

CHARTER AGREEMENT

THIS CHARTER AGREEMENT made and entered into this 15th day of August 2008, by and between **SCHOOL BOARD OF THE CITY OF RICHMOND, VIRGINIA**, a political subdivision of the Commonwealth of Virginia, having its principal place of business at 301 North Ninth Street, Richmond, Virginia 23219, acting by and through its authorized representative (hereinafter referred to as the "School Board"), and **THE PATRICK HENRY SCHOOL OF SCIENCE AND ARTS**, a Virginia non-stock corporation with a pending application for 501(c)(3) status, having its principal place of business at 3411 Semmes Avenue, Richmond, Virginia 23225, (hereinafter called "PHSSA"), and collectively referred to as "The Parties" in this Charter Agreement (the "Charter Agreement").

ACKNOWLEDGEMENTS

WHEREAS, the School Board is the governing body of the Richmond Public School Division ("School Division") and is charged with the duty and authorized to supervise all matters pertaining to the public schools within the City of Richmond, Virginia; and

WHEREAS, the Virginia General Assembly has enacted Article 1.2 of Title 22.1 of the Virginia Code authorizing local school boards to establish charter schools; and

WHEREAS, the School Board is committed to offering and supporting educational systems designed to provide success for every Richmond City Public Schools student delivered through a variety of innovative programs designed to meet the needs of a diverse student body; and

WHEREAS, the School Board recognizes that PHSSA is offering such an innovative elementary school educational program with a Standards of Learning-based academically rigorous science and arts curriculum that emphasizes environmental awareness and social responsibility made possible under the Virginia Charter School law, which provides for a waiver of various restrictive regulations; and

WHEREAS, PHSSA submitted a charter school application as authorized by Virginia Code § 22.1-212.6, et seq. and School Board Policy 8.56 (and Appendix H, thereto) to the School Board to establish a public charter school to be called the Patrick Henry Charter School for Science and Art (hereinafter referred to as "PHSSA"); and

WHEREAS, pursuant to state law, the School Board is authorized to approve and issue a charter to establish and operate a charter school; and

WHEREAS, at a duly convened public meeting on May 19, 2008, the School Board approved the PHSSA charter school application (hereinafter referred to as the "Charter"), subject to certain conditions and the formation of a contract as required by state law, to open the PHSSA;

NOW, THEREFORE, in consideration of the promises and mutual covenants and understandings of each of the parties, the parties hereby covenant and agree as follows:

ARTICLE I - ESTABLISHMENT OF SCHOOL AND CHARTER

A. **Charter**: The School Board hereby authorizes and grants to PHSSA a Charter, which shall operate on behalf of and solely for the benefit of PHSSA. The Charter authorizes PHSSA to establish, organize and operate a charter school in accordance with Article 1.2 of Title 22.1 of the Code of Virginia, the policies and procedures of the School Board, including but not limited to School Board Policy 8.56, as amended from time-to-time hereafter, and the terms and conditions of this Charter Agreement, as set forth herein.



B. **Term**: The initial term of the Charter shall be for three academic years, beginning with the 2009-10 academic year (with the corresponding July 1, 2009 – June 30, 2010 fiscal year) and ending at the conclusion of the 2011-12 academic year (June 30, 2012).

C. **Renewal**: No later than by January 15, 2012, PHSSA may submit a written request compliant with School Board Policy 8.56(K), as amended from time-to-time hereafter, for the renewal of the Charter Agreement to the School Board. The School Board will decide whether to renew and extend the terms of the initial Charter Agreement by no later than March 15, 2012. The decision whether to renew and extend the terms of the initial Charter shall be at the sole discretion of the School Board, and such decision shall not be subject to appeal.

D. **Probation**: In addition to the authority conferred to the School Board to revoke the Charter by Article 1, paragraph E below, the School Board reserves the right to place PHSSA on probation during the initial Term or any subsequent terms for any reasons that would justify revocation. The School Board shall provide PHSSA with written notice of specific deficiencies identified by the School Board which form the basis for its decision to place PHSSA on probation. PHSSA shall have thirty (30) days from notice of its probationary status to develop and submit a written remedial plan to the School Board, such plan to include improvement benchmarks targeted at remediation of the specified deficiencies within ninety (90) days of approval of the remedial plan by the School Board. The School Board will respond to the remediation plan within thirty (30) days. Approval of the remediation plan is within

the sole discretion of the School Board. If the remediation plan is approved by the School Board, and PHSSA fails to correct the deficiencies identified by the School Board to its satisfaction within the time frame allotted, the School Board may agree to extend the probationary period if the School Board determines that sufficient progress is being made based on the good faith effort of PHSSA or the School Board may revoke the Charter pursuant to paragraph E, below.

E. **Revocation:** As authorized by applicable state law and School Board Policy 8.56(K), as amended from time-to-time hereafter, the School Board may revoke the PHSSA Charter prior to the expiration of the initial Term and during any subsequent term if:

1. PHSSA violates the conditions, standards, or procedures established in the application;
2. PHSSA fails to meet or make reasonable progress toward achievement of the content standards or student performance standards identified in the charter application;
3. PHSSA violates a material term of the Charter Agreement;
4. PHSSA fails to meet generally accepted standards of fiscal management;
5. PHSSA violates any provision of law from which it has not been exempted; or
6. the School Board determines that it is not in the public interest or for the welfare of the students within the division to continue its operation.

However, prior to such revocation, the School Board will grant to PHSSA an informal hearing to allow PHSSA to present evidentiary-based reasons for the continuation of its Charter. Upon formal written notice of the School Board's intent to revoke the PHSSA Charter, PHSSA will have five (5) days to give the School Board written notice of its request for an informal hearing. Such hearing will be held no less than ten (10) and no more than twenty (20) days after the School Board receives the notice.

The decision to revoke the Charter shall remain within the sole discretion of the School Board throughout the initial Term and any subsequent terms of this Charter Agreement, as authorized by state law.

F. **Terms and Conditions of the Application:** The Parties hereto expressly agree that the PHSSA charter application, as supplemented on August 15, 2008 (the "supplemented application"), a copy of which is attached hereto as **Exhibit A** and incorporated herein by reference and made a part hereof, sets forth the goals,

standards and general operational policies of PHSSA. PHSSA shall be bound by its representations and obligations as set forth in the supplemented application, as if such representations and obligations were set forth herein in their entirety. The Parties further agree that the supplemented application is not a complete statement of each detail of the operation of PHSSA. To the extent that PHSSA desires to implement specific policies, procedures or other specific terms of operation that supplement or otherwise differ from those set forth in the supplemented application, PHSSA shall request permission from the School Board for a waiver(s) to implement such policies, procedures, and specific terms of operation, provided that such policies, procedures and terms of operation are: (1) not otherwise prohibited or circumscribed by law, School Board policy, or the Charter Agreement, and (2) are not materially different from those set forth in the Charter Agreement. The School Board in its sole discretion shall decide whether to grant any waiver(s) requested by PHSSA.

ARTICLE 2: SPECIFIC CONDITIONS IMPOSED UPON PHSSA

A. **Generally:** The opening of PHSSA and its continued operation are specifically conditioned upon PHSSA's successful fulfillment of the conditions prescribed in this Charter Agreement. Any deadlines for submissions prescribed in this agreement may be extended by the School Board at its sole discretion for good cause shown.

B. **Management and Operation:** PHSSA shall operate in accordance with the supplemented application, this Charter Agreement and all applicable laws and regulations including, but not limited to, Article 1.2 of Title 22.1 of the Code of Virginia and School Board Policy 8.56(H), as amended from time-to-time, which provides that a public charter school shall be responsible for its own operation.

1. As described in the supplemented application, there shall be a PHSSA Board of Directors composed of both elected individuals and three voting ex-officio members. The non-voting ex-officio members shall be the PHSSA principal, and a Parent Teacher Association (PTA) representative selected by the PTA, and a Richmond Public School Board member or a designee recommended by the superintendent of schools and selected by the School Board. The ex-officio members shall join the Board effective July 1, 2009 or as soon thereafter as possible. The PHSSA Board of Directors is responsible for negotiating any contract with the School Board or any other third party for the provision of necessary services. The PHSSA Board of Directors constitutes the link between the School Board and the School Planning and Management Team described below. The PHSSA Board of Directors is responsible for, at a minimum:

a. functioning as the operator of PHSSA and as the legal entity entering into this Charter Agreement with the School Board; approving any Charter Agreement amendments or waivers to be submitted to the School Board, as well as approving the annual budget to be submitted to the School Board for approval;

✓ b. negotiating any contract, and amendments thereto, with the School Board or any other third party for the provision of necessary services;

✓ c. negotiating the terms and use of facilities and any independent contracts related to the operation of PHSSA;

✓ d. approving an annual report and an annual audit for submission to the School Board;

e. establishing PHSSA policy and monitoring the operational decisions of the PHSSA principal; and

f. approving staffing recommendations forwarded from the School Planning and Management Team described below.

2. As described in the PHSSA supplemented application, and in accord with School Board policy, there shall be a duly constituted standing School Planning and Management Team (the "School Planning Team") composed of teachers and administrators working in the school, parents of students enrolled in the school, and representatives of any community sponsors or any combination thereof. The School Planning Team, in cooperation with the Board of Directors, shall function as the legally required school improvement team and will be established prior to the opening of PHSSA, and shall remain operational during the initial Term and all subsequent terms of this Charter Agreement. Responsibilities of the School Planning Team shall include, but are not limited to, the following:

a. overseeing the daily operations of PHSSA;

b. monitoring and assuring compliance with PHSSA and applicable School policies including, but not limited to, those regarding student academics, student discipline, student attendance, instructional issues, school calendar, length of instructional day, extracurricular activities, employee matters, budget issues, and capital needs;

c. determining, in consultation with the Richmond Public Schools' Department of Human Resources, staffing levels and establishing position descriptions for PHSSA/RPS employees for recommendation to the PHSSA Board of Directors;

d. developing the annual budget for PHSSA based on the school's academic needs and goals, and providing financial reports as well as annual reports and annual audits to the PHSSA Board of Directors, and ultimately to the School Board as required elsewhere in this Charter Agreement;

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e. implementing the PHSSA curriculum and monitoring its implementation in accordance with the terms and conditions of this Charter Agreement;

f. proposing amendments to the Charter Agreement and submitting such proposed amendments to the PHSSA Board of Directors, and ultimately to the School Board for approval and/or negotiation;

g. appointing committees as it deems necessary to support PHSSA operations, and receiving regular committee reports from such committees;

h. developing a culture and infrastructure consistent with the mission and policies of PHSSA in collaboration with PHSSA parents, faculty, and students;

i. providing input to the PHSSA Board of Directors for the evaluation of the PHSSA principal as more fully set forth in Article 2, Section F(10) below; and

j. providing input to and regularly communicating with the PHSSA principal regarding the operations of PHSSA, including for the evaluation of PHSSA staff members.

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C. Educational Goals and Objectives: By October 31, 2008, PHSSA shall provide to the School Board an Accountability Plan (the "Accountability Plan") fashioned in accordance with the Richmond Public School's "Balanced Scorecard." PHSSA shall present the educational goals and objectives outlined in the supplemented application with leading and lagging indicators that meet or exceed state and federal requirements, and the requirements of any additional programs in which PHSSA participates. PHSSA shall submit the Accountability Plan and a written certification to the School Board by October 31 in each year of the initial Term and any subsequent terms of this Charter Agreement. The Accountability Plan shall include, but is not limited to:

1. Attendance goals: PHSSA has established (see supplemented application) and will report on its progressive attendance goals, which provide that PHSSA's average daily membership during its third year of operation (anticipated to be the 2011-2012 academic year) meets or exceeds state and federal guidelines and requirements. A report on these student attendance goals and the actual attendance rates on the average daily attendance at PHSSA shall be submitted to the Richmond Public Schools' Department of Instruction monthly on the fifteenth day of each month beginning in the first month PHSSA operates;

2. Standards of Learning: PHSSA has established (see supplemented application) and will report on its quantifiable, measurable, progressive Standards of Learning participation and achievement goals that meet or exceed requirements

towards state and federal guidelines and requirements for each year of the Agreement; and

3. Other: PHSSA's teacher qualifications and other quantifiable, measurable progressive goals shall meet or exceed any additional state or federal requirements.

D. Budget and Financial Status: PHSSA is required to continuously operate on a financially sound basis under applicable state law, School Board policy, and this Charter Agreement. PHSSA submitted a detailed budget for school years 2009-2010, 2010-2011, and 2011-2012, which now appears as Appendix E to its supplemented application and which was based on PHSSA opening for operation on July 27, 2009. Other than startup costs for the library and media center, the principal's first six months of salary, furnishings, and any identified capital needs (as required for ADA compliance or otherwise), PHSSA represents that it can operate the school on the state and local funds requested. Funds to cover the start-up costs and for the intended ADA renovations will be derived through tax-deductible contributions as described in the Budget Narrative of the supplemented application. The School Board and/or Richmond Public Schools shall not assume any responsibility for financial liabilities incurred by PHSSA in excess of budgeted revenues and/or donations received.

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1. Budget Approval for School Year 2009-2010. The School Board shall notify PHSSA in writing of any specific changes it requires made to the 2009-2010 budget, including allowances for all PHSSA start-up costs (capital and operational), opening of school costs, and school year operational costs by October 15, 2008. PHSSA agrees to the following financial benchmarks as fund-raising goals for the 2009-2010 school year, representing that it believes the basic educational operation of PHSSA will not be diminished if any fund-raising efforts fall short of these goals: (a) obtain 40% of 2009-2010 total budgeted grants, donations and in-kind contributions by January 31, 2009; (b) obtain another 15% of 2009-2010 total budgeted grants, donations and in-kind contributions by June 30, 2009; (c) obtain another 25% of 2009-2010 total budgeted grants, donations, and in-kind contributions by November 30, 2009; and (d) obtain the final 20% of 2009-2010 total budgeted grants, donations and in-kind contributions by March 31, 2010. While PHSSA agrees to the quantifiable financial benchmarks listed in this paragraph, PHSSA also reserves the right to prioritize projects and postpone facility projects to meet school operational objectives, but only to the extent such priorities are consistent with applicable law. Notwithstanding the other provisions of this paragraph, PHSSA shall submit to the School Board an income report by December 1, 2008 indicating as of that date a collected fund balance in excess of \$125,000.00, which amount shall be reserved for the costs associated with employing the principal of the school for the months he or she serves during the 2008-09 fiscal year as well as other startup costs.

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The initial budget shall remain subject to the School Board's approval of its annual operating budget for the 2009-2010 academic year, and subject to sufficient appropriations by federal, state and local sources. Further, any item submitted as a

requirement of this Agreement or for any other reason that requires a budget amendment shall include, as part of the plan, an amended budget.

2. Budget Approval for Subsequent School Years. For each subsequent year during the initial Term of the Charter Agreement and any subsequent terms, PHSSA shall develop its annual operating budget according to the schedule established from time-to-time by the superintendent of the Richmond City Public Schools, and shall submit such proposed budget for the superintendent's review and recommendation to the School Board. Each such annual budget shall be subject to the School Board's annual budget making process and approval.

3. Monthly Reporting. Beginning no later than January 31, 2009, and continuing as long as the Charter Agreement is active, PHSSA shall provide to the Richmond Public Schools' Office of Finance and Operations monthly written financial statements, including specifically all operating and non-operating expenses and sources of revenue. In addition, PHSSA shall provide a written consolidated financial report monthly to the School Board. Reporting schedules and formats for all such reports shall be agreed upon by PHSSA and the Richmond Public Schools' Office of Finance and Operations no later than by January 31, 2009.

4. Accounting: The PHSSA financial system of accountability for funds appropriated by the School Board shall comply with established School Board fiscal procedures. GAAP standards shall be used by PHSSA and the School Board to track resources and for all audits of PHSSA finances and operations. PHSSA shall keep proper and complete books, records and accounts with respect to the operation of PHSSA and shall permit the School Board, or its agents, to inspect the same at all reasonable hours and to make paper copies thereof.

E. Facilities:

1. Construction, Maintenance and Upkeep, Generally: PHSSA shall be responsible for all costs associated with the construction, maintenance and upkeep for the Patrick Henry building for the duration of the Charter. PHSSA will ensure the facility complies with the Americans with Disabilities Act. All costs associated with bringing the facility into ADA compliance shall be borne entirely by PHSSA.

2. Comprehensive Evaluation: PHSSA shall complete a comprehensive evaluation of the physical plant at Patrick Henry School. Such evaluation shall include, but not be limited to, an assessment of the building's compliance with applicable state and local building and fire codes, the presence of lead paint, asbestos and other hazardous materials, and of the building's suitability for use for the instructional program outlined by this Charter Agreement. The evaluation shall include cost estimates for any remedial or renovation work required for the Patrick Henry school building to satisfy such structural and/or educational requirements. The comprehensive evaluation shall be conducted according to the following minimum requirements:

a. The comprehensive building evaluation shall be conducted by a team of specialists, including, at minimum, a professional engineer and an educator familiar with current, relevant regulatory requirements. The building inspection and evaluation must include costs of any construction/renovation required by the Americans with Disabilities Act or to remove/remediate hazardous materials, as required by applicable federal law, and a timeline for completing remedial and/or renovation work.

b. The School Board shall make available to PHSSA by September 15, 2008 reports from all ADA-related studies directly relevant to the Patrick Henry School building conducted by RPS prior to the execution of this Charter Agreement.

c. All costs associated with the comprehensive evaluation shall be borne entirely by PHSSA.

d. PHSSA shall present such written evaluation, including such estimates and a timeline for completion of such remedial and/or renovation work to the School Board no later than November 15, 2008.

e. Because time is of the essence in undertaking necessary building repairs or renovations, the School Board will respond to the written evaluation no later than by December 15, 2008. If the School Board does not accept any part of the evaluation, the School Board will indicate the basis for its rejection. The School Board's approval of the written evaluation shall not be unreasonably withheld.

f. The Parties expressly acknowledge that record title to the Patrick Henry School building is held by the City of Richmond. The Parties further agree that the Parties shall work cooperatively to obtain any permits or authorizations required by the City of Richmond, state or federal agencies to make any improvements to the facility.

3. Facility Access. Upon execution of this Agreement, a designated representative of PHSSA will be given a means to access the facility.

4. Lease: Conditioned upon PHSSA's satisfaction of all obligations under this Charter Agreement, the School Board shall lease to PHSSA the Patrick Henry School Building for an initial Term to coincide with the initial Term of this Charter Agreement. Such lease shall be upon such terms as are acceptable to the School Board, and shall include standard terms for leases in which a political subdivision of the Commonwealth of Virginia is lessor. Such lease may be extended, at the School Board's sole discretion, to coincide with any subsequent terms of the Charter Agreement. In the event that the School Board revokes the Charter, the lease for the Patrick Henry School building shall terminate as of the effective date of the Charter termination. The initial lease described in this paragraph E(4) shall be substantially in the form of **Exhibit B**, hereto.

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5. Surplus Property: The School Board shall make available to PHSSA any classroom or office surplus personal property located in the Richmond Public Schools' surplus property warehouse, for PHSSA's sole use. The School Board shall make the surplus property available to PHSSA for inspection and claim immediately upon execution of this Charter Agreement. The School Board does not guarantee that any particular furniture or other personal property will be available to PHSSA at the time it is needed and in no manner guarantees or warrants the condition of any such surplus property.

6. Historic Tax Credits: The Parties shall investigate and pursue all federal and state historic tax credits that may be available for construction/renovation projects at the Patrick Henry School. The Parties shall cooperate with each other in applying for any such federal and state historic tax credits that may be available for capital projects at Patrick Henry School, and in the implementation of any such historic tax credit project approved by applicable governing agencies and the School Board.

7. Educational Program: PHSSA shall at all times during the initial Term and all subsequent terms of the Charter Agreement ensure that the Patrick Henry School facility supports the needs of the educational program of PHSSA.

F. Human Resources:

1. PHSSA Employees: As required by applicable state law, all PHSSA employees shall be employees of the School Board.

2. PHSSA Human Resources Contact: PHSSA will not house an independent Human Resources Department and will utilize Richmond Public Schools' Department of Human Resources. Once hired, the PHSSA human resources contact person shall be the principal of the school. PHSSA shall coordinate with Richmond Public Schools' Department of Human Resources in order to determine minimum staffing levels based on enrollment and to delineate joint and separate responsibilities with respect to PHSSA's personnel.

3. PHSSA Human Resources Procedures: PHSSA will utilize the same merit-based non-discriminatory human resources procedures as the Richmond Public Schools' Department of Human Resources included, but not limited to, those outlined in School Board Policies 7.07 through 7.56, as amended from time-to-time hereafter.

4. PHSSA Position Descriptions: PHSSA will develop position descriptions and job requirements specific to PHSSA, in consultation with Richmond Public Schools' Department of Human Resources.

5. PHSSA Position Availability: PHSSA will notify the Richmond Public Schools' Department of Human Resources when PHSSA positions become available.

6. PHSSA Recruitment and Advertising: PHSSA will adhere to Richmond Public Schools' Department of Human Resources protocols regarding advertising and recruiting of staff members. PHSSA will disseminate job announcements in multiple avenues, including those utilized by the Richmond Public Schools' Department of Human Resources.

7. PHSSA Job Interviews: PHSSA will conduct all job interviews for PHSSA positions and identify acceptable candidates.

8. Employment Contracts: After selection of appropriate candidates for employment by PHSSA, contracts will be negotiated by Richmond Public Schools' Department of Human Resources and will include salary structure and benefits as budgeted by PHSSA, consistent with School Board policy.

9. Equal Employment Opportunity: PHSSA shall be an equal opportunity employer.

10. Evaluation: The PHSSA Board of Directors will perform the annual evaluation of the school principal utilizing a personnel evaluation procedure modified from that utilized by the Richmond Public Schools (detailed specifically in the School Board's By-Laws Section 7, Appendix C, pp. 2-24, as amended from time-to-time hereafter). The substantive difference in the process between that utilized by Richmond Public Schools and PHSSA is that the Board of Directors will conduct both the formative and substantive components of the evaluation. For employees other than the principal, PHSSA will utilize the same personnel evaluation procedures as Richmond Public Schools, detailed specifically in the School Board's By-Laws Section 7, Appendix C (pp. 26-92 for teachers, and pp. 94-123 for classified personnel, as amended from time-to-time hereafter), and the PHSSA handbook.

11. Counseling and Grievance Procedures: PHSSA shall utilize Richmond Public Schools' counseling and grievance procedures and EEO counseling will be made available to all PHSSA employees through the Richmond Public Schools' Department of Human Resources.

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12. Criminal and Background Checks: All PHSSA employees shall be subject to background checks and fingerprinting as required by applicable Virginia law. PHSSA shall bear the costs associated with all such employee background checks.

13. Staff Development: PHSSA shall provide to Richmond Public Schools' Department of Human Resources a detailed staff development calendar for the 2009-2010 school year no later than April 1, 2009. At least one week of in-service training prior to the opening of the 2009-2010 school year will be dedicated to integrated instruction. For each subsequent year of the initial Term and all subsequent terms of the Charter Agreement, PHSSA shall provide to the RPS Department of Human Resources a detailed staff development calendar by April 1. RPS may make district-

wide professional development opportunities available to PHSSA employees on a seats-available, at-cost basis. Likewise, PHSSA may make professional development opportunities that it provides its employees available to other RPS employees on a seats-available, at-cost basis.

14. Legal Obligations: PHSSA's personnel shall be subject to and receive all rights afforded by all applicable federal and state law, School Board policy and Richmond Public Schools' procedures, except to the extent outlined in PHSSA's supplemented application, this Agreement, and any waivers approved by the School Board.

G. Exceptional Education and Student Services: PHSSA shall comply with all state and federal special education laws and regulations including, without limitation, the Individuals with Disabilities Education Improvement Act of 2004 and Section 504 of the Vocational Rehabilitation Act of 1973. PHSSA shall also be subject to all School Board policies and regulations regarding the education of students with special needs, and Richmond Public Schools' exceptional education procedures. In addition to any requirements referenced above, PHSSA specifically shall meet or exceed the following requirements:

1. Child Study Procedures: PHSSA shall utilize the same child study process that is utilized by other Richmond Public elementary schools to ensure that the process adheres to the procedures identified in the Virginia Department of Education's state regulations, and the Virginia Department of Education's guidance document Procedures for Child Study Committees Operating in Virginia, and shall operate as a general education function.

2. Special Education Regulatory Requirements: PHSSA shall comply with all state and federal legal obligations and RPS policies, procedures and practices used by RPS to educate and provide services to any special education students at PHSSA, placed at PHSSA by an IEP team or that PHSSA is otherwise obligated to serve. This includes: child find activities, special education evaluations and eligibility criteria, and the development of individualized education programs.

3. Screenings: All PHSSA students, (through grade three), within 60 business days of initial enrollment, shall be screened in speech, voice, language, vision, hearing, and fine and gross motor functions to determine if a referral for special education and related services is indicated. In addition, the vision and hearing of all children in grade three (and grades seven and ten should PHSSA serve those grades) shall be screened during the school year.

4. Special Education Support Personnel: PHSSA shall coordinate with the Richmond Public Schools' Department of Exceptional Education and Student Services to determine the cost, quantity and estimated time for use of exceptional education support personnel, including but not limited to, speech/language pathologists, occupational therapists, behavior specialists, physical therapists, and

school psychologists who will be needed to participate in student services activities, including child study and special education meetings. PHSSA shall develop a written plan for such usage, and present such plan for approval by the Richmond Public Schools' Director of Exceptional Education no later than by October 31, 2008.

5. Attendance, Truancy and Discipline: PHSSA shall be subject to all applicable state law, School Board policies and regulations, and Richmond Public Schools' procedures regarding student attendance, truancy and discipline. Specifically, PHSSA students shall be subject to the Richmond City Public Schools' Standards of Student Conduct.

6. Medicaid Activities: PHSSA staff shall participate in all Medicaid activities for PHSSA students, including administrative time studies.

7. Continuum of Educational Placements and Services: PHSSA shall provide a continuum of educational placements and services for students with disabilities. PHSSA shall submit a plan to provide a continuum of placements and services by October 31, 2008.

8. Staffing and Caseload: PHSSA shall meet state special education staffing and caseload requirements for students with disabilities. PHSSA shall, by October 31, 2008 provide the School Board with a projection for meeting the staffing and caseload requirements for the projected 19-21 students with disabilities, and with its plan for meeting staffing and caseload requirements for the actual number of students with disabilities within ten (10) days of their acceptance into PHSSA.

9. Evacuation Plans: PHSSA shall establish an individual evacuation plan for specific students with disabilities by August 15, 2009 and each year thereafter within twenty (20) days of enrollment for any mid-year enrolling student with a disability. PHSSA has a detailed general evacuation plan included as part of its "Safety and Security Plan."

H. Instruction: PHSSA shall abide by all state and federal laws and regulations, School Board policies and regulations, and Richmond Public Schools' procedures regarding instruction, curriculum and accountability, except to the extent that the School Board and/or the division superintendent grants waivers or requests waivers from the Virginia Department of Education on PHSSA's behalf. PHSSA shall identify textbooks and related instructional materials in all core subject areas no later than by January 31, 2009. PHSSA shall provide a standards-based core curriculum aligned with the curriculum required by the Virginia Standards of Learning (SOL) and focusing on progress toward student mastery of the essential knowledge and skills in English, language-arts, mathematics, science and social science. PHSSA shall submit a sample pacing chart demonstrating that all Standards of Learning objectives are taught and detailing the scope and sequence in which they are taught by October 31, 2008. PHSSA shall be solely responsible for the general education costs

for all instructional areas. In addition, PHSSA shall meet or exceed the following instructional requirements:

1. Math Program: PHSSA has selected Pearson's "Investigations in Numbers, Data, and Space" as its core mathematics program. As part of its selection of "Investigations in Numbers, Data and Space," PHSSA shall, by October 31, 2008:

a. Submit a professional development plan consistent with the requirements of Article 2, paragraph F(13) that ensures systematic and on-going training in the implementation of the math curriculum; and

b. Submit a plan for intervention and remediation of math skills and strategies not mastered by a student.

2. Reading Program: PHSSA has selected the "Reading Street" series by Pearson/Scott Foresman, which shall include the key teaching components of an effective reading program such as phonemic awareness, phonics, fluency, vocabulary and comprehension. By executing this Charter Agreement, PHSSA certifies in writing that it understands the difference between core reading programs necessary to provide the key components of effective reading instruction, and reading materials used to supplement such effective reading instruction. As part of its selection of the reading program "Reading Street," PHSSA shall, by October 31, 2008:

a. Submit a staff development plan consistent with the requirements of Article 2, paragraph F(13) for implementation of the reading program, to include training on transitioning from a basal reading program to a trade books-based program, training regarding effective reading programs and the manner in which the selected reading programs will be incorporated into reading/language arts instruction at PHSSA;

b. Submit the scope and sequence for word study; and

c. Submit a plan for ensuring the early identification of students who are lagging in their achievement of reading skills and ensure that appropriate intervention and reassessment are provided.

3. Integrated Curriculum: PHSSA may implement an "integrated curriculum" provided it satisfies the following requirements:

a. The curriculum shall include instruction in reading/language, mathematics, science, history/social studies, art, music, behavioral skills, and physical/health education;

b. The curriculum shall be SOL-based and utilize RPS's published Curriculum Compass;

c. The teachers implementing the curriculum shall be VDOE-licensed teachers certified with the appropriate endorsements to teach the required subject matter;

d. PHSSA shall certify, based on its actual practice, that the required number of instructional minutes are provided in every subject. Such certification shall be provided each grading period, accompanied by relevant prescriptions and criteria; and

e. PHSSA shall institute the accountability measures outlined in this Charter Agreement to periodically report on student performance and attendance with quantitative indicators of learning achievement.

4. Academic Interventions: PHSSA shall implement a Response to Intervention ("RtI") program as a tool for assessing and working with struggling learners. The RtI program will fulfill the requirement for the academic interventions/strategies plan. The Richmond Public Schools' Department of Instruction shall cooperate with PHSSA in any necessary revisions of the academic intervention plan. Any changes in the PHSSA academic interventions/strategy plan shall be submitted to the RPS Department of Instruction for review, comment and approval at least three (3) months prior to their proposed implementation. In developing its initial academic interventions/strategies plan and each annual plan thereafter, at a minimum PHSSA shall:

a. adhere to the recommendations of Supt. Memo No. 239 dated 9 November 2007;

b. initiate appropriate interventions based upon student progress that does not meet expectations, as measured by performance assessments, portfolios, anecdotal records, individual assessments, and standardized tests;

c. implement a "Pyramid of Intervention," which is a three-tiered approach to intervention, (Tier I of the intervention shall be a generalized intervention requiring no additional staff; Tier II shall provide a strategic intervention; and Tier III shall provide an intensive intervention);

d. implement all interventions with appropriately qualified and VDOE-certified professionals;

e. ensure that volunteers utilized in the Pyramid of Intervention are qualified to provide supplemental support and supervised by a professional (as described above);

f. clarify what, if any, third party supplemental educational services it shall provide under Tier III interventions;

g. pay all costs associated with the employment of third party supplemental educational support for the Pyramid of Intervention;

h. utilize a regular reporting instrument to apprise the School Board, through RPS' Department of Instruction, of individual student progress following Tier III intervention;

i. monitor the progress of students, deciding the level of intervention necessary, and reassess as part of an on-going assessment through the use of personal education plans, progress reports/teacher evaluations, grades and standardized assessments; and

j. determine the manner in which students will receive PALS (Phonological Awareness Literacy Screening) tutoring.

PHSSA shall annually provide copies of its academic interventions/strategies plans to the Richmond Public Schools' Department of Instruction for review, comment and approval no later than by April 1 in each year of the initial Term and all subsequent terms of the Charter Agreement.

5. Student Assessments: As is outlined elsewhere in this Charter Agreement, PHSSA shall implement a comprehensive PHSSA student academic/achievement testing program that includes all state, federal and local assessment requirements, including administration of Virginia's Standards of Learning (SOL) assessments at the required grade levels. On or about April 1 of each year of the initial Term and all subsequent terms of the Charter Agreement, PHSSA shall provide to Richmond Public Schools' Department of Instruction for review and approval any proposed changes to the PHSSA student assessment program. The Richmond Public Schools' Department of Instruction shall cooperate with PHSSA in any assessment program plan revisions, and retains sole authority to reject such plan and/or require revisions to such plan. PHSSA's initial assessment program is summarized as follows:

a. PHSSA shall administer all state, federal and local assessment requirements, including administration of Virginia's Standards of Learning (SOL) assessments at the required grade level;

b. The cost for Phonological Awareness Literacy Screening ("PALs") testing shall be covered by applicable state funds as described in VDOE Supts. Memo No. 89, dated April 11, 2008. The applicable costs for PALS tutoring will be covered by state funds as described in VDOE's RtI Guidance Document referenced by Supts. Memo No. 239 dated 9 November 2007;

c. PHSSA shall share student data with Richmond Public Schools each nine weeks, in conjunction with the Richmond Public Schools reporting requirements;

d. PHSSA shall utilize the same grading system utilized by the School Division;

e. PHSSA shall include in its comprehensive assessment program annual Personal Evaluation Plans, quarterly Progress Reports/Teacher Evaluations, and Project Based Self Assessment;

f. PHSSA shall utilize the Phonological Awareness and Literacy Screening – Reading (PALs) and may utilize the Developmental Reading Assessment (DRA2), and by executing this Charter Agreement, provides its written assurance that its use of dual assessments will not negatively impact instructional time for PHSSA students;

g. PHSSA shall ensure that PHSSA teaching staff are trained by the publisher of all assessment instruments;

h. PHSSA shall include in the budgets required of PHSSA in Article 2, paragraph B, above, the costs of all assessments;

i. PHSSA will share student Assessment Data Reports with RPS each nine weeks in synchrony with the progressive quarterly calendar, in conjunction with RPS reporting requirements;

j. PHSSA shall train its testing coordinator on administering and scoring of all tests required to be administered by RPS when other RPS administrators are trained;

k. PHSSA shall develop a detailed staff development calendar, as outlined in Article 2, paragraph F(13), above. PHSSA shall, at a minimum, provide training in core reading and math programs, supplemental reading tools and all assessment tools to be used as part of its assessment program plan,. The training shall be systemic and conducted throughout each year of the initial Term and all subsequent terms of the Charter Agreement. PHSSA shall submit the initial staff development calendar to the Richmond Public Schools' Department of Instruction for review, comment and approval no later than by April 1, 2009, and the plan shall be incorporated into this Charter Agreement. The Richmond Public Schools' Department of Instruction shall cooperate with PHSSA in the revision of such staff development calendar, and retains sole authority to reject such calendar and/or require revisions to such calendar.

6. Instructional Plan for Art, Music and Physical Education: PHSSA shall develop an instructional plan for art, music and physical education. PHSSA shall be solely responsible for all costs associated with PHSSA art, music and physical education personnel and programming. PHSSA shall develop an initial instructional plan for art, music and physical education and submit such plan to the Richmond Public Schools' Department of Instruction for review, comment and approval no later

than by April 1, 2009. The Richmond Public Schools' Department of Instruction shall cooperate with PHSSA in the revision of such instructional plan for art, music and physical education, and retains sole authority to reject such plan and/or require revisions to such plan. PHSSA shall annually thereafter provide copies of its instructional plan for art, music and physical education to the Richmond Public Schools' Department of Instruction for review, comment and approval no later than by April 1 in each year of the initial Term and all subsequent terms of the Charter Agreement.

7. Student Guidance Services: PHSSA shall provide an appropriate school guidance and counseling program, which shall include components of academic guidance and personal/social counseling offered in a combination of large group, small group and individual settings. All such school guidance and counseling services shall comply with applicable Virginia law, including the Virginia Board of Education's Regulations Regarding School Guidance and Counseling Programs in the Public Schools of Virginia, 8 VAC 20-620-10. A plan for the delivery and provision of these services is incorporated into its supplemental application, and shall be implemented in accordance with the following:

a. PHSSA has budgeted for professionally certified or trained counselors consistent with state standards and in proportion to its projected enrollment, and shall adjust its budget if enrollment exceeds expectations;

b. Parents shall be informed about the purpose and nature of the programs, and shall be given an opportunity to review materials to be used in guidance and counseling programs;

c. Information and records of personal/social counseling shall be kept confidential and separate from a student's educational records and not disclosed to third parties without prior consent or as otherwise provided by law; and

d. PHSSA shall follow the School Board's guidance and counseling services policy, including the role of the guidance counselor.

8. Media Services Plan: PHSSA may request that RPS apply for a Media Services waiver from the Virginia Department of Education. Such waiver must be affirmatively granted. Absent such waiver, PHSSA shall provide a description of its media center and develop a plan for the provision of media services and submit such plan to the Richmond Public Schools' Department of Instruction for review, comment and approval no later than by April 1, 2009. The plan shall indicate whether a media specialist will be hired and the manner in which media resources and books will be purchased. The Richmond Public Schools' Department of Instruction shall cooperate with PHSSA in the revision of such media services plan, and retains sole authority to reject such plan and/or require revisions to such plan. PHSSA shall annually thereafter provide copies of its media services plan to the Richmond Public Schools' Department of Instruction for review, comment and approval no later than by April 1

in each year of the initial Term and all subsequent terms of the Charter Agreement. This plan shall be incorporated into this Agreement upon approval by the Richmond Public Schools' Department of Instruction.

9. English as a Second Language Services: PHSSA shall develop a plan for the appropriate provision of English as a Second Language (ESL) services to eligible PHSSA students, which shall be delivered by a qualified teacher holding VDOE ESL certification. PHSSA shall develop an initial ESL services plan and submit such plan to the Richmond Public Schools' Department of Instruction for review, comment and approval no later than by April 1, 2009. The Richmond Public Schools' Department of Instruction shall cooperate with PHSSA in the revision of such ESL services plan, and retains sole authority to reject such plan and/or require revisions to such plan. PHSSA shall annually thereafter provide copies of its ESL services plan to the Richmond Public Schools' Department of Instruction for review, comment and approval no later than by April 1 in each year of the initial Term and all subsequent terms of the Charter Agreement. This plan shall be incorporated into this Agreement upon approval by the Richmond Public Schools' Department of Instruction.

10. International Baccalaureate Primary Years Program: the Parties recognize that PHSSA, in its supplemented application, represented that it has as one of its goals to operate an IB Primary Years Program at PHSSA in later years of its operation. The Parties further acknowledge and recognize that the IB Primary Years Program has specific guidelines and expectations and that, should PHSSA begin exploring application for and implementation of an IB program, the Parties will need to revisit and may need to amend the Charter Agreement to ensure consistent instruction that is designed to satisfy both the IB program and this Charter Agreement. At such time as PHSSA believes it has the capacity to introduce an IB program, PHSSA will timely submit a plan for such program to the RPS Department of Instruction and cooperate with RPS on the implementation of such plan. PHSSA will not submit such a plan until it has fully operated for at least three years.

I. Admissions and Enrollment: PHSSA shall comply fully with the Virginia free schools law as applied to charter schools, Virginia Code Section 22.1-3, which requires that "Enrollment shall be open to any child who is deemed to reside within the relevant school division or, in the case of a regional public charter school, within any relevant school divisions, as set forth in 22.1-3, through a lottery process on a space available basis. A waiting list shall be established if adequate space is not available to accommodate all students whose parents have requested to be entered in the lottery process. Such waiting list shall be prioritized through a lottery process and parents shall be informed of their student's position on the list." PHSSA shall conduct the lottery by assigning a number to each application. The numbers, separated by grade level, will be placed in a hopper. The numbers will be drawn during a video-taped session by a third party, such as an accounting firm. Current students and siblings of current students will have pre-lottery status in admissions.

J. **Displacement and Reassignment:** In regard to long-term or permanent closure of the facility, PHSSA shall implement the "Displacement Plan: Pupils and Employees" as outlined in Section IX of its supplemented application. This plan provides that in case of termination or revocation of the Charter, or as defined in the family involvement contract, students will return to their zone schools. Staff members, as employees of the School Board, will be reassigned to positions within the school system, consistent with applicable law. Unplanned temporary displacement because of partial or complete destruction of the school building will be handled according to the Emergency Plan outlined in the Disaster Recovery portion of the supplemented application, and according to all applicable law.

K. **Technology:** PHSSA will consult with Richmond Public Schools' Department of Information Technologies to determine the technology required to be compatible with all required RPS systems, including machines, hardware and software. A plan to obtain the specific technology and to network with all required RPS systems will be submitted to RPS' Department of Information Technologies by January 31, 2009.

L. **Telephones:** PHSSA will consult with Richmond Public Schools' Department of Telecommunications to determine the required equipment and systems to be compatible with all required RPS systems. A plan to obtain the equipment and system and a timeline for installation shall be submitted to RPS' Department of Telecommunications by January 31, 2009.

M. **Food Services:** PHSSA shall implement a School Nutrition Program, including participation in the free and reduced lunch programs. PHSSA shall abide by all federal and state laws and regulations, School Board policies and regulations, and other applicable requirements with regard to its School Nutrition Program. PHSSA shall become a part of the RPS School Nutrition Program by virtue of the fact that PHSSA will be part of RPS. PHSSA will execute a memorandum of agreement with RPS by October 31, 2008, regarding provision of food and food services similar to those provided by other Richmond Public Schools.

N. **Transportation:** The School Board shall be responsible for transporting students with disabilities who require special education transportation in order to attend PHSSA. Similar to other Richmond Public Schools with specialty programs, such as Open High School and Community High School, and students who attend schools outside of their zoned school through the School Board's open enrollment policy, it shall be the responsibility of the families desiring enrollment to transport their children to PHSSA. PHSSA will work through Ride Finders to offer a smart commute program for its employees and students. The PHSSA PTA shall maintain a Carpool- Ride/Share Committee to facilitate environmentally friendly transportation, where possible. If it appears that any student is being excluded (or excluding themselves) from enrollment because of a perceived inability to arrange suitable daily transportation, PHSSA will work diligently to develop an alternative transportation plan to meet that student's needs.

O. **Family (Parent/Guardian) Involvement:** PHSSA shall implement its requirement of six (6) hours per quarter of family (parent/guardian) involvement as a condition of a child's admission and continued enrollment, subject to the provisions of this paragraph. Recognizing that time constraints of working parents and single parents/guardians, PHSSA shall offer multiple ways in which families can satisfy the involvement requirement. Some of these opportunities shall be available during the day, some the evenings, and some on weekends. PHSSA shall establish a Volunteer Coordinating Committee to assist families in meeting their involvement requirement. The standard for successful completion is a good faith effort on the part of the family. If PHSSA determines that a family has not made a good faith effort to comply, or in the event a family does not fulfill the contractual requirements in at least two of the four school quarters, the student will not be offered a new enrollment contract and will be expected to transfer to another school at the end of the school year, but not during any school year. The parent/guardian may appeal the transfer decision to the principal. As part of its annual reporting to the School Board, PHSSA shall provide data regarding the impact that the family involvement requirement is having on admissions and continued enrollment at the school, and the School Board and PHSSA may revisit this requirement at any time if either party believes the requirement is negatively impacting enrollment or admissions.

P. **Nondiscrimination:** PHSSA, its successors and assigns, affirms and agrees to comply fully with the Title VI and Title VII of the Civil Rights Act of 1964, as amended, and all regulations promulgated thereunder.

Q. **Diversity:** PHSSA has engaged and will continue to engage in efforts to ensure that its Board, student body, and staff are diverse in the areas of race, gender, socio-economic status and community/civic association. PHSSA's on-going effort to reach out to a variety of civic associations, faith-based organizations, civic leaders, and parents of school aged children throughout Richmond has the objective of making PHSSA one of the most diverse schools in the City. As part of PHSSA's core objective of diversity, a community outreach team will be held accountable for continually pursuing activities that strive to meet that objective. PHSSA shall report to the School Board annually on its on-going activities and the initial results of such efforts based on enrollment applications and staff applications no later than by April 1, 2009, and by April 1 of each year during the initial Term and any subsequent terms of the Charter Agreement.

R. **Student Records:** PHSSA shall adhere to all federal and state laws and School Board policies and regulations regarding student records, including without limitation the Family Educational Rights and Privacy Act, 20 U.S.C. § 1232g. PHSSA shall utilize the Richmond Public Schools' established procedures for student record keeping, including specifically its electronic student data collection and storage system and student attendance system. In addition, PHSSA shall utilize Richmond City Public Schools' student records and student forms to maintain consistency throughout the School Division.

S. **Regulations/Legal Requirements:** PHSSA shall comply with all applicable provisions of state and federal law governing the Richmond Public Schools and related to the operation of a public charter school in Virginia. PHSSA shall obtain at its sole expense all licenses, permits and authorizations required to meet its obligations under this Charter Agreement and applicable law. PHSSA shall comply with all School Board policies and regulations not in conflict with or pre-empted by this Charter, unless otherwise waived by the School Board in its sole discretion. PHSSA shall comply with applicable provisions of the Virginia Public Procurement Act.

T. **Indemnification:** Pursuant to the terms and conditions of this Charter Agreement, PHSSA agrees to defend, save harmless and indemnify the School Board from and against any and all claims, including those for damages and attorneys' fees, against the School Board allegedly caused by the operation of PHSSA.

U. **Insurance:** PHSSA shall at all times during the initial Term and any subsequent terms of this Charter Agreement, maintain a comprehensive general liability insurance policy for its operation of PHSSA at the Patrick Henry School facility with minimum coverage limits and policy conditions, including but not limited to deductibles, equal to or in excess of those maintained by the School Board on its other school facilities. Alternatively, PHSSA may satisfy this requirement by participating in Richmond Public Schools' procurement of insurance at RPS's actual cost of procuring the insurance coverage for PHSSA, but shall remain responsible for deductible amounts solely attributable to damages to the Patrick Henry School facility.

ARTICLE 3: SPECIFIC CONDITIONS IMPOSED UPON THE SCHOOL BOARD

A. **Definition:** The School Board is the chartering authority which has authorized PHSSA to establish and operate PHSSA pursuant to Article 1.2 of Title 22.1 of the Code of Virginia.

B. **Duties and Responsibilities:** The School Board retains all duties and responsibilities imposed upon it as the chartering authority pursuant to Article 1.2 of Title 22.1 of the Code of Virginia. Such duties and responsibilities include, but are not limited to, the following:

1. Regularly evaluating PHSSA's performance and compliance with the Charter Agreement;
2. Responding definitively within thirty business days (unless as otherwise specifically provided in this Charter Agreement for a particularly time-sensitive issue) to any submissions by PHSSA to RPS and, if the submission is deemed unacceptable, identifying what is unsatisfactory and suggesting what would be satisfactory;

3. Establishing annually during the School Board's budget-making process, the financial allocation for PHSSA's operating budget from sources within the School Board's appropriations, direction and control;

4. Ensuring annual funding is available to PHSSA not later than July 1 of any given fiscal year for the initial Term and any subsequent terms of the Charter Agreement, which annual funding shall at all times remain subject to annual appropriations from applicable sources. The Parties specifically acknowledge and agree that the School Board shall release no funding from its annual operating budget to PHSSA prior to July 1, 2009;

5. Recognizing the PHSSA School Planning and Management Team, in cooperation with the PHSSA Board of Directors, functions as the "School Improvement Team" required by the No Child Left Behind Act;

6. Providing access to the Patrick Henry facility upon execution of this Charter Agreement;

7. Allowing PHSSA to view and identify surplus property that PHSSA wishes to utilize in the operation of the Charter School. The School Board will make such identified property available to PHSSA as outlined elsewhere in this Charter Agreement;

8. Cooperating with PHSSA in securing any and all available tax credits as PHSSA assesses for and performs renovations required to comply with the Americans with Disabilities Act, the cost for which is borne entirely by PHSSA;

9. Cooperatively work with PHSSA in securing any and all available historic and other tax credits available to operate PHSSA most efficiently and economically;

10. Acting promptly on requests made by PHSSA for individual employees, as would any other principal/administration within the Richmond City School system, with the understanding the RPS remains the employer of all PHSSA Charter School employees;

11. Working with PHSSA regarding its receipt, use and accounting of non-School Board appropriated funds, to comply with all applicable law and industry accepted accounting procedures;

12. Receiving annual requests for funding PHSSA as part of its budget-making process and, within its discretion, may budget and appropriate available funds in accordance with applicable law and the terms of the Charter Agreement, so long as PHSSA is in compliance with the law and the terms of the Charter Agreement;

13. Evaluating and acting upon any proposed amendments to this

Charter Agreement;

14. Granting PHSSA an informal hearing before a determination to revoke its Charter is made. As is outlined elsewhere in this Charter Agreement, the School Board shall make any such decision to revoke based on a good-faith evaluation of the evidence presented and there shall be no right to appeal the School Board's decision;

15. Cooperating with PHSSA in performing the tasks outlined in Article 2, above;

16. Evaluating and timely acting upon any requests for waivers of regulations in keeping with the spirit of Virginia's Charter School law; and

17. Evaluating and timely acting upon any renewal requests for this Charter Agreement prior to the expiration of the initial three-year Term, and any subsequent terms.

C. **Fiscal Responsibilities:** In accordance with the terms and conditions of this Charter Agreement, state law and School Board policy, the School Board shall disburse funding to PHSSA to support its operation. PHSSA will seek and receive other funds through local, state or federal government sources and/or from private sources.

1. **Enrollment:** Funding for the initial year of PHSSA' operation by the School Board shall be appropriated based on projected enrollment as defined in the supplemented application. If actual PHSSA student enrollment varies from such projections, adjustments to the School Board appropriations to PHSSA shall be made to reflect actual enrollment.

2. **Funding:** Provided PHSSA annually demonstrates financial soundness as required by this Charter Agreement and Virginia Charter School Law, the receipt of a specific federal grant for its operations will not serve as a condition precedent to the continuation of this Charter.

ARTICLE 4: MISCELLANEOUS PROVISIONS

A. **Waiver:** No waiver of any breach of this Charter Agreement shall be held as a wavier of any other or subsequent breach.

B. **Disputes:** The parties agree that any disputes that arise regarding the interpretation or implementation of this Charter Agreement will be presented first to the Richmond Public Schools division superintendent or his/her designee for resolution. If the dispute cannot be resolved, the dispute may be presented to the School Board for its review and decision. The School Board may convene a hearing to consider the dispute or may consider the dispute based only upon any written record of the dispute. However, if requested by PHSSA, the School Board will

convene a full hearing before making a final decision. The School Board's decision regarding any disputes that arise under this Charter Agreement shall be final and shall not be subject to appeal. Nothing in this paragraph shall diminish or otherwise alter the School Board's right at any time to revoke the Charter Agreement as authorized by Virginia law.

C. **Modification:** This Charter Agreement shall only be modified by formal written instrument executed by authorized representatives of the parties, and specifically may not be modified by any other act of the parties or their representatives.

D. **Disclosure and Entire Agreement:** Each party expressly certifies that it, in executing this Charter Agreement, has consulted with legal counsel and that respective legal counsel has fully reviewed and advised the parties regarding the terms and conditions of this Charter Agreement. No representations have been made by either party to the other except as herein expressly set forth, and this Charter Agreement, together with the instruments heretofore incorporated by reference, contains the entire understanding of the parties relating to the rights herein granted and the obligations herein assumed, and supersedes all previous communications, representations, or agreements, either written or oral, between them, and not incorporated herein. There are no warranties, promises, covenants, or undertakings other than those expressly set forth herein.

E. **Severance Clause:** If any of the provisions of this Charter Agreement are held to be illegal, invalid or unenforceable, all other provisions shall nevertheless continue in full force and effect as if such illegal, invalid, or unenforceable provision were not contained herein.

F. **Construction:** This Charter Agreement shall be construed in accordance with the laws of the Commonwealth of Virginia. Any litigation arising from this Charter Agreement shall be heard exclusively in the City of Richmond Circuit Court. This Charter Agreement has been drafted and prepared by both parties and should not, in the event of a dispute, be interpreted against one party or the other.

G. **Non-appropriation:** This Charter Agreement is subject to annual budget approval by the School Board and annual appropriation of funds by multiple sources, including the City of Richmond City Council. In the event that the School Board, City Council or any other applicable funding source fails to budget or appropriate funds necessary to support PHSSA, this Charter Agreement shall be deemed cancelled, with no liability to the School Board, and of no effect. Notice of such cancellation will be given to PHSSA within thirty (30) days of an action constituting a failure to fund or appropriate. However, the failure of the School Board to provide such notice shall not invalidate any failure to fund or appropriate.

H. **Non-Assignment:** This Charter Agreement and the rights and obligations created hereunder, may not be assigned by PHSSA to any party.

LEASE AGREEMENT

THIS LEASE AGREEMENT (this "Lease Agreement") is made as of _____, 2009 between **SCHOOL BOARD OF THE CITY OF RICHMOND, VIRGINIA** (the "Lessor") and **PATRICK HENRY SCHOOL OF SCIENCE AND ARTS** (the "Lessee").

WITNESSETH:

1. **Leased Premises.** The Lessor hereby leases to the Lessee and the Lessee hereby leases from the Lessor, the land and improvements thereon formerly known as the Patrick Henry Elementary School, briefly described as 3411 Semmes Avenue, Richmond, Virginia (Tax Parcel ID# _____) (the "Leased Premises").
2. **Term.** The term of this Lease Agreement shall be coterminous with the term of the Charter Agreement between the Lessor and Lessee dated August 15, 2008 (the "Charter Agreement"). Pursuant to the terms and conditions of the Charter Agreement, the initial term of this Lease Agreement shall be from July 1, 2009 through June 30, 2012. The term of this Lease Agreement may be extended pursuant to the conditions of Article 2, paragraph (E)(4) of the Charter Agreement.
3. **Rental Payment.** The Lessee covenants and agrees to pay to the Lessor a total annual rent of One Dollar and No/100 Dollars (\$1.00), payable upon the execution of this Lease Agreement and on the 1st day of July in each year of the Lease Agreement.
4. **Use of Leased Premises.** The Lessee shall use and occupy the Leased Premises as a public charter school, organized and operated according to the laws of the Commonwealth of Virginia.
5. **Utilities.** The Lessee shall pay the cost of all of its telephone, electricity, water (including sewer) and other utility bills and deposits. The Lessee shall pay the taxes, if any, and governmental charges of any kind whatsoever that may be lawfully assessed, levied or imposed against the land and improvements comprising the Leased Premises.
6. **Maintenance and Repairs.** The Lessee shall be solely responsible for any necessary repairs to the Leased Premises and all associated costs and shall maintain the Leased Premises in good order and repair and the interior of the Leased Premises neat and attractive, as further described in Article 2, paragraph E of the Charter Agreement. Specifically, the Lessee shall be solely responsible for all renovations and improvements to the facility and all associated costs, as further described in Article 2, paragraph E of the Charter Agreement, including, but not limited to, those necessary for Americans with Disabilities Act compliance. The Lessee will, at the expiration of the term of this Lease Agreement or any renewal thereof, deliver up the Leased Premises in good order and condition, reasonable wear and tear excluded.

7. Fire and Casualty Damage. In the event the Leased Premises are damaged or destroyed by fire or other casualty, the rights and obligations of the Lessor and the Lessee shall be as follows:

(a) (Total Destruction): In the event the Leased Premises are totally destroyed by fire or other casualty, or should the Leased Premises be so damaged that rebuilding or repairs cannot be reasonably completed by the Lessee within sixty (60) days after the date of such damage, the Lessor shall have the option to terminate this Lease Agreement, said termination to be effective as of the date of such damage. However, should the Lessor not exercise its option to terminate this Lease Agreement, the Lessee shall proceed with due diligence to restore the Leased Premises to the condition in which it existed prior to such damage.

(b) (Partial Destruction): If the Leased Premises should be damaged by fire and other casualty such that rebuilding or repairs can be reasonably completed by the Lessee within sixty (60) days from the date of such damage, this Lease Agreement shall not terminate, and the Lessee shall proceed with due diligence to rebuild or repair the Leased Premises to the condition in which it existed prior to such damage. Notwithstanding anything to the contrary herein contained the Lessor shall have the option to terminate this Lease Agreement if it determines in its sole discretion that the insurance proceeds are not sufficient to rebuild or repair the Leased Premises.

8. Insurance.

The Lessee shall insure at its own expense the Leased Premises and the property, improvements, inventory and contents against loss or damage due to fire or other hazards, as required by Article 2, paragraph H of the Charter Agreement.

9. Assignment and Subletting. The Lessee may not assign this Lease Agreement or sublet the Leased Premises, or any part thereof without prior written consent from the Lessor.

10. Indemnification. The Lessee shall defend, indemnify and save harmless the Lessor from and against any and all liability, claims, suits, demands, judgments, costs and expenses to which the Lessor may be subject by reason of any claim for any injury to or death of any person or persons or damage to property or otherwise arising from or in connection with the Lessee's acts or omissions relating to the Lessee's use of the Leased Premises.

11. Default.

(a) All items of indebtedness or damages which may become owing to the Lessor by the Lessee under the covenants and provisions hereof shall be considered as items of rent, and the Lessor shall have the same liens and the same remedies for the collection thereof as are provided herein and by law for the collection of rent.

(b) The following events shall be deemed to be events of default by the Lessee under this Lease Agreement.

(i) The Lessee's failure to pay any item of rent.

(ii) The Lessee's failure to comply with any term, provision or covenant of this Lease Agreement, other than the payment of any item of rent, if such failure shall continue for more than fifteen (15) days after due written notice thereof to the Lessee or if such failure cannot reasonably be cured within such fifteen (15) days and the Lessee shall not have commenced to cure such failure within such fifteen (15) day period or shall not thereafter with reasonable diligence and good faith proceed to cure such failure.

(iii) The Lessee's failure to comply with any term, provision or covenant of the Charter Agreement, the terms of which are conditions precedent to the operation of this Lease Agreement.

Upon the occurrence of any such event(s) of default, the Lessor shall have the right to terminate this Lease Agreement, after such notice to the Lessee as may be required herein.

(c) The Lessor shall not be in breach of any covenant, term, condition or provision therein contained unless the Lessor fails to correct or cure the same within thirty (30) days after written notice thereof to the Lessor, or, in the event such breach cannot reasonably be corrected or cured within the said thirty (30) day period, then if the Lessor shall fail to commence to correct or cure said breach within the aforesaid thirty (30) day period and thereafter diligently pursue the same to completion.

12. Alterations and Improvements. The Lessee shall not have the right during the term of this Lease Agreement, or any renewal thereof, to make any interior alterations, changes and improvements to the Leased Premises except with the prior written consent of the Lessor, as prescribed in Article 2, paragraph E of the Charter Agreement. All such approved alterations, changes and improvements, including fixtures, shall be done at the Lessee's own expense and shall remain the property of the Lessor. The Lessee shall make all such alterations, changes and improvements in accordance with applicable laws and building codes and in a good and workmanlike manner.

13. Removal Upon Termination. The Lessee shall at the termination of this Lease Agreement remove from the Leased Premises any ashes, dirt, rubbish or any refuse matter and leave the same broom clean.

14. Quiet Enjoyment. The Lessor agrees that the Lessee, upon paying the rent and other charges and performing the covenants and agreements of this Lease Agreement, shall and may peaceably and quietly have, hold and enjoy the Leased Premises for the term of this Lease Agreement.

15. Unavoidable Delays. In the event either party shall be delayed or hindered in, or prevented from, the performance of any act required thereunder by reason of labor disputes, acts

of God, governmental regulations or controls, fire or other casualties or other conditions or causes beyond the reasonable control of the parties, their performance of such acts shall be excused for the period of such delay and the period for the performance of any such act shall be extended for a period equivalent to the period of such delay.

16. Notices. All notices shall be in writing and shall be sent by registered or certified mail addressed as follows:

If to the Lessor:

Chairman, Richmond City School Board
301 North Ninth Street, 17th Floor
Richmond, Virginia 23219

If to the Lessee:

Patrick Henry School of Science and Arts
3411 Semmes Avenue
Richmond, Virginia 23225

or at such other address as either the Lessor or the Lessee shall designate in the manner herein set forth for the giving of the notice. Any such notice shall be deemed to have been given at the time it is postmarked by the United States Postal Service.

17. Keys. The Lessee will surrender all keys at the termination of this Lease Agreement.

18. Miscellaneous.

(a) This Lease Agreement merges all understandings and agreements between the parties thereto with respect to the Leased Premises, constitutes the entire agreement between the parties with respect to the Leased Premises, and shall inure to the benefit and be binding upon the Lessor and the Lessee and their respective successors and permitted assigns.

(b) The failure of either party to insist, in any one or more instances, upon the strict performance of any of the covenants of this Lease Agreement, or to exercise any option therein contained, shall not be construed as a waiver or a relinquishment for the future of such covenant or option, but the same shall continue and remain in full force and effect.

(c) Whenever the singular number is used in this Lease Agreement and when required by the context, the same shall include the plural, and the masculine gender shall include the feminine and neuter genders, and the word "person" shall include corporation, firm, agency or association.

(d) The marginal headings or title to the paragraphs of this Lease Agreement are not a part of this Lease Agreement and shall have no effect upon the construction or interpretation of any part of this Lease Agreement.

(e) This Agreement will be interpreted and construed under the laws of the Commonwealth of Virginia, regardless of the domicile of any party, and will be deemed for such purposes to have been made, executed and performed in the City of Richmond, Virginia. All claims, disputes and other matters in question arising out of or relating to this Agreement, or the breach thereof, will be decided by proceedings instituted and litigated in a court of competent jurisdiction sitting in the City of Richmond, Virginia.

WITNESS the following signatures and seals.

LESSOR:

LESSEE:

_____(SEAL)
Chairman, Richmond City School Board

Date: / /

_____(SEAL)
President, Patrick Henry School of
Science and Arts

Date: / /