

RENEWAL OF CHARTER AND CHARTER SCHOOL

THIS RENEWAL OF CHARTER AND CHARTER SCHOOL AGREEMENT ("Agreement") dated this 26th day of May, 2004, with an effective date of July 1, 2004, is entered into by and between the Illinois State Board of Education (the "State Board"), a body politic, and Prairie Crossing Charter School, an Illinois not-for-profit corporation ("Prairie Crossing" or the "Charter School") for an independent public school established under the Charter Schools Law, 105 ILCS 5/27A-1 et seq. (the "Charter Schools Law").

RECITALS:

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

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

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

WHEREAS, on July 2, 1999, the Charter School entered into a Charter School Agreement with the State Board for a five-year term beginning with the 1999-2000 school year and ending with the 2003-2004 school year, which was approved and certified by the Illinois State Board of Education;

WHEREAS, on July 15, 2003, the Charter School submitted a Renewal to the State Board to renew its Charter School Agreement (the "Renewal"), a copy of which Renewal is incorporated by reference as described in Exhibit A hereto;

WHEREAS, on September 18, 2003, the State Superintendent issued a Recommendation and the State Board approved the Recommendation that the Charter School be renewed for five years with stipulations ("Recommendation"), a copy of which Recommendation is incorporated by reference as described in Exhibit B hereto;

WHEREAS, by December 31, 2003 the Charter School complied with the submission of additional information ("Additional Information"), a copy of which Additional Information is incorporated by reference as described in Exhibit C hereto, and

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

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

1. Recitals Incorporated by Reference.

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

2. Grant of Charter.

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

3. Term of Agreement.

This Agreement shall commence on July 1, 2004, and shall expire at midnight, June 30, 2009, unless terminated or extended pursuant to the terms hereof.

4. Educational Program.

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

- a. Mission Statement. The Charter School shall operate under the mission statement set forth in the Renewal, and such mission statement is hereby accepted to the extent that

it is consistent with the declared purposes of the General Assembly as stated in the Charter School Law.

b. **Age, Grade Range.** The Charter School shall provide instruction to pupils in grades K through 8, as provided in the Renewal.

c. **Enrollment.** Enrollment in the Charter School shall be open to any pupil who resides within the Woodland School District 50 or the Fremont School District 79. Each year, the Charter School shall set a deadline for application that is no earlier than March 1 and if, on the date of that deadline, there are more eligible applicants for enrollment in the Charter School than there are spaces available, successful applicants shall be selected by lottery which shall be open to all applicants and the public. The Charter School shall not request information in the application process about a student's academic aptitude, special education needs or English language proficiency. Priority for enrollment may be given to siblings of pupils enrolled in the Charter School and to pupils who were enrolled in the Charter School the previous school year, unless expelled for cause. Using the lottery process required herein, the Charter School shall establish a waiting list of students who shall be offered the opportunity to enroll at the Charter School if additional space later becomes available. The Charter School shall not permit dual enrollment of any student at both the Charter School and another public school or non-public school. The Charter School shall serve up to 432 students in grades K through 8. The Charter School understands that any enrollment increase beyond 360 and up to 432 students would require a financial review and negotiation of the per capita tuition rate.

d. **Student Transfers.** Any student transfer out of the Charter School shall be documented by a transfer form signed by the student's parent/guardian which affirmatively states that the student's transfer is voluntary.

e. **Goals, Objectives, Pupil Performance Standards.** The Charter School shall pursue and make reasonable progress toward the achievement of the goals, objectives and pupil performance standards consistent with those set forth in the Renewal, provided that such goals, objectives and pupil performance standards shall at all times remain in compliance with Section 2-3.64 of the Illinois School Code, 105 ILCS 5/2-3.64.

f. **Evaluation of Pupils.** The Charter School's plan for evaluating pupil performance, the types of assessments to be used, the timeline for achievement of performance standards, and the procedure for taking corrective action in the event that pupil performance at the Charter School falls below those standards, shall be consistent with the Renewal.

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

shall notify the State Board of any material change in its curriculum subsequent to the date of this Agreement.

h. **School Year; School Days; Hours of Operation.** Instruction shall commence in the 2004-2005 school year and subsequent school years on dates established by the Charter School, provided that the beginning date of instruction shall be no earlier than August 1 and no later than September 15 of each school year. The days and hours of operation of the Charter School shall be as set forth in the Application or as otherwise established by the Charter School.

i. **Student Discipline.** The Charter School shall implement a system of uniform student discipline.

j. **Governance and Operation.** The operation of the governing Board of the Charter School shall be as set forth in the Renewal and in the Additional Information.

k. **Pupil Transportation.** The Charter School shall meet the transportation needs of its students in the manner as set forth in the Renewal and in the Additional Information.

l. **School Calendar.** No later than July 1 prior to the commencement of each academic year during which this Agreement is in effect, the Charter School shall submit to the State Board its school calendar for such academic year and the following summer session.

5. **Additional Covenants and Warranties of Charter School.**

The Charter School covenants and warrants as follows:

a. **Compliance with Laws and Regulations.** The Charter School shall operate at all times and shall be in compliance with the Charter Schools Law, all other applicable Federal, State and local laws, codes or regulations, from which the Charter School is not otherwise exempt, and constitutional provisions prohibiting discrimination on the basis of disability, race, creed, color, gender, national origin, religion, ancestry, marital status or need for special educational services. The Charter School shall also comply with the following, to the extent applicable to charter schools:

- i. The Individuals with Disabilities Education Act (20 U.S.C. -1400 et seq.);
- ii. The No Child Left Behind Act of 2001 (PL 107-110, signed January 8, 2002);
- ii. Section 2-3.64 of the School Code (105 ILCS 5/2-3.64), regarding

performance goals, standards and assessments;

iii. Section 10-21.9 of the School Code (105 ILCS 5/10-21.9;) regarding criminal background investigations of applicants for employment;

iv. Section 24-24 of the School Code (105 ILCS 5/24-24;) regarding discipline of students;

v. The Local Governmental and Governmental Employees Tort Immunity Act (745 ILCS 10/1-101 et seq.);

vi. Section 108.75 of the General Not For Profit Corporation Act of 1986 (805 ILCS 105/1.01 et seq.) regarding indemnification of officers, directors, employees and agents;

vii. The Abused and Neglected Child Reporting Act (325 ILCS 5/1 et seq.);

viii. The Illinois School Student Records Act (105 ILCS 5/10-1 et seq.);

ix. The Freedom of Information Act (5 ILCS 140/1 et seq.);

x. The Open Meetings Act (5 ILCS 120/1.01 et seq.);

xi. The Pension Code (40 ILCS 5/1-101 et seq.);

xii. All applicable health and safety regulations of the State of Illinois and the local municipalities, including without limitation those laws specifically identified by the Illinois State Board of Education as being applicable to charter schools. A current list of such laws, which may be added to, deleted from or otherwise amended from time to time by the Illinois State Board of Education, is attached hereto as Exhibit D;

b. **Compliance with Agreement.** The Charter School shall operate at all times in accordance with the terms of this Agreement, including the Accountability Plan as later defined herein.

c. **Maintenance of Corporate Status and Good Standing.** The Charter School shall at all times maintain itself as an Illinois general not-for-profit corporation capable of exercising the functions of the Charter School under the law of the State of Illinois, shall remain in good standing under the laws of the State of Illinois, and shall timely make all required filings with the office of the Illinois Secretary of State. Upon request, the Charter School shall provide the State Board with certified copies of its Articles of

Incorporation, a Certificate of Incorporation evidencing its incorporation as a nonprofit corporation, its Bylaws, and all amendments or modifications thereto. The Charter School is also recognized as an organization exempt from Federal income taxation under Section 501(c)(3) of the Internal Revenue Code, and upon request the Charter School shall provide the State Board with copies of all filings relating to the Charter School maintaining 501(c)(3) exempt status.

d. **Personnel.** The relationship between the Charter School and its employees, and the manner in which terms and conditions of employment shall be addressed with affected employees and their recognized representatives, if any, shall be as set forth in the Renewal and this Agreement, provided that the Charter School shall comply with all Federal and Illinois employment laws and regulations made applicable to charter schools under the Charter Schools Law.

No later than September 1 of each year during the term of this Agreement, the Charter School shall provide the State Board with a current list of all of its employees, and shall cause each of its subcontractors to provide the State Board with a current list of all of such subcontractor's employees providing services at the Charter School. Such lists shall contain the names, job positions and social security numbers of all applicable employees. Such lists shall also indicate: (i) for each employee, the date of initiation of the criminal background investigation required under Section 10- 21.9 of the School Code and Section 5(e) of this Agreement, and the results of such background check; and (2) for each individual employed in an instructional position, evidence of certification, or evidence that such individual is otherwise qualified to teach under Section 27A-10(c) of the Charter Schools Law, including information regarding the additional mentoring, training and staff development, if any, to be provided by the Charter School pursuant to Section 5(f) of this Agreement. For any person hired in an instructional position after September 1 of any school year, the Charter School shall provide the State Board with such evidence of certification or other qualification no later than ten (10) business days after the individual's initial date of employment.

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

f. **Instructional Providers.** The Charter School shall employ or otherwise utilize in instructional positions and shall require that its subcontractors employ or otherwise utilize in instructional positions only those individuals who are certificated under Article 21 of the School Code, 105 ILCS 5/21-1 et seq., or who are otherwise qualified to teach under Section 27A-10(c) of the Charter Schools Law.

6. **Building.**

For the term of this agreement, the Charter School shall be located at 1571 Jones Point Road, Grayslake, Illinois 60030. The Charter School shall have obtained and submitted to the State Board for review no later than 30 days prior to the commencement of operation of any new school or building addition: (1) all applicable occupancy permits and health and safety approvals for such addition; (2) an executed copy of the lease agreement for such addition, if occupied under a lease agreement; and (3) evidence of title to such addition, if owned by the Charter School. The Charter School shall take such actions as are necessary to ensure that all leases, occupancy permits and health and safety approvals for all established school buildings remain valid and in force, and shall certify to the State Board by August 1, 2004 and thereafter no earlier than June 1 and no later than July 1 of each subsequent year during the term of this Agreement that such leases, certificates and approvals remain in force.

7. **Finance**

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

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

c. **Distribution of Funds.** The State Board shall distribute the Charter School Funds, in four quarterly installments payable on or before August 15, November 15, February 15 and May 15 of each fiscal year. The first such distribution shall be August 15, 2004. All funds distributed to the Charter School from the State Board shall be used for educational purposes only. The use of such funds for any other purpose is strictly prohibited.

d. **Refund of Unspent Funds.** In the event that this Agreement is revoked or is not renewed by the State Board, the Charter School shall refund to the State Board all unspent funds in accordance with Section 27A-11(g) of the Charter Schools Law.

e. **Tuition and Fees.** The Charter School shall not charge tuition to any student, unless such student would otherwise be liable for tuition costs under the School Code. The Charter School may charge reasonable fees, to the extent permitted by law, for textbooks, instructional materials, summer school programs, after school programs, and student activities.

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

g. **Management and Financial Controls.** At all times, the Charter School shall maintain appropriate governance and managerial procedures and financial controls which procedures and controls shall include, but not be limited to: (1) generally accepted accounting procedures; (2) a checking account; (3) adequate payroll procedures; (4) bylaws; (5) an organization chart; and (6) procedures for the creation and review of monthly and quarterly financial reports, which procedures shall specifically identify the individual who will be responsible for preparing such financial reports in the following fiscal year.

h. **Annual Audits.** The Charter School shall cause a Financial Statement Audit and Financial and Administrative Procedures Controls Review (collectively, the Financial Audits) to be performed annually at its expense by an outside independent auditor retained by the Charter School and reasonably acceptable to the State Board. The Financial Audits shall include, without limitation:

i. An opinion on the financial statements (and Supplementary Schedule of Expenditures of Federal Awards, if applicable);

ii. A report on compliance and on internal control over financial reporting based on an audit of financial statements performed in accordance with Government Accounting Standards; and

iii. A report on compliance with requirements of applicable laws and regulations, including the audit requirements contained in the Accountability Plan.

The Financial Audits shall be made available to the State Board no later than September 30 of each year during the term of this Agreement, beginning with September 30, 2004.

i. **Quarterly Enrollment Reports.** The Charter School shall prepare or cause to be prepared quarterly enrollment reports, which shall be provided to the State Board on or before July 15, October 15, January 15, and April 15 of each year, beginning July 15, 2004.

j. **Withholding of Funds.** In the event the Charter School fails to submit to the State

Board any documents or information required under this Agreement, or fails to follow any procedures and policies set forth in this Agreement, the State Board may withhold any and all payments of funds to the Charter School providing the State Board gives the Charter School written notice enumerating the specific failure(s). Upon the Charter School's compliance with any such failure(s), the State Board shall immediately release any and all payments of funds due the Charter School. Repeated violations of this paragraph shall be deemed a material violation of this Agreement, and the State Board may revoke this Agreement and the charter of the Charter School.

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

No later than fifteen (15) days following the date of approval of this Agreement by the Illinois State Board of Education, and each July 1 thereafter, the Charter School shall provide the State Board with certificates of insurance or other satisfactory proof evidencing coverage in the types and amounts as set forth above and in Exhibit E. All such insurance policies shall contain a provision requiring notice to the State Board, at least 30 days in advance, of any material change, non-renewal or termination, to the attention of:

Jo Ann Price
Charter School Consultant
Illinois State Board of Education
100 N. First Street
Springfield, IL 62777

9. **Academic Accountability and Evaluations.**

a. **Accountability Plan.** The Charter School shall be held accountable by the State Board in accordance with the Accountability Plan contained in Exhibit F ("Accountability Plan"). Due to potentially sweeping changes regarding testing requirements and other accountability standards that may occur because of the enactment of the No Child Left Behind Act or other laws or mandates, the parties agree that the Accountability Plan attached as Exhibit F hereto is subject to re-negotiation effective on or before June 30 of each year of the Agreement upon written notice from the State Board no later than April 1 of each year. The parties agree to work diligently and in good faith to re-negotiate the Accountability Plan so as to comply with any and all required changes regarding accountability standards which are applicable to charter schools.

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

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

10. **Special Education.**

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

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

11. **Renewal of Charter; Failure to Renew.**

No later than January 1, 2009 and no earlier than September 1, 2008, the Charter School shall provide a written proposal to the State Board in accordance with Section 27A-9 of the Charter Schools Law, setting forth proposed terms of renewal of the Agreement. Pursuant to Section 27A-9(b) of the Charter Schools Law, the renewal proposal of the Charter School shall contain the most recent annual report and financial statement of the Charter School. The written proposal may contain proposed changes to this Agreement that the Charter School desires to incorporate into the renewed agreement.

The State Board shall provide written notice to the Charter School indicating whether, and upon what conditions, it is willing to renew the charter of the Charter School, including any modified terms proposed by the State Board. If there is no agreement on the terms of renewal, the parties shall then fulfill their mutual obligations hereunder to the end of the Term of this Agreement. The State Board may refuse to renew the Agreement upon a finding that any cause for revocation exists under Section 12 hereof.

12. Revocation of Charter.

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

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

In addition, the charter of the Charter School may be revoked in the event that the parties agree to terminate this agreement by mutual consent pursuant to Section 21 of this Agreement.

In the event that the State Board proposes to revoke this Agreement and the charter of the Charter School, the State Board shall provide the Charter School with written notice setting forth in detail the grounds for such revocation at least 14 days prior to the date the State Board will take final action on such revocation.

13. Indemnification.

- a. To the fullest extent permitted by law, the Charter School shall indemnify, defend and hold harmless the State Board, its members, officers, employees, agents, affiliates and representatives, past and present (collectively, the State Board Indemnitees), from and against any and all liabilities, losses, penalties, damages and expenses, including costs and attorney fees, arising out of all claims, liens, demands, suits, liabilities, injuries (personal or bodily), of every kind, nature and character arising or resulting from or occasioned by or in connection with (i) the possession, occupancy or use of the property of the Charter School, its faculty, students, patrons, employees, guests or agents, (ii) any act or omission to act, whether negligent, willful, wrongful or otherwise by the Charter School, its faculty, students, patrons, employees, guests or agents, (iii) a violation of any law, statute, code, ordinance or regulation by the Charter School, its faculty, students, patrons, employees, sub-contractors, guests or agents, and/or any breach, defaults,

violation or nonperformance by the Charter School of any term, covenant, condition, duty or obligation provided in this Agreement including but not limited to the Accountability Plan (collectively, the Covered Losses). This indemnification shall not apply to the extent that any Covered Loss results from the negligence or wrongful act or omission of any State Board Indemnitee or from any act or omission of the Charter School required by law or this Agreement.

b. To the fullest extent permitted by law, the State Board shall indemnify, defend and hold harmless the Charter School, any successor entity thereto, and their respective members, officers, employees, agents, affiliates and representatives, past and present (collectively, the Charter Indemnitees), from and against any and all liabilities, losses, penalties, damages and expenses, including costs and attorney fees, arising out of all claims, liens, demands, suits, liabilities, injuries (personal or bodily), of every kind, nature and character arising or resulting from or occasioned by or in connection with (i) any act or omission to act, whether negligent, willful, wrongful or otherwise by the State Board, its members, agents officers or employees, or (ii) a violation of any law, statute, code, ordinance or regulation by the State Board, its members, agents, officers or employees, and/or any breach, defaults, violation or nonperformance by the State Board of any term, covenant, condition, duty or obligation provided in this Agreement or the Accountability Plan (collectively, the Covered Losses). This indemnification shall not apply to the extent that any Covered Loss results from the negligence or wrongful act or omission of any Charter Indemnitee or from any act or omission of the State Board required by law or this Agreement.

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

14. Disclaimer of Liability.

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

15. Governing Law.

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

16. Waiver.

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

17. Counterparts; Signature by Facsimile.

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

18. Terms and Conditions of the Renewal

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

19. Amendments.

This Agreement may be amended only by written consent of the parties hereto and, in the case of material amendments, only after submission of such amendments to, and approval by, the Illinois State Board of Education in accordance with Section 27A-6(e) of the Charter Schools Law.

20. Assignment.

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

21. Termination.

This Agreement may be terminated prior to its expiration by (a) the mutual consent of the parties or (b) revocation of the charter of the Charter School pursuant to Section 12 hereof. Termination

of this Agreement for any reason shall serve to immediately revoke the charter granted hereby.

22. Notices.

Any notice, demand or request from one party to any other party or parties hereunder shall be deemed to have been sufficiently given or served for all purposes if, and as of the date, it is delivered by hand, overnight courier, facsimile (with confirmation) or within three (3) business days of being sent by registered or certified mail, postage prepaid, to the parties at the following addresses:

If to the Charter School:	Linda C. Brazdil, Ph. D. Executive Director Prairie Crossing Charter School 1571 Jones Point Road Grayslake, IL 60030
With copy to:	Susan Niederlander School Board President Prairie Crossing Charter School 1571 Jones Point Road Grayslake, IL 60030
If to the State Board:	Robert Schiller State Superintendent Illinois State Board of Education 100 N. First Street Springfield, IL 62777
With copies to:	Jo Ann Price Charter School Consultant Illinois State Board of Education 100 N. First Street Springfield, IL 62777
	Respicio F. Vazquez General Counsel Illinois State Board of Education 100 N. First Street Springfield, IL 62777

23. Severability.

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

24. Superseder.

This Agreement supersedes and replaces any and all prior agreements and understandings between the State Board and the Charter School. To the extent that any conflict or incompatibility exists between the Application as incorporated herein and the other terms of this Agreement, such other terms of this Agreement shall control. Notwithstanding anything in this Agreement to the contrary, the Charter School does not consent to comply with any laws, regulations or policies from which it is exempted under the Charter Schools Law.

25. Delegation.

The parties agree and acknowledge that the functions and powers of the State Board may be exercised by the State Superintendent, provided that any ultimate decision regarding renewal, non-renewal or revocation of this Agreement may be made only by the State Board.

26. Prior Actions.

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

27. Construction.

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

28. Incorporation of Exhibits.

All exhibits referenced herein are hereby incorporated into and made a part of this Agreement.

IN WITNESS WHEREOF, the parties have made and entered into this amended and restated Agreement as of the effective date hereof.

STATE SUPERINTENDENT
SCHOOL

By: _____
Name: Robt. Bluh
Title: Supt. of Schools

PRAIRIE CROSSING CHARTER

By: Susan A. Niederlander
Name: Susan Niederlander
Title: Resident

EXHIBIT A

Renewal

The following document is hereby incorporated by reference as if set forth fully herein:

- 1. The Application of the Charter School dated July 15, 2003, as approved by the State Board on September 18, 2003 (the Renewal).**

EXHIBIT B

Recommendation of the State Superintendent

The following document is hereby incorporated by reference as if set forth fully herein:

1. **In the Matter of the Renewal of the Charter for Prairie Crossing Charter School, Recommendation of the State Superintendent dated September 18, 2003**

EXHIBIT C

Additional Information

The following documents are hereby incorporated by reference as if set forth fully herein:

- (1) Prairie Crossing Governance Information**
- (2) Prairie Crossing submission of the special education material**
- (3) Prairie Crossing Charter School Volunteer Policy**
- (4) Prairie Crossing Charter School Revised Transportation Plan**
- (5) Prairie Crossing Charter School Fee Waiver Policy**
- (6) Prairie Crossing Freedom of Information Policy and Procedures**
- (7) Prairie Crossing Charter School Statement of Outreach Plan**
- (8) Prairie Crossing Charter School Mission Statement**
- (9) Prairie Crossing Charter School Vision**
- (10) Prairie Crossing Guiding Principles**

Exhibit D

**STATE OF EDUCATION LIST OF HEALTH AND SAFETY LAWS
APPLICABLE TO CHARTER SCHOOLS**

1. The Following Sections of the Illinois School Code, 105 ILCS 5/1-1 et seq.:
 - a. Section 2-3.12 (requires compliance with State Board of Education building and life and safety codes).
 - b. Sections 10-20.5b, (prohibits tobacco use on school property).
 - c. Section 10-20.17a (requires in-service training for school personnel who handle hazardous or toxic waste.
 - d. Section 10-20.23 (requires schools to have tornado protection programs)
 - e. Section 10-21.10 (prohibits students from having electronic paging devices on school property unless otherwise authorized by the school board).
 - f. Section 10-21.11 (requires schools to have policies for handling students with chronic infectious diseases)
 - g. Section 27-8.1 (requires that students have periodic health examinations and immunizations)
 - h. Section 10-22.21b (requires that schools have policies regarding administering medication to students)
2. Illinois Vehicle Code, 625 ILCS 5/1-101 et seq.
3. Eye Protection in School Act, 105 ILCS 115/0.01 et seq.
4. Fire Drill Act, 105 ILCS 120/0.01 et seq.
5. Toxic Art Supplies in Schools Act, 105 ILCS 135/1 et seq.

EXHIBIT E

INSURANCE REQUIREMENTS

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

EXHIBIT F

Accountability Plan

The State Board and the Charter School have determined the Accountability Plan components are as follows:

1. Annual reporting of all elements required on the school report card submitted annually to State Board by the Director by July 31.
2. Annual reporting on results of student assessment via state testing requirements submitted annually to the State Board by the Director of PCCS on or before August 31.
 - a. All students must take the assessments or alternative assessments.
 - b. 80% of the students must meet or exceed state standards for all grades assessed.
 - c. An Individual Remediation Plan will be developed by a Teacher's Assistance Team for any student who does not meet the state standards.
3. Education elements including the following to be submitted annually to the State Board by the Director of PCCS on or before June 30:
 - a. Class size.
 - b. Enrollment, lottery procedures.
 - c. Enrollment of students with disabilities.
 - d. Personnel credentials.
 - e. Best instructional practices.
 - f. Updated goals, objectives, and pupil performance standards.
 - g. Evaluation of student performance including types of assessments to be used, timelines for achievement of standards, and procedures for taking corrective action if student performance falls below those standards.
 - h. Results of corrective action.
4. Annual submission of documents to the State Board submitted annually to the State Board by the Director on or before September 30.
 - a. Audit report.
 - b. Copies of annual inspections.
 - c. Annual Charter School Report Information.

Exhibit C Attachments

- (1) Prairie Crossing Governance Information**
 - (a) Resumes of Board Directors**
 - (b) Policies for Determination of Number of Board Members and Filling Vacancies on the Board**
 - (c) Articles of incorporation**
 - (d) Amended and Restated ByLaws**
 - (e) Advisory Board Members**
 - (f) Board Committee Information**
 - (g) Frequency of Board and Board Committee Meetings**
 - (h) Roles of Individuals Who Contributed Significantly to the Charter Renewal Proposal**

- (2) Prairie Crossing submission of the special education material**
 - (a) Special Education Policies and Procedures**
 - (b) Director of Special Education**
 - (c) Special Education Assistance Supervisor**

- (3) Prairie Crossing Charter School Volunteer Policy**

- (4) Prairie Crossing Charter School Revised Transportation Plan**

- (5) Prairie Crossing Charter School Fee Waiver Policy**

- (6) Prairie Crossing Freedom of Information Policy and Procedures**

- (7) Prairie Crossing Charter School Statement of Outreach Plan**