

**MEMORANDUM OF UNDERSTANDING BETWEEN
ELK GROVE UNIFIED SCHOOL DISTRICT
AND
GATEWAY COMMUNITY CHARTERS AND
SACRAMENTO ACADEMIC AND VOCATIONAL ACADEMY-EGUSD**

This Agreement (or Memorandum of Understanding “MOU”) is executed by and between the Board of Trustees of the Elk Grove Unified School District (hereinafter referred to as “District”) and the Gateway Community Charters (“GCC”), a California nonprofit public benefit corporation that operates the Sacramento Academic and Vocational Academy - EGUSD (“SAVA-EGUSD”).

GCC and District are collectively referred to as the “Parties.” This agreement shall be enforceable only following execution by the Parties and ratification or approval by the governing boards of each of the Parties.

RECITALS:

- A. The District is a school district existing under the laws of the State of California.
- B. GCC submitted a petition to establish a charter school to the District, which the District approved on **January 24, 2018**, subject to certain conditions.
- 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. The District recognizes GCC also operates other Charter Schools not authorized by the District and this Agreement does not impact those operations.
- E. If any provision of this MOU is inconsistent with the Charter, the terms of the MOU shall prevail.

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

AGREEMENTS:

I. TERMS AND RENEWAL:

- A. The Agreement is subject to termination during the term or any renewal as specified by law or as otherwise set forth in this Agreement.
- B. The Parties agree that the recitals set forth above are true and are incorporated as essential terms of this MOU.
- C. Any modification of this Agreement must be in writing and executed by the duly authorized representatives of the Parties specifically indicating the intent of the Parties to modify this MOU.

1. The duly authorized representatives of the Charter School is the Superintendent/CEO or designee and the Board of Directors.
 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 through the material revision process.
 3. The term of the Agreement is for the term of the Charter. However, the Parties agree to review this Agreement annually. By March 1 of each year during the term of this Agreement, the Parties will present proposed revisions to the MOU, if any. If there is no agreement by April 30 of the then current year, then the existing MOU will continue in effect until mutually modified except that the MOU shall expire upon the expiration, rescission, or revocation of the Charter. The Parties may amend this Agreement in writing at any time during the school year.
 4. The District reserves the right of approving material revisions and/or revoking the Charter as specified in Education Code Section 47607.
- D. The Charter School shall ensure that the name Sacramento Academic and Vocational Academy – EGUSD is correctly spelled in all notifications to the State and in its corporate documents.
- E. The Charter for the Sacramento Academic and Vocational Academy – EGUSD is for a grades 7-12 school population only.
- F. Because GCC operates the Charter School, all obligations imposed herein on the Charter School are equally imposed on GCC, except as noted in Recital “D” of this document.

II. ADMINISTRATIVE SERVICES

The Parties agree that the District will incur costs in connection with its performance of supervisory oversight of the Charter School as required by law, and that it is not in the best interests of either Party to require a mechanical assessment, accounting, billing and payment process to compensate the District for such costs. The Parties further agree that the District is not providing the Charter School with substantially rent-free facilities as referenced by Education Code section 47613, subdivision (b). Therefore, the Parties agree that the actual cost of the District’s supervisory oversight of the Charter School is one percent (1%) of all “Revenue of the Charter School” (excluding grants, loans, and private donations), as defined in Education Code sections 47613, 47632, subd. (a), 42238.02, and 42238.03. Payment will be made on December 1st based on half of the 1% Charter School adopted budget applicable revenue. Within 60 days of the new fiscal year, the amount remaining will be recalculated and paid to the district

- A. The Parties 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, including the annual update required pursuant to Education Code Section 47606.5.
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 is granted or denied.
 - The Charter is revoked.
 - The Charter School will cease operation for any reason.
10. Pursuant to the authority granted to it under Education Code section 47607, the District may enter the Charter School's facility(s) at any time to inspect and evaluate the Charter School's operation and facilities. The District agrees to use its best efforts at all times to keep any interference to the academic programs at Charter Schools to a minimum. Such evaluation(s) shall be conducted at District's discretion and may include, but not be limited to: review of the Charter School's facility; review of records maintained by GCC for the Charter School; interviews with the management of the GCC, Charter School employees, and Charter School students and parents; and observation of instruction in the classroom(s). Students will not be interviewed without parent notice. Any deficiencies will be reviewed with the Charter School's site principal and Superintendent/CEO or designee of Gateway Community Charters and opportunity will be provided for comment, explanation, and/or correction. District reserves the right to use information from said evaluation(s), in conjunction with other information and reports, to determine subsequent renewal decisions. However, the review and evaluation processes

described in this paragraph shall not be a pre-requisite to initiating revocation proceedings under Education Code section 47607.

- B. In addition to the supervisory oversight responsibilities and the oversight fee described above, the Charter School may contract with the District for additional services through a separate written agreement between the Parties. These may additional services include, but are not limited to, the following:
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. STRS Reporting: If the District is utilized for State Teachers Retirement system (STRS) reporting, the Charter School shall reimburse the District for the actual costs of administration of STRS records and the submission of required reports.
 4. Professional Development: Charter School may request that its teachers and staff participate in professional development activities provided to District teachers and staff. As is reasonable, the District will include participants from the Charter School in its professional development activities. The District retains the right to charge the Charter School a fee to cover costs associated with individual professional development events, such as for materials or extra personnel time.
- C. 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. GCC provides SAVA-EGUSD services that may include but not be limited to providing 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.
 2. The Charter School will receive centralized services from GCC as noted above.
 3. Prior to contracting with any other entity as primary provider of business and/or administrative services, the Charter School shall provide notice to the District and provide the District a reasonable opportunity to express its concerns.

III. PROGRAMMATIC AUDIT

- A. Charter School shall comply with and adhere to all State requirements for participation in and administration of all State-mandated tests for the Charter School. Results of such statewide assessments shall be provided to the District in the Charter School's Annual Academic Report, further described in Section IX.
- B. The Charter School shall comply with Education Code Section 47606.5, regarding Local Control Accountability Plans (LCAP), as that statute may be amended from time to time, as well as its implementing regulations, if any. The Charter School's final adopted LCAP shall be annually provided to the District by July 1, unless a different date is established by law. For the 2018-19 fiscal year only, District and Charter School agree that the LCAP goals set forth in the Charter meet the annual LCAP requirement, to be updated in a separate LCAP document in each subsequent year. The Parties acknowledge that such revisions shall be presumed not to be "material," requiring District approval, and the District reserves the right to make a final determination regarding whether any changes are "material." Results reported on the LCAP may be considered by the District in making decisions on, charter renewal and replication of charter schools as allowable by Education Code.
- C. The Charter School is accountable for pupil outcomes identified in the Charter. After receipt of standardized testing scores, including but not limited to CAASPP testing scores and statewide accountability measures the Charter School administrator will compile and provide to the District an annual report and evaluation of its educational program ("Academic Report"), as specified in Section IX of this MOU. The Academic Report shall document whether students are achieving the measurable pupil outcomes defined in the Charter, and shall include other such information relating to the Charter School's academic performance as requested by the District, including the School Accountability Report Card required by State law. The Academic Report shall be submitted to the District's representative no later than March 1 of each year.
- D. At the request of the District, Charter School shall present the Academic Report, updates, and/or reports regarding the Charter School to the District's governing board 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 must 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 and supplemental funding allocated through the Local Control Funding Formula under California Education Code Section 42238, *et seq.*
 2. Funding of federal and state categorical programs, as applicable, in accordance with Education Code Section 47634.4.
 3. Funding of California State Lottery funds, pursuant to Education Code Section 47638.
 4. The Charter School also is entitled to a variety of other 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 or electronic transfer, at the option of the District, will be delivered 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. 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 general purpose revenue shall be only used for any public school purpose determined by the Charter School Board of Directors, in accordance with Education Code Sections 42238, *et seq.* and 47633(c).

V. LEGAL RELATIONSHIP

- A. The Charter School is operated by GCC, a non-profit, public benefit corporation. The Board of Directors shall maintain a Conflict of Interest Code pursuant to the Political Reform Act of 1974 (Government Code Section 81000 *et seq.*), and members of the Board and all designated officials of the Charter School shall file Form 700 Statements of Economic Interest and/or any other forms that may be required by law, in accordance with the adopted Conflict of Interest Code, and shall abide by the terms of the adopted Conflict of Interest Code.

- B. The Parties agree and understand that all employees of the Charter School shall be employees of GCC and that it shall be the exclusive public school employer for the purposes of collective bargaining as provided in Education Code Section 47605(b)(6).
- C. 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 GCC or for claims arising from the performance of acts, errors, or omissions by the Charter School or GCC.
- D. 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 provide the district a copy of the certified student information collected on Census Day (CBEDS) and reported through the CALPADS Fall 1 data submission (1.17 student data subgroups report) on or before February 15 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, if known, (i.e. returning to district of residence, drop out, or expulsion) and where the student intends to attend school, if known, upon the Charter School's action of dropping the student. The Charter School will report to the last known school of district of residence by letter all students who disenroll in accordance with Education Code Section 47605 (d)(3). To the extent known, the Charter School

will report to the District any students and who plan to reenroll in the District as soon as possible and within 30 calendar days of learning of the disenrollment.

- C. **ANNUAL AUDIT:** The Charter School shall be responsible for having an annual independent fiscal audit done of the entire Charter School operation in accordance with all applicable laws. The audit will be conducted in accordance with generally accepted accounting principles applicable to public schools formed as non-profit corporations. 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.

As part of the independent fiscal audit the Charter School will be responsible for having an annual audit on State compliance items as delineated in the State Controller's K-12 Audit Guide as applicable to charter schools.

The Charter School's Superintendent/CEO or designee will submit corrective action plans for all audit findings to the District and the County Office of Education by March 15. 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 all loans sought by the Charter School shall be the sole responsibility of the Charter School and 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. If Charter School P2 ADA is 300 or less, the charter school shall maintain reserves of \$50,000 or 5% (whichever is greater). Should the charter school P2 ADA exceed 300, the charter school shall maintain a 4% reserve of annual total expenditures, transfers out, and other uses of funds of the Charter School in case of 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, a preliminary budget for the upcoming year, including a multi-year budget projection for the next two years.
2. On or before September 15, unaudited actual data for the full prior year.
3. On or before December 15, an interim financial report reflecting changes through October 31. This interim report shall include projections of year-end balances and projections for the next two years.
4. On or before March 15, a second interim financial report reflecting changes through January 31. This interim report shall include projections of year end balances and projections for the next two years.
5. 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 of 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 Superintendent/CEO 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, GCC 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 accounts with the Sacramento County Treasurer and Wells Fargo Bank, and will provide the District a list of all other accounts the Charter School holds in any other financial institution, including banks or credit unions, or with any person or entity. The Charter School may not hold funds in any other institution, including banks or credit unions, or with any person or entity without notification of such account to the District. The Charter School's Chief Business Official or designee will reconcile the Charter School's ledger(s) with its accounts in the county treasury and operating checking account 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 Superintendent/CEO or designee and 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 \$1000.00, may be established with an appropriate ledger to be reconciled twice monthly by a clerk, who shall not be authorized to expend petty cash.

- D. Purchasing Procedures: All purchases over \$30,000.00 must include documentation of a good faith effort to secure the lowest possible cost for comparable goods or services. The Superintendent/CEO 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 (3) vendors were contacted and such documentation shall be maintained for at least (3) years. All purchases in excess of \$30,000.00 must have dual signatures by a board member and a separate officer of the corporation.
- E. Property Inventory: The Superintendent/CEO or designee shall establish and maintain an inventory of all non-consumable goods and equipment over \$5,000.00. In addition, an inventory shall be established and maintained of all computer equipment valued at \$500 or more. 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: The Charter School Board of Directors shall ensure that the Charter School retains appropriate property and liability insurance coverage. Property insurance shall cover replacement costs and insured to value of business personal property written on a "special form," (causes of loss). Liability insurance shall be no less than \$2,000,000 per occurrence and \$5,000,000 general aggregate. The District shall be named as additional insured on 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 coverage of no less than \$2,000,000 per occurrence and \$5,000,000 general aggregate. The District shall be named as additional insured on this policy. A copy of all required insurance policies evidencing the District named as an additional insured shall be provided to the District within two weeks of the effective date of this MOU.

- H. Indemnification and Hold Harmless: The GCC shall promptly defend, indemnify, and hold harmless the District, its officers, directors, employees, agents, representatives, volunteers, administrators, successors, and assigns (collectively hereinafter the "Indemnified Parties") from and against any and all alleged or actual breach of any obligation imposed under this Agreement, or any other actual or alleged breach of any duty or obligation owed to the Charter School or any

third party, including any Charter School student (including any student placed with a school other than the Charter School, or in any nonpublic, nonsectarian school or in other special services to address special need or disability situations) or employee, by the GCC or its officers, directors, employees, agents, representatives, volunteers, guests, students, administrators or trustees, successors or assigns.

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

In the event of a third party claim or potential claim covered by these provisions, the Parties agree to take all steps reasonable or necessary to cooperate in defending and protecting their joint interests, and in expediting all reasonable or necessary efforts to gain coverage for the Parties under any liability policy or indemnity agreement issued in favor of the Non-Profit and/or District, including indemnity rights or agreements existing in contracts between the Non-Profit and/or District and any third party (such as contract with a supplier of goods or services), and further including efforts to reduce defense costs (through joint representation whenever possible), expenses and potential liability exposures.

- 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 the named insured. Coverage shall 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, “EGUSD, its elected and appointed officers, agents, employees, volunteers, contractors and representatives shall be listed as Additional Insured as respects the operations of the named insured performed under the terms of this Agreement.”
- J. Certificate of Insurance: Prior to commencing services pursuant to this Agreement, the Charter School 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 Charter School’s insurance provider. Such certificate shall include the Endorsements described in this Agreement as attachments.
- K. Workers’ Compensation: The Charter School shall provide Workers’ Compensation coverage as required by California law, and in signing this Agreement, makes the following certification: “SAVA-EG and GCC are 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, the Charter School 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 the Charter School's insurance provider.

- L. Injury and Illness Prevention: Charter School shall maintain and enforce an Injury and Illness Prevention Program as required by State law, and in signing this Agreement, makes the following certification: "SAVA-EG and GCC are 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 EGUSD 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 and fingerprinting and credentialing. Teacher 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, the terms of the approved Charter, and the terms of the MOU. As specified in Section III of the MOU, the Charter School shall prepare an annual Academic Report. The Academic Report shall include the elements listed in Schedule A. In addition, and at the District's request, Charter School and District personnel shall meet to discuss areas of concern, review and monitor records and student progress.
- B. The Board of Directors shall be responsible for operating the Charter School in conformance with the provisions of the approved charter and this MOU.
- C. It is agreed that the availability of instructional materials is critical to the learning process, including, but not limited to, 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.
- D. Enrollment will be open to all students who wish to apply in the grade levels served by the Charter School and the Charter School shall admit all pupils who wish to attend up to capacity, at which point, admission shall be determined by public random drawing. In addition, Charter School agrees to the following terms regarding its recruitment and admissions policies and practices:

1. Charter School agrees to prepare and publicly distribute recruitment materials in languages that address the demographics of the District.
2. Pursuant to Education Code Section 47605 subdivision (b)(5)(G), no later than thirty (30) days after the Effective Date of this Agreement, the Charter School shall provide the District with a comprehensive recruitment plan detailing the means by which the Charter School will seek to achieve a racial and ethnic balance among its pupils that is reflective of the general population residing within the territorial jurisdiction of the District, as well as the Elk Grove community.
3. No later than March 1 of each year of this Agreement, Charter School shall provide the District with an update of its efforts to implement its comprehensive recruitment plan. District reserves the right to collaborate with Charter School to modify or amend said recruitment plan.
4. With the recognition by the District that the Charter School may not control the racial and ethnic balance of the population of the Charter School resulting from the public random drawing, the Charter School's annual Academic Report shall include a discussion of the impact Charter School's recruitment plan has had on attaining a racial and ethnic balance that reflects the demographics of residents residing in the territorial jurisdiction of the District as represented in Schedule

X. SERVICES FOR STUDENTS WITH DISABILITIES

- A. GCC shall notify District of its plan for meeting its obligations to serve students with disabilities, either as a "school within the district for purposes of special education" or as a local education agency ("LEA") within a Special Education Local Planning Area ("SELPA"). If GCC chooses to be a "school within the district for purposes of special education," it shall comply with requirements for other District schools and shall annually pay to District its per ADA share of the District's general fund contribution to special education.
- B. If GCC chooses to act as its own local education agency ("LEA") in a Special Education Local Planning Area ("SELPA"), the GCC shall provide District with a copy of the Local Plan and documentation of the status of the Charter School as an LEA in good standing with a state-approved SELPA.
- C. GCC and/or the Charter School shall assume all responsibility, including but not limited to full financial responsibility, for the implementation of student plans and provision of educational services under Section 504 of the Rehabilitation Act, for all students who are enrolled in the Charter School.
- D. GCC and the Charter School agree to fully and promptly comply with any reasonable requests for information made by the District with regard to special education services and individual students at the Charter School. The District may establish regular meetings with GCC special education coordinator for purposes of reviewing special education and/or Section 504 compliance. The District also may take action to monitor the Charter School to ensure that special education and/or Section 504 services are being provided as required by law and applicable SELPA policy.

- E. If operating as an LEA within a SELPA, GCC agrees to defend with legal counsel satisfactory to District and to hold harmless the District and its officers, directors, agents and employees, from and against any and all costs, including attorney's fees, and/or awards related to complaints, due process hearings, mediations or any and all forms of litigation relating to special education and/or Section 504 matters involving a student's enrollment, services and/or attendance at the Charter School. This indemnification shall exclude any matters which relate to the enrollment or attendance of a student in a District program, unless the student's enrollment or attendance in such program was through a contract with GCC.
- F. GCC acknowledges that its failure to provide any Section 504 and/or special education services for students as required in their Section 504 Plans and IEPs may constitute a material violation of the conditions, standards and procedures set forth in the Charter and this MOU, as well as violation of applicable law which may be sufficient to support the Board's revocation of GCC's Charter pursuant to Cal. Ed. Code §47607.
- G. GCC shall develop, maintain, and implement policies and procedures to ensure that eligible students with disabilities are properly identified, assessed by qualified assessors and IEPs or 504 Plans for the students are properly established, implemented and complied with such that a Free and Appropriate Public Education ("FAPE") in the Least Restrictive Environment ("LRE") is provided in accordance with state and federal law. Such policies shall be provided to District.
- H. GCC and SAVA-EGUSD will collaborate and confer with the District Special Education Department about the needs of former District special education students who are admitted to the charter school including but not limited to, the appropriateness of placement in independent study. Annually, GCC and SAVA-EGUSD will inform District about the process it will use to determine a placement for students for whom the IEP team determines that independent study is not an appropriate instructional format.

XI. SPECIAL PROGRAMS/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.
- B. In order to ensure that the safety and security practices and procedures of GCC are up-to-date and aligned with the safety and security practices of the greater Elk Grove community, by September 1 of the first year of this agreement, GCC staff will meet with District staff to evaluate SAVA's Comprehensive School Safety Plan ("CSSP") and develop an action plan to align it with the District's with CDE guidance and regulations. The action plan will include steps to be taken in the revision process, key dates and personnel responsible for completing revision of

the SAVA CSSP. Revisions to the SAVA CSSP will be completed by December 31 of the first year of this agreement.

XII. 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 also shall be forwarded to the District. Note: All policies and policy changes are board-approved and readily available at: <http://www.agendaonline.net/public/gatewaycc>.
- 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.

XIII. STUDENT RECORDS

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.

XIV. BROWN ACT/PUBLIC RECORDS

The Charter School shall fully conform to the Brown Act. The Brown Act requires school boards to conduct their business in pre-announced and agenzized open session 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 GCC corporation operating 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. The District reserves the right to appoint a voting member to the Charter School's governing board in accordance with the provisions of the Education Code section 47604. The Charter School agrees to provide to the District's representative on the governing board a complete board packet of information being submitted to the board before each meeting, in sufficient time for review. Governing board-adopted policies, meeting agendas and minutes shall be maintained and shall be available for public inspection and to the District during site visits and upon request.

XV. 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.

XVI. AMENDMENTS TO CHARTER

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

- A. Substantial changes to the educational program (including the addition or deletion of an educational program), mission, or vision;
- B. Changing to (or adding) a classroom-based program, if originally approved as a non-classroom-based program;
- C. Proposed changes in enrollment that differ by more than 10 percent +/- of the enrollment originally projected in the charter petition;
- D. Addition or deletion of grades or grade levels to be served;
- E. The addition of facilities and/or new sites not previously approved by the District
- F. Substantial changes to admission preferences as identified in the charter petition;
- G. Changes to the governance structure as described in the corporate bylaws, including but not limited to amendments to:
 - 1. Changes in the authorized number of board members, method by which seated board members are removed, method by which new board members are selected and/or provisions that reduce the size of the quorum required for a meeting and/or a majority required for action; and
- H. Name changes of the Charter School.

XVII. 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.

XVIII. SEVERABILITY/VENUE

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.

XIX. VENUE

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

XX. 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: Chief Financial Officer
9510 Elk Grove-Florin Rd.
Elk Grove, CA 95624

To the Charter School at: Superintendent/CEO
Gateway Community Charters
5112 Arnold Ave., Ste. A
McClellan, CA 95652

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. This Agreement may be executed in counterparts, each of which shall constitute an original. Facsimile or portable document format ("PDF") copies of signature pages transmitted to other Parties to this Agreement shall be deemed equivalent to original signatures on counterparts.

Dated: _____

Shannon Hayes
Chief Financial Officer
Elk Grove Unified School District

Dated: _____

Dr. Cindy Petersen
Superintendent/CEO, Gateway Community Charters
Sacramento Academic and Vocational Academy