

AMENDED AND RESTATED OPERATOR DIRECT AGREEMENT

BETWEEN

DISTRICT OF COLUMBIA PUBLIC CHARTER SCHOOL BOARD

AND

DISTRICT OF COLUMBIA INTERNATIONAL SCHOOL

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AMENDED AND RESTATED OPERATOR DIRECT AGREEMENT

This AMENDED AND RESTATED OPERATOR DIRECT AGREEMENT is entered into as of this 2nd day of September 2014 by and between the DISTRICT OF COLUMBIA PUBLIC CHARTER SCHOOL BOARD (“PCSB”) and DISTRICT OF COLUMBIA INTERNATIONAL SCHOOL, a District of Columbia nonprofit corporation (“DCI” or the “Combined School Corporation”).

RECITALS

WHEREAS, pursuant to the Congressionally-enacted District of Columbia School Reform Act of 1995, as amended (as now and hereafter in effect, or any successor statute, “SRA” or the “Act”), PCSB has the authority to charter, monitor, oversee, amend, renew and/or revoke charters of School Corporations in a manner consistent with the letter and intent of the Act;

WHEREAS, pursuant to §38-1802.03 of the Act, PCSB has the authority to approve petitions to establish public charter schools in the District of Columbia;

WHEREAS, pursuant to §38-1802.01(c-1) of the Act, PCSB has the authority to approve one joint program for applicants seeking to establish a jointly operated school where two or more public charter schools that have adopted, for the combined program, identical mission statements, goals, curricula and educational philosophy may combine to create a jointly operated middle and high school;

WHEREAS, each of District of Columbia Bilingual Public Charter School (“DC Bilingual”), Elsie Whitlow Stokes Community Freedom Public Charter School (“Stokes”); Latin American Montessori Bilingual Public Charter School (“LAMB”), Mundo Verde Bilingual Public Charter School (“Mundo Verde”), and Washington Yu Ying Public Charter School (“Yu Ying”), each a District of Columbia nonprofit corporation (each, a “Member School”) has previously established and currently operates a District of Columbia public charter elementary school featuring a foreign language immersion curriculum, in accordance with a petition submitted by it and approved by PCSB in accordance with §38-1802.02 of the Act (each, an “Original Petition”);

WHEREAS, Yu Ying submitted a petition to PCSB pursuant to §38-1802.04(c)(10) of the Act to amend its existing charter and to expand its enrollment to include students in middle school and high school, and such petition was conditionally approved by PCSB on December 17, 2012 (such petition, as amended through the date hereof, the “Yu Ying Charter Amendment”);

WHEREAS, each of the other Member Schools also submitted a petition to amend its respective charter for the expansion of its program on terms and conditions substantially similar to those specified in the Yu Ying Charter Amendment, and PCSB conditionally approved each such petition on June 24, 2013 (each, together with the Yu Ying

Charter Amendment a “**Member School Charter Amendment**” and collectively, as amended hereby, the “**Combined School Petition**”);

WHEREAS, pursuant to the Combined School Petition, each of the Member Schools has adopted identical mission statements, goals, curricula and educational philosophy for a combined middle-high school program to be operated as a single combined school (the “**Combined School**”);

WHEREAS, the School Corporation was formed by the Member Schools for the sole purpose of operating the Combined School;

WHEREAS, pursuant to the DCI Operation Agreement entered into among the Member Schools and DCI on June 16, 2014 (the “**Assignment**”), the Member Schools have assigned and delegated to DCI all of their respective authority, rights and responsibility to operate their respective middle-high school programs to create the Combined School pursuant to the Combined School Petition, and DCI has accepted and assumed such authority, rights and responsibility;

WHEREAS, on June 16, 2014, PCSB entered into the Operator Direct Agreement with DCI in order to establish a direct reporting relationship between PCSB and DCI as the operator of the co-located Member Schools (the “**Original Agreement**”);

WHEREAS, pursuant to § 38-1802.01(c-1) of the Act, PCSB has the authority to approve one joint program for applicants seeking to establish a jointly operated school where two or more public charter schools that have adopted, for the combined program, identical mission statements, goals, curricula and educational philosophy may combine to create a jointly operated middle and high school;

WHEREAS, at its July 21, 2014 Board meeting, PCSB voted to approve the Combined School as operated by DCI as the one joint program it has the authority to approve, and to treat DCI as a public charter school pursuant to §38-1802.01(c-1) of the Act (the “**Combined School Approval**”); and

WHEREAS, the Parties wish to amend, restate, and supersede the Original Agreement in order to recognize the Combined School Approval and DCI’s rights and obligations under the Act (the “**Amended Agreement**”).

NOW, THEREFORE, in consideration of the mutual covenants, representations, warranties, provisions, and agreements contained herein, the parties agree as follows:

SECTION 1. OPERATION OF COMBINED SCHOOL

1.1 Authorization of DCI. DCI shall operate the Combined School in accordance with this Agreement, the Act, and other applicable federal and District of Columbia laws. This Agreement memorializes 1) Combined School Approval and 2) DCI’s rights and authority under the Act to operate the Combined School in accordance with this Agreement (collectively, the “**Authorization**”), and to receive all charter school funding associated therewith, together with DCI’s obligations under the Act.

A. Effect of Amended Agreement. Effective as of September 2, 2014, this Agreement amends and supersedes the Original Agreement and shall be binding on DCI and PCSB.

B. Pursuant to §38-1802.03(h)(2) of the Act, the following information is expressly included in the Authorization:

- (i) The statement of mission and goals of DCI and the manner in which DCI will conduct any district-wide assessments, as set forth in Sections 2.1 and 2.3 below;
- (ii) Proposed Rules and Policies for Governance and Operation of DCI, [**Attachment A**];
- (iii) Articles of Incorporation and Bylaws of DCI, [**Attachment B**];
- (iv) Procedures to Ensure Health and Safety of Students and Employees at DCI, [**Attachment C**];
- (v) DCI's assurance that it will seek, obtain and maintain accreditation with respect to the Combined School, [**Attachment D**]; and
- (vi) Relationship Between DCI and its Employees, [**Attachment E**].

C. The Parties acknowledge and agree that by virtue of the Assignment and the Combined School Approval, DCI shall be bound by the Authorization to the same extent as a public charter school authorized under the Act is bound to its charter, it being understood that references in the Act to a public charter school's charter shall, when applied to DCI, be deemed to refer to the Authorization. Accordingly, DCI shall provide PCSB a petition for revision of the Authorization pursuant to §38-1802.04(c)(10) of the Act for any proposed changes to the provisions referenced in this Section 1.1(B), except that DCI shall not be required to provide PCSB a petition for revision of the Authorization with respect to any proposed changes to its Articles of Incorporation, Bylaws, or changes in its accrediting body.

D. Effective Date and Term. This Agreement and the Authorization shall become effective as of September 2, 2014 (the "**Effective Date**") and shall continue for a term of fifteen (15) years unless renewed, revoked, or terminated in accordance with Section 9 of this Agreement.

SECTION 2. EDUCATIONAL PROGRAM

2.1 Mission Statement. **A.** DCI shall operate the Combined School in accordance with its mission:

The mission of DCI is to inspire inquiring, knowledgeable and caring young people in partnership with their families and communities. These students will create a more socially just and sustainable world through global awareness and understanding, language fluency and cultural competence, and a commitment to lifelong learning.

B. DCI shall provide PCSB a petition for revision of this Authorization pursuant to §38-1802.04(c)(10) of the Act for any proposed changes to such mission.

2.2 Age-Grade. A. In its first Academic Year, DCI shall provide instruction to students in grades 6 through 7. In subsequent Academic Years, DCI may provide instruction to students in accordance with Schedule I. “**Academic Year**” shall mean the fiscal year of DCI ending on June 30 of each calendar year.

B. DC shall provide PCSB a petition for revision of this Authorization pursuant to §38-1802.04(c)(10) of the Act in order to instruct students in any other age/grade.

2.3 Goals and Academic Achievement Expectations. A. DCI has selected as its measure of student academic achievement expectations the indicators listed in the Elementary/Middle School Performance Management Framework (with respect to grades 6 through 8), and the High School Performance Management Framework (with respect to grades 9 through 12) developed by PCSB (“**ES/MS and HS PMF**” or “**PMFs**”). Changes to any PMF implemented by PCSB after a public hearing and notice period for public comments, including changes in state assessments, performance indicators, floors, targets, and formulas, will automatically become part of the measurement of DCI’s academic achievement expectations, unless DCI notifies PCSB that it is rejecting such changes and thereafter submits a petition for revision as described in clause (F) below; the School also adopts the following mission specific goals:

(i) Achieving International Baccalaureate (IB) Candidate Status by SY 2020-21.

(ii) Language: Students will be assessed in accordance with American Council on the Teaching of Foreign Languages (ACTFL) standards and benchmarking. At least 50% of students who are continuing their language education from elementary school will be on track to achieve the ACTFL Advanced Mid to Advanced High Standards, as indicated by the STAMP (STAndards-based Measurement of Proficiency) 4 assessment, by graduation. At least 50% of students who are either new to DCI or who switch their target language will be on track to achieve ACTFL Intermediate status, as indicated by the STAMP 4 assessment, by graduation.

(iii) 50% of students with disabilities and 50% of English Language Learners will earn the Middle Years Programme (MYP) certificate in tenth grade and either the IB Career-Related Certificate (IBCC) or IB Diploma Programme (DP) in the twelfth grade.

B. At the five-year review, DCI will earn at least 50% on the PMF in two of the most recent five years and not less than 45% for any of the past five years.

C. At the ten year review, DCI will earn at least 50% of the possible PMF points in two of the most recent five years and not under 45% for any of the past five years.

D. In order to be considered as meeting its goals and student achievement expectations at the fifteen year DCI Authorization renewal, DCI will need to earn 55% of possible PMF points in two of the most recent years and not under 45% for any of the past five.

E. If any of the above targets are not met, PCSB may determine DCI to have met its goals and academic achievement expectations if it has demonstrated consistent improvement over the course of the most recent five year period.

F. If PCSB makes changes to any PMF, DCI may elect not to accept the change; provided that DCI must petition PCSB for a revision to this Authorization pursuant to §38-1802.04(c)(10) of the Act, whereby it expressly rejects such change and/or expressly modifies such change.

G. DCI shall conduct district wide assessments for its students as required by applicable law and shall report the scores to PCSB in a timely manner, if PCSB does not receive them directly from OSSE.

H. DCI shall provide PCSB a petition for revision to this Authorization pursuant to §38-1802.04(c)(10) of the Act for any proposed changes to its academic achievement expectations and/or goals outlined in this Section 2.3 that substantially amend the performance goals, objectives, performance indicators, measures, or other bases against which it will be evaluated by PCSB, or the manner in which DCI will conduct district-wide assessments, no later than April 1 prior to the Academic Year in which the proposed changes will be implemented.

I. Pursuant to the Assignment, and the Combined School Approval, the right and authority to operate the Combined School rests with DCI, which shall have all rights and obligations of a public charter school under the Act. Accordingly, the Combined School shall be evaluated as a whole, separate and distinct from the evaluation of each Member School, through the application of the requirements of the Act and this Agreement to DCI and the Combined School.

2.4 Curriculum. **A.** DCI shall design and implement the educational program set forth in the Combined School Petition.

B. DCI shall have exclusive control over its instructional methods, consistent with §38-1802.04(c)(3)(a) of the Act, but DCI shall provide PCSB a petition for revision of this Authorization pursuant to §38-1802.04(c)(10) of the Act for any material change in the curriculum that results in a material change in its mission or goals, as set forth herein, no later than April 1 prior to the Academic Year in which the modified curriculum will take effect. DCI shall provide PCSB with any materials requested by PCSB in connection with the petition for revision of this Authorization. A change in textbooks, formative assessments, or other instructional resources shall not be deemed a material change.

2.5 Students with Disabilities. **A.** DCI shall provide services and accommodations to students with disabilities in accordance with part B of the Individuals with Disabilities Education Act (20 U.S.C. §1411 *et. seq.*), the Americans with Disabilities Act of 1990 (42 U.S.C. 12101 *et. seq.*), Section 504 of the Rehabilitation Act of 1973 (20 U.S.C. 794), and any other federal requirements concerning the education of students with disabilities.

B. DCI shall operate as and be treated as a single LEA, distinct from the Member School LEAs. In the event that DCI decides to change its LEA status, it shall notify PCSB of its election in writing at least thirty (30) days prior to the first day of the Academic Year.

SECTION 3. ADMINISTRATION AND OPERATION

3.1 Location. **A.** The head office and academic campus of DCI shall be located at 3220 Sixteenth St NW, Washington, DC (the “**School Property**”). DCI has satisfied the pre-opening requirements listed in **Attachment F** in relation to its commencement of operations at the School Property in August 2014.

B. DCI shall not operate at a location other than the School Property unless DCI provides a written request for approval to PCSB at least three (3) months prior to its intended relocation. PCSB reserves the right to delay or prohibit DCI’s opening at any new property until DCI has satisfied PCSB’s pre-opening requirements as set forth in **Attachment F** in relation to such location.

3.2 Enrollment. **A.** Pursuant to §38-1802.01(c-1) of the Act, enrollment in DCI shall be open to students in such grades who are residents of the District of Columbia, with priority given to students who are matriculating from any one of the Member Schools (“**Continuing Member School Students**”) in each case to the extent of the number of seats reserved for the Continuing Students from each Member School. Students who are not residents of the District of Columbia may be enrolled at DCI to the extent permitted by §38-1802.06 of the Act. DCI shall determine whether each student resides in the District of Columbia according to guidelines established by the D.C. Office of the State Superintendent of Education (“**OSSE**”).

B. If the number of eligible applicants for enrollment at DCI for any Academic Year exceeds the number of spaces available for such Academic Year, DCI shall select students pursuant to the random selection process in **Attachment G**, in accordance with the requirements of the Act. The random selection process shall include (i) an annual deadline for enrollment applications that is fair and set in advance of the deadline; and (ii) a process for selecting students for each Academic Year (a) if applications submitted by the deadline exceed available spaces, and (b) if spaces become available after the beginning of the Academic Year. DCI shall provide PCSB with a written notice for of any material change to the random selection process at least thirty days prior to the date of the proposed implementation..

C. DCI shall maintain an enrollment of no more than 215 students in the first Academic Year and no more than 2156 students in subsequent Academic Years substantially in accordance with **Schedule I**. DCI shall provide PCSB a written request for approval for an increase in the maximum enrollment no later than three months before the requested change date with (i) evidence that (a) the Property has sufficient capacity to accommodate the increased enrollment, and (b) the quality of the educational program is satisfactory and will not deteriorate as a result of such increase; (ii) a revised Schedule I; and (iii) such other items as PCSB may request.

3.3 Disciplinary Policies. **A.** DCI shall implement its student disciplinary policies and procedures, including policies and procedures for the suspension and expulsion of students, and shall provide a copy of those policies and procedures to students and parents within the first ten (10) days of the beginning of the school year, and provide a copy to PCSB as part of

the annual compliance reporting. Such policies and procedures shall be age/grade level appropriate and consistent with applicable law including, but not limited to, requirements for provision of alternative instruction, and federal laws and regulations governing the discipline and placement of students with disabilities. DCI agrees to provide PCSB with 60 days written notice prior to adoption of any material change to its Discipline Policies. A copy of DCI's current Discipline Policies (see **Attachment H**) has been submitted to PCSB.

B. Pursuant to PCSB's Attendance and Discipline Data Policy, DCI shall track suspensions and expulsions on a monthly basis using the data management reporting software identified by PCSB. If DCI operates two or more Campuses, it shall maintain, track, and report discipline data for each Campus separately.

C. DCI shall report any student expulsions or suspensions for longer than five days to PCSB within ten days of the expulsion or suspension and will maintain records of all expulsions and suspensions by it. If DCI operates two or more Campuses, it shall report the data for each Campus separately. "**Campus**" means a distinct grade-span, such as early childhood, elementary, middle, or high school or a combination of such.

3.4 Complaint Resolution Process. Consistent with the requirements imposed by §38-1802.04(c)(13) of the Act, DCI shall establish an informal complaint resolution process and shall provide a copy to students, parents, and PCSB. Such policies and procedures shall be consistent with applicable law. DCI shall provide PCSB written notice of any material change to its complaint resolution process at least three (3) months prior to adoption.

3.5 Operational Control. **A.** Consistent with §38-1802.04(c)(3) of the Act, DCI shall exercise exclusive control over its expenditures, administration, personnel and instructional methods, subject to limitations imposed on District of Columbia public charter schools in §38-1802.04 of the Act.

B. Pursuant to §§38-1802.01(c-1) and 1802.04(b) of the Act, DCI shall have the following powers consistent with the Act and the terms of this Agreement:

- (i) to adopt a name and a corporate seal;
- (ii) to acquire real property for use as DCI's facilities;
- (iii) to receive and disburse funds for DCI purposes, including all funds that would otherwise be allocated to each Member School's Middle/High School;
- (iv) subject to §38-1802.04 (c)(1) of the Act; to make contracts and leases including agreements to procure or purchase services, equipment, and supplies;
- (v) subject to §38-1802.04 (c)(1) of the Act, to secure appropriate insurance;
- (vi) to incur debt in reasonable anticipation of the receipt of funds from the general fund of the District of Columbia or the receipt of federal or private funds;
- (vii) to solicit and accept any grants or gifts for DCI purposes;

(viii) to be responsible for DCI's operation, including preparation of a budget and personnel matters; and

(ix) to sue and be sued in its own name.

3.6 Accreditation. **A.** Within five years of its opening, DCI shall seek, obtain and maintain accreditation from an appropriate accrediting agency as set forth in §38-1802(16) of the Act.

B. DCI shall provide PCSB with a written request for approval for any proposed changes to its accreditation.

3.7 Nonsectarian. DCI shall be nonsectarian and shall not be affiliated with a sectarian school or religious institution.

SECTION 4. GOVERNANCE

4.1 Organization. DCI is and shall remain a District of Columbia nonprofit corporation in accordance with the District of Columbia Nonprofit Corporation Act, as now and hereafter in effect, or any successor statute.

4.2 Corporate Purpose. The purpose of DCI as set forth in its articles of incorporation shall be limited to the operation of a middle/high school on behalf of its public charter school members.

4.3 Governance. **A.** DCI shall be governed by a Board of Trustees. The Board of Trustees are fiduciaries of DCI and shall operate in accordance with DCI's articles of incorporation and by-laws, this Agreement, and provisions of the Act and the District of Columbia Nonprofit Corporation Act.

B. Pursuant to §38-1802.04(c)(10) of the Act, the Board of Trustees shall provide PCSB with a written request for approval of any material change(s) to its articles of incorporation or bylaws within three (3) months of the effective date of such change.

4.4 Composition. All members of the Board of Trustees shall be elected by the Board of Trustees and/or corporate members in accordance with the DCI Bylaws. Further, pursuant to §38-1802.05 of the Act, the Board of Trustees shall consist of an odd number of members, with a minimum of three (3) members and a maximum of fifteen (15) members, at least two of whom shall be parents of students currently attending DCI, and the majority of whom shall be residents of the District of Columbia.

4.5 Authority. Pursuant to §38-1802.05 of the Act, the Board of Trustees of DCI shall have the final decision-making authority for all matters relating to the operation of DCI, consistent with this Agreement, the Act, and other applicable law; however nothing herein shall prevent the Board of Trustees from delegating decision-making authority to officers, employees, and agents of DCI. The Board of Trustees shall (i) set the overall policy for DCI; (ii) be responsible for overseeing the academic and fiscal integrity of DCI; and (iii) assure DCI's compliance with this Agreement and the Act.

SECTION 5. FINANCIAL OPERATION AND RECORD KEEPING

5.1 Financial Management. DCI shall operate in accordance with Generally Accepted Accounting Principles (“GAAP”) and other generally accepted standards of fiscal management and sound business practices to permit preparation of the audited financial statements required of District of Columbia public charter schools in §38-1802.04(c)(11) of the Act. DCI’s accounting methods shall comply in all instances with any applicable governmental accounting requirements.

5.2 Tuition and Fees. DCI shall not charge tuition to any student attending DCI, other than a non-resident student in accordance with §38-1802.06(e) of the Act, unless such student would otherwise be liable for tuition costs under the Act. DCI may charge reasonable fees or other payment for after school programs, field trips, or similar student activities.

5.3 Costs. DCI shall be responsible for all costs associated with its operation including the costs of goods, services, and any district-wide assessments or standardized testing required by this Agreement or by applicable law.

5.4 Contracts. A. In accordance with §38-1802.04(c)(1), DCI shall provide PCSB with respect to any procurement contract awarded by it or any entity on its behalf and having a value equal to or exceeding \$25,000, not later than three (3) days after the date on which such award is made, (i) all bids for the contract received by it, if any; (ii) the name of the contractor who is awarded the contract; and (iii) the rationale for the award of the contract. PCSB may request copies of these procurement contracts to be provided to PCSB upon request. The foregoing shall not apply to any contract for the lease or purchase of real property by DCI, any employment contract for a staff member, or any management contract between it and a management company designated in its petition.

B. The School Corporation shall petition PCSB to amend its authorization pursuant to the requirements of §38-1802.04(c)(10) prior to entering into a contract with a third party for the management of the School (a “**School Management Contract**”). The School Corporation shall petition PCSB to amend its authorization pursuant to the requirements of §38-1802.04(c)(10) prior to canceling; terminating; or materially amending, modifying, or supplementing any School Management Contract.

C. The School Corporation shall award "interested party contracts" or "conflicting interest contracts," as those terms are defined in PCSB’s Submission of Procurement Contracts and Board of Trustees Meeting Minutes Policy, effective September 15, 2014, and as amended thereafter, pursuant to such PCSB policy, and in accordance with the School Corporation’s conflict of interest policies and procedures, to the extent that the School Corporation’s policies are not inconsistent with PCSB’s policy.

D. DCI shall disclose to all third parties entering into contracts with it that PCSB does not have any responsibility for the debts or action of the School Corporation or the School. DCI shall not purport to act as the agent of PCSB or the government of the District of Columbia with respect to any contract.

5.5 Insurance. DCI shall procure and maintain appropriate insurance sufficient to cover its operations. All insurers shall be independent brokers licensed in the District of Columbia. All insurance policies shall be endorsed to name the Board of Trustees and its directors, officers, employees, and agents as additional insureds. The Board of Trustees shall provide annual proof of insurance coverage sufficient to cover its operations as determined by its Board of Trustees to be reasonably necessary, subject to the availability of such insurance on commercially reasonable terms. DCI's current insurance certificate is attached at Attachment I.

5.6 Tax-Exempt Status. DCI shall obtain and maintain tax-exempt status from the federal government and the District of Columbia.

5.7 Enrollment and Attendance Records. **A.** DCI shall keep records of student enrollment and daily student attendance that are accurate and sufficient to permit preparation of the reports described in Section 7 below.

B. If DCI operates two or more Campuses under this Authorization, each Campus shall maintain and submit distinct and unique enrollment and attendance records to PCSB and in state and federal reports.

5.8 Board of Trustee Meeting Minutes. DCI shall maintain copies of all minutes of meetings of its Board of Trustees, including any actions of the Board of Trustees taken by unanimous written consent in lieu of a meeting, certified by an officer of DCI or a member of the Board of Trustees as to their completeness and accuracy. DCI shall make such documents available for inspection by PCSB, its officer, employees, or agents upon request.

SECTION 6. PERSONNEL

6.1 Relationship. All employees hired by DCI shall be employees of DCI and, consistent with §38.1802.07(c) of the Act, shall not be considered to be an employee of the District of Columbia government for any purpose.

6.2 Hiring. DCI shall perform an initial background check with respect to each employee and each person who regularly volunteers at the School Property more than ten hours a week prior to the commencement of such employment or volunteer assignment. DCI shall consider the results of such background checks in its decision to employ or utilize such persons. From time to time as established by DCI, it shall conduct random background checks on each employee and each person who regularly volunteers at the Property more than ten hours a week, but at a minimum once every two years.

SECTION 7. REPORTING REQUIREMENTS

7.1 Annual Reports. DCI shall deliver to PCSB, by a date specified by PCSB, an annual report in a format acceptable to PCSB which shall include all items required by §38-1802.04(c)(11)(B) of the Act (the "**Annual Report**"). The Annual Report shall include an assessment of compliance with the performance goals, objectives, standards, indicators, targets, or any other basis for measuring its performance as PCSB may request. DCI shall permit any member of the public to view such report on request, at reasonable times and with reasonable notice.

7.2 Audited Financial Statements. As soon as available but no later than one hundred and twenty (120) days after the end of each Academic Year, DCI shall deliver to PCSB financial statements audited by an independent certified public accountant or accounting firm who shall be selected from an approved list developed pursuant to § 38-1802.04(c)(11)(B)(ix) of the Act in accordance with GAAP and government auditing standards for financial audits issued by the Comptroller General of the United States. Such audited financial statements shall be made available to the public upon request. These statements may include supplemental schedules as required by PCSB.

7.3 Interim Financial Reports. Unless otherwise notified by PCSB, DCI shall prepare and submit to PCSB within thirty days after the end of each Interim Period starting with the Interim Period beginning July 1, 2014, (i) the balance sheet of DCI at the end of such Interim Period and the related statements of income and cash flows of DCI for such Interim Period and for the period from the beginning of the then current Academic Year to the end of such Interim Period, all in reasonable detail and certified by the treasurer or chief financial officer of DCI that they fairly present, in all material respects, the financial condition of DCI as of the dates indicated and the results of their operations and their cash flows for the periods indicated, subject to changes resulting from audit and normal year-end adjustments; and (ii) notes to the balance sheet describing the financial status of DCI including contributions (monetary or in-kind) in excess of \$500 and fundraising efforts for such Interim Period and for the period from the beginning of the then current Academic Year to the end of such Interim Period. These reports may include supplemental schedules as required by PCSB. **“Interim Period”** shall mean monthly, and from time to time thereafter, upon written notice by PCSB to DCI, the period designated by PCSB in such notice.

7.4 Budget. No later than June 1 of each Academic Year, DCI shall submit to PCSB its budget, including an annual operating budget, an annual capital budget, and cash flow projections (collectively, a **“Budget”**) for the next succeeding Academic Year. DCI’s initial Budget shall be in accordance with the Budget submitted with the Combined School Petition. If PCSB has previously notified DCI in writing that the Combined School is on probation for fiscal management reasons and such notice has not been rescinded in writing, DCI may only implement a Budget with the prior written approval of PCSB. PCSB may specify the format and categories and information contained in the Budget.

7.5 Enrollment Census. DCI shall provide OSSE with the student enrollment data required to be provided by District of Columbia Public Charter Schools pursuant to §38-1802.04(c)(12) of the Act. Such report shall be in the format required by OSSE for similar reports from District of Columbia Public Schools, and all counts of students shall be conducted in a manner comparable to that required by OSSE for enrollment counts by District of Columbia Public Schools.

7.6 Attendance Data. No later than fifteen (15) days after the end of each month during the Academic Year and during summer school, if offered, DCI shall provide student daily attendance data, including present, tardy, partial-day absence, excused absence, and unexcused absence using attendance management reporting software identified by PCSB. If DCI operates two or more Campuses under this Authorization, each Campus shall maintain and submit to PCSB distinct and unique attendance data.

7.7 Key Personnel Changes. The chair of the Board of Trustees or an officer of DCI shall provide notice within five days of the chair of the Board of Trustees or an officer of DCI receiving written notice of the intended departure of a person from his or her position with DCI who is a member of the Board of Trustees, an officer of DCI, or other key personnel as identified by position in Attachment J (but no later than the time DCI announces such departure publicly) to PCSB identifying the person, the position such person is leaving, the date of such departure, and the actions DCI has taken or intends to take to replace such person.

7.8 Authorizations. Within forty-five (45) days after the end of each Academic Year, DCI shall provide a certification by an officer of DCI or its Board of Trustees that all Authorizations required for its operation and the lease or sublease, if any, of the School Property remain in full force and effect. If DCI receives written notice, of any alleged failure to comply with the terms or conditions of any Authorization, DCI shall provide PCSB, within seven (7) days of receiving such notice, a report detailing the nature and date of such notice and DCI's intended actions in response. **"Authorizations"** shall mean any consent, approval, license, ruling, permit, certification, exemption, filing, variance, order, decree, directive, declaration, registration, or notice to, from, or with any governmental authority that is required in order to operate the School.

7.9 Events of Default. DCI shall promptly report to PCSB any written notice of default or claim of material breach it receives that seriously jeopardizes its continued operation or that of the member public charter schools including: (i) any claim there has been a material breach of any contract that affects the operation of DCI; (ii) any claim or notice of a default under any financing obtained by DCI; and (iii) any claim that DCI has failed to comply with the terms and conditions of any Authorizations required to operate the Property. The report shall include an explanation of the circumstances giving rise to the alleged default or breach and DCI's intended response.

7.10 Litigation. DCI shall promptly report to PCSB the institution of any material action, arbitration, government investigation, or other legal proceeding against it or any property thereof (collectively **"Proceedings"**) and shall keep PCSB apprised of any material developments in such Proceedings. In its annual report (7.1), DCI shall provide PCSB a schedule of all Proceedings involving any alleged liability or claim of a material nature or, if there has been no change since the last report, a statement to that effect.

7.11 Certificates of Insurance. No later than August 15 of each Academic Year, DCI shall deliver to PCSB a certificate of insurance with respect to each insurance policy required pursuant to Section 5.5. Such certification shall be executed by each insurer providing insurance hereunder or its authorized representative and shall identify underwriters, the type of insurance, the insurance limits, and the policy term. DCI shall furnish PCSB with copies of all insurance policies or other evidence of insurance required pursuant to Section 5.5 above upon request.

7.12 Reports Required by the Act. DCI shall comply with all reporting requirements imposed by the Act on District of Columbia public charter schools and shall provide PCSB with a copy of each such report at the time it provides the report as required by the Act.

SECTION 8. COMPLIANCE

8.1 Compliance With Applicable Laws. DCI shall operate at all times in accordance with the requirements imposed by the Act on District of Columbia public charter schools and all other applicable District of Columbia and federal laws subject to the limitations in Sections 8.2 and 8.3 below or from which DCI is not otherwise exempt, and District of Columbia and federal provisions prohibiting discrimination on the basis of disability, age, race, creed, color, gender, national origin, religion, ancestry, sexual orientation, gender identification or expression, marital status, or need for special education services.

8.2 Waiver of Application of Duplicate and Conflicting Provisions. Pursuant to §38-1802.10(d) of the Act, no provision of any law regarding the establishment, administration, or operation of public charter schools in the District of Columbia shall apply to the School Corporation or PCSB to the extent that the provision duplicates or is inconsistent with the Act.

8.3 Exemption From Provisions Applicable to D.C. Public Schools. Consistent with the exemption granted to District of Columbia public charter schools pursuant to §38-1802.04(c)(3)(B) of the Act, DCI shall be exempt from District of Columbia statutes, policies, rules, and regulations established for the District of Columbia Public Schools by OSSE, Board of Education, Mayor, or District of Columbia Council, except as otherwise provided in the Charter or in the Act.

8.4 Cooperation. DCI shall, and shall cause its Board of Trustees, officers, employees, and contractors to, cooperate with PCSB, its staff, and its agents in connection with PCSB's obligations to monitor it.

8.5 Access. Upon reasonable notice, DCI shall grant to PCSB, its officers, employees, or agents, access to its property, books, records, operating instructions and procedures, curriculum materials, and all other information with respect to its operation that PCSB may from time to time request, and allow copies to be made of the same and shall cooperate with PCSB, its officers, employees, or agents, including allowing site visits as PCSB considers necessary or appropriate for the purposes of fulfilling its oversight responsibilities consistent with §38-1802.11(a) of the Act, provided that the review or access will not unreasonably interfere with the operation of the school and DCI.

8.6 Notice of Concern. If PCSB determines through its oversight of DCI that any condition exists that (i) seriously jeopardizes the continued operation of DCI, or any of its Campuses, or its Property; (ii) is substantially likely to satisfy the conditions for revocation of this Authorization pursuant to §38-1802.13 of the Act; and/or (iii) threatens the health, safety, or welfare of its students, then PCSB may issue a written notice to DCI stating the reasons for its concerns and inquiry ("**Notice of Concern**"). Upon receipt of such notice and upon request of PCSB, DCI shall meet with PCSB to discuss PCSB's concerns and DCI's response to PCSB's Notice of Concern.

8.7 Administrative Fee. DCI shall pay annually to PCSB, no later than November 15 of each Academic Year, the maximum amount permitted by the Act to cover the administrative responsibilities of PCSB. Notwithstanding the foregoing, PCSB shall not seek any remedy against DCI for failure to timely pay such fee if DCI shall not have received the fall allocation of its annual Academic Year funding from the government of the District of Columbia by such date

provided that DCI pays PCSB such fee within five (5) business days of its receipt of such funding.

SECTION 9. AUTHORIZATION RENEWAL, REVOCATION, AND TERMINATION

9.1 Authorization Renewal. DCI may seek to renew the Authorization as provided in this Agreement and pursuant to §38-1802.12 of the Act. If such renewal is granted by PCSB in accordance with the Act, PCSB and DCI shall (i) renew this Agreement with amendments satisfactory to PCSB and DCI; or (ii) enter into a substitute agreement satisfactory to PCSB and DCI.

9.2 Authorization Revocation. **A.** Pursuant to §38-1802.13 of the Act, PCSB may revoke the Authorization if PCSB determines that DCI has (i) committed a violation of applicable law or a material violation of the conditions, terms, standards, or procedures set forth in this Agreement, including violations relating to the education of children with disabilities; or (ii) failed to meet the goals and student academic achievement expectations set forth herein.

B. Pursuant to § 38-1802.13 of the Act, PCSB shall revoke the Authorization if PCSB determines that DCI (i) has engaged in a pattern of nonadherence to generally accepted accounting principles; (ii) has engaged in a pattern of fiscal mismanagement; or (iii) is no longer economically viable.

C. PCSB agrees that it shall consider revocation of the Authorization solely as a result of its violations and/or failure to achieve goals specific to it, and that the revocation of any Member School's charter authority shall not affect the status of such Authorization of DCI or the charter authority of any other Member School.

D. If DCI operates two or more Campuses, PCSB has the authority to propose revocation of DCI's Authorization in relation to the entire combined program or to propose closure of any of its Campus individually pursuant to failures or violation of 9.2(A) or (B) of this section.

9.3 Termination. This Agreement shall terminate upon revocation, nonrenewal or relinquishment of Authorization rights, or by mutual written agreement of the parties hereto.

9.4 Probation and Corrective Action. **A.** If PCSB proposes to revoke the Authorization of DCI pursuant to §38-1802.13(a) of the Act, PCSB may, as an alternative to revocation of the Authorization, place DCI on probation and require DCI, in consultation with PCSB, to develop and implement a written corrective action plan ("**Corrective Plan**"). The Corrective Plan shall include the reasons for the proposed revocation of Authorization of DCI under §38-1802.13(a), the terms and conditions of probation and the results DCI shall achieve to avoid revocation. Although PCSB may elect to enter into a Corrective Plan with DCI as an alternative to revocation, nothing herein shall require PCSB to place DCI or any of its Campuses on probation or develop a Corrective Plan.

B. If PCSB elects to place the School or one of the School's Campuses on probation and enters into a Corrective Plan with the School Corporation, the School Corporation shall provide PCSB a written request for approval five (5) business days prior to taking any of the

following actions: (a) waiving any material default under, or material breach of, any School Management Contract; (b) taking any action affecting or waiving or failing to enforce any material right, interest, or entitlement arising under or in connection with any School Management Contract; (c) taking any action affecting any material provision of any School Management Contract or the performance of any material covenant or obligation by any other party under any School Management Contract; or (d) providing any notice, request, or other document permitted or required to be provided pursuant to any School Management Contract affecting any material rights, benefits, or obligations under any such School Management Contract in any material respect.

9.5 Mandatory Dissolution. **A.** In accordance with §38-1802.13a of the Act, DCI shall dissolve if this Authorization (i) has been revoked by PCSB; (ii) has not been renewed by PCSB; or (iii) has been voluntarily relinquished by DCI. Mandatory dissolution is only applicable in the case of revocation, non-renewal or voluntary relinquishment of Authorization of DCI and is not applicable in the case of a Campus closure pursuant to 9.2(D).

B. In the event of dissolution of DCI, PCSB, in consultation with the Board of Trustees of DCI, shall develop and execute a plan for (iv) liquidating DCI's assets in a timely fashion and in a manner that will achieve maximum value; (v) discharging DCI's debts; and (vi) distributing any remaining assets in accordance with § 38-1802.13a of the Act.

SECTION 10. OTHER PROVISIONS

10.1 Applicable Law. This Agreement and the rights and obligations of the parties hereunder shall be governed by, subject to, construed under, and enforced in accordance with, the laws of the District of Columbia, without regard to conflicts of laws principles.

10.2 Failure or Indulgence Not Waiver; Remedies Cumulative. No failure or delay on the part of PCSB in the exercise of any power, right, or privilege hereunder shall impair such power, right, or privilege or be construed to be a waiver of any default or acquiescence therein, nor shall any single or partial exercise of any such power, right, or privilege preclude other or further exercise thereof or of any other power, right, or privilege. All rights and remedies existing under this Agreement are cumulative to, and not exclusive of, any rights or remedies otherwise available.

10.3 Counterparts and Electronic Signature or Signature by Facsimile. This Agreement and any waivers, consents, or supplements executed in connection herewith may be signed in any number of counterparts and by different parties hereto in separate counterparts, each of which when so executed and delivered shall be deemed an original, but all such counterparts together shall constitute but one and the same instrument; signature pages may be detached from multiple separate counterparts and attached to a single counterpart so that all signature pages are physically attached to the same document. Electronic signatures or signatures received by facsimile by either of the parties shall have the same effect as original signatures.

10.4 Entire Agreement; Amendments. This Agreement, together with all the attachments hereto, constitutes the entire agreement of the parties and all prior representations,

understandings, and agreements are merged herein and superseded by this Agreement. This Agreement may be amended or modified only by written agreement of the parties hereto.

10.5 Severability. In case any provision in or obligation under this Agreement shall be invalid, illegal, or unenforceable, the validity, legality, and enforceability of the remaining provisions or obligations shall not in any way be affected or impaired thereby.

10.6 Assignment. This Agreement runs solely and exclusively to the benefit of DCI and PCSB and shall not be assignable by either party; provided that if PCSB shall no longer have authority to charter public schools in the District of Columbia, PCSB may assign this Agreement to any entity authorized to charter or monitor public charter schools in the District of Columbia.

10.7 No Third Party Beneficiary. Nothing in this Agreement expressed or implied shall be construed to give any Person other than the parties hereto any legal or equitable rights under this Agreement. **“Person”** shall mean and include natural persons, corporations, limited liability companies, limited liability associations, companies, trusts, banks, trust companies, land trusts, business trusts, or other organizations, whether or not legal entities, governments, and agencies, or other administrative or regulatory bodies thereof.

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

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

10.10 Dispute Resolution. Neither PCSB nor DCI shall exercise any legal remedy with respect to any dispute arising under this Agreement without first providing written notice to the other party hereto describing the nature of the dispute, and thereafter, having representatives of PCSB and DCI meet to attempt in good faith to resolve the dispute. Nothing contained herein, however, shall restrict PCSB’s ability to revoke, not renew, or terminate this Authorization pursuant to §38-1802.13 of the Act and Sections 9.1, 9.2, and 9.3 above of this Agreement.

10.11 Notices. Unless otherwise specifically provided herein, any notice or other communication herein required or permitted to be given shall be in writing and shall be deemed to have been given when (i) sent by email provided that a copy also is mailed by certified or registered mail, postage prepaid, return receipt requested; (ii) delivered by hand (with written confirmation of receipt); or (iii) received by the addressee, if sent by a nationally recognized overnight delivery service (receipt requested) or certified or registered mail, postage prepaid, return receipt requested, in each case to the appropriate addresses set forth below (until notice of a change thereof is delivered as provided in this Section 10.11) shall be as follows:

If to PCSB:

District of Columbia Public Charter School Board
3333 14th St., NW; Suite 210
Washington, D.C. 20010
Attention: Scott Pearson, Executive Director
spears@dcpcsb.org

Telephone: (202) 328-2660

If to DCI:

District of Columbia International School
3220 16th St., NW
Washington, DC 20010
Attention: Mary Shaffner
Email: mary@dcinternationalschool.org
Telephone: 202-459-4790

* * *

[Remainder of page intentionally left blank]

IN WITNESS WHEREOF, the parties hereto have caused this Agreement to be duly executed and delivered by their respective officers thereunto duly authorized as of the dates written below.

**DISTRICT OF COLUMBIA
INTERNATIONAL SCHOOL**



Title: *Chief operations Officer*

Date: *6/16/2014*

**DISTRICT OF COLUMBIA PUBLIC
CHARTER SCHOOL BOARD**



By: _____

Title: Vice Chair, PCSB Board

Date: 6/20/14