

ILLINOIS STATE CHARTER SCHOOL COMMISSION
CHARTER SCHOOL AGREEMENT

THIS CHARTER SCHOOL AGREEMENT ("Agreement"), with an effective date of July 1, 2018, is entered into by and between the Illinois State Charter School Commission (the "Commission"), a body politic, and the Elgin Charter School Initiative, an Illinois not-for-profit corporation ("ECSI"), for the operation of an independent public school, (the "Elgin Math and Science Academy Charter School" or the "Charter School"), established under the Illinois Charter Schools Law, 105 ILCS 5/27A-1 et seq. (the "Charter Schools Law").

RECITALS:

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

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

- (1) To improve pupil learning by creating schools with high, rigorous standards for pupil performance;
- (2) To increase learning opportunities for all pupils, with special emphasis on expanded learning experiences for at-risk pupils;
- (3) To encourage the use of innovative teaching methods;
- (4) To allow for the development of innovative forms of measuring pupil learning and achievement;
- (5) To create new professional opportunities for teachers, including the opportunity to be responsible for the learning program at the school site;
- (6) To provide parents and pupils with expanded choices within the school system;
- (7) To encourage parental and community involvement with public schools;
- (8) To hold charter schools accountable for meeting rigorous school content standards and to provide those schools with the opportunity to improve accountability; and

WHEREAS, on July 20, 2011 through Public Act 97-0152, the Commission was established as an independent State Commission with statewide chartering jurisdiction and authority with the responsibility to review appeals from the denial of charter proposals, charter school revocations and non-renewal decisions by the Boards of Illinois school districts, and to authorize and oversee charter schools throughout the State of Illinois;

WHEREAS, on January 31, 2017, the Charter School submitted an application to establish the Elgin Math and Science Academy Charter School ("EMSA") to the Elgin Area School District U-46 ("District U-46");

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WHEREAS, on April 10, 2017, the District U-46 Board of Education voted to approve the charter school and proceeded to negotiate a mutually agreed upon contract; and on June 26, 2017 the District U-46 Board of Education voted to deny the charter proposal;

WHEREAS, on July 26, 2017, the Charter School filed a timely appeal of the District U-46 decision to deny its application ("Appeal SCSC18-001"), and on October 3, 2017, following due diligence and consideration of the appeal, the Commission voted to reverse the District U-46 decision and approve the Charter School's proposal to establish EMSA.

WHEREAS, a copy of the proposal approved by the Commission is incorporated by reference and is attached hereto as Exhibit A;

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

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

1. Recitals Incorporated by Reference.

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

2. Grant of Charter.

The Charter School is hereby authorized, in accordance with the Charter Schools Law and the terms and conditions of this Agreement, to operate a charter school in Elgin as described herein.

3. Term of Agreement.

This Agreement shall commence on July 1, 2018, and shall expire at midnight, June 30, 2023, unless terminated or extended pursuant to the terms hereof.

4. Educational Program.

The Charter School shall operate an educational program and program of instruction serving the educational needs of the students enrolled therein.

- a. **Mission Statement.** The Charter School shall operate under the mission statement set forth in the proposal, and such mission statement is hereby accepted to the extent that it is consistent with the declared purposes of the General Assembly as stated in the Charter School Law. During the term of this Agreement, if the Charter School seeks to alter the language of its mission statement, but not alter its charter purpose, it may submit its revised proposed mission statement to the Commission for review.

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- b. **Age, Grade Range.** The Charter School shall provide instruction to pupils in grades K through 8.
- c. **Enrollment.** Enrollment in the Charter School shall be open to any pupil who resides within the Elgin Area School District ("District U-46"). Each year, the Charter School shall set a deadline for application that is no earlier than March 1 and if, on the date of that deadline, there are more eligible applicants for enrollment in the Charter School than there are spaces available, successful applicants shall be selected by lottery which shall be open to all applicants and the public. The Charter School shall not request information in the application process about a student's academic aptitude, special education needs or English language proficiency.
- i. **Priority for enrollment** may be given to siblings of pupils enrolled in the Charter School and to pupils who were enrolled in the Charter School the previous school year, unless expelled for cause. Using the lottery process required herein, the Charter School shall establish a waiting list of students who shall be offered the opportunity to enroll at the Charter School if additional space later becomes available. The Charter School shall not permit dual enrollment of any student at both the Charter School and another public school or nonpublic school.
- ii. The Charter School shall serve up to 400 students in grades K through 8. Once a student has enrolled, the student shall remain enrolled for the academic year unless there is a voluntary withdrawal, transfer, reassignment, or disciplinary suspension or expulsion. The Charter School shall report total student enrollment (number of students in the whole school and by grade) to the Commission on a quarterly basis so that the Commission can certify enrollment to the State Board. The Commission reserves the right to conduct inspections or similar investigations to verify enrollment as necessary to provide certified student enrollment data to the State Board. Enrollment projections and growth are agreed to based upon the plan set forth in the proposal and Appeal SCSC18-001.
- d. **Student Transfers.** For any student transfer out of the Charter School, the Charter School shall make reasonable best efforts to obtain a transfer form signed by the student's parent/guardian which affirmatively states that the student's transfer is voluntary.
- e. **Goals, Objectives, Pupil Performance Standards.** The Charter School shall pursue and make reasonable progress toward the achievement of the goals, objectives, and pupil performance standards consistent with those set forth in the proposal, provided that such goals, objectives and pupil performance standards shall at all times remain in compliance with Illinois School Code, 105 ILCS 5/2-3.64a-5.
- f. **Evaluation of Pupils.** The Charter School's plan for evaluating pupil performance, the types of assessments to be used, the timeline for achievement of performance standards, and the procedure for taking corrective action in the event that pupil performance at the Charter School falls below those standards, shall be consistent with

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the proposal.

g. **Curriculum.** The curriculum established by the Charter School shall be consistent with the proposal and as otherwise modified or supplemented herein.

The Charter School shall notify the Commission of any material change in its curriculum subsequent to the date of this Agreement.

h. **School Year; School Days; Hours of Operation.** Instruction shall commence in the 2018-19 school year and subsequent school years on dates established by the Charter School, provided that the beginning date of instruction shall be no earlier than August 15 and no later than September 15 of each school year. The days and hours of operation of the Charter School shall be as set forth in the proposal or as otherwise established by the Charter School. During the term of this Agreement, if the Charter School seeks to change its school year calendar, it may submit its proposal to the Commission for review and consideration.

i. **Student Discipline.** The Charter School shall implement a system of uniform student discipline that is consistent with relevant law. The Charter School shall provide the Commission with a copy of its student discipline policy and shall provide the Commission with an annual update regarding its student discipline policy to confirm implementation of a system of uniform discipline by September 1.

j. **Governance and Operation.** The operation of the governing board of the Charter School shall be as set forth in the proposal, including all necessary procedures to establish the Charter School as a Local Educational Authority. A roster of board members and annual board meetings shall be submitted to the Commission by July 1.

k. **Pupil Transportation.** The Charter School shall meet the transportation needs of its students in the manner as set forth in the proposal and materials submitted for the Appeal SCSC18-001.

l. **School Calendar.** The Charter School shall submit its school calendar to the Commission for the next academic year and the summer session no later than June 1 prior to the commencement of the new academic year. For the academic year beginning July 1, 2018, the Charter School shall submit its school calendar on or before February 1, 2018.

5. Additional Covenants and Warranties of Charter School.

The Charter School covenants and warrants as follows:

a. **Compliance with Laws and Regulations.** The Charter School shall operate at all times and shall be in compliance with the Charter Schools Law, all other applicable federal, State and local laws, codes, or regulations, from which the Charter School is not otherwise exempt, and constitutional provisions prohibiting

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discrimination on the basis of disability, race, creed, color, gender, national origin, religion, ancestry, marital status or need for special educational services. The Charter School shall also comply with the following, to the extent applicable to charter schools:

- i. The Individuals with Disabilities Education Act (20 U.S.C. § 1400 et seq.);
- ii. The Every Student Succeeds Act (PL 114-95, signed December 10, 2015);
- iii. Section 2-3.64a-5 of the School Code (105 ILCS 5/2-3.64a-5), regarding performance goals, standards, and assessments;
- iv. Section 10-21.9 of the School Code (105 ILCS 5/10-21.9;) regarding criminal background investigations of applicants for employment;
- v. Section 24-24 of the School Code (105 ILCS 5/24-24;) regarding discipline of students;
- vi. The Local Governmental and Governmental Employees Tort Immunity Act (745 ILCS 10/1-101 et seq.);
- vii. Section 108.75 of the General Not For Profit Corporation Act of 1986 (805 ILCS 105/1.01 et seq.) regarding indemnification of officers, directors, employees, and agents;
- viii. The Abused and Neglected Child Reporting Act (325 ILCS 5/1 et seq.)
- ix. The Illinois School Student Records Act (105 ILCS 5/10-1 et seq.)
- x. The Freedom of Information Act (5 ILCS 140/1 et seq.);
- x. The Open Meetings Act (5 ILCS 120/1.01 et seq.);
- xi. The Pension Code (40 ILCS 5/1-101 et seq.); and
- xii. All applicable health and safety regulations of the State of Illinois and the local municipalities, including without limitation those laws specifically identified by the Commission or the State Board as being applicable to charter schools. A current list of such laws, which may be added to, deleted from, or otherwise amended from time to time, is attached hereto as Exhibit E.

b. **Compliance with Agreement.** The Charter School shall operate at all times in accordance with the terms of this Agreement, including the Commission Accountability System as later defined herein. To fulfill its oversight responsibilities and to the extent permitted by law, the Commission may at any time request access to the Charter School to observe or inspect school operations or the educational program and may request that

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the Charter School make available for inspection any and all records kept and maintained in accordance with this Agreement, the Accountability Plan and applicable federal and state laws and regulations. Except in emergencies, any such request shall be made in a reasonable manner and seek to minimize disruption of school operations.

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

d. **Personnel.** The relationship between the Charter School and its employees, and the manner in which terms and conditions of employment shall be addressed with affected employees and their recognized representatives, if any, shall be as set forth in the proposal and this Agreement, provided that the Charter School shall comply with all federal and Illinois employment laws and regulations made applicable to charter schools under the Charter Schools Law. No later than September 1 of each year during the term of this Agreement, the Charter School shall provide the Commission with a current list of all of its employees, and shall cause each of its subcontractors to provide the Commission with a current list of all of such subcontractor's employees providing services at the Charter School. Such lists shall contain the names and job positions, of all applicable employees. Such lists shall also indicate: (i) for each employee, the date of initiation of the criminal background investigation required under Section 10- 21.9 of the School Code and Section 5(e) of this Agreement, and the results of such background check; and (ii) for each individual employed in an instructional position, evidence of Illinois licensure, or evidence that such individual is otherwise qualified to teach under Section 27A-10(c) of the Charter Schools Law, including information regarding the additional mentoring, training, and staff development, if any, to be provided by the Charter School pursuant to Section 5(f) of this Agreement. For any person hired in an instructional position after September 1 of any school year, the Charter School shall provide the Commission with such evidence of Illinois licensure or other qualification no later than thirty (30) business days after the individual's initial date of employment.

e. **Criminal Background Checks.** The Charter School shall not knowingly employ and shall not permit its subcontractors to knowingly employ any individual (i) for whom a criminal background investigation has not been initiated or (ii) who has been convicted for committing or attempting to commit one of the offenses enumerated in Section 10-21.9 of the Illinois School Code.

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f. **Instructional Providers.** The Charter School shall employ or otherwise utilize in instructional positions and shall require that its subcontractors employ or otherwise utilize in instructional positions only those individuals who are licensed under Article 21B of the School Code, 105 ILCS 5/21B, or who are otherwise qualified to teach under Section 27A-10(c) of the Charter Schools Law.

6. Building.

a. The Charter School shall be located at the address set forth in Exhibit F to this Agreement, which includes established modifications to the proposal and documents submitted with appeal SCSC18-001, and which are fully incorporated to this Agreement.

b. During the term of this Agreement, if the Charter School desires to utilize any other building, the Charter School shall submit to the Commission for review and approval a material modification request no later than December 31 of the school year prior to anticipated utilization or occupancy of a new facility.

c. The Charter School shall take such actions as are necessary to ensure that all leases, occupancy permits and health and safety approvals for any and all established school buildings remain valid and in force, and shall certify to the Commission no earlier than June 1 and no later than July 1 of each subsequent year during the term of this Agreement that such leases, certificates and approvals remain in force.

7. Finance

a. **Financial Management.** The Charter School shall operate in accordance with Generally Accepted Accounting Principles (GAAP) or other generally accepted standards of fiscal management, provided that the Charter School's accounting methods shall comply in all instances with any applicable governmental accounting requirements.

b. **Budget and Cash Flow.** The Charter School shall prepare and provide to the Commission a copy of its annual budget and cash flow projections for each fiscal year no later than July 1 of such fiscal year. The fiscal year for the Charter School shall begin on July 1 of each year and end on June 30 of the subsequent year.

c. **Distribution of Funds/Commission's Fee.**

i. The State Board shall distribute funds to the Charter School, in four quarterly installments payable on or before August 30, November 30, February 28, and May 31 of each fiscal year. The first such distribution shall be by August 30, 2018. All funds distributed to the Charter School from the State Board shall be used for educational purposes only. The use of such funds for any other purpose is strictly prohibited. Funds distributed shall be based on the quarterly enrollment certifications submitted by the Charter School to the Commission noted herein.

ii. Pursuant to the Charter Schools Law, the Commission shall assess the Charter School an Operational Fee in an amount up to 3% of the General State Aid

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allotted for the fiscal year, beginning in Fiscal Year 2019. The Commission shall invoice the Operational Fee on a quarterly basis. The Operational Fee shall be due following the Charter School's receipt of each Quarterly Installment from the State Board. The actual amount of any Operational Fee shall be determined by the Commission on an annual basis, pursuant to the Commission Policy Regarding Operational Fee for Commission Schools.

d. **Refund of Unspent Funds.** In the event that this Agreement is revoked or is not renewed by the Commission and the Charter School discontinues as a charter school lawfully authorized to operate in Illinois, the Charter School shall refund to the State Board all unspent funds in accordance with Section 27A-11(g) of the Charter Schools Law.

e. **Tuition and Fees.** The Charter School shall not charge tuition to any student, unless such student would otherwise be liable for tuition costs under the School Code. The Charter School may, to the extent permitted by law, charge a reasonable fee per student for workbooks, textbooks, instructional materials, classroom supplies and any required student activities (including any trips to offsite locations and/or outside of the Charter School's premises), and may separately charge reasonable fees for field trips at or around the time of such field trips, all provided that students eligible for a fee waiver in accordance with the Charter School's Fee Waiver Policy are not prevented from attending school or any field trip as a result of being unable to pay such fees. The fee referenced above does not apply to student activities, summer school activities, after school activities or any other activities at the Charter School where the activity is not part of the curriculum and participation of the students and/or parents is voluntary.

f. **Outside Funding.** The Charter School may accept gifts, donations or grants pursuant to Section 27A-11(d) of the Charter Schools Law, provided that no such gifts, grants, or donations may be accepted if contrary to applicable law or to the terms of this Agreement. In the event that the Charter School solicits funding from sources other than those set forth in this Section 7, it shall comply with all applicable State or federal laws regarding the reporting of charitable solicitations.

g. **Management and Financial Controls.** At all times, the Charter School shall maintain appropriate governance and managerial procedures and financial controls. These procedures and controls shall include, but not be limited to: (1) generally accepted accounting procedures; (2) a checking account; (3) adequate payroll procedures; (4) bylaws; (5) an organization chart; and (6) procedures for the creation and review of monthly and quarterly financial statements, which procedures shall specifically identify the individual who will be responsible for preparing such financial statements. The Charter School shall submit the following unaudited financial statements, created pursuant to this paragraph, to the Commission on a quarterly basis: (i) statement of activities; (ii) cash flow statement and (iii) balance sheet. These three statements shall be submitted to the Commission no later than thirty (30) days after the end of each quarter and may be submitted via electronic mail.

h. **Annual Audits.** The Charter School shall cause a Financial Statement Audit and Financial and Administrative Procedures Controls Review (collectively, the Financial Audits)

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to be performed annually at its expense by an outside independent auditor retained by the Charter School and reasonably acceptable to the Commission. The Financial Audits shall include, without limitation:

- i. An opinion on the financial statements (and Supplementary Schedule of Expenditures of Federal Awards, if applicable);
- ii. A report on compliance and on internal control over financial reporting based on an audit of financial statements performed in accordance with Government Accounting Standards; and
- iii. A report on compliance with requirements of applicable laws and regulations, including the audit requirements contained in the Accountability Plan.

The Financial Audits shall be made available to the State Board and Commission no later than December 1 of each year during the term of this Agreement, beginning with December 1, 2019.

i. **Quarterly Enrollment Reports.** The Charter School shall prepare or cause to be prepared quarterly enrollment reports, which shall be provided to the State Board and Commission on or before July 15, October 15, January 5, and March 15 of each year, beginning July 15, 2018. The Commission shall certify such enrollments to the State Board after verification of the same.

j. **Withholding of Funds.** In the event the Charter School fails to submit to the State Board or the Commission any documents or information required under this Agreement, or fails to follow any procedures and policies set forth in this Agreement, the Commission may submit a written request to the State Superintendent that the State Superintendent withhold any and all payments of funds to the Charter School provided that the Commission gives the Charter School prior written notice enumerating the specific failure(s) and the Charter School fails to submit the required documents or information within 30 days of receipt of such notice. Upon the Charter School's remediation of any such failure(s), the Commission shall request that the State Superintendent immediately release any and all payments of funds due to the Charter School. Repeated violations of this paragraph shall be deemed a material violation of this Agreement, and the Commission may revoke this Agreement and its authorization of the charter of the Charter School.

8. **Insurance.** The Charter School shall, at its own expense, purchase and maintain insurance covering all of its operations. Such insurance shall include the types of insurance set forth in Exhibit G hereto, subject to the conditions and in no less than the respective limits set forth therein. All insurers shall be licensed by the State of Illinois and rated B+ or better by A.M. Best or a comparable rating service, or shall be an authorized Risk Retention Group acceptable to the Commission or a program of self-insurance reasonably acceptable to the Commission.

No later than fifteen (15) days following the effective date of this Agreement, and each July 1 thereafter, the Charter School shall provide the Commission with certificates of insurance or other satisfactory proof evidencing coverage in the types and amounts as set forth above and in Exhibit G,

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fully incorporated by reference. All such insurance policies shall contain a provision requiring notice to the Commission, at least 30 days in advance, of any material change, non-renewal or termination, to the attention of:

Hosanna Mahaley Jones, Executive Director
Illinois State Charter School Commission
Michael A. Bilandic Building
160 North LaSalle Street, Suite S-601
Chicago, IL 60601
(or the Commission's current address, if different from the address listed)

9. Academic Accountability and Evaluations.

a. **Accountability Plan.** The Charter School shall be held accountable by the Commission in accordance with the Accountability Plan contained in Exhibit H ("Accountability System"), which is fully incorporated herein by reference and contains the Accountability Plan and embedded Performance Frameworks approved by the Commission and includes three domains, Academic, Financial and Organizational.

b. **Standardized Tests.** The Charter School shall administer such standardized tests of academic proficiency as are provided for in the proposal and appeal SCSC 18-001, and the State Board's policies and procedures, and shall participate in State assessments required by Section 2- 3.64a-5 of the School Code.

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

10. Special Education.

a. The Charter School shall provide services and accommodations to students with disabilities in accordance with the Individuals with Disabilities Education Act (20 U.S.C. § 1400 et seq.) ("IDEA"), and Section 504 of the Rehabilitation Act of 1973 (29 U.S.C. § 794) ("Section 504"). The Charter School shall provide a full continuum of services to implement the Individualized Education Plan of a student with disabilities.

b. The Charter School must, at all times, provide for the appropriate administrative oversight of special education services and accommodations to students with disabilities. To meet this requirement, the Charter School may:

- i. Employ a full-time Director of Special Education; or
- ii. Join an approved Special Education District or co-op and enter into a joint

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operating agreement with that Special Education District for the provision of such services; or

- iii. Contract with or otherwise employ a qualified and certified special education professional to provide such services, provided that any contract entered into by the Charter School under this subsection shall be full-time educational services, including the above special education services and accommodations.

c. Under any of the alternatives specified in subparagraph (b) above, the personnel providing the required services as Director of Special Education must be available when necessary to ensure that the needs of all children with disabilities are fully satisfied. Reimbursement would be available only for employment of a fulltime Director of Special Education;

d. The Charter School must provide technical assistance supervision to special education staff;

e. The Charter School must maintain written special education policies and procedures;

f. The Charter School must continue to train staff relative to the policies and procedures with regards to the following:

- i. the formal referral process;
- ii. identification of needed assessments;
- ii. timelines;
- iii. determination of eligibility; and
- iv. the IEP process.

g. The State Board shall direct to the Charter School those federal and state special education funds due to the Charter School because of the eligible child count or other appropriate special education reimbursement mechanisms based on the Charter School's submission of appropriate applications and/or claims.

11. Comprehensive School Management Contracts.

a. The Charter School shall not enter into any contract for comprehensive school management services to be performed in substantial part by any other entity not identified as such in the Proposal without receiving prior written approval from the Commission.

b. To the extent that ECSI contemplates entering into a contract with any entity under which such entity will provide all or a substantial portion of the comprehensive services

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necessary to manage and operate the Charter School, then the Charter School shall, no later than 120 days prior to the Opening Date, enter into a legally binding and enforceable agreement (the "Management Contract") with such entity named in the Proposal (the "Management Provider"), subject to the approval of the Commission.

- c. The Management Contract shall set forth with particularity inter alia, (i) the contingent obligations and responsibilities of each party in the event that the contract must be modified in order to obtain or maintain the School's status under federal law as a 501(c)(3) entity, (ii) the extent of the Management Provider's participation in the organization, operation and governance of the Charter School, and (iii) the total costs of all services, if possible represented as a percentage of school revenue.
- d. No later than thirty (30) days prior to entering into the Management Contract, the Charter School shall provide a copy of the Management Contract in proposed final form to the Commission. Such Management Contract shall be accompanied by a letter from a licensed attorney representing the Charter School stating that the Management Contract meets the attorney's approval. Such attorney may not represent the Management Provider. The Management Contract shall not be effective until the School is notified by the Commission that the Management Contract meets its approval.

12. Renewal of Charter; Failure to Renew.

No later than January 1, 2023 and no earlier than September 1, 2022, the Charter School shall provide a written application to the Commission in accordance with Section 27A-9 of the Charter Schools Law, setting forth proposed terms of renewal of the Agreement. Pursuant to Section 27A-9(b) of the Charter Schools Law, the renewal application of the Charter School shall contain the most recent annual report and financial statement of the Charter School. The written application may propose changes to this Agreement that the Charter School desires to incorporate into the renewed agreement.

The standards for renewal of the Agreement will be governed by the Commission's Accountability Plan, which incorporates the renewal framework, first adopted on June 12, 2013 and amended in June 2017, and is fully incorporated herein, as are any amendments to the Accountability Plan, the renewal framework and other policies or rules adopted by the Commission pertaining to renewal. The current version of the Accountability Plan is attached hereto as part of Exhibit H. Performance data, including subgroup data, from the 2018-19 school year will serve as benchmark data for the Charter School. The Charter School shall submit proposed school/mission specific goals, for Commission consideration, no later than December 1, 2018.

The Commission shall provide written notice to the Charter School indicating whether, and upon what conditions, it is willing to renew the charter of the Charter School, including any modified terms the Commission proposes. If there is no agreement on the terms of renewal, the parties shall then fulfill their mutual obligations hereunder to the end of the Term of this Agreement. The Commission may refuse to renew the Agreement upon a finding that the terms of non - renewal set forth in Section

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27A-9(c) of the Charter Schools Law apply, or that any cause for revocation exists under Section 13 hereof.

13. Revocation of Charter.

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

- a. Committed a material violation of any of the conditions, standards, or procedures set forth in this Agreement, including the Accountability System; or
- b. Failed to meet or make reasonable progress toward achievement of the content standards or pupil performance standards identified in this Agreement or in the Accountability Plan; or
- c. Failed to meet generally accepted standards of fiscal management; or
- d. Materially violated any provision of law from which the Charter School was not exempted.

In addition, the charter of the Charter School may be revoked in the event that the parties agree to terminate this Agreement by mutual consent pursuant to Section 23 of this Agreement.

In the event that the Commission proposes to revoke this Agreement and the charter of the Charter School, the Commission shall provide the Charter School with written notice setting forth in detail the grounds for such revocation at least 28 days prior to the date the Commission will take final action on such revocation.

14. Resolution of Minor Violations of This Agreement

The parties will make every effort to address minor violations of this Agreement informally. Such "minor violations" include all violations of this Agreement except for violations for which non-renewal or revocation of this Agreement is appropriate under applicable law and the terms set forth herein. If either party determines that a minor violation of this Agreement has not been resolved through such informal means, such party shall provide the other party with written notice of the perceived minor violation of this Agreement, as well as a demand that said minor violation be cured within thirty (30) days of the date of such written notice. Within such thirty (30) days of receipt of such written notice, the party receiving such notice shall cure the minor violations identified therein or, in the alternative, provide a written response to the other party explaining any inability to cure the minor violation as requested. At the conclusion of the thirty (30) day period required herein, if either party remains dissatisfied with the resolution of any minor violation of the Agreement through the procedures outlined in this provision, the parties may seek to enforce their rights under this Agreement through any and all legal means.

15. Indemnification.

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

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

16. Disclaimer of Liability.

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

17. Governing Law.

This Agreement shall be governed by, subject to and construed under the laws of the State of Illinois without regard to its conflict of laws provisions.

18. Waiver.

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

19. Counterparts; Signature by Facsimile.

This Agreement may be signed in counterparts, which shall together constitute the original Agreement. Signatures received by facsimile by either of the parties shall have the same effect as original signatures.

20. Terms of the Agreement.

The parties hereto expressly agree that the proposal, as modified, and any modifications thereto, set forth the overall goals, standards and general operational policies of the Charter School, and that the proposal is not a complete statement of each detail of the Charter School's operation. To the extent that the Charter School desires to implement specific policies, procedures or other specific terms of operation that supplement or otherwise differ from those set forth in the proposal, the Charter School shall be permitted to implement such policies, procedures, and specific terms of operation, provided that such policies, procedures and terms of operation are consistent with the goals, standards and general operational policies set forth in the proposal, appeal SCSC18-002, this Agreement, and the Charter Schools Law.

21. Amendments.

This Agreement may be amended only by written consent of the parties hereto and, in the case of material amendments to this Agreement, only after submission of such material modifications to, and approval by, the Commission and, in the case of revisions meeting the standard of materiality under the relevant provisions of the Illinois Administrative Code, certification of the amendments by the State Board in accordance with Section 27A-6(e) of the Charter Schools Law.

22. Assignment.

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

23. Termination.

This Agreement may be terminated prior to its expiration by (a) the mutual consent of the parties or (b) revocation of the charter of the Charter School pursuant to Section 13 hereof. Termination of this Agreement for any reason shall serve to end the Commission's authorization of the charter granted to the Charter School.

24. Notices.

Any notice, demand or request from one party to any other party or parties hereunder shall be

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deemed to have been sufficiently given or served for all purposes if, and as of the date, it is delivered by hand, overnight courier, facsimile (with confirmation) or within three (3) business days of being sent by registered or certified mail, postage prepaid, to the parties at the following addresses:

To the Charter School: Kerin Kelly
Board President
Elgin Charter School Initiative
17 Douglas Ave
Elgin, Illinois 60120

With copies to: Eric Grodsky Attorney
Hauser Izzo, LLC
19730 Governors Highway- Suite 10
Flossmoor, IL 60422

If to the Commission: Shenita Johnson
General Counsel/Managing Director
Illinois State Charter School Commission
Michael A. Bilandic Building
160 North LaSalle Street, Suite 601
Chicago, IL 60601

25. Severability.

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

26. Superseder.

This Agreement supersedes and replaces any and all prior agreements and understandings between the Commission and the Charter School.

To the extent that any conflict or incompatibility exists between the proposal and appeal SCSC 18-001 as incorporated herein and the other terms of this Agreement, such other terms of this Agreement shall control. Notwithstanding anything in this Agreement to the contrary, the Charter School does not consent to comply with any laws, regulations, or policies from which it is exempted under the Charter Schools Law.

27. Delegation.

The parties agree and acknowledge that the functions and powers of the Commission may be exercised by the Interim Executive Director or Executive Director, provided that the ultimate decision regarding

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renewal, non-renewal or revocation of this Agreement may be made only by the Commission. The parties also acknowledge that the functions and powers of the State Board may be, in some instances, exercised by the State Superintendent, if authorized by law.

28. Prior Actions.

It is expressly agreed and understood that as a condition precedent to this Agreement becoming effective on the effective date hereof, the Charter School shall have taken, completed, and satisfied on or before the date specified herein any action or obligation which is required to be completed before such effective date, and that failure to do so shall constitute grounds for the Commission to declare this Agreement null and void.

29. Construction.

This Agreement shall be construed fairly as to both parties and not in favor of or against either party, regardless of which party prepared the Agreement.

30. Incorporation of Exhibits.

Exhibits referenced herein are hereby incorporated into and made a part of this Agreement only where expressly indicated that such exhibits are to be so incorporated.

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EXHIBIT A
ELGIN MATH AND SCIENCE ACADEMY CHARTER SCHOOL PROPOSAL

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**EXHIBIT B
APPEAL DOCUMENTS**

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EXHIBIT C Motion to Grant Appeal

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EXHIBIT D

Final Written Commission Decision

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EXHIBIT E

State Board of Education

Non-Curricular Health and Safety Requirements Applicable to Charter Schools

Published September 1, 2017

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EXHIBIT E

Facility

The Elgin Math and Science Academy Charter School shall be located in the Neill Building at 1600 Dundee Avenue, Elgin, Illinois.

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EXHIBIT G

Insurance Requirements

1. **Worker's Compensation and Employers' Liability Insurance.** Workers' Compensation insurance as required by state law (can be provided by an authorized risk retention group or a commercial insurance company). Employers' Liability insurance for employee accidents or diseases. (Employers' Liability Insurance Limits: \$100,000 per employee; Aggregate Limit for disease - \$500,000.)
2. **Commercial General Liability Insurance.** With a combined single limit of \$1,000,000 per occurrence for personal injury and property damage liability, and premises and operations, including independent contractors, contractual liability, and products/completed operations coverage. The Charter School shall have its general liability insurance endorsed to provide that the State Board and Commission, a body politic and corporate, and its members, employees, and agents, and any other entity as may be designated by the Commission are named as "Additional Insureds" on a primary basis, without recourse or contribution from the additional insureds for claims arising out of operation of the Charter School.
3. **School Board Legal/Professional Liability Insurance.** To protect the Charter School and its directors and officers from liability claims arising from wrongful acts, errors or omissions that do not involve bodily injury or property damage. (Limits: \$1,000,000)
4. **Commercial Automobile Liability Insurance.** For bodily injury or property damage arising from owned, leased, hired or non-owned vehicles used by the Charter School. (Combined Single Limit: \$1,000,000)
5. **Umbrella (Excess) Liability Insurance.** To provide excess protection over underlying general and professional liability coverages. (Limits: \$2,000,000)
6. **Property Insurance.** To insure the replacement value of school property, including property for which the Charter School is contractually responsible by lease or other agreement, for loss or insurance from "special perils" of physical loss or damage. Such insurance shall cover boiler and machinery exposures and business interruption/extra expense losses.

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EXHIBIT H
Illinois State Charter School Commission Accountability System

FIRST AMENDMENT TO CHARTER SCHOOL AGREEMENT
BY AND BETWEEN THE ILLINOIS STATE CHARTER SCHOOL COMMISSION
AND THE ELGIN MATH AND SCIENCE ACADEMY CHARTER SCHOOL

This First Amendment to the Charter School Agreement by and between the Illinois State Charter School Commission (hereinafter, the "Commission") and the Elgin Charter School Initiative, an Illinois not-for-profit corporation which operates the Elgin Math and Science Academy Charter School (hereinafter, "Charter School") (collectively, the "Parties," and each, a "Party") is made and entered into by and between the Commission and the Charter School, and effective upon the date of last execution.

WHEREAS, the Commission and the Charter School previously entered into the Charter School Agreement with an effective date of July 1, 2018 (the "Agreement"); and

WHEREAS, Paragraph 21 expressly provides that the Agreement may only be amended in writing signed by both Parties;

WHEREAS, the Parties hereto desire to amend the Agreement as set forth herein, and not otherwise;

NOW, THEREFORE, in consideration of the foregoing and for other good and valuable consideration, the receipt of which is hereby mutually acknowledged, the Parties agree to amend the Agreement as follows:

1. The first sentence of Paragraph 4(c)(ii) shall be amended to the following: "The Charter School shall serve up to 468 students in grades K through 8."
2. Paragraph 6(b) is struck and deleted.
3. Exhibit E Facility shall be amended to "Exhibit F Facility" and shall be further amended to the following "The Elgin Math and Science Academy Charter School shall be located in the Neil Building, Bates Building ("Art Barn"), Gymnasium Building, and Administration Building, located at 1600 Dundee Avenue, Elgin, Illinois."
4. All other terms and conditions of the Agreement shall remain unchanged and continue in full force and effect.

FIRST AMENDMENT TO CHARTER SCHOOL AGREEMENT
BY AND BETWEEN THE ILLINOIS STATE CHARTER SCHOOL COMMISSION
AND THE ELGIN MATH AND SCIENCE ACADEMY CHARTER SCHOOL

This First Amendment to the Charter School Agreement by and between the Illinois State Charter School Commission (hereinafter, the "Commission") and the Elgin Charter School Initiative, an Illinois not-for-profit corporation which operates the Elgin Math and Science Academy Charter School (hereinafter, "Charter School") (collectively, the "Parties," and each, a "Party") is made and entered into by and between the Commission and the Charter School, and effective upon the date of last execution.

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4. All other terms and conditions of the Agreement shall remain unchanged and continue in full force and effect.

IN WITNESS WHEREOF, the Parties have executed this First Amendment to the Charter School Agreement by and between the Illinois State Charter School Commission and Elgin Math and Science Academy Charter School as of the day and year last written below.

**ILLINOIS STATE CHARTER
SCHOOL COMMISSION**

**ELGIN MATH AND SCIENCE ACADEMY
CHARTER SCHOOL**

Shenita Johnson

Executive Director

06/12/2020

Date

[Signature]

Board President

6/17/20

Date

