

Students

Integrity

Fiscal Responsibility

Learning

People

Teamwork

Commitment

Accountability

High Standards



Four Corners Charter School

**BOARD OF DIRECTORS' MEETING
July 15, 2010**





FOUR CORNERS CHARTER SCHOOL, INC. BOARD MEETING
Thursday, July 15, 2010
Agenda

CALL TO ORDER

ACTION ITEMS

- I. Open For Public Comment**
- II. Minutes from May 20, 2010 Meeting (APPROVAL)**
- III. Memorandum of Understanding-Technology Inventory (APPROVAL)**
- IV. Transportation Agreement- Osceola Cty (APPROVAL)**
- V. Transportation Agreement- Lake Cty (APPROVAL)**
- VI. Engagement Letter for Audit (APPROVAL)**

INFORMATIONAL

- VII. School Report**
- VIII. FCAT Results**
- IX. Parent Survey Results**
- X. Student Survey Results**
- XI. Staff Survey Results**
- XII. Facilities Update**
- XIII. Management Renewal**
- XIV. Board Member Terms - Update**
- XV. Old Business**
- XVI. New Business**
- XVII. Adjournment**

◀ *Next Meeting: To Be Determined* ▶



FOUR CORNERS CHARTER SCHOOL

SCHOOL BOARD AGENDA ITEM

Thursday, July 15, 2010

SUBJECT: Minutes

Review the minutes from the previous board meeting for approval.

EXECUTIVE SUMMARY:

Review and approve the Four Corners Charter School, Inc. Governing Board Minutes.

RECOMMENDATION:

Approval

Submitted by: Mary Vecchione

MEETING MINUTES

Name of Foundation: Four Corners Charter School, Inc.
 Board Meeting: May 20, 2010

School(s): Four Corners Charter School

The minutes of Sunshine Law meetings need not be verbatim transcripts of the meeting. These minutes are a brief summary of the events of the meeting.

Date:	Start	End	Next Meeting:	Next time:	Prepared by:
05.20.10	2:00 p.m.	4:00 p.m.	07.15.10	2:00 p.m.	M.Vecchione
Meeting Location:					
School District of Osceola County, 817 Bill Beck Blvd, Kissimmee, Florida					
Attended by:					
Mr. John McKay, Chairman Ms. Cindy Barrow, Director Mr. Larry Metz, Director Mr. David Stone, Director Absent: Mr. Jay Wheeler			Ms. Debbie Von Behren, COO, CSUSA Mr. Mike Essik, Dir of Finance, CSUSA Ms. Denise Thompson, Principal, FCCS Mr. Paul Hage, Dir of Facilities, CSUSA Mr. Dan Cappola, Facilities, FCCS Mr. Brian Przybyla, IT Support, CSUSA Ms. Mary Vecchione, Governing Board Liaison, CSUSA Ms. Migdalia Mercado, Finance, Osceola School District Mr. Gary Sersheimer, Finance, Osceola School District Ms. Suzanne D'Agresta, Attorney, Osceola School District Dr. Sonia Esposito, Dir of Charter Schools, Osceola School Dist		
Highlights:					

CALL TO ORDER

Pursuant to public notice, the meeting commenced at 2:05 p.m. with a Call to Order by Chairman McKay. Roll call was taken and quorum was established.

I. APPROVAL OF MINUTES

Chairman McKay asked the Board to review the minutes from the January 28, 2010 Governing Board meeting and note any corrections or comments. The minutes stand.

Motion made by Mr. Metz with a second by Ms. Barrow to approve the Four Corners Charter School, Inc. Governing Board minutes from the January 28, 2010 meeting. The motion was approved 3-0 (Mr. Stone arrived late; 1 absent).

II. FCCS, INC. AMENDED BUDGET

- Ms. Mercado reviewed the amended budget for FCCS, Inc. General Fund balance was amended due to additional revenues after the increase in February FTE revenue which also increased expenses.
- Capital Outlay budget was amended due to decrease and transfer out of general funds.
- Ms. Barrow asked about the loss in state revenue. Ms. Mercado indicated that they were not expecting this but this amount fluctuates year to year.

Motion made by Mr. Metz with a second by Ms. Barrow to approve the amended Budget for FY10 for Four Corners Charter School, Inc. The motion was approved 3-0 (1 late; 1 absent).

III. FCCS, INC. 3RD QUARTER FINANCIALS

- Ms. Mercado reported on 3rd quarter financials for FCCS, Inc. FCCS, Inc. ended the third quarter with \$76,000 in receivables and \$1M in payables. The payables consist of the corporation's management fees and debt service obligations.
- The capital projects fund ended the third quarter with a fund balance of \$409,873.
- FCCS, Inc. received \$4.5 million in general State revenues by the end of the third quarter.
- Expenditures in the general fund exceeded revenues at the end of the third quarter causing a negative change in fund balance. Once the transfer of the charter school capital outlay is recorded, the positive net change in fund balance will materialize as planned.

Motion made by Ms. Barrow with a second by Mr. Metz to approve the FCCS, Inc. 3rd Quarter Financials for the School year 2009-2010. The motion was approved 3-0 (1 late; 1 absent).

IV. FCCS 3RD Quarter Financials

- Mr. Essik reviewed the financials for FCCS. Highlights of revenue include enrollment, which is favorable to budget by 5.5 students. Capital Outlay is forecasted at (\$8,000) due to payment summary by the Florida DOE. Total Revenue for 3rd quarter is favorable at \$119,000 with a favorable forecast for year end of \$177,000.
- Highlights reviewed in Expenses include compensation, primarily due to group health insurance participation; professional services unfavorable due to District fees and Management fees calculated on higher FTE revenue; transportation costs are above plan; building maintenance & repairs are unfavorable due to electricity trending higher than budgeted; and capital expense is favorable through Q3 due to timing of expenses vs. plan.
- Mr. Essik broke down "other operating" expenses. The variances were due primarily to: telephone & internet, electricity, and building repairs and maintenance.
- In addition, Mr. Essik showed the variances in Building R&M Budget. These were due primarily to the HVAC system.
- Total net change plus reserve for Q3 is \$285,000 with a forecast of \$384,000.

Motion made by Mr. Metz with a second by Mr. Stone to approve the 3rd Quarter financials for Four Corners Charter School. The motion was approved 4-0 (1 absent).

V. FCCS PRELIMINARY BUDGET FY11

- Mr. Essik reviewed the preliminary FY11 Budget for Four Corners Charter School. The budget was built assuming enrollment of 982 students per District's projections. Actual enrollment is 1002. FY11 FTE revenue is calculated at an average per student rate of \$6,131, which is a decrease of approximately .46% from the current FY10 average rate of \$6,159. The

projected amount corresponds to the Four Corners Holdback Schedule provided by the District.

- Capital Outlay funds are budgeted at approximately \$506 per student as provided in the Holdback Schedule.
- Compensation and benefits are projected to remain consistent with FY10, along with staffing numbers. Tutoring funds were increased to add an extra day of tutoring per week prior to FCAT testing.
- The management fee calculation was discussed, which is 12% of net FTE revenue.
- Expenses are generally consistent with the current year with the exception of instructional expenses. These will increase due to the adoption of a new Math program that will be consistent with the change made to the Next Generation Sunshine State Standards.
- Building maintenance expenses were reviewed. They are projected to decrease by \$5K due to savings in custodial costs.
- Profit of the Before and Aftercare program is budgeted to remain consistent with the current year's forecast.
- Capital expenses were budgeted in the amount of \$273,541 which includes a technology enhancement plan of \$237,160 along with standard capital needs of \$36,381.
- Overall School budget shows a deficit of (\$183,672). The request presented to the Board is for the approval to use the FCCS fund balance to allow for the purchase of the technology enhancement plan. The budget as presented without the technology enhancement reflects a surplus for the year in the amount of \$53,488.
- The Board asked that we move to the Technology Plan agenda item before approving the FY11 Budget.

VI. TECHNOLOGY PLAN

- Mr. Przybyla presented the technology enhancement plan for FCCS. The goal is to outfit the School to be competitive with other schools in the District and to provide the best possible environment for learning.
- Mr. Przybyla compared 3 companies, Dell, HP, and Acer. He based the comparisons on worldwide market share, desktop reliability, and laptop reliability. He then reviewed the needs as to what exactly would be purchased and their costs.
- He laid out the process with two options: a 2 year implementation plan and a 3 year implementation plan. He provided detailed analysis on each and the cost per year for each option. The Board was all in agreement for the 2 year plan.
- The Board asked questions on minimum resolution requirements and what is needed for certain programs required. Also, the Board questioned the service provider. Mr. Przybyla explained that the School would access service through Paytech, a company which provides the ability to stretch to various vendors in different locations.
- The Board was concerned on who should be responsible for the teacher's laptops. Should it be the Board or CSUSA? The teachers are employees of CSUSA. Ms. Von Behren explained that they are part of the inventory of the School and when a teacher left, the laptop stayed at the School for their replacement. Chairman McKay was concerned over the lack of control by the Board for inventory of those technology items. He suggested that CSUSA create

a Memorandum of Understanding which states that CSUSA will provide an annual report on inventory to the Board. The management fee would be held if there was non compliance with CSUSA on this. The Board was in agreement.

- In addition, the Board agreed that their decision today should not impact the School and they would move forward with the technology plan implementation and budget with the agreement that CSUSA would provide a Memorandum of Understanding and annual inventory of technology equipment. The MOU should outline the processes for inventory and who should be responsible

Motion made by Mr. Metz with a second by Mr. Stone to approve the FCCS preliminary budget for FY11as presented in the board book with the following conditions:

At the next regular FCCS, Inc. Governing Board meeting a Memorandum of Understanding is brought forth by CSUSA to outline the following understandings on positions taken on the technology plan for the approval of the budget today.

1. An inventory system be established and agreement presented which allows the Board to account for property being purchased under the technology plan being approved, including a mechanism for accountability of property and CSUSA's responsibility on lost, damaged and missing equipment being purchased with Board dollars.
2. The Board recognizes that they will be reviewing the Management Agreement next year and denote that the renewal would include who is responsible for the technology equipment purchased and establish a policy plan.
3. The Board's decision this year is without prejudice on any negotiations on the renewal of the Management Agreement.

Lastly, the Memorandum of Understanding will be brought forward at the next meeting of the Board for approval. The motion was approved 4-0 (1 absent).

VII. MEMORANDUM OF UNDERSTANDING FOR POLK COUNTY BUS

- The MOU between Polk County School Board Transportation and Choice Offices and the Four Corners Charter School was reviewed.
- Briefly, this document outlines the transport of Polk County students to Four Corners Charter School.

Motion made by Mr. Stone with a second by Ms. Barrow to approve the Memorandum of Understanding Between Polk County School Board Transportation and Choice Offices and Four Corners Charter School. The motion was approved 4-0 (1 absent).

IX. SUBLEASE TERM

- This document provides for the extension of the Sublease term to be coextensive with the term of the Charter Contract. The Board members were all in agreement.

Motion made by Mr. Stone with a second by Ms. Barrow to extend the Sublease Agreement to be coextensive with the term of the Charter Contract. The motion was approved 4-0 (1 absent).

X. CHARTER RENEWAL

- The Board agreed that no discussion was necessary for the Charter Renewal. Only Board signature was required.

XI. SACS ACCREDITATION

- Ms. Von Behren presented SACS Accreditation to the Board asking for their support that CSUSA seek network accreditation for all their schools.
- It was noted that FCCS is already SACS Accredited and this would not affect them in any way.
- The Board was in support.

Motion made by Ms. Barrow with a second by Mr. Stone to support CSUSA in pursuing SACS Accreditation as a network of Schools. The motion was approved 4-0 (1 absent).

XII. SCHOOL REPORT

- Ms. Thompson reported on enrollment of 967 students. She also indicated how many students attended from each County. Seven staffing positions needed to be filled.
- Ms. Thompson spoke on the topics for professional development which included: Bloom's Taxonomy and Professional Learning Communities.
- She also reported on numerous School, PTO, and Community activities.
- Enrollment for the next School year includes 835 students who recommitted and 78 new enrollees.
- As the topic of enrollment ended, the Board brought back the subject of Polk County being represented on the Board. Mr. Stone had strong feelings on this subject and spoke to the Board. Overall, it was agreed that Polk County had been invited at the onset of opening the School to participate and contribute financially in the School. Polk County declined and therefore lost their right to have a seat on the Board. It was recommended that the Board remain as it is. The Board did note that Polk County is invited to attend the meetings and have an input during the Open Forum portion of the meeting.
- Ms. Thompson reviewed the Benchmark Testing Results.

XIII. NOTICE OF CLAIM

- Ms. Von Behren reported that a student had been injured at school. When the insurance claim had been filed, it was inadvertently sent to the wrong carrier. This has been corrected and they are currently investigating the claim.

XIV. FACILITY UPDATE

- Mr. Hage reported on the follow up to the District's Annual Comprehensive Safety Inspection. All the deficiencies have been corrected and or rectified with the exception of the hand rail installation and rock climbing parts for the playground equipment.
- The Hand Rail Quotes are \$4,864 or \$6,016. The Board felt there is a wide discrepancy on prices. CSUSA will check with a safety inspector to see what code is and bring back to the Board an update.
- The rock climbing parts are on back order.
- The Board asked about the quotes for the A/C unit and Roof. Mr. Hage indicated that these would be completed for the next meeting. It was recommended that he check with D B Young, a consulting firm, to get a recommendation on which direction to take.

- The Board asked that Mr. Hage bring to the next meeting designs on the Athletic Fields and what, if any, possible changes to the School would include, i.e., traffic flow, operations, etc.

XV. PARENT SURVEY RESULTS

- Ms. Thompson reviewed the mid year parent survey results. Overall the results were very good. Participation increased from 16.91% the prior year to 24.09%. In addition, those questions receiving the highest marks were highlighted and in addition, opportunities were noted.

XV. STAFF SURVEY RESULTS

- Ms. Thompson reviewed the mid year staff survey results. Overall the results were very good. Those questions receiving the highest marks were highlighted and in addition, opportunities were noted.

XVI. NEW BUSINESS

- Chairman McKay noted that on the FCCS website, the uniform policy read for "students to purchase their uniforms *only* from Ibley Uniform Company". He did not like the word "only" and felt it was unsubstantiated. The policy in Osceola County was that there should not be a single source to purchase uniforms from and wanted the word "only" removed from the site. Ms. Von Behren indicated that she would authorize to have that word removed.

Motion made to adjourn the Four Corners Charter School, Inc. Governing Board meeting. The motion was approved unanimously.

The next meeting will be July 15, 2010 at 2:00 p.m.

John McKay, Chairman

Date: _____

FOUR CORNERS CHARTER SCHOOL

SCHOOL BOARD AGENDA ITEM

Thursday, July 15, 2010

SUBJECT: Memorandum of Understanding for Technology Equipment

Review the document, Memorandum of Understanding between FCCS, Inc. and CSUSA for understanding the inventory control of the technology equipment purchased FY11.

EXECUTIVE SUMMARY:

Review and approve the Memorandum of Understanding.

RECOMMENDATION:

Approval

Submitted by: Richard Page

Memo of Understanding
Between
Four Corners Charter School, Inc.
And
Charter Schools USA

Charter Schools USA (“CSUSA”) acting on behalf of Four Corners Charter School, Inc. (the “School”) will purchase technology as outlined in the budget for fiscal year 2011. Subsequent to this purchase the technology will be maintained by CSUSA in accordance with policies and procedures and additionally provide the Board with an annual inventory report to include:

1. CSUSA will establish and maintain an asset inventory listing for technology purchases which will include the following detail:
 - Item description
 - Item serial number
 - Date of purchase
 - Original purchase price
 - Expected useful life
 - Location and person responsible for item
 - Date item put into service
 - Status of item (i.e., in use, decommissioned, etc.)

Inventory will be taken each year by staff of CSUSA. Teachers are responsible for the inventory of their classrooms and taking inventory is part of their check in/out procedures each year.

2. CSUSA’s Accounting Department will also maintain the technology purchased on the general ledger of the school as well as in their Fixed Assets software program. This information will coincide with the inventory listing for ease of tracking any additions and deletions.
3. CSUSA’s policy on lost, damaged or missing equipment is as follows:
 - In the event of a suspected stolen item, we contact the Osceola County Sherriff’s Department and have them conduct an investigation and file a report of the theft.
4. CSUSA’s policy on distribution of technology equipment and communication systems are as follows:
 - Employee’s who receive technology equipment are provided a policy outlining proper use and are accountable to care for equipment.

- CSUSA’s technology & internet policies are communicated to every employee at time of hire as part of the employee handbook. Employees are required to sign acknowledgement of this policy.

Four Corners Charter School, Inc.

Chairman

Date

Charter Schools USA

Charter Schools USA

Date

FOUR CORNERS CHARTER SCHOOL

SCHOOL BOARD AGENDA ITEM

Thursday, July 15, 2010

SUBJECT: Transportation Agreement

Review the transportation agreement between FCCS and The School District of Osceola County.

EXECUTIVE SUMMARY:

Review and approve the Transportation Agreement

RECOMMENDATION:

Approval

Submitted by: Migdalia Mercado

TRANSPORTATION

Contact: Director of Transportation
Telephone: 407-518-4540

CHARTER SCHOOL TRANSPORTATION AGREEMENT BETWEEN THE SCHOOL BOARD OF OSCEOLA COUNTY, FLORIDA AND Four Corners Charter School

This Agreement, executed on this 1st day of August, 2010 is entered into, by and between the School Board of Osceola County, Florida, and **Four Corners Charter School**, a non-profit corporation organized under the laws of the State of Florida ("School"). This Agreement is for the purpose of providing transportation of the School's students consistent with the requirements of subpart I.E of Chapter 1006 and section 1012.45, Florida Statutes, under the following terms and conditions.

Part I

Subject to the availability of school buses, the sponsor agrees to provide and the School agrees to purchase the services of the transportation department to provide school bus transportation for the eligible students of **Four Corners Charter School** on the terms and conditions contained herein; and

Part II

School shall pay School Board for transportation for the total mileage and elapsed time for the bus routes transporting students enrolled at School at the rate of \$1.32 per mile and \$52.20 per hour. In satisfaction of such payment obligation, School agrees that the School Board will report all applicable FTE, and School Board shall retain all state transportation funding. In addition, School shall pay to School Board the difference, if any, between the state transportation funding and the amount calculated pursuant to the first sentence of this Part II. School Board shall invoice for such difference semiannually, and the amount thereof shall be withheld from FEFPP by School Board.

Part III

Four Corners Charter School agrees to the following:

- A. Opening and closing dates of School, and School holidays will coincide with other Osceola County District Schools.
- B. Specific lists of students to be transported, with names and addresses will be sent to sponsor by July 1 in advance of opening date of School.
- C. Opening and closing times will be established by the School District to provide maximum utilization of school buses.
- D. Transportation for any activity the School may wish to participate in that is not the regular day to day transportation will be considered extra curricular transportation and shall be subject to availability after the needs of the Osceola County Schools are met. Requests for

that type of service must be made at least two (2) weeks in advance, in writing. The cost for that service will be \$1.40 per mile plus driver salary inclusive of benefits per hour in accordance with current union agreement (Attendants if required). Charges for these services will be deducted from the School's next scheduled Florida Education Finance Program (FEFP) payment.

- E. Requests for transportation of any students with special needs will need to be made five (5) days in advance of the anticipated service. Adequate information about the condition of the student shall be included with the request. The sponsor reserves the right to decline transportation request of any special needs student that would require out of the ordinary equipment or personnel to transport. Any equipment that the student is to be transported in must meet the standards necessary to ensure his or her safety on the School bus as a condition of such transportation.
- F. School agrees to utilize district standards as outlined in Osceola County School Board Rule for Student Conduct on our school buses. The sponsor may temporarily or permanently exclude any student whose behavior is unacceptable.
- **Routes and Stops** – Safe routes and stops must be designated by Osceola District Schools and approved by the Charter School and Charter Schools must provide prompt relief of any condition causing overloaded buses.
 - **Approved Vehicles** – School buses must be used for all regular transportation provided or arranged by the Charter School with limited exceptions. A school bus is any vehicle designed to transport more than ten (10) persons to include to and from School or School activities and it must meet federal and state construction standards for school buses. Essentially, this is the "yellow bus" we are all familiar with, and it is available in various sizes and configurations from 16 to 90 passenger capacity. These requirements apply regardless of whether the vehicle is owned, operated, rented, leased or contracted for by the Charter School. Full size vans are not school buses, do not meet school bus safety standards, and are not approved for use.
 - **School Bus Inspection and Maintenance** – All school buses transporting Charter School students are required to be inspected every thirty (30) days of service, according to standards prescribed in the Florida School Bus Safety Inspection Manual, available from the department. Each Charter School must have a plan for inspection and maintenance of school buses. The department may inspect or have inspected any bus to ensure that it meets these requirements and the requirements of Florida school bus specifications (also available from the department).
 - **School Bus Driver Requirements** – Any person operating a school bus transporting Charter School students is defined as a school bus driver and must meet state requirements. This would include teachers, coaches, parents, volunteers or other licensed drivers who drive school buses transporting students. The requirements include:
 1. Seventy-five (75) hours of pre-service training according to the Basic School Bus Driver Curriculum (available from the department).

2. Eight (8) hours of in-service training annually related to driving responsibilities.
3. Participating in a federally required drug and alcohol testing program.
4. Possession of a valid class A or B commercial drivers license (CDL) with passenger, air brake endorsement, and S endorsements.
5. Possession of a valid medical examiner certificate documenting successful passage of an annual physical examination on a form prescribed by and available from the department.
6. Criminal background check from the FBI and the Florida Department of Law Enforcement.
7. Once per semester review (includes summer School) of driving history from the Florida Department of Highway Safety and Motor Vehicles for violations and citations; and
8. Annual dexterity testing measuring ability to perform basic functions related to driving responsibilities, recorded on a form prescribed by the department.
9. Emergency evacuations must be performed within first six weeks of each semester as outlined by Florida Statute F.S. 1006.21.

Charter Schools may delegate responsibility for implementing some or all of the above requirements, and this should be reflected in the approved agreement. However, Charter Schools will be accountable ultimately for ensuring that the requirements of Chapter 23, 1006.21, F.S. are met.

Eligibility for Transportation

General Eligibility

The eligibility of students for transportation services has been defined in Section 1006.21, F.S. and the rules of the State Board of Education to include the following:

All Kindergarten through grade 12 students whose homes are two miles or more from the assigned School.

All Pre-Kindergarten through grade 12 students with disabilities regardless of distance from home to School.

All students enrolled in a teenage parent program and the registered children of such students.

Elementary age children who live within two miles of their assigned school and who are subject to hazardous walking conditions as defined in section 1006.23.F.S.

Reasonable Distance Provision

Section 1002.33(20)(c), F.S. states that “the charter school and the sponsor shall cooperate in making arrangements that ensure that transportation is not a barrier to equal access for all students residing within a reasonable distance of the charter school as determined in its charter.” Under this contract, School Board shall transport only students living within a reasonable distance of the School. Reasonable distance shall be determined by the School District.

Charter schools shall be required to provide or arrange for transportation of students who live beyond the reasonable distance as determined above.

- G. The School agrees to indemnify and hold harmless the School Board, and its officers, directors, agents, employees and assigns, from any and all claims, judgments or liabilities, arising from the provision of transportation services, including attorneys fees and court costs, including but not limited to administrative proceedings, lawsuits, and any appeals.

Part IV

The School Board or the School can terminate this agreement, without cause, upon thirty (30) days written notice to the other party.

Executed this _____ day of _____, 20 ____.

THE SCHOOL BOARD OF OSCEOLA COUNTY, FLORIDA

BY: _____
John McKay, Chairman

ATTEST: _____
Michael A. Grego, Superintendent

Four Corners Charter School

BY: _____

TITLE: Exec VP / COO - AGENT FOR FCCS

FOUR CORNERS CHARTER SCHOOL

SCHOOL BOARD AGENDA ITEM

Thursday, July 15, 2010

SUBJECT: Transportation Agreement

Review the transportation agreement between FCCS and The School District of Lake County.

EXECUTIVE SUMMARY:

Review and approve the Transportation Agreement

RECOMMENDATION:

Approval

Submitted by: Sonia Esposito

**TRANSPORTATION AGREEMENT BETWEEN THE SCHOOL BOARD OF LAKE
COUNTY, FLORIDA AND FOUR CORNERS CHARTER SCHOOL, INC. FOR LAKE
STUDENTS ATTENDING THE FOUR CORNERS CHARTER SCHOOL**

This Agreement is made and entered into by and between the School Board of Lake County, Florida (hereinafter referred to as “ Lake School Board”) and Four Corners Charter School, Inc. (hereinafter referred to as “Four Corners”).

WHEREAS, Lake School Board owns and operates a fleet of vehicles for the transportation of students; and

WHEREAS, Four Corners has been granted a charter by the School Board of Osceola County, Florida (hereinafter referred to as the “Osceola School Board”) to operate a charter school in Osceola County, Florida; and

WHEREAS, Lake School Board has entered into an Interlocal Agreement on November 23, 1999 with the Osceola School Board whereby the parties agreed that a certain number of Lake County students (hereinafter referred to as the “Lake Students”) would attend the Four Corners Charter School (hereinafter referred to as the “Charter School”); and

WHEREAS, Four Corners is desirous of obtaining transportation services from Lake School Board for the Lake Students.

NOW, THEREFORE, in consideration of the mutual covenants and promises herein exchanged and other good and valuable consideration, the adequacy of which is acknowledged, the parties agree to this Transportation Agreement in accordance with the following terms:

1. **Recitals.** The Recitals in the “Whereas” clauses are incorporated and have become a part of this Agreement.
2. **Services.** Lake School Board shall provide bus transportation service for all Lake Students from the Lake Students’ homes or designated pick-up locations that are determined by Lake School Board to and from the Charter School.
3. **Operating Equipment and Drivers.** Lake School Board shall be responsible for providing, operating and maintaining the equipment used to transport the Lake Students in compliance with all applicable laws, rules, regulations policies and procedures.
4. **Insurance.** Lake School Board agrees to maintain the following insurance

5. **Student Rules and Regulations.** Four Corners agrees to take all necessary action to ensure that students provided with school bus transportation adhere to the Lake School Board Student Code of Conduct while riding the bus.

6. **Collection of Student Ridership Data.** Lake School Board agrees to coordinate the collection of the required student ridership data for transportation eligible students during each applicable FTE survey period.

7. **Driver Rules and Regulations.** The driver rules and regulations of Lake School Board will be observed by Lake School Board bus drivers. Drivers of Lake School Board buses shall at all times be considered employees or agents of Lake School Board.

8. **Funding.** Lake School Board and Osceola School Board have agreed that the Department of Education shall transfer all FTE earned for transporting the Lake Students to the Lake School Board. Four Corners shall pay the Lake School Board the sum of Fifty Thousand and 00/100 (\$50,000.00) Dollars in equal installments of Twelve Thousand Five Hundred and 00/100 (\$12,500.00) Dollars on the first day of September, November, January and March of the term of this agreement. In addition to the payment of \$50,000.00, Four Corners shall pay the Lake School Board at the rate of fifty cents (\$0.50) per verified transported student for the second and third FTE survey periods for an annual total of \$1.00 per FTE to be paid by Four Corners by the end of the 2010-2011 school year.

9. **Term.** The term of this Agreement shall be for the 2010-2011 school year as dictated by the Osceola School Board's student calendar.

10. **Indemnity.** Each party hereby agrees, to the extent permitted by law, to indemnify and hold the other party harmless for, from and against any and all claims, liens, causes of action, damages, liabilities or obligations which arise out of or are in any way related to the acts or omissions of the indemnifying party or its public officials, officers, directors, employees, agents, guests and invitees in connection with this Agreement, including but not limited to costs, expenses and reasonable attorney's fees incurred in connection with defending against any such matters. Notwithstanding anything herein to the contrary, nothing in this Agreement is intended to serve as a waiver of sovereign immunity by any agency to which sovereign immunity may be applicable.

11. **Entire Agreement.** This Agreement 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 into this Agreement are hereby canceled. This Agreement can be modified or amended only by a written agreement duly executed by the

c. on the date of transmission with confirmed answer back if by fax.

17. **Headings.** The headings contained in this Agreement are for convenience of reference only, and shall not limit or otherwise affect in any way the meaning or interpretation of this Agreement.

18. **Severability.** If any part of this Agreement or any other agreement entered into pursuant hereto is contrary to, prohibited by or deemed invalid under applicable law or regulation, such provision shall be inapplicable and deemed omitted to the extent so contrary, prohibited or invalid, but the remainder hereof shall not be invalidated thereby and shall be given full force and effect so far as possible.

19. **Survival.** All covenants, agreements, representations, and warranties made herein or otherwise made in writing by any party pursuant hereto shall survive the execution and delivery of this Agreement and the consummation of the transactions contemplated hereby.

20. **Waivers.** The failure or delay of any party at any time to enforce this Agreement shall not affect such party's right to enforce this Agreement at any other time. Any waiver by any party of any breach of any provision of this Agreement should not be construed as a waiver of any continuing or succeeding breach of such provision, a waiver of the provision itself, or a waiver of any right, power, or remedy under this Agreement. No notice to or demand on any party in any case shall entitle such party to any other or further notice or demand in any other circumstance.

21. **Third Parties.** Nothing in this Agreement, whether express or implied, is intended to confer any rights or remedies on any person other than the parties hereto and their respective legal representatives, successors, and permitted assigns, nor is anything in this Agreement intended to relieve or discharge the obligation or liability of any third person to any party to this Agreement, nor shall any provision give any third person any right to subrogation or action over or against any party to this Agreement.

22. **Counterparts.** This Agreement may be executed in any number of counterparts, each of which shall be deemed an original, and all of which together shall constitute one and the same instrument.

23. **Governing Law.** This Agreement and all transactions contemplated by this Agreement shall be governed by, construed, and enforced in accordance with the internal laws of the State of Florida, without regard to principles of conflicts of laws.

constituting Force Majeure or any other event of Force Majeure under the Charter or other contracts related to the operation of the Charter School.

IN WITNESS WHEREOF, the Lake School Board and Four Corners have caused this Agreement to be duly executed through their authorized representation on the respective dates set forth below.

FOUR CORNERS CHARTER SCHOOL, INC.

BY: _____
Printed Name: _____

ATTEST:

BY: _____
Printed Name: _____

Date: _____

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

BY: _____
Cindy Barrow, Chair

ATTEST

BY: _____
Susan Moxley, Superintendent

Date: _____

FOUR CORNERS CHARTER SCHOOL

SCHOOL BOARD AGENDA ITEM

Thursday, July 15, 2010

SUBJECT: Engagement Letter

Review the engagement letter for the audit for Four Corners Charter School, Inc. for year ending June 30, 2010.

EXECUTIVE SUMMARY:

Review and approve the Four Corners Charter School, Inc. Engagement Letter for year ending June 30, 2010.

RECOMMENDATION:

Approval

Submitted by: Migdalia Mercado

BERMAN HOPKINS WRIGHT & LAHAM

CPAS AND ASSOCIATES, LLP

www.bermanhopkins.com

8035 Spyglass Hill Rd.
Melbourne, FL 32940
Phone: 321-757-2020
Fax: 321-242-4844

480 N. Orlando Ave. • Suite 218
Winter Park, FL 32789
Phone: 407-644-5811
Fax: 407-644-6022

April 21, 2010

Board of Directors
Four Corners Charter School, Inc.
817 Bill Beck Blvd. Building 2000
Kissimmee, FL 34744-4495

We are pleased to confirm our understanding of the services we are to provide Four Corners Charter School, Inc. (the "Charterholder") for the year ended June 30, 2010. We will audit the financial statements of the governmental activities, each major fund, and the aggregate remaining fund information, which collectively comprise the basic financial statements of Four Corners Charter School (the "School") as of and for the year ended June 30, 2010. Accounting standards generally accepted in the United States provide for certain required supplementary information (RSI), such as management's discussion and analysis (MD&A), to accompany the School's basic financial statements. As part of our engagement, we will apply certain limited procedures to the School's RSI. These limited procedures will consist principally of inquiries of management regarding the methods of measurement and presentation, which management is responsible for affirming to us in its representation letter. Unless we encounter problems with the presentation of the RSI or with procedures relating to it, we will disclaim an opinion on it. The following RSI is required by generally accepted accounting principles and will be subjected to certain limited procedures, but will not be audited:

- 1) Management's Discussion and Analysis.
- 2) Schedules of Revenue, Expenditures and Changes in Fund Balances - Budget and Actual - General Fund and All Major Special Revenue Funds

Supplementary information other than RSI also accompanies the School's basic financial statements. We will subject the following supplementary information to the auditing procedures applied in our audit of the basic financial statements and will provide an opinion on it in relation to the basic financial statements:

- 1) Schedule of expenditures of federal awards, if applicable.

The following additional information accompanying the basic financial statements will not be subjected to the auditing procedures applied in our audit of the financial statements, and for which our auditor's report will disclaim an opinion.

- 1) Schedules of Functional Expenditures - All Major Funds
- 2) Schedule of Revenues and Expenditures - Categorical Funds

Audit Objectives

The objective of our audit is the expression of opinions as to whether your basic financial statements are fairly presented, in all material respects, in conformity with U.S. generally accepted accounting principles and to report on the fairness of the additional information referred to in the first paragraph when considered in relation to the basic financial statements taken as a whole. The objective also includes reporting on—

- Internal control related to the financial statements and compliance with laws, regulations, and the provisions of contracts or grant agreements, noncompliance with which could have a material effect on the financial statements in accordance with *Government Auditing Standards*.
- Internal control related to major programs and an opinion (or disclaimer of opinion) on compliance with laws, regulations, and the provisions of contracts or grant agreements that could have a direct and material effect on each major program in accordance with the Single Audit Act Amendments of 1996 and OMB Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations*.

The reports on internal control and compliance will each include a statement that the report is intended solely for the information and use of management, the body or individuals charged with governance, others within the entity specific legislative or regulatory bodies, federal awarding agencies, and if applicable, pass-through entities and is not intended to be and should not be used by anyone other than these specified parties.

Our audit will be conducted in accordance with auditing standards generally accepted in the United States of America; the standards for financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; the Single Audit Act Amendments of 1996; and the provisions of OMB Circular A-133, and will include tests of accounting records, a determination of major program(s) in accordance with OMB Circular A-133, and other procedures we consider necessary to enable us to express such opinions and to render the required reports. If our opinions on the financial statements or the Single Audit compliance opinions are other than unqualified, we will fully discuss the reasons with you in advance. If, for any reason, we are unable to complete the audit or are unable to form or have not formed opinions, we may decline to express opinions or to issue a report as a result of this engagement.

Management Responsibilities

Management is responsible for the basic financial statements and all accompanying information as well as all representations contained therein. Management is also responsible for preparation of the schedule of expenditures of federal awards in accordance with the requirements of OMB Circular A-133. As part of the audit, we will assist with preparation of your financial statements, schedule of expenditures of federal awards, and related notes. You are responsible for making all management decisions and performing all management functions relating to the financial statements, schedule of expenditures of federal awards, and related notes and for accepting full responsibility for such decisions. You will be required to acknowledge in the management representation letter our assistance with preparation of the financial statements and the schedule of expenditures of federal awards and that you have reviewed and approved the financial statements, schedule of expenditures of federal awards, and related notes prior to their issuance and have accepted responsibility for them. Further, you are required to designate an individual with suitable skill, knowledge, or experience to oversee any nonaudit services we

provide and for evaluating the adequacy and results of those services and accepting responsibility for them.

In addition to drafting the financial statements, we will compile your Program Cost Reports in the format prescribed by the local school district. You will be required to review and approve the results of the services prior to their issuance and have a responsibility to be in a position of fact and appearance to make an informed judgment on the results. Further, you are required to designate a qualified management-level individual to be responsible and accountable for overseeing our services.

Management is responsible for establishing and maintaining effective internal controls, including internal controls over compliance, and for monitoring ongoing activities, to help ensure that appropriate goals and objectives are met. You are also responsible for the selection and application of accounting principles; for the fair presentation in the financial statements of the respective financial position of the governmental activities, each major fund, and the aggregate remaining fund information of the School and the respective changes in financial position in conformity with U.S. generally accepted accounting principles; and for compliance with applicable laws and regulations and the provisions of contracts and grant agreements.

Management is also responsible for making all financial records and related information available to us and for ensuring that management and financial information is reliable and properly recorded. Your responsibilities also include, including identifying significant vendor relationships in which the vendor has responsibility for program compliance and for the accuracy and completeness of that information. Your responsibilities include adjusting the financial statements to correct material misstatements and confirming to us in the representation letter that the effects of any uncorrected misstatements aggregated by us during the current engagement and pertaining to the latest period presented are immaterial, both individually and in the aggregate, to the financial statements taken as a whole.

You are responsible for the design and implementation of programs and controls to prevent and detect fraud, and for informing us about all known or suspected fraud or illegal acts affecting the government involving (1) management, (2) employees who have significant roles in internal control, and (3) others where the fraud or illegal acts could have a material effect on the financial statements. Your responsibilities include informing us of your knowledge of any allegations of fraud or suspected fraud affecting the government received in communications from employees, former employees, grantors, regulators, or others. In addition, you are responsible for identifying and ensuring that the entity complies with applicable laws, regulations, contracts, agreements, and grants. Additionally, as required by OMB Circular A-133, it is management's responsibility to follow up and take corrective action on reported audit findings and to prepare a summary schedule of prior audit findings and a corrective action plan. The summary schedule of prior audit findings should be available for our review in June.

Management is responsible for establishing and maintaining a process for tracking the status of audit findings and recommendations. Management is also responsible for identifying for us previous financial audits, attestation engagements, performance audits, or other studies related to the objectives discussed in the Audit Objectives section of this letter. This responsibility includes relaying to us corrective actions taken to address significant findings and recommendations resulting from those audits, attestation engagements, performance audits, or studies. You are also responsible for providing management's views on our current findings, conclusions, and recommendations, as well as your planned corrective actions, for the report, and for the timing and format for providing that information.

Audit Procedures—General

An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements; therefore, our audit will involve judgment about the number of transactions to be examined and the areas to be tested. We will plan and perform the audit to obtain reasonable rather than absolute assurance about whether the financial statements are free of material misstatement, whether from (1) errors, (2) fraudulent financial reporting, (3) misappropriation of assets, or (4) violations of laws or governmental regulations that are attributable to the entity or to acts by management or employees acting on behalf of the entity. Because the determination of abuse is subjective, *Government Auditing Standards* do not expect auditors to provide reasonable assurance of detecting abuse.

Because an audit is designed to provide reasonable, but not absolute assurance and because we will not perform a detailed examination of all transactions, there is a risk that material misstatements or noncompliance may exist and not be detected by us. In addition, an audit is not designed to detect immaterial misstatements or violations of laws or governmental regulations that do not have a direct and material effect on the financial statements or major programs. However, we will inform you of any material errors and any fraudulent financial reporting or misappropriation of assets that come to our attention. We will also inform you of any violations of laws or governmental regulations that come to our attention, unless clearly inconsequential. We will include such matters in the reports required for a Single Audit. Our responsibility as auditors is limited to the period covered by our audit and does not extend to any later periods for which we are not engaged as auditors.

Our procedures will include tests of documentary evidence supporting the transactions recorded in the accounts, and may include tests of the physical existence of inventories, and direct confirmation of receivables and certain other assets and liabilities by correspondence with selected individuals, funding sources, creditors, and financial institutions. We will request written representations from your attorneys as part of the engagement, and they may bill you for responding to this inquiry. At the conclusion of our audit, we will require certain written representations from you about the financial statements and related matters.

Audit Procedures—Internal Controls

Our audit will include obtaining an understanding of the entity and its environment, including internal control, sufficient to assess the risks of material misstatement of the financial statements and to design the nature, timing, and extent of further audit procedures. Tests of controls may be performed to test the effectiveness of certain controls that we consider relevant to preventing and detecting errors and fraud that are material to the financial statements and to preventing and detecting misstatements resulting from illegal acts and other noncompliance matters that have a direct and material effect on the financial statements. Our tests, if performed, will be less in scope than would be necessary to render an opinion on internal control and, accordingly, no opinion will be expressed in our report on internal control issued pursuant to *Government Auditing Standards*.

As required by OMB Circular A-133, we will perform tests of controls over compliance to evaluate the effectiveness of the design and operation of controls that we consider relevant to preventing or detecting material noncompliance with compliance requirements applicable to each major federal award program. However, our tests will be less in scope than would be necessary to render an opinion on those controls and, accordingly, no opinion will be expressed in our report on internal control issued pursuant to OMB Circular A-133.

An audit is not designed to provide assurance on internal control or to identify significant deficiencies. However, during the audit, we will communicate to management and those charged with governance internal control related matters that are required to be communicated under AICPA professional standards, *Government Auditing Standards*, and OMB Circular A-133.

Audit Procedures—Compliance

As part of obtaining reasonable assurance about whether the financial statements are free of material misstatement, we will perform tests of the School's compliance with applicable laws and regulations and the provisions of contracts and agreements, including grant agreements. However, the objective of those procedures will not be to provide an opinion on overall compliance and we will not express such an opinion in our report on compliance issued pursuant to *Government Auditing Standards*.

OMB Circular A-133 requires that we also plan and perform the audit to obtain reasonable assurance about whether the auditee has complied with applicable laws and regulations and the provisions of contracts and grant agreements applicable to major programs. Our procedures will consist of tests of transactions and other applicable procedures described in the *OMB Circular A-133 Compliance Supplement* for the types of compliance requirements that could have a direct and material effect on each of the School's major programs. The purpose of these procedures will be to express an opinion on the School's compliance with requirements applicable to each of its major programs in our report on compliance issued pursuant to OMB Circular A-133.

Engagement Administration, Fees, and Other

We may from time to time, and depending on the circumstances, use third-party service providers in serving your account. We may share confidential information about you with these service providers, but remain committed to maintaining the confidentiality and security of your information. Accordingly, we maintain internal policies, procedures, and safeguards to protect the confidentiality of your personal information. In addition, we will secure confidentiality agreements with all service providers to maintain the confidentiality of your information and we will take reasonable precautions to determine that they have appropriate procedures in place to prevent the unauthorized release of your confidential information to others. In the event that we are unable to secure an appropriate confidentiality agreement, you will be asked to provide your consent prior to the sharing of your confidential information with the third-party service provider. Furthermore, we will remain responsible for the work provided by any such third-party service providers.

We understand that your employees will prepare all cash, accounts receivable, or other confirmations we request and will locate any documents selected by us for testing.

At the conclusion of the engagement, we will complete the appropriate sections of the Data Collection Form that summarizes our audit findings. It is management's responsibility to submit the reporting package (including financial statements, schedule of expenditures of federal awards, summary schedule of prior audit findings, auditors' reports, and corrective action plan) along with the Data Collection Form to the federal audit clearinghouse. We will coordinate with you the electronic submission and certification. If applicable, we will provide copies of our report for you to include with the reporting package you will submit to pass-through entities. The Data Collection Form and the reporting package must be submitted within the earlier of 30 days after receipt of the auditors' reports or nine months after the end of the audit period, unless a longer period is agreed to in advance by the cognizant or oversight agency for audits.

The audit documentation for this engagement is the property of Berman, Hopkins, Wright & LaHam, CPAs and Associates, LLP and constitutes confidential information. However, pursuant to authority given by law or regulation, we may be requested to make certain audit documentation available to the School's sponsor or its designee, a federal agency providing direct or indirect funding, or the U.S. Government Accountability Office for purposes of a quality review of the audit, to resolve audit findings, or to carry out oversight responsibilities. We will notify you of any such request. If requested, access to such audit documentation will be provided under the supervision of Berman, Hopkins, Wright & LaHam, CPAs and Associates, LLP personnel. Furthermore, upon request, we may provide copies of selected audit documentation to the aforementioned parties. These parties may intend, or decide, to distribute the copies or information contained therein to others, including other governmental agencies.

The audit documentation for this engagement will be retained for a minimum of five years after the report release or for any additional period requested by the federal, state and local agencies. If we are aware that a federal awarding agency, pass-through entity, or auditee is contesting an audit finding, we will contact the party(ies) contesting the audit finding for guidance prior to destroying the audit documentation.

We expect to begin our audit on approximately May 15, 2010 and to issue our reports no later than September 20, 2010. Ross A. Whitley, CPA is the engagement partner and is responsible for supervising the engagement and signing the reports or authorizing another individual to sign them. We estimate our fee for this service will be as listed in Attachment A. Our standard hourly rates vary according to the degree of responsibility involved and the experience level of the personnel assigned to your audit.

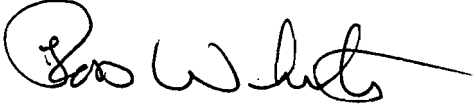
Our invoices for these fees will be rendered each month as work progresses and are payable on presentation. In accordance with our firm policies, work may be suspended if your account becomes 90 days or more overdue and may not be resumed until your account is paid in full. If we elect to terminate our services for nonpayment, our engagement will be deemed to have been completed upon written notification of termination, even if we have not completed our report(s). You will be obligated to compensate us for all time expended and to reimburse us for all out-of-pocket costs through the date of termination. The fee is based on anticipated cooperation from your personnel and the assumption that unexpected circumstances will not be encountered during the audit. If significant additional time is necessary, we will discuss it with you and arrive at a new fee estimate before we incur the additional costs.

Government Auditing Standards require that we provide you with a copy of our most recent external peer review report and any letter of comment, and any subsequent peer review reports and letters of comment received during the period of the contract. Our 2009 peer review report accompanies this letter.

With the mutual consent from Berman, Hopkins, Wright and Laham, CPAs & Associates, LLP, the Charterholder has the option of renewing this agreement for years after June 30, 2010, at the terms stated above.

We appreciate the opportunity to be of service to the Four Corners Charter School and believe this letter accurately summarizes the significant terms of our engagement. If you have any questions, please let us know. If you agree with the terms of our engagement as described in this letter, please sign the enclosed copy and return it to us.

Respectfully,



Berman, Hopkins, Wright & LaHam CPA's and Associates, LLP

RESPONSE:

This letter correctly sets forth the understanding of the Four Corners Charter School, Inc. for the year ended June 30, 2010.

Officer Signature: _____

Title: _____

Date: _____

Attachment A

Auditing	Compiled (Unaudited) Program Cost Report
\$11,250	\$500

(If the school requires a single audit the additional fee will be \$1,500)

SYSTEM REVIEW REPORT

November 11, 2009

To the Partners of
Berman Hopkins Wright and LaHam, CPA's, LLP
and the National Peer Review Committee of the AICPA

We have reviewed the system of quality control for the accounting and auditing practice of Berman Hopkins Wright and LaHam, CPA's, LLP (the firm) applicable to non-SEC issuers in effect for the year ended June 30, 2009. Our peer review was conducted in accordance with the Standards for Performing and Reporting on Peer Reviews established by the Peer Review Board of the American Institute of Certified Public Accountants. The firm is responsible for designing a system of quality control and complying with it to provide the firm with reasonable assurance of performing and reporting in conformity with applicable professional standards in all material respects. Our responsibility is to express an opinion on the design of the system of quality control and the firm's compliance therewith based on our review. The nature, objectives, scope, limitations of, and the procedures performed in a System Review are described in the standards at www.aicpa.org/prsummary.

As required by the standards, engagements selected for review included engagements performed under Government Audit standards and audits of employee benefit plans.

In our opinion, the system of quality control for the accounting and auditing practice of Berman Hopkins Wright and LaHam, CPA's, LLP applicable to non-SEC issuers in effect for the year ended June 30, 2009, has been suitably designed and complied with to provide the firm with reasonable assurance of performing and reporting in conformity with applicable professional standards in all material respects. Firms can receive a rating of *pass*, *pass with deficiency(ies)* or *fail*. Berman Hopkins Wright and LaHam, CPA's, LLP has received a peer review rating of *pass*.



Bethesda, Maryland

FOUR CORNERS CHARTER SCHOOL

SCHOOL BOARD AGENDA ITEM

Thursday, July 15, 2010

SUBJECT: School Report

Discussion and review on the summary of the School Report for the month of May/June 2010. The report will summarize the highlights from Enrollment; Reasons for Withdrawal; Staffing Updates; School Updates; Facility Updates; School & Community Activities; and Technology. Detailed information can be found within the summary attached.

FCAT Results

EXECUTIVE SUMMARY:

Discussion and review for purposes of evaluating the progress of the school and to generate goals and ideas.

RECOMMENDATION:

Discussion

Submitted by: Denise Thompson

**FOUR CORNERS CHARTER SCHOOL
MS. DENISE THOMPSON**

The Board of Directors' School Report

Date: July 15, 2010

I. Enrollment (May/June)

	Aug	Sep	Oct	Nov	Dec	Jan	Feb	Mar	Apr	May	Jun
Total Enrollment-Elementary/MS	966	972	991		986	982	990	977	967	965	963
Total Enrollment-orange						12	12	12	12	12	12
Enrollment – Osceola Cty						160	162	154	152	149	148
Enrollment – Lake County						245	248	248	247	249	249
Enrollment – Polk County						555	568	563	556	555	554
Budgeted Enrollment	986	986	986		986	986	986	986	986	986	986
% in Attendance	93	95	97		94	92.74%	93.06%	96.81%	100%	92%	92%
# of Student Withdrawals	91	15	7		10	13	23	13	10	4	2
# of Suspensions						3	3	6	7	10	5

II. Reasons For Withdrawal:

	Aug	Sep	Oct	Nov	Dec	Jan	Feb	Mar	Apr	May	Jun
Moving Out of Area						12	22	13	10	4	2
Curriculum											
Sport/ExtraCurricular											
Transportation/Busing											
Uniforms											
Not Satisf w Teacher											
Not Satisf w Adminis											
Volunteer Hours											
Discipline						1					
Other: Please indicate why: 1.Wanted to be w/friends 2. 3.							1				

III. Staffing Update

	Aug	Sep	Oct	Nov	Dec	Jan	Feb	Mar	Apr	May	Jun
# of New Staff	12	0	1		1	1	0	0	0		11
Grade & Subject Area of Open Positions:	Fully Staffed										
Reasons for Leaving:											

Additions Since Last Report:	11
Leadership Training/Leading Edge Update: <i>Participation:</i> <i>Names:</i> <i>Position:</i>	Kenneth Toppin, Karima Ezzair, Joe Childers, Darlene Wykert, and Jennifer Reagan Dean, Reading Teacher, Reading/Math Resource Teacher, Admin Asst., Language Arts Teacher
Other:	

IV. School Update

School Site Visit:	Next Date: TBA
Monthly Updates on School Improvement Plan/Strategic Plan <i>Date & Agenda of Last SAC Mtg:</i> <i>Professional Dev Topics for the Month:</i>	May 17th Election of New officers
Other:	
Other:	

V. Facility Update

Cleaning:	Continuous Cleaning of Facilities
Maintenance:	Pressure Cleaning, Classroom & Hallway Painting, floors
Building:	Removal of flammable/corrosive labels from cabinets. Repainting of cabinets. Hand Rail Still Pending
Outdoor Areas:	Added more mulch to have 6 inches, replaced swings, rock climbing wall
Other:	

VI. School/PTO/Community Activities (Highlight any school and/or community activities held that would significantly impact the board)

VII. Technology

Technology Improvements(new equip; new software; SIS, etc):	
Technology Concerns:	Upgrades
Other:	

VIII. Reports Specific To This Month (This will vary month to month)

:	
Student Enrollment: 960	Recommits: 821 New Enrollment: 139 Wait List: 198 Offered Slots: 39
Other: Continuing Enrollment process.	

FOUR CORNERS CHARTER SCHOOL

SCHOOL BOARD AGENDA ITEM

Thursday, July 15, 2010

SUBJECT: FCAT Results

Review the FCAT Scores

EXECUTIVE SUMMARY:

Review and discuss the Four Corners Charter School, Inc. Governing Board FCAT Scores.

RECOMMENDATION:

Informational

Submitted by: Denise Thompson



Four Corners Charter School

2009-2010 FCAT Raw Results

Reading-Mathematics-Writing-Science

July 15, 2010

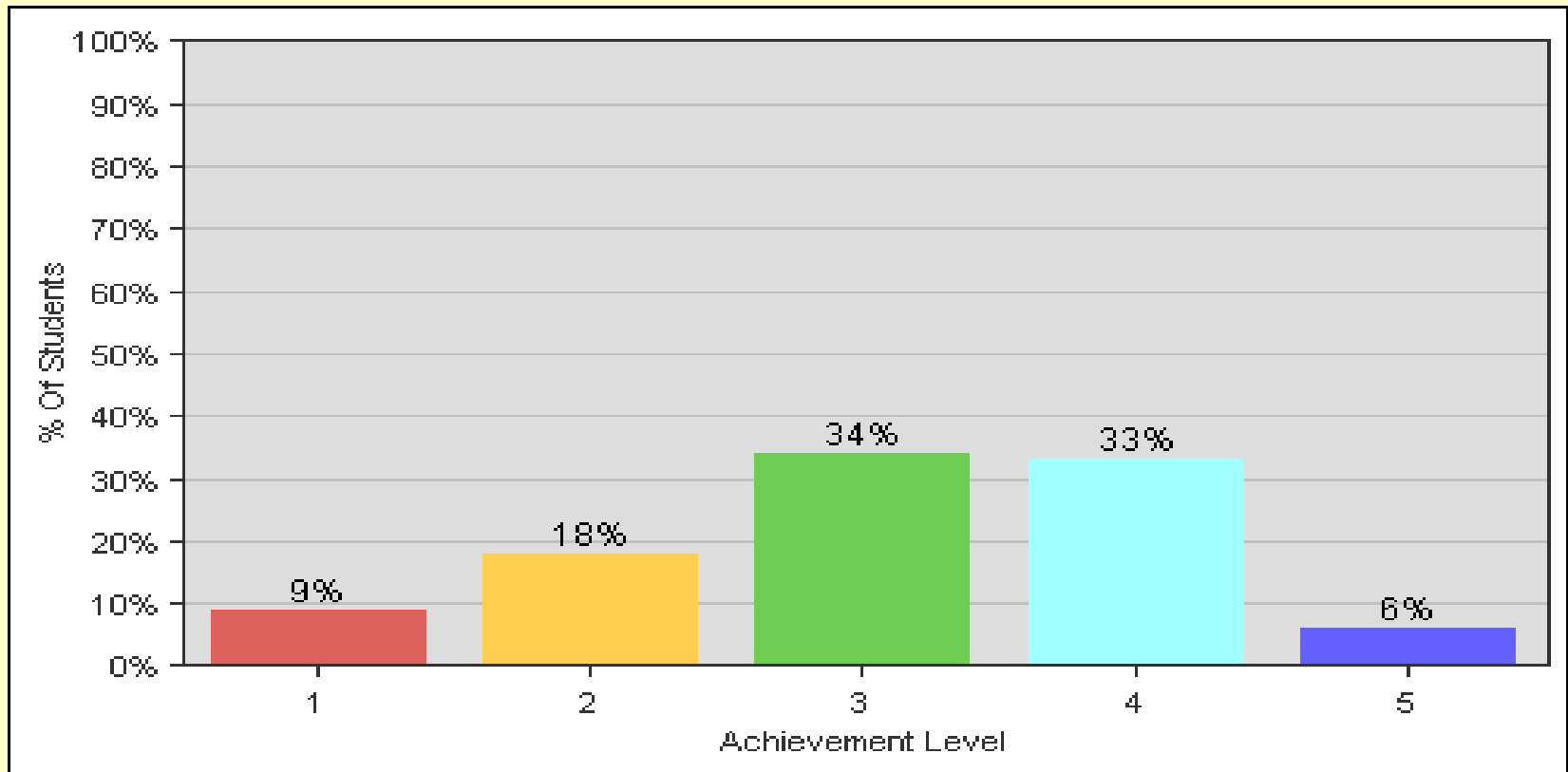
**Putting
Students
First**

2009-2010 FCAT Reading Raw: 3rd Grade Proficient



Putting Students First

**Four Corners Charter School - Charter Schools USA
2009-2010 FCAT Reading (Raw Data): Grade 3 Frequency Distribution**



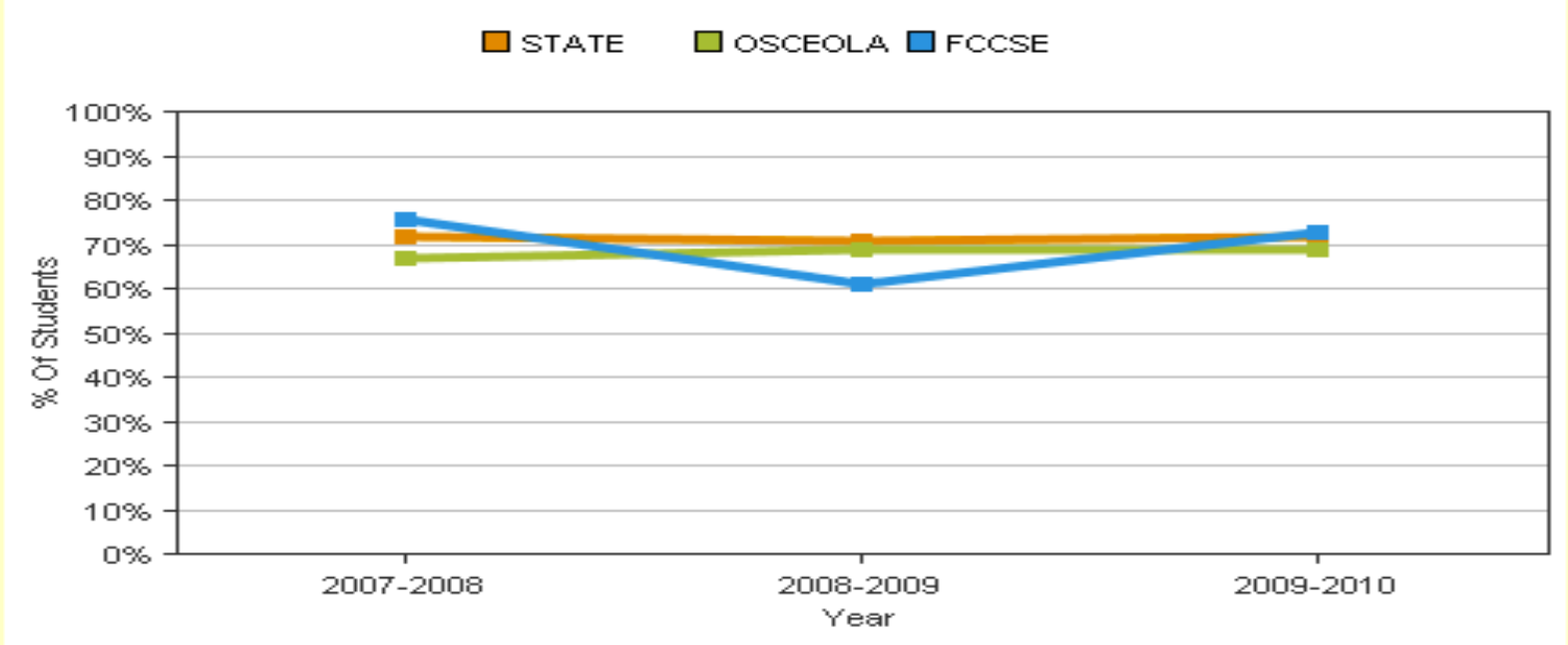
- 73% of students are proficient (Level 3 or higher)

2009-2010 FCAT Reading Raw: 3rd Grade Comparison (Proficient)



Putting Students First

**Four Corners Charter School
READING Grade 3
% of Students at Level 3 or Above (Proficient)
2007-2008, 2008-2009, 2009-2010**



**Data is shown where available. Lines may overlap.*

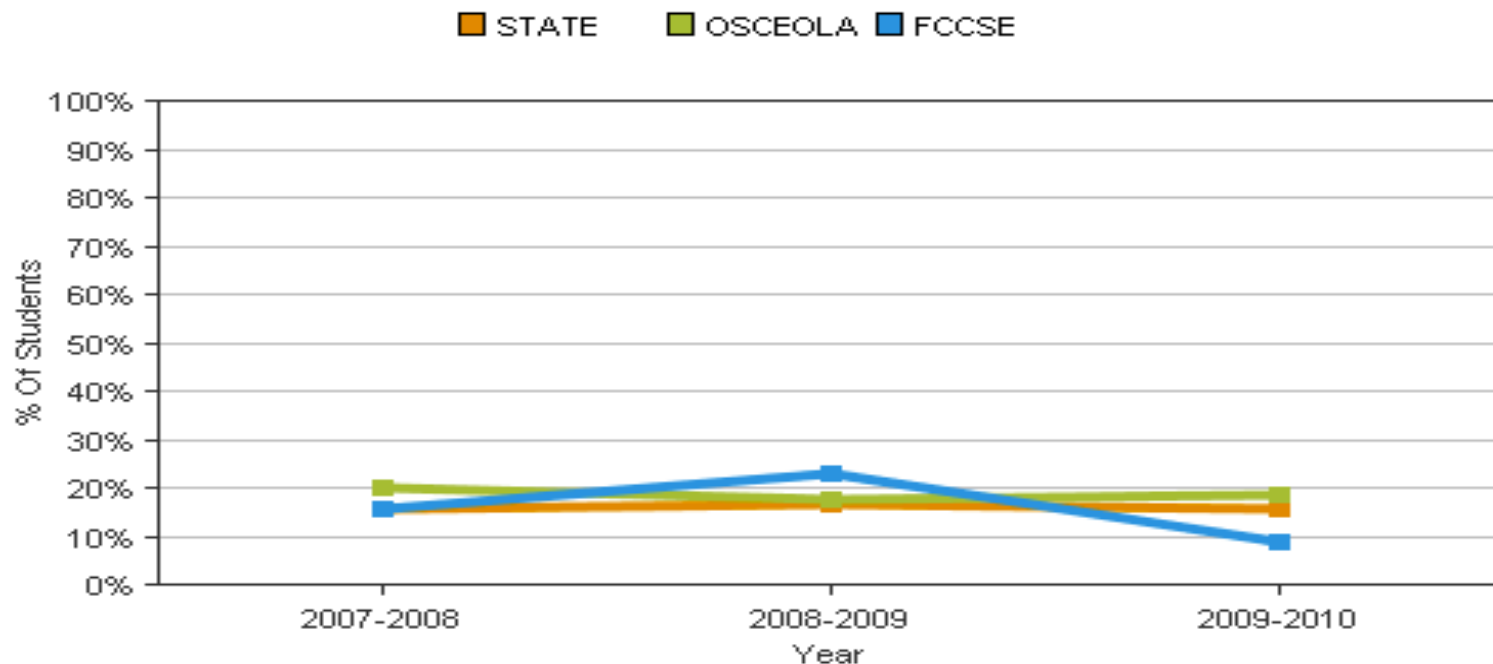
	2007-2008	2008-2009	2009-2010
STATE	72%	71%	72%
OSCEOLA	67%	69%	69%
FCCSE	76%	61%	73%

2009-2010 FCAT Reading Raw: 3rd Grade Comparison (Level 1)



Putting Students First

**Four Corners Charter School READING Grade 3
% of Students at Level 1
(Not Proficient: Level 1)**



	2007-2008	2008-2009	2009-2010
STATE	16%	17%	16%
OSCEOLA	20%	18%	19%
FCCSE	16%	23%	9%

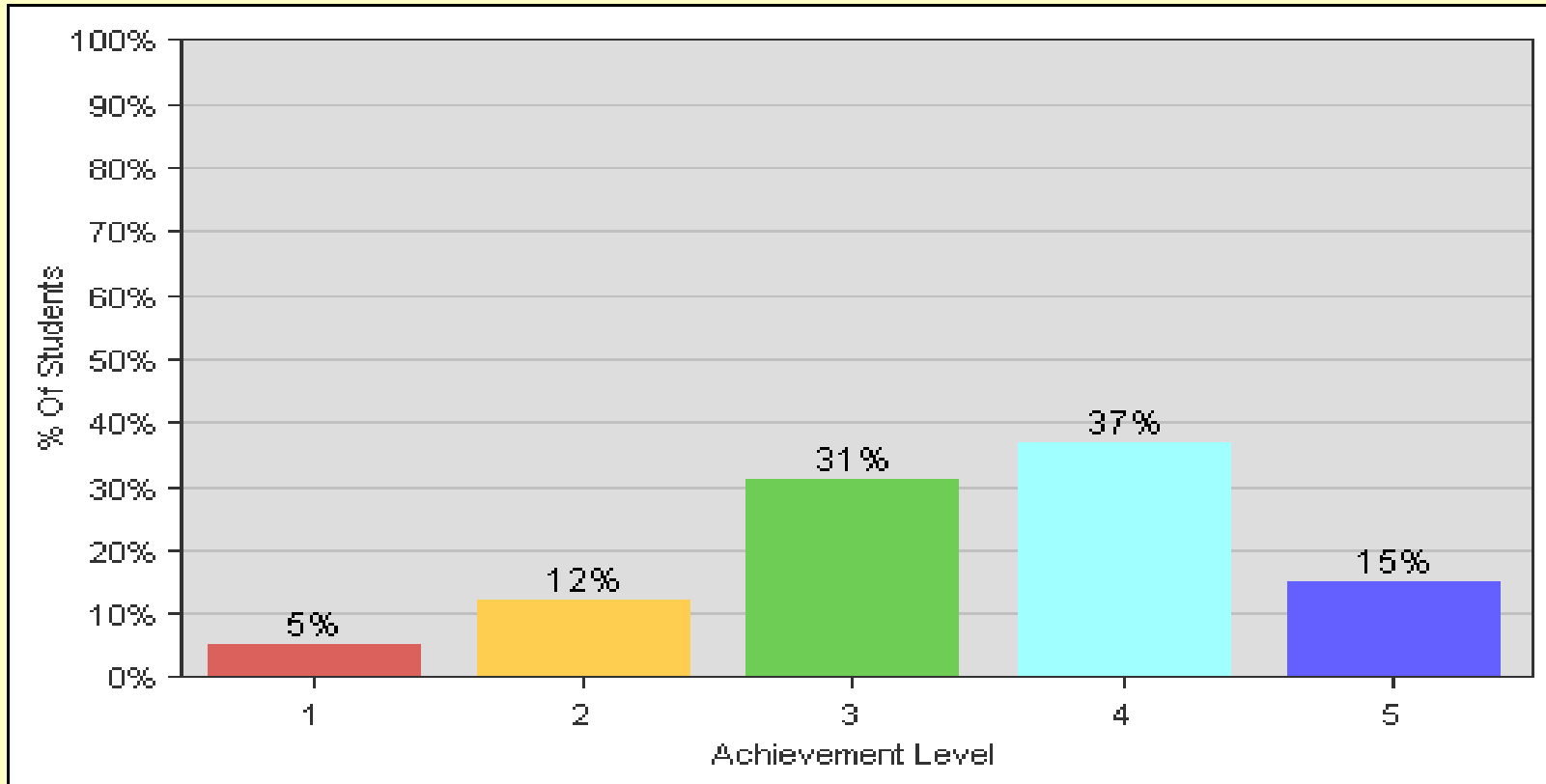
2009-2010 FCAT Mathematics

Raw: 3rd Grade Proficient



Putting Students First

Four Corners Charter School - Charter Schools USA
2009-2010 FCAT Mathematics (Raw Data): Grade 3 Frequency Distribution



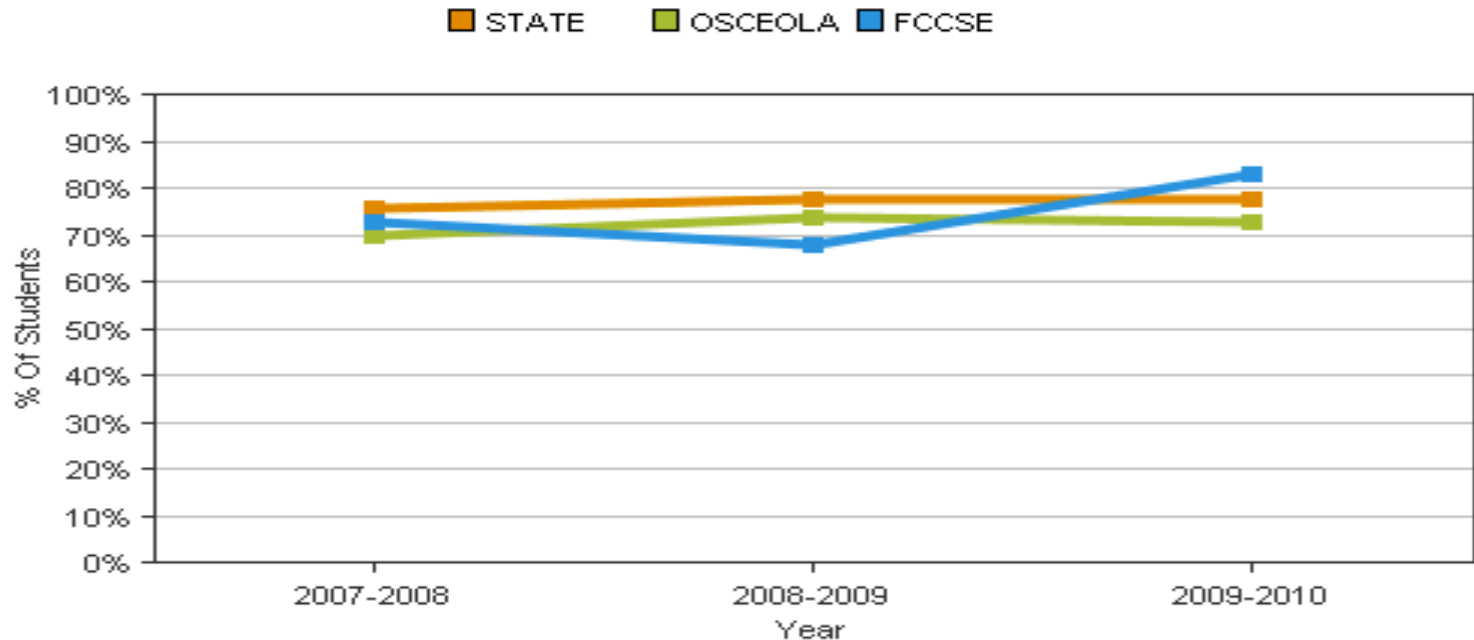
- 83% of students are proficient (Level 3 or higher)

2009-2010 FCAT Mathematics Raw: 3rd Grade Comparison (Proficient)



Putting Students First

**Four Corners Charter School
MATHEMATICS Grade 3
% of Students at Level 3 or Above (Proficient)
2007-2008, 2008-2009, 2009-2010**



**Data is shown where available. Lines may overlap.*

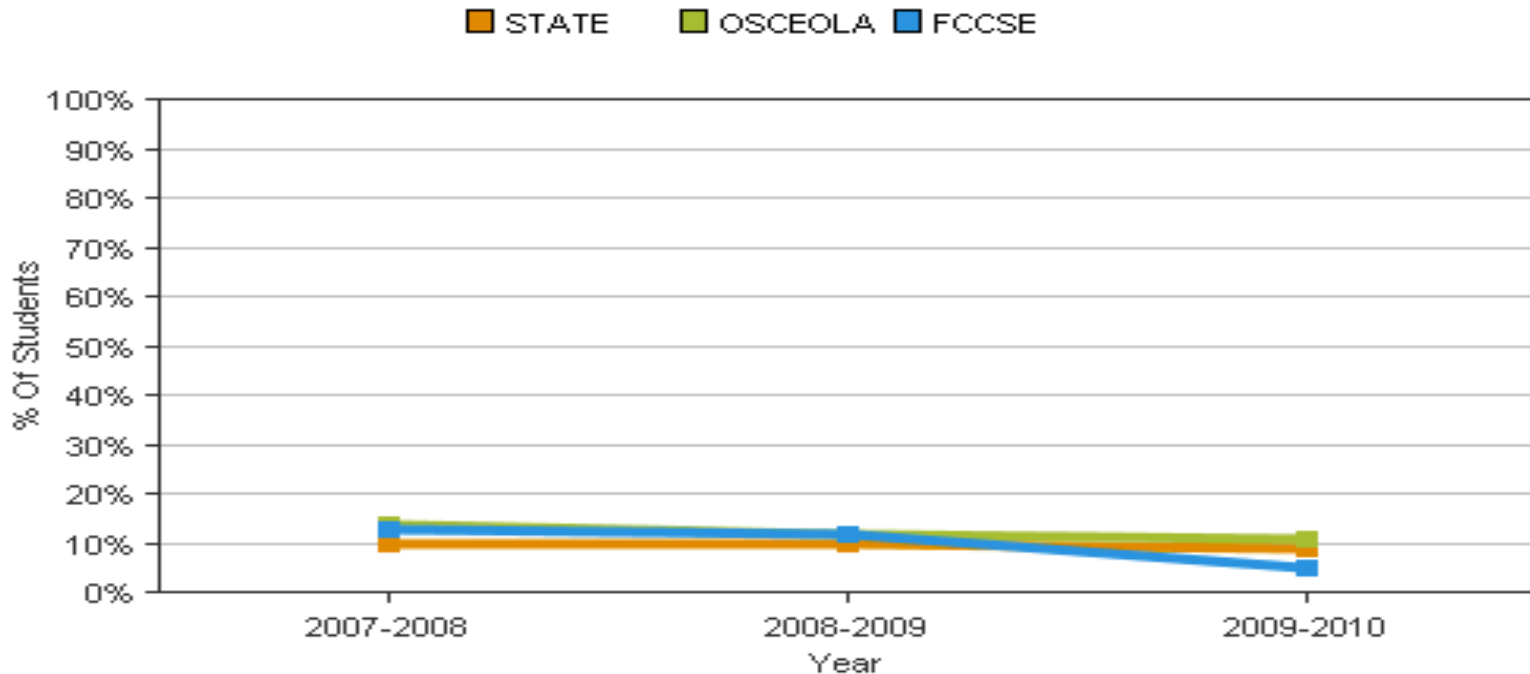
	2007-2008	2008-2009	2009-2010
STATE	76%	78%	78%
OSCEOLA	70%	74%	73%
FCCSE	73%	68%	83%

2009-2010 FCAT Mathematics Raw: 3rd Grade Comparison (Level 1)



Putting Students First

**Four Corners Charter School MATHEMATICS Grade 3
% of Students at Level 1
(Not Proficient: Level 1)**



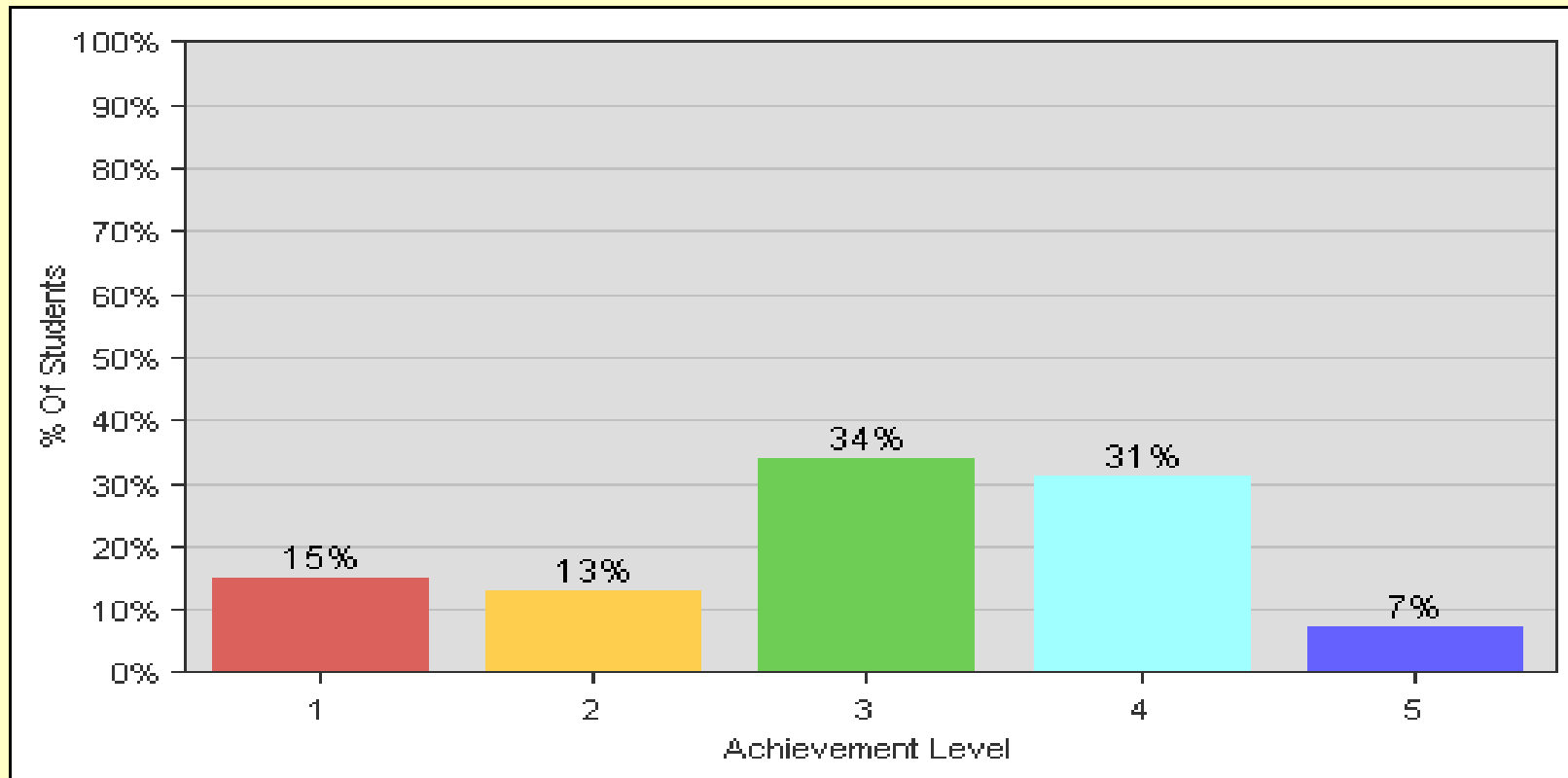
	2007-2008	2008-2009	2009-2010
STATE	10%	10%	9%
OSCEOLA	14%	12%	11%
FCCSE	13%	12%	5%

2009-2010 FCAT Raw Reading: 4th Grade Proficient



Putting Students First

**Four Corners Charter School - Charter Schools USA
2009-2010 FCAT Reading (Raw Data): Grade 4 Frequency Distribution**

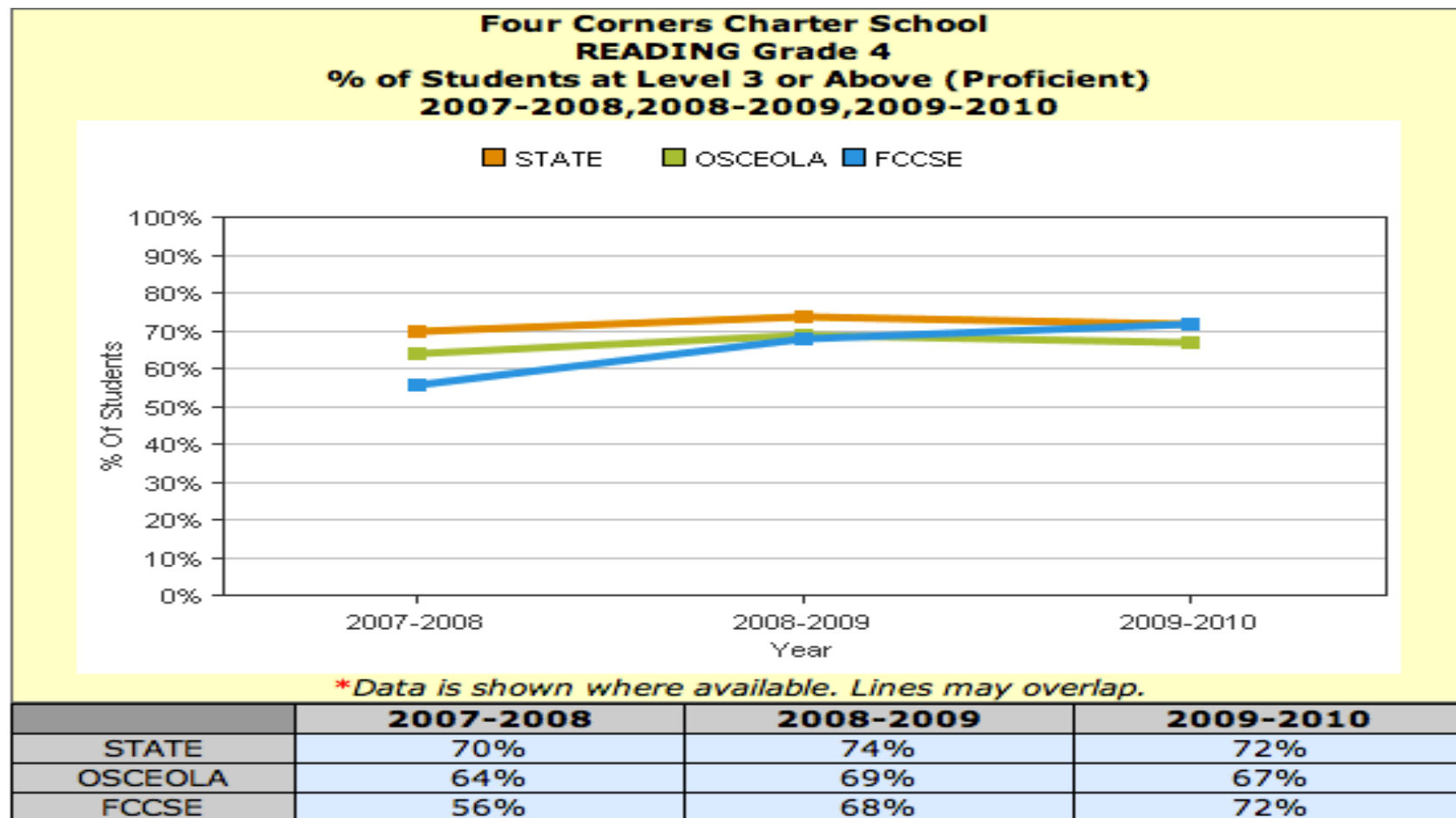


- 72 % of students are proficient (Level 3 or higher)

2009-2010 FCAT Raw Reading: 4th Grade Comparison (Proficient)



Putting Students First

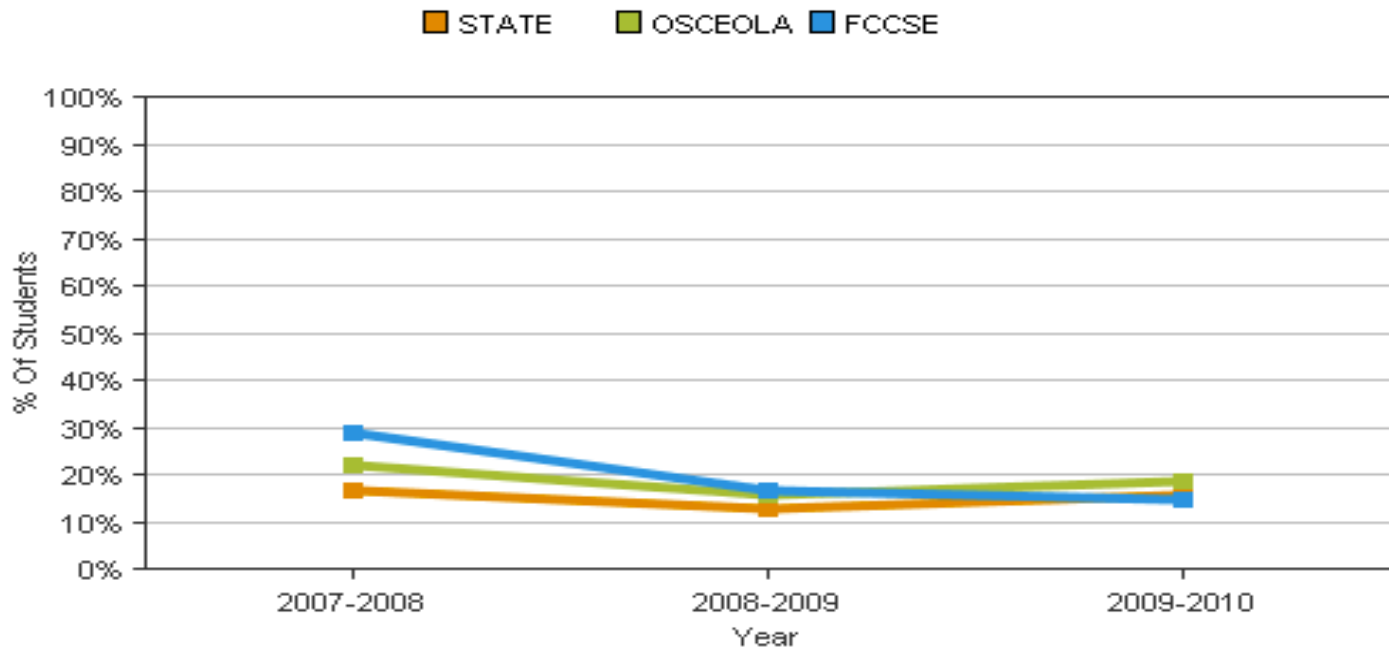


2009-2010 FCAT Raw Reading: 4th Grade Comparison (Level 1)



Putting Students First

**Four Corners Charter School READING Grade 4
% of Students at Level 1
(Not Proficient: Level 1)**



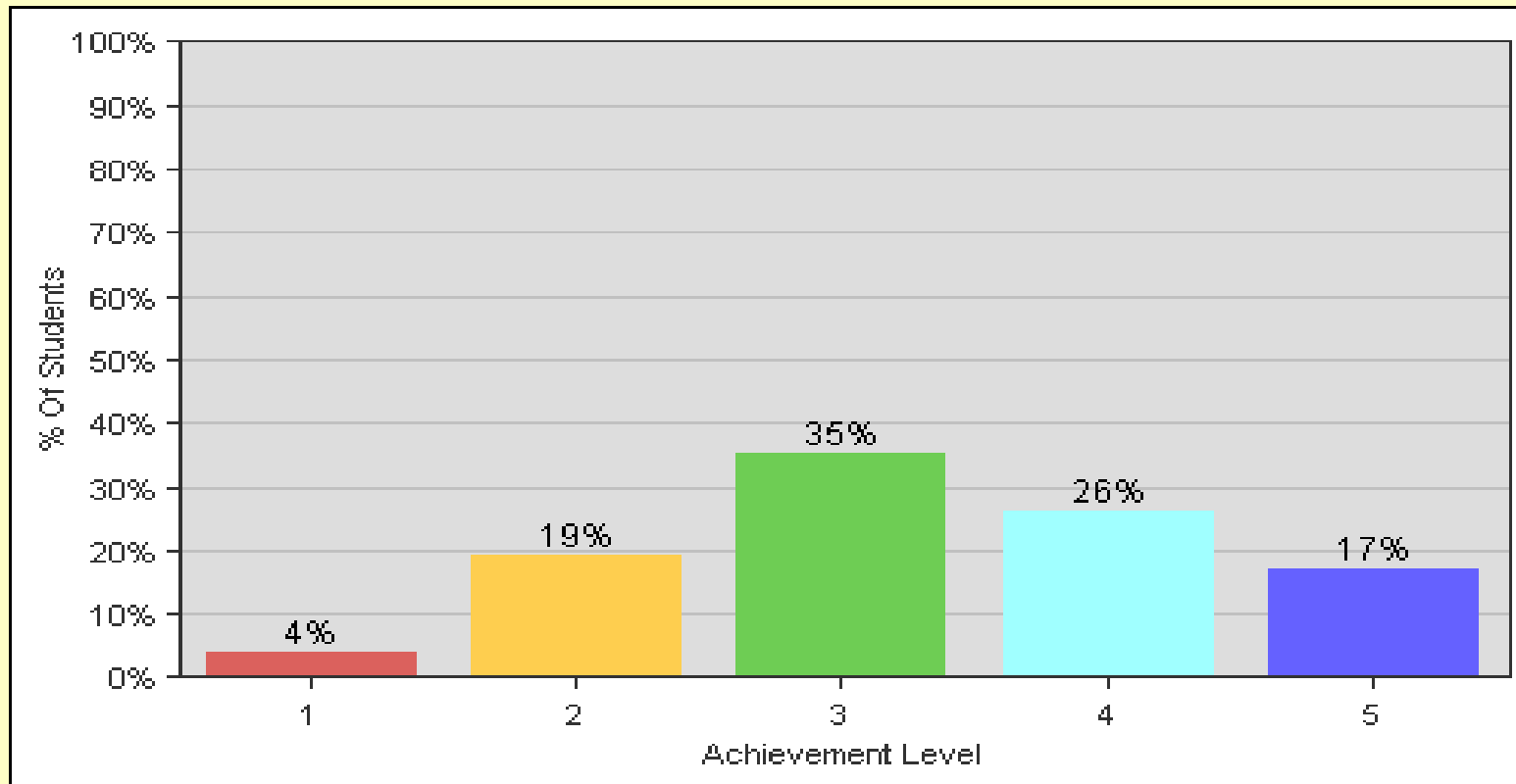
	2007-2008	2008-2009	2009-2010
STATE	17%	13%	16%
OSCEOLA	22%	16%	19%
FCCSE	29%	17%	15%

2009-2010 FCAT Raw Mathematics: 4th Grade Proficient



Putting Students First

**Four Corners Charter School - Charter Schools USA
2009-2010 FCAT Mathematics (Raw Data): Grade 4 Frequency Distribution**



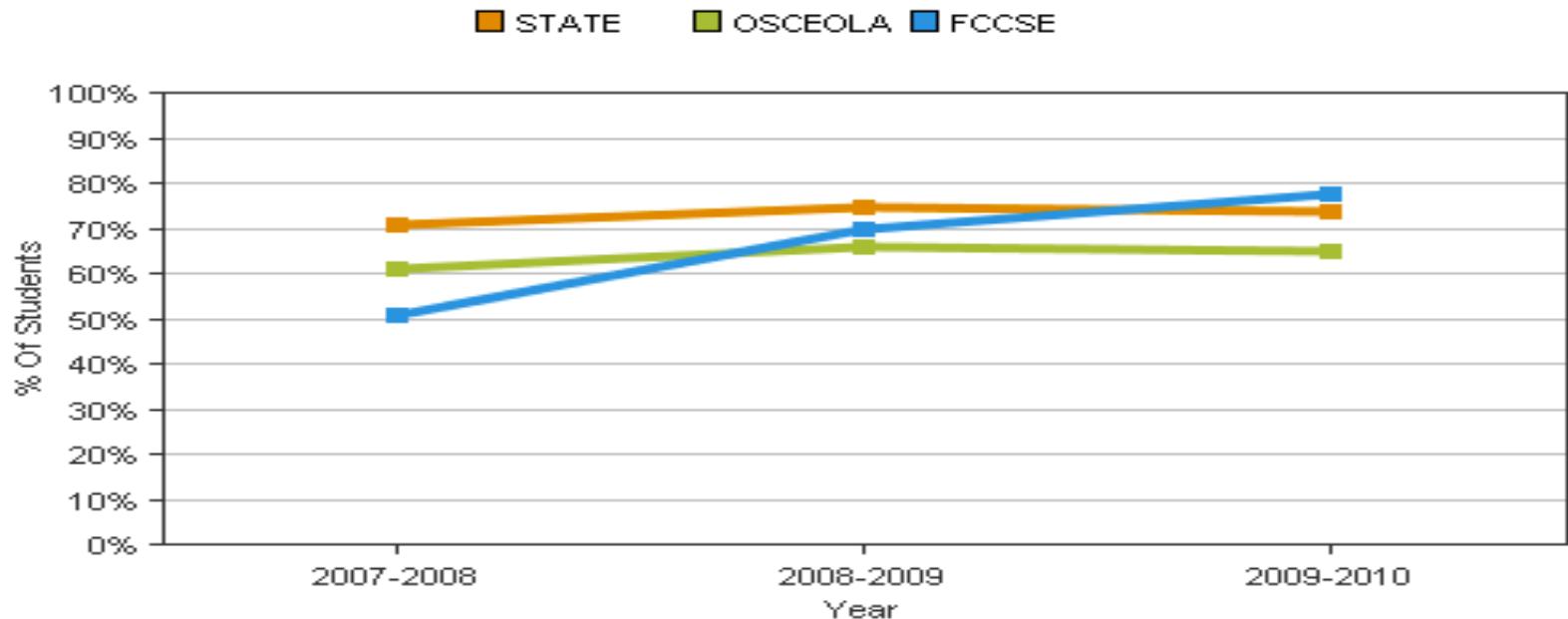
- 78% of students are proficient (Level 3 or higher)

2009-2010 FCAT Raw Mathematics: 4th Grade Comparison (Proficient)



Putting Students First

**Four Corners Charter School
MATHEMATICS Grade 4
% of Students at Level 3 or Above (Proficient)
2007-2008, 2008-2009, 2009-2010**



**Data is shown where available. Lines may overlap.*

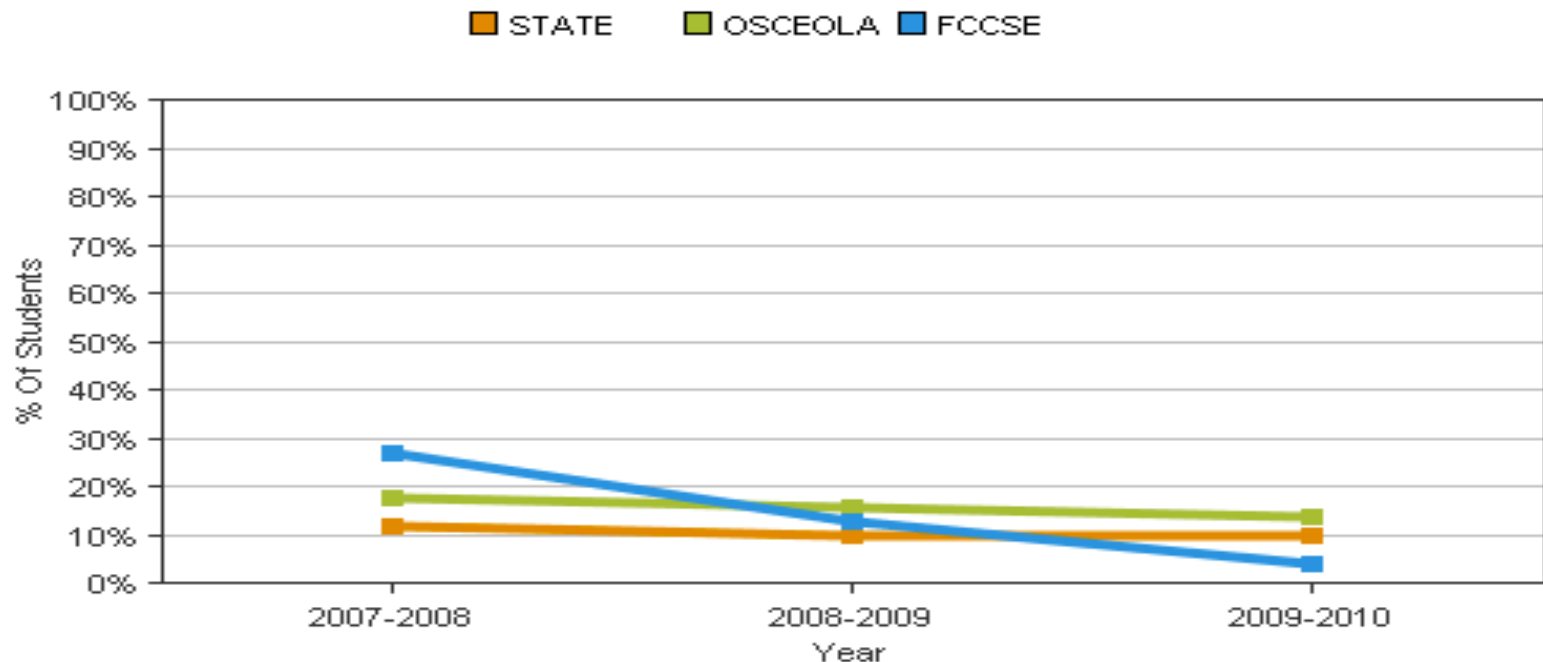
	2007-2008	2008-2009	2009-2010
STATE	71%	75%	74%
OSCEOLA	61%	66%	65%
FCCSE	51%	70%	78%

2009-2010 FCAT Raw Mathematics: 4th Grade Comparison (Level 1)



Putting Students First

**Four Corners Charter School MATHEMATICS Grade 4
% of Students at Level 1
(Not Proficient: Level 1)**

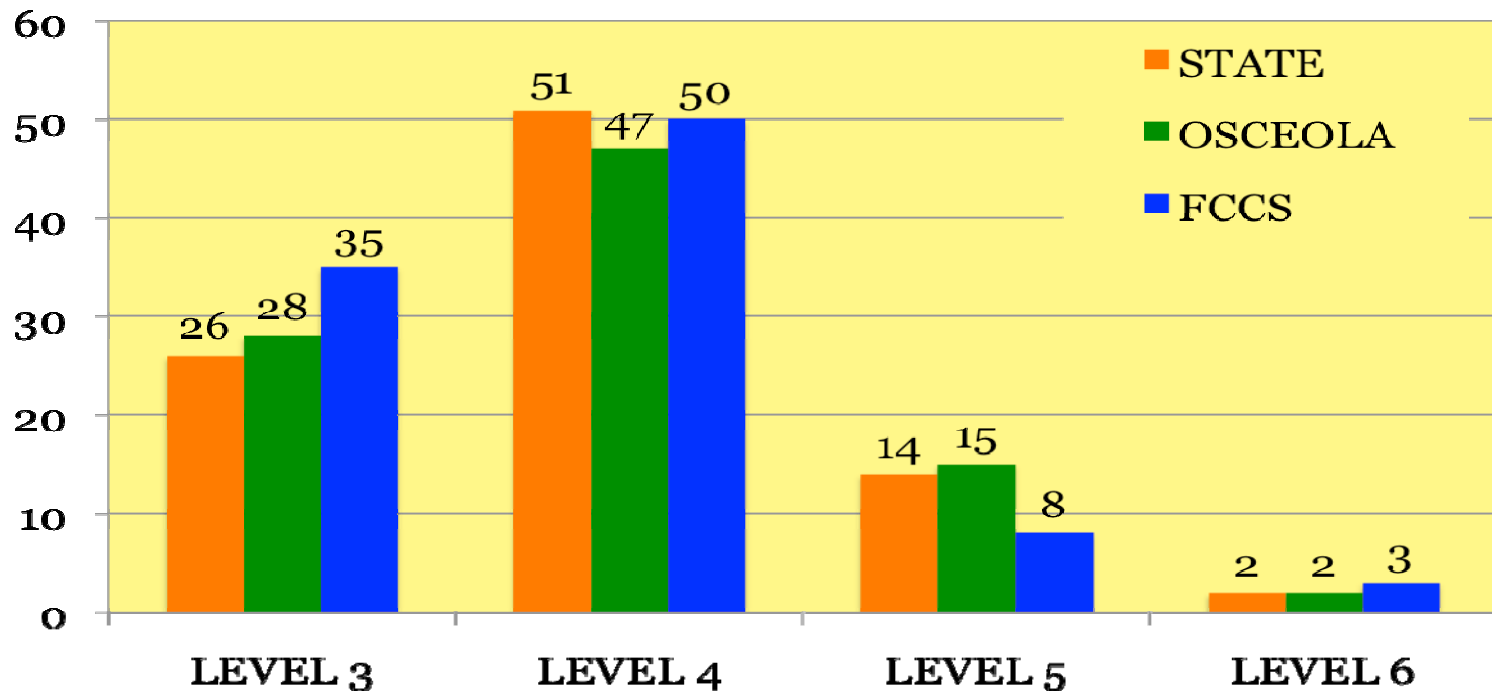


	2007-2008	2008-2009	2009-2010
STATE	12%	10%	10%
OSCEOLA	18%	16%	14%
FCCSE	27%	13%	4%

2009-2010 FCAT Raw Writing: 4th Grade Proficient Comparison



Putting Students First



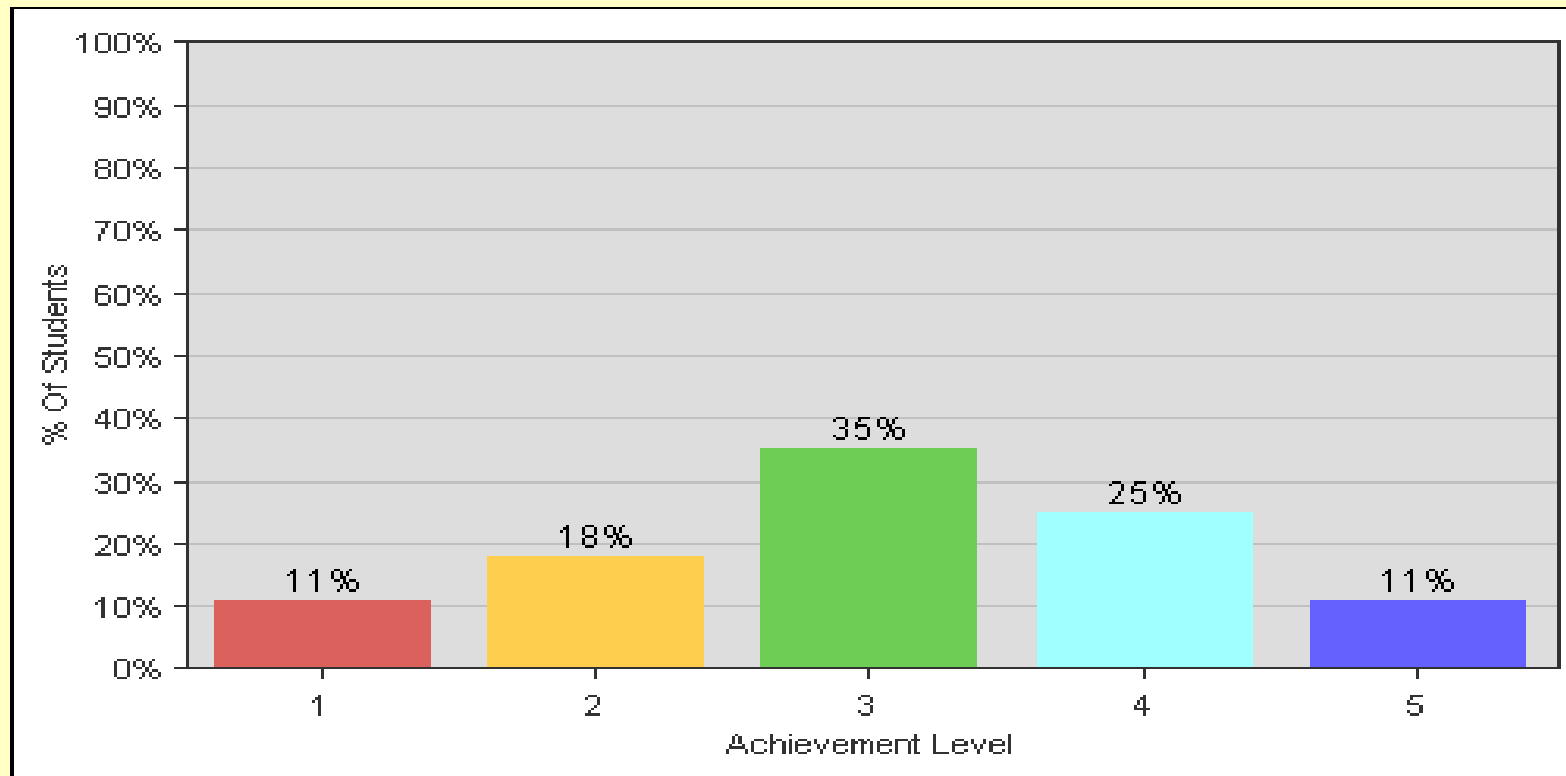
- 96% of students are proficient (Level 3 or higher) AYP
- 78.5% of students are proficient (Average of 3.5 higher) Fl School Grade

2009-2010 FCAT Raw Reading: 5th Grade Proficient



Putting Students First

**Four Corners Charter School - Charter Schools USA
2009-2010 FCAT Reading (Raw Data): Grade 5 Frequency Distribution**



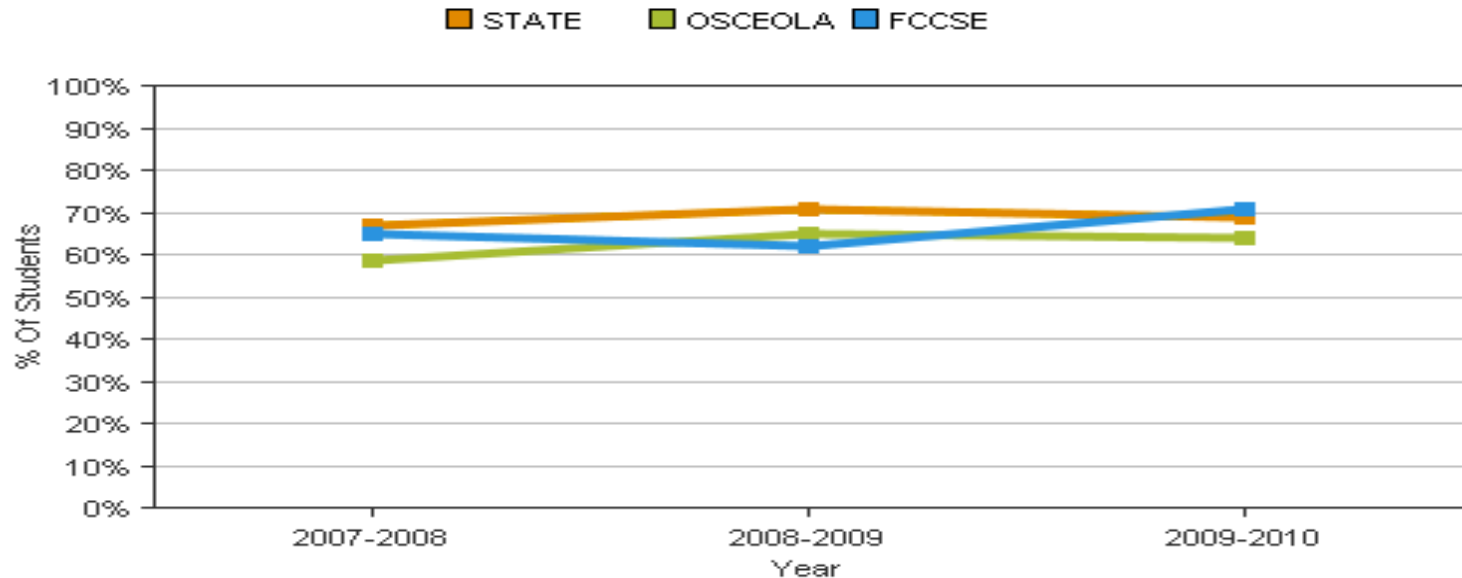
- 71% of students are proficient (Level 3 or higher)

2009-2010 FCAT Raw Reading: 5th Grade Comparison (Proficient)



Putting Students First

**Four Corners Charter School
READING Grade 5
% of Students at Level 3 or Above (Proficient)
2007-2008, 2008-2009, 2009-2010**



**Data is shown where available. Lines may overlap.*

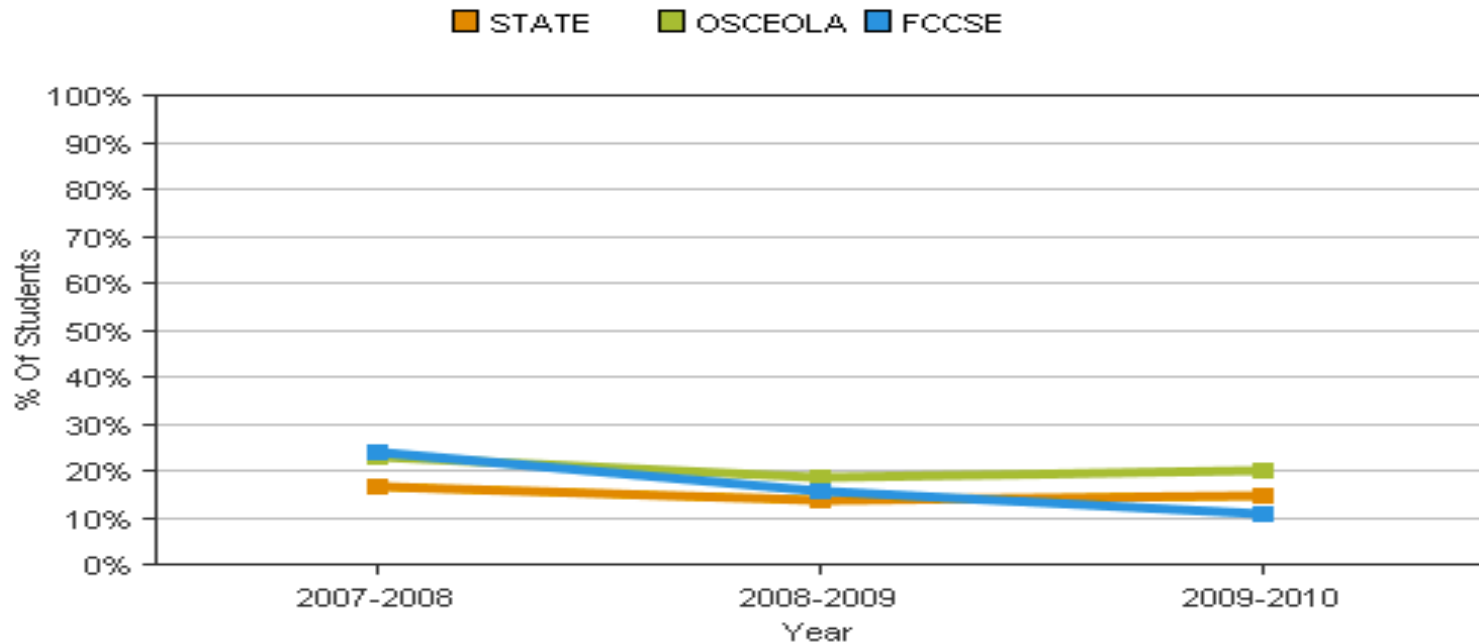
	2007-2008	2008-2009	2009-2010
STATE	67%	71%	69%
OSCEOLA	59%	65%	64%
FCCSE	65%	62%	71%

2009-2010 FCAT Raw Reading: 5th Grade Comparison (Level 1)



Putting Students First

**Four Corners Charter School READING Grade 5
% of Students at Level 1
(Not Proficient: Level 1)**



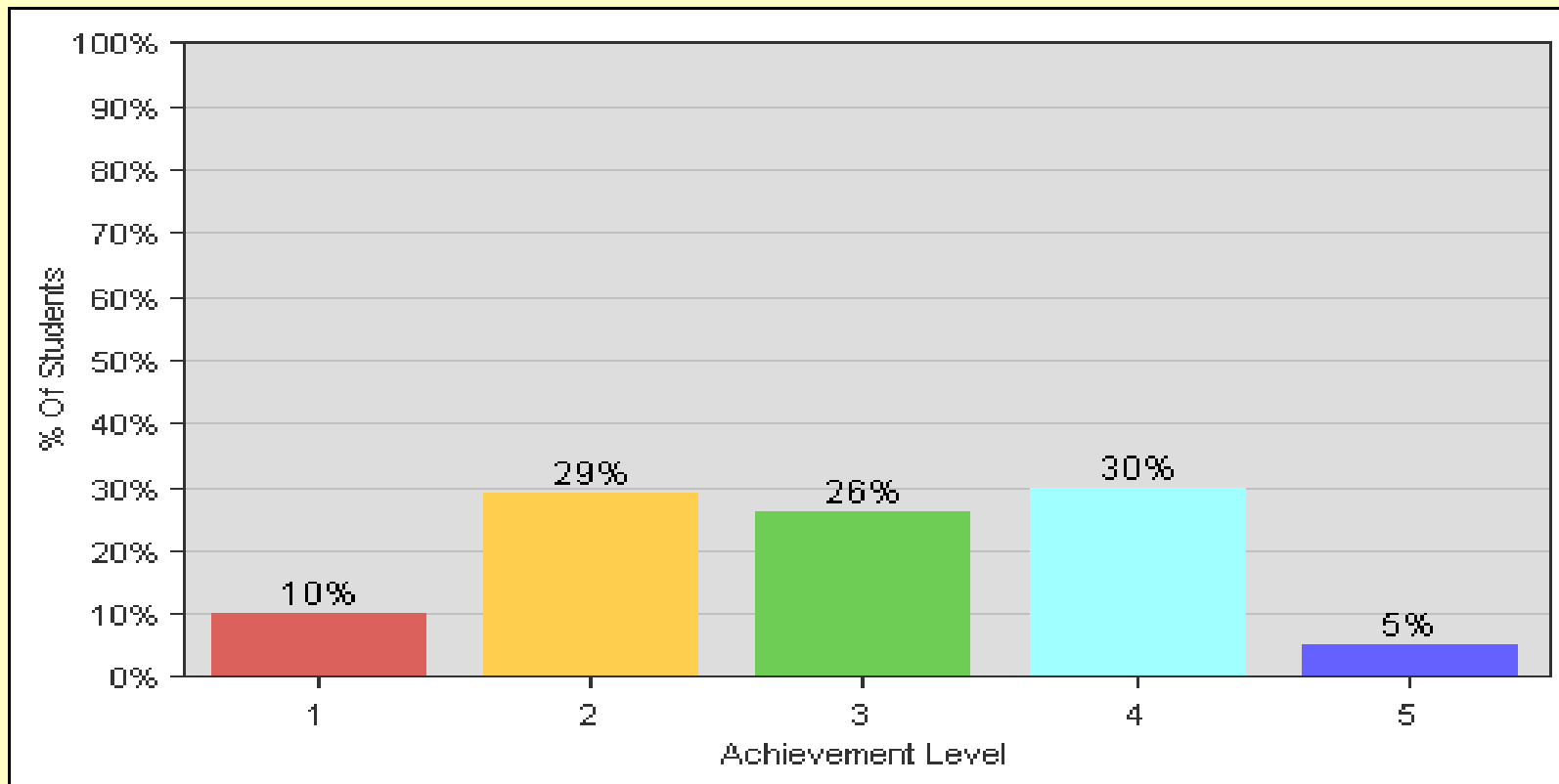
	2007-2008	2008-2009	2009-2010
STATE	17%	14%	15%
OSCEOLA	23%	19%	20%
FCCSE	24%	16%	11%

2009-2010 FCAT Raw Mathematics: 5th Grade Proficient



Putting Students First

**Four Corners Charter School - Charter Schools USA
2009-2010 FCAT Mathematics (Raw Data): Grade 5 Frequency Distribution**



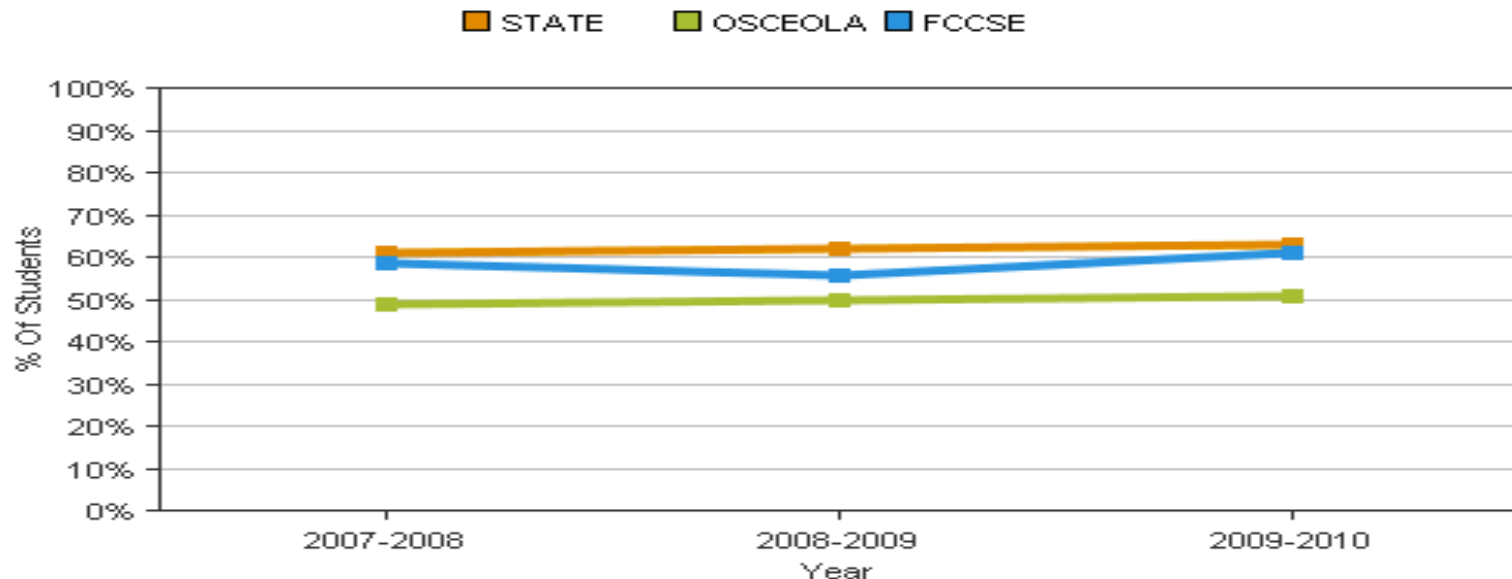
- 61% of students are proficient (Level 3 or higher)

2009-2010 FCAT Raw Mathematics: 5th Grade Comparison (Proficient)



Putting Students First

**Four Corners Charter School
MATHEMATICS Grade 5
% of Students at Level 3 or Above (Proficient)
2007-2008, 2008-2009, 2009-2010**



**Data is shown where available. Lines may overlap.*

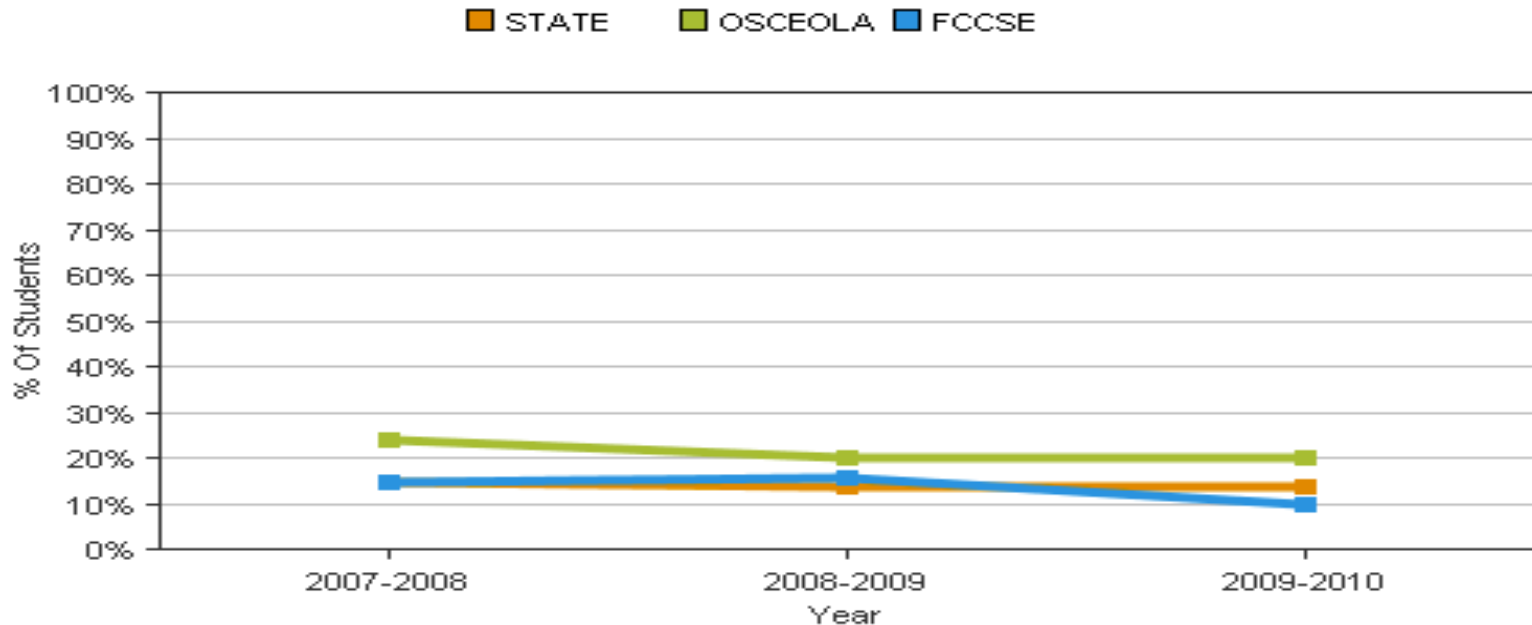
	2007-2008	2008-2009	2009-2010
STATE	61%	62%	63%
OSCEOLA	49%	50%	51%
FCCSE	59%	56%	61%

2009-2010 FCAT Raw Mathematics: 5th Grade Comparison (Level 1)



Putting Students First

Four Corners Charter School MATHEMATICS Grade 5
% of Students at Level 1
(Not Proficient: Level 1)

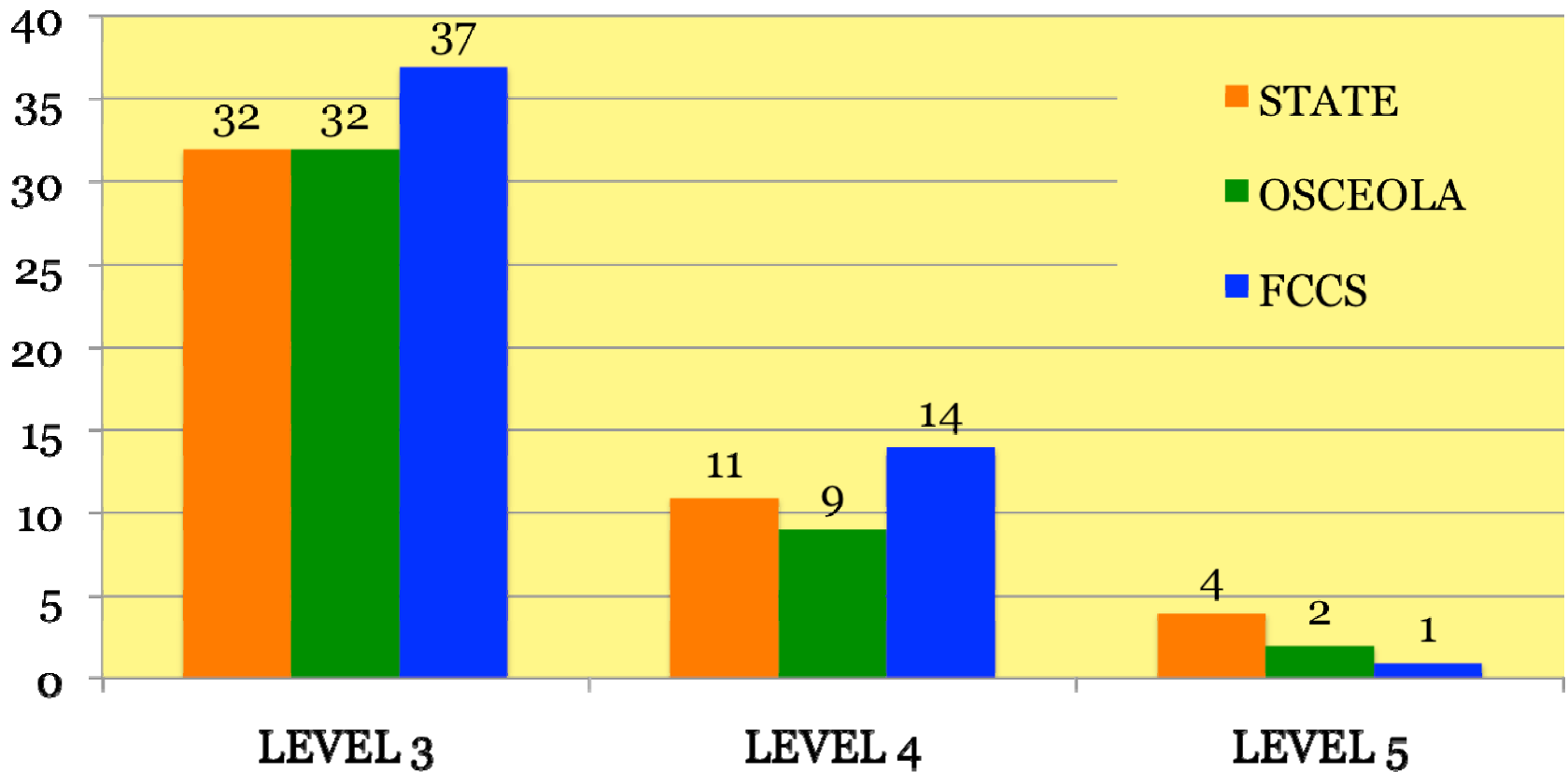


	2007-2008	2008-2009	2009-2010
STATE	15%	14%	14%
OSCEOLA	24%	20%	20%
FCCSE	15%	16%	10%

2009-2010 FCAT Raw Science: 5th Grade Proficient Comparison



Putting Students First



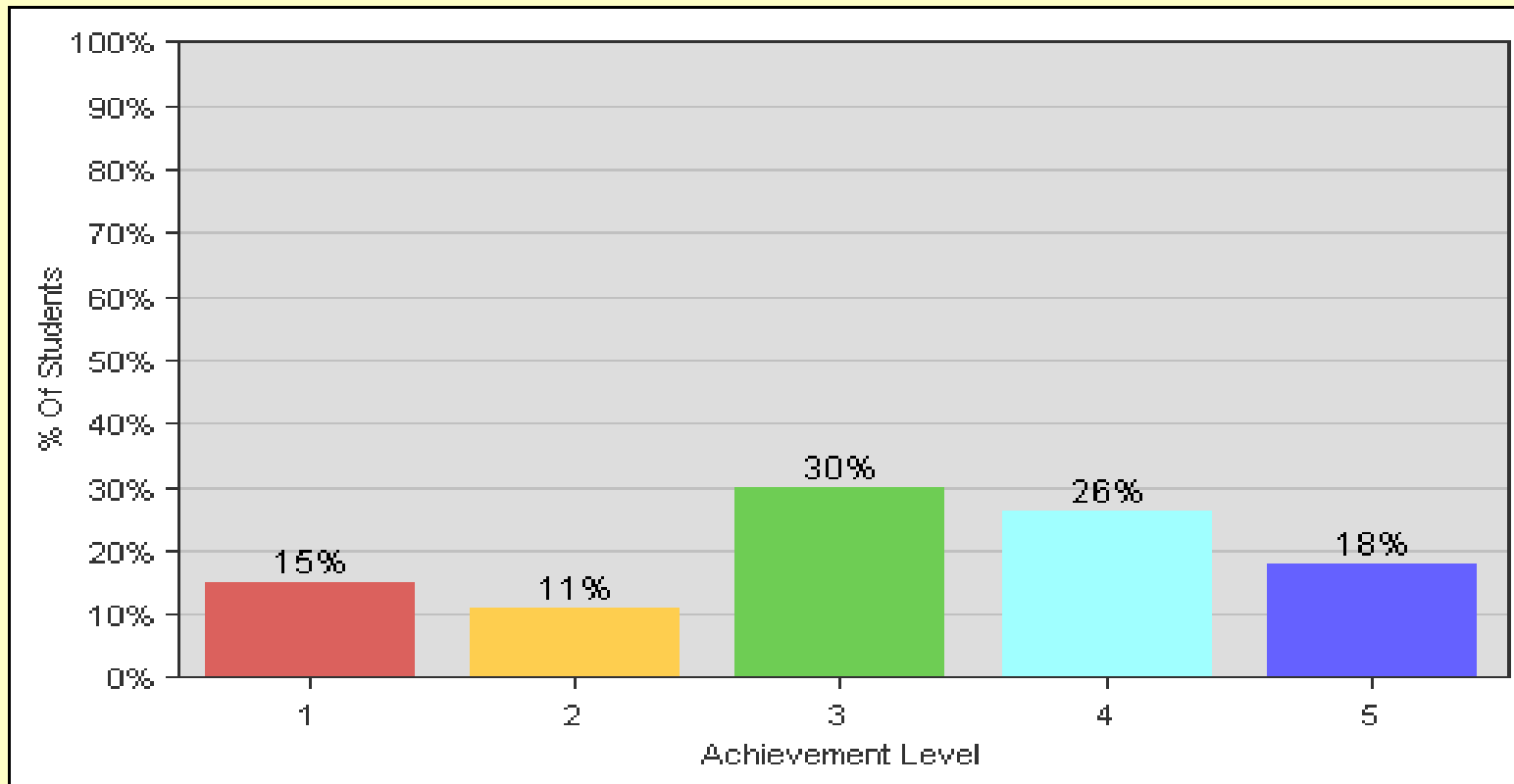
- 52% of students are proficient (Level 3 or higher)

2009-2010 FCAT Raw Reading: 6th Grade Proficient



Putting Students First

**Four Corners Charter School - Charter Schools USA
2009-2010 FCAT Reading (Raw Data): Grade 6 Frequency Distribution**

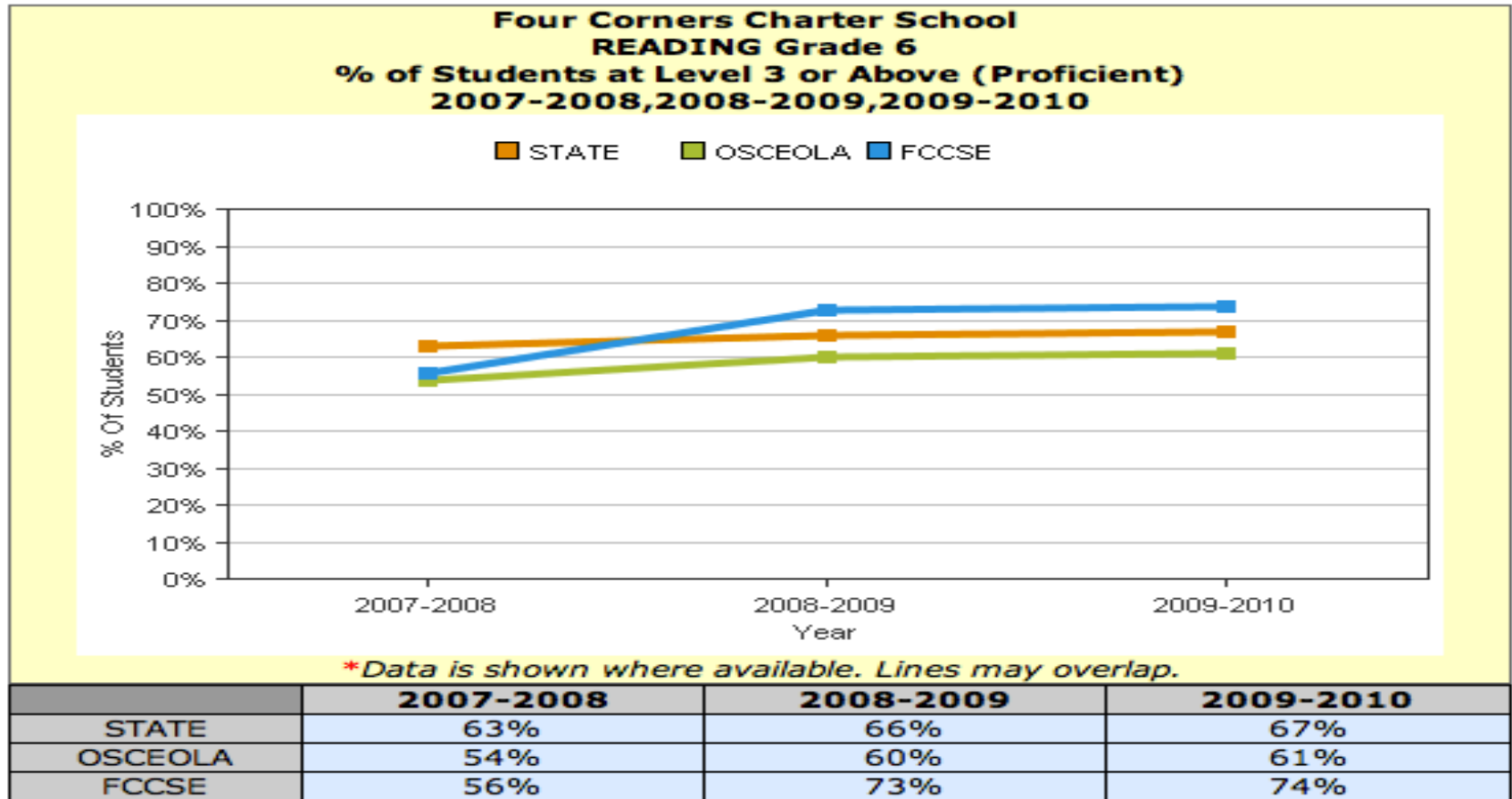


- 74% of students are proficient (Level 3 or higher)

2009-2010 FCAT Raw Reading: 6th Grade Comparison (Proficient)



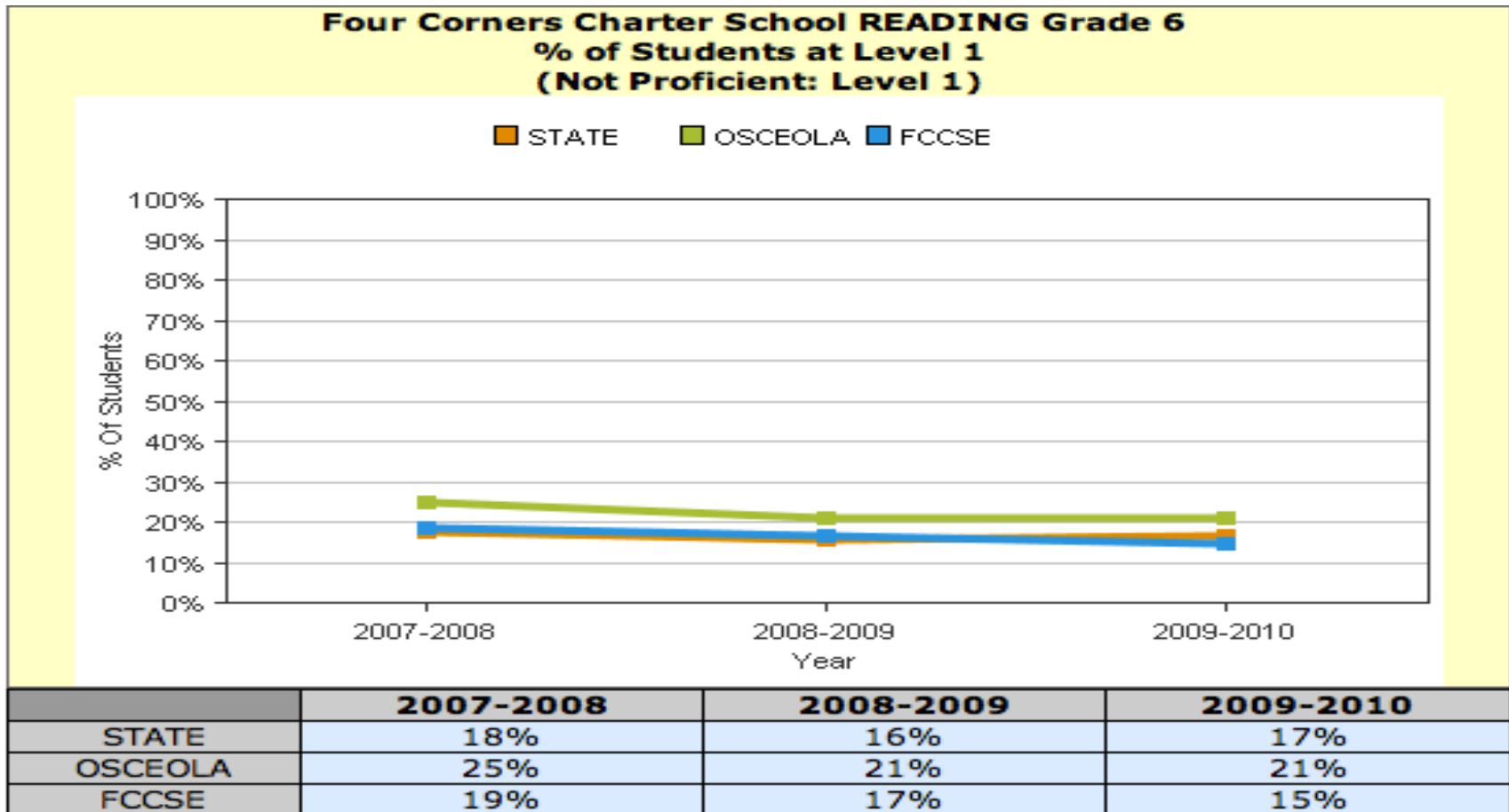
Putting Students First



2009-2010 FCAT Raw Reading: 6th Grade Comparison (Level 1)



Putting Students First

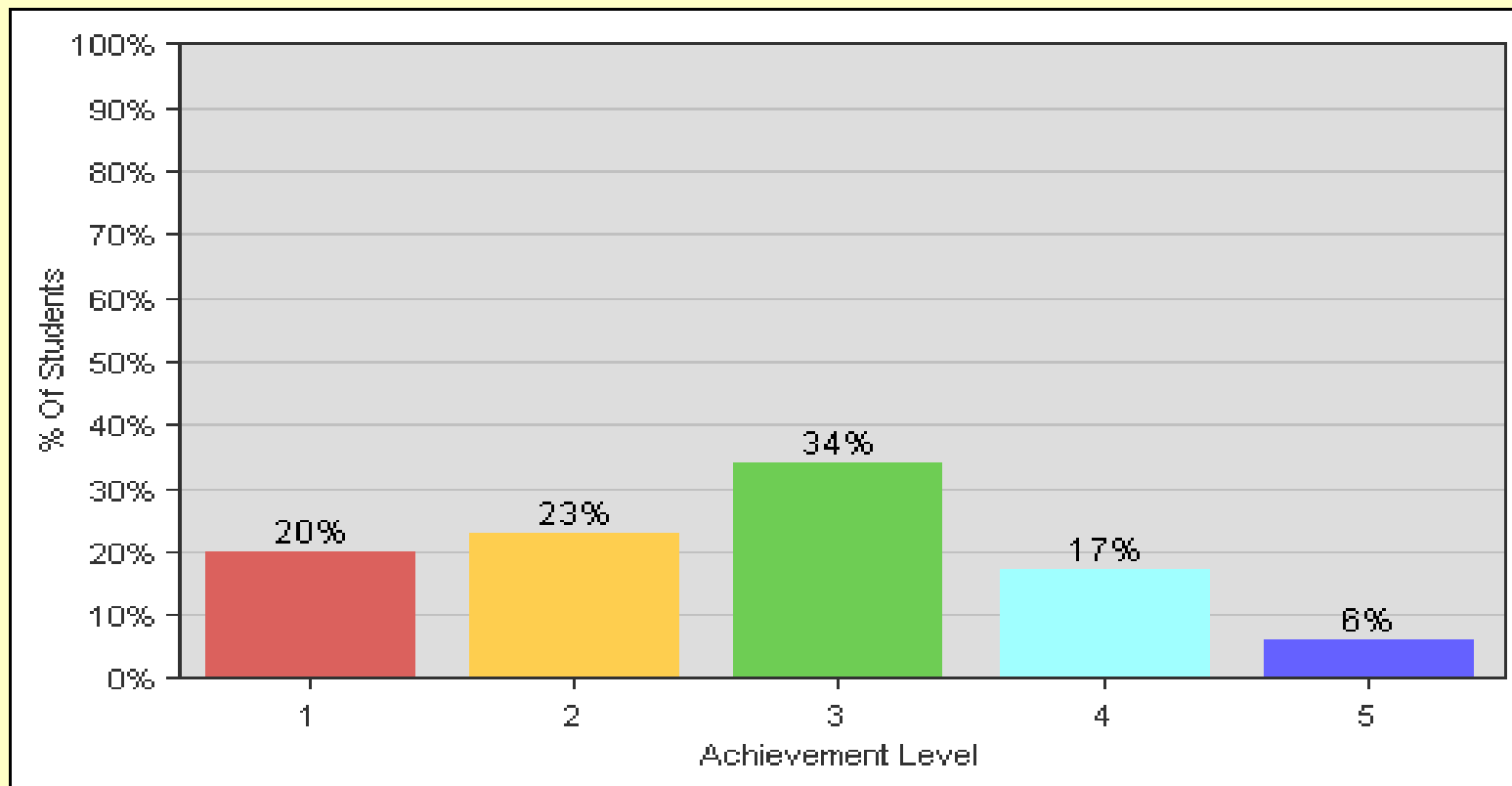


2009-2010 FCAT Raw Mathematics: 6th Grade Proficient



Putting Students First

**Four Corners Charter School - Charter Schools USA
2009-2010 FCAT Mathematics (Raw Data): Grade 6 Frequency Distribution**



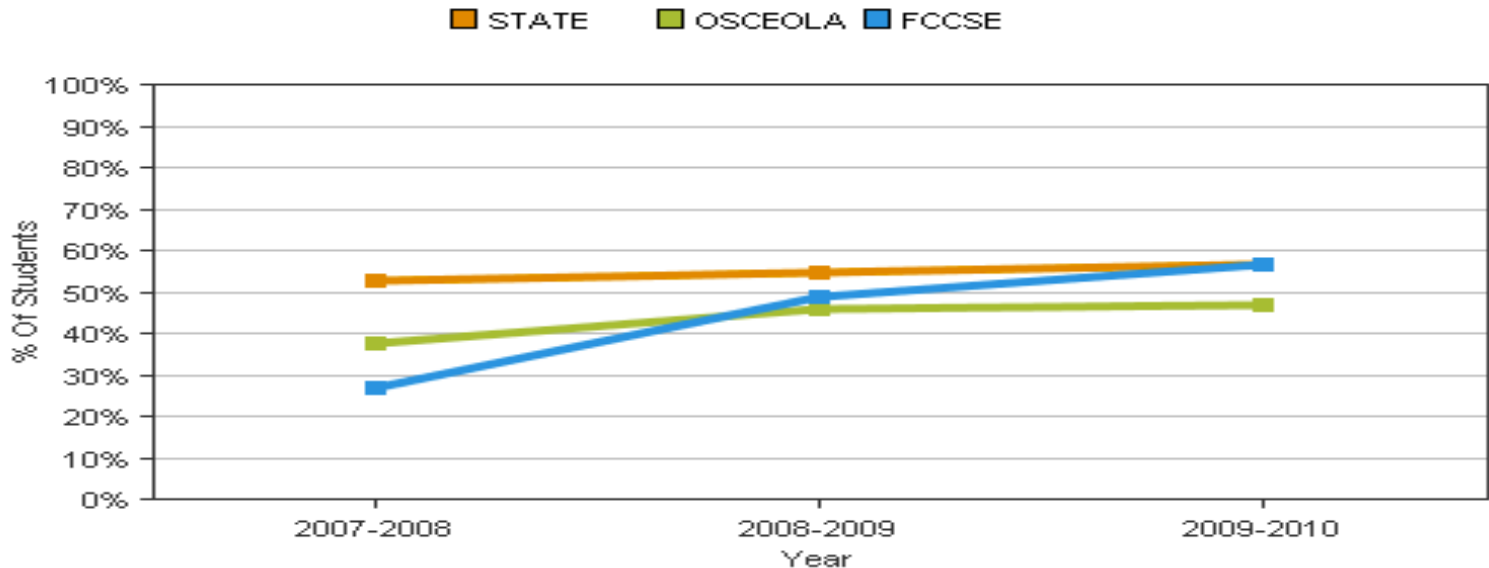
- 57% of students are proficient (Level 3 or higher)

2009-2010 FCAT Raw Mathematics: 6th Grade Comparison (Proficient)



Putting Students First

**Four Corners Charter School
MATHEMATICS Grade 6
% of Students at Level 3 or Above (Proficient)
2007-2008, 2008-2009, 2009-2010**



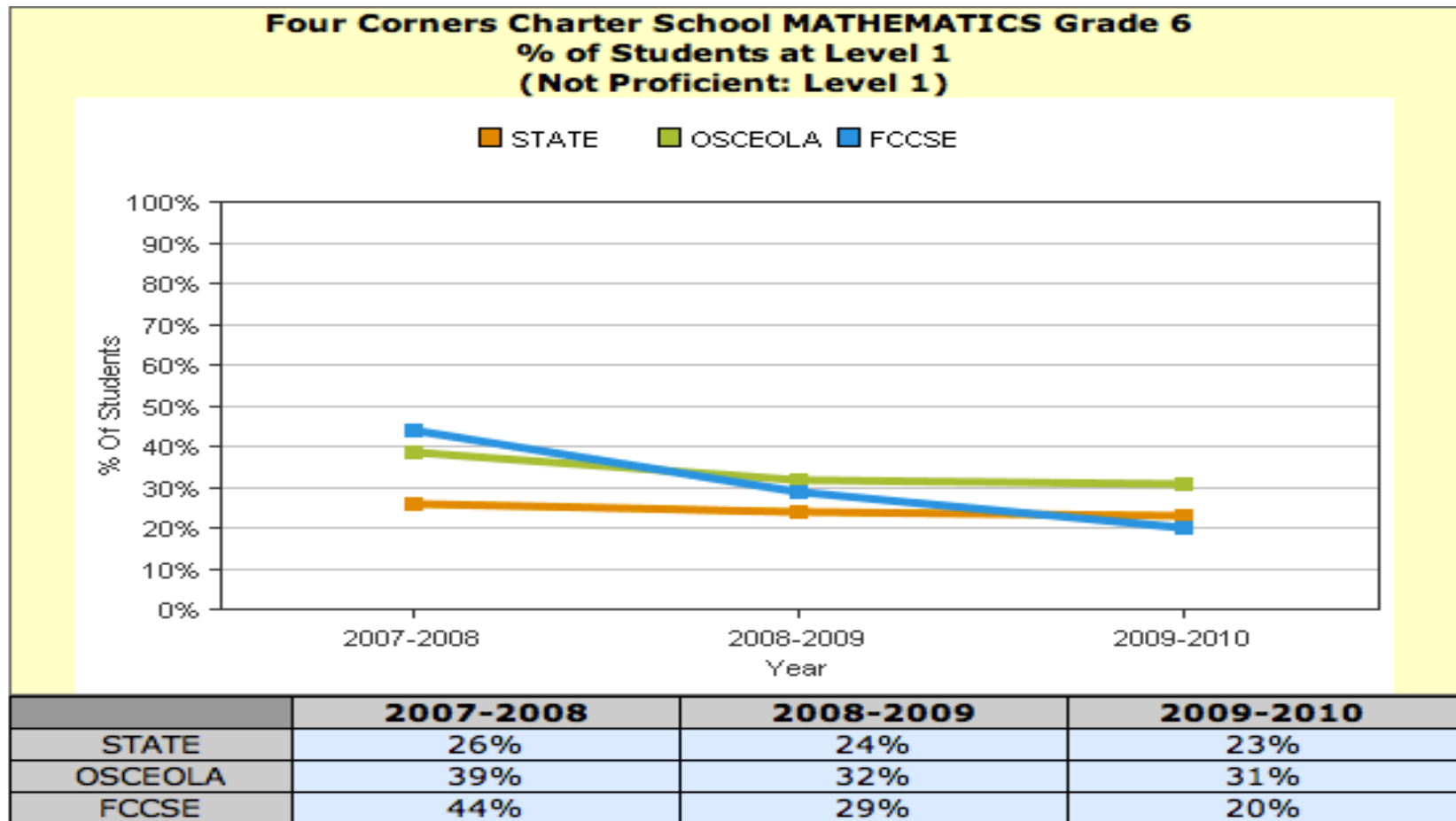
**Data is shown where available. Lines may overlap.*

	2007-2008	2008-2009	2009-2010
STATE	53%	55%	57%
OSCEOLA	38%	46%	47%
FCCSE	27%	49%	57%

2009-2010 FCAT Raw Mathematics: 6th Grade Comparison (Level 1)



Putting Students First

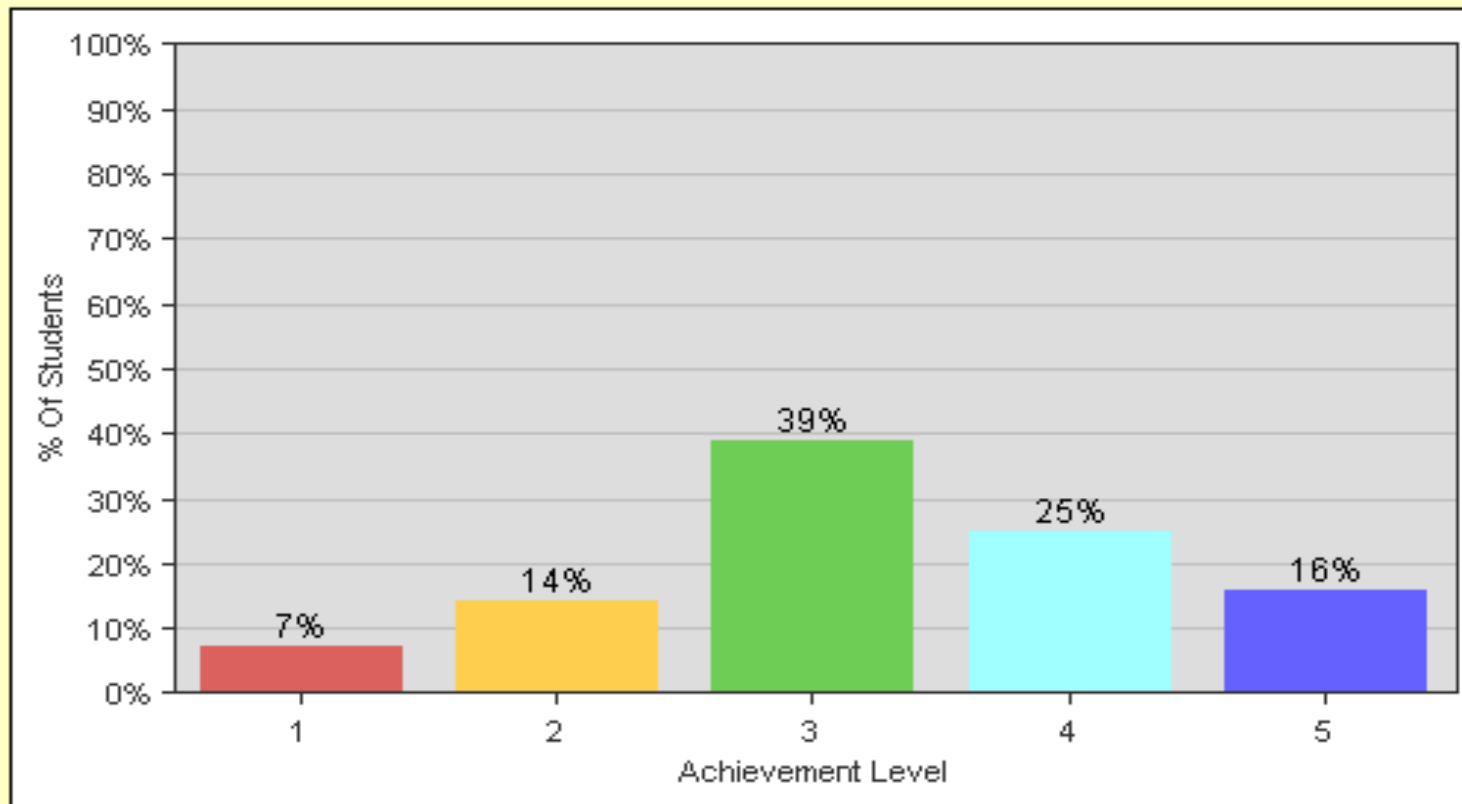


2009-2010 FCAT Raw Reading: 7th Grade Proficient



Putting Students First

**Four Corners Charter School - Charter Schools USA
2009-2010 FCAT Reading (Raw Data): Grade 7 Frequency Distribution**

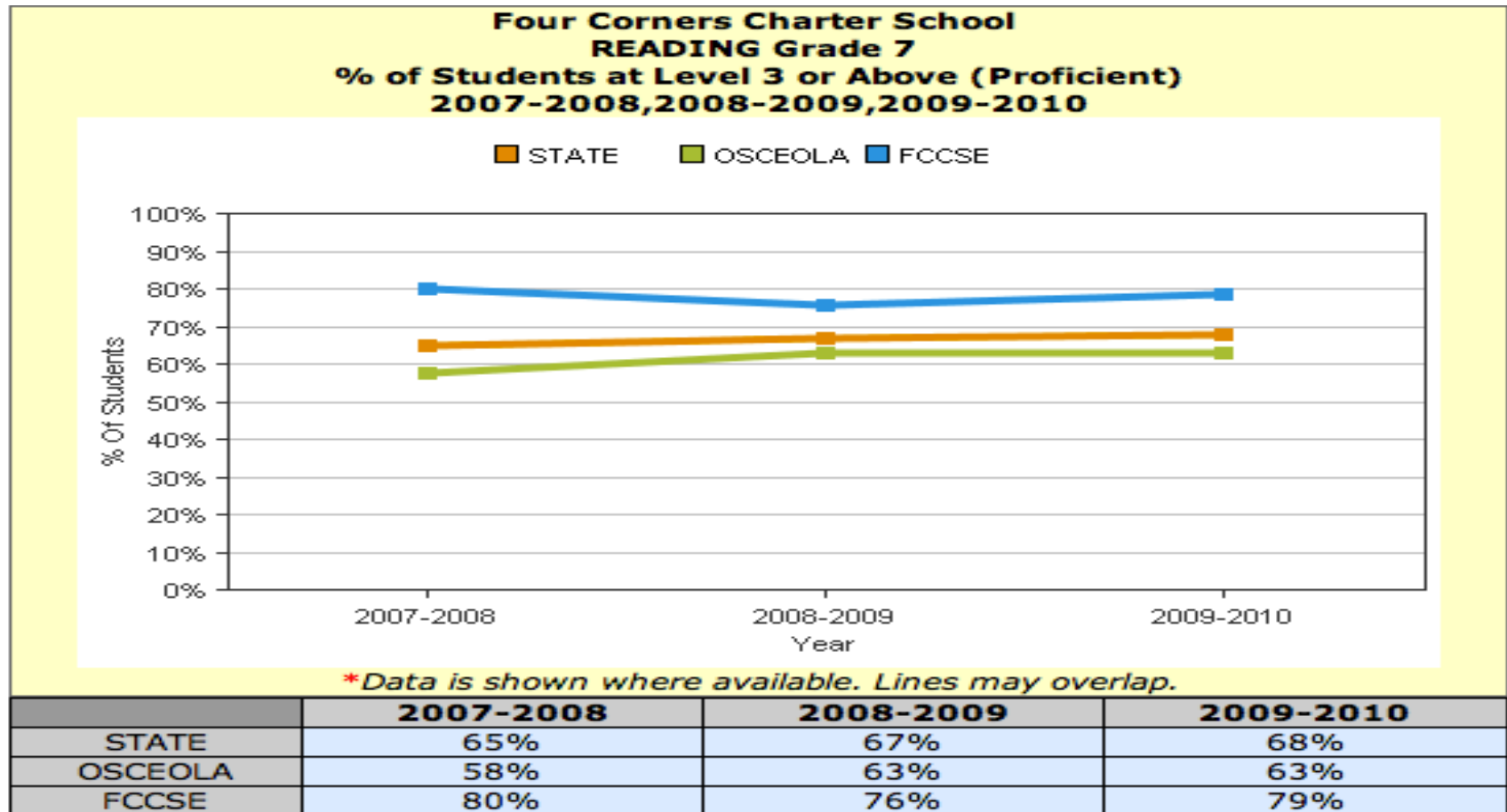


- 79% of students are proficient (Level 3 or higher)

2009-2010 FCAT Raw Reading: 7th Grade Comparison (Proficient)



Putting Students First

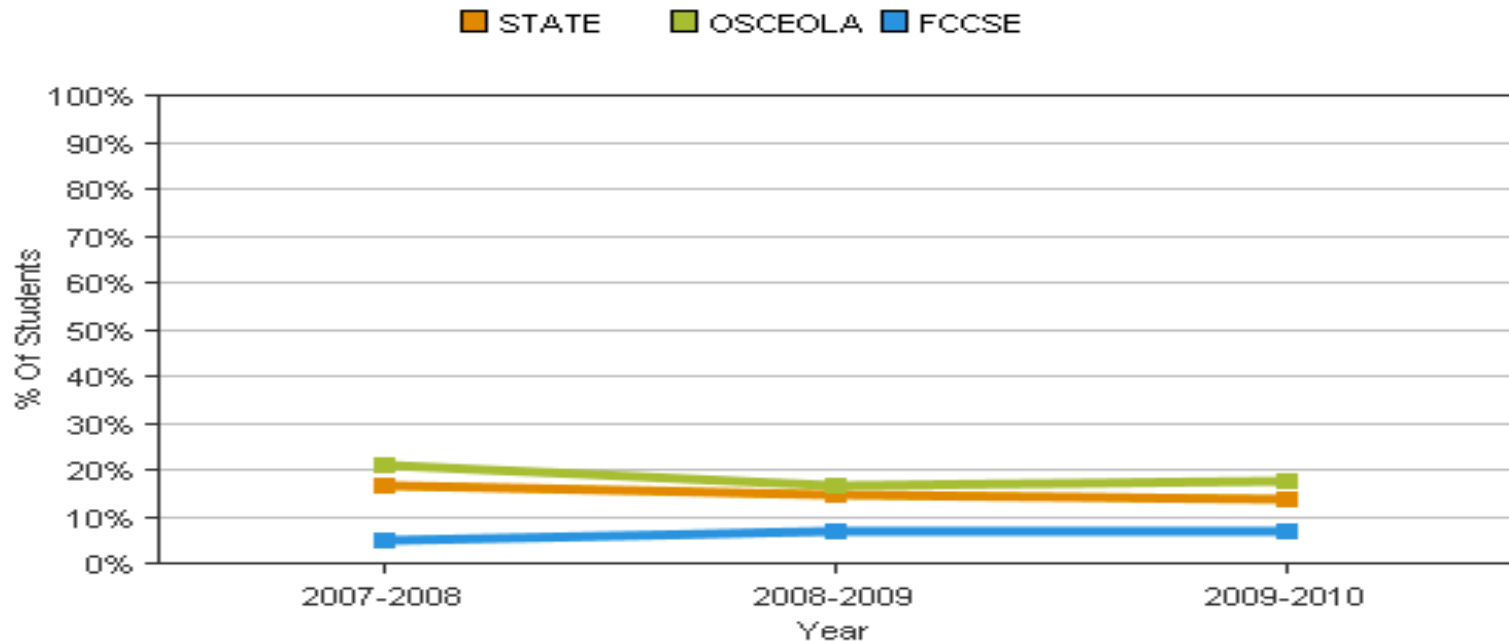


2009-2010 FCAT Raw Reading: 7th Grade Comparison (Level 1)



Putting Students First

**Four Corners Charter School READING Grade 7
% of Students at Level 1
(Not Proficient: Level 1)**



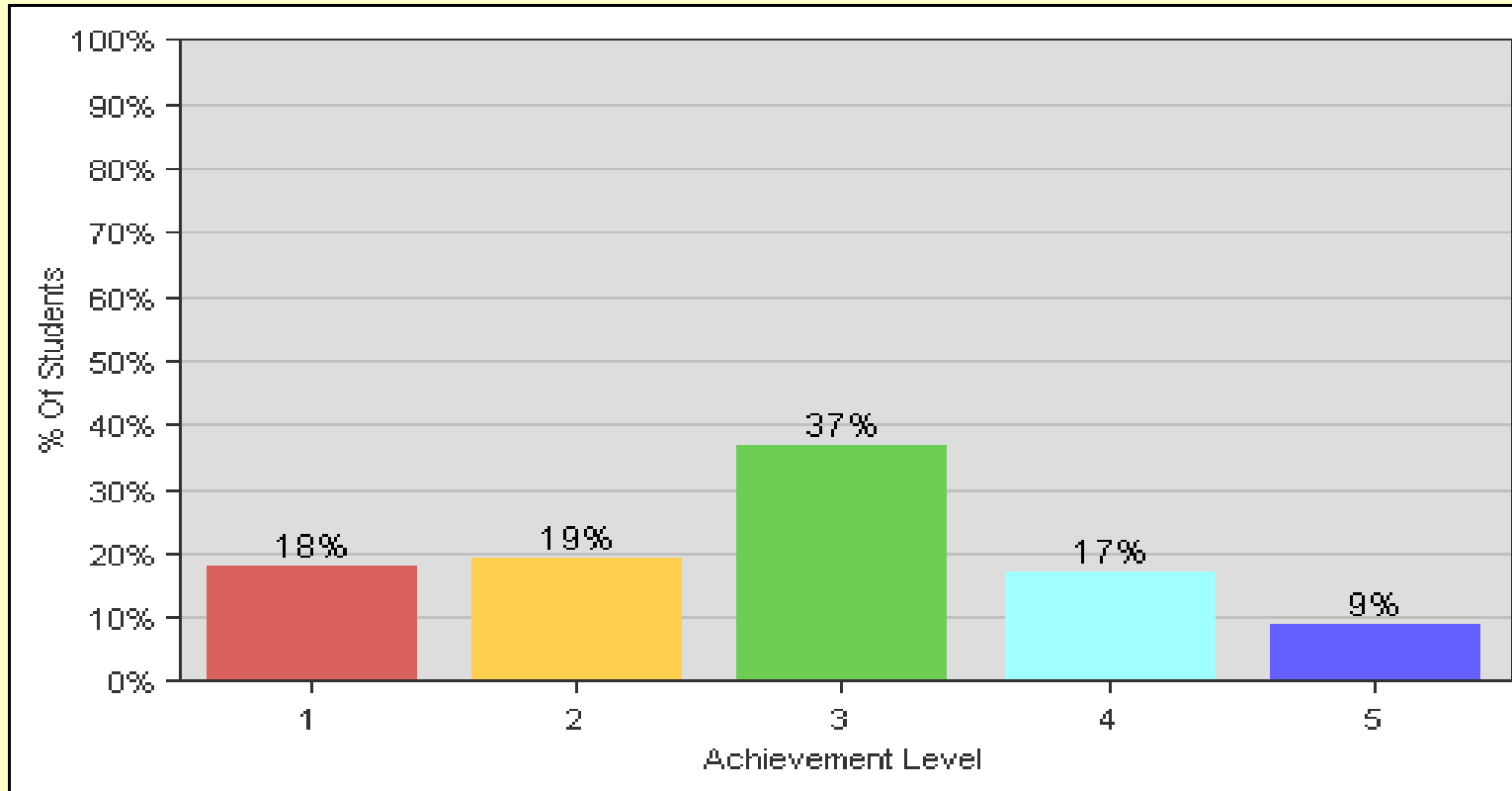
	2007-2008	2008-2009	2009-2010
STATE	17%	15%	14%
OSCEOLA	21%	17%	18%
FCCSE	5%	7%	7%

2009-2010 FCAT Raw Mathematics: 7th Grade Proficient



Putting Students First

**Four Corners Charter School - Charter Schools USA
2009-2010 FCAT Mathematics (Raw Data): Grade 7 Frequency Distribution**

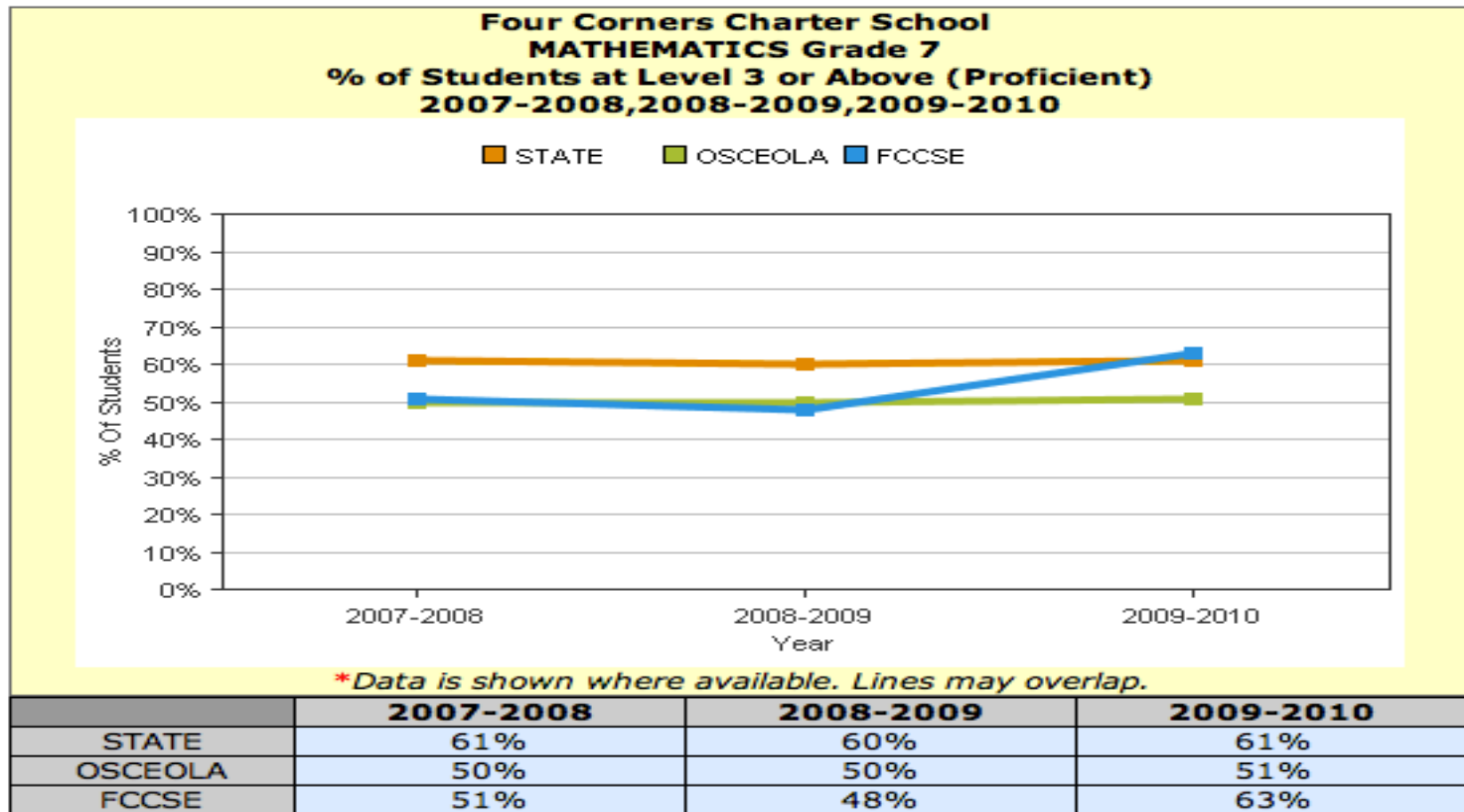


- 63% of students are proficient (Level 3 or higher)

2009-2010 FCAT Raw Mathematics: 7th Grade Comparison (Proficient)



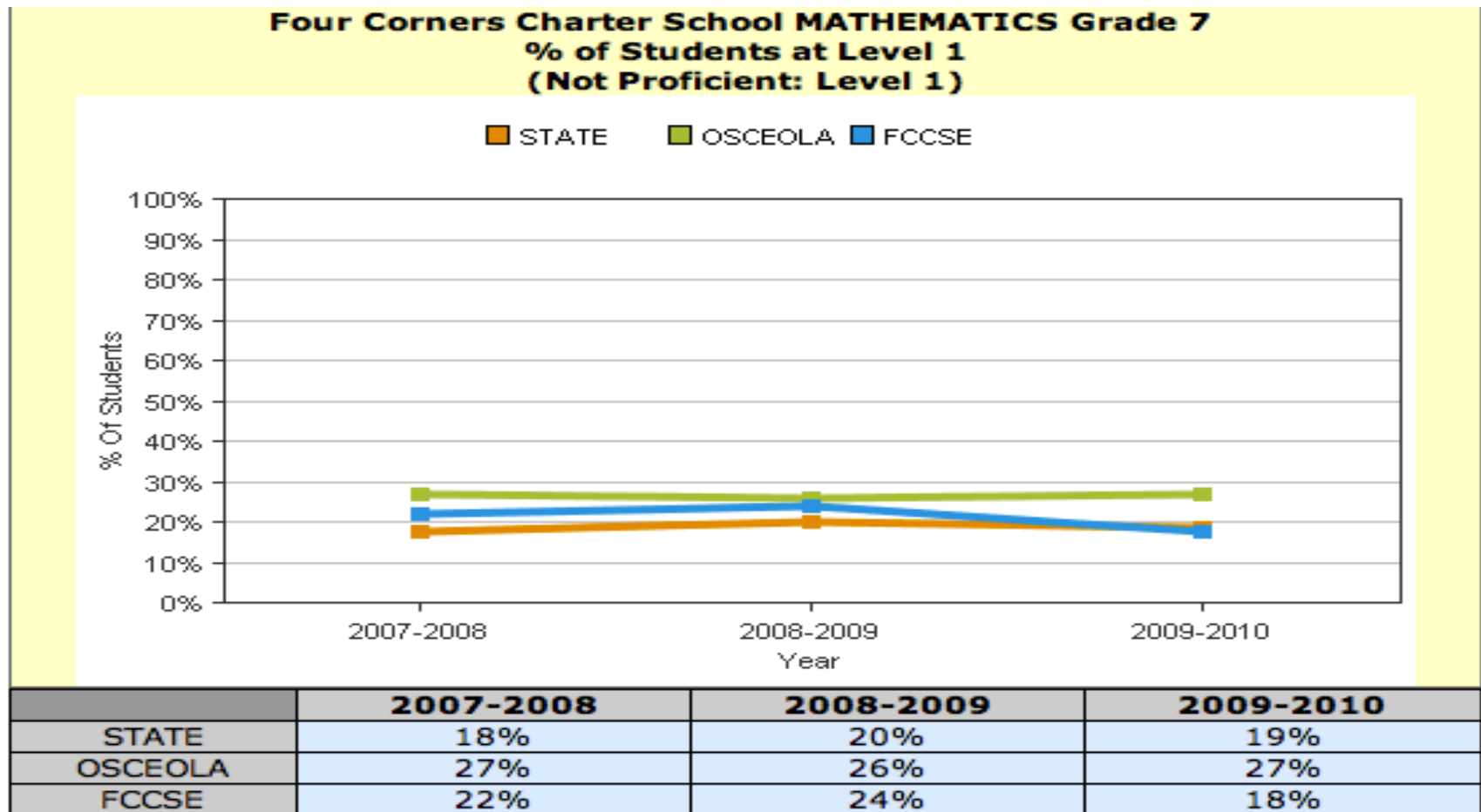
Putting Students First



2009-2010 FCAT Raw Mathematics: 7th Grade Comparison (Level 1)



Putting Students First

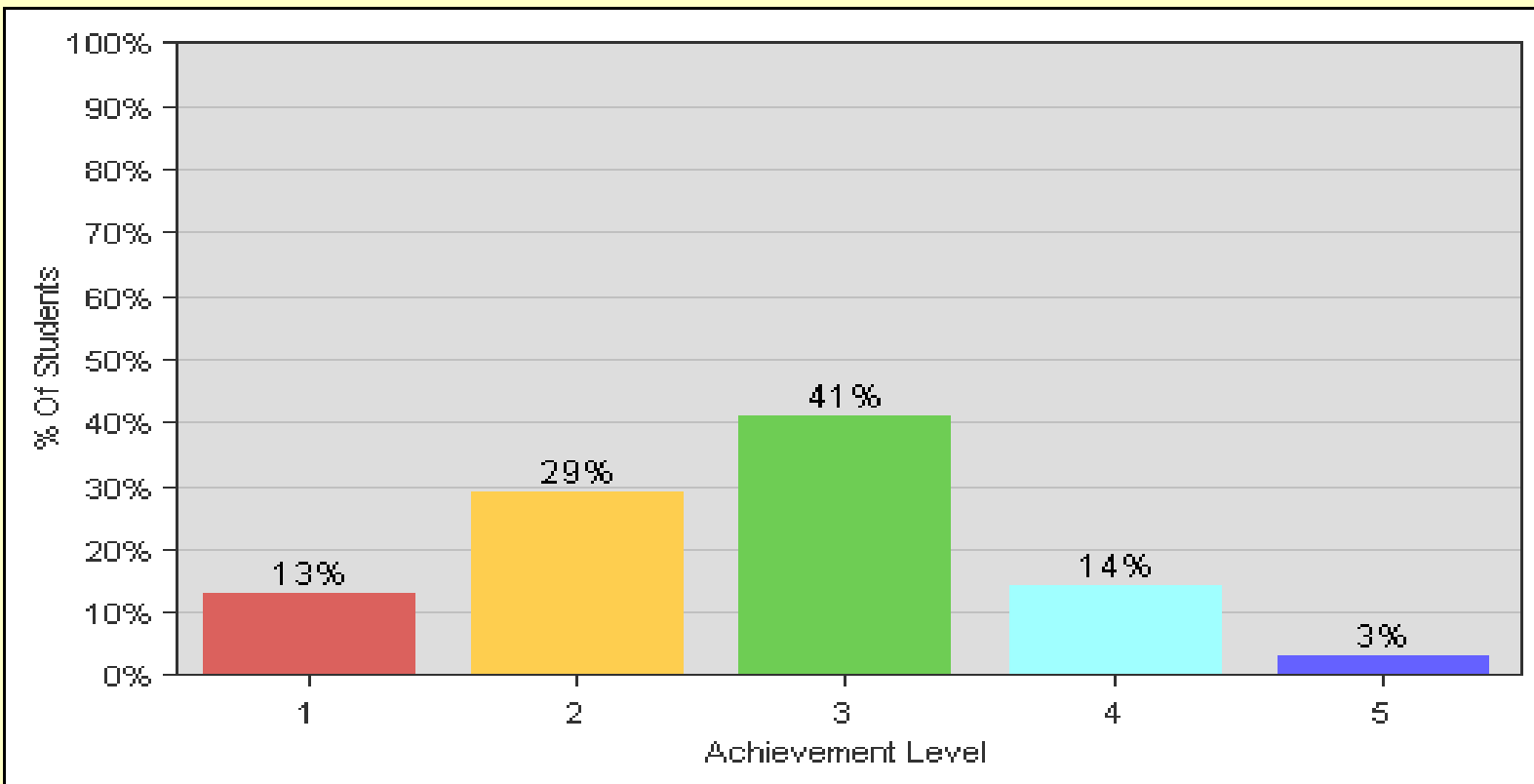


2009-2010 FCAT Raw Reading: 8th Grade Proficient



Putting Students First

**Four Corners Charter School - Charter Schools USA
2009-2010 FCAT Reading (Raw Data): Grade 8 Frequency Distribution**

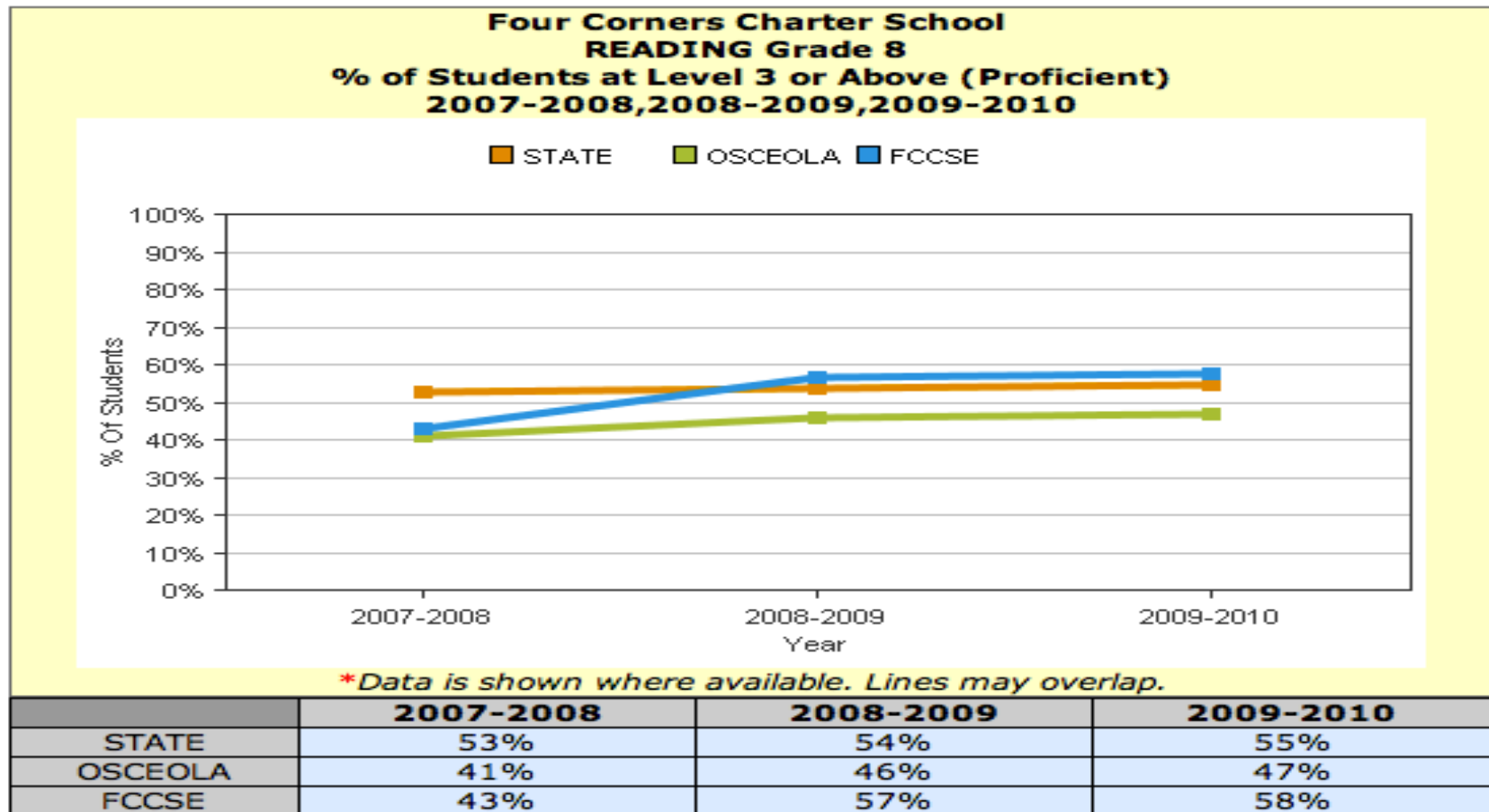


- 58% of students are proficient (Level 3 or higher)

2009-2010 FCAT Raw Reading: 8th Comparison Grade (Proficient)



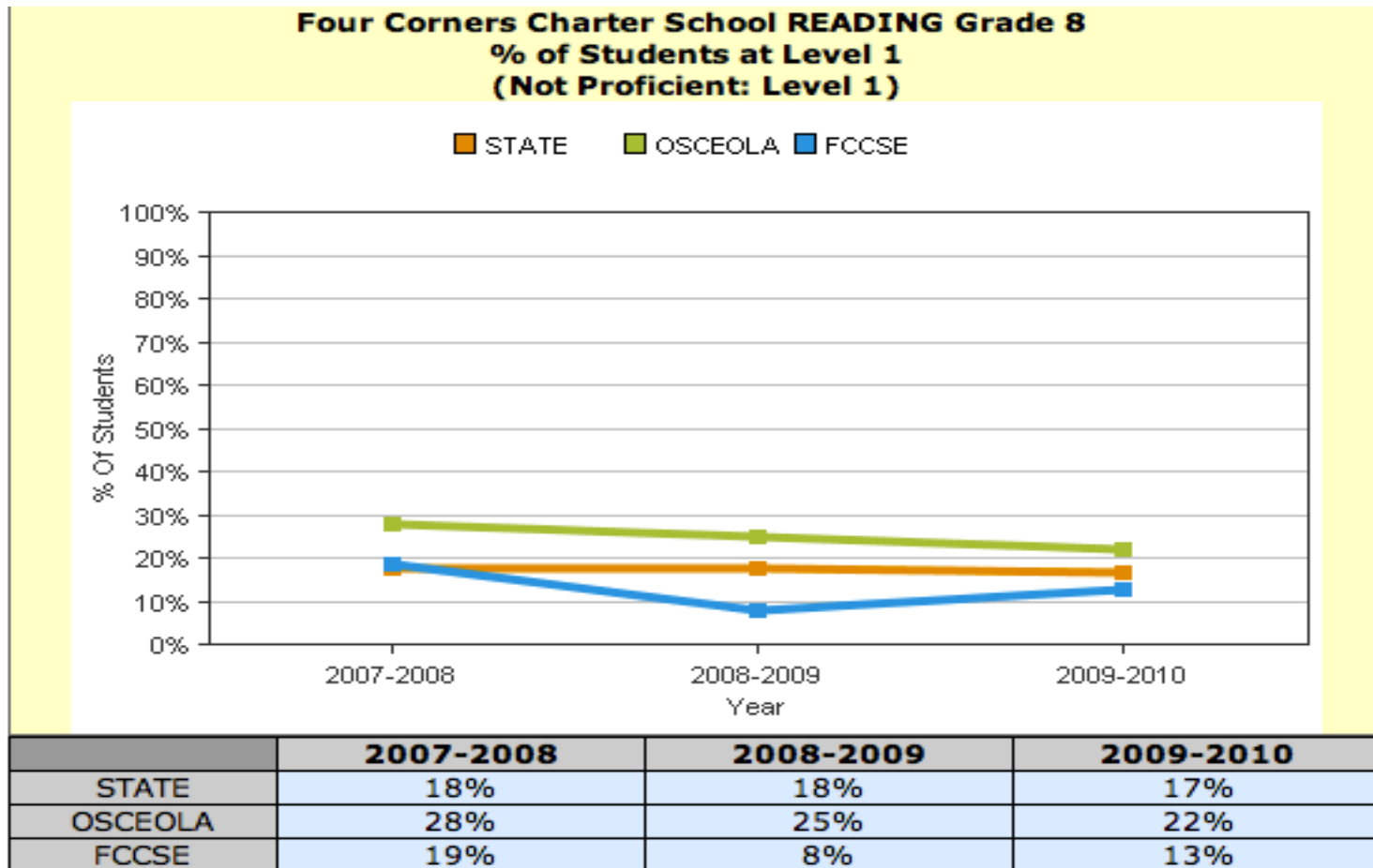
Putting Students First



2009-2010 FCAT Raw Reading: 8th Grade Comparison (Level 1)



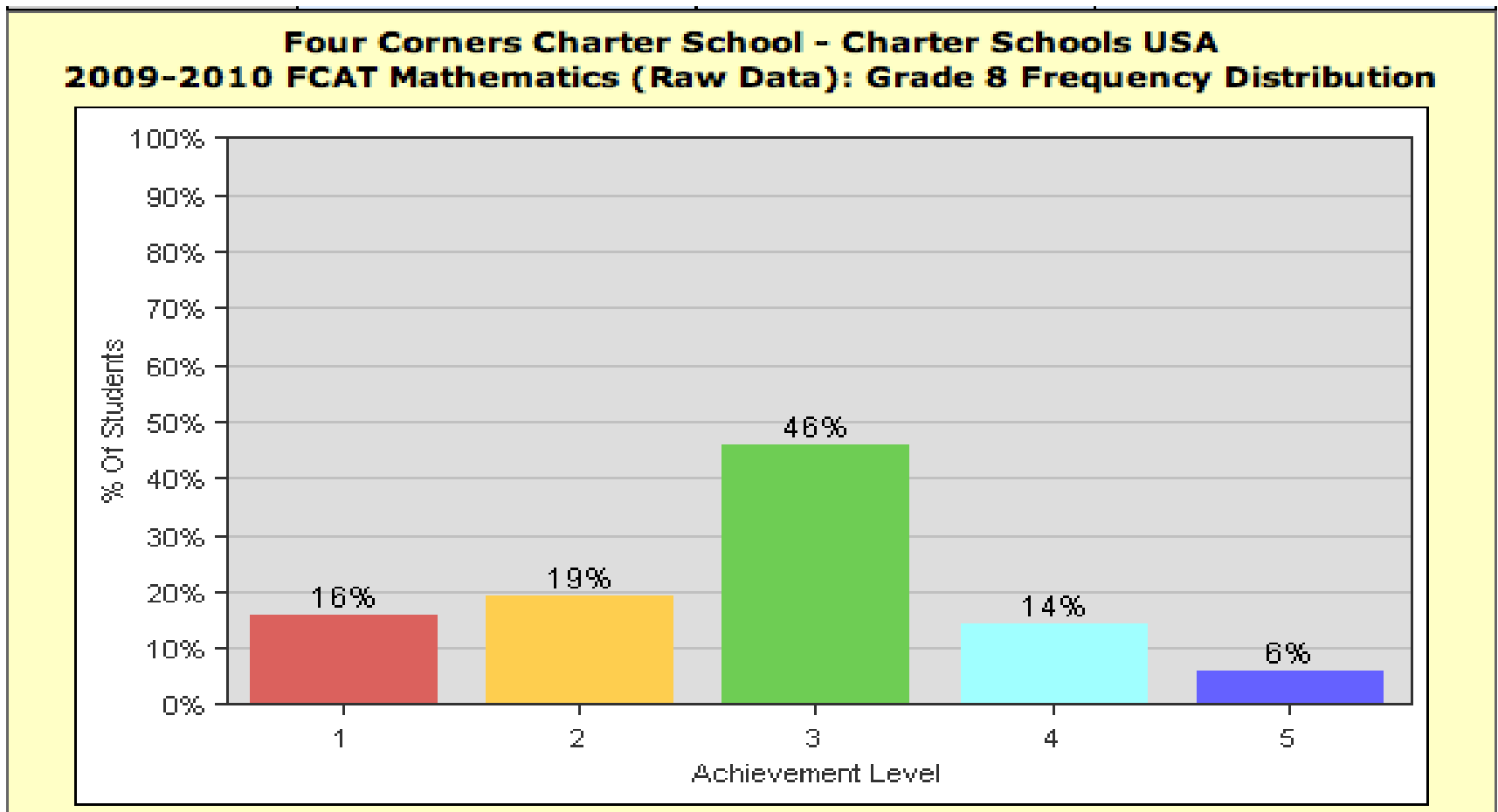
Putting Students First



2009-2010 FCAT Raw Mathematics: 8th Grade Proficient



Putting Students First



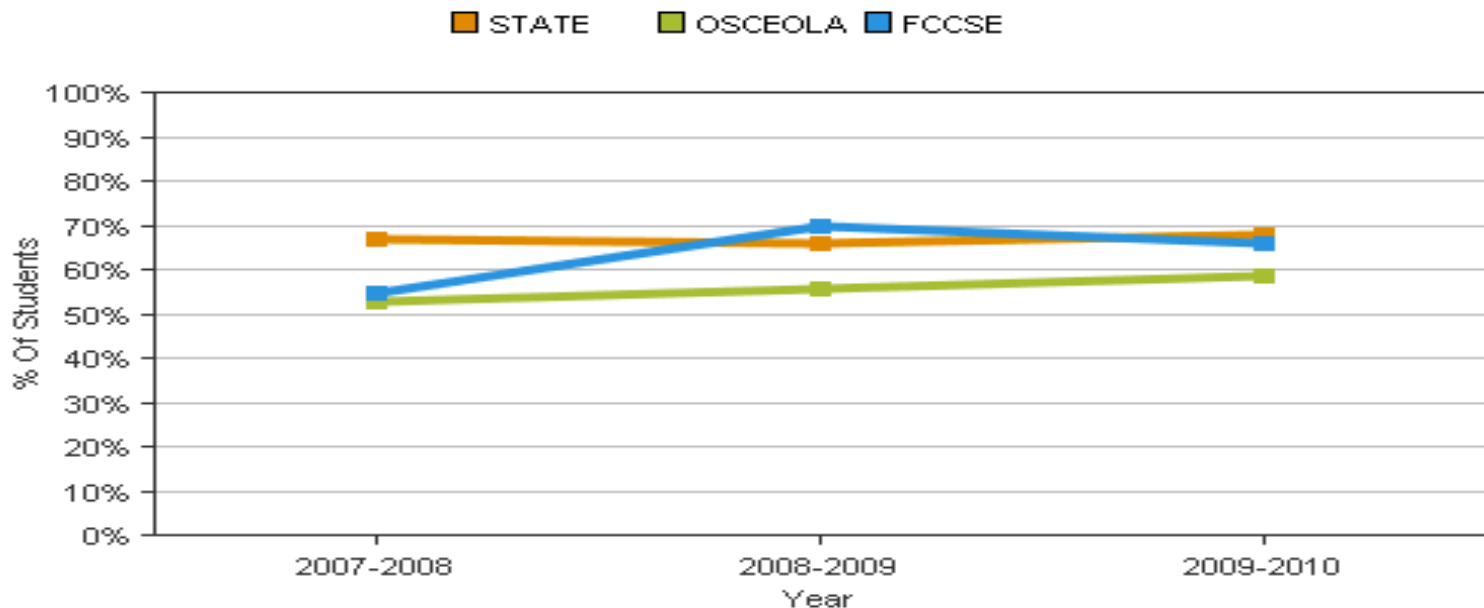
- 66% of students are proficient (Level 3 or higher)

2009-2010 FCAT Raw Mathematics: 8th Comparison Grade (Proficient)



Putting Students First

**Four Corners Charter School
MATHEMATICS Grade 8
% of Students at Level 3 or Above (Proficient)
2007-2008, 2008-2009, 2009-2010**



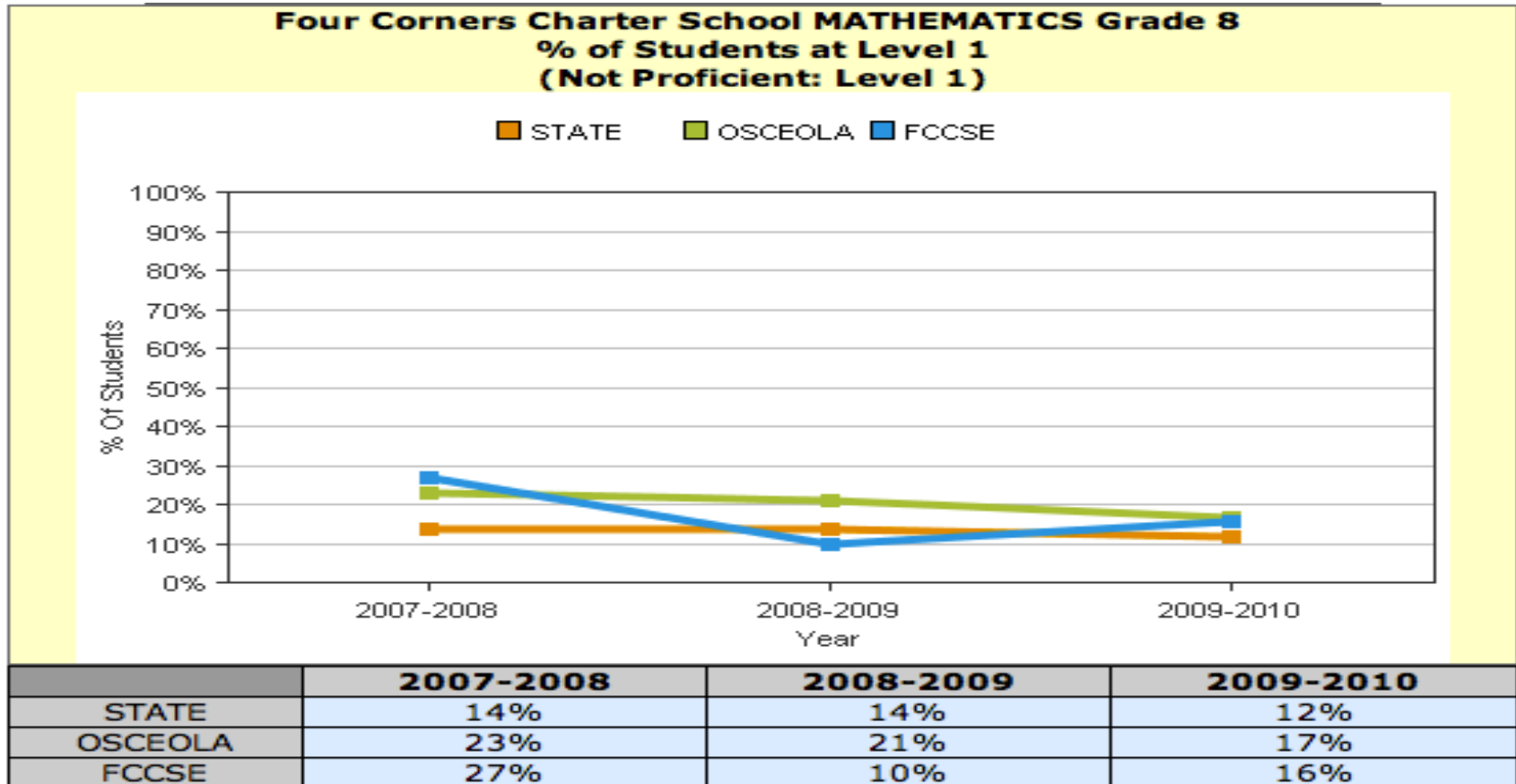
**Data is shown where available. Lines may overlap.*

	2007-2008	2008-2009	2009-2010
STATE	67%	66%	68%
OSCEOLA	53%	56%	59%
FCCSE	55%	70%	66%

2009-2010 FCAT Raw Mathematics: 8th Grade Comparison (Level 1)



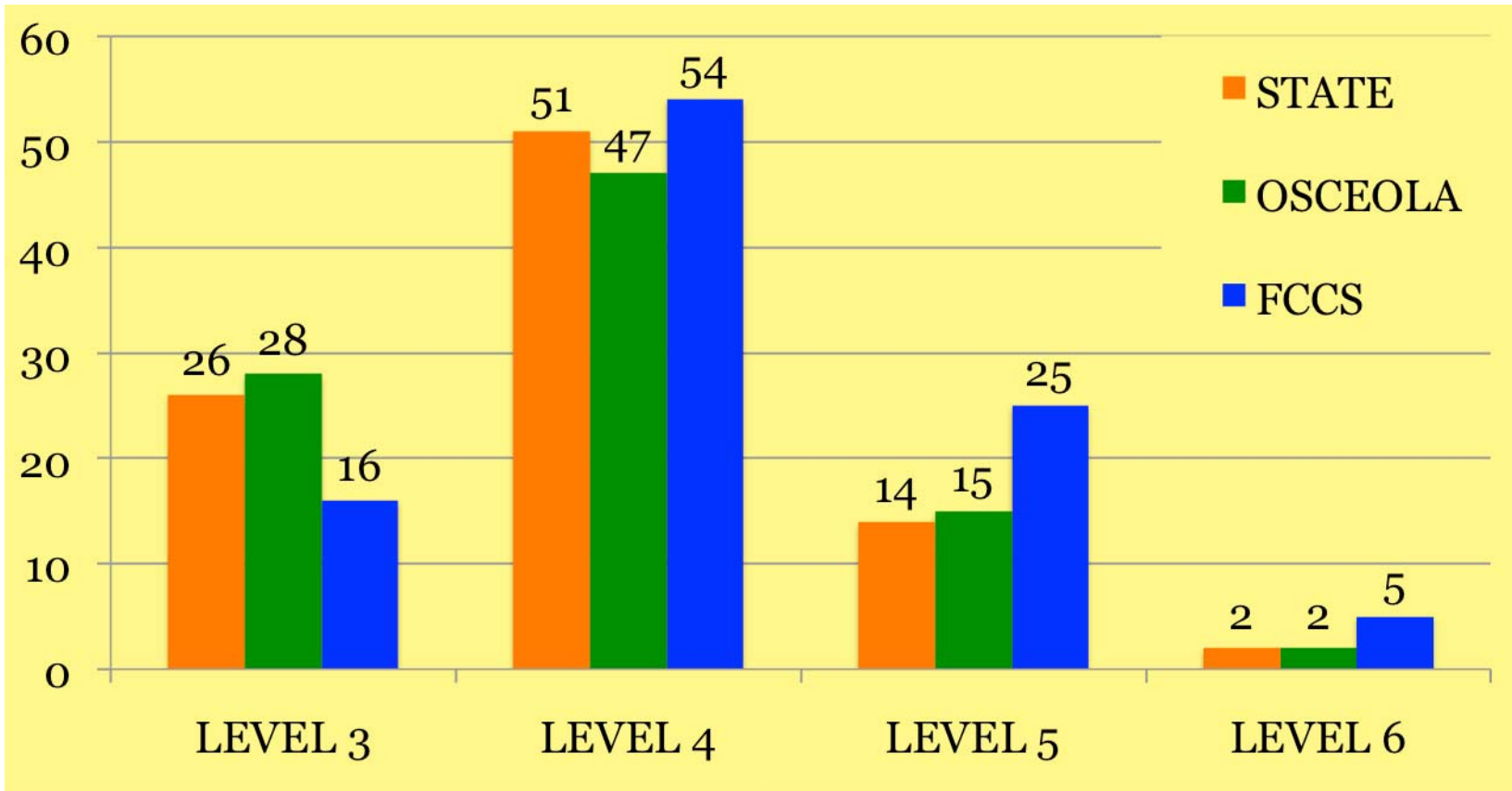
Putting Students First



2009-2010 FCAT Raw Writing: 8th Grade Proficient Comparison



Putting Students First

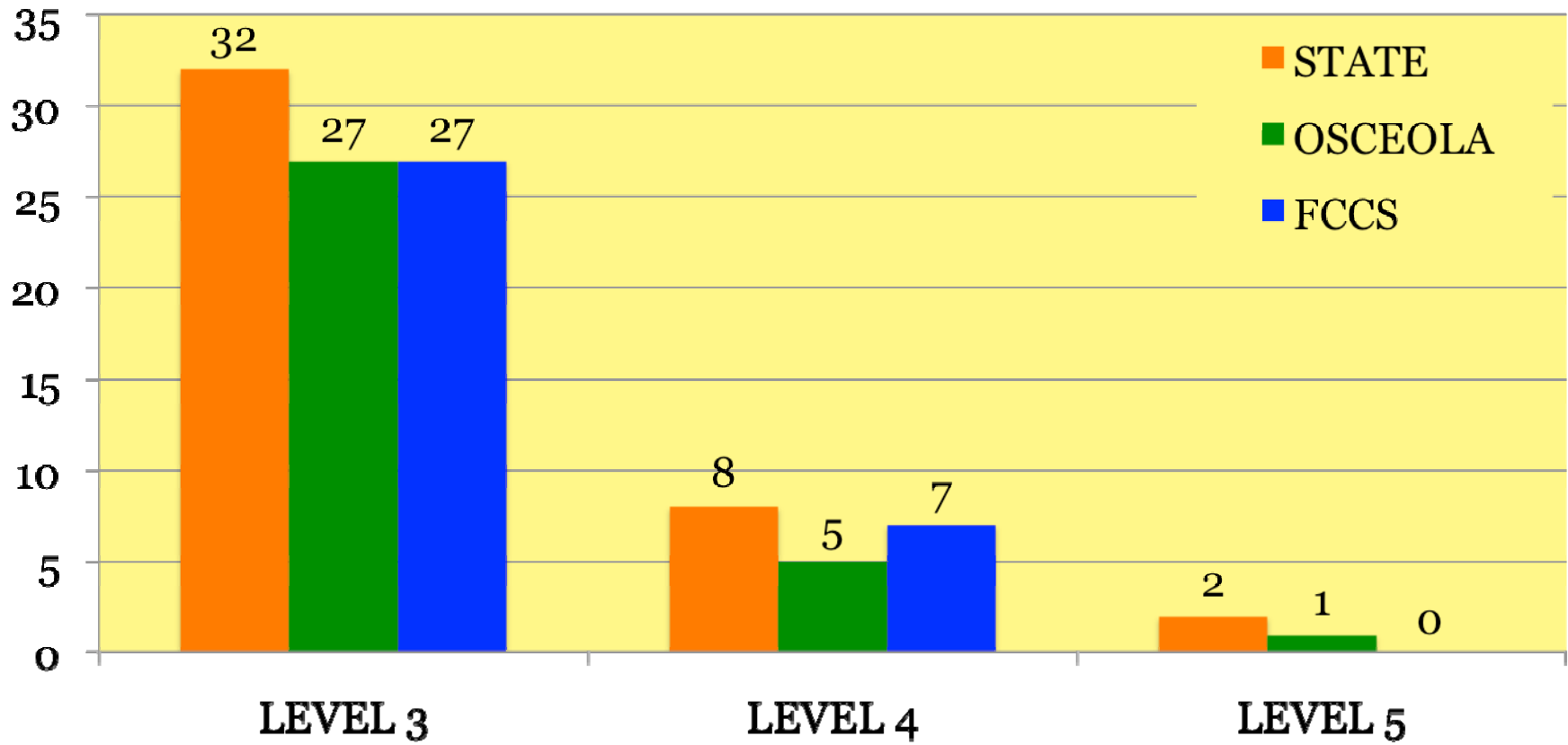


- 100% of students are proficient (Level 3 or higher) AYP
- 92% of students are proficient (Average of 3.5 higher) Fl School Grade

2009-2010 FCAT Raw Science: 8th Grade Proficient Comparison



Putting Students First



- 34% of students are proficient (Level 3 or higher)
 - *No data indicates, no students scored within that level*

FOUR CORNERS CHARTER SCHOOL

SCHOOL BOARD AGENDA ITEM

Thursday, July 15, 2010

SUBJECT: Parent Survey Results

Review the end of year Parent Survey Results

EXECUTIVE SUMMARY:

Review and discuss the Four Corners Charter School, Inc. Governing Board Parent Survey Results

RECOMMENDATION:

Informational

Submitted by: Denise Thompson



Parent Survey Results End of Year 2010

Presented to
The Four Corners Charter School, Inc.
presented July, 2010



Survey Summary

Students

Integrity

Fiscal Responsibility

Learning

People

Teamwork

Commitment

Accountability

High Standards

- Graphs will provide a pictorial view of the survey results.
- Results from individual “Buckets” are evaluated to show successes and opportunities.
- Results will be integrated into the School’s strategic plan for the remainder of the school year.

Average Results of “Buckets” 4 point Likert scale

Students

Integrity

Fiscal Responsibility

Learning

People

Teamwork

Commitment

Accountability

High Standards

“Buckets”	June '10	June '09	Nov '09
Curriculum	3.16	3.06	3.22
Goals & Feedback	3.18	3.08	3.30
Parent & Community Involvement	3.16	2.95	3.32
Safe & Orderly Environment	3.29	3.21	3.39
Collegiality & Professionalism	3.23	3.18	3.36
Student Motivation	3.27	3.16	3.28
SIS/Technology	3.20		3.19
Food Service	2.95	2.88	2.99
Transportation	3.17	1.24	3.17
Uniforms	2.47	2.36	2.45
Customer Service	3.28	3.20	3.32
General	3.41	3.30	3.45
Average for all	3.18	2.90	3.21

School Results by Categories

Students

Integrity

Fiscal Responsibility

Learning

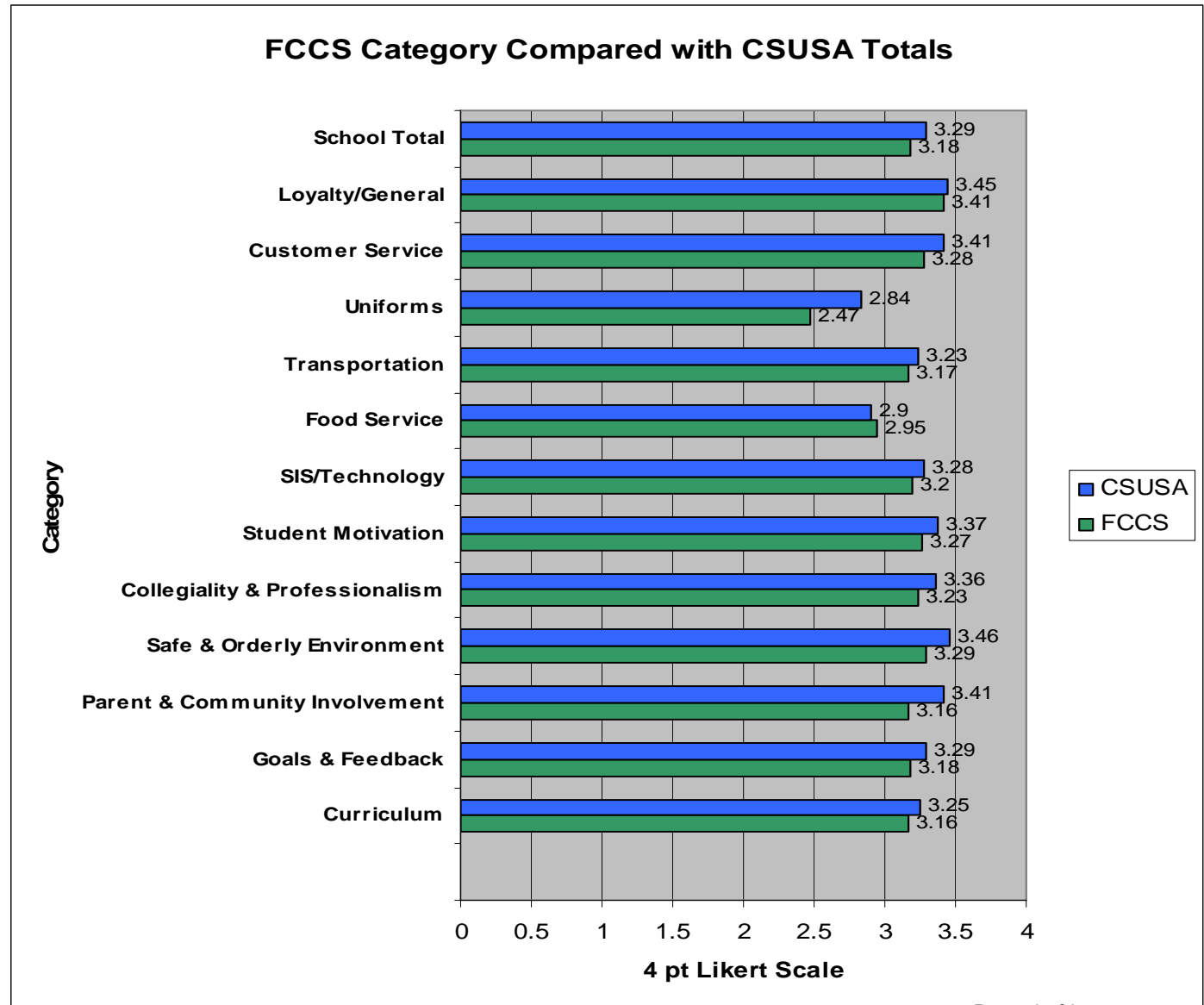
People

Teamwork

Commitment

Accountability

High Standards



Strengths

Students

Integrity

Fiscal Responsibility

Learning

People

Teamwork

Commitment

Accountability

High Standards

- The school buildings and grounds are clean and well maintained. 3.42
- Student have adjusted socially to the school's environment. 3.33
- Students feel safe at our Charter School. 3.30

Opportunities

Students

Integrity

Fiscal Responsibility

Learning

People

Teamwork

Commitment

Accountability

High Standards

- Parents are informed of school events and activities. 3.03
- Extra assistance with school work is available to our students. 3.05
- I receive regular feedback on my child's progress. 3.03

Satisfaction Results

Students

Integrity

Fiscal Responsibility

Learning

People

Teamwork

Commitment

Accountability

High Standards

My child is happy at our Charter School.

3.41

I would recommend our Charter School to a friend.

3.42

I intend to re-enroll my child for the next academic year.

3.40

Students

Integrity

Fiscal Responsibility

Learning

People

Teamwork

Commitment

Accountability

High Standards

Four Corners Charter School Participation

- Total student/parent population were given the opportunity to complete the parent survey.
- Survey was distributed by email and paper form (upon request).

FCCS

Participation Rates: June '09 – 16.91%
Nov '09 – 24.09%
June '10 – 22.71%

FOUR CORNERS CHARTER SCHOOL

SCHOOL BOARD AGENDA ITEM

Thursday, July 15, 2010

SUBJECT: Student Survey Results

Review the end of year Student Survey Results

EXECUTIVE SUMMARY:

Review and discuss the Four Corners Charter School, Inc. Governing Board Student Survey Results

RECOMMENDATION:

Informational

Submitted by: Denise Thompson



Student Survey Results End of Year June 2010

Presented to
The Four Corners Charter School, Inc.
presented July, 2010



Survey Summary

Students

Integrity

Fiscal Responsibility

Learning

People

Teamwork

Commitment

Accountability

High Standards

- Second Annual Student Satisfaction Survey.
- The first year was evaluated on a 4 point Likert Scale. This year we used a 6 point Likert Scale.
- In addition, the entire survey was modified for quality purposes, therefore it is difficult to make comparisons for both this year and last.
- Graphs will provide a pictorial view of the survey results.
- Results from individual “Buckets” presented to the Board from your Student Survey June 2010, are evaluated to show successes and opportunities.
- Results will be integrated into the School’s strategic plan and improvement plan for the school year 2010-2011

Students

Integrity

Fiscal Responsibility

Learning

People

Teamwork

Commitment

Accountability

High Standards

Four Corners Charter School Participation

- Students in grades 5th and 7th were given the opportunity to complete the student survey.
- Survey was provided to student's during class time.
- Survey was offered in both english and spanish.

Average Results of “Buckets” 6 point Likert scale

Students

Integrity

Fiscal Responsibility

Learning

People

Teamwork

Commitment

Accountability

High Standards

<u>“Buckets”</u>	<u>June ‘10</u>
Curriculum	5.01
Challenging Goals & Effective Feedback	5.00
Faculty and Staff	4.83
Students in this School.....	4.68
My Teachers.....	5.27
Safe & Orderly Environment	4.58
School Activities	4.44
SIS	5.20
Optimism	5.56
General	4.78
Average for all	4.94
(Last Year Average on 4 pt Scale	2.94)

School Results by Categories

Students

Integrity

Fiscal Responsibility

Learning

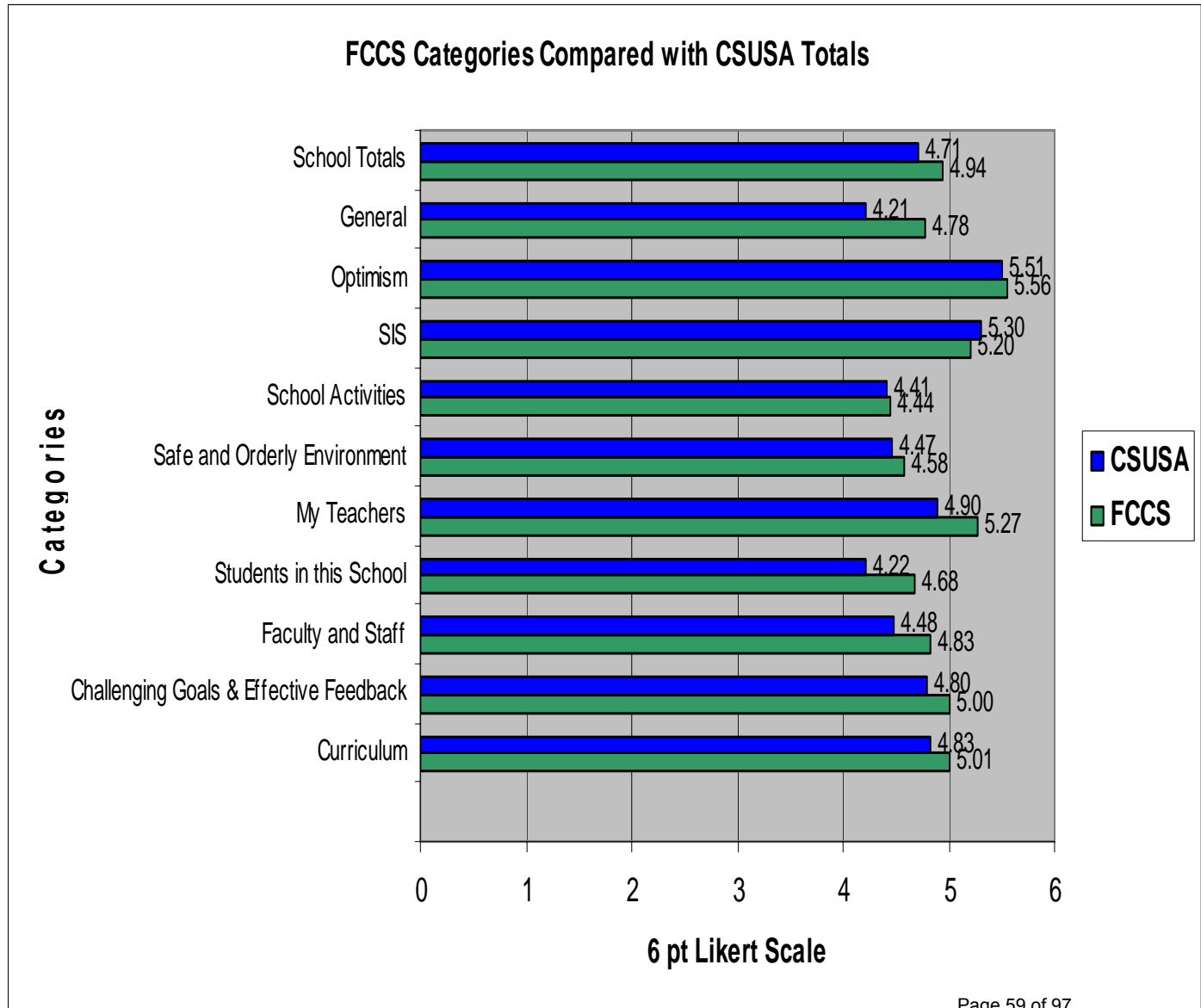
People

Teamwork

Commitment

Accountability

High Standards



FOUR CORNERS CHARTER SCHOOL

SCHOOL BOARD AGENDA ITEM

Thursday, July 15, 2010

SUBJECT: Staff Survey Results

Review the end of year Staff Survey Results

EXECUTIVE SUMMARY:

Review and discuss the Four Corners Charter School, Inc. Governing Board Staff Survey Results

RECOMMENDATION:

Informational

Submitted by: Denise Thompson



Staff Survey Results End of Year 2009-2010

Presented to

Four Corners

July, 2010

www.charterschoolsusa.com





Four Corners Staff Survey

- Total Staff population of 73 were given the opportunity to complete the Staff Survey.
- Survey was distributed by email to Employees
- 70 surveys completed 96%.
- Survey sent out April 2010
- | End of Yr 09 | Mid- Year 09 | End of Yr 10 |
|--------------|--------------|--------------|
| 35 | 66 | 70 |



Categories or “Buckets”

- **Category 1 - Workforce Strength (Gallup questions.. attract, retain, and focus on TOP TALENT)**
- **Category 2 - Leadership (21 Responsibilities of a Leader that correlate to student achievement)**
- **Category 3- Work Environment**



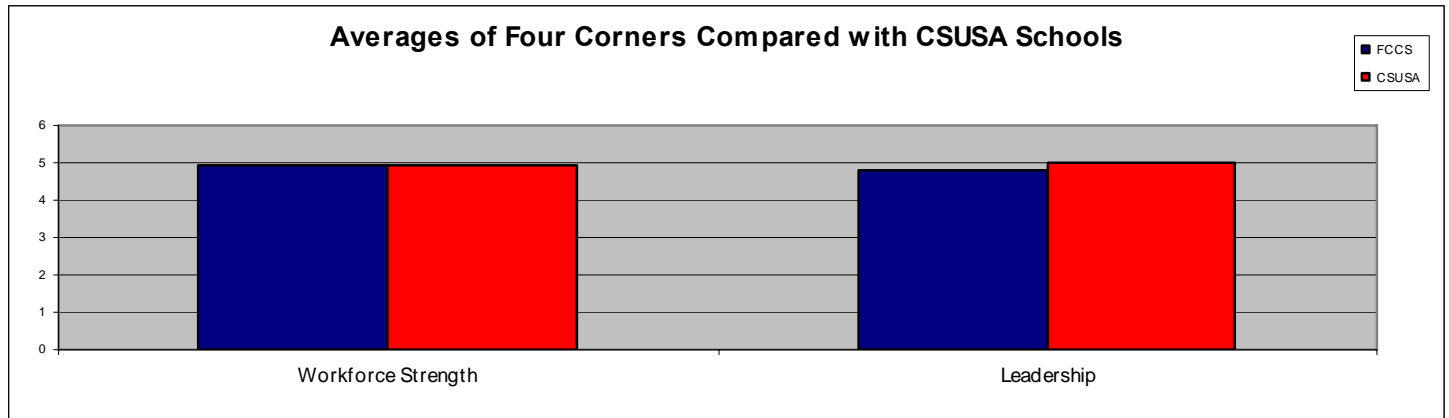
Average Results of “Buckets” for FCCS

6 point likert scale

	End of Yr 09	Mid-Yr 09	End of Yr 10
• Workforce Strength	5.17	4.95	4.95
• Leadership	5.22	4.96	4.83
• I would recommend working at this school to a friend	5.67	5.21	5.07
		% Yes	
• Communicating events	73.3%	79.7%	77.6%
• Safe Working Environment	100%	96.6%	96.6%
• Clean and well maintained	96.7%	91.5%	91.4%
• SIS is a useful tool	90%	91.5%	84.5%

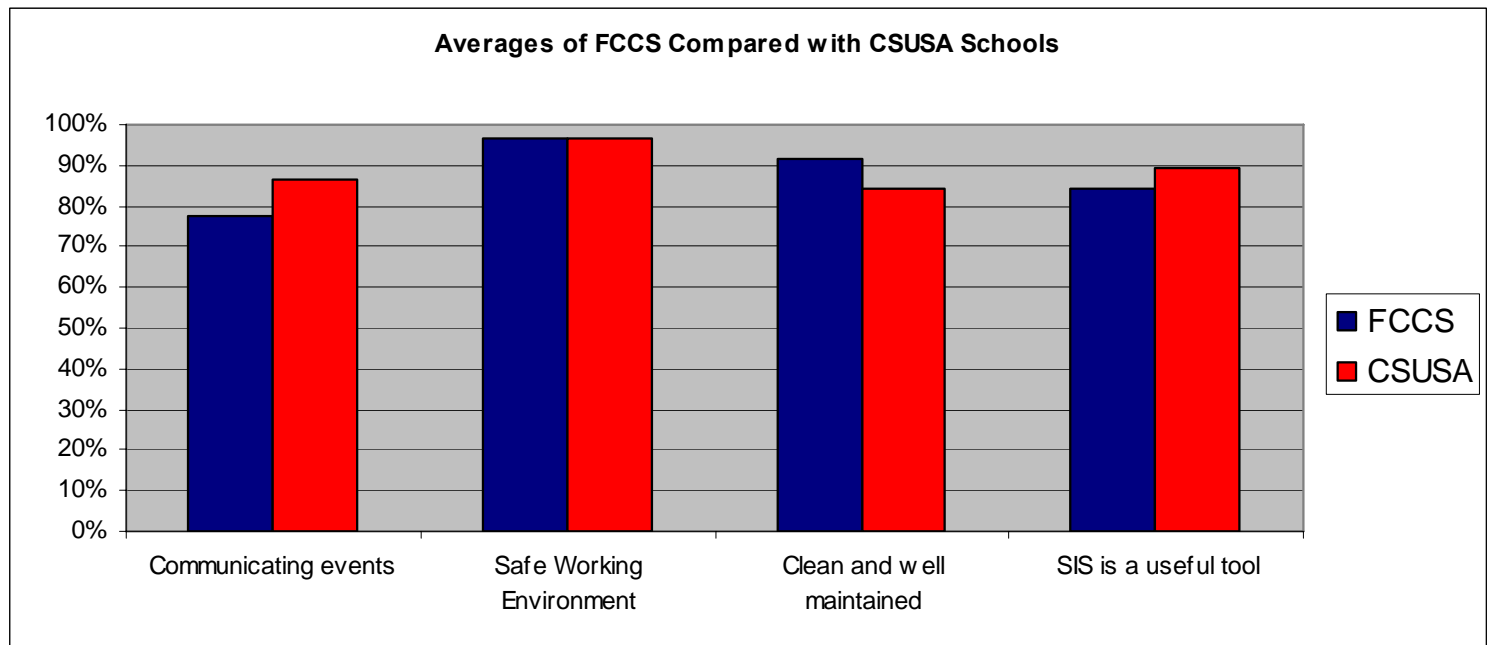


Results Compared with All CSUSA Schools





Work Environment





Four Corners Workforce Strength

- **What we do well**
 - I know what is expected of me at work
 - At work, I have the opportunity to do what I do best everyday
 - The mission/purpose of CSUSA makes me feel my job is important
- **Opportunities**
 - I have the materials and equipment I need to do my work right
 - I have a best friend at work
 - At work, my opinion seems to count



Four Corners Leadership

•What we do well

Establishes clear student achievement goals

Stresses the use of data to develop instructional strategies

Recognizes & celebrates student achievement & accomplishments

•Opportunities

Asks for feedback on how their actions impact performance

Involves staff in design & implementation of important decisions

Works to ensure all staff have the necessary resources to do their job



Data usage

- Results used in School Strategic Planning sessions for goal setting and improvements
- Benchmarking data to monitor progress
- Identifying Leadership Professional Development opportunities
- HR People First and Operational initiatives

FOUR CORNERS CHARTER SCHOOL

SCHOOL BOARD AGENDA ITEM

Thursday, July 15, 2010

SUBJECT: Facility – Follow up to Open Items

Review safety inspection concerns, roofing, A/C unit and athletic fields. Report on updates on processes and bids for these projects.

EXECUTIVE SUMMARY:

Review and Discuss.

RECOMMENDATION:

Informational

Submitted by: Dan Coppola/Paul Hage

FOUR CORNERS CHARTER SCHOOL

SCHOOL BOARD AGENDA ITEM

Thursday, July 15, 2010

SUBJECT: Management Renewal

Initial discussions on Management Renewal.

EXECUTIVE SUMMARY:

Review and Discuss.

RECOMMENDATION:

Informational

Submitted by: John McKay

MANAGEMENT AGREEMENT

between

CHARTER SCHOOLS USA AT FOUR CORNERS, LLC

and

FOUR CORNERS CHARTER SCHOOL, INC.

a Florida non-profit corporation

TABLE OF CONTENTS

1)	Recitals_____	1
2)	Hiring and Term_____	1
3)	School Facility_____	1
4)	Charter School_____	2
5)	Services Provided by Charter Schools USA in Exchange for Administrative Fee_____	2
6)	Curriculum and Testing_____	3
7)	Performance Criteria_____	3
	a) Student Performance and Progress Criteria_____	3
	b) Financial Performance_____	4
8)	Personnel Administration _____	4
	a) Guidance Counseling	
	b) Nurse	
	c) School Resource Officer	
	d) Other School Staff	
9)	Training_____	5
10)	Capacity of School_____	5
11.	Accounting, Audit, Budgeting & Financial Reporting_____	5
	a) Annual Budget _____	5
	b) Audits _____	6
12)	Payroll_____	6
13)	Management Information Systems_____	6
14)	Cafeteria Management Services_____	7
15)	Parent Activities_____	7
16)	Provision of Liaison Services_____	7
17)	Public Relations_____	8
18)	Grants_____	8
19)	Coordination with Charter Sponsor_____	8
20)	Research and Support Staff_____	8
21)	Adherence to Procedural Requirements_____	8
22)	Responsibilities of Corporation_____	8
	a) Timely Payment _____	8
	b) Sharing of Information_____	8

	c) Full Capacity of School _____	9
23)	Fees to Charter Schools USA _____	9
24)	Subordination of Administrative Fees _____	11
25)	Other Revenue Sources _____	11
26)	Subordination of Incentive Fees _____	11
27)	Total Compensation _____	11
28)	Annual Review of Fees _____	11
29)	Charter School's Funding Resources _____	11
30)	Cancellation/Termination by the Corporation _____	14
31)	Termination by Charter Schools USA _____	15
32)	Transfer of Operations upon Termination _____	15
33)	Subcontracts _____	16
34)	Insurance _____	16
35)	Indemnification _____	16
36)	Compliance with Applicable Law _____	16
37)	Additional Mutual Obligations _____	16
38)	School Facilities Maintenance Agreement _____	16
39)	Entire Agreement _____	17
40)	Assignments _____	17
41)	Sale or Transfer of Interest _____	17
42)	Transportation _____	17
43)	Further Assurances _____	17
44)	Relationship of Parties _____	18
45)	Interpretations _____	18
46)	Time of the Essence _____	18

47)	Binding Effect	18
48)	Notices	18
49)	Headings	18
50)	Severability	19
51)	Survival	19
52)	Waivers	19
53)	Outside Business	19
54)	Third Parties	19
55)	Jurisdiction and Venue	19
56)	Remedies Cumulative	19
57)	Counterparts	19
58)	Dispute Resolution	19
59)	Governing Law	19
60)	Records Retention	20
61)	Proprietary Information	20
62)	Force Majeure	20
63)	Corporation Use Fee	21
64)	Effective Date	21

MANAGEMENT AGREEMENT

THIS MANAGEMENT AGREEMENT is made and entered into as of the 4th day of April, 2006, by and between Charter Schools USA at Four Corners, LLC, (hereinafter "Charter Schools USA", and sometimes "CS USA"), and Four Corners Charter School, Inc., a Florida non-profit corporation, 817 Bill Beck Boulevard, Kissimmee, FL 34744 ("Corporation").

WITNESSETH:

WHEREAS, the Corporation has received a charter from The School Board of Osceola County, Florida (the "Charter Sponsor") for the establishment of a charter school (the "Charter School") to be located in the Four Corners area of Osceola County, Florida; and

WHEREAS, Charter Schools USA is in the business of providing organizing, developing, managing, staffing, and operating charter and independent schools; and

WHEREAS, the Corporation wishes to hire Charter Schools USA and Charter Schools USA wishes to be hired by the Corporation to organize, develop, manage, staff, and operate the Corporation's Charter School upon the terms and conditions set forth herein; and

NOW, THEREFORE, for mutual and valuable consideration, the receipt and adequacy of which is hereby acknowledged, the parties agree with each other as follows:

1. **Recitals.** The recitals set forth above are true and correct and are incorporated herein by reference. All exhibits to this Agreement are hereby deemed to be a part hereof.
2. **Hiring and Term.** The Corporation agrees to hire Charter Schools USA, and Charter Schools USA agrees to be hired, for the purpose of organizing, developing, managing, staffing, and operating the Corporation's Charter School. Subject to the right to terminate this Agreement as provided in Paragraph 30 herein, and as provided for in the School Board of Osceola County Charter School Contracts, and any addenda thereto, the term of this Agreement shall be for the period of five (5) years, commencing on July 1, 2006, and terminating on June 30, 2011 (the "Termination Date") unless terminated earlier pursuant to the provisions of this Agreement, or in the event that the Charter Sponsor terminates the Charter given to the Corporation during the term hereof or any option periods otherwise set forth herein.
3. **School Facility.** The Corporation is providing the Charter School facility (the "School Facility") in an area of Osceola County known as the four corners area, as the primary site for the operation of the Charter School. Charter Schools USA acknowledges that it has visited the School Facility and has determined that the site is suitable and acceptable for its educational purposes.
 - a. **Furniture, Fixtures and Equipment.** Charter Schools USA shall identify and maintain the existing furniture, fixtures and equipment as part of its scope of work. FF&E shall be defined as furniture, equipment, computers, data cabling, textbooks, soft supplies and other tangible personal property. Charter Schools USA shall satisfy this requirement by conducting an accurate inventory of all furniture, fixtures and equipment present and existing at the Charter School as of the first day of the Term of this Agreement. The parties will cooperate so that Charter Schools USA will have access to the Charter School for purposes of conducting this initial inventory prior to the commencement date of this Agreement. Charter Schools USA will be responsible to maintain this initial inventory of FF&E, and shall cooperate in identifying to the Corporation all items of FF&E that the records of the Corporation or the prior management company indicate should be present at the Charter School, but which, according to the inventory conducted by Charter Schools USA are not present at the Charter School. Charter Schools USA will have no obligation to assist the school board in actually pursuing the prior management company or any other third

party to recover any items of lost property, but will merely identify items of property which appear to be lost or missing from the premises of the Charter School. Corporation staff will conduct a walk-through of the premises of the Charter School with staff of Charter Schools USA and will sign off on the final inventory of FF&E prepared by Charter Schools USA pursuant to this subparagraph 3a.

- b. In the event Charter Schools USA shall purchase any capital items on behalf of the Corporation, using operating funds, it shall promptly transfer to Corporation all original product warranties received and a copy of the receipt for said items. Charter Schools USA shall not acquire items for lease to the Charter School or the Corporation, or lease any items to or for, or on behalf of, the Charter School or the Corporation.

The services to be performed in this subparagraph by Charter Schools USA shall be performed to the reasonable satisfaction of the Corporation.

4. **Charter School.** The Charter School shall be for grades K-8. Charter Schools USA shall operate the Charter School according to the Charter School Contracts entered into between the School Board of Osceola County and the Corporation, attached hereto as composite Exhibit A, and incorporated by reference, and all applicable laws, ordinances, rules, and regulations (the "Charter"). The Corporation shall not amend or modify, or consent to any amendment or modification of the Charter without the prior written consent of Charter Schools USA, unless said modification is required by amendments to the Charter School legislation. In any event, Charter Schools USA shall not unreasonably withhold its consent. If either Charter Schools USA or Corporation is notified by the State of Florida, the Florida Department of Education, or any other governmental authority or by any other person or entity, that Charter Schools USA or Corporation may be in violation of the Charter legislation or any other applicable law or regulation, then each shall immediately notify the other of the claimed violation and take steps to cure any and all claimed violation. If any law or regulation is changed after the effective date of this Agreement, and such change in the law or regulations are beyond the reasonable control of the parties and materially and substantially impact or affect Charter Schools USA such that its performance of this Agreement is rendered substantially commercially infeasible (as the term "commercially infeasible" as used herein is defined hereinafter), then, upon Charter Schools USA giving reasonable notice, it may terminate this Agreement without penalty or damages. Reasonable notice shall mean a sufficient amount of notice such that the Corporation can make reasonable alternative arrangements for the governance of the school, assuming that the Corporation works with reasonable diligence in accomplishing a transference of the governance responsibilities and assuming that Charter Schools USA shall cooperate in assisting the Corporation in facilitating a change in the management function. The parties will cooperate in providing for a smooth and effective transition from Charter Schools USA to another manager should this Agreement be terminated for this or any other reason, with the primary objective being the best interests of the students and the maintenance of a quality educational program without interruption or disruption. As used herein, the term "commercially infeasible" shall mean that because of a legislative or regulatory change occurring after the date of this Agreement, where such change is beyond the reasonable control of the parties, that Charter Schools USA cannot perform its duties under this Agreement without, after payment of all authorized costs and expenses, operating at a loss (i.e., the amount of authorized fees and costs exceeds revenues), assuming the application of generally accepted accounting principles consistent with this Agreement are used in the accounting.
5. **Services Provided by Charter Schools USA In Exchange for Administrative Fee.** Charter Schools USA shall be paid an Administrative Fee, as provided in Paragraph 23 herein for providing services as set forth in this Agreement. It is the specific intent of the parties that costs associated with Charter Schools USA's management responsibilities (and fees), set forth in this paragraph, shall not be shifted from Charter Schools USA into the Charter School's operating budget. Conversely, Charter School costs which are not

included in the Charter Schools USA administrative fee responsibilities shall not be shifted from the Charter School to Charter Schools USA . To that end, Exhibit B to this Agreement provides assigned costs payable from the Administrative Fee and assigned costs payable from the operating budget.

6. **Curriculum and Testing.** Charter Schools USA shall develop, plan and implement a curriculum for the Charter School which complies with federal and state law, the policies of the School Board of Osceola County, Florida, and the Charter. Additionally, Charter Schools USA shall administer all standard tests to the students of the Charter School which are required by law, by the policies of the School Board of Osceola County, Florida, and by the Charter. Charter Schools USA will make every reasonable effort to ensure that student scores for each grade level increase from year to year, and Charter Schools USA shall assess the possible reasons for performance deficiencies and take all reasonable steps to enable the students to progress from grade to grade and improve their academic performance as they progress.
 - a. Charter Schools USA shall be required to meet or exceed all performance criteria set forth in the Charter, and perform to the reasonable satisfaction of the Corporation, as set forth in this Agreement.
 - b. It is expressly understood by the parties that Charter Schools USA shall coordinate efforts with the Charter Sponsor's Curriculum Department to ensure that all students attending the Charter School shall be administered the same assessments that are being administered in all of the other Charter Sponsor's schools. The results of these assessments shall be made available to the Charter Sponsor's Department of Research Evaluation and Accountability for the purpose of inclusion in all of the Charter Sponsor's data reports and for the evaluation of Charter Schools USA's performance.
 - c. Charter Schools USA shall also be responsible for administering the Florida Comprehensive Assessment Test (FCAT) on the identical testing schedule as the School Board of Osceola County, Florida.
 - d. Attached hereto as Exhibit C is the Charter School Technical Services Guide prepared by the School Board, which sets forth the associated costs with regard to testing services offered by the School Board. Charter Schools USA shall coordinate all testing services directly with School Board.
7. **Performance Criteria.** The Corporation and Charter Schools USA agree to use the following performance indicators to measure progress in meeting customer satisfaction, operational results, and financial performance:
 - a. **Student Performance and Progress.**
 - i. Charter Schools USA shall be required to meet or exceed all student performance and progress criteria as set forth in the Charter Contract between the Corporation and the School Board, and perform to the satisfaction of the Corporation as set forth in this Agreement.
 - ii. The Corporation and Charter Schools USA agree to use the following indicators to measure progress:
 - i. Student academic performance will show annual improvement for students who consistently attend mainstream classes as measured through:
 - a) Student portfolio assessment
 - b) Benchmarks appropriate for each grade level
 - c) Teacher personal observations
 - d) Teacher developed tests and quizzes

- e) Individual student report cards
- f) Student attendance
- g) Student behavior

- ii. Charter Schools USA shall participate in Florida's Systems for High Quality Schools and achieve a school grade of at least "C" for the first school year that the Charter School is operated by Charter Schools USA. In the event the Charter School receives a school grade of "C" or below for any school year it is in operation, Charter Schools USA shall prepare and implement a plan for improving the Charter School grade and shall provide that plan to the Corporation.
- iii. Charter Schools USA shall integrate appropriate "technology" into the school's educational curriculum pursuant to the recommendation of the Corporation, and the Charter Sponsor.

b. Financial Performance

- i. Charter Schools USA will operate the Charter School within the Approved Budget pursuant to and as defined in Paragraph 11.a.
- ii. The Corporation and Charter Schools USA agree that the budget may be modified on the mutual consent of both parties.
- iii. Charter Schools USA shall not incur any long term liability by or on behalf of the Corporation or the Charter School without prior, written approval of the Corporation and shall not, in any event, incur such liability if the lender or creditor is Charter Schools USA or its affiliate, parent or subsidiary.

8. Personnel Administration. Charter Schools USA shall provide sufficient qualified personnel to operate the Charter School, including without limitation, a principal and such administrators, teachers, clerical, cafeteria, and such other staff to enable Charter Schools USA to operate the Charter School. Such personnel may be employees of Charter Schools USA or of an employee staff leasing company engaged by Charter Schools USA. Charter Schools USA shall provide such personnel as Charter Schools USA, in its sole judgment, determines is necessary to properly operate the Charter School. Charter Schools USA shall determine, in its sole discretion, the benefits which will be provided to such personnel and shall administer the provision of such benefits. Any and all employment agreements shall provide for the assignability of such to the Corporation in the event that this Agreement is terminated by Charter Schools USA, or by the Corporation for any reason other than for convenience.

The parties acknowledge that the charter school personnel are crucial to the operation of this school. Charter Schools USA shall use its best efforts to prevent work stoppages caused by the absence of school personnel. In the event Charter Schools USA employees are found to be subject to Chapter 447, Florida Statutes, Charter Schools USA shall ensure that its employees are made aware of those provisions.

- a. Guidance Counseling. The Approved Budget shall provide for management oversight and personnel support for guidance counseling for the Charter School.
- b. Nurse. The Approved Budget shall provide for a licensed practical nurse.
- c. School Resource Officers. The Approved Budget shall provide a School Resource Officer (SRO) on the school grounds
- d. Other School Staff. Charter Schools USA shall submit the Approved Budget for approval by the Corporation. The Approved Budget shall include all instructional, non-instructional, support service, administrative and other personnel as are required by law for the provision of the educational program or are determined to be

appropriate for staffing by Charter Schools USA. This provision applies to all staff in addition to those specifically mentioned in subparagraphs "a" – "c" hereinabove.

9. **Training.** Charter Schools USA shall be responsible for the training and continuing education of its educational faculty, such as the principal, administrators, and State of Florida certified teachers associated with the Charter School. The amount and extent of training will be consistent with the budgeted amounts for training included in the Approved Budget. Charter Schools USA shall include an appropriate amount in the Approved Budget for training and continuing education of the educational faculty and all other personnel who are professionally licensed or certified.
10. **Capacity of School.** Charter Schools USA shall use its best efforts to recruit and enroll eligible students as to fill all available student stations allowable by law. It is a goal of the Corporation that at least 50% of the student stations be filled by students residing in the School District of Osceola County, Florida.
11. **Accounting. Audit, Budgeting & Financial Reporting.** Charter Schools USA shall manage all accounting and financial reporting functions for the Charter School in accordance with Generally Accepted Accounting Principles and the provisions of the Charter including, without limitation, approving and making payment of all costs of the Charter School pursuant to the Approved Budget, making deposits related to the Charter School, recording amounts due to the Charter School and recording accounts payable. Charter Schools USA shall prepare and submit to the Corporation monthly financial statements for the Charter School. These monthly financial statements shall include a balance sheet and a statement of revenues and expenditures reflecting the Charter School monthly, year-to-date, and comparison with prior year (if applicable) activity for both budget and actual activity. If the Corporation fails to supply any required cosigner in connection with any payment hereunder, Charter Schools USA shall not be held liable for such failed payment obligation. Notwithstanding anything in the foregoing to the contrary, and without limitation of any other requirement, internal funds, after school and before school programs, and the principal discretionary account shall be accounted for separately for the reasonable satisfaction of the Corporation.
 - a. **Annual Budget.** In addition, Charter Schools USA shall prepare and submit a detailed annual budget (on a modified accrual basis) of the Charter School in the format as provided by the Charter Sponsor to the Corporation on a schedule similar to that for the School Board of Osceola County, Florida. This annual budget shall be balanced, prepared in accordance with all legal and accounting requirements under this Agreement, and is subject to the reasonable approval and discretion reasonably exercised of the Corporation. The budgets shall include the total number of student stations for the coming academic year, as well as all capital purchase requests, debt repayments, operating revenues and operating expenditures for the following school year. This budget shall be referred to in this Agreement as the Approved Budget.
 - i. Charter Schools USA shall submit to the Corporation a preliminary annual budget for the upcoming School Year (running from July 1, 2006 through June 30, 2007 for the first school year of this Agreement and thereafter during the term of this Agreement running from July 1 of each year through June 30th of the following year) on or before April 30th of each year as to the preliminary budget (including April 30, 2006 for the preliminary budget for the 2006-2007 school year), with a final budget due on or before May 31st of each year. The Corporation shall provide to Charter Schools USA the School District's required formats for the preliminary and final budgets. The parties shall promptly cooperate to obtain from the current Charter School Manager (Imagine Schools) all available budgetary work product and draft budgets for school year 2006-2007, but the parties agree only to cooperate and use best efforts as to this provision, and neither party can warrant that

any particular level or type of such budgetary information will be available from the existing School Manager (Imagine Schools).

- ii. The Charter School budget shall be reviewed and modified, if necessary, by the Corporation or its designee. The parties shall work cooperatively together on any and all budgetary matters and issues prior to the submission of the proposed budget to the Corporation. It is the intent of this provision that Charter Schools USA prepare and submit a balanced budget for the Charter School to the Corporation, which shall provide for full payment of Charter Schools USA's Administrative Fee pursuant to Paragraph 23 herein.
 - iii. The final agreed proposed annual Charter School budget shall be submitted to the Corporation for approval no later than the above-stated deadline of each year during the term hereof. Charter Schools USA is responsible for and shall maintain a balanced financial budget at all times during the term of this Agreement.
 - iv. Charter Schools USA shall operate within its annual Charter School budget, as reasonably approved by the Corporation in its reasonable discretion (such budget, being the "Approved Budget"). In the event that Charter Schools USA requires additional funds in excess of those within the Approved Budget, it shall propose amendments to the budget to the Corporation designee, setting forth in detail the reasons and necessity for the additional funds. The proposed amendment shall be considered by appropriate Corporation officials pursuant to the Corporation's procedure for considering budget amendments. If in the discretion of the Corporation designee the request for additional funds is deemed to be reasonable, the Corporation designee shall approve the additional funds if authorized to do so, or shall forward a positive recommendation to the Corporation for their public consideration of the request.
- b. **Audits.** Charter Schools USA shall accommodate all required audits of the Charter School which shall include the availability of office space, telephone and copying equipment, and access to all school records and source documents. The Corporation shall be solely responsible for the selection and retention of auditors and audit firms. Charter Schools USA shall pay, from the operating budget of the School, for no more than one (1) required audit in any fiscal year, consistent with Article IV.B.S., of the Charter Contract. In the event a special purpose audit is sought at the discretion of the Corporation, Charter Sponsor or applicable law, all reasonable audit fees will be paid by the Charter School, unless the special purpose audit covers a period of time prior to the inception and term of this Agreement, in which case such portion of the audit that is for such period of time prior to the inception and term of this Agreement shall not be at the expense of Charter Schools USA.
12. **Payroll.** Charter Schools USA shall prepare, maintain, administer, and report all payroll of the Charter School, including, without limitation, processing and issuing all checks, maintaining all reports and payroll records and filing all necessary forms and returns. All payroll and other financial or operational records for the Charter School shall be segregated and separated from all other Charter Schools USA payroll records and shall be reported in a manner allowing the payroll costs to be traced directly to the financial expenditures of the Charter School. Charter Schools USA may elect, at its discretion and expense to retain a payroll company or eligible service to complete Charter Schools USA's responsibilities pursuant to this Paragraph. All payroll company and payroll service expenses shall be paid by Charter Schools USA and shall not be included in the Charter School's Approved Budget.
 13. **Management Information Systems.** Charter Schools USA shall coordinate with the Corporation in designing, purchasing, implementing and administering an MIS system consistent with the school's purpose and goals. Charter Schools USA shall staff, operate

and maintain in accordance with the Approved Budget, on site a network that at a minimum, meets criteria, mutually agreed upon by the Corporation and Charter Schools USA on an annual basis, related to function, availability and performance. Exhibit E outlines initial criteria, which are subject to annual review and revision. Charter Schools USA shall also staff, operate and maintain business applications that meet, on an ongoing basis, any and all Federal, State, School Board, or Corporation reporting mandates and accreditation criteria. At a minimum these business applications shall include: Cash Receipts, Records Management, Payroll/Personnel, General Ledger, Purchasing, Accounts Payable, Accounts Receivable/Billing, Fixed Assets, Admissions, Scheduling, Registration, Records, and Reporting. The Corporation or its designee shall have full access to the MIS system, including those records identified as Charter Schools USA's proprietary information as provided in Paragraph 61 hereof for audit purposes, but such access will be subject to the reasonable regulations established by Charter Schools USA to ensure the integrity and reliability of the network. Parties agree that Corporation, School District, and Sponsor shall have access to Charter School USA's corporate financial records at headquarters, of Charter Schools USA in Florida, under the supervision of Charter Schools USA that is reasonable.

Upon termination of this Agreement, Charter Schools USA shall promptly provide the Corporation all business applications and related data in mutually agreed upon formats, and all network related hardware and software purchased by the Corporation, along with student attendance data, password and configuration information.

14. **Cafeteria Management Service.** Charter Schools USA shall either provide contract management services for the Charter School Cafeteria or sufficient personnel to manage and operate the Charter School cafeteria, pursuant to the Approved Budget. The Charter School cafeteria shall comply with all Federal, State, and School Board laws, ordinances, rules, and regulations regarding the provision of food service to all students attending the Charter School.
15. **Parent Activities.** Charter Schools USA shall coordinate and oversee all organized parental involvement, including the required participation of parents of children enrolled in the Charter School. In addition, Charter Schools USA shall establish and work with any approved parent-teacher organization at the Charter School for the purposes of furthering the goals of the Charter School.
16. **Provision of Liaison Services.**
 - a. Charter Schools USA shall designate a liaison person who shall handle any and all Corporation/Charter School matters in connection with the performance and expectations contained within this Management Agreement and within the Charter School application approved by the Charter Sponsor.
 - i. Charter Schools USA shall give the Corporation ten (10) business days notice of the appointment of the designated liaison person, and if at the end of such ten (10) day period the Corporation has not made any reasonable objection to such person's appointment, he or she shall serve as the designate liaison person. If the Corporation reasonably objects to any person's appointment hereunder, Charter Schools USA shall select another candidate for the position.
 - ii. The liaison person shall attend meetings of the Corporation, when, as, and if requested by the Corporation, which meetings shall occur no more frequently than monthly. Charter Schools USA shall take minutes of any Advisory Board meetings and the liaison shall present any necessary reports to the Corporation or at Charter Sponsor's School Board meetings.
 - iii. The liaison person, or other Charter Schools USA representative with budgetary decision-making authority, shall work with the Corporation or its

designee on the proposed annual budget for the Charter School prior to the review and consideration of same by the Corporation.

- b. The liaison person shall also act as the administrator for the Corporation, as needed; provided, however, that the Sponsor shall be responsible for and provide personnel who shall: be responsible for the preparation and dissemination of agendas for Corporation meetings in coordination with the Corporation Chairman, acting as the recording secretary at Corporation meetings, prepare and maintain minutes of Corporation meetings; and maintain the corporate and other required records of the Corporation. The Sponsor will designate an individual to whom the CS USA liaison will submit the proposed agenda and all back-up at least ten (10) days before any meeting of the Corporation's Board of Directors. This time period may only be shortened for reasons of an emergency. The Sponsor's designee will then deliver the proposed agenda and all back-up materials to the President of the Corporation, who shall have final authority over the agenda, with due regard to the requests and needs of other Directors of the Corporation and CS USA. Absent an Emergency, Directors will receive the proposed agenda (and final agenda if possible) and all back-up materials at least five (5) days before any Board meeting of the Corporation.
17. **Public Relations.** Charter Schools USA shall coordinate, cooperate, and work with the Media Relations Specialists from the School Board of Osceola County, Florida and the School Board of Lake County, Florida with regard to public relations for the Charter School, including without limitation press releases and media relations, in time of crisis or after incidences which may be construed as adverse or negative.
 18. **Grants.** During the term of this Agreement, Charter Schools USA shall actively pursue grants. Charter Schools USA shall perform all work necessary and appropriate to complete such applications. The Corporation shall cooperate with Charter Schools USA as necessary in connection with such applications. For purposes of this Paragraph, "grants" shall be defined as funds procured by Charter Schools USA other than FTE, PECO, SIT Funds, Pre-Opening Grants, and other entitlement grants such as Title I.
 19. **Coordination with Charter Sponsor.** Charter Schools USA shall be responsible for coordinating any and all activities of the Charter School with the requirements of the Charter Sponsor and for complying with all reasonable requests of the Charter Sponsor regarding the Charter School.
 20. **Research and Support Staff.** Charter Schools USA shall be responsible to pay all costs for any research and support staff necessary for it to effectuate its duties and responsibilities pursuant to this Agreement, to the extent such expenditure relates to matters at the corporate level of Charter Schools USA (as opposed to the school level) or concern general charter school issues related to general governance of charter schools, general legal or general regulatory matters involving charters. Notwithstanding this provision, nothing herein restricts Charter Schools USA with regard to research and support staff that are either identified in the Approved Budget or are reasonably related to accomplishing any function or matter identified in the Approved Budget.
 21. **Adherence to Procedural Requirements.** The parties agree that procedural requirements of Paragraph 11.a. shall be strictly adhered to by the parties.
 22. **Responsibilities of Corporation.** The Corporation shall be responsible for the following:
 - a. **Timely Transfer.** The timely transfer of all operating costs, Administrative Fees and Incentive Fees required by the Corporation pursuant to this Agreement.
 - b. **Sharing of Information.** The Corporation shall, in good faith, share all information received from the School Board so as to permit Charter Schools USA to fulfill its obligations under this Agreement. Any information, whether written or oral, which is transmitted by the School Board to the Corporation, and which may directly or

indirectly impact the Corporation's Charter must be shared with Charter Schools USA.

Full Capacity of School. The Corporation shall use its best efforts to diligently provide the resources necessary to meet the maximum capacity for the Charter School as defined by law.

23. **Fees to Charter Schools USA.** Charter Schools USA will be entitled to fees in accordance with the following provisions:

a. **First Contract Year Fees.** For the first year of this Agreement, Charter Schools USA may receive a total fee up to twelve percent (12%) of FEFP operational revenue as defined hereinafter in sub-sub paragraph 23(a)(iii), and sub-sub paragraph 23(b)(i) (estimated for next year at approximately \$690,000.00). As hereinafter specified, a portion of this fee is "guaranteed" (i.e., Administrative Fees) and another portion as noted below is contingent (i.e., Incentive Fees).

i. **Guaranteed Fees.** The amount of the Guaranteed Fee is \$500,000 payable as follows: \$250,000.00 shall be paid in twelve (12) equal monthly payments in arrears, subject to invoicing requirements from Charter Schools USA to the Corporation. This will be paid in twelve (12) equal monthly installments in the amount of \$20,834.00 per each monthly payment. The last monthly installment shall be adjusted by \$8.00 such that the total paid for the year will be \$250,000.00.

\$250,000.00 will be paid in twelve (12) equal monthly payments subject to invoicing requirements by Charter Schools USA to the Corporation, in the amount of \$20,834.00 per each monthly payment, except that the last monthly installment shall be adjusted by \$8.00 such that the total paid for the year will be \$250,000.00; however, this portion of the Guaranteed Fee is subject to the requirement that in addition to the required certification with each invoice, that all other required documentation and compliance due from Charter Schools USA to the Corporation is current and in good order as determined in the reasonable discretion of the Corporation. If any required documentation or activity is not current in good order when an invoice is submitted, the Corporation may retain this portion of the guaranteed payment until such time as the condition is satisfied, in which case the Corporation will then make the payment in accordance with the payment provisions and procedures specified in this Agreement. The Corporation shall provide a definitive written list of all of the documents and requirements that will be necessary in order for Charter Schools USA to receive this monthly compensation.

ii. **Incentive Fees.** The balance of the first year potential total fee will be the difference between the Guaranteed Fee and twelve percent (12%) of FEFP operational revenue for the first year. This will be held as "incentive fee" to be disbursed if at all based upon the procedures hereinafter mentioned. The Incentive Fee for the first year shall be disbursed to Charter Schools USA at the end of the first year of the Agreement to the extent that, and subject to, achievement by Charter Schools USA of attaining or maintaining an "A" grade from participating in the Florida's Systems for High Quality Schools, or increasing the grade one letter or more as a result of the participation of the Charter School in the Florida's Systems for High Quality Schools. In case of merger of the schools, the grade of the elementary school (K-5) shall be used as the base line. The Incentive Fee potentially available will be the difference between the Guaranteed Fee and the total available fee (i.e., 12% of FEFP operational revenue.)

b. Years Two to Five of the Agreement. The fee for years two through five of this Agreement payable to Charter Schools USA, shall be in accordance with the following provisions.

i. The total amount of the fee that is potentially available shall be twelve percent (12%) of the FEFP operational revenue. For purpose of this Agreement, "FEFP operational revenue" is defined as the General Fund revenue for operations received from the State of Florida based on FTE, including categorical revenues for such matters including without limitation, instructional materials, SAI, class size reduction and teacher training, but shall not include any federal or local revenues or state funds for capital purposes.

ii. Guaranteed Portion of the Fee. The Guaranteed Portion of the fee will be the following:

a) \$250,000.00 will be guaranteed and paid monthly subject to required invoice certification from Charter Schools USA to the Corporation. This will be paid in twelve (12) equal monthly installments of \$20,834.00., except the last installment will be adjusted by \$8.00 so the total paid is \$250,000.00. This fee will be adjusted each subsequent year beginning with year three of the Agreement, by the percentage rate of increase (if any), said percentage rate of adjustment being the percentage rate of increase (if any) in the then current published Consumer Price Index published by the United States Department of Labor (and if such reference is in existence, then the parties will negotiate a replacement and similarly authoritative reference for determining the annual rate of inflationary increase).

An additional guaranteed payment in the amount of \$10,000 per each month (totaling \$120,000 per each year during the term of the Agreement starting with year two of the Agreement), but this payment will be subject not only to the invoice certification requirements imposed by this Agreement, but also, subject to all of the provisions stated above in sub-subparagraph 23(a)(i) regarding compliance with required documentation and other items as specified by the Corporation in a detailed written list.

b) Incentive Fees. Subject to the condition that the amount of the Incentive Fee shall not exceed the amount of the Guaranteed Portion of the Fee, the difference between the total amount of the Guaranteed Fee addressed above in sub-sub-subparagraph 23(a)(iii)(a)2, and the total amount potentially available (i.e., twelve percent (12%) of the FEFP operational revenue) shall be the potential Incentive Fee that may be earned by Charter Schools USA subject to the compliance with the following conditions:

i. Eighty percent (80%) of the total potential Incentive Fee in the event the Charter School attains or maintains an "A" grade from participating in the Florida's Systems for High Quality Schools, or increases the grade one letter or more as a result of the participation of the Charter School in the Florida's Systems for High Quality Schools.

- ii. An additional one percent (1%) of the total potential Incentive Fee for every one percent (1%) increase over thirty percent (30%) limited to fifty percent (50%) of the Charter School student body that reside in Osceola County, for an additional potential of twenty percent (20%) of the total potential Incentive Fee.

24. **Subordination of Administrative Fees.** All Administrative Fees provided in Paragraph 23 shall be subordinate to the debt service and to all other operating expenses incurred by the Charter School. Further, the payment of the Administrative Fee to Charter Schools USA by Corporation is subject to availability and payment of FTE funds from the State of Florida, as provided by law and availability of adequate funds to make the Administrative Fees payment.

25. **Other Revenue Sources.** In order to supplement and enhance the state school aid payments, and improve the quality of education at the School, the Corporation and Charter Schools USA shall endeavor to obtain revenue from other sources. In this regard:

- a. Charter Schools USA shall solicit and receive grants and donations consistent with the mission of Charter Schools USA;
- b. Charter Schools USA may apply for and receive grant money, in the name of Charter Schools USA or the Corporation, as provided in Paragraph 18; and

To the extent permitted under the law, Charter Schools USA may charge fees to students for extra services such as summer and before/after school programs, and charge non-school students who participate in such programs.

26. **Subordination of Incentive Fees.** All Incentive Fees shall be subordinate to the debt service, and to all other operating expenses incurred by the Charter School. Further, the payment of the Incentive Fees to Charter Schools USA by Corporation is subject to the availability of adequate funds to make the Incentive Fee payment.

27. **Total Compensation.** In no event shall the total compensation paid to Charter Schools USA by Corporation, in any one year, exceed twelve percent (12%) of the FEFP operational revenue received by Charter School for such year. The results of operations (revenues less expenditures in the government funds) shall not be less than the amount approved by the Corporation in its final amended budget. Any shortfall shall be contributed to the Charter School by Charter Schools USA, except that in the first year of the Agreement, Charter Schools USA shall be entitled to \$250,000.00 without an obligation to contribute any portion thereof to any shortfall if Charter Schools USA is not in breach and has performed pursuant to the terms of this Agreement. All fees shall be charged to the Charter School regardless of whether such fees are or were earned by Charter Schools USA. In the event an incentive fee is not earned by Charter Schools USA, the fees will reside with the Corporation.

28. **Annual Review of Fees.** Corporation shall review the Administrative Fee and the Incentive Fee on an annual basis. The Corporation has the discretion to adjust the amount of those fees to accurately reflect actual student enrollment and FTE funding.

29. **Charter School's Funding Resources.** All revenues, grants, and revenue allocations received by or targeted to the Charter School (the "Corporate Revenues"), are the funds of the Corporation. There are hereby authorized to be created the Four Corners Account and the Operating Account, as defined below. The Four Corners Account shall have the following sub-accounts: the Debt Service Sub-account, the Administrative Fee Sub-account, the Incentive Fee Sub-account, and the Facility Maintenance Sub-account.

- a. **Four Corners Account.** Upon receipt by the Corporation, Corporation Revenues shall be deposited into the Four Corners Account, which account and all monies, including accounts receivable relating thereto shall be under the sole ownership

and control of the Corporation. Signatories on this account shall include Officers or Directors of the Corporation, and the Trustee, as defined in the Educational Facilities Lease Purchase Agreement dated January 15, 2000, (said Educational Facilities Lease Purchase Agreement being referred to as "COPS"). Charter Schools USA shall be provided COPS documents relevant to the Charter School to the extent the same are public records.

- b. **Operating Account.** The Operating Account shall be an account which is under the control of Charter Schools USA, subject to the limitations on use as set forth hereinafter. All school generated revenue of the Charter School (i.e., bake sales, carwashes), upon receipt, shall be deposited into the Operating Account. Signatories on this account shall include Officers or Directors of Charter Schools USA. Charter Schools USA covenants to use the monies on deposit in the Operating Account solely to make such payments or other expenditures as are in the Approved Budget. Subject to the alternative insurance option hereinafter stated, on or prior to the funding by the Corporation of the Operating Account, Charter Schools USA shall deliver to the Corporation an irrevocable letter of credit in the amount of \$250,000.00, to be held by the Corporation. The letter of credit shall be issued by a bank whose long term debt is Baa2 or better as determined by Moody's Investors Service, Inc. and BBB or better as determined by Standard & Poor's Rating Services, Inc., a division of The McGraw-Hill Companies, Inc., and shall be payable to the Corporation upon presentment, as beneficiary. The Corporation shall be entitled to present the letter of credit for payment upon the voluntary filing of bankruptcy by Charter Schools USA, an involuntary bankruptcy of Charter Schools USA, or if Charter Schools USA misappropriates monies on deposit in the Operating Account. Any draws by the Corporation on the letter of credit shall be held by the Corporation in trust and applied to offset any losses incurred by the Corporation as a direct result of such Charter Schools USA bankruptcy or misappropriation. Notwithstanding the foregoing, Charter Schools USA has the option, in lieu of providing the letter of credit mentioned previously, of satisfying this requirement by providing Directors and Officers liability insurance insuring Charter Schools USA and naming the Corporation as an additional insured, in coverage amount of no less than \$250,000 (and a deductible of no more than \$5,000) and also providing insurance (or a rider) to existing insurance, insuring Charter Schools USA from all theft and defalcation, naming the Corporation as an additional insured, in coverage amount of no less than \$250,000 (and a deductible of no more than \$5,000). The insurance required herein shall be to the reasonable satisfaction of the attorney for the Corporation, shall be reasonable and customary coverages, and certificates of insurance and a copy of the policies showing this required coverage shall be delivered to the Corporation's attorney on or before April 30, 2006. Failure to evidence and maintain this required insurance shall be a material breach by Charter Schools USA. If Charter Schools USA elects this insurance option, its bankruptcy or insolvency shall remain as a material breach.
- c. Monies in the Four Corners Account shall be disbursed in the following order of priority:
- i. On or before the tenth (10th) business day of each month, an amount equal to one-twelfth (1/12) of the principal and one-sixth (1/6) of the amount representing interest, which represents the sub-lease payment under the Educational Facilities Lease Purchase Agreement, shall be transferred and deposited into the Debt Service Sub-account.
 - ii. Amounts remaining after the transfer set forth above shall be transferred as follows:

- (1) An amount equal to one-twelfth (1/12) of the Administrative Fee shall be retained in the Four Corners Account and deposited to the Administrative Fee Sub-account. Such amounts shall be used to provide the payment of the Administrative Fee which is due and owing hereunder; provided however that prior to such payment, Charter Schools USA shall certify that all operating and maintenance expenses of the Charter School as set forth in the Approved Budget (as may be modified from time to time hereunder) shall be current, and that Charter Schools USA anticipates based on the facts and circumstances within its knowledge after reasonable investigation as operator of the Charter School, that future budgeted Corporation Revenues shall be sufficient to pay the remaining debt service requirements for such fiscal year and all other operating and maintenance expenses of the Charter School. The requirement for certification stated herein shall mean that with the monthly invoice for such Administrative Fee, Charter Schools USA shall state in writing that all operating and maintenance expenses of the Charter School as set forth in the Approved Budget shall be current and that Charter Schools USA anticipates based on the facts and circumstances within its knowledge after reasonable investigation as operator of the Charter School that future budgeted Corporation Revenues will be sufficient to pay remaining debt service requirements for such fiscal year and all other operating and maintenance expenses of the Charter School.
- (2) An amount equal to one-twelfth (1/12) of the Incentive Fee anticipated to be owed for the fiscal year which shall be retained in the Four Corners Account and deposited in the Incentive Fee Sub account. Such amounts shall be disbursed to Charter Schools USA directly upon the Corporation determining compliance with the performance requirements set forth in Paragraph 25.
- (3) An amount equal to one-twelfth (1/12) of the longterm maintenance budget line item and the health/safety budget line item shall be retained in the Four Corners Account and deposited to the Facilities Maintenance Sub-account. Such amounts shall be used for long term maintenance of the School Facility and health/safety items for the School Facility.
- (4) All amounts remaining thereafter shall be transferred into the Operating Account. Monies on deposit in the Operating Account shall be expended solely for the purposes intended in the Approved Budget. These expenses shall include Corporation expenses as outlined in Exhibit B.2.a.

Upon a voluntary filing of bankruptcy by Charter Schools USA, an involuntary bankruptcy of Charter Schools USA, or a misappropriation by Charter Schools USA of monies on deposit in the Operating Account, the Corporation shall have no obligation to transfer such amounts into the Operating Account, and instead, Charter Schools USA and the Corporation shall cooperate to fund expenses of the Charter School through the Four Corners Account, until such time as such bankruptcy petition has been withdrawn or such misappropriation rectified, or this Agreement has been terminated.

- d. The monies held in the Administrative Fee Sub-account and the Incentive Fee Sub-account shall be considered an operating expense

reserve. In the event Charter Schools USA does not have sufficient monies in the operating account to pay operating expenses as set forth in the Approved Budget, Charter Schools USA shall immediately notify the Corporation of the shortfall, and shall supply Corporation with sufficient schedules, accounts, summaries and explanations to document the shortfall. Thereafter, upon Corporation approval, the Corporation shall transfer sufficient monies from the Administrative Fee Sub-account and/or the Incentive Fee Sub-account to the Operating Account, for the purpose of paying operating expenses. Thereafter, as soon as cash flows are sufficient, the monies transferred from the Administrative Fee Sub-account and/or the Incentive Fee Sub-account for the payment of operating expenses shall be replaced, without jeopardizing the payment of debt service or operating expenses. Monies on deposit in the Debt Service Sub-account shall be used solely to make debt service payments and for no other purpose.

- e. On or before the 20th day of each month, Charter Schools USA shall prepare and submit monthly financial statements to the Corporation, which shall include all of the Charter School's actual expenditures and receipts, reported on a modified accrual basis of accounting. Charter Schools USA agrees to supply the Corporation, within ten (10) business days, source documents, supporting schedules, summaries and explanations as may be reasonably requested by the Corporation, from time to time.
- f. Charter Schools USA shall immediately reimburse the Corporation for any Charter School expenses that are determined to be an unallowable Charter School expenditure by a licensed auditor of the School Board, or any department or division of the state of Florida, or federal government.
- g. Charter Schools USA shall pay such operating expenses as set forth in the Approved Budget. Charter Schools USA shall only pay such items that are legitimate, reasonable and necessary for the operation of the Charter School and which payments are either expressly provided for in the Approved Budget or are necessarily included within a function or object in the Approved Budget. All payments shall be reported in the monthly financial statements prepared by Charter Schools USA and submitted to the Corporation.
- h. The Administrative Fees and Incentive Fees shall be paid by Corporation to Charter Schools USA from the Four Corners Account, consistent with the conditions for payment as set forth herein.

30. **Cancellation/Termination by the Corporation.** This Agreement may be canceled or terminated by the Corporation pursuant to the terms and conditions as set forth in Article I.B.4. and Article I.B.6 of the Charter attached hereto as Exhibit A, and may be terminated for cause or for non-performance as set forth in this paragraph.

- a. **Notice.** At least sixty (60) days prior to canceling/terminating the Agreement, the Corporation shall notify Charter Schools USA of the proposed cancellation/termination, in writing. This written notice shall state in reasonable detail the grounds for the proposed action and that Charter Schools USA may, within said sixty (60) days of receiving the notice, cure the alleged default. If the alleged default is not cured within said sixty (60) days, the Agreement may be terminated in the sole discretion of the Corporation.
- b. Termination "for cause or for nonperformance" may include, but is not limited to, failure to account for its expenditures or to pay operating costs (provided funds are available to do so); or the material violation by Charter Schools USA of the

Charter, Charter Law, or other applicable laws or regulation; or the failure of Charter Schools USA to meet generally accepted standards of fiscal management; or insolvency or bankruptcy of Charter Schools USA; or the revocation, suspension or termination of licenses/certifications needed for the Charter School operations solely as a direct result of an act or failure to act by Charter Schools USA; or the revocation by the School Board of the Charter solely as the direct result of an act or failure to act by Charter Schools USA; or the failure to follow the policies, procedures, rules, regulations or curriculum as adopted by Charter Schools USA; or for obtaining a letter grade of less than "C" by the Florida Department of Education; or the receipt by the Corporation of unsatisfactory reports from Charter Schools USA or from a qualified educational consultant retained by the Corporation about matters which have not been adequately corrected or explained.

31. **Termination by Charter Schools USA.** Charter Schools USA may terminate this Agreement prior to the end of the term specified in Paragraph 2 in the event the Corporation fails to remedy a material breach within sixty (60) days after notice from Charter Schools USA. A material breach may include, but is not limited to, failure to make payments to Charter Schools USA, subject to the amount Charter Schools USA has agreed to subordinate, as set forth in Paragraphs 23 and 26; the termination of the Charter Contract. No changes will be made by the Corporation to the Charter that directly affect Charter School USA's performance without Charter School USA's prior written consent and approval, unless said modification is required by amendments to the Charter School legislation. In any event, Charter Schools USA shall not unreasonably withhold its consent. Notwithstanding the previously stated requirements of subordination as set forth in Paragraphs 23 and 26, Charter Schools USA may terminate this Agreement, subject to all of the conditions herein stated, if, the Approved Budget does not provide for reasonable Administrative Fees to be paid to Charter Schools USA for its services. As used herein the term "Administrative Fees" shall mean that term ("Administrative Fees") as the term is defined in Paragraph 23 of this Agreement. Provided, however, that before Charter Schools USA may terminate for this reason, that it shall provide ninety (90) days written notice to the Corporation and allow the Corporation to make adjustments such that the Administrative Fee will for the year of such Approved Budget. During this ninety (90) day cure period Charter Schools USA will cooperate with regard to budgeting, financial analysis and other activities necessary to modify the Approved Budget such that this deficiency may be cured if it is reasonably possible to cure this basis for termination.
32. **Transfer of Operations upon Termination.** In recognition of the paramount importance of maintaining the integrity and continuing operations of the Charter School, in the event this Agreement is terminated pursuant to Paragraph 30, or for any other reason as addressed in this Agreement, Charter Schools USA agrees to cooperate with the Corporation during the transition of operations of the Charter School from Charter Schools USA to the Corporation or an entity selected by the Corporation. Such cooperation shall include, but not be limited to:
- a. Transfer of all student records, then current curriculum programs and class syllabi of the Charter School;
 - b. Charter Schools USA shall provide reasonable assistance to the Corporation for up to 90 days to assist in the transition to another program or education service provider;

- c. If the contract is terminated before the end of the charter term, the Corporation shall have the right to continue using Charter School USA's proprietary curriculum materials, including software and electronically stored data, for the remainder of the then current school year, subject to reasonable compensation being paid. If the parties do not agree on the amount of reasonable compensation being paid. If the parties do not agree on the amount of reasonable compensation for such use for the remainder of the school year, then each party will select an individual employed in the software development and marketing profession who is engaged in the sale of educationally related software in Florida, and those two individuals will select a third. The three individuals so selected will determine the commercially reasonable price for a limited license to continue using such software and other items as specified herein for the remainder of the school year. The cost of employing these three individuals shall be shared equally between the parties.
- d. Transfer of any and all other information, or provision of assistance, to ensure the least disruption of the Charter School operation as a result of the termination of this Agreement.
33. **Subcontracts.** Charter Schools USA may subcontract for the performance of any of its responsibilities set forth in this Agreement. Charter Schools USA shall be responsible for the management of all subcontractors in the performance of their work.
34. **Insurance.** Charter Schools USA shall obtain on behalf of the Corporation and maintain the insurance coverage requirements as set forth in Article 1V.D. of the Charter attached hereto as Exhibit A. Charter Schools USA shall provide proof of insurance to the Corporation, and shall list the Corporation, the School Board, the Trustee as defined in the Educational Facilities Lease Purchase Agreement dated as of January 15, 2000, and the Florida School Board Association as additional named insureds. The requirements of this provision shall also apply to the insurance described in Paragraph 29(b) if Charter Schools USA elects to provide said insurance in lieu of a \$250,000 letter of credit.
35. **Indemnification.** Charter Schools USA shall indemnify and hold harmless the Corporation, its public officials, officers, employees, and agents from and against any and all actions, claims, suits, liabilities, proceedings, penalties, fines, costs, and expenses (including all reasonable attorneys' fees at both the trial and appellate levels, including paralegal expenses) relating directly or indirectly to any breach of this Agreement by Charter Schools USA, its agents, servants, or employees.
36. **Compliance with Applicable Law.** Charter Schools USA shall be responsible for ensuring that the Charter School complies with all laws, ordinances, rules and regulations applicable to it. The Corporation agrees to negotiate with Charter Schools USA in good faith and pay such additional sums to Charter Schools USA as are necessary to enable Charter Schools USA to comply with any laws, ordinances, rules, or regulations which are enacted subsequent to the date of commencement of the term of this Agreement.
37. **Additional Mutual Obligations.** The parties hereto shall actively and aggressively coordinate all extracurricular activity of the Charter School, grant writing, community involvement, and responsiveness to compliance to all federal, state, and local rules, and regulations, and any other operational activities or functions occasioned by the relationship set forth in this Agreement in a concerted effort to meet the goals and objectives established in the Charter.
38. **School Facilities Maintenance Agreement.** Charter Schools USA shall provide the required daily maintenance for the School Facility, associated playgrounds, adjoining parking areas, driveways, sidewalks, roads, and means of ingress/egress in so far as the Corporation is the owner thereof. Charter Schools USA shall make all repairs reasonably necessary to keep the School Facility and surrounding property in good condition and repair, such that no risk or hazard to students, staff or school operations exists. Charter

Schools USA shall endeavor to negotiate agreements with the School Board of Osceola County on behalf of the Charter School to provide maintenance when applicable. Subject to force majeure events and the obligations of the Corporation hereunder, at the expiration/termination of this Agreement, Charter Schools USA agrees to surrender the School Facility and surrounding property in good condition and repair, reasonable wear and tear excepted. The requirement that Charter Schools USA shall provide the maintenance, repairs and other services called for this Paragraph 38 is subject to the provision that the level of such service shall be reasonably consistent with the objects or function for such services provided in the Approved Budget, assuming and requiring that Charter Schools USA will exercise due diligence and best efforts to maximize levels of service consistent with the available funding in the Approved Budget.

- a. Preventative Maintenance Report. Charter Schools USA shall submit to each corporate board member a Preventative Maintenance Report regarding its preventative maintenance of the School Facility and surrounding property. This report shall be submitted quarterly, with the first report due on or about September 30.
 - b. Extraordinary Health/Safety Maintenance. The Approved Budget shall include a line item to address any extraordinary health/safety maintenance which may be required during the term of this Agreement.
39. Entire Agreement. This Agreement represents the entire understanding and agreement between the parties with respect to the subject matter hereof, and supersedes all other negotiations, understandings, and representations (if any) made by and between such parties. The provisions of this Agreement may not be amended, supplemented, or waived orally, but only by a writing signed by the parties and making specific reference to this agreement.
40. Assignments. No party shall assign its rights or obligations hereunder without the prior written consent of the other party to this Agreement, which consent shall not be unreasonably withheld or delayed.
41. Sale or Transfer of Interest in Charter Schools USA. This Agreement is made by the Corporation with Charter Schools USA in its current ownership form and in reliance on the expertise of the current principals and owners of Charter Schools USA. No substantial control of the management and oversight of the Charter School, shall be transferred or assigned, directly or indirectly, without the prior written consent of the Corporation, at a duly noticed public meeting. In determining whether to approve of any such transfer or assignment, the Corporation may consider, without limitation:
- a. whether the now current individual managers of Charter Schools USA will continue to retain total administrative control over the Charter School;
 - b. the qualifications and character of the individuals or entities that are to act as management for Charter Schools USA. The Corporation, upon considering the approval of the transfer or assignment, shall not unreasonably withhold approval of such. In the event, however, the Corporation does not approve the transfer or assignment, then this Agreement shall terminate should Charter Schools USA proceed with the transfer or assignment, and the provisions of Paragraph 30 herein shall be applicable.
42. Transportation. Charter Schools USA shall provide transportation to and from school for all students living a reasonable distance from the Charter School as defined by the Corporation, Charter Sponsor or applicable law. Charter Schools USA shall endeavor to negotiate agreements with the Lake School Board and Osceola School Board on behalf of the School to provide transportation. Charter Schools USA shall pay for, from the School's Operations Account, all reasonable transportation expenses as defined above.

43. **Further Assurances.** The parties hereby agree from time to time to execute and deliver such further and other assurances, assignments and documents and do all matters and things which may be convenient or necessary to more effectively and completely carry out the intentions of this Agreement.
44. **Relationship of Parties.** The relationship between the parties hereto shall be solely as set forth herein and neither party shall be deemed to employee, agent, partner, or joint venture of the other.
45. **Interpretations.** This Agreement shall not be construed more strictly against one party than against the other merely because it may have been prepared by counsel for one of the parties, it being recognized that both parties have contributed substantially and materially to its preparation.
46. **Time of the Essence.** Time of performance by either party of each and every provision or covenant herein contained is of the essence of this Agreement.
47. **Binding Effect.** All of the terms and provisions of this Agreement, whether so expressed or not, shall be binding upon, inure to the benefit of, and be enforceable by the parties and their respective legal representatives, successors, and permitted assigns.
48. **Notices.** All notices and other communications required or permitted under this Agreement shall be in writing and given by hand delivery; certified mail, return receipt requested; overnight courier, or facsimile to:

If to Charter Schools USA: 6245 N. Federal Highway, Ft. Lauderdale, FL
33308, Attn: Tom Rogers
Fax:

With a copy to: Charter Schools USA
Attn:
Fax:

If to the Corporation: Four Corners Charter School, Inc.
817 Bill Beck Boulevard
Kissimmee, FL 34744
Attn: President
Fax: (407) 870-4010

With a copy to: Brown, Garganese, Weiss & D'Agresta, P.A.
P.O. Box 2873
Orlando, FL 32802-2873
Attn: Suzanne D'Agresta, Esquire
Fax: (407) 425-9596

And copy to: Osceola County School Board
817 Bill Beck Boulevard
Kissimmee, FL 34774
Attn: Blaine Muse, Superintendent of Schools
Fax: (407) 870-4010

Each such notice shall be deemed delivered:

- a. on the date delivered if by personal delivery or overnight courier,
- b. on the date upon which the return receipt is signed or delivery is refused or the notice is designated by the postal authorities as not deliverable, as the case may be, if mailed; and
- c. on the date of transmission with confirmed answer back if by fax.

49. **Headings.** The headings contained in this Agreement are for convenience of reference only, and shall not limit or otherwise affect in any way the meaning or interpretation of this Agreement.
50. **Severability.** If any part of this Agreement or any other agreement entered into pursuant hereto is contrary to, prohibited by or deemed invalid under applicable law or regulation, such provision shall be inapplicable and deemed omitted to the extent so contrary, prohibited or invalid, but the remainder hereof shall not be invalidated thereby and shall be given full force and effect so far as possible.
51. **Survival.** All covenants, agreements, representations, and warranties made herein or otherwise made in writing by any party pursuant hereto shall survive the execution and delivery of this Agreement and the consummation of the transactions contemplated hereby.
52. **Waivers.** The failure or delay of any party at any time to enforce this Agreement shall not affect such party's right to enforce this Agreement at any other time. Any waiver by any party of any breach of any provision of this Agreement should not be construed as a waiver of any continuing or succeeding breach of such provision, a waiver of the provision itself, or a waiver of any right, power, or remedy under this Agreement. No notice to or demand on any party in any case shall entitle such party to any other or further notice or demand in any other circumstance.
53. **Outside Business.** Nothing contained in this Agreement shall be construed to restrict or prevent, in any matter, Charter Schools USA or its representatives or principals from providing services to any third-party similar to the services provided pursuant to this Agreement.
54. **Third Parties.** Nothing in this Agreement, whether express or implied, is intended to confer any rights or remedies on any person other than the parties hereto and their respective legal representatives, successors, and permitted assigns, nor is anything in this Agreement intended to relieve or discharge the obligation or liability of any third person to any party to this Agreement, nor shall any provision give any third person any right to subrogation or action over or against any party to this Agreement.
55. **Jurisdiction and Venue.** The parties acknowledge that a substantial portion of the negotiations, anticipated performance and execution of this Agreement occurred or shall occur in Osceola County, Florida, and shall agree that any suit, action or legal proceeding arising out of or relating to this agreement shall be brought in the courts of the State of Florida in Osceola County or the United States District Court, Middle District of Florida, and waive any objection which it may have to the laying of venue of any such suit, action, or proceeding in any of such courts.
56. **Remedies Cumulative.** No remedy herein conferred upon any party is intended to be exclusive of any other remedy, and each and every such remedy shall be cumulative and shall be in addition to every other remedy given hereunder or now or hereafter existing at law, in equity, by statute or otherwise. No single or partial exercise by any party of any right, power, or remedy hereunder shall preclude any other or further exercise thereof.
57. **Counterparts.** This Agreement may be executed in any number of counterparts, each of which shall be deemed an original, and all of which together shall constitute one and the same instrument.
58. **Dispute Resolution.** Except with respect to injunctive relief as provided in this Agreement, neither party shall institute a proceeding in any court or administrative agency to resolve a dispute between the parties before that party has sought to resolve the dispute through direct negotiation with the other party. If the dispute is not resolved within three (3) weeks after a demand for direct negotiation, the parties shall attempt to resolve the dispute through non-binding mediation. If the parties do not promptly agree on a mediator, either party may request the then-chief judge of the Ninth Judicial Circuit

of Florida, to appoint a circuit mediator certified by the Supreme Court of Florida. If the mediator is unable to facilitate a settlement of the dispute within a reasonable time, as determined by the mediator, the mediator shall issue a written statement to the parties to that effect and the aggrieved party may then seek relief through the courts. All proceedings hereunder shall be held in Osceola County, Florida. The fees and expenses of the mediator shall be paid one-half (%) each by Charter Schools USA and the Corporation.

59. **Governing Law.** This Agreement and all transactions contemplated by this Agreement shall be governed by, construed, and enforced in accordance with the internal laws of the State of Florida, without regard to principles of conflicts of laws.
60. **Records Retention.** Charter Schools USA shall protect, preserve and maintain all records affecting the Charter School, pursuant to the provisions of Chapter 119, Florida Statutes, as amended from time to time, including the required records retention requirements imposed upon the Corporation as a public corporation. The books, records and related documents are public records subject to the provisions of Chapter 119, Florida Statutes, during the term hereof or any extensions of this agreement. Not less than forty-five (45) days after termination, as defined herein, Charter Schools USA shall deliver any and all public records in its possession during the term of this Agreement, to the Corporation.
61. **Proprietary Information.** The Corporation agrees that Charter Schools USA shall own all copyrighted and other proprietary rights to all instructional materials, training materials, curriculum and lesson plans, and any other materials created and developed by Charter Schools USA, its employees, agents or subcontractors, or by any individual working for or supervised by Charter Schools USA, which material is developed during working hours or during time for which the individual is being paid, Charter Schools USA shall have the sole and exclusive right to license such materials for use by other school districts, public school, or customers or to modify and/or sell such material to other schools and customers, including this school. During the term of this agreement, Charter Schools USA may disclose such proprietary information, including that which is currently in existence as well as that which may be created in the future. The Corporation, to the extent permitted by law, shall treat all such proprietary information as though it were a trade secret and copyrighted and shall use efforts as may be reasonably requested by Charter Schools USA so as not to disclose, publish, copy, transmit, modify, alter or utilize such proprietary information during the term of this Agreement or at any time after its expiration other than to the extent necessary for implementation of this Agreement. The Corporation shall use such efforts as may be reasonably requested by Charter Schools USA to assure that no Corporation personnel or agent disclose, publish, copy, transmit, modify, alter or utilize Charter Schools USA's proprietary information.

Notwithstanding this provision, both parties acknowledge and recognize that Corporation is subject to Florida Statute Chapter 119. In the event a public records demand is made pursuant to Chapter 119 for any item which Charter Schools USA considers to be proprietary, then the Corporation will notify Charter Schools USA of the demand. In the event the Corporation is named a party in any litigation arising from a demand under the public records law for inspection of a proprietary item, Charter Schools USA shall furnish the defense against the claim and provide financial assurances, either in the form of a cash deposit or bond, to the reasonable satisfaction of the Corporation and its attorneys, which will be sufficient to cover any financial losses, judgment for attorneys' fees or other costs of the litigation. In the event that the Corporation is not satisfied with the performance of Charter Schools USA as required under this paragraph, the Corporation in its sole discretion may take whatever action it determines to be required to comply with the public records law.

62. **Force Majeure.** Notwithstanding anything herein to the contrary, Charter Schools USA shall not be deemed in violation of this Agreement if it is prevented from performing any


of its obligations hereunder for any reason beyond its reasonable control including without limitation, acts of God, acts of war, civil disturbance, lockouts, fire, unavoidable casualties or the action or promulgation of any statute, rule, regulation or order by any federal, state or local governmental or judicial agency or official (including the revocation or refusal to grant licenses or permits, where such revocation or refusal is not directly caused by Charter Schools USA), or any other event constituting force majeure under the Charter or other contracts related to the operation of the Charter School.

63. **Corporation Use Fee.** The Corporation acknowledges that Charter Schools USA will operate the Charter School for extended hours and on varying schedules depending on the programs in place. When the Charter School is not in use by Charter Schools USA, and with prior written notice to Charter Schools USA of the time, duration and scope of use, the Corporation may use the Charter School for its own purposes, consistent with the established policy. In this event, the Corporation will reimburse Charter Schools USA for all costs associated with the Corporation's use of the building.
64. **Effective Date.** This Agreement shall be deemed to be effective as of July 1, 2006 (the "Effective Date").

IN WITNESS WHEREOF, the parties have executed this Agreement on the date first written above.



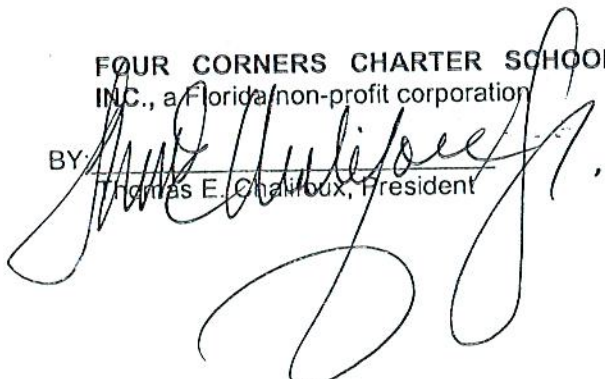
CHARTER SCHOOLS USA AT FOUR
CORNERS, LLC

BY: 
Printed Name: Jonathan K. Hage


ATTEST:

BY: 
Printed Name: DORTHEA B. RODRIGUEZ

FOUR CORNERS CHARTER SCHOOL,
INC., a Florida non-profit corporation

BY: 
Thomas E. Chantoux, President

ATTEST:

BY: 
Blaine Muse, Secretary

FOUR CORNERS CHARTER SCHOOL

SCHOOL BOARD AGENDA ITEM

Thursday, July 15, 2010

SUBJECT: Board Member Appointments – Lake County

Initial discussions on Board Member Appointments.

EXECUTIVE SUMMARY:

Review and Discuss.

RECOMMENDATION:

Informational

Submitted by: John McKay