

**CHARTER AGREEMENT BETWEEN
THE BOARD OF EDUCATION OF ST. MARY'S COUNTY AND CHESAPEAKE
CHARTER SCHOOL ALLIANCE, LTD.**

This Charter Agreement between the Board of Education of St. Mary's County and Chesapeake Charter School Alliance, Ltd. (the "Charter Agreement") is entered into this August 28, 2019 by and between the Board of Education of St. Mary's County ("Board") and the Chesapeake Charter School Alliance, Ltd. (the "Alliance") for the term of August 28, 2019 through June 30, 2024, and recites as follows:

WHEREAS, the Charter Schools Law of 2003, as set forth in §9-101, et seq. of the Education Article to the Annotated Code of Maryland (hereinafter, "the Public Charter School Law") authorizes the establishment of public charter schools that operate independently from the existing school system structure in order to improve pupil learning, encourage different and innovative teaching methods, create new professional opportunities for teachers, and provide parents and pupils with expanded educational choices;

WHEREAS, the Maryland General Assembly has expressed its intention that charter school authorizers, the County Boards of Education, evaluate public charter schools; and be accountable for financial, programmatic and compliance audits of public charter schools;

WHEREAS, on March 8, 2006 pursuant to the criteria set forth in the Public Charter School Law, the Board granted a charter to the Alliance to operate the Chesapeake Public Charter School (the "Charter School");

WHEREAS, on May 25, 2010, and again on September 10, 2014, the Board renewed the Alliance's Charter to operate the Charter School;

WHEREAS, on June 26, 2019, the Board and the Alliance agreed to extend the term of the current Agreement through August 31, 2019; and

WHEREAS, on August 28, 2019, pursuant to the criteria set forth in the Public Charter School Law, the Board renewed the Alliance's charter to operate the Charter School based in part upon the approval of the Charter School Renewal Application.

NOW, THEREFORE, the parties hereto, intending to be bound by the terms and conditions set forth herein, enter into the following contract ("Charter Agreement" or "Agreement") to renew the charter for the Charter School in accordance with the terms and conditions set forth below:

DEFINITIONS

In this Agreement, the following terms have the meanings indicated:

A. "Alliance" shall refer to the Chesapeake Charter School Alliance, Ltd.;

B. "Board" shall refer to the Board of Education of St. Mary's County;

- C. "Charter" shall refer to the authorization granted to the Alliance to operate the Chesapeake Public Charter School as approved by the Board on February 8, 2006 and as renewed by the Board on August 28, 2019;
- D. "Charter Representative" shall refer to the Chair of the Alliance who is authorized by the Alliance Governing Board;
- E. "Charter School" shall refer to the Chesapeake Public Charter School;
- F. "Day" or "Days" shall refer to business days with the understanding that every day is a business day except Saturdays, Sundays, and Legal Holidays;
- G. "Facilities" shall refer to the buildings and grounds where the Charter School is located;
- H. "Governing Board" shall refer to the Alliance's governing body;
- I. "Legal Holiday" shall refer to those "public school holidays" as set forth in Section 7-103(c) of the Education Article to the Annotated Code of Maryland, as may be from time to time amended, as well as any other federal or state holiday approved by the Board;
- J. "Public Charter School Law" shall refer to Sections 9-101, et seq. of the Education Article to the Annotated Code of Maryland, as may be from time to time amended, as well as any administrative regulations affecting Maryland Public Charter Schools as may be adopted by the Maryland State Board of Education;
- K. "Public school employees" shall refer to those employees of the Board as defined under Sections 6-401 and 6-501 of the Education Article to the Annotated Code of Maryland, as may be from time to time amended;
- L. "State Board" shall refer to the Maryland State Board of Education;
- M. "St. Mary's County Public Schools" or "SMCPS" shall refer to the public school system in St. Mary's County, pursuant to Section 4-101, et seq. of the Education Article to the Annotated Code of Maryland and administered by the Superintendent of St. Mary's County Public Schools; and
- N. "Superintendent" shall refer to the Superintendent of St. Mary's County Public Schools.

ESTABLISHMENT OF THE SCHOOL

1.0 Parties.

- 1.1 This Agreement is entered into between the Alliance and the Board and supersedes all

prior agreements between the parties hereto.

1.2 The Charter Representative shall be the person authorized to sign on behalf of the Alliance.

1.3 The persons authorized to sign on behalf of the Board shall be the Board's Chairman, following a majority vote of the Board in a public meeting taking place on August 28, 2019, and the Superintendent.

1.4 No amendment to this Agreement or the Charter shall be valid without the approval of both the Governing Board of the Alliance and a majority vote of the Board in a public meeting.

1.5 The Charter Representative affirms as a condition of this Agreement, that he/she is the above-described representative of the Alliance and has authority to sign this Agreement on behalf of the Alliance.

EXPECTATIONS OF THE CHARTER SCHOOL

2.0 Regarding the Establishment of this Agreement.

2.1 The Alliance shall be operated as a non-profit, non-sectarian public benefit organization formed and organized pursuant to Maryland's definition of Nonprofit Organization and shall be responsible for operating the Charter School in accordance with the terms and conditions set forth in this Agreement and The Charter, except as excluded herein.

2.2 The Alliance certifies that all contracts entered into on behalf of the Charter School have been and will be undertaken by the Alliance as a nonprofit corporation and failure to act as a nonprofit organization shall be grounds for rescission of its Charter.

2.3 The Alliance affirms, as a condition of this agreement, that the non-profit organization has a governing board, whose members receive no compensation other than reimbursement of actual expenses incurred while fulfilling duties as a member of such a board.

2.4 The Alliance affirms, as a condition of this agreement, that it has adopted a conflict of interest policy, including provisions related to nepotism, and that the Charter School governing board members certify that their involvement with the charter school presents no conflict of interest.

2.5 The Alliance shall annually (on or before October 30) provide the Board an updated list of membership and officers including their business addresses.

2.6 The Alliance shall promptly provide the Board with notice of any change in the composition of the Governing Board of the Alliance including the name and business address of any new members and officers.

2.7 Incorporated by reference herein is a true and correct copy of the Charter approved and granted by a majority vote of the Board in a public meeting. The Charter is integral to establishing the terms, conditions and performance expectations that govern this Agreement.

2.8 The Alliance shall operate the Charter School consistent with the terms of the Charter, this Agreement and applicable law; shall govern and manage the Charter School in a fiscally responsible manner; and shall seek to achieve the student outcomes set out in the Charter and this Agreement.

2.9 The Alliance shall be responsible for the selection and implementation of curriculum which shall be in alignment with the State of Maryland standards. The Charter School Director shall share, and shall answer any questions concerning the Charter School's curriculum decisions with the SMCPs' designee, curriculum director, and content supervisors.

3.0 Location of the Charter School. The Charter School shall provide educational services, including the delivery of instruction, at the following location(s):

20945 Great Mills Road
Suite 501
Lexington Park, MD 20653

3.1 The Charter School shall not operate in more than one location without the prior approval of the Board.

3.2 The Charter School shall locate its Facilities within the St. Mary's County Public Schools boundaries, meet all applicable health, safety and fire code requirements and shall be of sufficient size to safely house anticipated enrollment. The Facilities shall also conform to applicable provisions of the Americans with Disabilities Act and any other federal or state requirements applicable to charter schools. In order to ensure the safety of students and staff during the school day while the Charter School is in session for students and staff, there shall be no concurrent use of the Facilities by other tenants unless there is a segregated separate entrance to that portion of the building portion of the Facilities designated for such use.

3.3 The Charter School's relocation to different Facilities shall constitute a material change in the Charter and shall be subject to the following conditions:

- Notification to, and prior approval by, the Board
- Submission to the Board of a Certificate of Occupancy for the new Facilities at least thirty (30) days prior to the first day of occupancy

- Evidence that the Facilities meet applicable health, safety and fire code requirements as well as applicable provisions of the Americans with Disabilities Act and any other applicable federal or state requirements applicable to charter schools
- Evidence that the Facilities are of sufficient size to safely house anticipated enrollment

3.4 It is understood and agreed that the Charter School Facilities located at 20945 Great Mills Road, Suite 501, Lexington Park, Maryland do not belong to the Board. The Alliance shall not change the location of its Facilities to property owned by the Board unless both parties agree to make a school system property available to the Charter School.

4.0 Performance Reporting. Each year for the term of this Charter Agreement, within sixty (60) days following completion of the final financial audit and the unembargoed publication of the results of state-mandated assessments (whichever is later), the Charter School shall prepare and submit to the Superintendent or his/her designee an Annual Self-Evaluation ("Self-Evaluation"). The Charter School's School Accountability Report Card may serve as the basis for the Charter School's Self-Evaluation. Such Self-Evaluation shall be considered and made a part of the Board's Annual Charter School Performance Report ("Performance Report"). Within thirty (30) days of receipt of the Self-Evaluation, the Superintendent or his/her designee shall present to the Charter School the proposed Performance Report for review and response. Such response by the Charter School shall be included in the Performance Report which will be provided by the Charter School within thirty (30) days of receipt of the proposed Performance Report, including any corrections. The Performance Report shall, at a minimum, present the Charter School's status in relation to the student performance standards; financial management expectations; and governance and management requirements set out in the Charter, this Agreement and applicable law. The Performance Report and Self-Evaluation shall be jointly presented at the next publicly scheduled meeting of the Board after the submission of the Charter School's review, response and correction of the Performance Report by the Board or their designee and the Charter School for the benefit of the public and the school community.

5.0 Charter School Governance.

5.1 The Alliance is responsible for complying with and carrying out the provisions of this Agreement, including compliance with applicable law and regulation and all reporting requirements.

5.2 The Alliance has adopted Bylaws and shall operate in accordance with such Bylaws. The Alliance shall submit to the Board a current signed copy of the Bylaws any time the Bylaws are amended.

5.3 The Alliance has, as a part of the Charter School's bylaws, established a formal conflict of interest policy that is consistent with applicable law, including any Charter School Conflict of Interest Policies adopted by the Maryland State Board of Education or as otherwise established by law, and the Alliance shall abide by such policy.

5.4 The Alliance is responsible for the sound fiscal management of the Charter School.

5.5 The Alliance is accountable for the Charter School's performance outcomes in student achievement, compliance, curriculum, and financial matters.

6.0 Age; Grade Range; Number of Students. The Charter School shall provide instruction to students in such grades and numbers in each year of operation under the Agreement as described in the Charter.

6.1 Subject to approval which shall not unreasonably be denied, of the Superintendent of St. Mary's County Public Schools or his/her designee, the Alliance may make modifications as to the number of students in any particular grade.

6.2 Elimination of a grade that the Charter School was scheduled to serve or expansion to serve grade levels not authorized are material changes to the terms of the Charter and this Agreement and shall require prior written authorization from the Board.

6.3 Commencing or continuing instruction where the total number of students enrolled is 10% less or more than the projected enrollment shall be a material change to the terms of the Charter and this Agreement and shall require prior written approval from the Board. Approval of increases or decreases in student enrollment will be based on documentation provided by the Charter School and verified by the Superintendent of St. Mary's County Public Schools or his/her designee demonstrating that such material changes in enrollment do not compromise the fiscal and educational integrity of the Charter School.

7.0 Student Recruitment and Enrollment.

7.1 The Charter School shall submit projected, current, and final student enrollment information in accordance with the Reporting Requirements required by St. Mary's County Public Schools.

7.2 Student recruitment and enrollment decisions shall be made in a nondiscriminatory manner and without regard to race, color, religious affiliation, national origin, sex, sexual orientation, marital status, religion, ancestry, limited English language proficiency, socio-economic status, cognitive ability, disability or need for special education services.

7.3 If more students apply for any grade level than can be admitted, admissions priorities will be provided as follows: (1) children of founders (subject to Section 7.5); (2) children of staff; (3) siblings of already-enrolled students (subject to Section 7.5); (4) Economically Disadvantaged students (up to the lesser of the percentage of St. Mary's County Public School students eligible for free and reduced price meals, or 35% of eligible spaces); and (5) all other applicants. "Economically Disadvantaged students" are those students who are eligible for Free and Reduced Meal Status coordinated through the St. Mary's County Public Schools' Department of Food and Nutrition Services office. If more Economically Disadvantaged students seek enrollment than there are eligible spaces available under the permissible percentage, then there shall be a lottery among the

Economically Disadvantaged students for those eligible spaces, and any Economically Disadvantaged students not selected through that lottery shall proceed to any lottery step conducted for "all other applicants."

7.4 The Alliance shall actively recruit and encourage student applicants from a wide cross-section of St. Mary's County with the aim of including, to the extent possible, a level of diversity that closely approximates that of the St. Mary's County Public Schools system as a whole. If more students apply for any grade level than can be admitted, admission decisions will be made by a lottery process conducted in accordance with this Section.

7.5 Spaces filled by children of Alliance Founders as of November of 2004, children of Board and Alliance employees assigned to the Charter School, and children who attended the Charter School in the immediately prior year or their siblings shall be exempt from the lottery.

7.6 The lottery process shall be a random selection process administered by the Alliance. Non-resident applicants may participate in the lottery, but residency in St. Mary's County must be established prior to registration. If a vacant seat occurs within the school year, the seat should be filled immediately from a numerically ordered waiting list that resulted from students not selected during the lottery process.

8.0 Volunteer Requirements. Any requirement that parents commit to a number of volunteer hours shall be subject to a waiver process that considers individual family circumstances.

9.0 School Calendar; Hours of Operation. The days and hours of operation of the School shall not be materially less (10% less total time) than those set forth in the Charter. In no event shall the days of operation be fewer than 180 and 1080 hours, except to the extent that the Maryland State Department of Education grants a waiver to St. Mary's County Public Schools allowing a lower number of days and/or hours.

10.0 Attendance. The Charter School shall maintain required records to document student attendance, shall make such records available for inspection at the Board's request, and shall report truancy as indicated by Board policy and regulations and in conjunction with the St. Mary's County Public Schools Department of Student Services.

11.0 Student Conduct and Discipline. The Charter School shall comply with all applicable state and federal laws and the Board's policies and regulations related to student discipline, including due process provisions, and shall comply with the student suspension and expulsion procedures required by law and in accordance with Board policy.

12.0 Student Welfare and Safety.

12.1 The Charter School shall comply with all applicable federal and state laws concerning student welfare, safety and health, including but not limited to state laws regarding the reporting of child abuse and neglect, truancy, accident prevention and

disaster response, and any applicable state and local regulations governing the operation of school facilities.

12.2 The Board shall include and support the Charter School in the implementation of current and future school security measures and projects in accordance with the Board's three-year strategic plan regarding physical infrastructure, which was presented to the Board as an Information Item, and is applicable to all County schools, including the Charter School.

12.3 The focus of the enhancements to physical security infrastructure specifically include:

- **Visitor Access Control for all schools** - controlled via a security vestibule, staffed with a full-time trained Safety and Security Assistant.
- **Electronic access control systems** - identified access control points with card readers providing access to building doors and a security door monitoring system for ground level exterior doors.
- **Security Surveillance Camera Systems** – which includes the installation of security camera systems with supporting hardware, software, and required network infrastructure.
- **Campus Emergency Communication Systems** – including hardware and software platform designed to provide both visual and audio notifications regarding emergency events occurring in schools.

12.4 The parties acknowledge that the future school security measures and projects are contingent upon currently available and future funding resources to include appropriations resulting from the Maryland Safe to Learn Act of 2018.

12.5 The Charter School will also be supported in all aspects of school emergency planning and response initiatives ensuring compliance with any and all federal, state, and local laws and requirements.

13.0 Nonsectarian Status. The Charter School shall be nonsectarian in its programs, admission policies, employment practices, and all other operations.

14.0 Student Records and Reporting.

14.1 The Charter School shall comply with all federal, state and Board recordkeeping requirements including, but not limited to, the Family Educational Rights and Privacy Act.

14.2 The Charter School shall provide to the Board or its designee any reports necessary and reasonably required for the Board to meet its oversight and reporting obligations. Student records may include but are not limited to personal data, attendance, annual performance, state mandated and local system testing, health screening and immunization data and student withdrawal records or any documentation required pursuant to state and federal law. (See the Maryland Student Records System Manual.)

14.3 The Board shall at all times endeavor to reduce the reporting burden it places on the Charter School by providing reasonable notice for requests, avoiding duplicate requests, and limiting requests to what is reasonably required for the Board to fulfill its legal reporting and oversight obligations within a period of a minimum of ten (10) days from the date the request was made for the Charter School to respond.

14.4 The Charter School shall participate in the School Information Services program for the development and maintenance of student records and information, and shall comply with all associated requirements.

15.0 Assessment of Student Performance. The Charter School shall plan for and implement assessments of student performance and administration of statewide assessments contained in this Agreement.

15.1 At a minimum, the Charter School shall administer such assessments as required by the Maryland State Board of Education for each grade level served by the Charter School.

15.2 The Charter School shall certify annually that students have participated in the state testing program pursuant to testing procedures and state requirements.

15.3 The Charter School shall be solely responsible for the selection and implementation of benchmark testing.

16.0 Production of Documents. Representatives of the Charter School or the administrator of the Charter School shall produce all documentation requested by the Board, the Maryland State Department of Education, the Legislative Audit Bureau, law enforcement agencies, contracted evaluators or any other federal, state or local regulatory agency within ten (10) days of a request unless an earlier date is required by federal or state law, regulation, or order. The production of documents requested pursuant to this provision shall be distinguished from requests for documents made during site visits.

16.1 The Charter School will ensure that applicable policies required by federal or state law to be maintained at the premises of a school be available for inspection by the Board or its designees.

17.0 Health and Safety. The Charter School shall provide appropriate health services and safety protections consistent with the health and safety procedures described in the Board's policies and regulations and with applicable law.

18.0 Site Visits. The Charter School shall allow representatives from the Board, the Maryland State Department of Education, the Legislative Audit Bureau, law enforcement agencies, contracted evaluators or any other federal, state or local regulatory agency to visit the school site at any time to make any reasonable inspection of operations and performance and to ensure compliance with all applicable laws and regulations, the terms of this Agreement and the terms of state and federal grants. During such site visits, the Charter School shall allow visiting authorized officials full and prompt access to its financial and educational records, reports, files

and documents of any kind subject to the requirements of the Family Educational Rights and Privacy Act. The Charter School and the Board shall coordinate any such site visits.

19.0 Non-Discrimination.

19.1 The Charter School agrees to abide by the requirements of the following as applicable: Title VI and VII of the Civil Rights Act of 1964, as amended by the Equal Employment Opportunity Act of 1972; Federal Executive Order 11246; Section 504 of the Federal Rehabilitation Act of 1973, as amended; the Vietnam Era Veteran's Readjustment Assistance Act of 1974; Title IX of the Education Amendments of 1972; the Age Discrimination in Employment Act of 1975; the Individuals with Disabilities Education Act, as amended; the Fair Labor Standards Act; and the Americans with Disabilities Act of 1990.

19.2 Neither the Board nor the Alliance will discriminate in their employment practices, and will render services under this Agreement without regard to age, race, color, religion, sex, national origin, veteran status, political affiliation, sexual orientation, or disabilities.

19.3 Any act of discrimination committed by the Alliance, the Charter School or their agents, or failure to comply with these statutory obligations when applicable shall be grounds for termination of this Agreement and the rescission of the Charter by the Board.

20.0 Notification Requirements.

20.1 The Alliance shall immediately notify the Board of any conditions that it should reasonably anticipate may cause it to vary from the terms of this Agreement, the Charter, applicable Board requirements, and/or state law.

20.2 The Alliance shall immediately notify the Board of any circumstance requiring the closure of the Charter School, including, but not limited to, a natural disaster, such as an earthquake, storm, flood or other weather related event, other extraordinary emergency, or destruction of or damage to the school facility.

20.3 The Alliance shall immediately notify the Board or its designee, and the Board shall immediately notify the Director of the Charter School, of any arrest of any members of the Alliance Governing Board or employees at the Charter School of which the Alliance or Board becomes aware, for any crime with the exception of a minor traffic offense. Contractors, subcontractors and any person directly or indirectly employed by the Charter School must be subjected to the same background screening performed by the St. Mary's County Public Schools' Department of Safety and Security for any other St. Mary's County Public Schools employee.

20.4 The Alliance shall immediately notify the Board of a default on any obligation, including, but not limited to debts for which payments are past due by sixty (60) days or more.

20.5 The Alliance shall immediately notify the Board of any change in its non-profit organization status in Maryland.

20.5.1 On an annual basis, the Alliance shall provide the Board a copy of its Form 990 within thirty (30) days of filing with the Internal Revenue Service. Should the Alliance receive notification from the Internal Revenue Service that it has lost its status as a Section 501(c)(3) organization, the Alliance shall report to the Board on a semi-annual basis with respect to its efforts to have its Section 501(c)(3) status restored by the Internal Revenue Service.

20.6 The Alliance shall immediately notify the Board if at any time during the school year, the School's enrollment decreases by ten percent or more compared to the most recent pupil count submitted to the Board and the Maryland State Department of Education's Charter School Office.

21.0 Financial Accounting and Reporting. The Alliance shall timely submit to the Board all financial accounting and reporting according to the Reporting Requirements set forth in applicable law.

21.1 All required Charter School accounting and reports shall be submitted to the Board or its designee.

21.2 The Charter School shall comply with all financial and performance audit requirements required of any school within the St. Mary's County Public School System. The Board will cover the cost of the annual financial audit and any performance audit that may be required. The governing board of the Alliance will have its own independent audits or reviews of its non-profit accounts at its expense.

22.0 Tuition and Fees. The Charter School shall not impose any student tuition, contribution or attendance fee of any kind as a condition of enrollment. Tuition for non-resident students shall be charged by the Board in accordance with Board policy in the same manner as such tuition is assessed to non-resident students attending other public schools in St. Mary's County. Non-payment of tuition for non-resident students shall be grounds for immediate dismissal. Except for children of Board and Alliance employees assigned to the Charter School, non-resident students shall only be admitted to the extent that spaces are available after being offered to students residing in St. Mary's County.

23.0 Financial Records. All records of the Charter School are subject to inspection and production as required for fulfillment of the Board's oversight responsibilities under the Charter Schools Law of 2003.

24.0 Additional Funds. The Alliance, at its discretion, may pursue additional funds, whether public or private, for support of the Charter School or for other activities reasonably related to the Alliance's mission as described in its Articles of Incorporation and Bylaws.

24.1 The Board shall cooperate with the Alliance when the Alliance requests the Board's assistance in the preparation of requests for additional funds for support of the Charter School.

24.2 The Alliance shall be responsible for meeting any and all application, expenditure, and reporting requirements associated with any additional funds described in 24.0.

24.3 The receipt, expenditure and accounting for any additional funds received pursuant to 24.1 shall be subject to the Board's oversight pursuant to the Public Charter School Law.

25.0 Assets.

25.1 Any assets acquired by the Alliance for the Charter School from funds not budgeted by the Board or through grants not secured through the Board's efforts are the property of the Alliance for the benefit of the Charter School for the duration of the Charter and any renewal of the Charter. If the Charter is revoked, is not renewed or is surrendered, or the Charter School otherwise ceases to operate, the Alliance shall manage all assets consistent with the requirements of law and with the Dissolution Process.

25.2 The Alliance shall maintain records of all material assets acquired with any private funds that remain the property of the Alliance. If the Alliance's records fail to establish clearly whether a particular asset was purchased with public funds or private funds, the assets shall be deemed as having been purchased with public funds.

25.3 The Alliance shall maintain a complete and current inventory of all Charter School property to the extent that Board policy or regulations require such inventories for other public schools and shall update that inventory in accordance with such policy or regulations.

25.4 The Alliance shall be responsible for adequately safeguarding all assets purchased with any public funds and shall reasonably maintain documentation of work orders, maintenance, and warranty compliance and shall reasonably produce same such upon request by the Board.

26.0 Insurance. The Alliance shall maintain adequate and current policies from reputable insurers licensed to do business in Maryland and holding a "Best's Rating" of no less than "A" that address the following areas as deemed necessary by the Board with the Board named as an additional insured:

- Comprehensive or Commercial General Liability
- Worker's Compensation for employees of the Alliance who are not employed by the Board (all teachers and staff employed by the Board and assigned to the Charter School shall be covered under the Board's workers compensation insurance)

- Property Insurance (for leased facilities) to address business interruption and casualty needs including fire and other hazards with replacement costs coverage
- Comprehensive or Business Automobile Liability
- Crime Insurance
- Professional or Directors Liability

26.1 Certificates of Insurance listed above must be provided to the Board as a requirement of this Agreement.

27.0 Insurance Coverage. For purposes of the foregoing requirement, the following insurance coverage shall be deemed “adequate”:

27.1 Worker’s Compensation insurance to cover obligations imposed by federal and state statutes having jurisdiction over the Alliance’s employees, and employers’ liability insurance with a minimum limit of \$100,000 per each accident and employee and \$500,000 policy limit for bodily injury by disease. The Alliance’s policy will cover Worker’s Compensation for Alliance employees only. Employees of the Board assigned to the Charter School shall be covered under policies procured by the Board in the amounts required under Maryland law.

27.2 The Alliance and the Charter School shall provide adequate and on-going property, casualty, and general liability insurance from a reputable insurer licensed to do business in the State of Maryland and holding a “Best’s Rating” of no less than “A”. These policies shall provide for the indemnification and defense of the Board and Board employees of and from any and all claims for damages arising out of the Alliance’s and the Charter School’s use of the facility, including claims for attorneys’ fees and expenses. Each policy must provide greater than or equal to one million dollars in coverage; each must name the Board as a co-insured.

27.3 The Alliance shall purchase Directors Liability Insurance conforming to the following requirements:

- Directors Liability Insurance shall cover the Alliance and the Charter School for those sources of liability arising out of the rendering or failure to render professional services in the performance of this agreement, including all provisions regarding financial management and indemnification.
- The minimum limits to be maintained by the Alliance and the Charter School shall be no less than \$1,000,000 per claim/annual aggregate.

27.4 The Alliance shall purchase Crime Insurance with minimum limits of \$100,000 for each loss due to employee theft, forgery or alteration; and \$25,000 for each loss due to theft, disappearance inside or outside.

27.5 Any and all policies of insurance maintained by the Alliance pursuant to this Section shall be deemed primary to any potentially applicable policy or policies of insurance

maintained by the Board and/or its respective officers, agents, employees and representatives. The Board shall be named as an additional insured party and the Alliance shall have the obligation to indemnify, defend, and hold harmless the Board for any claims or liabilities of whatsoever kind arising in any way out of the operation of the Charter School.

27.6 The Alliance shall provide copies of all required policies of insurance and certificates of coverage to the Board annually as updated.

28.0 Employment Matters. In accordance with the Public Charter School Law, teachers and other staff who are assigned by the Board to the Charter School are employees of the Board and not of the Charter School. All such employees of the Board assigned to the Charter School are considered “public school employees” under Sections 6-401(e) and 6-501(g) of the Education Article to the Annotated Code of Maryland. It is understood that all employees at the Charter School other than those employees hired directly by the Alliance are employees of the Board and not of the Alliance or of the Charter School and are subject to the applicable negotiated collective bargaining agreements between the Board and the Education Association of St. Mary’s County (EASMC) or the former Collective Education Association of St. Mary’s County (now referred to as EASMC-ESP herein) or St. Mary’s Association of Supervisors and Administrators (SMASA). The Alliance may hire non-certificated staff positions for duties at or in support of the Charter School not typically performed by Board employees (e.g. Business Manager) (Alliance Charter School Staff). In the event the Alliance is to hire such employees, the Alliance must make it known to the prospective employee prior to hiring that the employee would be employed by the Alliance and not by the Board and that the employee would not be entitled to any of the employment provisions set forth in the Education Article to the Annotated Code of Maryland. The Alliance shall indemnify, defend, and hold harmless the Board of and from any and all employment related claims (including, but not limited to, claims under the Fair Labor Standards Act, Title VII, and worker’s compensation, etc., brought by any employee of the Alliance.

Subject to the Superintendent’s ultimate authority under Md. Code Ann., Educ. §6-201(b) to assign and transfer public school employees as the needs of the schools require, the Superintendent will, as early as reasonably possible upon identification of a possible assignment or transfer impacting the Charter School, involve the Director of the Charter School in assignment decisions affecting the Charter School. The Superintendent will consider the views of the Director of the Charter School, and will make reasonable efforts to avoid assigning any public school employee to the Charter School without the employee’s consent.

28.1 When there is an opening at the Charter School for a “public school employee” position, the Alliance may recruit and/or recommend an individual for the position, subject to applicable certification requirements, provisions of negotiated agreements with EASMC, EASMC-ESP, SMASA, and/or, applicable laws and regulations. When there is an opening at the Charter School for a Director, Administrator, or Academic Dean, the Board and the Alliance shall work collaboratively in developing site specific qualifications which shall be considered among other qualifications in choosing among candidates. Any nomination and/or recommendation from the Alliance shall be considered by the Superintendent and the Board among all other qualifications for the

position. The St. Mary's County Public Schools' Department of Human Resources shall conduct all processing of applications and shall work collaboratively with the Alliance in conducting interviews and processing certification applications and/or alternative accreditation requests. The Board shall have ultimate responsibility for hiring, dismissal, and discipline of its employees assigned to the Charter School, but shall work closely with designated Charter School staff in making decisions affecting employees assigned to the Charter School.

28.2 The Charter School will coordinate with the St. Mary's County Public Schools' Department of Human Resources and shall follow all applicable personnel policies and provisions of applicable EASMC, EASMC-ESP, and SMASA negotiated collective bargaining agreements. The Board shall make every effort to allow the Charter Schools' designated staff the ability to participate in the recruitment, selection, and interview of candidates.

28.3 The Charter School shall comply with all applicable federal statutory and regulatory requirements for teachers and paraeducators used for instructional support as set forth in any applicable federal law or regulation that may be applicable during the term of this Agreement. Teacher certification shall be maintained by the Board.

28.4 Copies of individual employment contracts shall be maintained by the Board.

29.0 Collective Bargaining. The Alliance and the Charter School shall not be considered the employer of Board employees assigned at the Charter School for the purposes of collective bargaining or other purposes under the Maryland Public Charter School Law. The Charter School should be formally advised of any contractual obligations that may impact their ability to implement their program design. The salaries, benefits, and working conditions for the Director of Education, teachers, and other certificated employees and other employees of the Board in the certificated bargaining unit who are assigned to the Charter School will be subject to the terms and conditions of the negotiated collective bargaining agreement between the Board and EASMC and SMASA, and the salaries, benefits, and working conditions for employees of the Board in the non-certificated bargaining unit who are assigned to the Charter School will be subject to the terms and conditions of the negotiated collective bargaining agreement between the Board and EASMC-ESP. The Alliance may, with the participation of the Board, seek to negotiate with the collective bargaining units amendments to the collective bargaining agreements with respect to Board employees at the Charter School.

30.0 Criminal History Review.

30.1 The Board and Alliance shall comply with §6-113 of the Education Article to the Annotated Code of Maryland that prohibits the hiring of any employee to work in a public school system that has been convicted of a crime involving:

- An offense under §3-307 or §3-308 of the Criminal Law Article

- Child sexual abuse under §3-602 of the Criminal Law Article, or an offense under the laws of another state that would constitute sexual abuse under §3-602 of the Criminal Law Article if committed in this State
- A crime of violence as defined in §14-101 of the Criminal Law Article, or an offense under the laws of another state that would be a violation of Article §14-101 of the Criminal Law Article if committed in this State.

30.2 Prior to the first day of actual employment, any employee assigned to the Charter School, shall report to the St. Mary's County Public Schools' Department of Safety and Security for a national and state criminal history records check and shall comply with Maryland Family Law Code Ann. §§5-550 to 5-553.

30.3 The Board and Alliance shall adhere to all policies/procedures adopted by the Board concerning criminal records summaries for public school employees, as well as other persons associated with the Charter School who are engaged in direct processing of Charter School funds or who enter into the Charter School facility or otherwise have any contact with students enrolled at the Charter School. See Policy GCD, GCE; Regulation GCD-R, GCE-R.

31.0 Waiver of Otherwise Applicable Federal, State, and Local Requirements. The Alliance shall comply with other applicable requirements of federal, state, and local law unless waived by a body with authority to grant the waiver. The Alliance may seek a waiver as a part of a renewal application or at any time during the term of the Agreement.

RESPONSIBILITIES OF THE AUTHORIZER

32.0 County Board and Charter School Communication. The Board shall designate one staff member (designee) as a primary contact for the Charter School and shall notify the Alliance of the designation by July 1 of each school year. The designee (the Charter School Liaison) shall represent the Board in its oversight responsibilities.

32.1 Applicable Policies and Regulations. The Board shall identify to the Alliance and provide the Alliance with copies of all Board policies and regulations it determines to be applicable to the Charter School. Public electronic access may serve in place of the provision of physical copies. The Alliance may at any time request a waiver of a Board policy or regulation. To the extent that the terms of this Agreement conflict with a Board policy or regulation, the Agreement shall take precedence over the Board policy or regulation.

33.0 Oversight Authority. The Board shall have oversight authority over the Charter School pursuant to the Maryland Public Charter School Law. All records established and maintained in accordance with the provisions of this Agreement, Board policies and/or regulations, and federal and state law shall be made available to the Board or its designees and, with the exception of the financial and employment records of the Alliance, shall be the property of the Board.

33.1 The Board or its designee may, at its discretion, conduct a health and safety inspection of the Charter School Facilities or any proposed Facilities.

33.2 Any complaints or concerns received by the Board about the Charter School or its operation, including but not limited to complaints filed with the Office of Civil Rights, Equal Employment Opportunity Commission, shall be shared with the Charter School.

33.3 Within thirty (30) days of receipt of any documents, data and records provided by the Charter School pursuant to compliance with the terms of this Agreement, the Board or its designee, shall notify the Charter School in writing of material problems, questions, concerns, and/or issues related to those documents, data and reports.

33.4 The Board shall charge for the actual costs of oversight not to exceed two percent (2%) of the per pupil allocation revenue of the Charter School.

33.5 The Board shall collect oversight payments by retaining the two percent from the revenue of the per pupil allocation.

33.6 The Board's oversight of the Charter School shall include, but at the Board's discretion shall not be limited to, the following activities:

- Pre-opening, intervention, revocation, and renewal processes for the Charter School pursuant to the Charter, and this Agreement
- Monitoring the performance and compliance of the Charter School with the terms of the Charter, this Agreement, negotiated employee bargaining agreements, and/or applicable laws, policies and regulations
- Monitoring the Charter School's compliance with reporting requirements
- Review and timely response to the Charter School's Annual Independent Fiscal and Performance Audit or Review
- Identification and availability of at least one SMCPs staff member (the Charter School Liaison) as a contact person for the Charter School
- Visiting the Charter School at least annually
- Monitoring the educational, legal and fiscal condition of the Charter School
- Providing guidance and assistance to the Charter School on compliance and other operational matters and
- Undertaking any performance and financial audits elected by the Board

34.0 Personnel. The Board will provide the following human resources services:

- Initial processing procedures for employees assigned to the Charter School, advertising for open positions, facilitating interviews, fingerprinting if necessary, and other pre-employment services to include, but not be limited to, new employees hire orientation and notification of job offerings to potential employees
- Conduct all personnel actions in cooperation with the Charter School including, but not limited to, the denial of tenure, transfers, discipline

including, but not limited to, suspensions and terminations, the handling of employee grievances and arbitrations, the conducting of all employee appeals, and collective bargaining.

- Human Resources staff will verify and track credential information pertaining to teachers, administrators, and other staff assigned to the Charter School.

35.0 Site Visits. Pursuant to the requirements of this Agreement, the Board or its designee will conduct at least one announced site visit annually in order to evaluate the Charter School's organizational, financial, legal and educational performance in relation to the Charter, this Agreement and applicable law.

35.1 Site visits may include any activities reasonably required to fulfill the Board's oversight responsibilities including, but not limited to, review of the Charter School's facility; review of records maintained by the Charter School; interviews with the Director, Alliance Governing Board, staff, school families, and community members; and/or observation of classroom instruction.

35.2 Notwithstanding the foregoing description of site visits, the Board or its designee may, at its reasonably exercised discretion, make announced or unannounced visits to the Charter School consistent with its oversight responsibilities.

35.3 Upon request, the Charter School shall make available to the Board employee files, student cumulative files and/or student information, including but not limited to, information regarding special education and related services for students of the Charter School. All such documents shall be the exclusive property of the Board. Access shall include the authority to review and copy documents or for any other purpose deemed appropriate by the Board in its sole and absolute discretion.

36.0 Evaluation. The Board shall evaluate the Charter School based on the student performance standards; financial management expectations; and governance and management requirements set out in the Charter, this Agreement and applicable law.

37.0 Funding Process. The Board shall cooperate in any required processes to ensure the appropriate and timely reporting of data and the transfer of funds to the Charter School.

37.1 The Board shall, in accordance Md. Code Ann., Educ. Art. §9-109(a), disburse per pupil expenditures (each, a "PPE" and collectively, the "PPEs") to the Alliance an amount of county, state and federal funds for elementary, middle and secondary students that are commensurate with the amount disbursed to public schools less a 2% service fee. The disbursement shall not include (1) designated or eligibility-based state, local, and federal General Funds that the funder has provided for programs that students of the Charter School are not eligible (for example: NJROTC and ESOL), and (2) funding received from third parties on a fee-for-service basis (for example: facility rental income, Print Shop, Earnings on Investments). It is expressly agreed that the designated and eligibility-based items listed in (1) and (2) above are subject to modification from year to year, and the parties agree to engage in a good faith review each year (in accordance with

the established and published budget calendar) to determine whether these items or additional items should be exempt from the disbursement calculation to the Alliance. Special education funding will not be withheld for purposes of calculating the per pupil allocation. Specifically, the funding allocation shall be calculated prior to the Fiscal Year as follows for each Fiscal Year:

Step 1: Identify the total annual budgeted General Fund revenue from county, state, and federal sources for the Fiscal Year;

Step 2: Subtract above-referenced designated or eligibility-based General Funds that students of the Charter School are not eligible for or do not receive service from the result from Step 1 (note: if there is a Limited English Proficiency (LEP) student at the Charter School receiving services, then the funds for Limited English Proficiency income will not be subtracted and the Charter School shall cover the cost of services);

Step 3: Subtract teacher retirement, other postemployment contributions, affordable care act, employee assistance program, and flexible spending costs (system employee costs not applicable to individual employees) from the result from Step 2, as SMCPs and the Board cover the costs of these programs for Board/SMCPs employees at the Charter School;

Step 4: Divide result of Step 3 by the projected total SMCPs elementary, middle, and high school enrollment for the Fiscal Year;

Step 5: Multiply the result from Step 4 by the projected total Charter School enrollment for the Fiscal Year;

Step 6: Add to the result from Step 5 any eligibility-based restricted funds for which the students of the Charter School are eligible (example: Title I, although currently not being provided); and

Step 7: Subtract 2% of the result from Step 6 for management/oversight assessed and retained by SMCPs;

Draft calculations of the funding allocation shall be provided to the Alliance by SMCPs or the Board as reasonably requested and reasonably available prior to the final adoption of the Board's budget for the Fiscal Year.

Funds disbursed pursuant to this paragraph shall be paid in at least four installments with payments made no later than August 10, November 10, February 10, and May 10 respectively of each year. Any purchases made by the Charter School from the Board pursuant to 38.0 shall be billed by SMCPs on a monthly basis.

37.2 The Board may in its discretion give surplus educational materials, supplies, equipment and furniture to the Charter School; these shall not be considered for the calculation set forth in 37.1.

37.3 The Alliance shall maintain the budget for the Charter School in full compliance with the Education Article to the Annotated Code of Maryland.

37.4 Upon receipt of the annual MSDE enrollment certification, the calculation set forth in 37.1 above shall be repeated using the SMCPs and Charter School certified September 30 enrollment and reflecting any changes in total projected Fiscal Year revenue. Any discrepancy between the 37.1 calculation and the annual MSDE enrollment certification shall be trued-up in equal amounts spread across the remaining quarterly installments in the Fiscal Year, unless otherwise agreed in writing by the Board and the Alliance. To the extent the Charter School's enrollment increases or decreases by more than 10% as compared to the certified September 30 enrollment subsequent to the calculation based on the annual MSDE enrollment certification, the subsequent monthly installments in the Fiscal Year shall be adjusted to reflect the changed enrollment.

37.5 The 2% service fee described above entitles the Charter School to the same administrative, technical and other services provided by SMCPs to its public schools, including, but not limited to, support for students, staff, or system initiatives.

38.0 Service Contracts. The Board shall provide the Charter School with the following services at the cost set forth below: (To be determined by mutual agreement between SMCPs and Charter School.)

38.1 The Charter School has the option to negotiate the purchase of other services from the Board on a fee-for-service basis, including, but not limited to Pupil Personnel Worker, Psychologist, and Speech Language Therapist services.

38.2 The Charter School will provide all transportation services for eligible Charter School students in accordance with the Charter School designated transportation area and for students eligible for transportation under the Individuals with Disabilities Education Act and shall provide transportation for field trips. Any such transportation must be coordinated with the St. Mary's County Public Schools Department of Transportation and must meet the requirements set forth in the Education Article to the Annotated Code of Maryland and the applicable provisions of COMAR related to student transportation. Because enrollment at the Charter School is voluntary, transportation for students not residing within the Charter School's designated transportation area shall be the responsibility of the parents/guardians.

38.3 The SMCPs Department of Food and Nutrition Services will provide food services to the Charter School in the same manner as it provides food service to all SMCPs schools. Meals will be provided under federal guidelines and federal reimbursement claims for meals will be submitted by the Department. This arrangement is subject to change based on charter school law and guidance from MSDE. Food service equipment

will be available for use by Charter School personnel and volunteers when not being used by Department personnel.

39.0 Special Education Services. The Charter School shall provide special education services to all identified eligible students of the Charter School.

39.1 Board employees assigned to the Charter School shall comply with all applicable requirements of federal and state laws and regulations concerning the education of children with disabilities, including the requirements of the Individuals with Disabilities Education Act (20 U.S.C. § 1401, et seq.) (“IDEA”), Section 504 of the Rehabilitation Act of 1973 (29 U.S.C. § 794) and the Americans with Disabilities Act (42 U.S.C. § 12101, et seq.).

39.2 The Charter School shall adhere to the Board’s policies, procedures and other requirements for the provision of special education and related services to eligible students under IDEA.

39.3 Regardless of the designation of special education service responsibilities in the foregoing paragraph, the Charter School shall be responsible for compliance with Section 504 of the Rehabilitation Act of 1973 and with the Americans with Disabilities Act.

39.4 The Charter School shall be responsible for having IEP meetings in addition to having the general education teacher who has knowledge of the child in attendance.

39.5 The Board shall respect the Charter School’s instructional design, mission, and Charter in the development of IEPs for students enrolled in the school to the extent appropriate for the individual child with disabilities.

39.6 Board information and training opportunities regarding special education shall be available to Charter School staff to the same extent that the system provides such information and opportunities to site staff at other schools in the system.

39.7 The Board shall provide Charter School staff the opportunity to represent their school at committee meetings to the same extent that such opportunities are available to Board site staff.

39.8 Board employees assigned to the Charter School shall have the same responsibility as any other public school employee in the system to comply with the Child Find Assessment Process, and shall adhere to the Board’s policies and procedures to ensure identification and referral of students in accordance with Federal and Maryland State Law.

39.9 The Charter School agrees to implement the Pupil Support Team (“PST”) to serve as a regular education function, to monitor and guide referrals for Section 504 and Special Education services and to designate intervention services.

39.10 The Charter School shall not conduct unilateral independent assessments without prior written approval of the Board.

40.0 Renewal of the Charter. The process for renewal of the Charter and this Agreement shall be as follows:

40.1 Not later than six months, but not sooner than one year, prior to the expiration of this Agreement, the Alliance may request renewal of the Charter for an additional term. The request shall be accompanied by documentation demonstrating the Alliance's compliance with this Agreement and continuing viability as a nonprofit organization, and supporting the Charter School's academic and financial viability.

40.2 The Board shall render a decision on the renewal of the Charter within 120 days after receipt of the request. The Board shall renew the Charter to operate the Charter School if: (a) the Alliance and the Charter School are in compliance with this Agreement and applicable laws and regulations; (b) the Charter School has consistently met AYP, as defined by the federal "No Child Left Behind Act" or other federal and/or state requirements; (c) the Alliance remains a viable nonprofit organization capable of operating the Charter School; (d) the Charter School continues to be academically and financially viable; and (e) the public charter school's facility can continue to support the needs of the Charter School's educational program. The Board's renewal shall be for such term as it deems appropriate, but not for a period of less than four years unless for cause, and the renewal may be with or without conditions. A decision by the Board not to renew shall be treated as a revocation of the Charter effective on the final day of this Agreement and shall, at that time, trigger the requirements of the Dissolution provision of this Agreement.

40.3 If the Board renews the Charter, the Board and the Alliance shall have a period of thirty (30) days following the formal approval of the renewal request to renew this Agreement or enter into a new agreement, except that the Board and the Alliance may by mutual agreement extend the period for up to sixty (60) additional days.

41.0 School Intervention. The Board's process for formal intervention shall follow a progressive system of notification and calls for corrective action on the part of the Charter School. To the extent that concerns or complaints received by the Board about the Charter School may trigger the Board's intervention, including revocation or non-renewal of the Charter, SMCPS may monitor the Charter School's handling of such concerns or complaints. In such cases, the Board may request and the Charter School shall provide information regarding the school's actions in responding to the concerns or complaints.

41.1 The following conditions can form the basis for intervention by the Board:

41.1.1 Failure to meet annual performance goals during the duration of this Agreement.

41.1.2 Demonstrated risk of not being able to fulfill the terms of this Agreement or suspected or identified violations of the terms of this Agreement.

41.1.3 Failure to provide documentation requested pursuant to this Agreement.

41.2 Upon a determination to initiate intervention, the Board or its designee shall provide the Alliance a notice identifying the areas of concern and the basis for the concern (the "Notice"). The Notice shall direct the Alliance to prepare and propose a remedial action plan within thirty (30) days of receipt of the Notice.

41.3 The Alliance may, within ten (10) days of receipt of the Notice, inform the Superintendent in writing that it disputes the Notice. Within fifteen (15) days of informing the Superintendent, the Alliance shall provide the Superintendent any evidence it believes supports that the Notice is in error. The Superintendent shall make a prompt determination on any such dispute, and the Superintendent's determination shall be subject to appeal to the Board. The Alliance may elect to proceed with the intervention procedures while also disputing the Notice, and such will not constitute acceptance of the findings in the Notice nor waiver of any appeal rights. If the dispute of the Notice results in withdrawal or modification of the Notice, then the intervention process will be discontinued.

41.4 Within ten (10) days of the Alliance's proposal of a remedial action plan, the Alliance and representatives of the Board shall meet to discuss the Notice and review the proposed remedial action plan. The Alliance and Board representatives may agree to a remedial action plan. If they do not agree, the Superintendent shall resolve any disagreement, subject to Board acceptance.

41.5 All activities and timelines identified in the remedial action plan shall be adhered to and monitored. Upon completing the requirements of the remedial action plan or when the concerns contained in the Notice have been remedied, the Superintendent shall provide written notice to the Alliance that the intervention has been completed.

42.0 Revocation. The Board's process for revocation decisions shall adhere to the Revocation procedures.

42.1 Causes for revocation of the charter are as follows:

- Failure by the Alliance to act as a nonprofit organization
- Failure to notify and receive approval for any delegation of any part of this Agreement
- Failure of the Alliance to substantially comply with the terms of this Agreement
- Financial insolvency of the Alliance
- Misappropriation, mismanagement or illegal withholding of funds by the Alliance
- A material misrepresentation in the application for approval of the Charter
- Failure to meet academic standards for three (3) consecutive years

- Inability to meet the requirements of State and Federal Laws
- The Facilities can no longer ensure a safe learning environment for students
- Any immediate threat to the health, safety, or welfare of the students or staff of the Charter School.

42.2 Unless the cause for revocation relates to an immediate threat to the health, safety, or welfare of the students or staff of the Charter School, the Alliance must be given notice and an opportunity to cure the cause for revocation pursuant to Paragraph 41 – School Intervention, before the Board can initiate revocation of the Charter.

42.3 Subject to 42.1 and 42.2, the Board may initiate revocation of the Charter. Notice of the intent to revoke and any documentation supporting the determination to revoke shall be provided to the Alliance within five (5) days of the Board's decision to initiate revocation. If the Alliance contests the revocation, it shall submit any evidence it deems appropriate to the Board within ten (10) days of receiving notice of the intent to revoke. The Board or a designated hearing officer shall hold a hearing on the revocation within thirty (30) days of the Board's decision to initiate revocation and the Board shall render its final decision in writing following such hearing.

42.4 Notwithstanding Paragraph 42.3, if the Board initiates revocation due to a threat to the health, safety, or welfare of the students or staff of the Charter School, the Board may assume operation of the Charter School from the Alliance pending a final decision under Paragraph 43.3.

43.0 Dissolution. The Alliance shall cooperate with the Board to complete the dissolution process upon revocation, non-renewal, or surrender of the Charter.

43.1 If the Charter is revoked, not renewed or surrendered, or the Charter School otherwise ceases to operate, the Alliance shall manage all financial records consistent with requirements of applicable law and regulation.

43.2 The Alliance shall promptly, but no later than thirty (30) days after the termination date, deliver all student records to the Board.

43.3 The Alliance shall promptly, but no later than thirty (30) days after the termination date, transfer possession of all Board assets and other assets of the Charter School purchased with Board funds to the Board. The Alliance is not required to physically deliver such assets to the Board, but must allow the Board reasonable access to the assets.

43.3.1 In the event that the Alliance purchases and/or improves any real property paid for in part out of any funding provided by the Board, then, upon termination of this Charter for any reason, the real property so purchased and/or improved shall be sold, and the net sales proceeds shall be apportioned pro rata between the Board and the Alliance based upon the percentage of the Board's funding for the purchase and/or improvement.

43.4 The Alliance shall, for five years after the termination date, maintain all its other records pertaining to the Charter School and shall not dispose of such records without first offering them to the Board.

MISCELLANEOUS

44.0 Entire Agreement. The Parties intend this Agreement to represent a final and complete expression of their agreement, which shall be considered the contract. All prior representation, understandings and discussions are merged herein, and no course of prior dealings between the parties shall supplement or explain any terms used in this document. The parties recognize that amendments to this Agreement may be approved from time to time hereafter.

45.0 Notice. Any notice required or permitted under this Agreement shall be in writing and shall be effective immediately upon personal delivery (subject to verification of service or acknowledgment of receipt) or three (3) days after mailing when sent by certified mail, postage prepaid, to the following:

In the case of the Alliance:

c/o Chesapeake Public Charter School
20945 Great Mills Road, Suite 501
Lexington Park, Maryland 20653

In the case of the Board:

St. Mary's County Public Schools
23160 Moakley Street, Suite 109
Leonardtown, Maryland 20650

46.0 Indemnification and Disclaimer of Liability.

46.1 The parties acknowledge that neither the Alliance nor the Charter School is acting as the agent of the Board, that the Board does not assume liability for any loss or injury resulting from the acts or omissions of the Alliance or the Charter School, its directors, trustees, agents or employees, and that the Alliance and Charter School do not assume liability for any loss or injury resulting from the acts or omissions of the Board, its members, agents, or employees.

46.2 The Alliance and the Charter School acknowledge that it is without authority to extend the faith and credit of the Board to any third party. The Alliance and the Charter School shall clearly indicate to vendors and other entities and individuals outside SMCPs that the obligations of the Alliance and the Charter School under agreement or contract are solely the responsibility of the Alliance or the Charter School and are not the responsibility of the Board.

46.3 The Alliance and the Charter School shall defend, indemnify, and hold harmless the Board and its officers, directors, agents and employees from any and all claims, demands, suits, actions, proceedings, loss, cost, and damages of every kind and description, including, but not limited to, attorneys' fees and/or litigation expenses which may be brought or made against or incurred by the local school system on account of any action of the Alliance or the Charter School, their employees, agents or assigns. The provisions

or limits of insurance required under this contract shall not limit the liability of the Alliance or the Charter School.

46.4 Subject to the limitations of liability set forth in Section 5-518 of the Courts and Judicial Proceedings Article to the Annotated Code of Maryland and other applicable immunities provided under the Constitution or laws of the United States or under common law, the Board shall defend, indemnify, and hold harmless the Charter School, the Alliance, and its officers, directors, agents and employees from any and all claims, demands, suits, actions, proceedings, loss, cost, and damages of every kind and description, including but not limited to attorneys' fees and/or litigation expenses which may be brought or made against or incurred by the Charter School or Alliance on account of any action of the Board, its employees, agents or assigns.

46.5 The parties acknowledge that the Board is not liable for the debts or financial obligations of the Charter School or the Alliance.

46.6 The Alliance and the Charter School, for their part, and the Board, for its part, shall provide each other prompt written notice of any legal claims made arising out of or pertaining to the operation of the Charter School upon receipt of such claim.

47.0 Waiver. The parties agree that either party's failure to insist on strict performance of any term or condition of this Agreement shall not constitute a waiver of that term or condition, even if the party accepting or acquiescing in the nonconforming performance knows of the nature of the performance and fails to object to it.

48.0 Assignment. No right or interest in this Agreement shall be assigned by anyone on behalf of the Charter School without prior written approval of the Board and delegation of any contractual duty of the Charter School shall not be made without prior written approval of the Board, which approval may be given or withheld at the sole discretion of the Board. The Board shall not delegate any of its responsibilities to any third party entity without prior written approval of the Alliance, which shall not unreasonably be withheld.

49.0 Applicable Law. This Agreement shall be governed by and construed in accordance with the laws of the State of Maryland and all applicable federal laws of the United States. The Circuit Court for St. Mary's County shall have exclusive venue over all disputes that are not subject to exhaustion of remedies before the State Board.

49.1 The parties intend that where this Agreement references federal or state laws, that they be bound by any amendments to such laws upon the effective date of such amendments.

49.2 The Alliance shall comply with all federal and state laws and regulations applicable to charter schools. The Charter School shall conform, in all respects, with the educational standards contained in this Agreement, including those contained in the Charter.

50.0 Severability. The provisions of this Agreement are severable. Any term or condition deemed illegal or invalid shall not affect any other term or condition, and the remainder of the Agreement shall remain in effect unless otherwise terminated by one or both of the parties.

51.0 No Third Party Beneficiary. The enforcement of the terms and conditions of this Agreement, and all rights of action relating to such enforcement, shall be strictly reserved to the Board and the Charter School. Nothing contained in this Agreement shall give or allow any claim or right of action whatsoever by any other or third person. It is the express intent of the parties to this Agreement that any person receiving services or benefits hereunder shall be deemed an incidental beneficiary only.

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

53.0 Material Amendment. Any material amendment or modification to this Agreement will be effective only with the written approval of both the Board and the Alliance.

53.1 The Alliance may submit any proposed Material Amendment to the Board in accordance with guidance provided.

53.2 Changes to the Charter and/or Agreement that constitute Material Amendments include, but are not limited to, the following changes:

- In legal status; ownership; governance; or management, including the structure of the Alliance Governing Board and its membership
- Enrollment in excess of 10% or less than 10% of the total number of students authorized in the Charter
- In grade levels served
- In location of the Facilities (change of site and/or adding or deleting sites)
- In the school calendar affecting the number of days of instruction
- In teacher duty or the instructional day for students
- In admissions or enrollment procedures
- In special education status or procedures
- To the educational program in terms of either content or methodology
- Instructional status that would result in 20% or more of the program being designated as non-classroom-based from classroom based or vice versa

54.0 Non-Material Amendment. A Non-Material Amendment of this Agreement may be made effective by the Alliance through written Notification to the Board.

54.1 Non-Material Amendments to the Agreement include, but are not limited to, the following:

- Changes to the mailing address, telephone, and/or fax number of the Charter School or Alliance

- Changes to the contact person located at the Charter School site
- Amendments to the Alliance's Bylaws

AGREEMENT AUTHORITY

THE BOARD OF EDUCATION OF ST. MARY'S COUNTY

Kathy A. Mancini
Witness

By:

Karin M. Bailey
Karin M. Bailey, Board Chairman

Kathy A. Mancini
Witness

By:

J. Scott Smith
J. Scott Smith, Superintendent of St. Mary's
County Public Schools

THE CHESAPEAKE CHARTER SCHOOL ALLIANCE

Kathy A. Mancini
Witness

By:

Merrie Beth Nauman
Merrie Beth Nauman, Board Chair