

CHARTER SCHOOL RENEWAL AGREEMENT

BETWEEN

DISTRICT OF COLUMBIA PUBLIC CHARTER SCHOOL BOARD

AND

FRIENDSHIP PUBLIC CHARTER SCHOOL

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CHARTER SCHOOL AGREEMENT

This CHARTER SCHOOL AGREEMENT (this “**Agreement**”) is effective as of July 1, 2013 and entered into by and between the DISTRICT OF COLUMBIA PUBLIC CHARTER SCHOOL BOARD (“**PCSB**”) and FRIENDSHIP PUBLIC CHARTER SCHOOL, INC. a District of Columbia nonprofit corporation (the “**School Corporation**”).

RECITALS

WHEREAS, pursuant to the Congressionally-enacted District of Columbia School Reform Act of 1996, as amended (as now and hereafter in effect, or any successor statute, the “**Act**”), PCSB has authority to charter, monitor, oversee, and approve amendments, 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, the School Corporation submitted a petition in accordance with §38-1802.02 of the Act to establish a public charter school (the “**Petition**”);

WHEREAS, PCSB granted a charter to the board of trustees of Friendship Public Charter School for the establishment of a public charter school, effective on September 4, 1998;

WHEREAS, pursuant to §38-1802.12 of the Act, PCSB has the authority to approve petitions to renew the charters of established public charter schools in the District of Columbia;

WHEREAS, the School Corporation submitted an application for charter renewal in accordance with §38-1802.12 of the Act to renew its charter (the “**Application**”);

WHEREAS, PCSB has determined (i) that the Application satisfies the requirements set forth in §38-1802.12 of the Act; and (ii) approved the Application, thereby renewing the charter of the School Corporation on May 20, 2013, for an additional fifteen (15) years;

WHEREAS, §38-1802.04(c)(3)(A) of the Act gives broad decision-making authority over school operations to the board of trustees of the School Corporation (“**Board of Trustees**”), including exclusive control over administration, expenditures, personnel, and instructional methods; and

WHEREAS, PCSB and the School Corporation seek to foster a cooperative and responsive relationship;

NOW, THEREFORE, in consideration of the mutual covenants, representations, warranties, provisions, and agreements contained herein, the parties agree to the following amendments to the original charter petition as follows:

SECTION 1. CONTINUED OPERATION OF SCHOOLS

1.1 Charter. **A.** The School Corporation shall continue to operate a public charter school (the “**School**”) in the District of Columbia and shall operate such School in accordance with this Agreement, the Act, other applicable federal and District of Columbia laws. This Agreement shall include the School Corporation’s charter and shall be binding on the School Corporation, the School, and PCSB.

B. Pursuant to §38-1802.03(h)(2) of the Act, only the following documents comprise the School’s Charter and are attached hereto:

- (i) The School’s statement regarding the mission and goals of the School and the manner in which the school will conduct any district-wide assessments; [Section 2.1 and 2.3 below]
- (ii) Rules and Policies for Governance and Operation of School Corporation [Attachment A];
- (iii) Articles of Incorporation and Bylaws [Attachment B-1 Current Articles of Incorporation and Bylaws; Attachment B-2 Amended Articles of Incorporation and Bylaws];
- (iv) Procedures to Ensure Health and Safety of Students and Employees [Attachment C];
- (v) Assurance to Seek, Obtain, and Maintain Accreditation [Attachment D]; and,
- (vi) Relationship Between School and Employees [Attachment E].

The School Corporation shall provide PCSB a petition for charter revision pursuant to §38-1802.04(c)(10) of the Act for any proposed changes to these provisions in this Section 1.1(B) of the Agreement, except that a School Corporation shall not be required to provide PCSB a petition for a charter revision for any proposed changes to its Articles of Incorporation, Bylaws, or Rules and Policies for Governance or changes in its accrediting body.

C. The School Corporation operates two or more campuses under the Charter, the names, addresses, and grade spans of which are listed in the table below. “Campus” is defined as a distinct grade-span, such as early childhood, elementary, middle, or high school or a combination of the above. These may be in the same facility or different facilities.

Campus Name	Grade Span	Location
Friendship Blow-Pierce Middle	4 – 8	725 19 th Street NE
Friendship Blow-Pierce Elementary	PK3-3	725 19th Street NE
Friendship Chamberlain Middle	4 – 8	1345 Potomac Avenue SE
Friendship Chamberlain Elementary	Pk3-3	1345 Potomac Avenue SE
Friendship Collegiate Academy	9 – 12	4095 Minnesota Avenue NE
Friendship Southeast Academy	PK3 – 5	645 Milwaukee Place SE
Friendship Technology Preparatory Academy	6 – 12 (currently operating 6 – 11, expanding to 6 – 12)	620 Milwaukee Place SE
Friendship Woodridge Middle	4 – 8	2959 Carlton Avenue NE
Friendship Woodridge Elementary	PK3-3	2959 Carlton Avenue NE

1.2 Effective Date and Term. The Charter Renewal, the petition for which was approved on May 20, 2013, shall commence on the effective date of this Agreement and shall continue for a term of fifteen (15) years unless renewed, revoked, or terminated in accordance with Sections §§38-1802.12 and 1802.13 of the Act and Section 9 below of this Agreement.

SECTION 2. EDUCATIONAL PROGRAM

2.1 Mission Statement.

A. The School Corporation shall operate the School in accordance with its mission statement: the mission of Friendship Public Charter School is to provide a world-class education that motivates students to achieve high academic standards, enjoy learning, and develop as ethical, literate, well-rounded and self-sufficient citizens who contribute actively to their communities.

B. The School Corporation shall provide the PCSB a petition for charter revision pursuant to §38-1802.04(c)(10) of the Act for any proposed changes to the School's mission.

2.2 Age-Grade. **A.** Pursuant to § 38-1802.04(c)(14) of the Act, in its first Academic Year of renewal (16th year of operation), the School shall provide instruction to students in ages/grades pre-Kindergarten (3 years old) through twelve. In each of the succeeding Academic Years, the School may provide instruction to students in accordance with Schedule I. "Academic Year" shall mean the fiscal year of the School Corporation ending on June 30 of each calendar year.

2.3 Goals and Academic Achievement Expectations.

A. The School Corporation has selected as its goals and measures of academic achievement expectations the indicators listed in the Performance Management Frameworks developed by PCSB ("PMF"s). In so electing as its measure of goals and academic achievement expectations, each campus of the School Corporation as listed in Section 1.1C must:

At the School Corporation's five year review (no later than the 20th year of operation), earn at least 50% on the PMF in two of the most recent five years and not less than Tier 2 for any of the past five years.

For the School Corporation's ten year review (no later than the 25th year of operation) earn at least 55% of the possible PMF points in two of the most recent five years and not under 45% for any of the past five years.

In order to be considered as meeting its goals and student achievement expectations at its charter renewal, a campus will need to earn at least 55% of possible PMF points in two of the most recent three years and not under 45% for any of the past five.

If any of the above targets are not met, the PCSB may determine the campus 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.

If PCSB makes changes to any PMF, should the School Corporation elect not to accept the change, the School Corporation may petition PCSB for a charter revision pursuant to §38-1802.04(c)(10).

B. The School Corporation shall conduct district wide assessments for its students and shall report the scores to PCSB in a timely manner, if PCSB does not receive them directly from OSSE.

C. The School Corporation shall provide PCSB a petition for charter revision pursuant to §38-1802.04(c)(10) of the Act for any proposed changes to the School's 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 the School will be evaluated by PCSB, or the manner in which the School will conduct

district-wide assessments, no later than April 1 prior to the Academic Year in which the proposed changes will be implemented.

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

2.5 Students with Disabilities.

A. The School Corporation 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. Pursuant to §38-1802.10(c) of the Act, the School Corporation shall elect to be treated as a local educational agency (LEA) or a District of Columbia Public School for the purpose of providing services to students with disabilities. The School Corporation has elected to be its own LEA for the purpose of providing services to students with disabilities. In the event that the School Corporation 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 of the School is located at 120 Q Street, N.E., Suite 200, Washington, D.C. 20002, and each campus location is identified in 1.1C above (the “**School Properties**”).

B. The School Corporation shall continue to operate a multi-campus school serving grades pre-Kindergarten to twelve. Pursuant to the PCSB’s guidelines, the School Corporation shall not operate at a location other than the School Properties unless the School Corporation provides a written notification to PCSB at least three (3) months prior to its intended relocation. PCSB reserves the right to delay or prohibit the School’s opening at the new property until the School Corporation has satisfied the PCSB’s pre-opening requirements in accordance with the PCSB’s stated policies including the status of all authorizations required for the School Corporation’s use of the School Property such as occupancy permits and health and safety approvals at least one (1) month prior to the first day of the School’s operation at the new School Property. The term “Authorizations” means (a) any consent, approval, license, ruling, permit, certification, exemption, filing, variance, order, decree, directive from any governmental authority relating to the operation of the School. A copy of the current PCSB pre-opening requirements are included as Exhibit I.

3.2 Enrollment. **A.** Enrollment in the School shall be open to all students of ages or

in grades as set forth in Section 2.2 above who are residents of the District of Columbia. Students who are not residents of the District of Columbia may be enrolled at the School to the extent permitted by §38-1802.06 of the Act. The School Corporation 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 eligible applicants for enrollment at the School for any Academic Year exceed the number of spaces available at the School for such Academic Year, the School Corporation shall select students pursuant to a random selection process 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 Fiscal Year (a) if applications submitted by the deadline exceed available spaces, and (b) if spaces become available after the beginning of the Fiscal Year. The School Corporation has submitted a description of its current random selection process to PCSB (see Exhibit II) and shall provide notice to PCSB if there are material changes made to the current random selection process.

C. The School shall maintain an enrollment of no more than 5,340 students substantially in accordance with Schedule I. The School Corporation shall provide PCSB a written request for approval for an increase in the maximum enrollment of the School no later than three (3) months before the requested change date with (i) evidence that (a) the School Property has sufficient capacity to accommodate the increased enrollment, and (b) the quality of the educational program at the School 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. The School Corporation shall implement the 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 days of the beginning of the school year, and provide a copy to the 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. The School Corporation agrees to provide PCSB with 60 days written notice prior to adoption of any material change to its Discipline Policies. A copy of the School Corporation’s current Discipline Policies (See Exhibit III) has been submitted to PCSB.

B. Pursuant to PCSB’s Attendance and Discipline Data Policy, the School Corporation shall track suspensions and expulsions on a monthly basis using the data management reporting software identified by PCSB. If the School Corporation operates two or more campuses, the School Corporation shall maintain, track, and report discipline data for each campus separately.

C. The School Corporation shall report any student expulsions or suspensions to PCSB in accordance with the PCSB’s stated policies and will maintain records of all expulsions and suspensions by the School. If the School Corporation operates two or more

campuses, the School Corporation shall report the data for each campus separately.

3.4 Complaint Resolution Process. Pursuant to §38-1802.04(c)(13) of the Act, the School Corporation 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. The School Corporation shall provide PCSB written notice of any material change to its complaint resolution process at least three months prior to adoption.

3.5 Operational Control.

A. Pursuant to §1802.04(c)(3) of the Act, the School Corporation shall exercise exclusive control over its expenditures, administration, personnel and instructional methods subject to limitations imposed in § 38-1802.04 of the Act.

B. Pursuant to §38-1802.04(b) of the Act, the School Corporation 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 the School's facilities;
- (iii) to receive and disburse funds for School purposes;
- (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 School purposes;
- (viii) to be responsible for the School's operation, including preparation of a budget and personnel matters; and
- (ix) to sue and be sued in the public charter school's own name.

3.6 Accreditation.

A. The School Corporation shall maintain accreditation from an appropriate accrediting agency as set forth in §38-1802.02(16) of the Act.

B. The School Corporation shall provide PCSB with a written request for approval for any proposed changes to the School's accreditation.

3.7 Nonsectarian. The School Corporation and the School shall be nonsectarian and shall not be affiliated with a sectarian school or religious institution.

SECTION 4. GOVERNANCE

4.1 Organization. The School Corporation 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 the School Corporation as set forth in its articles of incorporation shall be limited to the operation of a public charter school pursuant to §38-1802.04(c)(16) of the Act. The PCSB and the School Corporation agree that the School's Corporation's current Articles of Incorporation (Attachment B-1) will remain in effect until January, 2014 at which time the Articles of Incorporation (Attachment B-2) will become the School Corporation's Articles of Incorporation.

4.3 Governance. **A.** The School Corporation shall be governed by a Board of Trustees. The Board of Trustees are fiduciaries of the School and shall operate in accordance with the School Corporation's articles of incorporation and by-laws consistent with this Agreement and the 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. Pursuant to §38-1802.05 of the Act, the Board of Trustees of the School Corporation 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 the School, 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 shall have the final decision-making authority for all matters relating to the operation of the School, 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 the School Corporation. The Board of Trustees shall (i) set the overall policy for the School; (ii) be responsible for overseeing the academic and fiscal integrity of the School; and (iii) assure the School's compliance with this Agreement and the Act.

SECTION 5. FINANCIAL OPERATION AND RECORD KEEPING

5.1 Financial Management. The School Corporation 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 in §38-1802.04(c)(11) of the Act. The School Corporation's accounting methods shall comply in all instances with any applicable governmental accounting requirements.

5.2 Tuition and Fees. The School Corporation shall not charge tuition to any student, 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. The School Corporation may

charge reasonable fees or other payment for after school programs, field trips, or similar student activities.

5.3 Costs. The School Corporation shall be responsible for all costs associated with operation of the School 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.** Pursuant to §38-1802.04(c)(1) of the Act, the School Corporation shall provide PCSB with respect to any procurement contract awarded by the School Corporation 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 the School Corporation, if any; (ii) the name of the contractor who is awarded the contract; and (iii) the rationale for the award of the contract. The PCSB may request copies of these procurement contracts to be provided to the PCSB upon request. The foregoing shall not apply to any contract for the lease or purchase of real property by the School Corporation, any employment contract for a staff member, or any management contract between the School Corporation and a management company designated in its petition

B. The School Corporation shall submit a written request for approval to PCSB before canceling, terminating, or materially amending, modifying, or supplementing any contract entered into with a third party for the management of the School, other than the third party designated in its petition (a “**School Management Contract**”); however such a request shall be deemed approved unless PCSB notifies the School Corporation within sixty (60) days of submission of a request for approval that the request has been denied and the reason(s) for denial.

C. If a procurement contract having a value equal to or exceeding \$25,000, is awarded by the School Corporation to an affiliated party, the School Corporation will award that contract pursuant to conflict of interest policies and procedures that include notice to the Board of Trustees of the School Corporation and recusal from discussion and decision of the affiliated party. (“Affiliated Party” means any person who is a member of the Board of Trustees, an entity indirectly controlled, controlled by, or under common control with a member of the Board of Trustees of the Corporation, or such individual who is a member of the immediate family (including parents, spouse, children, siblings) of a member of the Board of Trustees and any trust whose principal beneficiary is a member of the Board of Trustees or such an individual. “Control” means the possession, directly or indirectly, of the power to direct or cause the direction of the management of policies of that entity, whether through the ownership of voting securities or by contract or otherwise.

D. The School Corporation shall disclose to all third parties entering into contracts with the School Corporation that PCSB has no responsibility for the debts or action of the School Corporation or the School. The School Corporation 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. The School Corporation 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. The School Corporation's current insurance certificate (See Exhibit IV) has been submitted to PCSB.

5.6 Tax-Exempt Status. The School Corporation shall maintain tax-exempt status from the federal government and the District of Columbia.

5.7 Enrollment and Attendance Records.

A. The School Corporation 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 the School Corporation operates two or more campuses under the Charter, each campus shall maintain and submit to PCSB and in state and federal reports, distinct and unique enrollment and attendance records.

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

SECTION 6. PERSONNEL

6.1 Relationship. All employees hired by the School Corporation shall be employees of the School and, pursuant to §38-1802.07(c) of the Act, shall not, as a consequence of such employment by the School, be considered to be an employee of the District of Columbia government for any purpose.

6.2 Hiring. The School Corporation shall perform an initial background check with respect to each employee and each person who regularly volunteers at the School more than ten (10) hours a week prior to the commencement of such employment or volunteer assignment. The School Corporation shall consider the results of such background checks in its decision to employ or utilize such persons either directly or through a School Management Contract. From time to time as established by the School Corporation, the School Corporation may conduct random background checks on each employee and each person who regularly volunteers at the School more than ten (10) hours a week, but at a minimum once every two years.

SECTION 7. REPORTING REQUIREMENTS

7.1 Annual Reports. The School Corporation 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 the School's performance as PCSB may request. The School Corporation shall permit any member of the public to view such report on request.

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, the School Corporation 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 Quarterly Financial Reports. Unless otherwise notified in writing by PCSB, the School Corporation shall prepare and submit to PCSB within thirty (30) days after the end of each calendar quarter the balance sheet of the School Corporation at the end of such quarter and the related statements of income and cash flows of the School Corporation for such quarter and for the period from the beginning of the then current Academic Year to the end of such quarter, all in reasonable detail and certified by the treasurer or chief financial officer of the School Corporation that they fairly present, in all material respects, the financial condition of the School Corporation 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 (1) notes to the balance sheet describing the financial status of the School Corporation including contributions (monetary or in-kind) in excess of \$500 and fundraising efforts for such quarter and for the period from the beginning of the then current Academic Year to the end of such quarter. These reports may include supplemental schedules as required by PCSB.

7.4 Budget. No later than June 1 of each Academic Year, the School Corporation 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. If PCSB has previously notified the School Corporation in writing that the School Corporation is on probation for fiscal management reasons and such notice has not been rescinded in writing, the School Corporation may only implement a Budget with the prior written approval of PCSB. PCSB will specify annually the format, categories and information to be contained in the budget.

7.5 Enrollment Census. Pursuant to §38-1802.04(c)(12) of the Act, the School Corporation shall provide to OSSE student enrollment data required by OSSE to comply with §38-204 of the District of Columbia Code. 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 Fiscal Year and during summer school, if offered, the School Corporation shall provide student daily attendance data, including present, tardy, partial-day absence, excused

absence, and unexcused absence for the School using attendance management reporting software identified by PCSB. If the School Corporation operates two or more campuses under the Charter, each campus shall maintain and submit to PCSB distinct and unique attendance data.

7.7 Key Personnel Changes. Within five days of the chair of the Board of Trustees or an officer of the School Corporation receiving written notice of the intended departure of a person from his or her position with the School Corporation who is a member of the Board of Trustees, an officer of the School Corporation, (but no later than the time the School Corporation announces such departure publicly), the School Corporation shall provide to PCSB notice identifying the person, the position such person is leaving, the date of such departure, and the departing individual's replacement as soon as confirmed by the School Corporation or the Board of Trustees. The School Corporation has submitted to PCSB a list of its current key personnel (See Exhibit V) and agrees to notify the PCSB in the manner described above of the intended departure of the key personnel identified in Exhibit V.

7.8 Authorizations. Within forty-five (45) days after the end of each Academic Year, the School Corporation shall provide a certification by an officer of the School Corporation or its Board of Trustees that all Authorizations required for the operation of the School and the lease or sublease, if any, of the School Property remain in full force and effect. If the School Corporation receives notice, whether formal or informal, of any alleged failure to comply with the terms or conditions of any Authorization, the School Corporation shall provide PCSB, within seven (7) days of receiving such notice, a report detailing the nature and date of such notice and the School Corporation'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. The School Corporation shall promptly report to PCSB any notice of default or claim of material breach it receives that seriously jeopardizes the continued operation of the School Corporation or the School including: (i) any claim there has been a material breach of any contract that affects the operation of the School; (ii) any claim or notice of a default under any financing obtained by the School Corporation; and (iii) any claim that the School Corporation has failed to comply with the terms and conditions of any Authorizations required to operate the School. The report shall include an explanation of the circumstances giving rise to the alleged default or breach and the School Corporation's intended response.

7.10 Litigation. The School Corporation shall promptly report to PCSB the institution of any material action, arbitration, government investigation, or other proceeding against the School Corporation or any property thereof (collectively "**Proceedings**") and shall keep PCSB apprised of any material developments in such Proceedings. In its annual report (7.1), the School Corporation shall provide PCSB a schedule of all Proceedings involving any alleged liability or claim 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, the School Corporation shall deliver to PCSB a certificate of insurance with respect to each insurance policy required pursuant to Section 5.5 above and Attachment I. 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. The School Corporation shall furnish PCSB with copies of all insurance policies or other evidence of insurance required pursuant to Section 5.5 above and Attachment I upon request.

7.12 Reports Required by the Act. The School Corporation shall comply with all reporting requirements set forth in the Act and shall provide PCSB with a copy of each such report at the time the School Corporation provides the report as required by the Act.

SECTION 8. COMPLIANCE

8.1 Compliance With Applicable Laws. The School Corporation shall operate at all times in accordance with the Act 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 the School Corporation 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. Pursuant to §38-1802.04(c)(3)(B) of the Act, the School Corporation 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. The School Corporation 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 the School Corporation.

8.5 Access. Upon reasonable notice, the School Corporation shall grant to PCSB, its officers, employees, or agents, access to the School's properties books, records, operating instructions and procedures, curriculum materials, and all other information with respect to the operation of the Schools and the School Corporation 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 Schools.

8.6 Notice of Concern. If PCSB determines through its oversight of the School Corporation that any condition exists that (i) seriously jeopardizes the continued operation of the School Corporation, the Schools, or a School's campus; (ii) is substantially likely to satisfy the conditions for charter revocation pursuant to §38-1802.13 of the Act; and/or (iii) threatens the health, safety, or welfare of students of the School, then PCSB may issue a written notice to the

School Corporation stating the reasons for its concerns and inquiry (“**Notice of Concern**”). Upon receipt of such notice and upon request of PCSB, the School Corporation shall meet with PCSB to discuss PCSB’s concerns and the School Corporation’s response to PCSB’s Notice of Concern.

8.7 Administrative Fee. The School Corporation 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 the School Corporation for failure to timely pay such fee if the School Corporation 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 the School Corporation pays PCSB such fee within five (5) business days of the School Corporation’s receipt of such funding.

SECTION 9. CHARTER RENEWAL, REVOCATION, AND TERMINATION

9.1 Charter Renewal. The School Corporation may seek to renew its authority to operate the School as a public charter school in the District of Columbia pursuant to the terms of the Act. If such renewal is granted by PCSB in accordance with the Act, PCSB and the School Corporation shall (a) renew this Agreement with amendments satisfactory to PCSB and the School Corporation; or (b) enter into a substitute agreement satisfactory to PCSB and the School Corporation.

9.2 Charter Revocation.

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

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

C. If the School Corporation operates two or more campuses under the Charter, PCSB has the authority to propose revocation of the School’s charter or closure of any of its campuses pursuant to this Section 9.2.

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

9.4 Probation and Corrective Action. **A.** If PCSB proposes to revoke the Charter pursuant to §38-1802.13(a) of the Act, PCSB may, as an alternative to charter revocation, place the Schools or any of the Schools’ campuses on probation and require the School Corporation,

in consultation with PCSB, to develop and implement a written corrective action plan (“**Corrective Plan**”). The Corrective Plan shall include the reasons that the Charter is subject to revocation under § 38-1802.13(a), the terms and conditions of probation and the results the School shall achieve to avoid charter revocation. Although PCSB may elect to enter into a Corrective Plan with the School Corporation as an alternative to charter revocation, nothing herein shall require PCSB to place the School or any of their campuses on probation or develop a Corrective Plan.

B. If PCSB elects to place the School or one of its 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: (i) 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, the School Corporation shall dissolve if the Charter (i) has been revoked by PCSB; (ii) has not been renewed by PCSB; or (iii) has been voluntarily relinquished by the School Corporation. Mandatory dissolution is only applicable in the case of revocation, non-renewal or voluntary relinquishment of the Charter and is not applicable in the case of a campus closure pursuant to 9.2(C).

B. In the event of mandatory dissolution, PCSB, in consultation with the Board of Trustees of the School Corporation, shall develop and execute a plan for (i) liquidating the School Corporation’s assets in a timely fashion and in a manner that will achieve maximum value; (ii) discharge the School Corporation’s debts; and (iii) distribute any remaining assets in accordance with §§29-412.06 and 29-412.07 of the District of Columbia Code and §38-1802.13a of the Act.

SECTION 10. OTHER PROVISIONS

10.1 Applicable Law. This Agreement and the Charter 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 attachments which are a part of the School Corporation's Charter and the additional exhibits which are not part of the School Corporation's Charter amendments, waivers, consents or supplements 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 the Attachments A-E and Exhibits I-V hereto, constitutes the entire agreement of the parties and all prior representations, understandings, and agreements are merged herein and superseded by this Agreement; provided that Attachments A-E which constitute the School Corporation's Charter can only be modified or amended through Petition for Charter Revision subject to 1.1 (B) of this agreement, except that Attachments A,B, and E only require PCSB approval, and not a public hearing. The Agreement may be amended or modified 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. The Charter runs solely and exclusively to the benefit of the School Corporation 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 or the Charter 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 the School Corporation shall exercise any legal remedy with respect to any dispute arising under this Agreement without (i) first providing thirty (30) days advance written notice to the other party hereto describing the nature of the

dispute; and (ii) thereafter, having representatives of PCSB and the School Corporation 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 the Charter pursuant to §38-180213 of the Act and Sections 9.1, 9.2, and 9.3 above of this Agreement.

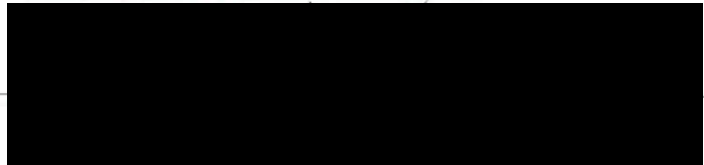
10.11 Notices. Unless otherwise specifically provided herein, any notice or other communication herein required or permitted to be given shall be in writing and shall be deemed to have been given when (i) sent by email provided that a copy also is mailed by certified or registered mail, postage prepaid, 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 the School Corporation:
Friendship Public Charter School
120 Q Street
Washington, D.C. 20002
Attention: Patricia A. Brantley, Chief Operating Officer
pbrantley@friendshipschools.org
Telephone: (202) 281-1700

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.

FRIENDSHIP PUBLIC CHARTER



Title: Chairman

Date:

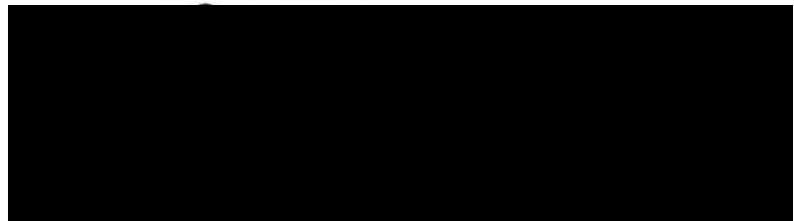
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Friendship Public Charter School
120 Q Street
Washington, D.C. 20002
Attention: Patricia A. Brantley, Chief Operating Officer
pbrantley@friendshipschools.org
Telephone: (202) 281-1700

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.



Title: Chairman

Date:

DISTRICT OF COLUMBIA
PUBLIC CHARTER SCHOOL BOARD



Date: 10/16/13