

MEMORANDUM OF UNDERSTANDING
by and between
CHICO UNIFIED SCHOOL DISTRICT
AND BLUE OAK CHARTER SCHOOL

This Memorandum of Understanding (“Agreement”) is executed between the Chico Unified School District (“District”) and The Blue Oak Charter School, Inc., a California nonprofit public benefit corporation authorized to operate the Blue Oak School (collectively “Charter School”).

I. RECITALS:

- A. The Chico Unified School District is a school district existing under the laws of the State of California.
- B. Blue Oak Charter School, Inc. is a California non-profit public benefit corporation that operates the Blue Oak School, a public Charter School existing under the laws of the State of California and under the chartering authority oversight of Chico Unified School District.
- C. The District is the authorizing agency of Charter School. This Agreement is intended to outline the agreement of Charter School and the District governing their respective fiscal and administrative responsibilities, their legal relationships and operation of Charter School.
- D. Written modifications of this Agreement may be made by mutual agreement as set forth in Section A below. This Agreement was approved by the District Board on [DATE] and by the Board of Directors of Charter School on 9/18/2018 and shall be effective upon execution until terminated in accordance with this Agreement. The executed and approved Agreement shall be provided by CHARTER SCHOOL to the District on or before DATE.
- E. The terms of this Agreement are intended to become part of the conditions, standards and procedures set forth in the Charter document (“Charter”), and shall be enforceable as if set forth in the Charter. If the terms of this Agreement conflict with the terms of the Charter, this Agreement shall control the handling or resolution of the particular issue in question. The parties will meet to consider the Charter as modified by this Agreement to reach consistency, if the inconsistency is material to the terms of the Charter. In addition, if the Charter, read alone without incorporating this Agreement, is silent on an issue addressed by this Agreement, this Agreement shall control.

II. AGREEMENTS

A. Terms

1. This Agreement will govern the relationship between the District and Charter School regarding the operation of Charter School and the relationship of the District and Charter School.
2. Any modification of this Agreement must be in writing, executed by duly authorized representatives of both parties, ratified by the respective Boards, and must indicate intent to modify or amend this Agreement.
3. The duly authorized representative of Charter School is the Executive Director, or designee.
4. The duly authorized representative of the District is the Superintendent or any designee thereof. In order to ensure consistency in communications, all communication regarding any aspect of the operation of Charter School shall be initiated by the designated representative of Charter School with the CUSD Director, State and Federal Programs..
5. The term of this Agreement shall be coterminous with the operation of the Charter granted to CHARTER SCHOOL on April 4, 2018. This entire Agreement is subject to approval by the respective governing boards of the District and CHARTER SCHOOL.
6. This Agreement shall terminate automatically upon closure of Charter School for any reason, except as may be specified otherwise herein. "Closure" means that all legally required closure processes are completed and any statutory, nonjudicial, revocation or nonrenewal appeals under Education Code section 47607 have been exhausted.

B. Funding

1. The Charter School will be funded in accordance with the Local Control Funding Formula ("LCFF"). Charter School will receive base funding and may receive supplemental and concentration grants. Charter School will be responsible for providing the California Department of Education ("CDE") with all data required for funding and will comply with all laws and regulations as developed by the Legislature and State Board of Education ("SBE") to implement LCFF. All information provided by Charter School shall be truthful and accurate. The LCFF Funding will not include:
 - a. Programs for which Charter School is required to apply separately.

- b. Lottery funds -- Charter School will be funded directly from the State through the District in addition to the LCFF Funding, for their share of these funds. A portion of Lottery Funds must be spent on instruction, as dictated by the State.
2. Charter School is eligible for Federal funding including, but not limited to: Title I, II, IV and VII, based on the qualification of Charter School's students for such funding.
3. Charter School shall elect to receive funding from the State directly, pursuant to Education Code section 47651.
4. Charter School may receive funding from new or one-time funding sources available to schools or school districts provided by the State of California to the extent that Charter School and its students generate such entitlements. Additionally, Charter School may apply for private grants.
5. Grants written by and obtained by Charter School will come directly to Charter School and not go through the District or be subtracted from the resources the District would otherwise have allocated to Charter School.
6. In addition to the LCFF Funding specified herein, the parties recognize the authority of Charter School to pursue additional sources of funding.
7. If the District applies for additional sources of funding in the form of grants at the request of and for the benefit of Charter School, which it may do in its sole discretion, the District will receive a percentage of such funds to be allocated to Charter School. The District will charge the maximum indirect costs as allowed under law or as specified by the specific funding source. Funds shall be allocated to Charter School on a prorated basis related to the formula that generates the funds. For example, if funds are generated on a per eligible students basis, they shall be allocated to Charter School on a per eligible student basis minus the administration fee (i.e., indirect cost fee) charged by the District. Nothing in this provision, however, shall be construed to obligate the District to apply for such funding on behalf of the Charter School unless otherwise required by law.
8. Charter School shall cooperate fully with the District in any applications made by the District on behalf of the students of Charter School.
9. Charter School agrees to comply with all applicable laws and regulations related to receipt and expenditures of such funds.

10. The District shall annually transfer to Charter School funding in lieu of property taxes in monthly installments on or before the fifteenth (15th) of each month pursuant to Education Code section 47635.
11. Charter School agrees that all loans received by Charter School shall be the sole responsibility of Charter School and the District shall have no obligation for repayment. Charter School agrees that it shall establish a fiscal plan for repayment of any loans received by Charter School in advance of approving receipt of such loans. It is agreed that all loans sought by Charter School shall be authorized in advance by the Director of Fiscal Services Finance of the District and shall be the sole responsibility of Charter School. District and Charter School agree that all loans identified in the Cash Flow Document submitted annually prior to June 30th will be considered to have already received authorization pursuant to this paragraph. Charter School agrees that CUSD shall have no obligation for repayment. Charter School shall provide advance written notice with details of terms and repayment plan to CUSD specifying its intent to apply for/seek a loan. Charter School shall also provide to CUSD written notice of deposit of any sums which are loans and the plan for repayment
12. Charter School agrees that all revenue obtained by Charter School shall only be used to provide educational services and support consistent with its Charter and shall not be used for purposes other than those set forth in the approved Charter, this Agreement or any authorized amendments. All expenditures shall be in accordance with applicable law.
13. Charter School is not entitled to a share of additional operational funding pursuant to Education Code section 47636, subdivision (a).

C. Legal Relationship

1. The Parties recognize that Charter School is a separate legal entity that operates Charter School under the supervisory oversight of the District.
2. Charter School shall be wholly responsible for Charter School's operations and shall manage its operations efficiently and economically within the constraints of Charter School's annual budget. The District shall not be liable for the debts or obligations of Charter School, for claims arising from the debts or obligations of Charter School or for claims arising from the performance of acts, errors, or omissions by Charter School, and Charter School agrees to indemnify the District against any such claims as set forth in the Charter and this Section without regard to whether the District has performed the oversight responsibilities described in Education Code Sections 47604.32 and 47605(m). This indemnification clause shall survive termination of this Agreement.

Charter School shall not have the authority to enter into a contract that would bind the District, nor to extend the credit of the District to any third person or party. Charter School shall clearly indicate to vendors and other entities and individuals outside the District with which or with whom Charter School enters into an agreement or contract that the obligations of Charter School under such agreement or contract are solely the responsibility of Charter School and are not the responsibility of the District.

Charter School shall, to the fullest extent permitted by law, indemnify, defend, and hold harmless the District, its officers, directors, employees, attorneys, agents, representatives, volunteers, successors and assigns (collectively hereinafter "District" and "District Personnel") from and against any and all actions, suits, claims, demands, losses, costs, penalties, obligations, errors, omissions, or liabilities, including legal costs, attorney's fees, and expert witness fees, whether or not suit is actually filed, and/or any judgment rendered against District and/or District Personnel, that may be asserted or claimed by any person, firm or entity arising out of, or in connection with, Charter School's performance under this Agreement or the Charter, the condition or use of its facilities, or any acts, errors, negligence, omissions or intentional acts by Charter School, its board of directors, administrators, employees, agents, representatives, volunteers, successors and assigns. This indemnity and hold harmless provision shall exclude actions brought by third persons against the District arising out of any intentional acts of the District and/or District Personnel or solely out of any acts or omissions of the District and/or District Personnel that are not otherwise related to or connected with Charter School and/or its Personnel. This indemnification clause shall survive termination of this Agreement.

District shall, to the fullest extent permitted by law, indemnify, defend, and hold harmless the Charter School, its officers, directors, employees, attorneys, agents, representatives, volunteers, successors and assigns (collectively hereinafter "District" and "District Personnel") from and against any and all actions, suits, claims, demands, losses, costs, penalties, obligations, errors, omissions, or liabilities, including legal costs, attorney's fees, and expert witness fees, whether or not suit is actually filed, and/or any judgment rendered against Charter School and/or Charter School Personnel, that may be asserted or claimed by any person, firm or entity arising out of, or in connection with, District's performance under this Agreement or the Charter, or any acts, errors, negligence, omissions or intentional acts by District, its board of trustees, administrators, employees, agents, representatives, volunteers, successors and assigns. This indemnity and hold harmless provision shall exclude actions brought by third persons against the Charter School arising out of any intentional

acts of the Charter School and/or Charter School Personnel or solely out of any acts or omissions of the Charter School and/or Charter School Personnel that are not otherwise related to or connected with District and/or its Personnel.

3. Charter School will comply with all applicable state and federal laws, including, without limitation, the Ralph M. Brown Act (Gov. Code, § 54950 et seq.), the California Public Records Act (Gov. Code, § 6250 et seq.), and conflict of interest laws, including and conflict of interest laws, including without limitation, the Political Reform Act (Gov. Code, § 87100) and Government Code section 1090 et seq.

Charter School shall also comply with all applicable federal and state laws concerning the maintenance and disclosure of student records, including, without limitation, the Family Education Rights and Privacy Act of 1974 (20 U.S.C.A. §1232g), all applicable state and federal laws and regulations concerning the improvement of student achievement, including, without limitation, applicable provisions of the Every Student Succeeds Act (20 U.S.C. ch. 28 § 1001 et seq.) and agrees to take appropriate remedial action if notified by the State of California of a violation of any of the foregoing.

4. Any complaints or concerns (including complaints filed with OCR, EEOC, or FEHA) received by the District about any aspect of the operation of Charter School or about Charter School shall be forwarded by the District to Charter School. District may request that Charter School inform the District of how such concerns or complaints are being addressed, and Charter School shall provide such information. Charter School shall handle its own uniform complaints pursuant to a Uniform Complaint Procedure adopted in accordance with California Code of Regulations, Title 5, Section 4600 et seq.

D. Fiscal Relationship

1. Oversight Obligations: District oversight obligations include, but are not necessarily limited to, the following:
 - a. Review and revision of this Agreement and any subsequent agreements to clarify and interpret the Charter and amendments to the Charter and the relationship between Charter School and the District.
 - b. Monitoring performance and compliance with the Charter and with applicable laws, including, without limitation, by way of the following:

- Visiting Charter School at least once per year;
- Ensuring that Charter School submits the reports and documents identified in subsection (D)(1)(e) below;
- Monitoring the fiscal condition of Charter School;
- Notifying the State of California upon the occurrence of any of the events described in Education Code section 47604.32(e).

Charter School shall promptly respond to all reasonable inquiries of the District, including, but not limited to, inquiries regarding its financial records.

- c. Any process conducted in compliance with Education Code section 47607 related to the issuance of a notice to remedy or other corrective notice related to Charter School’s operations, including document requests, hearings, notices, and investigations, and monitoring efforts to remedy operational problems identified by the District.
- d. For purposes of fiscal oversight and monitoring by the District, the District requires Charter School to provide information and documentation related to its operations. The District annually prepares its Due Dates for Charter School Financial and Attendance Reports (“Reports”). Charter School shall provide all information and documentation in the form and at the times specified in the Reports. Whether included in the Report or not, Charter School shall provide the District with a copy of the following documents, data and reports, in the form and at the times specified.

(A) Student Data

Charter School shall submit student enrollment projections to the District by March 19 of the preceding school year each year. During the school year, monthly enrollment and ADA reports with respect to Charter School shall be provided to the District. Charter School shall annually provide the District a list of names and addresses of students enrolled along with the school district of residence of each respective student no later than November 1 of each year.

Charter School shall maintain contemporaneous written records of enrollment and ADA and make these records available to the District for inspection and audit upon request. Charter School shall provide copies of the P-1, P-2, and annual state attendance reports to the District no later than 10 working days after the end of the respective reporting period each

year. Copies of amended state attendance reports, if any, shall be provided to the District within 3 weeks of discovery of the need for an making such an amendment. In addition, Charter School shall provide all necessary information required to be submitted to the California Longitudinal Pupil Achievement System (CALPADS) no later than October 31 of each year, including the R-30 Report. Such reports must be generated using the required Standardized Account Code Structure (SACS) and Attendance Reporting software. Charter School shall ensure that coding of student information conforms to District student information system requirements.

Charter School's student discipline policies shall be provided to the District annually, by September 1 of each year, and as updated.

(B) Personnel Data/Credential Data

Actual staffing data shall be provided to the District on an annual basis and prior to commencement of each school year. Teacher credentials, clearances, and permits shall be maintained on file at Charter School and shall be subject to periodic inspection by the District. Copies of credentials and a list of teaching/class assignments for each teacher shall be provided to the District by Charter School at the commencement of each school year and no later than September 15, and whenever any changes in credentials or assignments occur during the school year, along with written verification by Charter School that credentialing requirements have been met. Charter School shall also provide to the District at the commencement of each school year and no later than September 15, all available information to demonstrate compliance with Education Code section 44237 for Charter School employees.

(C) Budget/Financial Data

Charter School shall contract a third party to provide budget/financial services. Charter School shall be responsible for paying for the financial services.

Budget Data:

Charter School shall provide the following fiscal reports utilizing the Standard Accounting Code Structure (SACS) format to CUSD consistent with Education Code 47604.33 (a) 1-4. A preliminary budget due on June 30, for each fiscal year; a first interim report, due on December 15, covering operations through October 31; a second interim report, due on

March 15, covering operations through January 31; unaudited actuals, due on September 15 covering the period July 1- June 30. Charter School will also conduct an annual, independent financial audit, consistent with Education Code Section 47605(m), to be submitted no later than December 15 for the previous fiscal year. Charter School shall request the auditor to conduct an exit interview to discuss any findings. A copy of the entire exit interview report will be submitted to the Director of Fiscal Services. Charter School agrees to submit, in addition to the above financial reports, monthly financial statements to the Director of Fiscal Services of CUSD. These will be submitted to CUSD after every Charter School monthly Board meeting. Charter School shall make every effort to comply fully with Education Code Section 47604.33.

Cash Flow Data:

CUSD shall be notified at least three weeks in advance of the Charter School's Board of Directors action to incur short or long term debt on behalf of Charter School, and financing documents shall be made available for District review upon request.

Financial Data:

Bank account reconciliations for Charter School will be the responsibility of Charter School.

Charter School is required to provide the District with written assurances that demonstrate fiscal responsibility and planning in each financial decision over \$100,000, including entering into contracts and loans, within 10 days of entering into such financial commitments.

Financial Audit:

Charter School shall provide a copy of Charter School's Audited Financial Report to the District, the Butte County Superintendent of Schools, the State Controller, and the California Department of Education by December 15 of each year. Audit exceptions or deficiencies identified in the audit report shall be addressed by Charter School through the development of a remediation plan outlining how and when they will be resolved, subject to District approval. The remediation plan will be provided to the District by January 15 of each year or within 4 weeks following the finalization of the Audited Financial Report, whichever is later. Failure to obtain an approved remediation plan may be considered fiscal mismanagement within the meaning of Education Code section 47607(c)(3).

unless they are not fiscally prudent or responsible

(D) Governance Data/Meeting Information

Copies of meeting agendas for meetings of Charter School Board of Directors shall be posted to Charter School facility and website at the time they are distributed to the public pursuant to the Brown Act. Copies of meeting minutes shall be posted at the facility and to Charter School website within 5 days after their approval by the governing board. Charter School shall provide the District with notice of all meetings by providing copies of agendas at the same time the agenda is posted and will provide copies of minutes to the District from each meeting upon approval of same.

Charter School shall annually (on or before July 1 of each year) send to the District a list of its directors and officers, and shall notify the District within 30 days of any change in the composition of these directors and officers.

(E) Personnel Policies

A copy of Charter School personnel and payroll policies shall be provided upon commencement of the first school year and annually thereafter by September 1.

(F) Risk Management Data

Copies of all policies of insurance and memoranda of coverage shall be provided by Charter School to the District annually by no later than two weeks prior to the commencement of school.

A copy of Charter School Health and Safety Plan shall be provided to the District at least annually no later than two weeks prior to the commencement of school.

(G) Programmatic/Performance Audit

Charter School will prepare an annual performance report and shall provide all information necessary to demonstrate that Charter School is pursuing adequately and/or meeting the applicable accountability standards. The report shall also include: an analysis of whether student performance is meeting the goals specified in the Charter and the California State Dashboard, using data displayed on a school-wide basis and disaggregated by major racial and ethnic categories to the

extent feasible without compromising student confidentiality; an overview of Charter School's admissions practices during the year and data regarding the numbers of students enrolled and the number on waiting lists; analysis of the effectiveness of Charter School's internal and external dispute mechanisms and data on the number and resolution of disputes and complaints. The performance audit shall be provided to the District by October 1 of each year.

(I) Other

Charter School shall provide such other documents, data and reports as may be reasonably requested or required by the District.

- f. Data required to be submitted pursuant to this Section shall be submitted in electronic form if requested by the District.
- g. Charter School shall comply with Generally Accepted Accounting Principles (GAAP) applicable to public school finance and fiscal management. Charter School shall maintain a minimum reserve for economic uncertainties (designated fund balance) in an amount in no case less than 3% of year end expenditures of Charter School or otherwise mutually agreed to in writing by the Charter School and District.

310651224 Oversight Fees. Charter School shall pay the District one percent (1%) of Charter School revenues to cover the actual cost of oversight. "Charter School revenue "shall be defined in accordance with Education Code section 47613. . The District will deduct this amount monthly from the calculated in-lieu property tax revenue.

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- 2. Administrative Services. CUSD will not be responsible for providing any administrative services to Charter School.

E. Special Education Services

Charter School is its own Local Educational Agency ("LEA") and a member of a Special Education Local Plan Area ("SELPA") for purposes of special education. As an LEA, Charter School shall be solely responsible for all aspects of compliance with State and Federal special education laws, including but not limited to the Individuals with Disabilities in

Education Act, 20 U.S.C. section 1400 et seq., as amended (hereafter "I.D.E.A."), Education Code Sections 56000 et seq., and their respective implementing regulations, subject to the oversight of its authorizing agency.

1. a. It is understood that all pupils will have access to Charter School, and no student shall be denied admission due to disability.
2. b. Charter School shall comply with SELPA policies, procedures and other requirements. Charter School shall obtain from the SELPA and use all Policies, Procedures and Forms regarding special education, and update the Policies, Procedures and Forms as needed. Charter School administrative staff will attend SELPA administrative training, and, at least annually, Charter School shall review pertinent information with all Charter School staff at a staff meeting. Charter School shall maintain copies of sign in sheets from staff meetings where SELPA policies, procedures and forms are reviewed, and shall provide the District Director of Student Services upon request under Education Code section 47604.3.
3. c. Charter School agrees to implement a Student Study Team Process (SST), a regular education function, to monitor and guide referrals for Special Education services. Charter School agrees that the SST and any interventions prior to referrals for Special Education services shall be the sole responsibility of Charter School.

4. d. Charter School shall assume exclusive responsibility for the provision of services (including but not limited to identification, evaluation, Individualized Education Program (IEP), development and modification, and educational services) Charter School will be responsible for providing said staff and programming.
5. e. Identification and Referral. Charter School shall assume responsibility for identifying and referring students who have or may have exceptional needs that qualify them to receive Special Education services. Charter School will develop, maintain, and implement policies and procedures to ensure identification and referral of students who have, or may have, such exceptional needs. These policies and procedures will be in accordance with federal California law, and SELPA policy. Charter School shall be solely responsible for obtaining the cumulative files, prior and/or current IEPs and other Special Education information on any student enrolling from a non-District school.
6. f. The District will ensure that Charter School is provided with notification and relevant files of all students transferring to Charter School from a District school, who have an existing IEP. If required, the signed permission of the parent/guardian shall be obtained prior to release of student records and files.
7. g. Charter School shall make the determination as to what assessments are necessary, including assessments for all referred students, annual assessments and tri-annual assessments, in accordance with the SELPA policies, procedures and applicable law.
8. h. Responsibility for arranging necessary IEP meetings shall be allocated in accordance with the SELPA policies, procedures and applicable law. Charter School shall be responsible for having a designated Charter School administrator and Charter School general education teacher(s) who is/are knowledgeable about the student's regular education program at Charter School in attendance at all IEP meetings.
9. i. Decisions regarding eligibility, goals/objectives, program, placement and exit from Special Education shall be the decision of the IEP team. Team membership shall be in compliance with state and federal law and shall include the designated representative of Charter School. Services and placements shall be provided to all eligible Charter School students in accordance with the policies, procedures and requirements of the SELPA and state and federal law.

10. j. Charter School acknowledges that under the I.D.E.A., a child shall not be determined to be a child with a disability eligible for Special Education if the determinant factor for such determination is: (a) lack of appropriate instruction in reading, including in the essential components of reading instruction as referenced in the I.D.E.A.; (b) lack of instruction in math; or (c) limited English proficiency.
11. k. Complaints: Charter School shall address/respond/investigate all complaints received under the Uniform Complaint Procedure involving Special Education, and shall provide copies of all complaints, responses, and related documentation to the District Director of Student Services upon request under Education Code section 47604.3.
12. l. Due Process Hearings: Charter School may initiate a due process hearing on behalf of a student enrolled in Charter School as Charter School determines is legally necessary to meet responsibilities under federal and state law. Charter School shall prepare, file and prosecute the case. Charter School shall be responsible for the selection and costs of its legal counsel.

F. Section 504 of the Rehabilitation Act of 1973

1. Charter School shall be solely responsible for its compliance with Section 504 of the Rehabilitation Act of 1973 (“Section 504”). Charter School recognizes its sole legal responsibility to ensure that no qualified person with a disability shall, on the basis of the disability, be excluded from participation, be denied the benefits of, or otherwise be subjected to discrimination under any program of Charter School. Any student who has an objectively identified disability which substantially limits a major life activity such as learning is eligible for accommodation by Charter School
2. Charter School shall adopt a Section 504 policy, procedure and forms.
3. By September 1 of each year, Charter School shall designate a Charter School employee responsible for Section 504 compliance and notify the District’s Director of Student Services in writing of the responsible individual. The designated Charter School employee shall notify the District's Director of Student Services anytime a student eligible under Section 504 withdraws from Charter School, including notice of the school in which the student enrolled in following withdrawal from Charter School and the student’s district of residence.

4. In the case of pending student discipline of an eligible student who receives Section 504 accommodations, Charter School will ensure that it follows procedures to comply with the mandates of State and Federal laws for considering disciplinary action against disabled students. Prior to recommending expulsion of a Section 504 student, Charter School will convene a review committee to determine whether the student's misconduct was a manifestation of his or her disability, whether the student was appropriately placed and receiving the appropriate services at the time of the misconduct, and/or whether behavior intervention strategies were in effect and consistent with the student's Section 504 plan. Charter School may proceed with an expulsion only if it is determined that the student's misconduct was not a manifestation of his/her disability, that the student was appropriately placed and was receiving appropriate services at the time of the misconduct, and that the behavior intervention strategies were in effect and consistent with the student's Section 504 plan. Charter School acknowledges and understands that it shall be solely responsible for such compliance.

G. Student Application/Registration/Records/Withdrawal

1. Charter School shall adopt Student Registration forms (to be filled out only after a child has been admitted to the Charter School) that include questions about whether the student is currently receiving or has ever received any type of special services (e.g. special education, IEP, Section 504 plan, accommodation plan), or has been expelled from a school district.
2. Charter School shall use a Records Request form to request pupil records from the prior school of attendance for all students who indicate an intention to enroll in Charter School.
3. Within three business days of any District resident student's expulsion, withdrawal, or disenrollment from Charter School for any reason during the school year, Charter School shall notify the District's Director of Student Services of the student's name, date of expulsion, withdrawal or disenrollment, the reason for such separation, and the student's next school/district of attendance. Charter School shall comply with Education Code section 47605(d)(3) in terms of providing notice of expulsion, withdrawal, or disenrollment of students who reside in other school districts.

H. General and Special Education – Discipline and Documentation

Charter School shall maintain copies in student files of all correspondence, including e-mails, between Charter School and parents relating to student

discipline and special services, including any requests for services, inquiries, referrals, and responses.

I. Insurance and Risk Management

1. General & Excess Liability

The CHARTER SCHOOL, at its expense, shall procure and maintain throughout the term of this Agreement General Liability insurance with a minimum per occurrence limit of \$15,000,000 and the deductible/self-insurance retention shall not exceed \$10,000. Insurance shall include coverage for claims against the Charter School, its elected or appointed officials, employees, agents, volunteers and students (interns while acting on behalf of the Charter School) arising out of errors and omissions, abuse and molestation, and employment practices liability. The policy or policies shall name as additional insured/additional covered party the CUSD, its elected or appointed officials, employees, agents and volunteers. The policy or policies shall provide that this insurance shall be primary with respect to any liability or claimed liability arising out of the performance or activities by the Charter School under this Agreement or the Charter School’s use of the Premises, and that any insurance procured by the CUSD, its elected or appointed officials, employees, agents and volunteers shall be excess and shall not be called upon to contribute until the limits of the insurance provided hereunder shall be exhausted.

Property Insurance

District is not responsible for real or personal property losses suffered by the Charter School, its elected or appointed officials, employees, agents, volunteers or students. Charter School shall be solely responsible for obtaining adequate property insurance for Charter School’s personal property, building improvements and any real property/buildings owned by the Charter School.

2. Automobile Liability

Charter School shall maintain automobile liability insurance, including non-owned and hired coverage with a minimum per accident limit of \$15,000,000 for any injuries to persons (including death therefrom) and property damage in connection with the Charter School’s activities under this Agreement.

3. Workers’ Compensation

Charter School is to procure and maintain, for the duration of this Agreement, Workers’ Compensation insurance against claims for injuries to the Charter School’s

employees in accordance with such insurance as required by the State of California Labor Code and Employers Liability coverage.

4. Proof of Insurance

Charter School shall furnish CUSD with original certificates and amendatory endorsements affecting coverage required by this Agreement. All certificates and endorsements are to be received and approved by the CUSD before commencement of any activities under this Agreement. However, failure to do so shall not operate as a waiver of these insurance requirements. CUSD reserves the right to require complete, certified copies of all required insurance policies, including endorsements affecting the coverage required by this Agreement at any time.

Risk Management

The Charter School shall establish and institute risk management policies and practices to address reasonably foreseeable occurrences.

A report of the risk management program operation shall be submitted to CUSD no later than October 31 each year. The components of the report should include the Designated Safety Officer and establish that the following are in place:

- (1) Injury illness prevention plan
- (2) Bloodborne Pathogen training
- (3) Hazard Communication program
- (4) Emergency Plan
- (5) Documentation of Employee Safety Training Annual Safety Inspections
- (6) Child abuse reporting training.

J. Human Resources Management

1. All staff working at Charter School are employees of Charter School, unless otherwise set forth explicitly herein. Charter School shall have sole responsibility for employment, management, salary, benefits, dismissal and discipline of its employees.
2. Charter School will be considered the public school employer pursuant to the Educational Employment Relations Act.
3. Charter School agrees to comply with applicable federal statutory and regulatory requirements for qualified teachers and paraprofessionals used for instructional support.

K. Transportation

All responsibility for transportation services, if offered, will be provided by Charter School, including transportation for field trips.

L. Nutritional Services

Charter School will be responsible for providing its own food services, if any.

M. Educational Program

1. Subject to District oversight and compliance with its Charter and applicable state and federal law, including, without limitation, IDEA, state law on the education of students with disabilities, and Section 504, Charter School is autonomous for the purposes of, among other things, deciding Charter School's educational program with the understanding that the educational program shall comply with the Charter.
2. Charter School calendar and daily agenda shall be submitted annually to the District for review and verification of compliance with instructional day and minutes requirements. Any calendar changes will be provided to the District by March 1 prior to the beginning of a new school year.
3. It is understood that Charter School shall meet or pursue applicable accountability provisions under the law.

N. Facilities. Charter School shall comply with Education Code Section 47610 by either utilizing facilities that are compliant with the Field Act or facilities that are compliant with the State Building Code. The facilities shall meet the requirements of the Americans with Disabilities Act and shall be approved by the local fire marshal for the use intended. Charter School agrees to test sprinkler systems, fire extinguishers, and fire alarms annually at its facilities to ensure that they are maintained in an operable condition at all times. Charter School shall conduct fire drills monthly and shall maintain records of such drills. Charter School shall not establish more than one site or facility without seeking material revision of its Charter document from the District's Board. Should Charter School wish to utilize District facilities, Charter School understands and acknowledges that a separate, annual request and agreement under Education Code section 47614 ("Proposition 39") will be required.

O. Renewal. The parties recognize that Charter School will be required to meet at least one of the academic performance criteria set forth in Education Code section 47607(b), , as a condition for renewal unless this requirement is changed by the Legislature. If Charter School intends to apply for a renewal of its charter, it must submit its petition no later than five (5) months in advance of the end of its

current term. In addition to satisfying all applicable legal criteria, Charter School must be able to demonstrate that it is fiscally sound and has operated in full compliance with its Charter and this MOU in order to be renewed.

- P. Response to Requests. Pursuant to Education Code section 47604.3, Charter School shall respond promptly to all reasonable written requests of the District.
- Q. Legal Counsel. Charter School shall retain the right to use its own legal counsel and will be responsible for procuring such counsel and associated costs.
- R. Enrollment of Expelled Students. Neither Charter School nor the District shall be obligated to accept enrollment of any student who has been expelled from the other entity during the term of the expulsion except as may be required by federal or state law.
- S. Provision of Documents. With both parties understanding that some state, federal and county documents directed toward Charter School may be mailed to the District, the District agrees to pass on such documents and forms to Charter School in a timely manner, so it may complete its legal obligations. Charter School has full responsibility for the forms and documents it receives directly and those which it must access on the internet on its own.
- T. Non-Assignment. Neither party shall assign its rights, duties or privileges under this Agreement, nor shall either party attempt to confer any of its rights, duties or privileges under this Agreement on any third party, without the written consent of the other party. The replacement of Charter School with any other nonprofit corporation or other operating body or governance structure shall be treated as a material revision of the Charter, subject to the review and approval of the District pursuant to applicable provisions of the Education Code.
- U. Severability. If any provision or any part of this Agreement is for any reason held to be invalid or unenforceable or contrary to public policy, law or statute and/or ordinance, the remainder of this Agreement shall not be affected thereby and shall remain valid and fully enforceable.
- V. Reimbursement of Mandated Costs. Charter School shall seek reimbursements of its mandated costs, if any, directly from the State.
- W. Enforcement of Agreement. It is understood and agreed, and Charter School is estopped from denying, that the terms of this Agreement are intended to become part of the conditions, standards and procedures set forth in the Charter within the meaning of Education Code section 47607(c)(1) and that any violation of the Agreement is subject to the revocation provisions of Education Code section 47607. Although the terms of the Agreement are to become part of the conditions,

standards and procedures set forth in the Charter, this Agreement is not subject to the dispute resolution provision of the Charter. It is further understood and agreed that the District may, in its sole discretion, enforce the terms of the Agreement by civil action and/or by revocation.

- X. Conditions Related to Granting of Charter: Charter School agrees that it shall meet all of the performance requirements set forth in this Section as a requirement for the renewal of its charter term, pursuant to Resolution XXXX-XX adopted by the District’s governing board on April 4, 2018 Bas a requirement for the renewal of its charter term.

This Agreement represents the full and final agreement between CHARTER SCHOOL and the District and shall only be modified in writing by the mutual agreement of the parties.

Dated: _____
Kelly Staley, Superintendent
Chico Unified School District

Dated: _____
Executive Director
Blue Oak Charter School