

Students

Integrity

Fiscal Responsibility

Learning

People

Teamwork

Commitment

Accountability

High Standards



# Four Corners Charter School

**BOARD OF DIRECTORS' MEETING  
September 16, 2009**





**FOUR CORNERS CHARTER SCHOOL, INC. BOARD MEETING  
Wednesday, September 16, 2009**

**Agenda**

**CALL TO ORDER**

- I. Open For Public Comment**
- II. Minutes from the July 14, 2009 Meeting** (APPROVAL)
- III. Transportation Agreement with Lake Cty** (APPROVAL)
- IV. Four Corners Charter School, Inc. Final Budget** (APPROVAL)
- V. FCCS 4<sup>th</sup> Quarter Financials** (APPROVAL)
- VI. Capital Outlay Plan** (APPROVAL)
- VII. FCCS Insurance Update** (DISCUSSION)
- VIII. School Report (incl Out of Field Waivers)** (APPROVAL)
- IX. Renewal of Charter Contract & Mgmt Agreement** (INFORMATION)
- X. Energy Policy** (INFORMATION)
- XI. Old Business**
- XII. New Business**
- XIII. Board Member Comments**

◀ *Next Meeting: To Be Determined* ▶



FOUR CORNERS CHARTER SCHOOL, INC.  
SCHOOL BOARD AGENDA ITEM

DATE OF MEETING: Wednesday, September 16, 2009

SUBJECT: **Minutes**

Approval of the minutes from the July 14, 2009 Board of Director's meeting.

EXECUTIVE SUMMARY:

Review and approve the Four Corners Charter School, Inc. Minutes from July 14, 2009.

RECOMMENDATION: Approval

Submitted by: Mary Vecchione

# MEETING MINUTES

Name of Foundation: Four Corners Charter School, Inc.  
Board Meeting: July 14, 2009

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:
07.14.09	4:00 p.m.	5:00 p.m.	09.16.09	2:00 p.m.	Mary Vecchione
<b>Meeting Location:</b>					
School Board of Osceola County, Administrative Offices, 817 Bill Beck Blve, Kissimmee, Florida					

<b>Attended by:</b>	
Mr. John McKay, Chairman Ms. Cindy Barrow, Director Mr. Larry Metz, Director Mr. Julius Melendez, Director Mr. Jay Wheeler, Director (late arrival)	Mr. Mike Essik, Director of Finance, CSUSA Mr. Rob Vilardi, Financial Analyst, CSUSA Ms. Denise Thompson, Principal, FCCS Mr. John Bushey, Principal, PMCA Mr. Dan Copola, Facilities, FCCS Ms. Migdalia Mercado, Finance, Osceola School District Ms. Suzanne D'Agresta, Attorney, FCCS, Inc.
<b>Highlights:</b>	

## CALL TO ORDER

Pursuant to public notice, the meeting commenced at 4:00 p.m. with a Call to Order by Chairman McKay. Roll call was taken and quorum was established.

### I. APPROVAL OF MINUTES

John McKay, Chairman

Chairman McKay asked the Board members to review the minutes and a motion for approval.

**Motion made by Ms. Barrow with a second by Mr. Melendez to approve the Four Corners Charter School, Inc. Board minutes from May 12, 2009.**

**Discussion:** Ms. Barrow noted that the name for Mr. Herring was listed in the minutes incorrectly, as "Herrington". With correction made:

**Motion approved 4-0 (Mr. Wheeler absent at time of vote).**

### II. Interlocal Agreement with Polk County

John McKay, Chairman

- Chairman McKay noted that the contract is a "rolling" contract and has not changed in the last several years. Polk County is in agreement with the contract and no modifications will be made at this time.

Mr. Wheeler arrived and was seated for the Board meeting.

**III. Four Corners Charter School, Inc. Quarterly Report**

Migdalia Mercado, Osceola School District

- Ms. Mercado reviewed the quarterly financial report for FCCS, Inc. for information purposes.
- She briefly reviewed the 4<sup>th</sup> Quarter numbers. Mrs. Mercado informed the Board that as of June 30, 2009, it had received \$5,761,715.89 in State Revenues and \$25,559.07 in local revenues. The Board's total expenditures at that date was \$6,176,224.15 with a projected fund balance of \$2,907,974.16.
- Capital Outlay funds are slightly less than in the previous year.
- Ms. Mercado also indicated that these statements do not include accruals or any audit adjustments. Local sources are interest earnings used to pay corporate expenses.

**IV. Four Corners Charter School, Inc. Tentative Budget**

Migdalia Mercado, Osceola School District

- Ms. Mercado commented on the tentative budget as presented. She indicated that that the tentative budget had not changed from the preliminary budget that was presented at the last Board meeting. The final budget will be presented to this Board as soon as the School District receives its final revenue forecasts from the State. She is expecting \$5,891,585.25 and has projected \$25,000 in interest earnings.
- While discussing the Capital Outlay funds, Ms. Mercado has forecasted \$525,000.000.

Motion made by Mr. Wheeler with a second by Ms. Barrow to approve the Four Corners Charter School, Inc. Tentative Budget for year 2009-2010. The motion was approved 5-0.

**V. Four Corners Charter School Budget**

Mike Essik, Dir of Finance, CSUSA

- Mr. Essik reviewed the Four Corners School Budget for FY 2009-10. He noted the changes from the preliminary budget presented at the last board meeting. They included:
  - Compensation was reduced by \$49K due to realignment of duties and streamlining positions.
  - Marketing & Advertising expenses were increased by \$5K to ensure sufficient funds to market the school due to the new schools in the area cause a decline in enrollment.
  - Instructional expenses were increased by \$4,550 due to an increase in student consumables.
  - Other Operating Expenses were increased by \$4,850 for telephone expenses and fire service monitoring, which were under estimated on the preliminary budget.
  - Capital Expenditures were decreased by \$10K because the IT department determined that the new server and switches that were allocated for in the preliminary budget will not be needed this year.
- The FY10 Budget is based on an enrollment of 985 students. The FTE Revenue is calculated on an average per student rate of \$5,981, which represents a decrease of \$41/student. This amount includes approximately \$318/student from the Federal Stimulus Funds.

- The Capital Outlay funds for FY10 are budgeted at a 5.48% decrease because it is unclear as to the number of recipients that will receive this funding next year.
- Compensation and benefits are to remain consistent with FY09 levels at this time.
- The management fee has been calculated to be \$689,046.
- Instructional expenses have been decreased by 35.57%. This reduction is due to remaining with the existing series of textbooks and not adopting any new series for next year.
- Building maintenance has been looked at very carefully and reviewed as to what needs to be done in FY10 and what can wait. An effort has been made to reduce expenses where possible.
- The before and aftercare program is budgeted to decrease by \$15,113. Economic conditions have resulted in lower participation.
- Capital expenditures were budgeted in the amount of \$33,689. Only essential items were included.
- Overall, the preliminary budget shows a total School deficit of (\$33,493). This operating deficit will be covered by the accumulated fund balance surplus. The projected fund balance at year end FY09 is \$770,186.
- The Board asked about grants and if the School has applied for any. Mr. Essik commented that when applying for grants, we go into a general application process and very difficult to get. It was also mentioned that as a grant, the funding zero's out as the grant comes to term.
- Ms. Barrow commented that Lake County has instituted a policy which asks the Parents to pay, up front, the cost of the Extended Learning Center, one week in advance. This allows the staffing to be adjusted to the number of students attending and all incremental costs can be modified ahead. She gave Mr. Bushey and Ms. Thompson the name of the person in charge of the program in Lake County to contact for more details.
- Ms. Barrow asked if the budget included a holdback on funds to assist with any decreases that might result before year end. Mr. Essik commented that our numbers were provided and reviewed by Mr. Todd Seis and everything looked good.

Motion made by Mr. Wheeler with a second by Ms. Barrow to approve the Four Corners Charter School Budget for FY10. The motion was approved 5-0.

#### VI. PARENT SURVEY

- Mr. Bushey reviewed the parent satisfaction survey results with the Board. Overall, the results were positive. Four Corners Charter School was fairly consistent with the average of all CSUSA Schools.

#### VII. STAFF SURVEY

- Mr. Bushey reviewed the staff survey results with the Board. Again, the overall results were high and slightly above the average for all CSUSA Schools.

#### VIII. STUDENT SURVEY

- This was the first year for the student survey. Only students in 5<sup>th</sup> and 8<sup>th</sup> grade participated. This will be the base line used going forward for improvement in all areas.

- Chairman McKay expressed concern over the low responses on the character questions. Ms. Thompson replied that they will institute a character education program beginning with the new year.

**IX. SCHOOL REPORT**

- Due to time constraints, Chairman McKay asked the Board to adjourn and move the School Report and Energy Policy agenda items to the next meeting. The Board was in favor.

Ms. Barrow asked the Board if they could adjust the schedule to move the Board meeting to an earlier time. The Board decided that the next meeting would be September 16<sup>th</sup>, 2009 at 2:00 p.m.

The Board motioned to adjourn the meeting.

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John McKay, Chairman

Date: \_\_\_\_\_

FOUR CORNERS CHARTER SCHOOL, INC.

SCHOOL BOARD AGENDA ITEM

DATE OF MEETING: Wednesday, September 16, 2009

**SUBJECT: Transportation Agreement**

Approval of the Transportation Agreement

**EXECUTIVE SUMMARY:**

Approval of the 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.

**RECOMMENDATION:** Discussion and Approval

Submitted by: Migdalia Mercado



**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 coverage:

Comprehensive General Liability Coverage with bodily injury limits of not less than \$1,000,000 per occurrence with combined single limit for bodily injury and property damage. Four Corners Charter School, Inc. and Charter Schools USA, Inc. shall be named as an additional insured under the General Liability policy.

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 2009-2010 school year.

9. **Term.** The term of this Agreement shall be for the 2009-2010 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 parties hereto.

12. **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.

13. **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 been represented by counsel in connection with the negotiation of the terms hereof and have contributed substantially and materially to its preparation.

14. **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.

15. **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.

16. **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 Four Corners: Four Corners Charter School, Inc.  
817 Bill Beck Boulevard  
Kissimmee, FL 34744  
Attn: President

And with a copy to: The School District of Osceola  
County, Florida  
817 Bill Beck Boulevard  
Kissimmee, FL 34744  
Attn: Superintendent

If to the Lake School Board: Superintendent Susan Moxley  
201 W. Burleigh Blvd.  
Tavares, FL 32778

And with a copy to: Stephen Johnson, Esquire  
Mclin & Burnsed P.A.  
Post Office Box 491357  
Leesburg, FL 34749-1357

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; or

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.

24. **Force Majeure.** Notwithstanding anything herein to the contrary, Lake School Board shall not be deemed in violation of this Agreement if it is prevented from performing any of its obligations hereunder due to any 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 the Lake School Board or any other event

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: *Kyleen Fischer*  
Kyleen Fischer, Chairman

ATTEST

BY: *Susan Moxley*  
Susan Moxley, Superintendent

Date: 7-27-09

**FOUR CORNERS CHARTER SCHOOL**

**SCHOOL BOARD AGENDA ITEM**

**Wednesday, September 16, 2009**

**SUBJECT: Four Corners Charter School, Inc. –Final Budget**

Discussion, review and approval on the Four Corners Charter School, Inc. Final Budget.  
Detailed information can be found within.

**EXECUTIVE SUMMARY:**

Final Budget review and approval.

**RECOMMENDATION:**

Approval

Submitted by: Migdalia Mercado

2010 Adopted Budget

**OSCEOLA COUNTY COMPONENT UNIT**  
**Four Corners Charter School, Inc.**  
**Revenue & Expenditures - Budget**  
**June 30, 2010**

	OF1 Function	General Fund		
		Budget Amounts		
		Original	Actual	Difference
		985	985	0.00
<b>REVENUES</b>				
Federal Direct	3100			0.00
Federal Through State & Local	3200			0.00
State Sources	3300	5,928,931.11	5,928,931.11	0.00
Local Sources	3400	17,000.00	17,000.00	0.00
<b>Total Revenues</b>		5,945,931.11	5,945,931.11	0.00
<b>EXPENDITURES</b>				
Current:				
Instruction	5000	4,374,394.03	4,374,394.03	0.00
Pupil Personnel Services	6100			0.00
Instructional Media Services	6200			0.00
Instruction and Curriculum Development Services	6300			0.00
Instructional Staff Training Services	6400			0.00
Instruction Related Technology	6500			0.00
Board	7100	17,000.00	17,000.00	0.00
Administration Fees:				
District Holdback Fee	7201	150,480.49	150,480.49	0.00
Charter Holder	7202			0.00
Management Company	7203	693,414.07	693,414.07	0.00
Other	7204			0.00
School Administration	7300			0.00
Facilities Acquisition and Construction	7400	1,135,237.52	1,135,237.52	0.00
Fiscal Services	7500			0.00
Food Services	7600			0.00
Central Services	7700			0.00
Pupil Transportation Services	7800			0.00
Operation of Plant	7900			0.00
Maintenance of Plant	8100			0.00
Administrative Technology Services	8200			0.00
Community Services	9100			0.00
Debt Service: (Function 9200)				
Retirement of Principal	710			0.00
Interest	720			0.00
Dues, Fees and Issuance Costs	730			0.00
Miscellaneous Expenditures	790			0.00
Capital Outlay:				
Facilities Acquisition and Construction	7420			0.00
Other Capital Outlay	9300			0.00
<b>Total Expenditures</b>		6,370,526.11	6,370,526.11	0.00
Excess (Deficiency) of Revenues Over (Under) Expenditures		(424,595.00)	(424,595.00)	0.00
<b>OTHER FINANCING SOURCES (USES)</b>				
Loans Incurred	3720			0.00
Proceeds from the Sale of Capital Assets	3730			0.00
Loss Recoveries	3740			0.00
Proceeds of Forward Supply Contract	3760			0.00
Special Facilities Construction Advances	3770			0.00
Transfers In	3600	574,595.00	574,595.00	0.00
Transfers Out	9700			0.00
<b>Total Other Financing Sources (Uses)</b>		574,595.00	574,595.00	0.00
<b>SPECIAL ITEMS</b>				
				0.00
<b>EXTRAORDINARY ITEMS</b>				
				0.00
Net Change in Fund Balances		150,000.00	150,000.00	4/28/2009 0.00
Fund Balance - Beginning of Year	2800	2,907,974.16	2,907,974.16	15 of 113mgm 0.00
Adjustment to Fund Balance	2891			0.00
Fund Balance - End of Year	2700	3,057,974.16	3,057,974.16	0.00

2010 Adopted Budget

**OSCEOLA COUNTY COMPONENT UNIT**  
**Four Corners Charter School, Inc.**  
**Revenue & Expenditures - Budget**  
**June 30, 2010**

	OF3 Function	Capital Outlay		Variance with Final Budget - Positive (Negative)
		Budget Amounts		
		Original 985	Current 985	
<b>REVENUES</b>				
Federal Direct	3100			0.00
Federal Through State & Local	3200			0.00
State Sources	3300	574,595.00	574,595.00	0.00
Local Sources	3400			0.00
<b>Total Revenues</b>		574,595.00	574,595.00	0.00
<b>EXPENDITURES</b>				
Current:				
Instruction	5000			0.00
Pupil Personnel Services	6100			0.00
Instructional Media Services	6200			0.00
Instruction and Curriculum Development Services	6300			0.00
Instructional Staff Training Services	6400			0.00
Instruction Related Technology	6500			0.00
Board	7100			0.00
Administration Fees:				0.00
District Holdback Fee	7201			0.00
Charter Holder	7202			0.00
Management Company	7203			0.00
Other	7204			0.00
School Administration	7300			0.00
Facilities Acquisition and Construction	7410			0.00
Fiscal Services	7500			0.00
Food Services	7600			0.00
Central Services	7700			0.00
Pupil Transportation Services	7800			0.00
Operation of Plant	7900			0.00
Facilities Lease/Rent	7901			0.00
Maintenance of Plant	8100			0.00
Administrative Technology Services	8200			0.00
Community Services	9100			0.00
Debt Service: (Function 9200)				0.00
Retirement of Principal	710			0.00
Interest	720			0.00
Dues, Fees and Issuance Costs	730			0.00
Miscellaneous Expenditures	790			0.00
Capital Outlay:				0.00
Facilities Acquisition and Construction	7420			0.00
Other Capital Outlay	9300			0.00
<b>Total Expenditures</b>		0.00	0.00	0.00
Excess (Deficiency) of Revenues Over (Under) Expenditures		574,595.00	574,595.00	0.00
<b>OTHER FINANCING SOURCES (USES)</b>				
Loans Incurred	3720			0.00
Proceeds from the Sale of Capital Assets	3730			0.00
Loss Recoveries	3740			0.00
Proceeds of Forward Supply Contract	3760			0.00
Special Facilities Construction Advances	3770			0.00
Transfers In	3600			0.00
Transfers Out	9700	(574,595.00)	(574,595.00)	0.00
<b>Total Other Financing Sources (Uses)</b>		(574,595.00)	(574,595.00)	0.00
<b>SPECIAL ITEMS</b>				
				0.00
<b>EXTRAORDINARY ITEMS</b>				
				0.00
Net Change in Fund Balances		0.00	0.00	0.00
Fund Balance - Beginning of Year	2800			0.00
Adjustment to Fund Balance	2891			0.00
Fund Balance - End of Year	2700	0.00	0.00	0.00

4/28/2009

16 of 113mgm



**FOUR CORNERS CHARTER SCHOOL**

**SCHOOL BOARD AGENDA ITEM**

**Wednesday, September 16, 2009**

**SUBJECT: Four Corners Charter School –Financials**

4<sup>th</sup> Quarter Financials - Discussion, review and approval on the Four Corners Charter School financials. Detailed information can be found within. Also includes Projected Revenues & Expenditures.

**EXECUTIVE SUMMARY:**

4<sup>th</sup> Quarter Financials - discussion, review, and approval.

**RECOMMENDATION:**

Approval for 4<sup>th</sup> Quarter Financials

Submitted by: Lorrie Davidson



# FCCS FY09 4th Quarter Review

*Presented by Mike Essik  
September 16<sup>th</sup>, 2009*

[www.charterschoolsusa.com](http://www.charterschoolsusa.com)





# Summary of FY09 Financial Results

	Original FCCS, Inc.		
	Budget	Original Budget	FY09 Actual
Student Enrollment	956	956	981.5
Total FTE Revenue	\$ 5,570,137	\$ 5,821,330	\$ 5,861,147
Avg FTE Rev / Student	\$ 5,827	\$ 6,089	\$ 5,972
Total Capital Outlay Revenue	\$ 600,000	\$ 600,000	\$ 555,426
Net School Surplus / (Deficit)	n/a	\$ (151,971)	\$ (17,390)
Projected Fund Balance	n/a	\$ 556,959	\$ 735,681



# Summary of FY09 Financial Results

- Summary of Revenue Variances:
  - FTE Revenue: + \$40k
  - Capital Outlay: ( \$38k)
  - Before/Aftercare: ( \$60k)
  - Other State/Fed Programs: + \$164k \*\*
  - Other Miscellaneous: + \$5k
  
- \*\*Other State/Fed Programs = MAP, School Recognition, IDEA, Florida Teacher Lead Program



# Summary of FY09 Financial Results

- Summary of Expense Variances:
  - Compensation: ( \$139k) \*\*
  - Capital Technology: + \$59k
  - Plant Operations: + \$67k
  - Administrative: + \$26k
  - Instructional: + \$10k
- \*\*Compensation largely due to MAP, School Recognition, and increase in staffing due to increased enrollment



# Summary of FY09 Financial Results

- In summary, the net deficit of (\$17K) for FY09 is favorable versus the original budget deficit of (\$152k)
- FYE09 Fund Balance is \$736k (pending any audit adjustments).

**OSCEOLA COUNTY CHARTER SCHOOL**  
**Four Corners Charter School**  
**Revenues & Expenditures**

	Function	All Fund Types		Budget to Actual Variance
		Actual	Budget	
		2008-2009 981.5 UFTE	2008-2009 956 UFTE	25.5 UFTE
<b>REVENUES</b>				
Federal Direct	3100	0.00	0.00	0.00
Federal Through State & Local	3200	16,326.55	0.00	16,326.55
State Sources	3300	6,564,691.75	6,421,329.98	143,361.77
Local Sources	3400	151,538.91	206,287.00	(54,748.09)
<b>Total Revenues</b>		6,732,557.21	6,627,616.98	104,940.23
<b>EXPENDITURES</b>				
Current:				
Instruction	5000	3,045,052.85	2,868,597.37	(176,455.48)
Pupil Personnel Services	6100	57,762.09	115,613.17	57,851.08
Instructional Media Services	6200	48,209.15	47,522.00	(687.15)
Instruction and Curriculum Development Services	6300	0.00	0.00	0.00
Instructional Staff Training Services	6400	1,195.35	5,780.00	4,584.65
Instruction Related Technology	6500	29,071.30	56,356.46	27,285.16
Board	7100	0.00	0.00	0.00
General Administration	7200	841,997.54	832,523.26	(9,474.28)
School Administration	7300	401,934.46	402,248.00	313.54
Facilities Acquisition and Construction	7400	0.00	13,000.00	13,000.00
Fiscal Services	7500	11,250.00	15,000.00	3,750.00
Food Services	7600	0.00	0.00	0.00
Central Services	7700	6,844.47	14,001.54	7,157.07
Pupil Transportation Services	7800	55,793.79	54,350.00	(1,443.79)
Operation of Plant	7900	1,832,393.19	1,920,319.13	87,925.94
Maintenance of Plant	8100	318,068.57	315,832.00	(2,236.57)
Administrative Technology Services	8200	0.00	0.00	0.00
Community Services	9100	100,374.92	118,445.13	18,070.21
Debt Service: (Function 9200)				
Retirement of Principal	9200.7100	0.00	0.00	0.00
Interest	9200.7200	0.00	0.00	0.00
Dues, Fees and Issuance Costs	9200.7300	0.00	0.00	0.00
Miscellaneous Expenditures	9200.7900	0.00	0.00	0.00
Capital Outlay:				
Facilities Acquisition and Construction	7420	0.00	0.00	0.00
Other Capital Outlay	9300	0.00	0.00	0.00
<b>Total Expenditures</b>		6,749,947.68	6,779,588.05	29,640.37
Excess (Deficiency) of Revenues Over (Under) Expenditures		(17,390.47)	(151,971.07)	134,580.60
<b>OTHER FINANCING SOURCES (USES)</b>				
Loans Incurred	3720	0.00	0.00	0.00
Proceeds from the Sale of Capital Assets	3730	0.00	0.00	0.00
Loss Recoveries	3740	0.00	0.00	0.00
Proceeds of Forward Supply Contract	3760	0.00	0.00	0.00
Special Facilities Construction Advances	3770	0.00	0.00	0.00
Transfers In	3600	0.00	0.00	0.00
Transfers Out	9700	0.00	0.00	0.00
<b>Total Other Financing Sources (Uses)</b>		0.00	0.00	0.00
<b>SPECIAL ITEMS</b>				
	SPCL	0.00	0.00	0.00
<b>EXTRAORDINARY ITEMS</b>				
	EXTR	0.00	0.00	0.00
Net Change in Fund Balances		(17,390.47)	(151,971.07)	134,580.60
Fund Balance, Beginning	2800	753,071.00	708,930.00	44,141.00
Adjustment to Fund Balances	2891	0.00	0.00	0.00
Fund Balance, Ending	2700	735,680.53	556,958.93	178,721.60

**FOUR CORNERS CHARTER SCHOOL**

**SCHOOL BOARD AGENDA ITEM**

**Wednesday, September 16, 2009**

**SUBJECT: FCCS Capital Outlay Plan**

Review of the Capital Outlay Plan for FCCS. Funding used for purchase, lease-purchase, or lease of permanent or relocatable school facilities.

**EXECUTIVE SUMMARY:**

Review and discuss Capital Outlay Plan for FCCS.

**RECOMMENDATION:**

Discussion Approval

Submitted by: Migdalia Mercado



**CHARTER SCHOOL CAPITAL OUTLAY PLAN for FY 2010**

Monthly Allocations Will Discontinue Unless Received by October 12, 2009

**CHARTER SCHOOL & SPONSOR INFORMATION**

For Fiscal Year: 2009-2010

Name and Sponsor: FOUR CORNERS INC. MSID #: 0863

School Contact Name/Phone Number/Email: TODD SEIS 407-870-4823

**ELIGIBILITY REQUIREMENTS (pursuant to Section 1013.62, F.S.)**

*Section 1 (Indicate that both criteria are met):*

- X • The school and sponsor have an agreement including provisions for the reversion of unencumbered funds, equipment, and property purchased with public education funds to the ownership of the district school board should the school terminate operations.
- X • The school's facilities were not created by the conversion of a public school, it does not operate in facilities provided by the sponsor for a nominal fee or charge, and is not directly nor indirectly operated by the sponsor.

*Section 2 (Indicate the applicable criteria):*

- X • Has been in operation for three or more years.
  - Is governed by a governing board, which has been established in Florida for 3 or more years and operates both charter and conversion schools in Florida:
    - Please provide the MSID number and names of the conversion charter school and traditional charter school of which the governing board operates:
      - MSID #: \_\_\_\_\_ School Name: \_\_\_\_\_
      - MSID #: \_\_\_\_\_ School Name: \_\_\_\_\_
  - Is an expanded feeder pattern of a school currently receiving capital outlay funds within the same school district:
    - Identify the charter school as (both may be applicable):
      - A Feeder Pattern Sender School:
        - MSID #: \_\_\_\_\_ School Name: \_\_\_\_\_
      - A Feeder Pattern Receiver School:
        - MSID #: \_\_\_\_\_ School Name: \_\_\_\_\_
- X • Has been accredited by the Commission on Schools of the Southern Association of Colleges and Schools:
  - Attach proof of accreditation.

*Section 3 (The sponsor must determine **all** criteria are met by indicating the following):*

- X • Has financial stability for future operations as a charter school.
- X • Has satisfactory student achievement based on state accountability standards applicable to the school.
- X • Has received final approval from its sponsor pursuant to s. 1002.33 for operation this fiscal year.

*Continued...*

- X • Serves students in facilities not provided by the charter school sponsor:
  - Is **not** a conversion charter school utilizing district-owned facilities;
  - Is **not** operating in a district-owned facility which is rented, leased, or otherwise made available to the charter school by the district.

**USE OF FUNDS (Pursuant to Section 10103.62, F.S.)**

*Please indicate the anticipated uses of charter school capital funds:*

- Purchase of real property;
- Construction of school facilities;
- X • Purchase, lease-purchase, or lease of permanent or relocatable school facilities.
- Purchase of vehicles to transport students to and from the charter school;
- Renovation, repair, and maintenance of school facilities that the charter school owns or is purchasing through a lease-purchase or long-term lease of 5 years or longer;
- Purchase, lease-purchase, or lease of new and replacement capital equipment, and enterprise resource software applications that are classified as capital assets in accordance with definitions of the Governmental Accounting Standards Board, have a useful life of at least 5 years, and are used to support school-wide administration or state-mandated reporting requirements (effective July 1, 2008);
- Payment of the cost of premiums for property and casualty insurance necessary to insure the school facilities;
- Purchase, lease-purchase, or lease of driver's education vehicles; motor vehicles used for the maintenance or operation of educational plants and equipment; security vehicles; or vehicles used in storing or distributing materials and equipment.

**CERTIFICATIONS**

As representative of the charter school governing body, I certify that all information indicated above is accurate and current. As the district finance officer, I certify that I have documentation attesting to the charter school's eligibility requirements as provided in statute and listed above in Sections 1, 2, and 3:

\_\_\_\_\_  
Charter School Governing Body

\_\_\_\_\_  
School District Finance Officer

The Office of Independent Education and Parental Choice has reviewed and verified the indication(s) in Section 2 and certifies the charter school meets the eligibility criteria to receive capital outlay funding this fiscal year:

\_\_\_\_\_  
Office of Independent Education and Parental Choice

**PLEASE MAIL OR FAX**  
Office of Educational Facilities  
325 W. Gaines Street, Ste. 1054  
Fax: (850) 245-9243  
<http://www.fldoe.org/edfacil/oef/chartsup.asp>

**FOUR CORNERS CHARTER SCHOOL**

**SCHOOL BOARD AGENDA ITEM**

**Wednesday, September 16, 2009**

**SUBJECT: FCCS Insurance Update**

Review of insurance premiums and a summary of insurance changes for FCCS Insurance renewal.

**EXECUTIVE SUMMARY:**

Review and discuss Insurance information for FCCS.

**RECOMMENDATION:**

Discussion and Review

Submitted by: Mike Essik



# FCCS Insurance Update

*Presented by Mike Essik*

*September 16<sup>th</sup> , 2009*

[www.charterschoolsusa.com](http://www.charterschoolsusa.com)





# Insurance Premiums – FY09 vs FY10

<i>Four Corners Charter School</i>	<b>FY09</b>	<b>FY10</b>	<b>Savings</b>
Primary Property	\$ 78,714	\$ 60,679	\$ 18,035
General Liability	\$ 26,645	\$ 18,485	\$ 8,160
Commercial Auto	\$ 31	\$ 31	\$ (0)
Crime	\$ 413	\$ 337	\$ 76
D&O & EPL Liability	\$ 2,318	\$ 1,834	\$ 484
Student Accident	\$ 7,160	\$ 7,164	\$ (4)
<b>Total</b>	<b>\$ 115,281</b>	<b>\$ 88,531</b>	<b>\$ 26,750</b>
Workers Compensation	\$ 16,074	\$ 14,412	\$ 1,662
<b>TOTAL Savings</b>			<b>\$ 28,412</b>



# Summary of Insurance Changes

- In summary, savings were realized as a result of tougher negotiations with our insurance brokers which benefited all schools in the CSUSA network.
- In addition, a new provider was selected for our Workers Compensation coverage – Zenith Ins Co. due to their expertise in managing workers compensation programs. This expertise is expected to result in savings to FCCS.

**FOUR CORNERS CHARTER SCHOOL**

**SCHOOL BOARD AGENDA ITEM**

**Wednesday, September 16, 2009**

**SUBJECT:** School Report

Discussion and review on the summary of the School Report for the month of July/August 2009. 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.

Included in the report are documents to support discussion on the Out of Field Waivers, RTI processes; ESE processes; Budget analysis for 'wish list'; and School Leak Detection.

**EXECUTIVE SUMMARY:**

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

**RECOMMENDATION:**

Discussion & Approval of Out of Field Waivers

Submitted by: Denise Thompson

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

**The Board of Directors' School Report**

**Date: Sept. 16, 2009 for July/Aug 2009      School Name: Four Corners Charter School**

**I. Enrollment (month end)**

	Aug	Sep	Oct	Nov	Dec	Jan	Feb	Mar	Apr	May	Jun
<b>Total Enrollment</b>	960										
<b>Budgeted Enrollment</b>	986										
<b>% in Attendance</b>	93%										
<b># of Student Withdrawals</b>	91										
<b># of New Staff</b>	12										

**II. Enrollment for Next Year**

- Enrollment To Date: 960
- Wait List: 151

**III. Reasons For Withdrawal:**

	Aug	Sep	Oct	Nov	Dec	Jan	Feb	Mar	Apr	May	Jun
<b>Moving Out of Area</b>	8										
<b>Curriculum</b>	0										
<b>Sport/ExtraCurricular</b>	5										
<b>Transportation/Busing</b>	4										
<b>Uniforms</b>	0										
<b>Not Satisf w Teacher</b>	0										
<b>Not Satisf w Adminis</b>	0										
<b>Volunteer Hours</b>	0										
<b>Discipline</b>	0										
<b>Other (West side)</b>	74										

**IV. Staffing Update**

- Reasons for Leaving: N/A
- Additions Since Last Report: N/A

**V. School Update**

- School Grade: A
- SAC Accreditation: Accreditation Effective Through June 2014.
- FCAT Scores: See Insert (FDOE)

**VI. Facility Update**

- Water Utility Usage Update: Testing Conducted 6/12/09. No observable cross connection between the potable water and fire lines. Leak may possibly be from three fire hydrants. Requesting further testing.

**VII. School/Community Activities**

- PTC Meeting 9/3, Dance Team Performance

**VIII. Technology – Number of Network Disruptions**

- None



**INSTRUCTIONAL PERSONNEL**

As of \_\_\_\_\_

**Four Corners Charter School**

NAME	Date Hired	Position	Certificate	Number	Expiration	ESOL Comp
Diana Mayhugh	10/22/2007	Kindergarten #2	Prof. Elem. Ed (K-6), Pre-K/Primary (age 3-Grade 3)	1076069	6/30/2014	120 hrs
Karen McDaid	8/8/2007	Kindergarten #3	Temp. Elem. Ed (K-6)	1048568	6/30/2010	120 hrs
Jeseria Cartagena	8/1/2006	Kindergarten #4	Prof. Pre-K/Primary (age 3- grade 3)	970330	6/30/2014	120 hrs
Lindsay Felicetti	8/8/2007	Kindergarten #5	Temp. Pre-K/Primary (age 3- grade 3)	1043133	6/30/2010	180 hrs
Anna Diesem	8/4/2008	1st grade #1	Prof. Elem Ed (1-6), Pre-K-Grade 3	745010	6/30/2010	60 hrs
Catherine Ness	8/8/2007	1st grade #4	Prof Elem. Ed. (K-6)	971996	6/30/2012	60 hrs
Cindy Ogletree	8/29/2007	1st grade #5	Prof Elem. Ed. (K-6)	1071849	6/30/2012	60 hrs
Anna Nickless	8/10/2009	1st grade #6	Temp. Pre-K/Primary (age 3- grade 3)-letter of elig/waiting on cert # DOE			60 hrs
Maritzaly Rodriguez	8/10/2009	2nd grade #4	Temp. Elem Ed (K-6)-letter of elig/waiting on cert # DOE			in process
Jenny Cordero	8/8/2007	2nd grade #5	Temp. Elem Ed (K-6)	1051900	6/30/2010	120 hrs
Paul Smith	8/10/2009	2nd grade #6	Prof. Elem. Ed (k-6)	973398	6/30/2014	enrolled 8/09
Mary Pat Jones	8/1/2006	3rd grade #1	Prof. Elem Ed. (K-6), ESE (K-6), Ed. Leadership	896521	6/30/2011	120 hrs
Kimberly Gosy	8/1/2006	3rd grade #2	Prof. Elem Ed (1-6)	367734	6/30/2011	120 hrs
Connie Graham	9/5/2006	3rd grade #3	Prof. Elem. Ed (K-6) / English (5-9)	962717	6/30/2012	60 hrs
Melissa Donelson	9/28/2007	3rd grade #4	Temp. Elem Ed (K-6)	960911	6/30/2010	120 hrs
Jennifer (Carr) Wentzell	8/8/2007	3rd grade #6	Temp. Elem Ed (K-6)	1069250	6/30/2010	60 hrs
Megan Nemeth	8/1/2006	4th grade #1	Prof. Elem. Ed. (K-6) / Pre-K-3	1066860	6/30/2012	60 hrs
Tisha Connelly	8/8/2007	4th grade #3	Temp Soc. Science/ Elem Ed-K-6	942587	6/30/2010	60 hrs
Jeffrey Maday	8/8/2007	4th grade #4	Temp Elem Ed (K-6)	1053549	6/30/2010	in process
Karin Bourque (Murphy)	8/4/2008	4th grade #5	Prof. Elem Ed. (K-6)	1027050	6/30/2011	60 hrs
Ciara Haynes	10/18/2006	5th grade #1	Prof. Elem. Ed (K-6)	1032528	6/30/2014	120 hrs
Nelrose Stewart	8/1/2006	5th grade #3	Prof. Elem Ed. (K-6) / Biology (6-12)	831392	6/30/2014	60 hrs
Gina Drake	8/4/2008	5th grade #4	Temp. Elem. Ed (K-6)	1056255	6/30/2010	60 hrs
Sarah Coook	8/1/2006	Technology-Elem.	Prof. Elem. Ed (K-6), Math (5-9)	1004250	6/30/2013	180 hrs
Virginia Garcia	8/1/2006	Elementary ESE Teacher	Prof. Exceptional Ed. (K-12), Elem. Ed (K-6)	920596	6/30/2010	60 hrs
Kathleen Nieves	8/1/2006	ESE-Middle School	Prof. Math (5-9), Integr. Curr (5-9), ESE (K-12)	843624	6/30/2014	120 hrs
Jennifer Regean	8/1/2006	Lang. Arts-Middle School	Prof. English (5-9)	950047	6/30/2012	240 hrs
John Colwell	8/10/2009	Math-Middle School	Prof. Math (5-9), Integr. Curr (5-9),	978057	6/30/2014	60 hrs
Joe Childers	8/10/2009	MS-Reading Resources	Temp. MS Integrated (5-9), Social Sci (6-12)	1094480	6/30/2011	60 hrs
Julie Crisp	8/10/2009	Science-Middle School	Prof. Biology(6-12),Chem(6-12),Math (6-12),GenS	954134	6/30/2012	60 hrs
Jose Salas	8/10/2009	Technology-Middle School	Temp. Computers-letter of elig/waiting on cert # DOE			in process

## *Four Corners Charter School Leak Detection*

The water leakage thru the fire line check valve by-pass meter had been discussed within the technical review section since late January 2009. Since the water supply to the school could not be shut down for any extended time period during normal working hours, it was decided to wait for until summer recess to pursue a leak detection scenario. Since school had been out since the 4<sup>th</sup> or 5<sup>th</sup> it was deemed appropriate now to start the process.

I met with Andy Bordallo, PCU and Dan Cappola, Four Corners Charter School (FCCS), at 9:15am on June 12, 2009 and observed the same sporadic fire line metering which had occurred the previous 4 months. The last minute usage call was sent to the school personnel inside to warn of the water stoppage occurring soon.

The water on the potable (blue) meter was turned off about 9:45 am to ascertain which, if any, water use fixtures within the school were connected to the potable main or even the fire line. Andy closed the valve slowly and bled off some pressure from a tap on the above ground piping of the backflow preventer assembly for about 5 minutes. The fire line remained hot while the process continued.

Dan and I went to the Middle School Bldg. (the northernmost of the 3 bldgs.) first to determine any cross connections. Every sink, water fountain, toilet, urinal, lavatory, ice machine and any other water use fixture was turned on to find a connection. As we completed that building with negative results, we progressed to the Elementary School Bldg. then to the Pre-School Bldg. all the while finding no connections to the fire line as Andy monitored that same line. A pressure gauge was even placed on the fire line to see any pressure drops while the meter continued its sporadic metering of water flow. The sporadic spinning of the meter never waivered, nor was a pressure drop observed during the approximately 2 hour exercise.

We also observed the fire sprinkler line and system inside the buildings for any leaks or evidence thereof. None was found either on the ceiling (sprinkler heads), the pressure gauge/check valve assembly connection inside the building nor the blow off piping outside the building. No leak was evidenced on the above ground piping or sprinkler system.

The conclusion is that there was no observable cross connection between the potable water and fire lines. Even though the fire line by-pass meter continued to measure sporadic flow, the leak did not come from the water use fixtures.

After I left the school site, I met up with Brian Reeder, a PCU inspector, who is experienced at trouble shooting unusual problems. After we spoke about the problem and process, he suggested maybe a leak at the fire hydrants on site, downstream from the fire line check valve by-pass meter. We went back to the site to look at all 5 hydrants to test out the theory. We found at least three had slight leaks after removing the nozzle and that could be the cause of the sporadic metering on the fire line. The water could possibly be leaking from a weep hole on the hydrant bottom.

Toward the end of that exercise, Dan Cappola met up with us to discuss the process and results. We left the site with the understanding that FCCS will still conduct a leakage test, maybe focusing on the hydrants on site.

# Shield Fire Protection, Inc.

1239 Mullet Lake Park Rd.  
Geneva, Fl. 32732  
Phone 321-231-5180  
Fax 407-349-2048

## Service Report

Project: 4-CORNER Charter POC: DAN

Owner: SAE Date: 4-28-09

Address: 9100 Teacher's Ln. Phone: \_\_\_\_\_  
DAVENPORT, FL. Fax: \_\_\_\_\_  
E-mail: \_\_\_\_\_

Description of Problem: Flow Test Necessary for  
possible backflow change-out  
Hydraulic calculation must be performed

Pre-authorization for repairs: \_\_\_\_\_

Diagnostics: Suggest Leak Doctor to be contracted  
to discover leak location

Equipment: Diffuser Trailer

Work Performed: Flow Test

Materials: Leak Doctor 407-426-9995

Inspected Hds in Girls Locker Room

Labor: Start Time 11:00am End Time 2:00pm Travel Time 1

# of Techs 1 Total Labor \_\_\_\_\_ Tech. Name Jeff Smith

Remarks: Pitot = 37 Residual 68 Static  
Static 74

Customer Signature [Signature] Print Name \_\_\_\_\_ Date 4-28-09

# LEAK DOCTOR

Phone: (407) 426-9995 Fax: (407) 426-9568  
421 W. Robinson Street \* Orlando, FL 32801

**PROJECT QUOTE: 4 Corner Charter School**  
**PROJECT QUOTE DATE: July 14, 2009**

Assigned Technician to Project: George Surry Prepared by: Gwen Surry

<b>Location:</b>	4 Corner Charter School	<b>Parent Co.:</b>	4 Corner Charter School
	900 Teachers Lane	<b>Contact:</b>	Dan
	Davenport, FL 33837	<b>Email:</b>	
	Phone: 407-787-4300	<b>Phone:</b>	407-902-8523
	Fax: 407-787-4331	<b>Fax:</b>	407-891-7330

SCOPE OF WORK	TYPE	EXTENSION
Leak Detection Services on Fire System	First	\$1800 per day

Please Note: Crew standby time for conditions other than Acts of God or beyond crews control during normal hours will be billed at \$150.00 per hour. All prices are based on one mobilization.

## PROJECT SCOPE

The Leak Doctor will perform a leak detection and evaluation to determine water loss to at 4 Corner Charter School. We believe we can help confirm the integrity of your water supply to the fire system by performing electronic leak detection and survey of the fire lines.

## SCOPE OF WORK IN STAGES:

### FIRST STAGE: LEAK DETECTION (Fire Lines):

Our leak detection follows a consistent methodology to survey and pin point the entire community for leakage. The methodology may include any of the following:

- Work will be performed during the day
- Perform leak surveying of the suspect fire line
- Perform leak pinpointing to define source of leaks
- Utilize nondestructive methods to locate source of leaks
- Mark locations where leaks are located

**CLIENT IS RESPONSIBLE FOR PROVIDING THE FOLLOWING:**

- If possible, Maps/blueprints of fire systems and type of material
- Access to the property and facilities
- Provide time necessary to perform leak detection whether day or night
- Payment of services at time rendered unless previous arrangements have been made
- Point of contact for property location

**AUTHORIZATION TO PROCEED WITH WORK DESCRIBED ABOVE.**

I represent that I am the owner of the property at which the work described above is to be done, or the owner's agent, and that I have the authority to order and do so order this work to be done. I hereby authorize **The Leak Doctor, Inc.** to perform and agree to pay for this work and to use such labor and materials, as **The Leak Doctor, Inc.** deems advisable. I accept full responsibility for the prompt payment of all costs of this agreement. I agree that if the balance due is not paid upon completion of the contract according to its terms, that the total balance of the contract will bear interest at the rate of 1.5% per month (18% per annum) until paid in full. In the event that this account is referred to an attorney for collection, I agree to pay all costs of collecting any amounts due hereunder, including attorney's fee. I recognize that underground leak detection and utilities location is an art as well as a science, and that there are innumerable variables in achieving the desired results. **The Leak Doctor, Inc.** does not guarantee accuracy in location underground leaks or utilities, and disclaims all liability for any damages based on information provided by **The Leak Doctor, Inc.** **The Leak Doctor, Inc.** strives to provide the highest quality service possible with the experience of the technician(s) and equipment used. It is our desire that our work provide our client and customers with the information they need without adverse consequences.

**AUTHORIZED**

**SIGNATURE** \_\_\_\_\_

**DATE** \_\_\_\_\_

**PRINT NAME** \_\_\_\_\_

**TITLE** \_\_\_\_\_

Leak Doctor, Inc. P: (407) 426-9995 [info@leakdoctor.com](mailto:info@leakdoctor.com) F: (407) 426-9568

**SOLVING COMPLEX WATER PROBLEMS SINCE 1993.**

2007-2008 School Technology Budget  
(Preliminary)



7/7/2009

Four Corners Charter School				07-08		08-09		09-10		10-11		
Description	Category	Funds	Order	#	Unit Cost	Tot Cost	#	Unit Cost	Tot Cost	#	Unit Cost	Tot Cost
LCD projectors	A				\$850							
LCD projectors (mount)	A				\$1,520	\$27,500.00	25	\$1,100	\$14,300.00			
CPS Clickers w/ chalkboard	H				\$200	\$2,000.00	10	\$200				
Desktop Computers	H				\$1,300			\$1,300.00				
Desktop Computers (kept)	H				\$10,000	\$10,000.00	1	\$10,000	\$10,000.00	1	\$10,000	\$10,000.00
Laptop Computers	H				\$25	\$1,950.00	78	\$25				
Infrastructure allowance	H				\$6,600	\$0.00	0	\$6,600.00	\$6,600.00			
Per computer allowance	H				\$2,800			\$2,800				
Servers	H				\$400	\$4,800.00	12	\$400				
Smartboard (Mobile)	H				\$3,300	\$0.00	0	\$3,300.00				
Printers (group share) 1500s	H				\$16,106	\$16,106.46	1	\$16,106				
Switches	H				\$2.86	\$1,584.44	554	\$2.86	\$1,584.44	554	\$2.86	\$1,584.44
E-rate	S				\$4.28	\$774.68	181	\$4.28	\$774.68	181	\$4.28	\$774.68
Study Island (gr 2,3,4,6,7)	S				\$25	\$0.00	0	\$25				
Study Island (gr 5,8)	S				\$1,500	\$0.00	0	\$1,500				
Teacher Web access	S											
United Streaming	S											
TOTAL						\$62,356.46			\$33,259.12			\$12,359.12
AV (A)						\$0.00			\$0.00			\$0.00
Hardware (H)						\$0.00			\$30,900.00			\$10,000.00
Software (S)						\$2,359.12			\$2,359.12			\$2,359.12

**Notes**

08-09 Top priority is an infrastructure revamp

1. Need to start with an IT analysis of current infrastructure and capacity
2. Determine infrastructure standard
3. Create action plan to get FCCS to meet that standard

need price verification from IT

## Response to Intervention

### Important Components

- Monitoring student progress using appropriate screening or tests.
- Choosing and using educationally sound interventions to improve student learning.
- Determining the level of support that a student needs in order to be successful.

### School Contact for RTI

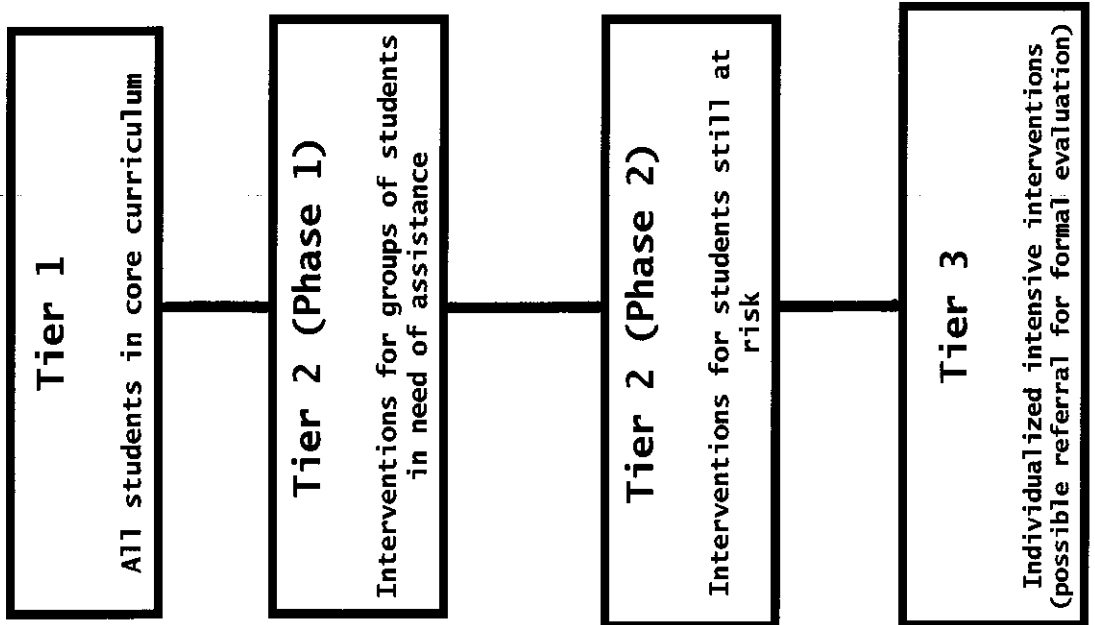
School Name \_\_\_\_\_

Name \_\_\_\_\_

Position \_\_\_\_\_

Phone Number \_\_\_\_\_

*A three tier RTI process includes:*



*Response to Intervention  
What Parents need to know*

Response to Intervention also called RTI, is a three step model for providing interventions to students who are struggling with problems in academics and/or behavior.

At all stages of the RTI process, interventions are provided to attempt to make a student more successful rather than labeling areas of weakness.

Response to  
Intervention

## Important Terms for Parents

**Intervention:** A change that is made for a student in the area of learning or behavior to try and improve the student's performance.

**Progress monitoring:** A way to collect information to understand a students' academic performance and determine the effectiveness of instruction.

**Scientific, research-based, or evidence-based instruction:** Curriculum and educational interventions that are based on good research or proven to be effective for most students.

**Universal screening:** A part of RTI used in the school to determine which students are "at risk" for not meeting grade level standards. Universal screening may include state, district, or school wide assessments which assist the school in determining which students are in need.

## Questions parents ask

What screenings are used to identify a student in need of intervention? *DIBELS, GRADE, SDRT, FCAT* or a review of discipline referrals are some examples.

How does the school determine what interventions to provide to students in need? *A team consisting of educational professionals along with the classroom teacher and parent, called the Intervention Assistance Team, will determine appropriate interventions.*

Who will be on the Intervention Assistance Team? *Team members may include a school psychologist, a school counselor, a literacy coach, a dean, an administrator and other specialized school staff.*

How long does the RTI process take? *There is no set time line. The length of time depends on what intervention is used and on how much progress a student makes during an intervention.*

Will information about the student's progress be provided? *During RTI frequent parent contact is required and information about the student's progress will be shared with parents throughout the process.*

If a student does not respond successfully to interventions can he/she be referred for a formal evaluation? *Yes, a student can be referred for evaluation once the second Tier 2 intervention is found to be ineffective.*

Who can I talk to about my child's progress and learning? *You should talk to your child's teacher.*

Who can I talk to about RTI? *The RTI coach at your child's school.*

What are the advantages to RTI?

- Reduces the time a student waits until they receive additional instructional support.
- Increases the overall number of students succeeding in general education programs
- Provides timely information about students' instructional needs and progress.

Student Services  
817 Bill Beck Blvd.  
Kissimmee Florida 34744  
407 870 4987





# PSE RtI Interventions--Behavior

**Interventions Tier 3**  
 Implement BIP based on FBA

**Interventions Phase 2**  
 Daily behavior plan  
 Counseling group  
 Counseling  
 Mentor

**Interventions Phase 1**  
 Daily Behavior Plan  
 Counseling group  
 Counseling  
 Mentor

**Interventions**  
 PBS  
 Teacher feedback

**Resource Staff:**

**Tier 3**

**Resource Staff:**

**Tier 2 Phase 2**

**Resource Staff**  
 Teachers  
 Teacher Assistants  
 IELL Assistants  
 Dean  
 School Psychologist  
 Counselors

**Tier 2 Phase 1**

# Classroom Core Instruction

**Tier 1**

**Student :** \_\_\_\_\_

**Teacher :** \_\_\_\_\_

**Progress Monitoring:** \_\_\_\_\_ **Assessment by:** \_\_\_\_\_

**Progress Monitoring:** \_\_\_\_\_ **Assessment by:** \_\_\_\_\_

**Progress Monitoring** \_\_\_\_\_ **Assessment by:** \_\_\_\_\_

Chart  
 Behavior strips  
 Office referrals

**Target behavior** \_\_\_\_\_

**Data:** \_\_\_\_\_ **Office referrals** \_\_\_\_\_ **Minor infractions** \_\_\_\_\_

**Assessment**  
 Office referral: \_\_\_\_\_

Minor infractions: \_\_\_\_\_

FOUR CORNERS CHARTER SCHOOL, INC.

SCHOOL BOARD AGENDA ITEM

DATE OF MEETING: Wednesday, September 16, 2009

**SUBJECT: Renewal of CSUSA Contract & Management Agreement**

Discussion on renewal of Charter School Contract with the District and FCCS, Inc. Renewal is due to expire on January 10, 2010. Discussion will center on how to move forward.

Copies of contracts enclosed.

**EXECUTIVE SUMMARY:**

Discussion and review

**RECOMMENDATION:** Discussion

Submitted by: John McKay

**CHARTER SCHOOL CONTRACT**

**BETWEEN**

**THE SCHOOL BOARD OF OSCEOLA COUNTY, FLORIDA,**  
the contracting body for the  
School District of Osceola County, Florida

**AND**

**FOUR CORNERS CHARTER SCHOOL, INC.**  
a Florida not for profit corporation

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**SCHOOL BOARD OF OSCEOLA COUNTY CHARTER SCHOOL CONTRACT**  
**(FOUR CORNERS CHARTER SCHOOL)**

This School Board of Osceola County Charter School Contract ("Contract") is entered into as of the \_\_\_ day of November, 1999, between the School Board of Osceola County, Florida ("School Board"), the contracting body for the School District of Osceola County (the "District" or "School District") and Four Corners Charter School, Inc., a not-for-profit organization, organized under the laws of the State of Florida located at 220 E. Monument Avenue, Suite C, Kissimmee, Florida 34741 ("Charter School" or "School").

**RECITALS**

·WHEREAS, the purpose of the Four Corners Charter School shall be consistent with §228.056, Florida Statutes, (the "Charter School Legislation"); and .

WHEREAS, the School has submitted an application to obtain a charter and to operate a charter school within the School District of Osceola County, and the purpose of the school shall be innovation and excellence in education as contemplated within the Charter School Legislation; and

WHEREAS, the Charter School will be nonsectarian and nondiscriminatory in its programs, admissions policies, employment practices, and operations; be accountable to the School Board for its performance; not charge tuition or fees for state funded programs; meet all applicable Federal, State and local health, safety, and civil rights requirements; and be subject to an annual financial audit in a manner which is similar to that of the School Board.

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

**I. General Provisions**

**A. Contract Documents**

1. **Recitals.** Recitals in the Whereas Clauses are incorporated herein and made part of this Contract.
2. **Exhibits.** This Contract consists of the Contract and Exhibits A through C which are binding and incorporated by reference. In the event of any conflict between this Contract and the Exhibits, the terms of this Contract control. Additionally, the policies of the School Board are incorporated herein by reference except to the extent they are waived by the School Board or by operation of law.
3. **Application.** It is the intent of the parties that this Contract shall constitute the School's Charter. The application was approved by the School Board by



a vote of 5 to 0, on August 10, 1999, said application being attached as Exhibit A, (the "Application") and is made a part hereof.

4. **Budget and Management.** The budget of the School is attached as Exhibit B and is made a part hereof. The Contract between the Charter School and Cambridge Academies for management of the Charter School is still under negotiation. The parties agree to continue negotiating the Management Contract, using best efforts to complete negotiation as soon as possible.
5. **School Board Rules.** The School agrees to comply with School Board of Osceola County policies except to the extent certain policies are waived by operation of law or by the School Board.

**B. Term and Effect of Termination, Non-renewal or Expiration of Charter**

1. **Term.** The effective date of this Contract shall be the last date hereinafter stated on which a party to this Agreement signs this Agreement and shall cover a term of ten (10) years commencing from said effective date, but only to the extent that a term of ten (10) years is legally permissible under the Charter Legislation, §228.056 Fla. Stats., as the same may be amended from time to time. In the event that it is determined that a ten (10) year term is not permissible under the Charter Legislation, then the term of this Agreement shall be five (5) years with an option to renew for additional periods.
2. **Implementation Timetable.** The Phase I of the Charter School shall be constructed in time such that pre-K through grade 5 students shall begin class on the same date that school is opened for students for the School District of Osceola County for school year 2000-2001. Phase II shall be developed such that it is open and available for students on the same date as the rest of the students in the School District of Osceola County shall begin school for the school year 2001-2002.
3. **Modification.** This Contract may be modified during its initial term by mutual agreement of the parties and any modifications shall be agreed to in writing and executed by both parties.
4. **Cancellation.** During the term of the Contract or any renewal thereof, the School Board of Osceola County may cancel the Contract under procedures in paragraph 5 for any of the following grounds:
  - a. Failure to meet the Student Achievement Objectives, including insufficient progress made in attaining Student Achievement

Objectives and it is not likely that such objectives can be achieved during the term of the Contract.

- b. Failure to meet generally accepted standards of fiscal management.
- c. Violation of Federal, State or local law.
- d. Any action by the Charter School that is detrimental to the welfare of the Charter School students and is not timely cured after notice in accordance with the procedure for cure contained herein.

5. **Notice of Cancellation and Procedures for Cancellation.** At least ninety days prior to renewing, non-renewing, or termination of this Contract, the School Board of Osceola County shall notify the governing body of the Charter School of the proposed action in writing. This written notice shall state in reasonable detail the grounds for the proposed action and will stipulate that the Charter School's governing body may, within said ninety days of receiving the notice, cure the alleged default. If the alleged default is not cured within said ninety days the Charter may be terminated in the sole discretion of the School Board of Osceola County unless the governing body of the Charter School shall request a hearing in accordance with the procedures specified hereinafter.

The hearing procedure shall be as follows: The governing body of the Charter School may request a hearing on the proposal of the School Board of Osceola County to non-renew or terminate this Charter or the Charter Contract at any time during the ninety (90) day cure period provided hereinabove. The request for hearing shall be in writing, served on the Superintendent and the Attorney for the School Board of Osceola County, and the request shall specify the issues that the governing body of the Charter School wishes to address during the course of the hearing. Upon the receipt of a timely written request for a hearing, the School Board shall abate any action to formally terminate or non-renew the Charter or this Contract until such time as the hearing procedure is completed. The School Board of Osceola County shall conduct the informal hearing within thirty (30) days of receiving the written request for hearing and will make a decision regarding the allegations of default and whether the Charter should be terminated. The Charter School may appeal the decision of the School Board of Osceola County to the State Board of Education pursuant to procedures specified in the Charter School legislation and any administrative rules governing such appeals that might be promulgated by the Department of Education. The hearing will be informal but will be conducted in a fundamentally fair manner

such that the parties may reasonably offer evidence and argument in support of their respective positions.

6. **Immediate Termination.** This Contract may be terminated immediately if the School Board of Osceola County determines that the health, safety, or welfare of the students is threatened. However, notwithstanding the reference to the fact that termination will be immediate for these reasons, nonetheless the School Board of Osceola County shall give written notice by facsimile transmission or hand delivery (in its option) and the Charter School shall have five (5) calendar days to cure such emergency default. However, during this five (5) day period of cure and thereafter, the School Board of Osceola County may take such action as is reasonably necessary, including taking over operation of the Charter School, to protect the health, safety or welfare of the students and the Charter School agrees that it shall not impede the School Board of Osceola County as it takes such action. The School Board of Osceola County must provide the basis for termination in written findings reasonably detailing the basis for termination and such findings should be made concurrently with termination. The Charter School may appeal such termination in accordance with the procedures set out in sub-paragraph I (B)(5).
  
7. **Termination or Non-Renewal.** In the case of termination, expiration or non-renewal of the Contract:
  - a. The Charter School may be dissolved.
  
  - b. All student records, assets, funds, facilities, supplies and equipment owned by the Charter School or which would otherwise be due and payable or deliverable to the Charter School shall instead be delivered to, retained and owned by the School Board of Osceola County.
  
  - c. Any and all leases and subleases related to or involving the Four Corners Charter School, Inc. shall be automatically canceled.
  
  - d. The School Board of Osceola County shall remain the principal obligor as lessee under the Educational Facilities Lease Purchase Agreement or other obligations incurred to finance or refinance the acquisition, construction and installation of the improvements to the property including any obligation owing to the municipal bond insurance company insuring payment of the Certificates of Participation issued in connection therewith subject to the terms and conditions expressed in sub-paragraph I(B)(9) of this agreement.

- e. The Charter School real property and improvements, furnishings, and equipment shall automatically revert or transfer as the case may be to full ownership by the School Board of Osceola County.
  - f. The Charter School is responsible for all debts of the Charter School. The parties acknowledge that the School Board of Osceola County may not assume the debt from any contract made between the Charter School and a third party, except for a debt that is agreed upon in writing by the School Board of Osceola County to be accepted by it.
  - g. Any student who attended the Charter School may apply to and shall be enrolled in another public school within the school district in which such student resides and in accordance with the normal application and enrollment procedures, except that any application deadline shall be disregarded under these circumstances.
  - h. The Charter School shall submit all records to the School Board without unreasonable delay, unless the records are necessary for providing services to current students which records will be produced at the time of takeover of the Charter School.
8. **Renewal.** This Contract and the Charter shall be for a term of ten (10) years commencing on the last date on which a party to this Contract signs this Contract. The Charter and this Contract may be renewed every five (5) years as provided in §228.056(9)(b), Florida Statutes. The parties agree that if a ruling is issued or an authoritative opinion made that Four Corners Charter School, Inc. is not a public entity entitled to a ten (10) year term of agreement that the term of agreement shall be amended to reflect the maximum legally permissible term for this Contract.
9. **Payment for Facilities.** The following procedures shall apply:
- a. School Board, shall provide funds to develop and construct the Charter School facilities in which the Charter School program that is the subject of this agreement will be conducted. Said Charter School facilities shall be designed and constructed on terms, conditions, layout and specifications approved by the School Board of Osceola County, and shall be designed and constructed in accordance with the state requirements for educational facilities (SREF) and any other applicable codes. The Phase I facility shall be K-5 for no less than 750 students. Phase II shall be for a middle school facility for no less than 450 students.

- b. The Charter School shall obtain financing and any refinancing on terms and conditions that are approved by the School Board of Osceola County. The Charter School will design the financing terms such that the cash flow from the operation of the Charter School shall be sufficient to repay such financing arrangement.
- c. Upon the expiration, cancellation, termination or non-renewal of this Charter, the School Board of Osceola County will assume complete ownership and control of the Charter School and all of its assets and facilities, including but not limited to the capital assets and fixtures. The School Board of Osceola County will then become responsible for the payments that remain due under the financing agreements for the borrowing necessary to develop and construct the Charter School facilities, subject to the requirements that the borrowing was on terms approved by the School Board and that at the time the School Board takes over the control of the Charter School, said financing arrangement is in good standing and payments are current and that there is no default by Four Corners Charter School or any other party to said financing arrangement.

C. Statutory Requirements

1. Sunshine Law. The Charter School shall comply with provisions of Chapter 119, Florida Statutes, relating to public records and §286.011, Florida Statutes, relating to public meetings.
2. Health, Welfare and Safety. The Charter School shall comply with all applicable federal, state, and local health, welfare, and safety laws.
3. Non-Discrimination. The Charter School agrees to adhere to a policy of non-discrimination in educational programs and activities and employment practices. It will strive affirmatively to provide equal opportunity for all as required by Federal and State law, including but not limited to:
  - a. Title VII of the Civil Rights Act of 1964 (prohibiting discrimination on the basis of race, color, gender, religion or national origin).
  - b. Title IX of the Education Amendments of 1972 (prohibiting discrimination on the basis of gender).
  - c. Age Discrimination Employment Act of 1967 (prohibiting discrimination on the basis of age with respect to individuals who are at least forty years of age).

- d. Section 504 of the Rehabilitation Act of 1973 (prohibiting discrimination against the disabled).
  - e. Americans with Disabilities Act of 1990 (prohibiting discrimination against individuals with disabilities in employment, public service, public accommodations and telecommunications).
  - f. The Family and Medical Leave Act of 1993 (requiring covered employers to provide up to twelve weeks of on paid, job protective leave to eligible employees for certain family and medical reasons).
  - g. Florida Educational Equity Act (prohibiting discrimination on the basis of race, gender, national origin, marital status, or disability against a student or employee). (See, §228.2001, Florida Statutes)
  - h. The Florida Civil Rights Act of 1992 (securing for all individuals in the State of Florida freedom from discrimination because of race, color, religion, gender, national origin, age, disability or marital status).
  - i. Laws providing preference to veterans in employment, including §295.07, Florida Statutes.
  - j. Applicable School Board rules.
4. **Charter School Legislation.** The parties agree to comply with the provisions of §228.056, Florida Statutes, and all other applicable laws and regulations regarding charter schools. If any conflict exists between the provisions of the approved application or this Contract and any specific provision of law, then the provisions of the law shall be prevailing.
5. The School shall be bound by amendments to applicable statutes, rules and regulations, as any such amendments take effect.

**D. Annual Progress Report**

- 1. **Annual Progress Report.** The Charter School Legislation requires the School Board provide to the State Board of Education, the Commissioner of Education, the President of the Senate, and Speaker of the House of Representatives an annual progress report which includes an analysis and comparison of the overall performance of the students at the Charter School. The parties agree that the School Board will utilize results from the State and

District required assessment programs referenced in this Contract and the data elements to be included in the annual reports which the School is required to submit pursuant to the Charter School Legislation. At a minimum, the report shall contain the following information:

- a. the Charter School's progress towards achieving goals outlined in this Contract;
  - b. the information required in the annual school report pursuant to §229.592, F.S.;
  - c. the financial records of the School including all revenues and expenditures; and
  - d. salary and benefit levels of the Charter School's employees.
2. **Cost Accounting and Audits.** The Charter School agrees to do a program cost report and an annual financial report in the format required by the Florida Department of Education, and provide such information to the School Board on or before September 1 of each year, and will have an annual independent audit as required by the Charter School Legislation.

E. **Length of School Year**

1. **Minimum Length.** The School shall provide instruction for (180 days for each school year) the amount required by Florida law. If the School Board is required to or elects to provide more than 180 days, the School shall also provide instruction for that number of days. The School may provide instruction for additional days.

II. **Academic Accountability**

A. **School Curriculum**

1. **General.** The Charter School agrees to implement its educational and related programs as specified in the School's approved application, setting forth the School's curriculum, the instructional methods, and any distinctive instructional techniques to be used. An outline of the School's curriculum is in the Application, Exhibit "A" (the "School Curriculum"). The School agrees to faithfully adhere to the School Curriculum. The School Curriculum may be amended upon approval by the School Board. The Charter School agrees to document to the School Board the current baseline standard of student achievement for its students, the outcome to be achieved, and the

method of measurement, which will be mutually agreed upon and identified in the School's Curriculum.

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

B. **Assessments/Reports**

1. **Assessments.** The School shall be responsible for administering required Statewide and District-wide tests and shall bear the costs associated with such test administration. Furthermore, the School agrees to administer all Statewide and District-wide assessments within the time frame approved for the other public schools in the District. The School may use other assessment tools in its discretion that are educationally relevant and sound, and consistent with this Contract, the Charter, and the School Curriculum.
2. **Required Reports.** The Charter School shall timely submit an annual progress report which includes among other elements, comparative student performance data and information required by §229.592, Florida Statutes. The School agrees to transmit this data in electronic data processing systems and format acceptable to the School Board, including all data pertaining to admissions, registrations, and student records.
3. **Access to Records.** The Charter School agrees to allow the School Board reasonable access to review data sources, including collection and recording procedures in order to assist the School Board in making a valid determination about the degree to which student performance requirements, as stated in the Contract, have been met.
4. **Consistency.** Based on the assumption that at some point in their academic careers some of the students involved at the School will return to the regular public school system, the Charter School will utilize a record and grading system that is consistent with the School Board's current record and grading procedures, except as may be expressly waived by the School Board.
5. **Innovation.** The Charter School shall insure that the School is innovative and operated in a manner consistent with the state education goals established by §229.591, Florida Statutes.



6. **Graduation Requirements.** The School shall comply with the method for determining that a student has satisfied the requirements for graduation pursuant to §232.245, Florida Statutes, and applicable School Board policy.

C. **Record Keeping**

1. **Maintenance of Records.** The Charter School will maintain both active and archival records for current and former students in accordance with the Florida Statutes and Florida Administrative Code Rule 6A-1.0955.
  - a. All permanent (Category A) records of students leaving the Charter School, whether by graduation, transfer to the public school system, or withdrawal to attend another school, will be transferred to the School Board, MIS Department at 817 Bill Beck Boulevard, Kissimmee, Florida 34744-4492. Copy may be retained by the School.
  - b. Records of student's progress (Category B) will be transferred to the appropriate school if a student withdraws to return to the regular Osceola County Public School System or another school system. The School may retain copies of the departing students' academic records created during the students' attendance at the School.
2. **Annual Report.** An annual report from the School will be transmitted to the MIS Department, listing all students enrolled during the school year and the disposition of each student's permanent records, i.e., stored on site, transmitted to the School Board or other disposition if appropriate. This report shall be transmitted each year prior to July 1st.

III. **Students**

A. **Definition of Students**

1. The parties agree that the Charter School shall be open to any student covered in an Interdistrict or Interlocal Agreement and residing within a reasonable distance from the Four Corners Charter School, such "reasonable distance" to be mutually agreed upon by the parties to this Agreement. At this time, there is an Interlocal Agreement between the School Boards of Lake County and Osceola County providing for attendance of students who reside in Lake and Osceola Counties at the Four Corners Charter School, it being the intention of the parties that the Four Corners Charter School, as a joint-use facility, will serve the Osceola and Lake School Districts in accordance with

such formulae as the Osceola School Board and Lake School Board may establish. The formula for attendance ratios shall be mutually agreed upon and in compliance with law. The Charter School in Phase I shall be open to K-5 students (up to approximately 750) who reside within the "reasonable distance from the school" area to be defined by Osceola School Board and Lake School Board. It is contemplated that in Phase II a middle school will be developed that will accommodate up to approximately 450 students residing within the defined geographic area.

2. Enrollment at the School shall be initially limited in Phase I of development to pre-K through grade 5 students as specified in sub-paragraph III(A)(1) of this Agreement, hereinabove, and for Phase II (middle school) students as stated in the same sub-paragraph.
3. Enrollment preference will be given to siblings of students already enrolled in the School and to the children of employees of the Charter School.
4. In keeping with items one (1) through four (4) above, the School further agrees that, it will work to achieve a racial/ethnic balance within the range served by other public schools in the District; that it will not discriminate against students with disabilities who are served in Exceptional Student Education programs (ESE) and students who are served in English for Speakers of Other Languages (ESOL) programs; and that it shall not violate the anti-discrimination provisions of §228.2001, Florida Statutes, The Florida Education Equity Act or any other anti-discrimination law. The School shall guarantee that its admissions policies shall be nonsectarian.
5. No student will be eligible for enrollment unless the student is in "good standing" with his regular school district. A student is not in good standing if the student is subject to expulsion or has been administratively placed in an alternative educational program for disciplinary reasons.

**B. ESE Students**

1. **Students with Disabilities.** Exceptional students shall be provided with programs implemented in accordance with Federal, State, and local policies and procedures:
  - a. The Individuals with Disabilities Education Act (IDEA) and its implementing regulations.
  - b. Section 504 of the Rehabilitation Act of 1973, and the Osceola County policies and procedures for §504.

- c. Americans with Disabilities Act.
  - d. Florida's Education Equity Act.
  - e. Chapter 6A-6 of the Florida Administrative Code, and certain rules under Chapter 6A-1, FAC pertaining to confidentiality of records, testing programs and course modifications.
  - f. The Osceola County Special Programs and Procedures Document.
  - g. The Osceola County Admission and Placement Manual and its accompanying forms.
  - h. Appropriate sections of the Osceola County Pupil Progression Plan dealing with exceptional students.
  - i. Appropriate sections of the Osceola County Code of Student Conduct dealing with discipline of exceptional students.
2. The programs shall include, but are not limited to, providing the following:
- a. a non-discriminatory policy regarding placement, assessment identification, and selection;
  - b. free appropriate public education; and
  - c. individual educational plans ("IEP") which include an IEP meeting with the student's family. Students with disabilities will be educated in the least restrictive environment and will be segregated only if the nature and severity of the disabilities is such that education in regular classes with the use of supplementary aides and services cannot be achieved satisfactorily. It is the Charter School's goal to place students in an environment where they can flourish. Those students whose needs cannot be adequately addressed at the Charter School will be appropriately referred.

The Charter School staff will work closely, and as early as possible in the planning and development stages with the School District staff to discuss the needed services of the Charter School's students with disabilities. Parents with students with disabilities will be afforded the procedural safeguards required by law.

3. The School will work closely with the School Board in planning and developing programs for ESE, including but not limited to participating in planning activities for the IDEA grants.
4. The School will follow the School Board's Special Programs and Procedures Document and the Admissions and Placement Manual and forms, with respect to any activity involving referral of students, initial referrals, initial evaluations, reevaluations, transfers in and out, staffing, IEPs, dismissals, reassignments, surrogate parents, procedural safeguards and the due process provisions.
5. The School will complete federal and state reports in accordance with the time lines and specifications of the School Board and the Department of Education.
6. The School will notify and invite the School Board to each staffing and IEP meeting, by giving at least two weeks prior notice, with a copy of the Parent Participation Form, by mail or given in person.
7. The School will make available the amount of regular education and special education and related services listed on each student's IEP. Also, the School will make available appropriate inclusion environments as may be stated on the student's IEP.
8. The School will assist and cooperate with the School Board in any legal or quasi-legal activity in connection with an ESE student attending or admitted to the School, such as a due process hearing request or formal complaint.
9. Failure to comply with the laws and regulations regarding rights of disabled students will be considered a breach under paragraph I. B. of this Contract, and good cause to terminate.

**C. ESOL Students**

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

**D. Enrollment Process**

1. The Charter School shall be open to any student residing within a reasonable distance of the Four Corners Charter School as specified hereinabove in subparagraph III(A)(1) and (3) of this Agreement.

2. The Charter School agrees to enroll any eligible student who submits a timely application. However, if the number of applications exceeds the capacity of a program, class, grade level, or building, all applicants shall have an equal chance of being admitted through a random lottery. Preference may be given to students at risk.
3. Enrollment is subject to compliance with the provisions of §§232.0315 and 232.032, Florida Statutes, concerning school entry health examination and immunizations.
4. The number of students in the School shall not exceed the approximate levels specified hereinabove in sub-paragraphs III (A)(1) of this Agreement unless otherwise mutually agreed.
5. The Superintendents and/or designees of the School Districts of Lake and Osceola shall jointly develop the application procedures for the Charter School, including the determination of the "reasonable distance" from the Charter School that shall be the area for eligible students. The procedures shall be approved by the School Boards of Lake and Osceola, and may include provision for students residing outside of the geographic region to be granted special permission by the subject school board to attend the Charter School, subject to the condition that each such student attending out of zone will count against the number of students from the subject school district eligible to attend the Charter School. These procedures shall also include the formula that apportions the number of students from each school district eligible to attend the Charter School and will thereby implement sub-paragraph III(A)(1) of this Agreement.

The enrollment and application procedures to be developed by the Superintendents and staff of the school districts will be consistent with the requirements and provisions of this Agreement, and the geographic region that will be a "reasonable distance" from the Charter School from which eligible students will be drawn and will, to the extent reasonably possible, encompass the geographic area commonly referred to as the "Four Corners" area.

**E. Discipline**

1. The School agrees to maintain a safe learning environment at all times. The School shall be guided by Florida state law and the School Board's policies in the development of the School's disciplinary policies.
2. Charter School students may be expelled by the School Board upon a recommendation by the School. Any of the following behaviors are grounds for disciplinary action which may lead to possible expulsion of the student:

- a. Use, possession or sale of controlled substances, as defined in Chapter 893, Florida Statutes, or use, possession or sale of electronic pagers, alcohol, or counterfeit drugs that would be prohibited if genuine, by any student while the student is on school property or in attendance at a school function or sponsored event.
  - b. Possession of a firearm, knife, other weapon, or an item which may be used as a weapon or to harm another (such as explosives, inflammables, acids and other chemicals and poison) by any student while the student is on school property or in attendance at a school function or sponsored event. This policy shall apply equally with regard to any facsimile of a firearm, knife, other weapon, or an item which may be used as a weapon or to harm another.
  - c. Violence against any school personnel or another student.
  - d. Sexual harassment.
  - e. Vandalism (defacing, misuse of property) or Theft.
  - f. The attempt to do or participation in a conspiracy to do anything covered in subparagraphs a-e above.
  - g. The School may expand this list in the development of its disciplinary policy. Further, the Charter School shall apply the School Board of Osceola County policy regarding pagers in implementation of its disciplinary policy at the Charter School.
3. The School agrees to comply with the federal Gun Free Schools Act of 1994, and the state's Zero Tolerance regulations, and any other applicable state and/or federal law pertaining to the health, safety, and welfare of students.

**F. Extracurricular Activity**

1. Students at the Charter School will be eligible for participation in extracurricular activities and athletic opportunities at the Charter School in the same manner as other schools in the District to the extent such programs or sports are offered.

**G. Student Records**

1. The School will insure that all student records are kept confidential as required by applicable law.

2. The School agrees to report its student enrollment to the School Board as required in §236.081, Florida Statutes, and in accordance with the definitions in §236.013, Florida Statutes, at the agreed upon intervals and using the method used by the District when recording and reporting cost data by program. The School Board agrees to include the School's enrollment in the District's report of student enrollment. In order to receive full FTE funding, the School shall provide all required information within the same time schedule required for other Osceola County Schools. If the School submits data relevant to FTE funding that is later determined through the audit procedure to be inaccurate, the School shall be responsible for any reimbursement to the State for such inaccuracies, errors or omissions.

3. The School Board agrees to utilize its existing automated reporting system to input data required for various reports required by the Department of Education. The School agrees to provide the necessary data required for input in a format acceptable for transmission to Tallahassee. The data elements shall include the following.

- a. Demographic Information
- b. ESE data
- c. Grade Level Assignments
- d. Required health information
- e. Required Discipline Codes/Incident Data
- f. Daily Attendance
- g. Transportation
- h. Student Schedules
- i. Teacher Demographics
- j. Master Schedule
- k. ESOL/Migrant Codes
- l. Grades/grading period/grading scale
- m. ERW (Entry, Reentry, Withdrawal) Information
- n. Test Scores

- o. Transcripts
- p. Student Lunch Information as Required

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

#### IV. Financial Accountability

##### A. Revenue

1. **Funding.** The School Board agrees to pay the School for eligible students enrolled in and taught by the School in accordance with the Charter School Legislation. Students enrolled in the School shall be funded as if in a basic program or a special program, the same as students enrolled in other public schools in the District. The School shall report its student enrollment to the School Board as required in §236.081, Florida Statutes. The School Board shall include the School's enrollment in the School Board's enrollment. Total funding for the School will be recalculated during the year to reflect the revised calculations under the Florida Education Finance Program by the state and the actual weighted FTE students reported by the School during the FTE student survey periods designated by the Commissioner of Education. Funding for student enrollment in the School shall be the sum of District operating funds from the Florida Education Finance Program (FEFP), as provided in §236.081, Florida Statutes, and the General Appropriations Act, including gross state and local funds, discretionary lottery funds, and discretionary operating millage funds divided by total district funded weighted full-time-equivalent (WFTE) students times the weighted full-time-equivalent (FTE) students enrolled and counted in the School. Whenever the School's students or programs meet the eligibility criteria, the School shall also receive its proportionate share of categorical programs funds included in the FEFP, excluding transportation. The School shall provide the School Board with documentation that categorical funds received by the School were expended for purposes for which the categorical were established by the Legislature.
2. **Federal Funding.** Any eligible student enrolled in the School shall be provided Federal funds for the same level of service as provided other eligible students in the schools operated by the School Board. The School will comply with all guidelines, requirements and conditions for the receipt of the federal funding as applies to other District schools.
3. **Funding Adjustment.** Total funding shall be recalculated during the school year to reflect actual WFTE students reported by the School during the FTE student survey periods. Additionally, funding for the School shall be adjusted during the year as follows:



- a. In the event of a state holdback or a proration which reduces district funding, the School's funding will be reduced proportionately.
- b. In the event that the District exceeds the state cap for WFTE for Group 2 programs established by the Legislature, resulting in unfunded WFTE for the District, then the School's funding shall be reduced to reflect its proportional share of any unfunded WFTE.

Should the School Board receive notice of an FTE funding adjustment which is attributable to substantial noncompliance by the School, the School Board shall deduct such assessed amount from the next available payment otherwise due the School. In the event that the assessment is charged near the end of or after the term of the Contract where no further payments are due the School, the School Board shall provide prompt notice to the School and request reimbursement within thirty (30) working days.

4. **Fund Availability.** The performance by the School Board of its obligations under this Contract shall be subject to and contingent on the availability of monies lawfully appropriated for such purposes.

## B. **Administration and Management**

1. **Initial Costs.** The Charter School agrees to provide reasonable proof of its ability to fund the initial startup of the School. The School agrees to demonstrate sufficient capital reserves or a letter of credit equal to two month's operating revenue to insure adequate per student funding prior to FTE counts or such greater amount as may be required pursuant to the terms of any other agreement or financing document related to the development or operation of the School.
2. **Administrative Fee.** The School will provide monthly invoices to the School Board. The amount of the invoices shall be determined in accordance with this Contract, the Charter Legislation and applicable State and School Board rules and policies. The School Board shall retain an administrative fee of 5% of the available public funds for the administration of this Contract, including processing the application and on-going monitoring.
3. **Standard Accounts.** The Charter School shall utilize the standard State codification of accounts as contained in the Financial and Program Cost Accounting and Reporting for Florida Schools. Federal, state, and local funds shall be maintained according to existing mandates and practices, i.e. separate funds and bank accounts for federal funds and state and local funds.
4. **Financial Reports.** The School will provide a monthly financial report to the School Board, to be delivered to the School Board no later than the

twentieth (20th) day of the following month. These financial reports shall be cumulative, with the last report of the fiscal year including an annual report. The report shall include revenue and expenditure information in detail commensurate with the original budget. As such, it shall have individual columns for:

- a. the budget
- b. revenues and expenditures, month-to-date
- c. revenues and expenditures, year-to-date
- d. the budget balance (excess or deficiency of budgeted to actual)
- e. The Charter School shall provide the School Board with annual financial reports. These reports must include a complete set of financial statements and notes prepared in accordance with Generally Accepted Accounting Principles for inclusion into the School's financial statements, formatted by revenue source and expenditures and detailed by function and object by the following time line:
  - (1) unaudited statements: no later than August 20th of each year; and
  - (2) audited statements: no later than September 20th of each year.

5. **Financial Audit.** The financial audit shall be performed by a qualified certified public accountant who is approved by the School Board and paid for by the School. The audit shall be performed in accordance with Generally Accepted Auditing Standards; Government Auditing Standards, issued by the Comptroller General of the United States; and the Rules of the Auditor General, State of Florida. The audited report will show all revenues received from all sources and all expenditures for services rendered. The School Board reserves the right to perform additional audits as part of its financial monitoring responsibilities whenever it deems it necessary, at its own expense.

The funding for any subsequent year or Contract extension if approved by the School Board, shall be contingent upon the receipt and subsequent review and approval of the audit of the School Board.

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

- a. The transportation plan shall be developed between the parties on terms that are mutually acceptable. Transportation shall not be a bar to the attendance of any student who is eligible and who resides within a reasonable distance from the Four Corners Charter School, such "reasonable distance" to be determined as mutually acceptable between the parties and consistent with the terms of this Agreement.
- b. The food service plan shall be determined by the parties on terms that are mutually acceptable. The School Board of Osceola County shall be compensated on mutually agreeable terms to the extent it is responsible for furnishing the food service.

7. **Third Party Contracts.** Any contract entered into between the Charter School and a third party must provide that the third party is not entering into a contract with the School Board.

8. **Payment.** Distribution of funds to the School shall begin in July 2000. The School Board shall pay the School one-twelfth of the available funds as set forth in IV(A) less the 5% administrative fee within ten working days of receipt by the School Board of a distribution of State or local funds. If payment of an invoice is not made within 30 working days after receipt by the School Board, the School Board shall pay to the School, in addition to the amount of the invoice, interest at the rate of one (1) percent per month calculated on a daily basis on the unpaid balance from the expiration of the 30 day period until such time as the payment is made.

9. **School Board Personnel Services.** The parties agree that the School may utilize the services of the School Board in specialized areas such as ESE testing, etc. The School Board will charge the School for services agreed upon by the parties and provided by the School Board at the following rate:

hourly rate plus benefits of the School Board's personnel performing such services multiplied by number of actual hours providing such services

The School Board will invoice the School monthly for these services. The School shall issue payment no later than thirty (30) working days after receipt of an invoice. If payment of an invoice is not issued within thirty (30) working days after receipt by the School, the School shall pay to the School Board, in addition to the amount of the invoice, interest at a rate of one (1) percent per month calculated on a daily basis on the unpaid balance from the expiration of the thirty (30) day period until such time as the payment is made.

10. **Reports/Right to Inspect.** The parties agree that the School Board, with reasonable notice, may request and the School shall provide reports on

School operations and student performance. The School Board has the right to inspect all records of students attending the School upon reasonable notice. The School shall take any measures necessary to insure that the School Board has access to those records.

11. **Additional Requirements.** The School Board and Charter School will adhere to any additional requirements mandated by the Florida Department of Education or required as the result of a charge in Florida Law.

C. **Facilities**

1. **Standards.** The Charter School agrees to utilize facilities which comply with the State Uniform Building Code for Public Education Facilities Construction (§235.26, Florida Statutes) or with applicable state minimum building codes pursuant to Chapter 553, Florida Statutes, and state minimum fire protection codes pursuant to §633.025, Florida Statutes, as adopted by the authority in whose jurisdiction the facility is located.
2. **Documentation.** The Charter School agrees to provide the School Board with documentation regarding the School's property interest, as owner or lessee in the property and facility where the School will operate. If the School does not own the property and facility, the School must show proof of an executed lease 60 days before the initial opening day of classes.
3. **Certification.** The Charter School will show proof of the appropriate facility certification, including all certificates that are required by the applicable building codes, before the initial opening day of classes. If the School does not have the appropriate certification by the initial opening day of classes, this Contract shall terminate. The Application shall be deemed approved for the next school year, and the parties will renegotiate another Charter contract. Any lack of compliance with the requirements of this section, shall be good cause to terminate this Contract.
4. **Right to Inspect.** The School will allow the School Board to inspect the facilities at reasonable times to ensure compliance.

D. **Insurance**

1. **Indemnification**

- a. **Charter School Indemnification and Hold Harmless.** The Charter School, hereby does indemnify and hold harmless, and agrees to defend with competent counsel, and agrees to hold the School Board, its members, officers, employees, and agents, harmless from any and all claims, actions, costs, expenses, damages and liabilities, including

reasonable attorney's fees at the trial, appellate, and administrative level arising out of, connected with or resulting from:

- (1) the negligence, intentional wrongful act, misconduct or culpability of the School's employees or other agents in connection with or arising out of their services
- (2) the School's breach of this Contract or violation of law;
- (3) any failure by the School to pay its suppliers or any subcontractors
- (4) any failure to perform any imposed or required duty; or,
- (5) any actual or alleged infringement of patent, copyright, or other proprietary rights in any material, process, machine or appliance used by the Charter School.

However, the School shall not be obligated to indemnify the School Board, against claims, damages, expenses or liabilities to the extent these may result from the negligence of the School Board, its directors, officers, employees, subcontractors, or others acting on its behalf other than the School, its directors, officers, employees, subcontractors, and suppliers. The duty to hold harmless and indemnify will continue in full force and effect notwithstanding the expiration or early termination of this Contract.

No waiver of sovereign immunity: Notwithstanding anything to the contrary contained herein, the Four Corners Charter School, Inc. does not waive sovereign immunity to the extent sovereign immunity is available, and any obligation of Four Corners Charter School, Inc. to indemnify, defend or hold harmless the School Board as stated above shall extend only to the limits, if any, permitted by Florida law and shall be subject to the monetary limitations established by §768.28 Fla. Stats. to the extent applicable.

- b. School Board Indemnification and Hold Harmless. To the extent permitted by law, the School Board agrees to indemnify, defend with competent counsel selected by the School Board and agrees to hold the School, its members, officers, employees, and agents, harmless from any and all claims, actions, costs, expenses, damages, and liabilities, including reasonable attorneys' fees, arising out of, connected with or resulting from:

- (1) the negligence, intentional wrongful act, misconduct or culpability of the School Board's employees or other agents

in connection with and arising out of their services within the scope of this agreement; and

- (2) the School Board's material breach of this agreement or law.

However, the School Board shall not be obligated to indemnify the School, against claims, damages, expenses or liabilities to the extent these may result from the negligence of the Charter School, its directors, officers, employees, subcontractors, or others acting on its behalf other than the School Board, its directors, officers, employees, subcontractors, and suppliers.

c. No Waiver of Sovereign Immunity. Notwithstanding anything to the contrary contained herein, the School Board does not hereby waive any of its sovereign immunity and any obligation of the School Board to indemnify, defend or hold harmless the School as stated above shall extend only to the limits permitted by law, and shall be subject to the monetary limitations established by §768.28, Florida Statutes.

d. Notification. The School and the School Board shall notify each other of the existence of any third party claim, demand or other action giving rise to a claim for indemnification under this provision (a "Third Party Claim") and shall give it a reasonable opportunity to defend the same at its own expense and with its own counsel, provided that the School or the School Board shall at all times have the right to participate in such defense at its own expense. If, within a reasonable amount of time after receipt of notice of a Third Party Claim, the School or the School Board shall fail to undertake to so defend, the other party shall have the right, but not the obligation, to defend and to compromise or settle (exercising reasonable business judgment) the Third Party Claim for the account and at the risk and expense of the School or the School Board which they agree to assume. The School or the Sponsor shall make available to each other, at their expense such information and assistance as each shall request in connection with the defense of a Third Party claim.

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

a. Certificates of Insurance, Additional Insured. As evidence of compliance with the insurance required by this Contract, the Charter School shall furnish the School Board with fully completed certificate(s) of insurance signed by an authorized representative of the insurer(s) confirming the coverage begins before the initial opening day of classes. The certificates shall be issued to the School Board and name the School Board as an additional insured.

- b. Notification of Cancellation. Each certificate of insurance shall provide that the School Board be given no less than sixty (60) days written notice prior to cancellation.
- c. Renewal/Replacement. Until such time as the insurance is no longer required to be maintained by the Charter School, the School shall provide the School Board with evidence of the renewal or replacement of the insurance no less than sixty (60) days before the expiration or termination of the required insurance for which evidence was provided.

3. Insurance Coverage Requirements.

- a. Without limiting any of the other obligations or liabilities of the School, the School shall at the School's sole expense, procure, maintain and keep in force the amounts and types of insurance conforming to the Minimum Requirements set forth in the following subparagraph. Except as otherwise specified in this Contract, the insurance shall commence prior to the commencement of the opening of the School and shall be maintained in force, without interruption, until this Contract is terminated.
- b. Minimum Requirements. Insurers providing the insurance required by the Charter School by this Contract must meet the following minimum requirements:
  - (1) Be authorized by the Department of Insurance of the State of Florida, or an eligible surplus lines insurer under Florida Statutes. In addition, the insurer must have a Best's Rating of "A-" or better and a Financial Size Category of "VI" or better, according to the latest edition of Best's Key Rating Guide, published by A.M. Best Company.
  - (2) If, during this period when an insurer is providing the insurance as required by this Contract, an insurer shall fail to comply with the foregoing minimum requirements, as soon as the School has knowledge of any such failure, the School shall immediately notify the School Board and immediately replace the insurance provided by the insurer with an insurer meeting the requirements.
- c. Other Insurance. The insurance provided by the Charter School shall apply on a primary basis and any other insurance or self-insurance maintained by the School Board or its members, officers, employees

or agents, shall be in excess of the insurance provided by or on behalf of the School.

- d. Deductible, Self-Insurance. Except as otherwise specified, the insurance maintained by the School shall apply on a first dollar basis without application of a deductible or self-insurance retention.
- e. Other Remedies. Compliance with the insurance requirements of this Contract shall not limit the liability of the School, its subcontractors, its sub-contractors, its employees or its agents to the Board or others. Any remedy provided to the Board or its members, officers, employees or agents by the insurance shall be in addition to and not in lieu of any other remedy available under this Contract or otherwise.
- f. Charter School Subcontractors. The Charter School shall require its subcontractors and its sub-subcontractors to maintain any and all insurance required by law. Except to the extent required by law, this Contract does not establish minimum insurance requirements for subcontractors or sub-subcontractors.
- g. No Waiver. Neither approval by the School Board nor failure to disapprove the insurance furnished by the School shall relieve the Charter School of the School's full responsibility to provide the insurance as required by this Contract.
- h. Default. The Charter School shall be in default of this Contract for failure to maintain such insurance as required by this Contract.

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

- a. The Charter School's insurance shall cover the School for those sources of liability (including, but not by way of limitation, coverage for operations, Products/Completed Operations, independent contractors, and liability contractually assumed) which would be covered by the latest occurrence form edition of the standard Commercial General Liability Coverage Form (ISO Form CG00 01), as filed for use in the State of Florida by the Insurance Services office.
- b. The minimum limits to be maintained by the Charter School (inclusive of any amounts provided by an umbrella or excess policy) shall be \$1 million per occurrence/\$3 million annual aggregate.



- c. Except with respect to coverage for Property Damage Liability, the Commercial General Liability coverage shall apply on first dollar basis without application of any deductible or self-insured retention. The coverage for Property Damage Liability may be subject to a maximum deductible of \$1,000 per occurrence.
- d. The Charter School shall include the School Board and its members, officers and employees as "Additional Insured" on the required Commercial General Liability Insurance. The coverage afforded such Additional Insured shall be no more restrictive than that which would be afforded by adding the Board as Additional Insured using the latest Additional insured - Owners, Lessees or Contractors (Form B) Endorsement (ISO Form CG 20 10). The certificate of insurance shall be clearly marked to reflect "The School Board, its members, officers, employees and agents as additional insured".

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

- a. The Charter School's insurance shall cover the School for those sources of liability which would be covered by Section II of the latest occurrence edition of the standard Business Auto Policy (ISO Form CA 00 01), including coverage for liability contractually assumed, as filed for use in the State of Florida by the Insurance Service Office.
- b. Coverage shall be included on all owned, non-owned and hired autos used in connection with this Contract.
- c. The minimum limits to be maintained by the School (inclusive of any amounts provided by an umbrella or excess policy) shall be \$1 million per occurrence, and if subject to an annual aggregate, \$3 million annual aggregate.

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

- a. The Charter School's insurance shall cover the School (and to the extent its subcontractors and its sub-subcontractors are not otherwise insured, its subcontractors and sub-subcontractors) for those sources of liability which would be covered by the latest edition of the standard Workers' Compensation Policy, as filed for use in Florida by the National Council on Compensation Insurance, without restrictive endorsements. In addition to coverage for the Florida Workers' Compensation Act, where appropriate, coverage is to be

included for the Federal Employers' Liability and any other applicable federal or state law.

- b. Subject to the restrictions found in the standard Workers' Compensation Policy, there shall be no maximum limit on the amount of coverage for liability imposed by the Florida Workers' Compensation Act or any other coverage customarily insured under Part One of the standard Workers' Compensation Policy. The minimum amount of coverage for those coverage's customarily insured under Part Two of the standard Workers' Compensation Policy (inclusive of any amounts provided by any umbrella or excess policy) shall be \$1 million per occurrence/\$3 million annual aggregate.

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

- a. The School Leader's Errors & Omissions Liability Insurance shall be on a form acceptable to the School Board and shall cover the School for those sources of liability typically insured by School Leader's Errors & Omissions Insurance (E&O), such as School Leaders' Errors and Omissions policies offered by the National Union Fire Insurance Co. of Pennsylvania arising out of the rendering or failure to render professional services in the performance of this Contract, including all provisions of indemnification which is part of this Contract.
- b. The insurance shall be subject to a maximum deductible not to exceed \$25,000 per claim.
- c. If on a claims made basis, the School shall maintain, without interruption, the E&O Liability Insurance until (3) three years after termination of this Contract.
- d. The minimum limits to be maintained by the School (Inclusive of any amounts provided by an umbrella or excess policy) shall be \$1 million per claim/ \$3 million annual aggregate.
- e. If the School Leaders' E&O liability insurance required hereby is not reasonably commercially available the School shall provide Officers, directors and Employees Errors and Omissions liability insurance in lieu thereof with the same minimum limits of coverage as set forth above. If this insurance is on a claims made basis, the School shall maintain, without interruption, the insurance until three (3) years after termination of this contract.

8. **Property Insurance.** The School shall maintain hazard insurance on its own property during the term of this Contract. The School shall accept all risk of loss for said property by providing proof of the Risk Replacement Cost Property Insurance of limits commensurate with the replacement cost of property and the School Board shall be listed as a loss payee.

E. **Governance Structure**

1. **Non-Profit Corporation.** As indicated in the approved application which is attached and made a part hereof as Exhibit "A", the School has been organized as a non-profit organization. The School shall apply for tax exempt status.
2. **Public Employer.** The School will operate as a public employer.
3. **Board of Directors.** The School will be governed and operated as set forth in the approved application, which is attached hereto and made a part hereof as Exhibit "A", under the direction and control of its Board of Directors.

V. **Human Resources**

A. **Employment**

1. **Employee Selection.** The parties to this Contract agree that the Charter School shall select its own employees.
2. **Non Sectarian, Non-Discrimination.** The Charter School agrees that its employment practices shall be nonsectarian and non-discriminatory.
3. **Certification.** Teachers employed by or under Contract to the Charter School shall be certified as required by Chapter 231, Florida Statutes. The Charter School may employ or contract with skilled selected non-certified personnel to provide instructional services or to assist instructional staff members as teacher aides in the same manner as permitted in §231.15, Florida Statutes and/or the Charter Legislation. The Charter School will not employ an individual to provide instructional services if the individual certificate or licensure as an educator is suspended or revoked in Florida or in any other state.
4. **Disclosure.** The Charter School agrees to disclose to the parents and the School Board the qualifications of its teachers.
5. **Fingerprinting, Background.** The Charter School agrees to fingerprint all employees using the same procedures as School Board employees. The

Charter School shall check the backgrounds of all employees in accordance with School Board of Osceola County's Rules and Florida Statutes, including pre-employment drug testing and the Drug Free Workplace Policy.

**B. Public Employees**

1. The Charter School will be a public employer. Under this arrangement, the teachers would be public employees. Employees of the School Board may take leave to accept employment with the School upon the approval of the School Board. While employed by the School and on leave that is approved by the School Board, the employee may retain seniority accrued with the School Board and may continue to be covered by the benefit programs of the School Board, if the School and the School Board agree to this arrangement and its financing. This paragraph shall not prohibit the School Board from approving alternative leave arrangements consistent with Chapter 231, Florida Statutes.

**C. Substitute Teachers**

1. The Charter School has the option of utilizing substitute teachers from the School Board's substitute teacher list. If the Charter School exercises this option, it must pay the same rate as the School Board. This amount may be withheld from the next payment due to the Charter School.

**VI. Miscellaneous Provisions**

1. **Act of God.** Neither party shall be in default of this Contract, if the performance of any part or all of this Contract is prevented, delayed, hindered or otherwise made impracticable or impossible by reason of any strike, flood, hurricane, riot, fire, explosion, war, act of God, sabotage, accident or any other casualty or cause beyond either party's control, and which cannot be overcome by reasonable diligence and without unusual expense.
2. **Assignment.** This Contract shall not be assigned by either party without the prior written consent of the other party. The School may, without the consent of the School Board enter into contracts for services with an individual or group of individuals organized as a partnership or cooperative.
3. **Survival.** All representations and warranties made herein shall survive termination of this Contract.
4. **Legal Representation.** The Charter School and the School Board both represent that they have been represented in connection with a negotiation and execution of this Contract and or satisfied with the representation.

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

If to School Board  
of Osceola County:

Blaine A. Muse, Superintendent  
Donna Hart, Chairman  
School District of Osceola County, Florida  
817 Bill Beck Boulevard  
Kissimmee, FL 34744  
Telephone: (407) 870-4600  
Facsimile: (407) 870-4658

With copy to:

Usher L. Brown, Esquire  
Brown, Ward, Salzman & Weiss, P.A.  
111 North Orange Avenue, Suite 875  
Orlando, FL 32801  
Telephone: (407) 425-9566  
Facsimile: (407) 425-9596

If to School Board  
of Lake County:

School Board of Lake County, Florida  
Attention: Superintendent and Chairman  
201 West Burleigh Boulevard  
Tavares, FL 32778

With copy to:

Pamela H. Saylor, Esquire  
Lake County Schools  
201 West Burleigh Boulevard  
Tavares, FL 32778

If to Four Corners  
Charter School, Inc:

Four Corners Charter School, Inc.  
817 Bill Beck Boulevard  
Kissimmee, FL 34777  
Attn: Chairman

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

9. **No Waiver.** No consent to or waiver of any breach or default by the other in the performance of any obligation hereunder shall be deemed or construed to be consented to or waiver of any other breach or default. Except as otherwise provided herein, failure on the part of any party hereto to complain of any act or failure to act by the other party or to declare the other party in default hereunder, irrespective of how long such failure continues, shall not constitute a waiver of the rights of such party hereunder.
10. **Counterparts.** This Contract may be executed in one or more counterparts, each of which shall be deemed an original and all of which, taken together, shall be construed as a single instrument.
11. **Captions.** The captions used for the Sections in this Contract are inserted only as a matter of convenience and for reference, and in no way define, limit, or describe the scope or the intent of this Contract or any Article or Section hereof.
12. **Gender, etc.** Unless the context clearly indicates to the contrary, words singular or plural in number shall be deemed to include the other, and pronouns having a neuter, masculine, or feminine gender shall be deemed to include the others.
13. **Severability.** In the event any of the foregoing provisions of this Contract are determined by a court of competent jurisdiction to be illegal or unenforceable, then such unenforceable or unlawful provision shall be excised here from, and the remainder of this Contract will continue in full

force and effect. Notwithstanding the foregoing, if the result of the deletion of such provision will materially and adversely affect the rights of a party hereunder, such party may elect, at its option, to terminate this Contract in its entirety.

14. **Cumulative Rights.** All rights, powers, remedies, benefits, and privileges available under any provision of this Contract to any party hereunder is in addition to any cumulative of any and all rights, powers, remedies, benefits, and privileges available to such party under all other provisions of this Contract, at law or in equity.
15. **Governing Law and Venue.** This Contract shall be governed by and construed under the laws of the State of Florida and the United States of America. Except for a suit in Federal Court, Osceola County, Florida, shall be the proper place of venue for all suits to enforce this Contract. Any legal proceeding arising out of or in connection with this Contract shall be brought in the circuit courts of Osceola County, Florida, or if appropriate, the United States District Court for the Middle District of Florida, Orlando, Division.
16. **Further Assurances.** Whenever any review or approval is required by any party hereunder, such party agrees that such review or approval will be promptly and expeditiously prosecuted to conclusion. The parties hereto agree to execute any and all further instruments and documents, and take all such action as may be reasonably required by either party to effectuate the terms and provisions of this Contract and the transactions contemplated herein.
17. **No Partnership, Joint Venture.** It is understood and agreed that nothing contained in this Contract shall be deemed or construed as creating a partnership or joint venture between the School Board and Charter School or any other party, or cause either party to be responsible in any way for the debts and obligations of the other party.
18. **Third Party Beneficiary.** This Contract is not intended to create any rights of a third party beneficiary. There are no third party beneficiaries created hereby.
19. **No Construction Against Drafter.** Each of the parties hereto has been represented by legal counsel who have had ample opportunity to, and have, participated in the drafting of this Contract. Therefore, this Contract shall not be construed more favorably or unfavorably against any party.
20. **Mediation.** Any conflict arising out of this Contract may proceed to non-binding mediation. If an agreement is not reached through mediation, the issue may proceed to the appropriate judicial forum.

21. **Attorneys' Fees.** In the event of any conflict, each party shall bear the costs of their own attorneys' fees.
22. **Entire Agreement.** This Contract constitutes the entire agreement between the parties hereto with respect to the matters covered hereby. All prior negotiations, representations, and agreements with respect thereto not incorporated in this Contract are hereby canceled. This Contract can be modified or amended only by a written document duly executed by the parties hereto.
23. **Legislative Amendment.** Whenever a Florida Statute or State Board Rule is referenced in this Contract, it shall mean the Rule or Statute as it is amended from time to time. The parties agree to work together to amend this Contract in the event the Charter School Legislation is amended.
24. **Location and Development.** The Four Corners Charter School will be located in Osceola County, Florida, and the following development and financial agreements are incorporated herein by reference:
  - a. Development Agreement between the Haskell Company and Four Corners Charter School, Inc.
  - b. Agreement between the Haskell Company and the School Board of Osceola County, Florida, for site improvements.
  - c. Acquisition Agreement between the City of Kissimmee and the School Board of Osceola County, Florida.
  - d. Certificates of Participation, series 1999.
25. **Compliance with 1999 Amendments to Charter Legislation.** In conformance with 1999 Florida House Bill 751 (Section 44) Chapter 99-398, Laws of Florida, and 1999 Florida ALS 374, Committee Substitute for House Bill 2147 (Chapter 99-374, Laws of Florida), the following issues shall be addressed in the manner hereinafter provided:
  - a. The Charter School shall include in its contract with its management company the current incoming baseline standard of student academic achievement, the outcomes to be achieved, and the method of measurement that will be used, including a detailed description of how the baseline student achievement levels and prior rates of academic progress will be established, how these baseline rates will be compared to rates of academic progress achieved by these same students while attending the Charter School and, to the extent possible, how these rates of progress will be evaluated and compared with rates of progress of other closely comparable student populations.



- b. The Charter School shall include in its contract with its management company its plan for the financial and administrative management of the Charter School, including a reasonable demonstration of the professional experience or competence of those individuals or organizations applying to operate the Charter School, or hired or retained to perform such professional services.
26. **Interchangeability of Terms.** The terms "Charter School", "School" and "Four Corners Charter School, Inc." shall all refer to the governing body responsible for the Four Corners Charter School operation and which is a party to this agreement, as the context of the agreement may require.
27. **Action Regarding the Status of the Charter.** The School Board of Osceola County shall have sole responsibility to take any action to enforce this agreement or effect the status of the Charter or this contract. The School Board of Osceola County shall receive input and advice from the School Board of Lake County regarding these matters but reserves the ultimate discretion and decision making authority.

[SIGNATURE LINES ON FOLLOWING PAGE]

SCHOOL BOARD OF OSCEOLA  
COUNTY, FLORIDA

BY: Donna Hart  
Donna Hart  
Chairman

Melina L. James  
Witness  
Crisinda R. Hann  
Witness

ATTEST:

BY: Blaine A. Muse  
Blaine A. Muse, Superintendent

Date: Jan. 11, 2000 \*

FOUR CORNERS CHARTER SCHOOL, INC.

BY: Donna M. Hart  
Printed Name: Donna M. Hart  
Title: Chairman

Melina L. James  
Witness  
Crisinda R. Hann  
Witness

ATTEST:

BY: Michael E. Hartford  
Printed Name: Michael E. Hartford  
Date: 1/25/00 \*

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

**EDUCATIONAL FACILITIES  
LEASE PURCHASE AGREEMENT**

between

**FLORIDA SCHOOL BOARDS ASSOCIATION, INC.,  
as Lessor,**

**SCHOOL BOARD OF OSCEOLA COUNTY, FLORIDA  
Acting as the Governing Body of the  
School District of Osceola County, Florida,  
as Lessee and Sublessor**

and

**FOUR CORNERS CHARTER SCHOOL, INC.,  
As Sublessee**

**Dated as of January 15, 2000**

**RESTRICTION ON TRANSFER: ASSIGNMENT OF THIS  
LEASE IS SUBJECT TO THE RESTRICTION  
THAT THE "LESSOR" MAY ONLY ASSIGN ITS INTEREST HEREIN  
TO FIRST UNION NATIONAL BANK, AS TRUSTEE**

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124069/67043/303183-7

**MANAGEMENT AGREEMENT**

between

**CHARTER SCHOOLS USA AT FOUR CORNERS, LLC**

and

**FOUR CORNERS CHARTER SCHOOL, INC.**

a Florida non-profit corporation

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## MANAGEMENT AGREEMENT

THIS MANAGEMENT AGREEMENT is made and entered into as of the 4<sup>th</sup> 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 30<sup>th</sup> of the following year) on or before April 30<sup>th</sup> 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 31<sup>st</sup> 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 20<sup>th</sup> 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.



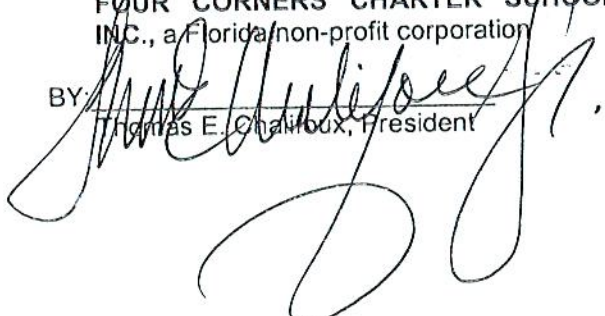
CHARTER SCHOOLS USA AT FOUR  
CORNERS, LLC

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. Chaloux, President

ATTEST:

BY:   
Blaine Muse, Secretary

**FOUR CORNERS CHARTER SCHOOL**

**SCHOOL BOARD AGENDA ITEM**

**Wednesday, September 16, 2009**

**SUBJECT: Energy Policy**

Discussion and review policy for CSUSA managed schools. Detailed information can be found within the agreement attached.

**EXECUTIVE SUMMARY:**

Discussion and review FCCS energy policy.

**RECOMMENDATION:**

Discussion and Review

Submitted by: Paul Hage





## Winter & Summer Break Energy Conservation Checklist

### **HVAC: (Facilities Department will handle this)**

- All systems will be set to the non-occupied mode except server rooms. Non-occupied settings control the humidity and keep the building temperature around 80\*.
- All maintenance and custodial work will be coordinated through the Facilities Department to assure maximum efficiency. Deep clean services will be performed as planned. Facilities department will coordinate with vendors on expectations and schedule and communicate with principals. Facilities staff will visit schools to ensure they following policy.
- All systems will be reset to normal operating mode on the last day of the Winter Break.

### **Water Fountains/Water Heaters: (Facilities Department will handle this)**

- All water fountains will be unplugged during the Winter Break.
- All water heaters will be turned off.

### **Interior Lighting: (Schools will handle & Facilities will assist if necessary)**

- All classroom lights will be turned off.
- All non-essential hallway lighting will be turned off.
- All non-emergency lighting will be turned off.

### **Exterior Lighting: (Facilities Department will handle this)**

- All essential exterior lighting will remain on over night for safety.
- All non-essential exterior lighting will be turned off or the timers will be adjusted for a shorter operating period.

### **Kitchen Equipment: (Schools Food Service will handle & Facilities will assist if necessary)**

- Condense all perishables to one location and turn off/unplug all non-used equipment.
- Unplug all appliances in the teachers lounge and other break rooms.

### **IT (Schools will handle this & IT will assist if necessary)**

- Shut down all desktops following IT Guidelines
- Shut down all printers following IT Guidelines
- Shut down all copiers following IT Guidelines