

SAN JUAN UNIFIED SCHOOL DISTRICT
BOARD OF EDUCATION

AGENDA ITEM # _____
MEETING DATE: 6/13/2006

SUBJECT: California Montessori Project Memorandum of Understanding

DEPARTMENT: Schools and Programs

CHECK ONE:

For Discussion: X
For Action: _____
Emergency Action: _____
Report: _____
Recognition: _____
Workshop: _____

ACTION REQUESTED:

Discuss the Memorandum of Understanding between San Juan Unified School District (hereinafter "District") and California Montessori Project (hereinafter "CMP") for 2006/07.

Action anticipated: June 27, 2006

RATIONALE/BACKGROUND:

The California Montessori Project's charter was approved by the San Juan Unified School District Board of Education on January 24, 2006 for a term of five years contingent upon the development and Board approval of the Memorandum of Understanding (MOU) between CMP and the District prior to June 30, 2006.

Staff members have found the CMP MOU in compliance with the District's Board Policy (0420.4 Charter Schools) and current law. Key staff who reviewed this MOU for compliance with charter law and board policy are: Laura Grasmick - budget requirements; Debbie Fleming - Risk Management; Paula Tarpenning - instruction and student assessment requirements; and Linda Simlick - legal requirements related to policy and education code.

This agreement defines the specific financial and operational relationship between CMP and the District and resolves other matters of mutual interest not otherwise resolved within the terms of CMP's charter. It is the intent of this agreement that CMP not be a fiscal burden to the District. This agreement covers the period of July 1, 2006 through June 30, 2007.

Check Related Board Goals(s): Goal 1 X Goal 2 X Goal 3 X Goal 4 X Goal 5 X Goal 6 X
Student Impact: Direct X Indirect _____

RECOMMENDATION:

Staff recommends the Board of Education adopt the MOU for the California Montessori Project Charter School and San Juan Unified School District.

BOARD COMMITTEE ACTION/COMMENT: N/A

PREVIOUS STAFF/BOARD ACTION:

Cabinet – 6/6/06
Associate Cabinet – 6/5/06
Board Approval – 1/24/06
Public Hearing/Board Meeting – 1/10/06
Superintendent's Cabinet – 12/6/05

FINANCIAL DATA:

No financial impact on general fund.

PREPARED BY: Paula Tarpenning, ^{AT} Director, Schools and Programs

APPROVED BY: Linda C.T. Simlick, J.D., General Counsel, Legal Services
Diana D. Halpenny, J.D., Associate Superintendent of Human Resources
Michael Dencavage, Associate Superintendent of Business Services
Linda Martin, Associate Superintendent of Instructional Services
Steven W. Enoch, Superintendent of Schools

NZ

**MEMORANDUM OF UNDERSTANDING BETWEEN
SAN JUAN UNIFIED SCHOOL DISTRICT
AND
CALIFORNIA MONTESSORI PROJECT CHARTER SCHOOL – SAN JUAN**

This Agreement (or Memorandum of Understanding “MOU”) is executed by and between the Board of Trustees of the San Juan Unified School District (hereinafter referred to as “District”) and the California Montessori Project Charter School – San Juan, operated by and as California Montessori Project Charter School, a California non-profit public benefit corporation (“Charter School”). California Montessori Project Charter School has been granted charter school number 776 by the California State Board of Education.

RECITALS:

- A. The District is a school district existing under the laws of the State of California.
- B. The Charter School submitted a petition to establish a charter school to the District, which the District approved on January 24, 2006, contingent upon the development and Board approval of the MOU prior to June 30, 2006.
- C. This Agreement is intended to outline the parties’ agreements governing their respective fiscal and administrative responsibilities and their legal relationship and other matters of mutual interest.
- D. If any provision of this MOU is inconsistent with the charter, the terms of the charter shall prevail.

NOW, THEREFORE, in consideration of the promises and the mutual covenants and agreements herein set forth Charter School and the District do hereby agree as follows:

AGREEMENTS:

I. TERMS AND RENEWAL:

- A. The term of the Agreement is for one year, from July 1, 2006 through June 30, 2007.
- B. The Agreement is subject to termination during the term or any renewal as specified by law or as otherwise set forth in this Agreement.
- C. The parties agree that the recitals set forth above are true and are incorporated as essential terms of this MOU.
- D. Any modification of this Agreement must be in writing and executed by the duly authorized representatives of both parties specifically indicating the intent of the parties to modify this MOU.

1. The duly authorized representatives of the Charter School are the Executive Director and the President of the Board of Directors or the Board of Directors as a whole.
 2. The duly authorized representatives of the District are the District Board of Trustees (“Board”) and Superintendent or designee. For purposes of amendment of the Charter, the Board is required to take action.
 3. The District reserves the right of approving amendments and/or revoking the Charter School charter as specified in Education Code Section 47607.
- E. The Charter School shall ensure that its name California Montessori Project Charter School – San Juan is correctly spelled in all notifications to the State and in its corporate documents.
- F. The Charter for the California Montessori Project Charter School – San Juan is for a K-8 school population only.

II. ADMINISTRATIVE SERVICES

- A. In accordance with Education Code Section 47613, the District may charge for the actual costs of supervisory oversight not to exceed one (1) percent of the revenue of the charter school. “Revenue” is defined in accordance with Education Code Section 47613(f) as the general purpose entitlement and categorical block grant, as defined in Education Code Section 47632(a) and (b). This payment will be made in semi-annual payments or in the method or timing most acceptable to the District.
- B. The Charter School and the District agree that “supervisory oversight”, as used in Education Code Section 47613 and Education Code Section 47604.32, shall include the following:
1. All activities related to the Charter revocation and renewal and processes as described in Section 47607.
 2. Activities relating to monitoring the performance and compliance of the Charter School with respect to the terms of its Charter, related agreements, and all applicable laws.
 3. Participating in the dispute resolution process described in the Charter.
 4. Review and timely response to the Charter School’s Annual Independent Fiscal and Performance Audit.
 5. Identification of at least one Staff member as a contact person for the Charter School.

6. Visitation to the Charter School at least annually.
 7. Ensuring that the Charter School provides all reports required of charter schools by law.
 8. Monitoring the fiscal condition of the Charter School.
 9. Providing timely notification to the California Department of Education if any of the following circumstances occur:
 - A renewal of the Charter School is granted or denied.
 - The Charter School is revoked.
 - The Charter School ceases operation for any reason.
- C. In addition to the supervisory oversight responsibilities and the oversight fee described above, the District shall also provide the Charter School with the following services and the Charter School shall compensate the District as follows:
1. Facilities: Should the Charter School choose to use any District facilities the terms and conditions of such use shall be in accordance with a separate memorandum of understanding for that purpose.
 2. Meal Services: The Charter School assumes responsibility for ensuring that the Charter School's meal program complies with all federal requirements and state/local health regulations. District's Child Nutrition Department agrees to make available nutritionally adequate breakfast and lunch meals to the Charter School upon negotiation of a separate memorandum of understanding.
 3. If the District is utilized for STRS reporting, the Charter School shall reimburse the District for the actual costs of administration of State Teachers Retirement System (STRS) records and the submission of required reports.
- D. The Charter School shall retain the authority to contract with third parties for any services required to operate the charter in the accordance with the law, this MOU, and the approved charter.
1. The Charter School will contract with Wheatland Elementary School District for services which may include but not be limited to the following services: monthly payroll; issuance of w2s; tax deposits; maintenance of the General Ledger; deposit and enter cash receipts; assist in purchasing and AP processing; print and mail all AP checks; process and submit SACS reports as required during the year; assist in the development and revision of the budget; complete monthly cash flow reports; generate revenue and expense reports and facilitate auditor's requests. On or before

July 1, 2006, CMP will submit to the District a copy of the business service agreement with Wheatland Elementary School District detailing the services to be provided and the costs therefore in a Memorandum of Understanding, to be attached herein for reference purposes.

2. The Charter School will receive centralized services from the California Montessori Project as identified in a Memorandum of Understanding (describing those served provided by California Montessori Project to the Charter School and the charges therefore) and provided to the District on or before July 1, 2006.
 3. The Charter School, prior to submitting the Memorandum of Understanding, shall provide the district with the written agreement between the Charter School and Yuba County for special education services.
 4. Prior to contracting with any other entity as primary provider of business and/or administrative services, the Charter School shall provide timely notice and seek approval by the District's Board of Education.
- E. Additional services may be contracted by the Charter School from the District if available pursuant to a separate written agreement between the Parties.

III. PROGRAMMATIC AUDIT

After receipt of standardized testing scores and API statewide or similar school ranks, the Charter School administrator will compile and provide to the District an annual performance audit documenting whether or not students are achieving the measurable outcomes defined in the Charter and such other information requested by the District relating to the Charter School's performance. This section does not limit the District's statutory authority to make reasonable requests for information at any time during the year.

IV. FUNDING

- A. To the extent that Charter School is required to submit records or information to the District or to the Sacramento County Office of Education in order to confirm funding, those records shall be prepared by the Charter School in a format acceptable to the recipient.
- B. As established by Education Code Section 47630 et. seq., the Charter School shall receive funding under the charter school funding model as follows:

1. A general purpose entitlement pursuant to Education Code Section 47633, which includes in-lieu property taxes and state aid.
 2. A categorical block grant amount pursuant to Education Code Section 47634.
 3. The Charter School is also entitled to lottery funds, pursuant to Education Code Section 47638.
 4. The Charter School is also entitled to class size reduction funds (if applicable), a variety of state and federal application based programs, as well as various grant opportunities. Except as otherwise noted in this Agreement, it shall be the responsibility of the Charter School to apply for all funding that is beyond the basic statutory entitlement.
 5. Any additional funds negotiated by the Charter School in accordance with Education Code Section 47636.
- C. The Charter School has elected to receive funding from the State directly, pursuant to Education Code Section 47651.
- D. The District shall provide funding in lieu of property taxes to the Charter School as required by law. A check will be mailed to the Charter School by the fifteenth (15) day of each month as required by law. The District shall have the right to withhold any amounts owed by the Charter School to the District which have not been paid to the District more than 60 days after requesting payment in writing by the District.
- E. In addition to the block grant funding specified above, the parties recognize the authority of the Charter School to pursue additional sources of funding.
1. The District has no obligation to apply for additional sources of funding for the Charter School.
 2. The Charter School shall cooperate fully with the District in any funding applications made by the District on behalf of the students of the Charter School.
 3. The Charter School agrees to comply with all regulations related to expenditures and receipt of such funds.
- F. The Charter School agrees that all revenue obtained from the District shall only be used as set forth in the approved charter and any authorized amendments.

V. LEGAL RELATIONSHIP

- A. The Charter School is operating as a non-profit, public benefit corporation. Members of the Charter School Corporate Board of and all officials of the Charter School shall file with the District and all other required entities, copies of all Fair Political Practice Commission conflict of interest forms, or forms that may otherwise be required by law i.e. a Statement of Economic Interests which is required under the Political Reform Act by the Fair Political Practices Commission which are required of public school district board members and officials, and shall abide by an adopted conflicts code.
- B. The Parties agree and understand that all employees of the Charter School shall be employees of the Charter School and that it shall be the exclusive public school employer for the purposes of collective bargaining as provided in Education Code Section 47605(b)(5)(O).
- C. The Charter School agrees to pay any and all attorney's fees and costs incurred by the District, the District's insurer, or its joint authority (JPA), that provides liability or property coverage to the District, that are incurred in any successful effort by the District, the insurer, or JPA to invoke or enforce the indemnification and insurance provisions of this Agreement. Any successful effort includes, but is not limited to: 1) the District prevailing in any litigation against the Charter School, or its insurance providers, seeking to invoke or enforce the indemnification and insurance provisions of this Agreement, and 2) voluntary acceptance of the indemnification and insurance provisions of this Agreement by the Charter School or its insurance providers. All fees and costs incurred by the District, the insurer, or JPA, after the District, the insurer has requested in writing, that the Charter School or its insurance provider comply with the indemnification and insurance provisions of this Agreement, shall be paid to the District, the insurer, or JPA whichever has paid the fees and costs.
- D. The Parties recognize that the Charter School is a separate legal entity. The Charter School shall be operated as a non-profit public benefit corporation under Education Code Section 47604. As such, in accordance with Education Code Section 47604(c), if the District complies with all oversight responsibilities required by law, the District shall not be liable for the debts or obligations of the Charter School or for claims arising from the performance of acts, errors, or omissions by the Charter School.
- E. Any complaints/concerns received by the District about any aspect of the operation of the Charter School or about the Charter School shall be forwarded by the District to the Charter School in a timely manner. To the extent that such concerns/complaints may involve issues related to possible revocation or non-renewal of the charter, the District may request that the Charter School inform the District of how such concerns/complaints were addressed. The Charter School agrees to provide such information.

VI. FISCAL RELATIONSHIPS

- A. To the extent that the District is required to submit financial forms on behalf of the Charter School, the Charter School is responsible for providing the necessary information to the District in a timely manner and in a format acceptable to the District. The Charter School agrees to follow processing schedules and District business office procedures.
- B. **AVERAGE DAILY ATTENDANCE.** The Charter School will be responsible for its daily and monthly attendance accounting. The Charter School will submit the attendance reports in accordance with the District format and State law and regulations to the District's attendance officer. These reports will be submitted to the District at least one week prior to the county submission due dates for the P1, P2 and annual attendance periods. These dates will be part of the Charter School's annual calendar development. Such attendance will be included in the annual independent audit of the Charter School.

The Charter School will report to the District the names of the students who have newly enrolled in the Charter School, including their name, address, grade level, and the student's prior district and school. In the case of Kindergarten students, the Charter School will report the school they would have attended if they are residents of the District. This will occur on the CBEDS reporting date and by February 15, 2007 and during the annual report (without student names), or as otherwise required by law. The Charter School will report the names of the students who have disenrolled from the Charter School along with the reason for disenrollment (i.e. returning to district of residence, drop out, or expulsion) and where the student intends to attend school upon the Charter School's action of dropping the student. The Charter School will report by letter all students who disenroll and who plan to reenroll in the District promptly upon learning of the disenrollment.

- C. **ANNUAL AUDIT:** The Charter School shall be responsible for having an annual independent fiscal audit done of the entire California Montessori Project Charter School - San Juan operation in accordance with all applicable laws. The audit will be conducted in accordance with generally accepted accounting principles applicable to public schools. The annual audit will be completed and will be forwarded to the chief financial officer of the District, the County Office of Education, State Controller's Office and the California Department of Education on or before December 15, 2006.

The Charter School's Executive Director will submit audit findings and corrective action plans to the District and the County Office of Education by March 15, 2007. Audit exceptions must be resolved to the satisfaction of the District's governing board.

- D. In the event that the District seeks and receives a voter approval for a general obligation bond, parcel taxes, or similar financial instrument, the Charter School shall have no entitlement to any portion of the funds unless negotiated in advance or unless otherwise required by law. The Charter School agrees that it has no

entitlement to funds currently being received, if any, by the District under former parcel tax or bond elections.

- E. The Charter School agrees that it shall establish a fiscal plan and provide a copy of this plan to the District, for repayment of any loans received by the Charter School in advance of receipt of such loans. It is agreed that any and all loans sought by the Charter School shall be the sole responsibility of the Charter School and the District shall have no obligation for repayment nor shall the District guarantee repayment of any such obligations.
- F. Absent written agreement otherwise, the District shall not advance any funds to the Charter School. In addition, the District shall not act or provide a line of credit for the Charter School.
- G. The Charter School shall maintain a minimum of 5% or \$50,000, whichever is greater, of annual total expenditures, transfers out, and other uses of funds of the Charter School as reserve account for economic uncertainty.
- H. The Charter School shall annually prepare and submit the following reports to the District and the County Superintendent of Schools in the format dictated by the County Superintendent of Schools:
 - 1. On or before July 1, 2006, a preliminary budget for the upcoming year.
 - 2. On or before September 15, 2006, unaudited actual data for the full prior year.
 - 3. On or before 45 days after the Governor signs the annual Budget Act, a revised budget including any revisions in revenues and expenditures that have been made to its budget to reflect the funding made available by the Budget Act.
 - 4. On or before December 15, 2006, an interim financial report reflecting changes through October 31, 2006. This interim report shall include projections of year end balances and projections for the next two years.
 - 5. On or before March 15, 2007, a second interim financial report reflecting changes through January 31, 2007. This interim report shall include projections of year end balances and projections for the next two years.
 - 6. The Charter School shall develop and monitor its budget in accordance with established laws and regulations. The Charter School will utilize and develop an annual budget development and monitoring calendar. This calendar shall be forwarded to the District by December 1 of the prior year. State required financial reports shall be forwarded to the District within one month prior to their due date.

VII. FISCAL CONTROLS

- A. Charter School shall adopt and meet generally accepted accounting principles and shall adopt policies to ensure the Charter School's funds are used to most effectively support the school's mission and to ensure that funds are budgeted, accounted for, expended, and maintained in an appropriate and lawful fashion. Such policies will include, but not be limited to, principles that ensure that: (1) expenditures are authorized in accordance with amounts specified in the adopted budget; (2) the School's funds are managed and held in a manner that provide a high degree of protection of the School's assets; and (3) all transactions are recorded and documented in an appropriate manner that allows reporting to the State as required by the District, the County Office of Education or the California Department of Education.
- B. Segregation of Duties: The Charter School will develop and maintain simple warrant requests and purchase order forms to document the authorization of all expenditures. All proposed expenditures must be approved by the Executive Director or designees who will review the proposed expenditure to determine whether it is consistent with the Board-adopted budget and sign the check request form. All transactions will be posted on an electronic general ledger. The transactions will be posted on the ledger by someone at the school site or contracted bookkeeper. To ensure segregation of record recording and authorization, the bookkeeper may not co-sign check requests or purchase orders.
- C. Banking Arrangements: The Charter School will maintain an account with the Sacramento County Treasurer. The Charter School may not hold funds in any other institution, including banks or credit unions, or with any person or entity. The Charter School's bookkeeper will reconcile the Charter School's ledger(s) with its accounts in the county treasury on a monthly basis and prepare (1) a balance sheet, (2) a comparison of budgeted to actual revenues and expenditures to date, and (3) a cash flow statement. The Executive Director or designee and finance committee of the Charter School Board will regularly review these statements. The Charter School will deposit all funds received as soon as practical upon receipt. A petty cash fund may not exceed \$500 and may be established with an appropriate ledger to be reconciled twice monthly by the school secretary, who shall not be authorized to expend petty cash.
- D. Purchasing Procedures: All purchases over \$10,000 must include documentation of a good faith effort to secure the lowest possible cost for comparable goods or services. The Executive Director or designee shall not approve purchase orders or warrant requests lacking such documentation. Documentation shall be attached to all warrant and purchase order requests showing that at least three (3) vendors were contacted and such documentation shall be maintained for at least three (3) years. All purchases in excess of \$25,000 must have dual signatures by a board member and a separate officer of the corporation.

- E. Property Inventory: The Executive Director or designee shall establish and maintain an inventory of all non-consumable goods and equipment over \$1,000. In addition, an inventory shall be established and maintained of all computer equipment. This inventory shall include the original purchase price and date, a brief description, serial numbers, and other information appropriate for documenting the Charter School's assets. Property will be inventoried on an annual basis.
- F. If Charter School decides to offer existing or new employees of Charter School the opportunity to participate in STRS or PERS, Charter School shall be responsible for making these arrangements through the County Office of Education or District as applicable.
- G. Property and Liability Insurance and CMP. The Charter School Board of Directors shall ensure that the Charter School retains appropriate property and liability insurance coverage. Property insurance shall be for replacement costs and have limits of the total insured value of the Charter School's contents and personal property. California Montessori Project Charter School – San Juan shall carry general liability insurance including broad form contractual liability coverage or its equivalent with limits of no less than \$1,000,000 per occurrence and \$2,000,000 general aggregate. Limits are to be applicable to California Montessori Project Charter School – San Juan and shall not be eroded by any other losses arising out of the operations for any other charter school run by the California Montessori Project Charter School or any other Montessori or Charter school. The District shall be named as additional insured by way of endorsement to this policy.

The Directors and Officers Liability Insurance, including Employment Practices Liability Insurance, shall be obtained and kept in force at all times with a self-insured retention of no less than \$50,000 per occurrence. The District shall be named as additional insured on this policy. A copy of all required insurance policies including all liability and property damage policies, evidencing the District named as an additional insured shall be provided to the District within two (2) weeks of the effective date of this MOU.

- H. Indemnification and Hold Harmless: The Charter School shall comply with the indemnification requirements outlined in the approved charter.
- I. Additional Insured Endorsement: The District, its elected and appointed officers, agents, employees, volunteers, contractors, and representatives shall be listed as Additional Insured as respects the operations of California Montessori Project Charter School – San Juan or its successors. Coverage shall include, but not be limited to the vicarious liability or supervisory role of any additional insured. Said insurance policy shall be endorsed (copy of Endorsement attached to Certificate of Insurance) to include the following language, "SJUSD, its elected and appointed officers, agents, employees, volunteers, contractors, and representatives shall be listed as Additional Insured as respects the operations of

the California Montessori Project Charter School – San Juan or its successors performed under the terms of this Agreement”.

- J. Certificate of Insurance: Prior to commencing services pursuant to this Agreement, the California Montessori Project shall provide certificates as evidence of the existence of the insurance required by this Agreement, on insurance certificates executed by a duly-authorized agent of the California Montessori Project’s insurance provider. Such certificate shall include the Endorsements described in this Agreement as attachments.
- K. Workers’ Compensation: The California Montessori Project shall provide Workers’ Compensation coverage as required by California law, and in signing this Agreement, makes the following certification: “California Montessori Project is aware of the provisions of Section 3700 of the Labor Code which require every employer to be insured against liability for Workers’ Compensation or to undertake self-insurance in accordance with such provisions before commencing the performance of this Agreement”. Prior to commencing services pursuant to this Agreement, California Montessori Project shall provide a certificate indicating the existence of Workers’ Compensation coverage as required by this Agreement, on an insurance certificate executed by a duly-authorized agent of California Montessori Project’s insurance provider.
- L. Injury and Illness Prevention: California Montessori Project shall maintain and enforce an Injury and Illness Prevention Program as required by State law, and in signing this Agreement, makes the following certification: “California Montessori Project is aware of the provisions of California Labor Code, Division 5, and of the California Code of Regulations, Title 8, and shall maintain an active Injury and Illness Prevention Plan in accordance with such provisions before commencing the performance of this Agreement”. The Injury and Illness Prevention Plan shall be available to the District upon request.

VIII. HUMAN RESOURCES MANAGEMENT

Employees of the Charter School are solely the employees of the Charter School. As such, the Charter School shall have the sole responsibility for employment management, dismissal, and discipline of its employees.

- A. The Charter School will conform to the laws regarding background checks, fingerprinting, and credentialing. Teachers of core academic subjects shall be held to the same credentialing standard as teachers in the public schools. No Charter School teacher shall be maintained in employment without compliance with Education Code Section 47605(l).

IX. EVALUATION OF EDUCATIONAL PROGRAMS/CONFORMANCE TO CHARTER

- A. Oversight monitoring of the Charter School shall be in conformance with District Board policy and the terms of the approved charter. At the District's request, Charter School and District personnel shall meet to discuss areas of concern, review and monitor records and student progress. In addition, the Charter School shall furnish the District with an annual report and evaluation, utilizing the District's template of its educational program as further outlined herein. The annual report will complement and provided the basis of the on-site annual visit.
- B. The Charter School agrees to administer the current statewide mandated performance assessments. Results of such statewide assessments shall be provided to the District within one month of receipt by the Charter School.
- C. The Board of Directors shall be responsible for operating the Charter School in conformance with the provisions of the approved charter and this MOU.
- D. It is agreed that the availability of instructional materials is critical to the learning process, including, but not limited to, state adopted textbooks and other materials that supplement the delivery of a solid core curriculum. The Charter School recognizes that these instructional materials must be in adequate supply.
- E. The Charter School agrees to prepare and publicly distribute recruitment materials in languages that address the demographics of the District. Enrollment will be open to all students and the Charter School shall admit all pupils who wish to attend up to capacity.

X. SPECIAL PROGRAM/SERVICES

- A. In the event that either party to this agreement wishes to have its staff and or faculty participate in a program offered by the other, advanced approval and arrangements must be made. It is fully recognized that expenses for such events are negotiable at the time of the event. Such arrangements must be made with the appropriate site administrator or District personnel in advance and confirmed in writing.

XI. CHARTER SCHOOL POLICIES AND PROCEDURES

- A. Copies of all Charter School Policies and Procedures shall be provided to the District promptly upon adoption by the Charter School. Any revised, amended, or deleted policies shall also be forwarded to the District.
- B. The Charter School shall maintain an anti-nepotism policy, which shall be provided to the District and a conflicts code which shall align with the approved charter. Additionally, persons related by blood or by marriage to a charter school employee shall not be appointed to a position where one relative would be in a supervisory position over another. Any employment of relatives outside of the restrictions herein noted must receive prior approval of the Charter School Board.

- C. The Charter School shall maintain a conflicts of interest policy, which shall be aligned to the charter and provided to the District. This policy shall reflect compliance of the governance structure of the charter school with the California Corporations Code and the Government Code's Political Reform Act. The Charter School agrees that it is responsible for complying with ethics and conflicts of interest laws that may apply to it. The Charter School has not received advice or authorization from District regarding its obligations under these laws.

XII. STUDENT RECORDS

- A. The Charter School hereby irrevocably designates employees of the District as having a legitimate educational interest such that they are entitled to access to education records of Charter School students under 20 U.S.C.A 1232g, the Family Educational Rights and Privacy Act and California Education Code 49076(b)(6) ("FERPA"). Charter School, its officers, and employees shall comply with FERPA at all times.

XIII. BROWN ACT/PUBLIC RECORDS

The Charter School shall fully conform to the Brown Act as set out in the California Government Code. The Brown Act requires school boards to conduct their business in a pre-announced open session with an agenda unless specific conditions exist that justify the meeting of a board in closed session. In addition, all of the Charter School's records that relate in any way to the operation of the Charter School, including without limitation all of the records of the non-profit corporation operating the Charter School, and any other entity to the extent it participates in the operation of the Charter School, are deemed to be subject to the requirements of the Public Records Act (Government Code Section 6250, *et seq.*) as well as Education Code Section 47604.3.

XIV. LEGAL SERVICES/OTHER SERVICES

Charter School will be responsible for procuring its counsel and the costs of such service. Charter School reserves the right to subcontract any and all services specified in this agreement to the District and/or to public or private subcontractors as permitted by law and as available from the District. Charter School shall immediately inform the District of any contracts it enters.

XV. NO AGENCY RELATIONSHIP

No agent, employee, or servant of the Charter School shall be deemed to be the employee, agent or servant of the District except as expressly acknowledged in writing by the District. Charter School will be solely and entirely responsible for its acts and for the acts of Charter School's agents, employees, servants, and subcontractors while acting under Charter School's direction during the entire term of this agreement.

XVI. SEVERABILITY

If any provision or any part of this agreement is for any reason held to be invalid and/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.

XVII. NOTIFICATION

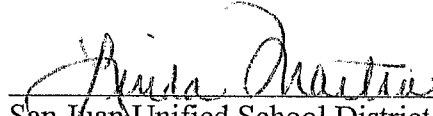
All notices, requests, and other communication under this agreement shall be in writing and mailed to the proper address as follows:

To the District at: Paula Tarpenning, Director of Charter Schools, 3738 Walnut Avenue, Carmichael, CA 95608

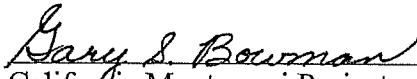
To the Charter School at: California Montessori Project, 4718 Engle Rd., Ste. K, Carmichael, CA 95608.

This agreement contains the entire agreement of the parties with respect to the matters covered hereby, and supersedes any oral or written understanding or agreements between the parties with respect to the subject matter of this agreement. No person or party is authorized to make any representations or warranties except as set forth herein, and no agreement, statement, representation or promise by any party hereto which is not contained herein shall be valid or binding. The undersigned acknowledges that she/he has not relied upon any warranties, representations, statements or promises by any of the parties herein or any of their agents or consultant except as may be expressly set forth in this Agreement. The parties further recognize that this agreement shall only be modified in writing and by the mutual agreement of the parties.

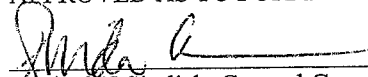
Dated: 5/31/06


San Juan Unified School District
Associate Superintendent

Dated: 5/31/06


California Montessori Project
Charter School - San Juan

APPROVED AS TO FORM


Linda C.T. Simlick, General Counsel
SJUSD