

**OPERATIONAL MEMORANDUM OF UNDERSTANDING BETWEEN
FOLSOM CORDOVA UNIFIED SCHOOL DISTRICT AND
DESIGN TECH HIGH SCHOOL – RANCHO CORDOVA**

This Operational Memorandum of Understanding (“Agreement”) is entered into as of September 8, 2022, by and between the Board of Education of the Folsom Cordova Unified School District (“District”) and the Design Tech High School (“Non-Profit”), a California non-profit public benefit corporation, operating the Design Tech High School – Rancho Cordova (“Charter School”), a public charter school chartered by the District. The District, the Non-Profit and the Charter School are collectively referred to as the “Parties.” This Agreement shall be enforceable only following execution by both Parties and ratification or approval by the governing boards of each of the Parties.

RECITALS

WHEREAS, the District is the chartering authority of the Charter School. The Charter School is operated by the Non-Profit;

WHEREAS, on April 22, 2022, Non Profit submitted to the District a charter petition (“Petition”) to establish the Charter School pursuant to Education Code section 47605;

WHEREAS, District staff reviewed and analyzed the Petition and prepared a written staff report and recommended findings of fact (“Recommended Findings”) identifying several deficiencies in the Petition;

WHEREAS, the District granted the Charter School’s charter on June 23, 2022, if certain enumerated conditions have been met. If these conditions have been met, as determined by the District, the charter is for a term of five years, beginning on June 30, 2023 and expiring June 30, 2028; and

WHEREAS, by conditionally granting the charter petition, the District assumed certain oversight responsibilities of the Charter School pursuant to the California’s Charter Schools Act (Cal. Ed. Code, § 47600 et seq.). This Agreement is intended to outline the conditions for approval and the Parties’ agreements governing their respective fiscal and administrative responsibilities, their legal relationship, and other matters of mutual interest not otherwise addressed or resolved in the terms of the Charter School’s charter.

NOW, THEREFORE, in consideration of the premises and the mutual covenants and agreements herein set forth, the Non-Profit and the District do hereby agree as follows:

TERMS

1. Use of Terms. Unless otherwise stated, for the purposes of this Agreement, the terms Charter School and Non-Profit may be used interchangeably, with the duties and responsibilities of the Charter School and Non-Profit being the same under this Agreement.

2. Term and Renewal. This Agreement shall commence on the date upon which it is executed by both Parties, but shall not be effective absent ratification or approval by the governing boards of each of the Parties. The Agreement shall cover the remaining term of the charter, expiring on June 30, 2028. If the Charter School’s charter is revoked or the Charter School ceases operations prior to the expiration of the term of the Agreement, the Agreement shall immediately terminate. The Agreement is also subject to termination in accordance with the processes as set forth in this Agreement or as otherwise permitted by law. Renewal or extension of the charter and this Agreement shall be based, in part, on compliance with the terms set forth in this Agreement, District policy, and applicable law.

3. Designation of School. The Charter School shall be known as Design Tech High School – Rancho Cordova. The Charter School may not change its name, nor operate under any other name, without the prior express written approval of the District. The Non-Profit shall be responsible for all functions of the Charter School pursuant to the terms and conditions set forth in this Agreement and its charter. The Charter School shall not be located at more than one school site without the prior express written approval of the District. The Charter School shall not change locations without express written approval from the District. Any change of location shall be considered a material revision of the charter petition under Education Code section 47605 and 47607 and shall not be denied unless there is sufficient findings per these statutes.

4. Conditions of Approval.

The Charter School agrees to satisfy each of the conditions for approval. If the conditions set forth in sections 4(a), 4(b), 4(d)-(g) are not met by the dates set therein and to the satisfaction of the Board through its representative, the Superintendent, the Petition shall not be forwarded to the State Board of Education to obtain a charter school number, and the District Superintendent shall not sign any application to obtain a charter school number or funding. If a condition is met within a reasonable time after its deadline, it will still be deemed to have been met, such that the Superintendent will move forward with charter numbering. (For example, if the Bylaws are amended 100 days after execution of the Agreement, instead of the 90 contemplated in Paragraph 4(e), the District Superintendent will not refuse to submit charter numbering documents.) If the Charter School fails to meet any of the conditions set forth in sections 4(a)-4(h), the Petition shall be deemed denied and the conditional approval of the Petition shall be deemed void.

(a) Lottery Preference. The Charter School shall revise¹ its Petition to include an admissions preference for students residing in Rancho Cordova no later than thirty (30) days following the execution of this Agreement.

(b) Facility. The Charter School shall revise² its Petition to specify a physical address for where the Charter School intends to locate its sole facility, if such will be a private facility, no later than one-hundred and twenty (120) days following the execution of this Agreement. The

¹ Such revision shall not be deemed a “material revision,” as that term is used in Education Code Sections 47605 and 47607.

² Such revision shall not be deemed a “material revision,” as that term is used in Education Code Sections 47605 and 47607.

Parties agree that this timeline does not apply to the Proposition 39 facilities request process, should the Charter School seek to locate in District facilities.

(c) CAASPP Testing. Charter School shall maintain similar or higher CAASPP scores as Cordova High School for the duration of the charter term, as defined in this paragraph. If the Charter School's schoolwide English Language Arts ("ELA") or Math CAASPP scores fall 5% below Cordova High School's schoolwide ELA and Math CAASPP scores, respectively, in any given school year during the charter term, the Charter School shall develop and provide District staff with a remedial plan for increasing CAASPP scores, within thirty (30) days the CAASPP scores are made available.

(d) Special Education and Related Services. No later than thirty (30) days following the execution of this Agreement, Charter school shall develop a specific plan and revision³ to the Petition that will describe in which special education local plan area ("SELPA") the Charter School will seek membership. The Charter School shall notify the District not later than five (5) days from the date the Charter School executes the SELPA agreement or receives confirmation of membership. The Charter School shall provide a copy of the SELPA agreement, if any, to the District no later than sixty (60) days after execution of the SELPA agreement.

If the Charter School is not accepted as an LEA member of a SELPA, the Parties will enter into a separate and distinct Special Education MOU within 60 days of denial of such membership. In addition to the terms thereof, the following terms govern the provision of special education and related services to Charter School students.

(i) Compliance with Applicable Law. All children will have access to the Charter School and no student shall be denied admission due to disability. The Charter School shall be solely responsible for compliance with Section 504 of the Rehabilitation Act of 1973 ("Section 504") (29 U.S.C. § 794 et seq.) and the Americans with Disabilities Act of 1990 ("ADA") (42 U.S.C. § 12101 et seq.). The Parties further agree to implement and comply with the Individuals with Disabilities Education Act ("IDEA") (20 U.S.C. § 1400 et seq.) as specified in the Special Education MOU.

(ii) Student Study Team. The Charter School agrees to implement a Student Study Team ("SST") Process, a general education function that develops strategies for students in the general education classroom. The SST shall develop and monitor implementation of Section 504 plans for eligible students as appropriate.

(iii) English Learners. The Charter School will annually administer the English Language Proficiency Assessments for California ("ELPAC") to all eligible students. The Charter School will be responsible for all components necessary to comply with state and federal testing and reporting of English Learners.

(iv) Funding. If, through the revision to the Petition, the Charter School is deemed a public school of the District, the Charter School shall participate in state and

³ Such revision shall not be deemed a "material revision," as that term is used in Education Code Sections 47605 and 47607.

federal funding in the same manner as the District pursuant to Education Code section 47646, subdivision (a). The District shall retain all state and federal special education funding allocated for Charter School students through the District's Special Education Local Plan Area ("SELPA"). The District shall be solely responsible, as necessary, to contract and pay for any special education services, except as otherwise agreed between the Parties.

(v) Encroachment Contribution. If the Charter School is deemed a public school of the District, the Charter School shall pay the District a pro-rata share of the District's unfunded special education costs (encroachment). At the end of each fiscal year, June 30, the District shall calculate the Charter School's pro-rata share of the District's encroachment for that year as calculated by the total unfunded special education costs of the District (including those costs attributable to the Charter School) divided by the total number of District enrollment (including Charter School students) and multiplied by the total number of Charter School enrollment. Charter School enrollment shall include all students, regardless of home district. The Charter School's pro-rata share does not include District-wide special education legal fees incurred. The Charter School shall reimburse the District for legal fees incurred for special education services for students attending the Charter School. Such fees shall be specifically enumerated and clearly documented on an individual student basis by the District.

(e) District Representative. Pursuant to Education Code section 47604, the District has the option to exercise its authority to have one representative of its choosing to serve on the Non Profit Board of Trustees. The Non Profit shall amend⁴ its bylaws, if necessary, no later than ninety (90) days following the execution of this Agreement to include one District representative member. Should the District exercise the option to have a representative sit on the Non Profit Board of Trustees, such representation shall not supersede the District Board's oversight responsibilities.

(f) Certificated Employee Requirements. The Charter School agrees that all teachers employed at the Charter School beginning in the 2023-2024 school year and each school year thereafter shall hold the proper credential for their certificated assignment or shall otherwise meet applicable legal requirements. No later than thirty (30) days after the execution of this Agreement, the Charter School shall revise⁵ its Petition to include an affirmation that it shall comply with Education Code section 47605, subdivision (l)(1), including a statement that "all teachers employed at the Charter School beginning in the 2023-2024 school year and each school year thereafter shall hold the proper credential for their assignment." Thereafter, the Charter School shall maintain all of its credential and licensing information regarding its current staff on site, for review by the District immediately upon request.

(g) Recruitment. The Charter School shall develop and implement a specific written plan for recruitment that clarifies action to recruit from the entire District community, including Rancho Cordova community in order to achieve a balance of racial and ethnic pupils, special

⁴ Such revision shall not be deemed a "material revision," as that term is used in Education Code Sections 47605 and 47607.

⁵ Such revision shall not be deemed a "material revision," as that term is used in Education Code Sections 47605 and 47607.

education pupils, and English learner pupils, including redesignated fluent English proficient pupils that is reflective of the population residing with the territorial jurisdiction of the District. Said written plan shall be specific to the Rancho Cordova community. The Charter School shall submit documentation of its written plan for recruitment no later than thirty (30) days after the execution of this Agreement. The Charter School shall provide an update to the District Board semi-annually, at a regularly scheduled meeting and/or upon the District's request, regarding its recruitment efforts.

(h) Reporting to the District.

(i) Enrollment.

1. Annual enrollment reporting. The Charter School recognizes the need to achieve sufficient enrollment each year so that the Charter School remains fiscally viable. On an annual basis, starting in the 2023-2024 fiscal year, and no later than January 15 of each year, the Charter School shall provide the District a copy of its estimated maximum enrollment plans and anticipated grade level offerings, both of which must remain consistent with the Charter School's Petition, for the following school year. In addition, the Charter School shall provide documentation showing the number and percentage of its enrollment that resides within the District's boundaries by grade level and the number and percentage of its enrollment that resides outside of the District's boundaries by grade level. Upon the District's request, the Charter School shall provide additional information regarding its enrolled students, including their name, residential address, telephone number, and school district of residence. The Charter School recognizes that this information is critical to District planning for the next year. District agrees not to use student data information for marketing and/or recruiting purposes.

2. Monthly enrollment reporting. No later than the 15th day of every month, the Charter School shall provide the District with a copy of its student enrollment numbers for the prior month, including the name and school district of residence for each newly enrolled students, as well as for each student who has exited or been disenrolled from the Charter School program. In the alternative, the Charter School may provide the District with access to the enrollment attendance data program of the Charter School. District agrees not to use student data information for marketing and/or recruiting purposes.

(ii) Reporting to Public Agencies. The Charter School shall submit to the District a copy of all reports or other documents that the Charter School is required to submit to any state or other public agency in the State of California. Such reports will be submitted to the District, when submitted to the state or other public agency.

(iii) Notification to District Regarding Governing Body Composition. The Charter School shall annually (on or before August 1) send to the District a list of its directors and officers. The District shall be provided with immediate notice of any change in the composition of these directors or officers.

(iv) School Calendar and Schedules. The Charter School shall provide by May

31 of each year the school calendar and bell schedule for the following school year, including calculation of instructional minutes. If summer school, extended day or intersession is offered, the Charter School shall provide calendars and bell schedules for such programs.

(v) Cumulative File Information. The District and the Charter School shall promptly forward to each other all cumulative file information, including, but not limited to, information regarding special education and related services, whenever a student transfers from a District school to the Charter School, or vice versa.

(vi) Performance Assessments. The Charter School shall forward publicly available results from statewide assessments to the District promptly upon receipt by the Charter School, but in no event later than October 1 or two weeks after the California Department of Education publishes results, whichever is later.

(vii) Student Records. To the extent necessary to discharge its reasonable supervisory oversight activities, the Charter School hereby designates the employees of the District as having a legitimate educational interest such that they are entitled, upon request, access to the Charter School's education records under the Family Educational Rights and Privacy Act ("FERPA") and related state laws regarding student records. At a minimum, such records include emergency contact information, health and immunization data, attendance summaries, and academic performance data from all statewide student assessments pursuant to Education Code sections 60600, et seq.. The District, Charter School, and their officers and employees shall comply with FERPA and state laws regarding student records at all times.

5. School Accountability.

(a) Annual LCAP. The Charter School shall comply with Education Code section 47606.5, as that statute may be amended from time to time, as well as its implementing regulations, if any. The Charter School's Local Control and Accountability Plan ("LCAP"), and annual updates thereto as required by law, shall be annually provided to the District by July 1, unless a different date is established by law. The Charter School will utilize the State Board of Education's template to submit its LCAP pursuant to this section. To the extent practicable, the Charter School shall report LCAP data in a manner consistent with how information is reported on a school accountability report card.

(b) Performance Report. The Charter School will complete and return to District staff the same data tracking materials used by the District for its schools throughout each school year. The District will notify the Charter School annually of the required data tracking format and metrics. The Charter School will also provide an Annual Performance Report, the contents of which are determined by the District, to the District, completed by the Charter School, no later than the October 1st that immediately follows each respective school year. From time to time, and as may be necessary in the District's sole discretion, the District reserves the right to revise the content requested in, and format of, the data tracking materials and the Annual Performance

Report. The District will provide the Charter School with notice at least thirty (30) days prior to the implementation of changes to the Annual Performance Report. The Charter School shall be granted flexibility to utilize data that is applicable to the Charter School's academic and programmatic offerings, to the extent they are not aligned with the District.

6. Funding.

(a) Basic Funding. The Charter School shall receive its funding in accordance with applicable law. Should anything in this Agreement require revision based upon changes in law or regulation, the Parties shall meet without delay to cooperatively revise the Agreement to ensure consistency with the law. Any future revision of the Charter Schools Act to revise the manner in which charter schools are funded shall not be interpreted to prevent the Charter School's direct receipt of full funding in accordance with applicable law.

The Charter School is eligible for a general-purpose entitlement allocated through the Local Control Funding Formula ("LCFF") under Education Code sections 42388 et seq. Except as otherwise noted in this Agreement, it shall be the responsibility of the Charter School to apply for funding due to the Charter School under LCFF.

The Charter School has elected to receive funding from the State directly, pursuant to Education Code section 47651. The District shall comply with Education Code section 47635 in providing the Charter School with its share of local funding. However, the Parties understand that in the event that such funds are not timely received by the District due to processing delays at either the state or county level, such funds shall be provided to the Charter School as soon as practicable after such funds are made available to the District. The District recognizes the authority of the Charter School to pursue additional sources of funding. Any application for funding by the Charter School that depends on the support or creditworthiness of the District shall be presented to the District for its prior written approval.

(b) District Applications for Funding. When the District applies for additional sources of funding in the form of grants and/or categorical funding at the request of and for the benefit of the Charter School, the District will receive one percent (1%) of such funds at the time they are paid to the Charter School. Such funds shall not be considered revenue for purposes of the District's oversight fee set forth in section 9(b).

(c) Expenditure of Funds. The Charter School agrees to comply with all regulations related to expenditures and receipt of its funds (including compliance with federal and state compliance regulations and certifications). Without limitation to the foregoing, the Charter School agrees that all revenue received from the District and the State shall only be used as outlined herein and in the charter for the provision of educational services for school age children enrolled in and attending the Charter School and shall not be used for purposes other than those set forth in the Charter School's charter and any authorized amendments. The Charter School will provide the District with written monthly notice when the Charter School withdraws funds deposited by the Sacramento County Superintendent of Schools in the Sacramento County Treasury for the account of the Charter School and re-deposits those funds in a financial institution selected by the Charter School. Such notice is provided when the Charter School provides the District with monthly bank

statements from the banks where all the Charter School's accounts are held. Within fifteen calendar days of opening an account at a bank or other financial institution, the Charter School will provide written notice to the District of the commencement of that account, the type of account, the financial institution or bank and any identifying account numbers.

(d) Compliance with Procedures. To the extent that the Charter School is required to submit records or information to the District or the County Office of Education in order to confirm funding, including but not limited any audit requirements under LCFF, those records must be prepared by the Charter School in compliance with applicable laws.

7. Legal Relationship. Pursuant to its charter and Education Code section 47604, the Charter School is operated by the Non-Profit. The Charter School and the Non-Profit are separate legal entities from the District. As such, the District shall not be liable for the debts or obligations of the Charter School or the Non-Profit to the maximum extent permitted by applicable law. It is agreed that it is the Parties' intent that the District shall incur no unreimbursed cost or expenses of any type whatsoever as a result of its relationship with the Charter School. The Charter School may not enter into a contract or agreement to be managed or operated by any other non-profit public benefit corporation (or any other corporation or entity) without the express written prior approval of the District. The obligations of the Charter School under such agreement or contract are solely the responsibility of the Charter School and are not the responsibility of the District.

8. Complaints. The Charter School shall inform the District of any complaints submitted or filed against it, including complaints filed with any governmental entity other than the District, which the District is obligated to respond to using its own complaint resolution processes, or under any state or federal law, including but not limited to complaint submitted pursuant to uniform complaint procedures. Copies of such complaints must be provided to the District within three (3) working days of receipt by the Charter School. If any such complaint raises an issue or issues that may be grounds for revocation or non-renewal of the charter, the District may request that the Charter School report to the District on how such complaints are being addressed, and the Charter School agrees to provide such information upon the District's request. The Charter School shall make such non-confidential information available to the District for inspection and copying upon request during regular business hours or, upon request, the Charter School shall deliver to the District within ten (10) business days a current copy of any requested records or information. Under all circumstances, the Charter School will cooperate fully within any legal restrictions in the release of information to the District to assist in the District's oversight obligations.

9. Fiscal Relationship.

(a) Oversight Fee. The Parties agree that the District will incur costs in connection with its performance of supervisory oversight of the Charter School as required by law, and that it is not in the best interests of either Party to require a mechanical assessment, accounting, billing and payment process to compensate the District for such costs.

The Parties further agree that at the time of execution of this Agreement, the District is not providing the Charter School with substantially rent-free facilities as referenced by Education Code section 47613(b). Therefore, the Parties agree that the actual cost of the District's

supervisory oversight of the Charter School is one percent (1%) of all “Revenue of the Charter School” (excluding grants, loans, and private donations), as defined in Education Code sections 47613, 47632, subd. (a), 42238.02, and 42238.03.

If following the execution of this Agreement, the Charter School requests and the District provides the Charter School with substantially rent-free facilities as referenced by Education Code section 47613(b), the Parties agree that the actual cost of the District’s supervisory oversight of the Charter School is three percent (3%) of all “Revenue of the Charter School” (excluding grants, loans, and private donations), as defined in Education Code sections 47613, 47632, subd. (a), 42238.02, and 42238.03.

Should anything in this provision require revision based upon a change in the law or regulation, the Parties shall meet without delay to cooperatively revise the Agreement to ensure that the fees for oversight are consistent with the law. The Parties further agree that should the District be required by law or requested by the Charter School to perform services on behalf of the Charter School outside of its supervisory oversight functions and other than as outlined above regarding administrative services, it will incur additional costs or expenses, which the Charter School agrees are not included within the services under the Oversight Fee. However, no cost will be imposed upon or accrued by the Charter School without prior negotiation and agreement between the Charter School and the District of the terms and cost of said services.

“Supervisory Oversight,” as used in the Education Code section 47613, is defined in Education Code sections 47604.32 and 47604.33 to mean the District’s performance of duties to include the following:

- Identification of at least one (1) staff member as contact person for the Charter School.
- Visiting the Charter School at least annually.
- Ensuring that the Charter School complies with all reports required of charter schools by law, including the annual update required pursuant to Education Code section 47606.5.
- Monitoring the fiscal condition of the Charter School.
- Providing timely notification, in accordance with the law, regarding whether the charter’s renewal is granted or denied, the charter is revoked, or the charter will cease operation for any reason.
- Reviewing annual reports and assessing the fiscal condition of the Charter School pursuant to Education Code section 47604.33.

(b) Payment for Administrative Services, Oversight Fee and Expenses. On a quarterly basis, the District shall provide a written invoice and, as necessary, supporting expense information, to the Charter School detailing the oversight fee due pursuant to section 9(a), and any expenses paid by the District on the Charter School’s behalf, with the exception of special education encroachment fees and legal fees incurred by the District for special education services

for students attending the Charter School, if any, which shall be computed and charged in accordance with the Special Education Memorandum Of Understanding between the Parties (Special Education MOU).

Payment on invoices provided to the Charter School pursuant to this section shall be due within thirty (30) calendar days of receipt unless the Charter School has provided written notice to District that it disagrees with invoiced charges. Payments shall be made to the District's Business Services Department. The Charter School may only withhold payment for services, fees or expenses that it has specifically contested. The Charter School shall make payment by check.

(c) Distribution of Assets Upon Revocation or Closure. Should the Charter School, as an entity separate from the Non-Profit, cease to exist (by revocation or nonrenewal of its charter or by voluntary closure), and upon a final audit and the payment of, or provision for payment of, all debts and liabilities of the Charter School, any public funds held by or for the Charter School and any assets of the Charter School purchased with public funds shall be distributed in accordance with the terms of the Charter if the Non-Profit dissolves.

10. Fiscal Controls.

(a) Fiscal Policies. The Charter School shall adopt and meet generally accepted accounting principles and shall adopt policies to ensure the Charter School's funds are used to most effectively support the Charter School's mission and to ensure that funds are budgeted, accounted for, expended, and maintained in an appropriate fashion. Such policies will include, but not be limited to the following:

- (1) Expenditures shall be made in accordance with amounts specified in the annual budget or budgetary revisions adopted by the Charter School's governing board;
- (2) The Charter School's funds shall be managed and held in a manner that provides a high degree of protection of the Charter School's assets; and
- (3) All transactions shall be recorded and documented in an appropriate manner that allows reporting to the State, the District, and/or the County Office of Education.

(b) Attendance Accounting. The Charter School shall establish and maintain an appropriate attendance accounting system to record the number of days students are actually in attendance and engaged in activities required of them by the Charter School. The annual audit (see section 10(c) below) will review actual attendance accounting records and practices to ensure compliance. The Charter School's attendance accounting practices will be in conformance with the Charter Schools Act, the California Administrative Code sections defining charter school average daily attendance, and other applicable law.

(c) Annual Financial Audit. The Charter School's governing board will annually appoint an external fiscal auditor, subject to the approval of the District. Said external fiscal auditor must be listed on the State Controller's Office website as approved to conduct such audits. The audit shall include, but not be limited to:

- (1) An audit of the accuracy of the Charter School's financial statements;
- (2) An audit of the Charter School's attendance accounting and revenue claims practices; and
- (3) An audit of the Charter School's internal control practices.

The Charter School shall complete its audit within one hundred sixty-seven (167) days of the close of the fiscal year. A copy of the audit report shall be submitted to the District within thirty (30) days of completion, and no later than December 15 of the fiscal year following the fiscal year for which the audit was performed. The Charter School agrees to implement all audit recommendations to the District's satisfaction, unless other terms are agreed to between the District and the Charter School.

(d) Financial Reports. In addition to the foregoing requirements and as specified in Education Code section 47604.33, the Charter School shall annually prepare and submit the following reports to the District and the County Superintendent of Schools:

- (1) On or before July 1, an adopted budget;
- (2) On or before December 15, a first interim financial report, reflecting changes through October 31;
- (3) On or before March 15, a second interim financial report, reflecting changes through January 31; and
- (4) On or before September 15, a final unaudited report for the full prior fiscal year.

In addition to the reports required by this section, the Charter School must submit all reports indicated in Appendix A (Charter School Financial Reporting Schedule), incorporated to this Agreement by reference. Failure to submit accurate and complete financial information as required hereby shall be considered grounds for revocation of the charter, subject to reasonable opportunity on the part of the Charter School to amend and rectify findings of the above reports.

The District may request, and the Charter School and Non-Profit agree to obtain and provide, additional documentation and information from the Charter School, the Non-profit, and all other non-profit and for-profit entities related to the Non-Profit, if any, that provide services to the Charter School or control the assets of the Non-Profit or Charter School ("Other Entities"), for the purpose of review and oversight of the fiscal soundness, operation, and governance of the Charter School or the Non-Profit. Requested documents and information must be reasonably related to the operation, educational services, management, finances, personnel, procurement, facilities, financing, programmatic services of the Charter School and the Non-Profit.

The Charter School and Non-Profit shall incorporate language into their contracts with Other Entities, that ensure the Charter School and Non-Profit may obtain any of the above documents from the Other Entities, upon request from the District.

(e) Loans.

The Charter School agrees that it shall establish a fiscal plan for repayment of any loans received by the Charter School in advance of receipt of such loans. It is agreed that all loans sought by the Charter School shall be authorized in advance by the governing board of the Charter School and shall be the sole responsibility of the Charter School. The Charter School shall notify the District, in writing, no later than 10 days prior to entering into any debt whatsoever. Advance notice shall include the amount of the loan, a description of the need for the loan, its terms, and the plan for repayment, including a cash flow schedule. The District will have no obligation with respect to any loans received by the Charter School to finance its operations, and any such loan shall be the sole responsibility of the Charter School. Upon request, the Charter School shall provide information regarding any such loan to the requesting agency pursuant to Education Code section 47604.3.

It is further agreed that all loans distributed by the Charter School to any other entity, including the Non-Profit, shall be authorized in advance by the governing board of the Charter School and shall be the sole responsibility of the Charter School. The Charter School shall notify the District, in writing, no later than 10 days prior to providing loan funding to any other entity, including the Non-Profit. Advance notice shall include the amount of the loan, a description of terms of the loan, and the plan for repayment, including a cash flow schedule. Upon request, the Charter School shall provide information regarding any such loan to the requesting agency pursuant to Education Code section 47604.3.

(f) Cash Flow and Reserve. The Parties agree that the maintenance of a sufficient level of funding reserve is in the best interest of the Charter School and its successful operation. Accordingly, the Charter School shall maintain reserves of no less than three percent (3%). An explanation of any projected drop in reserves below the three percent (3%) level must be included in the Charter School's assumptions in the adopted budget for the fiscal year.

(g) Third Party Debts and Liabilities. Assets or funds allocated or held by the Charter School for provision of its educational services shall not be used to satisfy any third party debts or liabilities, including those of the Non-Profit. Without limitation to the foregoing, no Charter School monies shall be allocated or spent on the debts or liabilities of any party or organization that is associated with founding this Charter School.

(h) Banking Arrangements. The Charter School's Business Officer or designee will reconcile the Charter School's ledger(s) with its bank accounts or accounts in the County Treasury on a monthly basis and prepare (1) a balance sheet, (2) a comparison of budgeted to actual revenues and expenditures to date, and (3) a cash flow statement, which will be submitted with the reports listed above in section 9(d). The Charter School will deposit all funds received as soon as practical upon receipt. A petty cash fund, not to exceed five hundred dollars (\$500), may be established with an appropriate ledger to be reconciled monthly by the Non-Profit Business Officer or designee, who shall not be authorized to expend petty cash.

(i) Property Inventory. Within thirty (30) days of receipt of a written request by the District, the Charter School's head of school or his or her designee, shall provide the District with a written inventory of all Charter School purchases of non-consumable goods and equipment that were: 1) valued at five-thousand dollars (\$5,000.00) or more, and, 2) made in that fiscal year, and,

3) made in whole or in part with public funds. This inventory shall include the original purchase price and date, a brief description of the item(s), and other information appropriate for documenting the Charter School's assets, including identifying information reasonably available to (or reasonably used by) the Charter School, such as serial numbers or Charter School tracking numbers. As the chartering authority, the District may make other reasonable queries to the Charter School, in order to ensure that the Charter School in compliance with the law with regard to tracking items and property that are purchased, in whole or in part, with public funds.

(j) Payroll. The Charter School will prepare payroll checks, tax and retirement withholdings, tax statements, and perform other payroll support functions. The President of the Charter School's governing board or his or her designee will establish and oversee a system to prepare time and attendance reports and submit payroll check requests. The Charter School's Business Officer or designee will review payroll statements monthly to ensure that (1) the salaries are consistent with staff contracts and personnel policies and (2) the proper tax, retirement, disability, and other withholdings have been deducted and forwarded to the appropriate authority. All staff expense reimbursements will be on checks separate from payroll checks. Upon hiring of staff, a personnel file will be established with all appropriate payroll-related documentation including a federal I-9 form, tax withholding forms, retirement data and use of sick leave.

(k) Other Fiscal Control Policies. The Charter School shall develop and maintain other fiscal control policies as recommended by independent certified public accountants retained by the Charter School to advise it on fiscal control policy matters. Updated fiscal policies of the Charter School shall be provided to the District annually.

11. Human Resources Management.

(a) Charter School Exclusive Employer. All employees of the Charter School are employees of the Non-Profit and shall have no right to employment by the District. The Non-Profit shall have sole responsibility for employment, management, dismissal and discipline of employees of the Charter School.

(b) Compliance with Fingerprinting Requirements. Throughout the term of the Charter and this Agreement, all employees of the Charter School, parent volunteers who will be performing services that are not under the direct supervision of a certificated employee, and onsite vendors having unsupervised contact with students, will submit to background checks and fingerprinting in accordance with the provisions of Education Code section 45125.1. The Charter School will provide certification to the District that all employees and volunteers or vendors have clear criminal records summaries prior to their having any unsupervised contact with students. The Charter School will maintain on file and have available for inspection, during District site visits, evidence that the Charter School has performed criminal background checks for all employees and documentation that vendors have conducted required criminal background checks for their employees prior to any unsupervised contact with students.

(c) Compliance with Health and Safety Laws. Throughout the term of the Charter and this Agreement, the Charter School and all employees to which each law applies shall comply with the following legal provisions. The Charter School shall maintain a written policy or

administrative regulation regarding each legal provision, below, provide the District with a copy of such policy or administrative regulation, and provide the District with a copy if amended.

- (1) Education Code Section 49423 regarding the administration of medication in school;
- (2) Education Code Section 49141 regarding the provision, storage, and administration of epinephrine pens;
- (3) Education Code Section 49406 and Health and Safety Code Sections 121525 – 121555 requiring all employees who work in contact with students to obtain tuberculosis screenings or tests, as specified in law; and
- (4) Penal Code Section 11164, et seq. and Education Code Section 44691 regarding employee mandated reporter obligations and training.

(d) STRS/PERS. If the Charter School decides to offer existing or new employees of the Charter School the opportunity to participate in the State Teachers' Retirement System ("STRS") or the Public Employees' Retirement System ("PERS"), the Charter School shall be responsible for entering into a contract with STRS and/or PERS. At the request of the Charter School, the District shall create any reports required by STRS or PERS and may charge the Charter School for the actual costs of such reporting services.

(e) ESSA & Education Code section 47605(1). The Charter School will be responsible for ensuring its staff is compliant with all applicable provisions of the federal Every Student Succeeds Act ("ESSA") and Education Code section 47605(1).

12. Indemnification. The Non-Profit shall promptly defend, indemnify, and hold harmless the District, its officers, directors, employees, agents, representatives, volunteers, administrators, successors, and assigns (collectively hereinafter the "Indemnified Parties") from and against any and all alleged or actual breach of any obligation imposed under this Agreement, or any other actual or alleged breach of any duty or obligation owed to the District or any third party, including any Charter School student (including any Charter School student placed with a school other than the Charter School, or in any nonpublic, nonsectarian school or in other special services to address special need or disability situations) or employee, by the Non-Profit or its officers, directors, employees, agents, representatives, volunteers, guests, students, administrators or trustees, successors or assigns.

The District shall promptly defend, indemnify, and hold harmless the Non-Profit, its officers, directors, employees, agents, representatives, volunteers, administrators, successors, and assigns (collectively hereinafter the "Charter Indemnified Parties") from and against any and all alleged or actual breach of any obligation imposed on the District under this Agreement, or any other actual or alleged breach of any duty or obligation owed to the Charter School or any third party, arising from the District's sole or separate negligence.

In the event of a third party claim or potential claim covered by these provisions, the Parties agree to take all steps reasonable or necessary to cooperate in defending and protecting their joint interests, and in expediting all reasonable or necessary efforts to gain coverage for the Parties under any liability policy or indemnity agreement issued in favor of the Non-Profit and/or District, including indemnity rights or agreements existing in contracts between the Non-Profit and/or

District and any third party (such as contract with a supplier of goods or services), and further including efforts to reduce defense costs (through joint representation whenever possible), expenses and potential liability exposures.

13. Insurance and Risk Management. The Non-Profit shall, for itself and the Charter School, and at its sole cost and expense, purchase and maintain during the entirety of this Agreement, insurance as follows, as well as any additional insurance as may be required by law:

(a) Liability Insurance. Occurrence-based liability indemnity protection, having a combined limit of liability of no less than fifty million dollars (\$30,000,000.00) per claim and in the aggregate, and a per occurrence deductible of no greater than five thousand dollars (\$5,000.00), whether purchased in the form of a single policy/agreement or by way of multiple policies/agreements including excess or umbrella policies or agreements, that extends coverage for, among other things, educators' legal liability, property damage liability, employment practices liability, personal injury, sexual assault and molestation, advertising injury liability, directors and officers, and errors and omissions liability, with such coverage extended to the Charter School, its governing board, its officers, agents, employees, and volunteers. To the fullest extent allowed by law, and in keeping with the Non-Profit's indemnity obligations described above, the Indemnified Parties shall be included as "additional insureds" or "additional covered parties" under each of the Non-Profit's liability policies or agreements, with such coverage evidenced by duly issued "additional insured" or "additional covered party" endorsement(s) and/or duly issued certificate(s) of insurance, which must affirmatively state that the required coverage shall not be reduced or prematurely terminated or cancelled absent 30 calendar days' written notice to District.

(b) Automobile Liability Insurance. Automobile liability insurance, with such coverage extended to the Charter School, including non-owned and hired coverage with a minimum per accident limit of \$30,000,000.00 for any injuries to persons (including death therefrom) and property damage in connection with the Non-Profit's and Charter School's activities under this Agreement. Said policy will be separate and apart from liability insurance in provision (a), above.

To the fullest extent allowed by law, and in keeping with the Non-Profit's indemnity obligations described above, the Indemnified Parties shall be included as "additional insureds" or "additional covered parties" under each of the Non-Profit's liability policies or agreements, with such coverage evidenced by duly issued "additional insured" or "additional covered party" endorsement(s) and/or duly issued certificate(s) of insurance, which must affirmatively state that the required coverage shall not be reduced or prematurely terminated or cancelled absent 30 calendar days' written notice to District.

(c) Workers' Compensation. In accordance with the California Labor Code, the Non-Profit shall purchase and maintain workers' compensation and employers' liability insurance or indemnity protection adequate to protect the Charter School from claims under California's Workers' Compensation Act, with a limit of liability no less than \$1,000,000.00, and that extends coverage and protection to Charter School employees and volunteers. Evidence of such coverage shall be provided in the form of a duly issued certificate of insurance which must affirmatively state that the required coverage shall not be reduced or prematurely terminated or cancelled absent 30-days' notice to District.

(d) Property Insurance. The Non-Profit will maintain insurance, with such coverage extended to the Charter School, for facilities. This includes property damage coverage sufficient to replace, at current market value and in compliance with any enhanced building codes or disability access ordinances, regulations or laws, all personal property, fixtures, and property owned or under the care, custody, or control of the Charter School. Evidence of such coverage shall be provided in the form of a duly issued certificate of insurance or coverage which must affirmatively state that the required coverage shall not be reduced or prematurely terminated or cancelled absent 30-days' notice to District.

(e) Bond. Fidelity and crime coverage extending to wrongful acts with respect to money or property owned by or under the care, custody or control of any Charter School employee, volunteer, agent or representative. Evidence of such coverage shall be provided in the form of a duly issued certificate of insurance or coverage which must affirmatively state that the required coverage shall not be reduced or prematurely terminated or cancelled absent 30 calendar days' written notice to District.

All policies required herein are to be primary and non-contributory with any insurance or self-insurance programs carried or administered by the Indemnified Parties. Neither the existence of any of the insurance coverages required under this Agreement, nor the minimum coverage limits specified herein with respect to any such coverage, shall be deemed to limit or restrict in any way the Non-Profit's liability or indemnification obligations arising under this Agreement.

The Non-Profit and Charter School shall require the carriers of required coverages to waive all rights of subrogation against the Indemnified Parties. All general or auto liability insurance coverage provided shall not prohibit the Non-Profit and Non-Profit's employees or agents from waiving the right of subrogation prior to a loss or claim. The Non-Profit and Charter School hereby waive all rights of subrogation against the Indemnified Parties.

14. Compliance with Law Applicable to Public Agencies. The Charter School agrees to comply at all times with laws which generally apply to public agencies and to comply with federal or state laws (which may be amended from time to time), including but not limited to the following:

- The Ralph M. Brown Act ("Brown Act") (Cal. Gov. Code, § 54950 et seq.);
- The California Public Records Act (Cal. Gov. Code, § 6250 et seq.);
- State conflict of interest laws applicable to charter schools operated by nonprofit corporations, including but not limited to the Political Reform Act (Gov. Code, § 87100 et seq.);
- The Child Abuse and Neglect Reporting Act (Cal. Penal Code, § 11164 et seq.);
- The Individuals with Disabilities Education Act ("IDEA") (20 U.S.C. § 1400 et seq.);
- The Americans with Disabilities Act ("ADA") (42 U.S.C. § 12101 et seq.);
- The U.S. Civil Rights Acts, including Title VII of the 1964 Civil Rights Act;
- The California Fair Employment and Housing Act ("FEHA") (Cal. Gov. Code, § 12900 et seq.);
- The Age Discrimination in Employment Act ("ADEA") (29 U.S.C. § 621 et seq.);
- Section 504 of the Rehabilitation Act of 1973 ("Section 504") (29 U.S.C. § 794 et seq.);

- seq.);
- Education Code sections 220 et seq.;
- The Uniform Complaint Procedure (5 Cal. Code Regs., tit. 5, § 4600 et seq.);
- The Family Educational Rights and Privacy Act (“FERPA”) (20 U.S.C. § 1232g et seq.);
- Local Control Funding Formula (Cal. Ed. Code, § 42238, et seq.); and
- All applicable state and federal laws and regulations concerning the improvement of student achievement, including but not limited to any applicable provisions of the Elementary and Secondary Education Act of 1965 (20 U.S.C. § 6301 et seq.) as amended by the Every Student Succeeds Act of 2015 (“ESSA”) (20 U.S.C. § 6301 et seq.).

(a) Brown Act and Governing Board Meetings. During the term of the Charter, the Charter School agrees to comply with key terms of the Brown Act and shall conduct the meetings of its governing board in accordance with the Brown Act, including making public the agendas of such meetings in advance, as required by the Brown Act. Prior to opening, the Charter School will provide verification by letter to the District that all members of the Governing Board, administrative staff, and any other staff deemed appropriate by the Charter School have participated in Brown Act training. The governing board of the Charter School shall conduct public meetings at such intervals as are necessary to ensure that the board is providing sufficient direction to the Charter School through implementation of effective policies and procedures. Consistent with section 4(e), the District reserves the right to appoint a representative to the Charter School’s governing board in accordance with the provisions of Education Code section 47604. The Charter School agrees to provide to the District’s representative on the governing board a complete board packet of information being submitted to the board before each meeting, in sufficient time for review. Governing board adopted policies, meeting agendas and minutes shall be maintained and shall be available for public inspection and to the District during site visits (or upon request).

(b) Public Records Act. The Charter School agrees that all of its records that relate in any way to the operation of the Charter School shall be treated as public records subject to the requirements of the Public Records Act (Cal. Gov. Code, § 6250 et seq.) as well as Education Code section 47604.3.

15. Participation in Special Programs and Services; Transportation.

(a) Sports and Other Activities; Student Insurance. In the event that the Charter School wishes to have its students or staff participate in a program or service offered by the District other than those specified by this Agreement, advance approval and arrangements must be made and confirmed in writing, and expenses for such participation may be charged to the Charter School. The District has sole discretion whether to allow the Charter School to participate in such District programs or services, including California Interscholastic Federation (“CIF”) activities. Charter School participation in CIF activities and sports are subject to the rules and regulations of CIF. Charter School students may participate at their own expense in student insurance coverage programs offered by the District.

(b) Transportation. Unless otherwise agreed with the District, the Charter School shall be responsible for any transportation offered to students who enroll in the Charter School.

(c) Food and Nutritional Services. Unless otherwise agreed with the District, the Charter School shall be responsible for providing free and reduced meals to all eligible students who enroll in the Charter School as required under state and federal law.

16. Amendments to Charter. Changes to the Charter deemed to be material amendments may not be made without District consideration and approval. Amendments to the Charter considered to be material changes include, but are not limited to, the following:

- (a) Substantial changes to the educational program (including the addition or deletion of an educational program), mission, or vision;
- (b) Changing to (or adding) a non-classroom-based program, if originally approved as a classroom-based program;
- (c) Changes in enrollment that differ by more than 10 percent +/- of the enrollment originally projected in the charter petition;
- (d) Addition of grade levels to be served;
- (e) The addition of facilities and/or new sites not previously approved by the District
- (f) Admission preferences;
- (g) Changes to the governance structure, including but not limited to amendments (except amendments required or prompted by a change in law) to:
 - The Non-Profit's articles of incorporation
 - The Non-Profit's corporate bylaws;
 - The Non-Profit's conflict of interest code (and the Charter School Board's conflict of interest code, if different); and
- (h) Name changes of the Charter School.

17. Amendments to Agreement. Any modification of this Agreement must be in writing and executed by duly authorized representatives of both Parties specifically indicating the intent of the Parties to modify this Agreement. No such modification or amendment shall be effective absent approval or ratification by the governing boards of both Parties. In the event of changes in laws, the District and the Charter School agree to negotiate modifications to this Agreement as required by applicable law.

18. Dispute Resolution. Any and all disputes arising out of the interpretation or performance of this Agreement shall be subject to the following procedure until a resolution is reached. Once the Parties have exhausted the procedures stated in (a)-(c), below, each may pursue a remedy as entitled to them by law. Notwithstanding the foregoing, if any such dispute concerns facts or circumstances that may be cause for revocation of the Charter, the District shall not be obligated by the terms of this section as a precondition to revocation.

(a) The disputing party shall provide written notice of the dispute to the other party. Thereafter, the Charter School's designee shall meet with the District's Superintendent or designee within thirty (30) days to attempt informal resolution of the dispute.

(b) In the event this informal meeting fails to resolve the dispute, both Parties or their designees, within sixty (60) days counting from the initial informal meeting date, shall identify two governing board members from their respective boards who shall jointly meet with the Charter School's designee and the District's Superintendent or designee and attempt to resolve the dispute.

(c) If this joint meeting fails to resolve the dispute, the District and the Charter School shall enter into non-binding mediation before a mutually agreed upon mediator, with the costs of the non-binding mediation to be split evenly between the Parties. The format of the mediation shall be developed jointly by the District and the Charter School, and shall incorporate informal rules of evidence and procedure, unless both Parties agree otherwise. Notwithstanding the foregoing, the findings or recommendations of the mediator shall be non-binding, unless the governing boards of the Non-Profit and the District jointly agree to bind themselves.

Exercise of any dispute mechanism authorized by this Agreement shall not, in and of itself, constitute a material violation of the charter or otherwise be grounds for revocation.

19. Severability. If any provision or any part of this Agreement is for any reason held to be invalid or unenforceable or contrary to law, the remainder of this Agreement shall not be affected thereby and shall remain valid and fully enforceable.

20. Venue. The Parties agree that any legal action to enforce the terms of this Agreement shall be brought in the appropriate court in Sacramento County, California.

21. Governing Law and Authority. In the event of a conflict between the law and terms of this Agreement, the law shall prevail, and any such conflicting terms shall be severed from this Agreement and nullified. To the extent that this Agreement is inconsistent with any of the terms of the Charter, the terms of this Agreement shall supersede the terms of the Charter. The Parties further agree to jointly make any modification of this Agreement or the Charter needed to effectuate changes in state or federal laws following the execution of this Agreement.

22. Notices. All notices, requests, and other communications under this Agreement shall be in writing and submitted in writing to the addresses set forth below. Notice shall be deemed given on the second day following the mailing of notice by certified mail.

To the District at:

Folsom Cordova Unified School District
Attn: Sarah Koligian, Ed.D, Superintendent
1965 Birkmont Drive
Rancho Cordova, CA 95742

To the Non-Profit and Charter School at:

Design Tech High School
Attn: Dr. Ken Montgomery
275 Oracle Pkwy
Redwood City, CA 94065

23. Entire Agreement. This Agreement contains the entire agreement of the Parties with respect to the matters covered hereby, and supersedes any oral or written understandings or agreements between the Parties with respect to the subject matter of this Agreement.

24. Conflicts. If any provision of this Agreement is inconsistent with the charter, the terms of the Agreement shall prevail.

25. Counterparts. This Agreement may be executed in counterparts, each of which shall constitute an original. Facsimile or scanned emailed copies of signature pages transmitted to other Parties to this Agreement shall be deemed equivalent to original signatures on counterparts.

Dated: _____

Dr. Ken Montgomery
Executive Director
Design Tech High School – Rancho Cordova

Dated: _____

Sarah Koligian, Ed.D,
Superintendent
Folsom Cordova Unified School District

APPENDIX A

Charter School Financial Reporting Schedule

All information and documents listed below are to be provided to the District by the date shown.

ITEM	DESCRIPTION	DUE DATE
Preliminary Adopted Budget	Budget for new fiscal year	July 1 st legal deadline
LCAP	Local control and accountability plan (LCAP), and annual update to LCAP, required pursuant to Education Code section 47606.5.	July 1 st legal deadline
Unaudited Actuals Report for Prior Fiscal Year	Report on prior year revenues and expenditures; completed using CDE template	Sept 15 th legal deadline
First Interim Report	Report on first period revenues and expenditures	Dec 15 th legal deadline
Second Interim Report	Report on second period revenues and expenditures	March 15 th legal deadline
Independent Auditor Selection	Notification of independent auditor selected for annual audit	April 1 st
Annual Audit	Annual independent financial audit	December 15 th for prior fiscal year

All financial reports will include back-up information, including but not limited to:

- Electronic copy of alternative report & attachments
- MYP worksheet
- Assumptions/narratives worksheet
- Statement of cash flow
- Supplemental financial reports
- LCAP expenditures
- Special education staffing revenue and expenditure report