seq, as amended (the “Charter Schools Law”).

RECITALS

WHEREAS, the State of Illinois enacted the Charter Schools Law as Public Act 89-450, effective April 10, 1996, as amended; and

WHEREAS, the Charter Schools Law was enacted for the following purposes:

(1) To improve pupil learning by creating schools with high, rigorous standards for pupil performance;

(2) To increase learning opportunities for all pupils, with special emphasis on expanded learning experiences for at-risk pupils;

(3) To encourage the use of innovative teaching methods;

(4) To allow for the development of innovative forms of measuring pupil learning and achievement;

(5) To create new professional opportunities for teachers, including the opportunity to be responsible for the learning program at the school site;

(6) To provide parents and pupils with expanded choices within the school system;

(7) To encourage parental and community involvement with public schools;

(8) To hold charter schools accountable for meeting rigorous school content standards and to provide those schools with the opportunity to improve accountability; and

WHEREAS, on ______________, 20__, the Charter School submitted an application to the Board (the “Application”) to operate a charter school, portions of
which Application is incorporated by reference as described in Exhibit A hereto; and

WHEREAS, the parties desire that the Charter School be authorized to operate and conduct its affairs in accordance with the terms of this Agreement and the Charter Schools Law.

NOW, THEREFORE, in consideration of the mutual covenants, representations, warranties and agreements contained herein and for other good and lawful consideration, the receipt and sufficiency of which is hereby acknowledged, the parties hereby agree as follows:

1. Recitals Incorporated by Reference. The recitals to this Agreement are incorporated herein by reference and made a part hereof.

2. Grant of Charter. Subject to the final certification by the Illinois State Board of Education (the “State Board”), the Charter School is hereby granted a charter in accordance with the Charter Schools Law and the terms and conditions of this Agreement, to operate a charter school as described herein.

3. Term of Agreement. This Agreement shall commence on the Effective Date provided above, and shall expire at midnight, June 30, 20__, unless terminated or extended pursuant to the terms hereof.

4. Educational Program. The Charter School shall operate an educational program and program of instruction serving the educational needs of the students enrolled therein.
   a. Name of School. The name of the school shall be known as the “_______________________”.
   b. Mission Statement. The Charter School shall operate under the mission statement set forth in the Application, and such mission statement is hereby accepted to the extent that it is consistent with the declared purposes of the General Assembly as stated in the Charter School Law. Any material changes to the mission statement subsequent to the date of this Agreement must be submitted to the Board prior to the academic year, and in no event later than July 1 of the subsequent year and shall be effective as of the first day of such new academic year. Such modified mission statement shall be incorporated herein by reference as if fully set forth herein.
   c. Age, Grade Range. The Charter School shall provide instruction to pupils in grades ______ through ____ as provided in the Application.
   d. Enrollment, Attendance Boundary, Lottery. The Charter School’s
enrollment shall be no more than ______ students. The Charter School shall not permit dual enrollment of any student at both the Charter School and another public school or non-public school.

i. **Attendance Boundary.** Enrollment in the Charter School shall be open to any pupil who resides within the City of Chicago, provided that the Board may designate attendance boundaries for no more than one-third of the charter schools permitted in the City of Chicago if the Board determines that attendance boundaries are needed to relieve overcrowding or to better serve low-income and at-risk students. In the event that the Board makes a determination that an attendance boundary needs to be created for the Charter School, the Board shall notify the Charter School at least thirty (30) days prior to Board approval to give the Charter School an opportunity to provide comment regarding the establishment of its attendance boundary. Establishment of an attendance boundary for the Charter School is within the sole discretion of the Board.

ii. **Lottery.** The Charter School shall conduct and complete its lottery by a date determined by the Board’s Office of New Schools (“Office of New Schools) and communicated to the Charter School on an annual basis; provided that the Charter School does not conduct its lottery until one month after the specific application deadline determined by the Board for its high school magnet school program, which date will be conveyed to the Charter School by the Office of New Schools. Each year, if on the date of the Charter School’s application deadline, there are more eligible applicants for enrollment in the Charter School than there are spaces available, successful applicants shall be selected by lottery which shall be open to all applicants and the public. The lottery shall be witnessed by an independent third party or videotaped. The Charter School shall submit to the Office of New Schools a copy of the lottery results, a written summary of its lottery process and the manner in which its lottery process complies with Article 27A of the Illinois School Code, and any supporting documentation within ten (10) business days of the lottery date. The Charter School shall not request information in the application process about a student’s social security number, academic aptitude, special education needs or English language proficiency. Priority for enrollment may be given to siblings of pupils enrolled in the Charter School and to pupils who were enrolled in the Charter School the previous school year, unless expelled for cause. Using the lottery process required herein, the Charter School shall establish a waiting list of students who shall be offered the opportunity to enroll at the Charter School if additional space later becomes available.
e. **Student Transfers.** Any student transfer out of the Charter School shall be documented by a transfer form signed by the student’s parent/guardian which affirmatively states that the student’s transfer is voluntary.

f. **Goals, Objectives, Pupil Performance Standards.** The Charter School shall pursue and make reasonable progress toward the achievement of the goals, objectives and pupil performance standards consistent with those in accordance with the Accountability Plan described in paragraph 9 of this Agreement, provided that such goals, objectives and pupil performance standards shall at all times remain in compliance with Section 2-3.64 of the Illinois School Code, 105 ILCS 5/2-3.64. Any material changes to the goals and objectives of the Charter School subsequent to the date of this Agreement must be submitted to the Board prior to the academic year, and in no event later than July 1 of the subsequent year and shall be effective as of the first day of such new academic year. Such modified goals and objectives shall be incorporated herein by reference as if fully set forth herein.

h. **Evaluation of Pupils.** The Charter School’s plan for evaluating pupil performance, the types of assessments to be used, the timeline for achievement of performance standards, and the procedure for taking corrective action in the event that pupil performance at the Charter School falls below those standards, shall be consistent with the Application and as further described in paragraph 9 hereof.

h. **Curriculum.** The curriculum established by the Charter School shall be consistent with the Application and as otherwise modified or supplemented herein. Any material changes to the curriculum subsequent to the date of this Agreement must be submitted to the Board prior to the academic year, and in no event later than July 1 of the subsequent year and shall be effective as of the first day of such new academic year. Such modified curriculum shall be incorporated herein by reference as if fully set forth herein.

i. **School Year; School Days: Hours of Operation.** Instruction shall commence in the 2010-2011 school year and subsequent school years on dates established by the Charter School, provided that the beginning date of instruction shall be no earlier than August 15 and no later than September 15 of the first academic and fiscal year of the Charter School’s existence. The days and hours of operation of the Charter School shall be as otherwise established by the Charter School in accordance with state law.

j. **School Calendar.** No later than April 1 prior to the commencement
of each academic year during which this Agreement is in effect, the Charter School shall submit to the Board its school calendar for such academic year and the following summer session.

k. **Discipline.** The Charter School shall implement a system of uniform student discipline. The Charter School may develop and implement its own system of student discipline in accordance with paragraph 4.k.i. or may elect to adopt the Chicago Public Schools Student Code of Conduct (the “CPS Conduct Code”) effective at the beginning of any academic year in accordance with paragraph 4.k.ii.

i. In the event that the Charter School elects to develop its own system of student discipline, the Charter School shall submit a proposed disciplinary code, including procedures for suspension and expulsion, to the Board for review no later than April 1, 20__, or April 1 of any subsequent year, shall adopt such disciplinary code no later than the 1st day of the subsequent academic year, including any reasonable modifications requested by the Board, and shall carry out all disciplinary actions in accordance with such disciplinary code. The Charter School shall comply at all times with applicable Federal due process requirements in its disciplinary activities. Students may only be expelled from the Charter School by a vote of the Charter School’s governing board. In the event that any student is expelled from the Charter School by action of the Charter School, the Charter School shall promptly notify the Board of such expulsion and shall provide to the Board, no later than five (5) days following the expulsion of such student, a summary statement of the grounds and evidence warranting expulsion and a record of the proceedings in which the expulsion decision was made. The Board may initiate additional disciplinary proceedings against any student expelled by the Charter School in accordance with its rules and procedures for the expulsion of students. Should the Board initiate additional disciplinary proceedings against the student, the Charter School shall provide factual information relating to the offense, including live testimony in an expulsion hearing.

ii. The Charter School may, at its option, elect to adopt the CPS Conduct Code effective at the beginning of any academic year, provided that the Charter School shall notify the Board of its election to do so no later than April 1, 20__ or at least fifteen (15) calendar days prior to the commencement of any subsequent academic year for which such election shall be effective. If the Charter School fails to submit a proposed disciplinary code or fails to adopt a disciplinary code, the CPS Conduct Code will be deemed to apply.
I. Governance and Operation. The operation of the governing board of the Charter School shall be as set forth below:

i. The governing board of the Charter School shall consist of no fewer than ___ directors and no more than ___ directors.

ii. Membership and the composition of the governing board shall be subject to and in accordance with the bylaws of the Charter School.

iii. Governing board vacancies shall be filled by the Charter School’s governing board.

iv. Directors of the governing board of the Charter School shall have duties and responsibilities consistent with the Illinois General Not-For-Profit Corporation Act of 1986, as amended, and as stated in the Application.

v. The governing board shall hold meetings at least four times a year.

m. Student Transportation. The Charter School shall meet the transportation needs of its students including, the needs of its low-income and at-risk students, and homeless children and youth, in the manner set forth in its Application which transportation plan may include, but not be limited to, the following: coordinating with Chicago Public Schools to provide transportation for any students with disabilities who have Individualized Education Programs (“IEPs”) in which transportation is required; participating in the state’s Parental Transportation Reimbursement Program; providing Chicago Transit Authority reduced fare permits or cards to students based on income qualifications; assisting parents in the development of car pool plans; or working with students and their parents to highlight the best routes to and from school via public transportation, expressways and streets.

n. Bilingual Education. The Charter School shall provide bilingual education services in a manner consistent with that in the Application, provided that the Charter School (1) shall identify students who require bilingual education by administering the Chicago Public Schools’ Home Language Survey Form or other suitable identification instrument to all incoming students; (2) shall assess the English language proficiency of all students identified as coming from a non-English speaking background by administering the state-prescribed screening instrument or other suitable screening instrument; (3) shall provide a
bilingual education or English as a Second Language program for such students; and (4) shall annually assess the English language proficiency of all identified English Language Learners by administering the state-mandated English language proficiency assessment. Notwithstanding anything to the contrary in this subparagraph, the Charter School shall have no obligation to provide bilingual education to a greater extent than required under the Charter Schools Law and under any Federal consent decrees or other orders governing the provision of bilingual education services to students in the Chicago Public Schools.

5. Additional Covenants and Warranties of Charter School. The Charter School covenants and warrants as follows:

   a. Compliance with Laws and Regulations. The Charter School shall operate at all times in accordance with the Charter Schools Law and all other applicable Federal and State laws from which the Charter School is not otherwise exempt and constitutional provisions prohibiting discrimination on the basis of disability, race, creed, color, gender, national origin, religion, ancestry, marital status or need for special educational services. The Charter School shall also comply with the following, to the extent applicable to Charter Schools (as amended from time to time):

      i. The No Child Left Behind Act of 2001 (PL 107-110, signed January 8, 2002);

      ii. Section 2-3.64 of the Illinois School Code (105 ILCS 5/2-3.64), regarding performance goals, standards and assessments;

      iii. Section 10-17a of the Illinois School Code (105 ILCS 5/10-17a) regarding school report cards;

      iv. Section 10-21.9 and 34-18.5 of the Illinois School Code (105 ILCS 5/10-21.9; 105 ILCS 5/34-18.5) regarding fingerprint-based criminal history records checks and checks of the Statewide Sex Offender Database and the Statewide Child Murderer and Violent Offender Against Youth Database of applicants for employment;

      v. Section 24-24 and 34-84A of the Illinois School Code (105 ILCS 5/24-24; 105 ILCS 5/34-84A) regarding discipline of students;

      vi. The Local Governmental and Governmental Employees Tort Immunity Act (745 ILCS 10/1-101 et seq.);
vii. Section 108.75 of the General Not For Profit Corporation Act of 1986 (805 ILCS 105/108.75) regarding indemnification of officers, directors, employees and agents;

viii. The Abused and Neglected Child Reporting Act (325 ILCS 5/1 et seq.);

ix. The Illinois School Student Records Act (105 ILCS 10/1 et seq.);

x. The Freedom of Information Act (5 ILCS 140/1 et seq.);

xi. The Open Meetings Act (5 ILCS 120/1.01 et seq.);

xii. The Illinois Pension Code (40 ILCS 5/1-101 et seq.), subject to the limitations set forth in paragraph 6.j. below;

xiii. The P-20 Longitudinal Education Data System Act;

xiv. All applicable health and safety regulations of the State of Illinois and the City of Chicago including, without limitation, those laws specifically identified by the State Board as being applicable to charter schools. A current list of such laws, which may be added to, deleted from or otherwise amended from time to time by the State Board, is attached hereto as Exhibit B;

xv. All Federal and State of Illinois orders and agreements, including desegregation orders, orders regarding special education, orders regarding bilingual education, compliance agreements or other agreements with the United States Department of Education or other Federal or State agencies, applicable to the Chicago Public Schools. Upon the request of the Charter School, the Board shall furnish copies of any such orders or agreements. To the extent that the Charter School believes that it is exempt from compliance with any such law, order or agreement, the Charter School shall provide the Board’s General Counsel with a copy of an exemption ruling or opinion rendered by the applicable Federal or State authority that has jurisdiction over such law or that issued the order or agreement. To the extent the Board is a party to a court action that is likely to result in a new order or agreement which will require compliance by the Charter School, the Board shall use reasonable efforts to notify the Charter School of such court action.

b. **Compliance with Agreement.** The Charter School shall operate at
all times in accordance with the terms of this Agreement including the Accountability Plan attached hereto as Exhibit D and all other Exhibits attached hereto.

c. **Maintenance of Corporate Status and Good Standing.** The Charter School shall at all times maintain itself as an Illinois general not-for-profit corporation capable of exercising the functions of the Charter School under the laws of the State of Illinois, shall remain in good standing under the laws of the State of Illinois, and shall timely make all required filings with the office of the Illinois Secretary of State. Upon request, the Charter School shall provide the Board with certified copies of its Articles of Incorporation, a Certificate of Incorporation evidencing its incorporation as a nonprofit corporation, its Bylaws, and all amendments or modifications thereto. The Charter School is also recognized as an organization exempt from Federal income taxation under Section 501(c)(3) of the Internal Revenue Code, and upon request, the Charter School shall provide the Board with copies of all filings relating to the Charter School maintaining 501(c)(3) exempt status.

d. **Personnel.** The relationship between the Charter School and its employees, and the manner in which terms and conditions of employment shall be addressed with affected employees and their recognized representatives, if any, shall be as set forth in the Application and this Agreement, provided that the Charter School shall comply with all Federal and Illinois employment laws and regulations made applicable to charter schools under the Charter Schools Law.

No later than September 1 of each year during the term of this Agreement, the Charter School shall provide the Board with a current list of all of its employees, and shall cause each of its subcontractors to provide the Board with a current list of all of such subcontractor’s employees who shall come into direct, regular contact with pupils at the Charter School. Such lists shall contain the names, job positions and social security numbers of all applicable employees. Such list shall also indicate: (1) for each employee, the date of initiation of the fingerprint-based criminal background investigation and checks of the Statewide Sex Offender Database and the Statewide Child Murderer and Violent Offender Against Youth Database required under Section 34-18.5 of the School Code and paragraph 5.e. of this Agreement, and the results of such background check; and (2) for each individual employed in an instructional position, evidence of certification, or evidence that such individual is otherwise qualified to teach under Section 27A-10(c) of the Charter Schools Law, including information regarding the additional mentoring, training and staff development, if any, to be provided by the Charter School pursuant to paragraph 5.f. of this Agreement. For any person hired in an instructional position after September 1 of any school
year, the Charter School shall provide the Board with such evidence of certification or other qualification no later than ten (10) business days prior to the individual’s initial date of employment.

e. **Criminal Background Checks.** The Charter School shall not knowingly employ and shall not permit its subcontractors to knowingly employ any individual who shall come into direct, regular contact with pupils at the Charter School (i) for whom a fingerprint-based criminal background investigation and checks of the Statewide Sex Offender Database and the Statewide Child Murderer and Violent Offender Against Youth Database has not been conducted or (ii) who has been convicted of committing or attempting to commit one of the offenses enumerated in Section 34-18.5(c) of the Illinois School Code.

f. **Instructional Providers.** The Charter School shall employ or otherwise utilize in instructional positions and shall require that its subcontractors employ or otherwise utilize in instructional positions only those individuals who are certificated under Article 21 of the Illinois School Code, 105 ILCS 5/21-1 et seq., or who are otherwise qualified to teach under Section 27A-10(c) of the Charter Schools Law. If the Charter School receives Title I funds, all individuals in instructional positions must also meet the definition of “Highly Qualified” in accordance with the No Child Left Behind legislation. For purposes of this paragraph, “instructional positions” means all those positions involving duties and responsibilities which, if otherwise undertaken in the Chicago Public Schools, would require teacher certification. In the event that the Charter School employs or otherwise utilizes or any of its subcontractors employs or otherwise utilizes non-certificated personnel in instructional positions, the Charter School and/or its subcontractors shall provide such additional mentoring, training and staff development as the Charter School determines is necessary to ensure that such individuals perform their instructional duties satisfactorily.

g. **Facility; Change in Location; Temporary Change in Location in for Emergency; Compliance with Disability Access Laws and Regulations; ADA Plan.**

i. **Facility.** The Charter School shall be located at ___________________, Chicago, Illinois (the “Attendance Center”). The Charter School shall have obtained and submitted to the Office of New Schools for review no later than thirty (30) days prior to the commencement of operation of any Attendance Center: (1) all applicable occupancy permits and health and safety approvals for such Attendance Center; (2) an executed copy of the lease agreement for such Attendance
Center, if occupied under a lease agreement; and (3) evidence of title to such Attendance Center, if owned by the Charter School. The Charter School shall take such actions as are necessary to ensure that the lease (for the Attendance Center not owned by the Charter School), occupancy permits and health and safety approvals for the established Attendance Center remain valid and in force, and shall certify to the Board by August 1, 20__ that such lease, permits, certificates and approvals shall remain in force during the term of this Agreement.

ii. **Change in Location.** The Charter School may change the physical location of an Attendance Center, provided that the Charter School fulfills certain conditions of the Board and provides the information set forth in this paragraph with respect to such new physical location, and provided further that the Charter School notifies the Board of the proposed change in location not less than one hundred and twenty (120) days prior to taking any final action in connection therewith. The Office of New Schools shall notify the Charter School whether it will recommend the change in location to the Board. Such a change in the physical location of an existing Attendance Center by the Charter School shall be deemed a material modification of this Agreement which requires the prior approval of the Board and State Board to be in full force and effect.

iii. **Temporary Change in Location for Emergency.** Nevertheless, the one hundred and twenty (120) days prior notice is not required in the event that the change in location is due to an emergency where the Attendance Center has been made untenable by fire, flooding, tornado, earthquake or other casualty or where its occupancy permit has been revoked due to a reason outside of the Charter School’s reasonable control. In such emergency situation, the Charter School shall provide immediate written notice to the Board after the Charter School becomes aware of the need to change the location of its Attendance Center and the Charter School shall proceed as follows:

(1) The Charter School shall promptly repair any damage to the Attendance Center caused by the emergency and to remedy any accessibility and building code compliance issues at its current temporary location until such time as the damaged Attendance Center is returned to the condition in which it was found prior to the emergency. While in its temporary location, the Charter School must provide monthly written status reports to the New Schools Office regarding the renovation work performed on the damaged Attendance Center; or
(2) If the Attendance Center has been condemned or has such extensive damage that the Charter School does not want to expend any funds to make the necessary repairs to the Attendance Center, the Charter School shall provide to the Office of New Schools written notice of the change in its permanent location and the reasons for abandoning its original Attendance Center. The Charter School shall fulfill certain conditions of the Board and provide the information set forth in this paragraph 5.g. with respect to such new physical location. The Office of New Schools shall notify the Charter School whether it will recommend such change in location to the Board.

iv. Compliance with Disability Access Laws and Regulations.
The Charter School shall ensure that its facilities and operations comply with: (1) all applicable provisions of Federal, State and local disability access laws including, without limitation, the Americans with Disabilities Act (“ADA”), 42 U.S.C.A. §12101 et seq., the Rehabilitation Act of 1973, 29 U.S.C.A. §701 et seq., as amended, their implementing regulations, the Illinois Environmental Barriers Act, 410 ILCS 25/1 et seq., and the accessibility portions of the Chicago Building Code; and (2) the ADA and Rehabilitation Act aspects of the Accountability Plan; provided, however, if the Charter School enters into a lease agreement with the Board to occupy a Board facility to operate an Attendance Center, the terms and conditions of the lease agreement shall control as to that Attendance Center.

v. ADA Plan. The Charter School shall submit facility plans for each Attendance Center which shall comply with the ADA and Section 504 of the Rehabilitation Act of 1973, as amended, their implementing regulations, the Illinois Environmental Barriers Act, and the accessibility portions of the Chicago Building Code (“ADA Plan”). Any such ADA Plan shall be submitted to the Board for approval which shall not be unreasonably withheld. Any such ADA Plan submitted to the Office of New Schools and approved by the Board shall be incorporated herein by reference and made a part of this Agreement. Failure to submit an ADA Plan to the Office of New Schools by the Board-specified date shall be deemed a material breach of this Agreement, subject to paragraph 13 herein, and the Board shall consider such non-compliance a factor in determining whether to revoke or renew the Charter School’s charter.

h. Homeless Children. The Charter School acknowledges and agrees
that the Chicago Public Schools are committed to serving the needs of children who are homeless and to protecting their rights under Federal and State law. The Charter School agrees that one goal of this Agreement is to ensure that all homeless children who attend the Charter School receive the same services provided by the Chicago Public Schools to homeless children and agrees that it will provide services to homeless children at the same level that CPS provides those services. The Charter School also must protect the rights of children under the McKinney-Vento Homeless Assistance Act (42 U.S.C. §11431 et seq.) and the Illinois Education for Homeless Children Act (105 ILCS 45/1-5 et seq.) and all other laws that protect the rights of homeless children. The Charter School further acknowledges that the Board has certain obligations under the Settlement Agreement in *Salazar v. Edwards*, 92 CH 5703 (Circuit Court, Cook County). The Charter School shall ensure that no member of the Salazar class is deprived of his or her rights under the Settlement Agreement and the Charter School shall not interfere with the Board’s performance of its obligations under the Settlement Agreement.

6. **Financial Operations of Charter School.**

   a. **Annual Audits.** At fiscal year end, the Charter School shall prepare its annual financial statements in accordance with accounting principles generally accepted in the United States of America for not-for-profit organizations (“GAAP”). During the fiscal year, the Charter School shall operate in accordance with GAAP, the cash basis of accounting, or any other basis of accounting, provided that the Charter School’s accounting methods allow it to prepare reports required by the Board, the State Board, and any other grantors. The Charter School shall cause a Financial Statement Audit and Financial and Administrative Procedures Controls Review (collectively, the “Financial Audit”), to be performed annually at its expense by an outside independent auditor that must be retained by the Charter School, and such auditor must be reasonably acceptable to the Board. The Financial Audit shall include, without limitation:

   i. An opinion on the financial statements (and Supplementary Schedule of Expenditures of Federal Awards, if applicable);

   ii. A report on compliance and on internal control over financial reporting based on an audit of financial statements performed in accordance with *Government Auditing Standards* and the Single Audit Act of 1984, as amended; and

   iii. A report on compliance with requirements of applicable laws and regulations, including the audit requirements contained in the Accountability Plan.
b. Financial Reports. The Charter School shall prepare or cause to be prepared quarterly financial reports including budgets, in accordance with Board instructions, which shall be submitted to the Board no later than thirty (30) calendar days after the end of each quarter and no later than forty-five (45) calendar days after the end of each fiscal year. Also the Charter School shall prepare and provide to the Board a copy of its annual budget for each fiscal year by no later than July 1 of such fiscal year. The fiscal year for the Charter School shall begin on July 1 of each year and end on June 30 of the subsequent year.

c. Distribution of Funds. The Board shall distribute the Charter School Funds, as determined in paragraph 6.d., in four quarterly installments payable on or about July 22, October 15, January 15 and April 15 of each fiscal year, or the first business day following each such day if any such day falls on a Saturday, a Sunday, or a holiday. All funds distributed to the Charter School from the Board shall be used for educational purposes only. The use of such funds for any other purpose is strictly prohibited.

d. Funding Procedure. The Board shall calculate the per capita tuition payment for each pupil enrolled at the Charter School for each academic year based on the per pupil rates set forth in the final Budget Book adopted by the Board each fiscal year and shall provide this amount to the Charter School for each pupil enrolled at the Charter School as set forth below. The Charter School acknowledges and agrees that the funding amounts provided to the Charter School by the Board may be adjusted or vary from year to year depending upon the amount of appropriations authorized by the Illinois General Assembly and subsequent Board approval of the budget on an annual basis.

i. First Installment (July 22). The amount of the Board’s first quarterly payment shall be based initially on a pre-enrollment projection for the number of students enrolled in the Charter School which shall be provided to the Board no later than December 15 of the prior academic year. It is understood and agreed that the first installment for each school year will be remitted only upon the Board receiving all required submissions and documentation on such dates as set forth in the compliance chart compiled by the Office of New Schools.

ii. Second Installment (October 15). The amount of the Board’s second quarterly payment shall be calculated such that the aggregate
amount of the first and second quarterly installments is equal to the number of students enrolled at the Charter School on the twentieth day of the first semester, as verified by attendance records, multiplied by one half the per capita tuition amount.

iii. **Third Installment (January 15).** The amount of the Board’s third quarterly payment shall be based on the Charter School’s first semester enrollment, as determined under paragraph 6.d.ii. and shall be equal to one half of the aggregate amount of the first and second payments.

iv. **Fourth Installment (April 15).** The amount of the Board’s fourth quarterly payment shall be calculated such that the aggregate amount of the third and fourth installments is equal to the number of students enrolled at the Charter School on the tenth day of the second semester, as verified by attendance records, multiplied by one-half the per capita tuition amount.

e. **School-Based Allocations for Supplemental General State Aid and Federal Title I Funds.** The Charter School shall furnish the Board with eligibility data regarding Supplemental General State Aid (“SGSA”) and Title I eligible students enrolled in the Charter School by a date determined by the Board. SGSA revenues to which the Charter School is entitled shall be distributed to the Charter School quarterly on the dates set forth in paragraph 6.d. hereof on an estimated basis, provided that the Board may adjust any such payment to account for prior deviations between the estimated SGSA funds paid and the amount of SGSA funds to which the Charter School was entitled during such payment period. Such amounts shall be in addition to the per pupil funding amounts set forth in the final Budget Book adopted by the Board each fiscal year. Pursuant to the financial management requirements set forth in Section 80.20 of the Education Department General Administrative Regulations (“EDGAR”)(34 CFR Part 80), the Charter School will keep financial records of such funds separate from its other revenues and there shall be no co-mingling of monies in various accounts. During the first year of the Charter School’s provision of educational services, any Title I or other Federal funding for which these students qualify shall be provided to the Charter School by the Board in accordance with the formulas set forth in the final Budget Book adopted by the Board each fiscal year.

Availability of SGSA and Title I Funds to a Charter School is conditional upon the amount of governmental funding available, and the Charter School’s maintaining continuous reporting, inspections, and audits, the quality of which shall be satisfactory to the Board and other relevant regulatory organizations.
The scope and frequency of program reporting shall be agreed upon by the Charter School and the Board prior to funding the relevant programs unless modifications are required by the governmental funding agencies.

f. Other Sources of Funds for Charter School. Paragraph 6.d. is not intended to increase or decrease the amount of per capita student tuition to which the Charter School is entitled under the Charter Schools Law. If the Charter School satisfies the funding criteria, and subject to funding availability, the Charter School may be eligible to receive additional funding from the Board by means of special education reimbursements and per pupil allocations for English Language Learners, small schools and independent facility supplements. In addition, any Charter School receiving federal or state grant funding must comply with all federal or state regulations tied to such grant funds. The availability of federal and state grant funds is dependent upon the Charter School’s maintaining continuous reporting, inspections, and audits, the quality of which shall be satisfactory to the Board and other relevant regulatory organizations. The funding criteria and procedures related to the aforementioned categories shall be set forth in the final Budget Book adopted by the Board each fiscal year.

g. Refund of Unspent or Spent Funds. In the event that this Agreement is revoked or is not renewed by the Board, the Charter School shall refund to the Board all unspent funds in accordance with Section 27A-11(g) of the Charter Schools Law. In addition, if the Charter School does not expend or obligate all federal grant funds prior to the end of each fiscal year, the Board may recapture such unspent grant funds from the Charter School. In addition, if the Board determines that federal or state grant funds provided to the Charter School were not used or expended for the specific purpose for which they were intended, the Charter School shall promptly reimburse such grant funds to the Board within thirty (30) days of receipt of written notice from the Board.

h. Tuition and Fees. The Charter School shall not charge tuition to any student, unless such student would otherwise be liable for tuition costs under the Illinois School Code. The Charter School may charge reasonable fees, to the extent permitted by law, for textbooks, instructional materials, summer school programs, after school programs, and student activities.

i. Outside Funding. The Charter School may accept gifts, donations or grants pursuant to Section 27A-11(d) of the Charter Schools Law, provided that no such gifts, grants or donations may be accepted if contrary to applicable law or to the terms of this Agreement. In the event that the Charter School solicits funding from sources other than those set forth in this paragraph 6, it shall comply with all applicable State or Federal laws regarding the reporting of
charitable solicitations.

j. **Pension Payments.** The Board shall make payments directly to the Chicago Teachers Pension Fund on behalf of any education, administrative or other staff member employed at the Charter School (whether by the Charter School itself or one of its subcontractors) who is certified under the law governing certification of teachers in the amount of that employer’s proportionate share of State funds made available to the Chicago Public Schools for such purpose. The Board shall not have any duty to make the employee’s or other staff’s member contributions. Notwithstanding the foregoing, the Charter School acknowledges and agrees that the Board retains the right to collect delinquent employee contributions from the Charter School in accordance with Section 17-132 of the Illinois Pension Code (40 ILCS 5/17-132) and may deduct such delinquent contributions from any quarterly payments due the Charter School.

In the event that the Board elects to deduct delinquent employee contributions from quarterly payments due the Charter School, the Board shall provide the Charter School with forty-five (45) days prior written notice setting forth in detail the grounds for such action and the amount delinquent. If the Charter School fails to cure such delinquency to the Board’s satisfaction within said 45-day cure period, the Board shall be deemed to have a sufficient basis to withhold such funds from any quarterly payments otherwise due the Charter School and to remit such funds to the Chicago Teachers Pension Fund.

The parties hereby acknowledge and agree that the Charter School shall comply with those provisions of the Illinois Pension Code which specify applicability to, or compliance by, charter schools and it is not the intent of the parties to have the Charter School comply with any other portions of the Illinois Pension Code.

k. **Management and Financial Controls.** At all times, the Charter School shall maintain appropriate governance and managerial procedures and financial controls which procedures and controls shall include, but not be limited to: (1) accounting methods as specified in paragraph 6.a.; (2) a checking account; (3) adequate payroll procedures; (4) bylaws; (5) an organizational chart; (6) procedures for the creation and review of monthly and quarterly financial reports, which procedures shall specifically identify the individual who will be responsible for preparing such financial reports in the following fiscal year; (7) internal control procedures for cash receipts, cash disbursements and purchases; and (8) maintenance of asset registers and financial procedures for grants in accordance with EDGAR or the State Board.
1. **Attendance.** The Charter School shall maintain accurate enrollment data and daily records of student attendance. The Charter School shall provide the Board with current enrollment and attendance data, including Individualized Educational Plan and English Language Learner data, via the Board’s IMPACT System (“IMPACT System”), or such other system as may be subsequently implemented by the Board. Such enrollment and attendance data shall be maintained and updated on the IMPACT System on a daily basis by the Charter School (or on any other time-frame basis consistent with district-level reporting). The Board shall provide the Charter School with the necessary IMPACT System access, software and training to allow Charter School personnel to use the Board’s IMPACT System and input enrollment/attendance data.

m. **Deductions for Facility Expenses.** If the Charter School is located in a Board facility, the Board may offer to provide the Charter School with certain facility services including building maintenance, technology services, utilities, and safety and security (“Facility Services”). A Charter School located in a Board facility and utilizing the Facility Services will have such charges deducted uniformly from the quarterly payments issued by the Board and such services and charges will be outlined in the lease between the Board and the Charter School. Such charges may be adjusted annually or upon such other terms as set forth in the lease agreement.

n. **Withholding of Funds.** In the event that the Board deems that there has been a material violation of this Agreement, the Board may withhold any and all payments of funds to the Charter School providing the Board gives the Charter School written notice enumerating the specific failure(s) and the period of time during which the Charter School shall have the opportunity to cure such failure(s) after the Charter School’s receipt of such written notice. Upon the Charter School’s cure of any such failure(s), the Board shall immediately release any and all payments of funds due the Charter School.

7. **Purchase Agreement.** The Board and the Charter School may enter into a purchase agreement or agreements providing for the purchase by the Charter School from the Board of certain goods, services and materials in connection with the operation of the Charter School.

8. **Insurance.** The Charter School shall, at its own expense, purchase and maintain insurance covering all of its operations, whether performed by Charter School or by subcontractors. Such insurance shall include the types of insurance set forth in Exhibit C hereto, subject to the conditions and in no less than the respective limits set forth therein. All insurers shall be licensed by the State of Illinois and rated A-VII or better by A. M. Best or a comparable rating service. No later than fifteen (15) days following the execution of this Agreement, and each July 1 thereafter, the Charter
School shall provide the Board with certificates of insurance or other satisfactory proof evidencing coverage in the types and amounts as set forth in Exhibit C.

9. **Academic Accountability and Evaluations.**

   a. **Accountability Plan.** The Charter School shall be held accountable by the Board in accordance with the Accountability Plan contained in Exhibit D (“Accountability Plan”). Due to potentially sweeping changes regarding testing requirements and other accountability standards that may occur because of the enactment of the No Child Left Behind Act or other laws or mandates, the parties agree that the Accountability Plan attached as Exhibit D hereto is subject to revision and modification by the Board effective on July 1 of each year of the Agreement upon written notice from the Board no later than April 1 of each year at which time the Charter School shall have an opportunity to comment on such revised Accountability Plan. Any subsequently revised Accountability Plans approved by the Office of New Schools shall be posted on the Board’s web site by May 1 of each year and shall be incorporated herein by reference as if fully set forth herein. Notwithstanding the foregoing, in the event the Charter School determines that it does not want to be evaluated and measured against any such revised Accountability Plan, the Charter School shall have the right to terminate this Agreement upon prior written notice to the Board and such termination shall be effective as of the end of the current academic year.

   b. **Standardized Tests.** The Charter School shall administer such standardized tests of academic proficiency as are provided for in the Accountability Plan, and shall participate in State assessments required by Section 2-3.64 of the Illinois School Code. The Charter School shall participate fully in the Illinois Standards Achievement Test (“ISAT”) for grades 3 through 8 and the Prairie State Achievement Examination (“PSAE”) for grade 11. The Charter School shall administer the Illinois Alternate Assessment (“IAA”) in place of the ISAT and/or PSAE to students with significant cognitive disabilities. The Charter School is responsible for ensuring that the data elements (i.e., student names, demographic information, etc.) required to administer the State assessments are correctly entered into the district’s IMPACT System.

   c. **Site Visits.** In addition to the above procedures, the Charter School shall grant reasonable access to, and cooperate with, the Board, its officers, employees and other agents, including allowing site visits by the Board, its officers, employees and other agents, for the purpose of allowing the Board to fully evaluate the operations and performance of the Charter School pursuant to the Accountability Plan and the Charter Schools Law. Where possible, the Board shall provide the Charter School with at least 24 hours prior notice of such site visits.
10. **Specialized Services.**

   a. The Charter School shall provide special education and related services to students with disabilities in accordance and compliance with (i) the student’s IEP; (ii) the Individuals with Disabilities Education Act (20 U.S.C. §1401 et seq.); (iii) the Board-approved “A Procedural Manual Educating Children with Disabilities in Chicago Public Schools”, revised edition 2002, as may be amended from time to time, which is incorporated herein by reference; (iv) any and all Federal court orders applicable to children with disabilities in the Chicago Public Schools including, but not limited to, Corey H, 92 C 3409; and (v) any and all service bulletins issued by the Board’s Office of Specialized Services.

   b. **Special Education Teachers & Paraprofessionals.** The Charter School shall hire its own special education teachers and paraprofessionals to provide special education services to the Charter School’s students with disabilities. The Board shall reimburse the Charter School for the salary and benefits of certified special education teachers and paraprofessionals based on the Board’s special education staffing formulas and the student’s IEP. Such reimbursement rates for full-time equivalent certified special education teachers and paraprofessionals shall be set forth in the final Budget Book adopted by the Board each fiscal year.

   c. **Staffing Election of Clinicians.** The Charter School may elect to hire its own clinicians to provide IEP services to its students with disabilities enrolled at the Charter School or it may elect to have the Board furnish clinicians to serve the Charter School’s students with disabilities. The Charter School shall notify the Board in writing, by May 1 of each year, of its election regarding the staffing of clinicians if such staffing is required by its students’ IEPs. If the Charter School elects to have the Board furnish the necessary clinicians, the Board shall assign the necessary staff to the Charter School. If the Charter School elects to hire its own clinicians, the Charter School shall be reimbursed by the Board per CPS allocation percentage. Such reimbursement rate for full-time equivalent clinicians shall be set forth in the final Budget Book adopted by the Board each fiscal year.

   d. **Staff Requirements.** By April 30 of each year, in accordance with the Board’s budgetary process, the Charter School shall receive the projected staffing allocation for special education teachers, paraprofessionals and clinicians required by State guidelines, based on students enrolled at the Charter School, entered into and identified as needing services by the students’ IEPs and the Board’s IMPACT System. The Board may during the school year issue adjustments to these staff requirements to accommodate changes in the
enrollment and IEP needs of the Charter School’s students. All special education
teachers, paraprofessionals and clinicians employed by the Charter School shall
have the requisite qualifications, Illinois certificates and/or licenses.

e. Additional Resources. Notwithstanding paragraph 6 of this
Agreement, the Board shall provide necessary additional resources including
assistive technologies (as required by a student’s IEP) for the education of
students with disabilities enrolled in the Charter School in accordance with the
Individuals with Disabilities Education Act, Section 504 of the Rehabilitation Act
of 1973, and the IEPs of such students. Such additional resources shall be
sufficient to comply with all provisions of the Charter Schools Law, including
Section 27A-11 thereof.

11. Comprehensive School Management Contracts. No entity or party other
than the Charter School may provide comprehensive school management or operations
except upon the prior approval of the Board, and certification by the State Board.
Furthermore, in the event the Charter School desires to enter into any contract for
comprehensive school management or operations services to be performed in
substantial part by an entity not a party to this Agreement, the provisions of Exhibit E
attached hereto must be incorporated into any such contract.

12. Renewal of Charter; Failure to Renew. No later than January 1, 20__, and
no earlier than September 1, 20__, but in no event later than the date set by the Office
of New Schools, the Charter School shall provide a written proposal to the Board in
accordance with Section 27A-9 of the Charter Schools Law, setting forth proposed terms
of renewal of this Agreement. Pursuant to Section 27A-9(b) of the Charter Schools Law,
the renewal proposal of the Charter School shall contain the most recent audit report
and financial statement of the Charter School. The written proposal may contain
proposed changes to this Agreement that the Charter School desires to incorporate into
the renewed agreement. The renewal proposal shall be evaluated by the Office of New
Schools in accordance with paragraph 4 of Exhibit D.

No later than June 30, 20__, the Office of New Schools shall notify the Charter
School of its recommendation regarding such renewal indicating whether, and upon
what conditions, it is willing to recommend to the Board the renewal of the charter and
the Agreement, including any modified terms proposed by the Office of New Schools.
If there is no agreement on the terms of renewal, then the parties shall fulfill their
mutual obligations hereunder to the end of the term of this Agreement. The Board may
refuse to renew the charter and the Agreement upon a finding that any cause for
revocation exists under paragraph 13 hereof.

13. Revocation of Charter. The Board may revoke this Agreement and the
charter of the Charter School, in accordance with Section 27A-9 of the Charter Schools
Law, if the Board clearly demonstrates that the Charter School did any of the following, or otherwise failed to comply with the requirements of the Charter Schools Law:

a. Committed a material violation of any of the conditions, standards, or procedures set forth in this Agreement including the Accountability Plan; or

b. Failed to meet or make reasonable progress toward achievement of the content standards or pupil performance standards identified in this Agreement or in the Accountability Plan; or

c. Failed to meet generally accepted standards of fiscal management; or

d. Materially violated any provision of law from which the Charter School was not exempted.

In case of revocation, the Board shall notify the Charter School in writing of the reason why the charter of the Charter School is subject to revocation. The Charter School shall submit a written plan to the Board to rectify the problem. The plan shall include a timeline for implementation, which shall not exceed two (2) years or the date of the charter’s expiration, whichever is earlier. If the Board finds that the Charter School has failed to implement the plan of remediation and adhere to the timeline, then the Board shall revoke the charter of the Charter School. Except in situations of an emergency where the health, safety or education of the Charter School’s students is at risk, the revocation shall take place at the end of the school year. Nothing in this subparagraph shall be construed to prohibit an implementation timetable that is less than two (2) years in duration.

In addition, the charter of the Charter School may be revoked in the event that the parties agree to terminate this Agreement by mutual consent pursuant to paragraph 23 of this Agreement, or in accordance with any specific revocation indicators set forth in paragraph 4 of Exhibit D.

In the event that the Board proposes to revoke this Agreement and the charter of the Charter School, the Board shall provide the Charter School with written notice setting forth in detail the grounds for such revocation at least 14 days prior to the date the Board takes final action on such revocation.

14. **Indemnification.**

a. To the fullest extent permitted by law, the Charter School shall indemnify, defend and hold harmless the Board, its members, officers, employees, agents, affiliates and representatives, past and present (collectively,
the “Board Indemnitees”), from and against any and all liabilities, losses, penalties, damages and expenses, including costs and attorney fees, arising out of all claims, liens, demands, suits, liabilities, injuries (personal or bodily), of every kind, nature and character arising or resulting from or occasioned by or in connection with (i) the possession, occupancy or use of the property of the Charter School by its faculty, students, patrons, employees, guests or agents, (ii) any negligent, willful or wrongful act or omission to act by the Charter School, its faculty, students, patrons, employees, guests or agents, (iii) a violation of any law, statute, code, ordinance or regulation by the Charter School, its faculty, students, patrons, employees, subcontractors, guests or agents, and/or (iv) any breach, default, violation or nonperformance by the Charter School of any term, covenant, condition, duty or obligation provided in this Agreement including, but not limited to, the Accountability Plan (collectively, the “Covered Losses”). This indemnification shall not apply to the extent that any Covered Loss results from the negligence or wrongful act or omission of any Board Indemnitee or from any act or omission of the Charter School required by law or this Agreement.

b. To the fullest extent permitted by law, the Board shall indemnify, defend and hold harmless the Charter School, any successor entity thereto, and their respective members, officers, employees, agents, affiliates and representatives, past and present (collectively, the “Charter Indemnitees”), from and against any and all liabilities, losses, penalties, damages and expenses, including costs and attorney fees, arising out of all claims, liens, demands, suits, liabilities, injuries (personal or bodily), of every kind, nature and character arising or resulting from or occasioned by or in connection with (i) a violation of any law, statute, code, ordinance or regulation by the Board, its members, officers, employees or agents and/or (ii) any breach, default, violation or nonperformance by the Board of any term, covenant, condition, duty or obligation provided in this Agreement or the Accountability Plan (collectively, the “Covered Losses”). This indemnification shall not apply to the extent that any Covered Loss results from the negligence or wrongful act or omission of any Charter Indemnitee or from any act or omission of the Board required by law or this Agreement.

c. This indemnification, defense and hold harmless obligation shall survive the termination of this Agreement. Any indemnified party shall have the right, at its own expense, to participate in the defense of any suit, without relieving the indemnifying party of any of its obligations hereunder.

15. Disclaimer of Liability. The parties expressly acknowledge that the Charter School is not operating as the agent, or under the direction and control, of the Board except as required by law or this Agreement, and that the Board assumes no
liability for any loss or injury resulting from: (1) the acts and omissions of the Charter School, its directors, trustees, agents, subcontractors or employees; (2) the use and occupancy of the building or buildings occupied by the Charter School, or any matter in connection with the condition of such building or buildings; or (3) any debt or contractual obligation incurred by the Charter School. The Charter School acknowledges that it is without authority to, and will not, extend the faith and credit of the Board or the Chicago Public Schools to any third party.

16. **Governing Law.** This Agreement shall be governed by, subject to and construed under the laws of the State of Illinois without regard to its conflicts of laws provisions.

17. **Waiver.** No waiver of any breach of this Agreement shall be held as a waiver of any other or subsequent breach.

18. **Dispute Resolution.** If a minor violation or dispute arises between the parties relating to the interpretation or performance of this Agreement, designated representatives of each party who shall have the authority to resolve the dispute shall attempt in good faith to negotiate or mediate a resolution of the dispute. Notwithstanding anything to the contrary in this paragraph, both parties shall continue to perform their obligations under this Agreement in good faith during the resolution of such minor dispute, unless and until this Agreement is terminated in accordance with the provisions hereof.

19. **Counterparts; Signature by Facsimile.** This Agreement may be signed in counterparts, which shall together constitute the original Agreement. Signatures received by facsimile (with confirmation thereof) by either of the parties shall have the same effect as original signatures.

20. **Terms and Conditions of Application.** The parties hereto expressly agree that the Application sets forth the overall goals, standards and general operational policies of the Charter School. The Charter School acknowledges and agrees that its Application is an integral part of this Agreement, and the Board shall have the right to hold the Charter School responsible for all information, representations and statements contained in the Application. The parties understand, however, that the Application is not a complete statement of each detail of the Charter School’s operation. To the extent that the Charter School desires to implement specific policies, procedures or other specific terms of operation that supplement or otherwise differ from those set forth in the Application, the Charter School shall be permitted to implement such policies, procedures, and specific terms of operation, provided that such policies, procedures and terms of operation are consistent with the goals, standards and general operational policies set forth in this Agreement and the Charter Schools Law.
21. **Amendments.** This Agreement may be amended only by written consent of the parties hereto and, in the case of material amendments, only after submission of such amendments to, and approval by, the State Board in accordance with Section 27A-6(e) of the Charter Schools Law. For purposes of this Agreement, the parties acknowledge that material changes include, but are not limited to, the following: (a) the addition of new grades; (b) an increase in enrollment capacity; (c) a move to a new Attendance Center; and (d) any and all other material modifications to this Agreement.

22. **Assignment.** This Agreement may not be assigned or delegated by the Charter School under any circumstances, it being expressly understood that the charter granted hereby runs solely and exclusively to the Charter School.

23. **Termination.** This Agreement may be terminated prior to its expiration by the mutual consent of the parties or revocation of the charter of the Charter School pursuant to paragraph 13 hereof. Termination of this Agreement for any reason shall serve to immediately revoke the charter granted hereby.

24. **Notices.** Any notice, demand or request from one party to any other party or parties hereunder shall be deemed to have been sufficiently given or served for all purposes if, and as of the date, it is delivered by hand, overnight courier, facsimile (with confirmation thereof), or within three business days of being sent by registered or certified mail, postage prepaid, to the parties at the following addresses:

If to the Charter School: ___________________
___________________
___________________
Attn: _______________
Facsimile: __________

With a copy to: _____________________
_____________________
_____________________
Attn: _______________
Facsimile: __________

If to the Board: Chicago Board of Education
Office of New Schools
125 South Clark Street, 5th Floor
Chicago, Illinois 60603
Attn: Jaime Guzman, Acting Executive Officer
Facsimile: (773) 553-2199

With a copy to: Chicago Board of Education
25. **Audit and Document Retention.** The Charter School shall maintain records showing time expended and costs incurred in operating the Charter School. All records referenced above and all records required to be maintained as part of operating the Charter School shall be retained for five (5) years after the term of this Agreement and shall be subject to inspection and audit by the Board. The Charter School shall include in all subcontractor agreements provisions requiring subcontractors to maintain the above described records and allowing the Board, the Inspector General of the Board, and their duly authorized representatives the same right to inspect and audit said records as set forth above with respect to the books and records maintained by the Charter School.

26. **Severability.** In the event that any provision of this Agreement or the application thereof to any person or in any circumstances shall be determined to be invalid, unlawful, or unenforceable to any extent, the remainder of this Agreement, and the application of such provision to persons or circumstances other than those as to which it is determined to be invalid, unlawful or unenforceable, shall not be affected thereby, and each remaining provision of this Agreement shall continue to be valid and may be enforced to the fullest extent permitted by law.

27. **Superseder.** This Agreement supersedes and replaces any and all prior agreements and understandings between the Board and the Charter School with respect to the subject matter hereof. To the extent that any conflict or incompatibility exists between the Application as incorporated herein and the other terms of this Agreement, such other terms of this Agreement shall control.

28. **Delegation.** The parties agree and acknowledge that the functions and powers of the Board may be exercised by the Chief Executive Officer of the Chicago Public Schools, provided that any ultimate decision regarding renewal, non-renewal or revocation of this Agreement may be made only by the Chicago Board of Education.

29. **Prior Actions.** It is expressly agreed and understood that as a condition precedent to this Agreement becoming effective on the Effective Date hereof, the Charter School shall have taken, completed and satisfied on or before the date specified herein any action or obligation which is required to be completed before such Effective Date, and that failure to do so shall constitute grounds for the Board to declare this Agreement null and void.
30. **Construction.** This Agreement shall be construed fairly as to both parties and not in favor of or against either party, regardless of which party prepared the Agreement.

31. **Incorporation of Exhibits.** All exhibits referenced herein are hereby incorporated into and made a part of this Agreement.

[Rest of this page left intentionally blank.]
IN WITNESS WHEREOF, the parties have made and entered into this amended and restated Agreement as of the Effective Date hereof.

BOARD OF EDUCATION OF THE
CITY OF CHICAGO

By: __________________________
Mary Richardson-Lowry, President

By: __________________________
Name: __________________________
Title: __________________________

ATTEST:

By: __________________________
Estela G. Beltran, Secretary

By: __________________________
Name: __________________________
Title: __________________________

Dated: __________________________
Dated: __________________________

Board Report: _________________

Approved as to legal form:

________________________________
Patrick J. Rocks, General Counsel

Attachments:
Exhibit A – Application
Exhibit B – State Board List of Health & Safety Laws Applicable to Charter Schools
Exhibit C – Insurance Requirements
Exhibit D – Accountability Plan
Exhibit E – Comprehensive Management Services Contract Requirements
EXHIBIT A

APPLICATION

The following documents are hereby incorporated by reference as if set forth fully herein and collectively constitute the Application:

1. Excerpts of the Application of the Charter School dated ____________, 20__, as approved by the Board on ____________, 20__.
EXHIBIT B

STATE BOARD LIST OF HEALTH AND SAFETY LAWS
APPLICABLE TO CHARTER SCHOOLS
(as amended from time to time)

1. The Following Sections of the Illinois School Code, 105 ILCS 5/1-1 et seq.:
   a. Sections 10-20.5b, 34-18.11 (prohibits tobacco use on school property).
   b. Section 10-20.17a (requires in-service training for school personnel who handle hazardous or toxic waste).
   c. Section 10-21.10 (prohibits students from having electronic paging devices on school property).
   d. Section 10-21.11 (requires schools to have policies for handling students with chronic infectious diseases).
   e. Section 27-8.1 (requires that students have periodic health examinations and immunizations).
   f. Section 10-22.21b (requires that schools have policies regarding administering medication to students).


3. Eye Protection in School Act, 105 ILCS 115/0.01 et seq.


5. Toxic Art Supplies in Schools Act, 105 ILCS 135/1 et seq.

6. Chicago Building Code
EXHIBIT C

INSURANCE REQUIREMENTS

See attached.
EXHIBIT D

ACCOUNTABILITY PLAN

See attached.
EXHIBIT E

COMPREHENSIVE MANAGEMENT SERVICES CONTRACT REQUIREMENTS

In the event the Charter School intends to contract with a third party for comprehensive school management or operations services (“Service Contract”), all of the following requirements must be met by the Charter School:

1. **Required Provisions of Bylaws.** The bylaws of the Charter School shall provide that the Charter School may not enter into any contract for comprehensive school management or operations services (“Service Contract”) without first submitting such Service Contract to the Board for review. The Charter School shall further incorporate within its bylaws, or duly establish pursuant to such bylaws, procedures for the termination of the Service Contract as provided herein.

2. **Submission of Service Contract.** The Service Contract shall be submitted to the Board no later than 30 days prior to its effective date. If the Board determines that the Service Contract does not comply with the provisions set forth in Section 3 of this Exhibit, or that the Charter School’s entering into the Service Contract would otherwise be in violation of the conditions set forth in this Exhibit, the Charter School Agreement, or the Charter School Law, then the Board shall notify the Charter School within twenty (20) days, stating with particularity the grounds for its objections. In such event, the Charter School shall not enter into the Service Contract unless and until the deficiencies noted by the Board have been remedied to the Board’s reasonable satisfaction.

3. **Required Terms of Service Contract.** The Service Contract shall include, without limitation, the following Required Terms:

   i. The Service Contract shall be subject to, and shall incorporate by reference, the terms and conditions of the Charter School Agreement.

   ii. The Service Contract shall clearly delineate the respective roles and responsibilities of the Service Provider and the Charter School in the management and operation of each school facility for which the Service Provider shall provide management or operations services. The Service Contract shall also include acceptable procedures by which the Service Provider may be held accountable to the Charter School.

   iii. The Service Contract shall be terminable by the Charter School, in accordance with its bylaws or other established termination procedures, (a) upon default by the Service Provider, including without limitation any act or omission of the Service Provider that causes a default under the Charter School Agreement
or that causes the Charter School to be in violation of the Charter Schools Law, or (b) for other good cause as agreed by the Charter School and the Service Provider.

iv. The Service Contract shall require that the Service Provider furnish the Charter School with all information deemed necessary by the Charter School or the Board for the proper completion of the budget, quarterly reports, or Financial Audits, required under paragraph 6 of the Charter School Agreement.

v. The Service Contract shall provide that all financial reports provided or prepared by the Service Provider shall be presented in GAAP/FASB approved nonprofit format.

vi. The Service Contract shall provide that all employees or contractors of the Service Provider who have direct, daily contact with students of the Charter School shall be subject to the fingerprint-based criminal background investigations and checks of the Statewide Sex Offender Database and the Statewide Child Murderer and Violent Offender Against Youth Database requirement contained in Section 34-18.5 of the School Code to the same extent as employees of the Charter School.

vii. The Service Contract shall contain provisions requiring compliance with all requirements, terms and conditions established by any Federal or State funding source.


a. Budget. The budget prepared by the Charter School pursuant to paragraph 6 of the Charter School Agreement shall include, without limitation, the following itemized information:

i. All revenue anticipated to be received from the Board under the Charter School Agreement.

ii. All expenses and anticipated expenses associated with the operation and management of the Charter School.

iii. All expenses associated with the operation of the governing board of the Charter School including, without limitation, personnel, occupancy and travel expenses, if any, and that are not paid out of expenses received from or through the Board, such expenses shall not be required to be separately itemized hereunder.
iv. All contract payments, lease payments, management fees, administrative fees, licensing fees, expenses and other amounts paid to the Service Provider or otherwise paid for the Contract Services by the Charter School.

v. All loan repayments for any loans made to the Charter School by the Service Provider, including separate line items for interest, principal and premium, if any, on such loan repayments.

vi. All investments in the Charter School by the Service Provider, including the expected returns on equity for such investments.

b. Quarterly Financial Statements. In the event that quarterly financial statements are required to be furnished by the Charter School pursuant to paragraph 6 of the Charter School Agreement, such financial statements shall reflect the entire school’s financial operations, including an itemized accounting of all amounts paid to the Service Provider or otherwise paid for the Contract Services, which amounts shall be itemized in a manner that clearly corresponds with those categories provided in the Charter School’s annual budget or the Service Contract.

c. Annual Audit. The Financial Audits required under paragraph 6 of the Charter School Agreement shall include review of all fees and payments made by the Charter School to the Service Provider.

d. Reporting of Loans and Investments. All loans to, or investments in, the Charter School by the Service Provider must be evidenced by appropriate documentation, either in the contract between the Charter School and the Service Provider, or through separate agreements. In the case of investments, such documentation shall explain how the investment shall be treated on the books of the Charter School and shall clearly state the Service Provider’s expected return on equity.

Nothing in this paragraph 4 shall be construed to waive or otherwise limit the obligation of the Charter School to provide information otherwise required to be reported by the Charter School under the Charter Schools Law or the Charter School Agreement.