CHARTER FOR ATLANTA NEIGHBORHOOD CHARTER SCHOOL

This Charter for Atlanta Neighborhood Charter School ("Charter") is entered into by and between the Atlanta Neighborhood Charter School, Inc. ("Petitioner"), the Atlanta Board of Education ("Local Board") and the State Board of Education ("State Board") (collectively referred to as "the parties").

WHEREAS, the Petitioner submitted a petition to the Local Board proposing to establish a start-up charter school pursuant to O.C.G.A. § 20-2-2060 *et seq.*, the Charter Schools Act of 1998 ("Charter Schools Act"), and the Local Board approved the petition;

WHEREAS, the State Board finds that the petition complies with the provisions of the Charter Schools Act, and the rules, regulations, policies and procedures promulgated in accordance with O.C.G.A. § 20-2-2063 and further finds that the petition is in the public interest; and

WHEREAS, pursuant to O.C.G.A. § 20-2-2064.1, the State Board grants this Charter to permit Petitioner to operate the Atlanta Neighborhood Charter School ("the Charter School") in accordance with the terms and conditions of this Charter.

NOW THEREFORE, in consideration of the promises, mutual agreements, and covenants contained herein and other good and valuable consideration, the sufficiency of which is hereby acknowledged, the parties agree as follows:

1. Definitions. The terms below will be interpreted in accordance with the following definitions, unless and until federal or state law, or the state accountability system, is amended otherwise:

    a. Adequate Yearly Progress (AYP): Adequate Yearly Progress is a measurement based on a series of performance goals that every school, Local Educational Agency, and state must achieve within specified timeframes in order to meet the 100% proficiency goal established by the federal No Child Left Behind Act of 2001 ("NCLB"), subject to any amendment, waiver or reauthorization thereof.

    b. Annual Measureable Objectives (AMOs): In defining Adequate Yearly Progress, each state sets the minimum levels of improvement, based on student performance on state standardized tests that school districts and schools must achieve within time frames specified in law in order to meet the 100% proficiency goal under No Child Left Behind. These levels of improvement are known as Annual Measurable Objectives, and they ensure that all student groups, schools, school districts, and the State as a

whole reach the 100% proficiency goal by 2013-2014, subject to any amendment, waiver or reauthorization of NCLB.

c. Elementary and Secondary Education Act as Amended (ESEA as Amended): The federal education statute, originally passed by the U.S. Congress in 1965, that defines the role of the federal government in public education and authorizes many of the major federal education programs, including Title I. This Act was reauthorized by Congress in 2001 as the No Child Left Behind Act.

d. College and Career Ready Performance Index (CCRPI): A comprehensive school improvement, accountability, and communication platform for all educational stakeholders that will promote college and career readiness for all Georgia public school students. CCRPI currently replaces AYP.

e. Georgia Milestones Assessment System (Georgia Milestones): The Georgia Milestone Assessment System is a state-required assessment system to measure student acquisition of the knowledge and skills set forth in the state curriculum. Georgia Milestones is a consistent testing program that will be administered across grades three through twelve in the content areas of Reading, English/Language Arts, Mathematics, Science and Social Studies and Writing.

f. Education Service Provider (ESP): A for-profit or nonprofit 3rd party managing a charter school.

g. Georgia Department of Education (GaDOE or Department): The Georgia Department of Education is the state agency charged with the fiscal and administrative management of certain aspects of K – 12 public education, including the implementation of federal and state mandates. Such management is subject to supervision and oversight by the State Board of Education.

h. Local Educational Agency (LEA): A Local Educational Agency is a local system pursuant to local board of education control and management.

i. No Child Left Behind of 2001 (NCLB): No Child Left Behind is a reauthorization of the Elementary and Secondary Education Act (ESEA) of 1965 – the principal law affecting education from kindergarten through high school. NCLB is designed to improve student achievement and close achievement gaps. States are required to develop challenging academic standards, to educate all students to 100 percent

proficiency by 2014, and to create and implement a single, statewide accountability system. NCLB is subject to amendment, waiver or reauthorization.

j. State Board of Education (SBOE or State Board): The State Board of Education is the constitutional authority which defines education policy for public K – 12 education agencies in Georgia.

k. State Performance Target: The state performance target is set using all students with the goal of decreasing the percentage of students who are not proficient by 50% by 2016-2017.

l. Subgroup: A Subgroup under No Child Left Behind is defined as one of the following subsets of students: race/ethnicity (American Indian/Alaskan native, Asian/Pacific Islander, Black, Hispanic, Multiracial, and White); disability; limited English proficiency (LEP); and socioeconomic status. To constitute a Subgroup in Georgia for a school's Adequate Yearly Progress determination, the Subgroup must have at least 40 students or constitute 10% of the assessed student population, whichever is greater, but not to exceed a total number of 75 students. The assessed student population is the total number of children whose test results are used to determine Adequate Yearly Progress.

m. Subgroup Performance Target: Individual subgroup performance targets set for each content area, statewide.

2. Charter Term. The State Board grants this Charter to Petitioner to operate the Charter School for a five-year term beginning on July 1, 2016 and expiring on June 30, 2021.

3. Grade Range and Enrollment. The Charter School shall serve K-8 by year five of the charter term. The Charter School's total enrollment shall not exceed 675 during the term of the charter unless after reaching 675 the Charter School requests review by the Department. If the Department determines that the Charter School has met all compliance requirements and charter contract goals based on the most recent year of academic data available, the Charter School's total enrollment may expand by an increment of no more than 15% annually, subject to annual review by the Department.

4. Mission Statement. The mission of the Charter School is to use the principles of the Coalition of Essential Schools to:
   a. BUILD an empowered and inclusive community of students, parents, and educators;
   b. ENGAGE the whole child – intellectually, social-emotionally, and physically;

c. HELP all students to know themselves and to be known well by their community;
d. CHALLENGE each student to take an active role as an informed citizen in a global society; and
e. COLLABORATE with the larger community to advocate for student-centered schools.

5. Essential or Innovative Features. The Charter School shall implement a curriculum and teaching practices that are guided by the Common Principles of the Coalition of Essential Schools. The Charter School will also utilize project-based learning, constructivism, thematic learning, block scheduling, and an advisory program that is designed to help meet the developmental and academic needs of middle school-aged students.

6. Maximum Flexibility Allowed By Law. In exchange for the Charter School's agreement to meet or exceed the performance-based goals and measurable objectives set forth in Section 8 below, the State Board shall grant the maximum flexibility allowed by law to the Charter School. Pursuant to O.C.G.A. § 20-2-2065(a), the Charter School shall be entitled to the maximum flexibility allowed by law from the provisions of Title 20 of the Official Code of Georgia Annotated and from any state or local rule, regulation, policy, or procedure established by a local board of education, the State Board of Education (State Board), or the Georgia Department of Education (Department). Notwithstanding this maximum flexibility, the Charter School shall comply with the terms of this Charter, the Charter Schools Act, including the provisions set forth in Section 16 below, and any rules, regulations, policies, or procedures established by the State Board consistent with the Charter Schools Act.

7. Accreditation. If the Charter School serves grades 8-12, the Charter School shall seek accreditation from an approved accrediting agency pursuant to O.C.G.A. § 20-3-519(6.1)(A) within the first three years of the initial charter term or prior to the graduation of the Charter School's first graduating class and shall retain accredited status thereafter. If applicable, a Charter School may use system accreditation to satisfy this requirement.

8. Performance-based Goals and Measurable Objectives. In exchange for the flexibility granted in Section 6 above, the Charter School agrees to meet or exceed the following performance-based goals and measurable objectives that are designed to result in improvement of student achievement:

   a. Academic Goals. The State Board shall hold the Charter School accountable for the full performance of each of the academic goals listed below. The requirements of each goal are independent of and do not supersede the requirements of any other goal.

i. Goal 1: During each year of its first five-year charter term, the Charter School shall "beat the odds" as determined by a formula measuring expected student growth.

1. The Beating the Odds analysis is a cross-sectional, random effects regression model that currently uses school-based factors from the CCRPI school-level dataset, GaDOE student record file, and the Governor's Office of Student Achievement Report Card. Note that the factors may change during the charter term. The factors in the current model include such things as:

    a. Poverty Level
    b. Race/Ethnicity
    c. Students with Disabilities
    d. English Language Learners
    e. School Size (FTE)
    f. School Grade Configuration

Renewal decisions for new charter schools first opening in 2014 or later will be based in part on whether the school "beat the odds" in each of the first four years of its first charter term (Years 1-4).

ii. Goal 2: The Charter School will demonstrate proficiency and/or improvement on the CCRPI.

1. Measure 1: For new start-up charter schools first opening in 2014 or later, using Year 1 of the charter term to establish a CCRPI baseline, the Charter School's CCRPI score shall be equal to or better than both the State and local district in Year 2, and better than both the State and local district in Years 3-5 of the charter contract.

2. Measure 2: If the school's first-year CCRPI score is lower than either or both the local district and the State, the school shall have until the end of Year 2 of the charter term to close the gap between the Charter School and whichever score is higher, the local district or the State.

3. Measure 3: In Years 3-5 of the charter term, the Charter School's CCRPI score shall be better than both the State and the local district.

Renewal decisions for new start-up charter schools first opening in 2014 or later will be based in part on whether the school's CCRPI score was equal to or better than both the State and local district in Year 2, and better than both the State and local district in Years 3-4 of the charter contract.

b. Organizational Goals. The fulfillment of the following organizational goals will be reported annually by the Charter School in addition to their Annual Report.

i. Goal 1: The Charter School will be economically sustainable.

1. Measure 1: Each year, the Charter Schools will operate in a fiscally sound manner as measured by an external audit that is submitted on time to the Department.

2. Measure 2: Actual and proposed budgets for each school year will demonstrate effective allocation of resources.

3. Measure 3: Yearly balance sheets will demonstrate that the Charter School maintains adequate cash reserves.

4. Measure 4: The Charter School will meet all Generally Accepted Government Accounting Standards (GAGAS) as demonstrated by external, annual audit reports.

5. Measure 5: The Charter School will meet all financial reporting deadlines set by the Department.

ii. Goal 2: The Charter School shall ensure all Governing Board Members receive effective training as required by O.C.G.A § 20-2-2072.

1. Measure 1: All Governing Board members shall participate in initial training and annual training thereafter.

iii. Goal 3: The Charter School shall promote a positive school experience that engages students, parents, and teachers.

1. Measure 1: According to data reported by the Governor's Office of Student Achievement Report Card, in each year of the charter, the percentage of students absent 6 days or more shall not exceed 10%

and shall improve by at least 2 percentage points annually until the percentage of students absent 6 days or more is below 5%.

2. Measure 2: Each year, 90% of parents will indicate that they are at least "satisfied" with the overall quality of their child's education as measured via an annual survey conducted at the conclusion of the school year, in which the options are very unsatisfied, unsatisfied, somewhat satisfied, satisfied, and very satisfied. The survey response rate will be at least 85% of parents surveyed.

3. Measure 3: Each year, 90% of teachers will indicate that they are at least "satisfied" with the overall quality of their job as measured via an annual survey conducted at the conclusion of the school year, in which the options are very unsatisfied, unsatisfied, somewhat satisfied, satisfied, and very satisfied. The survey response rate will be at least 85% of teachers surveyed.

4. Measure 4: Each year, the Charter School will receive a 3-star rating or higher on the Georgia Department of Education's School Climate Star Ratings annual report.

iv. Goal 4: The Charter School shall increase access to the school for all families and individuals with a targeted focus on educationally disadvantaged families.

1. Measure 1: The Charter School will ensure that 40% of students newly admitted to the school through the lottery will be economically disadvantaged students.

9. Assessment and Accountability. Notwithstanding Sections 6 and 8 above, the Charter School is subject to all accountability and assessment requirements set forth within Title 20 of the Official Code of Georgia Annotated and any corresponding State Board Rules, including but not limited to the accountability provisions of O.C.G.A. §§ 20-14-30 through 41. The Charter School is further subject to all federal accountability requirements under the Elementary and Secondary Education Act, subject to any amendment, waiver or reauthorization thereof.

10. Annual Report. The Charter School shall submit an annual report by November 1 of each year to the Georgia Department of Education that complies with all requirements set forth in O.C.G.A. § 20-2-2067.1(c), including but not limited to an indication of the Charter School's

progress towards the goals and objectives stated in Section 8 above and all state-mandated assessment and accountability scores from the previous year. The Charter School shall make available to the community copies of an annual report which shall indicate student performance for the previous year.

11. Open Enrollment and Admissions. The Charter School shall comply with the open enrollment and admissions provisions set forth in O.C.G.A. § 20-2-2066. Enrollment shall be open to any student in accordance with the following criteria:

    a. Attendance Zone. The attendance zone for the Charter School shall be the following:

        i. The attendance zone is limited to the neighborhoods of Grant Park, Ormewood Park, and Summerhill if and only if there are more applicants from those three neighborhoods than there are seats available in each grade and a lottery is required.

        ii. In the event the neighborhoods of Grant Park, Ormewood Park, and Summerhill don't have enough applicants to require a lottery, the attendance zone shall be expanded to include the Neighborhood Planning Unit W (NPU-W) – but only if that expansion yields more applicants from those three neighborhoods and NPU-W than there are seats available and a lottery is required.

        iii. In the event the neighborhoods of Grant Park, Ormewood Park, and Summerhill and NPU-W don't have enough applicants to require a lottery, the attendance zone shall be expanded to include the entire Atlanta Public Schools District in the single lottery.

    b. Application. To be eligible for enrollment at the Charter School, students residing in the attendance zone must submit a timely application to the Charter School in accordance with the deadline set by the Charter School. The Charter School may use applications only for the purpose of verifying the student's residence within the school's attendance zone and grade level. The Charter School may not use admissions criteria or applications that would not otherwise be used at a traditional public school, including but not limited to, requests for letters of recommendation, essays, resumes, or information regarding a student's school or community activities, grades, test scores, attendance record, or disciplinary history. The Charter School may gather other relevant information from students after enrollment is determined.

c. Random Lottery. If the number of timely applicants received by the Charter School exceeds the capacity of a program, class, grade level, or building, the Charter School shall ensure that such applicants have an equal chance of being admitted through a random selection process in accordance with O.C.G.A. § 20-2-2066(a)(1)(A), except for educationally disadvantaged students who may be provided an increased chance of admission through a weighted lottery. The Charter School shall not conduct more than one lottery, per grade, per admissions cycle.

d. Statutory Enrollment Priorities. In accordance with O.C.G.A. § 20-2-2066(a)(1)(A), the Charter School may give enrollment priority to the following categories of applicants and in the following priority:

   i. A sibling of a student enrolled in the Charter School; and
   ii. A student whose parent or guardian is a member of the governing board of the charter school or is a full-time teacher, professional, or other employee at the Charter School.

e. Weighted Lottery. In accordance with O.C.G.A. § 20-2-2066(a)(1)(A), the Charter School may utilize a weighted lottery to provide an increased chance of admission to the following categories of educationally disadvantaged students:

   i. Students who are economically disadvantaged. An economically disadvantaged student shall be defined as a student whose family lives below the poverty line, qualifies for free or reduced lunch, or whose family qualifies for federal benefits including SNAP, TANF, WIC, Medicaid, or PINS.

The weight for economically disadvantaged students will be calculated annually to ensure at least 40% of newly admitted students are economically disadvantaged. The minimum weight shall be 1.5 and the maximum weight shall be 4.0. The Charter School will use the weighted lottery until 30% to 50% of enrolled students are economically disadvantaged. To facilitate the weighted lottery, applicants can indicate their 'economically disadvantaged' status on the admissions application and such status will be verified as a part of the registration process.

12. Withdrawal without Penalty. The Charter School shall comply with the provisions of O.C.G.A. § 20-2-2066(d) for withdrawing students. The Charter School agrees that a student may withdraw without penalty from the Charter School at any time and enroll in another public school in the local school system in which such student resides.

13. State and Federally Mandated Educational Services.

a. Students with Disabilities. The Charter School shall comply with all federal special education laws and regulations, including Section 504 of the Rehabilitation Act of 1973, Title II of the Americans with Disabilities Act, and the Individuals with Disabilities Education Act.

b. English Language Learners. The Charter School shall comply with all applicable federal laws and regulations relating to the provision of educational services to English Language Learners.

c. Supplemental Education. The Charter School shall provide supplemental education services in required cases pursuant to State Board of Education Rule 160-4-5-.03 and No Child Left Behind, subject to any amendment, waiver or reauthorization thereof.

d. Remediation. The Charter School shall provide remediation in required cases pursuant to State Board of Education Rule 160-4-5-.01 and No Child Left Behind, subject to any amendment, waiver or reauthorization thereof

14. Governance Structure.

a. Governing Board. The Charter School shall utilize an autonomous governing body in the form of a Governing Board, which shall operate in accordance with its bylaws and Appendix A of this agreement and which shall be responsible for complying with and carrying out the provisions of this Charter, including compliance with all applicable law.

b. Function. It shall be the function of the Governing Board to uphold the Charter School's mission and vision, to set policy for the Charter School, to work collaboratively with school officials to ensure the Charter School complies with the performance goals enumerated in Section 8 above, to ensure effective organizational planning, and to ensure financial stability of the Charter School.

c. Autonomy. The Governing Board shall exercise substantive control over such areas as personnel decisions, financial decisions, curriculum and instruction, resource allocation, establishing and monitoring the achievement of school improvement goals, and school operations, which are listed by way of example and not by limitation.

d. Annual Training. The Governing Board shall receive initial training and annual training thereafter. Pursuant to O.C.G.A § 20-2-2072 and relevant State Board rules, the training shall include, but not be limited to, best practices on school governance, the constitutional and statutory requirements relating to public records and meetings, and the requirements of applicable statutes and rules and regulations.

e. Public Meetings. The Governing Board is subject to and shall comply with the Open and Public Meetings Act, O.C.G.A. § 50-14-1 *et seq.,* and any subsequent amendment thereof. The Governing Board shall conduct regular meetings consistent with principles of transparency and avoidance of actual or apparent conflicts of interest in the governance of the Charter School.

f. Public Records. The Governing Board is subject to and shall comply with the Georgia Open Records Act, O.C.G.A. § 50-18-70 *et seq.*, and any subsequent amendment thereof. The Governing Board shall maintain its adopted policies, budgets, meeting agendas, and minutes, and shall make such documents available for public inspection. The Charter School shall make the minutes of all Governing Board meetings available on its website within ten (10) business days after Governing Board approval and for the duration of the Charter.

g. Conflicts of Interest. The Governing Board shall establish a formal policy to prevent and disclose conflicts of interest. Members of the Governing Board and all individuals employed at the Charter School shall abide by such conflicts of interest policy. Upon request, the Charter School shall provide conflict of interest forms to the local district or Department demonstrating that governing board members are in compliance with the conflicts of interest policy.

h. Public Status. Petitioner assures that the Charter School shall be a public, nonsectarian, nonreligious, nonprofit school organized and operated under the laws of the State of Georgia. Petitioner further assures that the Charter School shall not be home based.

i. Director Compensation. Petitioner shall not compensate members of the Charter School's Governing Board in excess of reasonable expenses incurred in connection with actual attendance at board meetings or with performance of duties associated therewith.

j. Contractual Interference. No party to this Charter may interfere with the legal right(s) and/or obligation(s) of another party to execute the provisions of this Charter.

15. Fiscal Control.

a. Financial Reporting Requirements. The Charter School shall follow the financial requirements of the Charter Schools Section of the Department's Financial Management for Georgia Local Units of Administration Manual. The Charter School shall submit all information required by the State Accounting Office for inclusion in the State of Georgia Comprehensive Annual Financial Report.

b. Annual Audit. The Charter School shall have an annual financial audit.

i. The financial audit shall be conducted by an independent certified public accountant licensed in the State of Georgia. The Charter School will submit its annual financial audit to the State of Georgia by November 1st each year.

ii. A separate audit shall not be required for a school if the Charter School is included in the local school system audit conducted pursuant to Code Section 50-6-6, but the Charter School will submit the system's audit to the State of Georgia by November 1st each year.

iii. If a conversion school charter is held by a nonprofit, the Charter School shall have an annual financial audit pursuant to subsection (i) of this paragraph.

c. Compliance with approved budget included in locally-approved charter application. The Local Board shall fund the Charter School at no less than a per-pupil base rate of $11,364.

d. Chief Financial Officer. The Charter School shall designate a Chief Financial Officer, who shall possess the following minimum qualifications:

i. A baccalaureate or higher degree in business, accounting, or finance from an accredited college or university and a minimum of four (4) years experience in a field related to business or finance; or

ii. Documented experience of ten (10) or more years in the field of business and financial management.

e. Federal Monitoring Requirements. The Charter School shall comply with all federal monitoring requirements related to the receipt of federal funds.

f. Charter School Program Eligibility. In the event the Charter School seeks grant funds under the Federal Charter School Program, the Charter School must satisfy all federal eligibility requirements as a prerequisite to applying for and receiving such funds.

g. Insurance. Prior to opening, the Charter School shall secure adequate insurance coverage and the Charter School shall maintain such coverage throughout the Charter term in accordance with the laws of the State of Georgia. The Charter School shall obtain and attach hereto a Certificate of Insurance which shall name the Local Board of Education and the State Board of Education as additional insureds.

h. Surplus Funds. Any surplus funds remaining at the close of each fiscal year will be used to enhance the Charter School's academic program. Under no circumstances shall any surplus be distributed to the Charter School's employee(s), board member(s), educational service provider or educational management organization. Nothing in this section shall be construed to prevent the Charter School from setting aside surplus funds in a reserve account or budgeting and awarding performance bonuses as part of their annual operating expenses.

i. Responsibility for Debts. The Charter School is solely responsible for all debts incurred by the Charter School and its Governing Board. Except as agreed hereto, the Local Board and the State Board shall not be contractually bound to the Charter School or to any third party with whom the Charter School has a contract or from whom the Charter School has purchased goods or services.

16. Compliance with Other Laws, Rules, and Regulations. The Charter School shall operate in accordance with the United States Constitution, the Constitution of the State of Georgia, and all applicable federal, state, and local laws that may not be waived pursuant to O.C.G.A. § 20-2-2065, including the following, which are listed by way of example and not by way of limitation.

a. Civil Rights, Insurance, Health, Safety, and Conflicting Interests. The Charter School shall operate in accordance with all applicable federal, state, and local rules, regulations, court orders and statutes relating to civil rights; insurance; the protection of the physical health and safety of students, employees, and visitors; conflicting interest transactions and the prevention of unlawful conduct.

b. Asbestos Remediation. The Charter School shall comply with the terms of any applicable asbestos remediation plan.

c. Unlawful Conduct. The Charter School shall be subject to all laws relating to unlawful conduct in or near a public school.

d. Student Conduct and Discipline. The Charter School shall maintain and implement a written policy regarding student discipline, which policy shall be consistent with due process.

e. State Board Rules. The Charter School shall operate in accordance with all State Board Rules promulgated in accordance with O.C.G.A. § 20-2-240 during the term herein that are not subject to any waiver granted in Section 6 above.

f. Prohibition on Discrimination. The Charter School shall not discriminate against students on the basis of disability, race, creed, color, gender, national origin, religion, ancestry, marital status, academic ability, the need for special educational services, or any other characteristic protected by local, state, or federal law.

g. Reporting Requirements. The Charter School shall be subject to all reporting requirements of O.C.G.A. §§ 20-2-160, 20-2-161(e), 20-2-320, and 20-2-740.

h. Tuition. The Charter School shall not charge tuition or fees to its students except as may be authorized for local boards pursuant to O.C.G.A. § 20-2-133.

i. Brief Period of Quiet Reflection. The Charter School shall comply with O.C.G.A. § 20-2-1050, which requires a brief period of quiet reflection.

j. Individual Graduation Plans. The Charter school shall comply with O.C.G.A. § 20-2-327 related to Individual Graduation Plans.

k. Family Educational Rights and Privacy Act. The Charter School is subject to all provisions of the Federal Family Educational Rights and Privacy Act, 20 U.S.C. § 1232g. In the event the Charter School closes, it shall transmit all official student records in the manner prescribed by the State Board.

l. QBE Formula Earnings. The Charter School acknowledges that criteria used to calculate Quality Basic Education (QBE) funding may not be waived.

17. Education Service Providers.

    a. If the Charter School does not contract with an Education Service Provider at the time of execution of this charter but later elects to contract with an Education Service Provider, such decision will require a charter amendment prior to execution of an agreement with an Education Service Provider.

    b. If the Charter School contracts with an Education Service Provider at the time of execution of this charter, the Charter School shall provide reasonable notice to the Local Board and the State Board before agreeing to any material changes or amendments to any contract with an Education Service Provider. Reasonable notice shall mean the Charter School gives the Local Board and State Board at least thirty (30) days advanced notice and shall furnish the parties with a copy of the proposed changes and/or amendments.

18. Compliance with the Rules, Practices, Policies, and Procedures of the Department. The Charter School shall operate in accordance with the rules, practices, policies, and procedures established by the Department under the authority granted by O.C.G.A. §§ 20-2-2063 *et seq.*

19. Employment Matters. Individuals employed at the Charter School shall not be considered employees of the State Board or the Department.

    a. Background Checks. The Charter School shall adopt background check procedures and shall ensure that all prospective staff members or any individual that will have substantial contact with students undergo a fingerprinting and background check prior to beginning work at the Charter School or having contact with students.

    b. Teachers' Retirement System. All qualified teachers at the Charter School shall be members of the Teachers Retirement System of Georgia ("TRS") and subject to its requirements. The Charter School is responsible for making arrangements with TRS and making monthly contributions for its teachers in accordance with state requirements.

    c. Teacher and Leader Evaluation. The Charter School shall implement the Teacher Keys Effectiveness System (TKES) and Leader Keys effectiveness System (LKES) in accordance with O.C.G.A §20-2-210(b)(1) and State Board Rule 160-5-1.37. The Charter School shall have at least two individuals credentialed in using TKES. If the most senior Charter School leader must be evaluated using LKES because he or she performs the duties of a principal as defined by State Board Rule 160-5-1-.37, a

member of the governing board, who is credentialed in using LKES, shall serve as his or her evaluator.

20. Record Inspection. Subject to state and federal laws, the State Board, the Department and their agents, and the State Auditor's office shall have the right to examine and copy all records, reports, documents, and files relating to any activity, program, or student of the Charter School.

21. Facilities.

    a. Approval of Site and/or Facility. The Charter School shall obtain proper approval for all sites and/or facilities prior to committing to any certificate of lease or ownership, prior to commencing any construction and prior to student occupation. The Charter School shall contact the Georgia Department of Education's Facilities Services Division regarding the following:

        i. Site Approval. Immediately upon approval, the Charter School shall contact the Facilities Services Division and obtain site approval. Once site approval has been granted, the Charter School will be issued a site code. The Charter School shall not commit to any certificate of lease or ownership, commence any construction, nor allow student occupation prior to site approval.

        ii. Architectural Review. The Charter School shall submit and have approved by the Facilities Services Division all architectural plans for any facility that will house the Charter School during the charter term. The Charter School shall not commit to any certificate of lease or ownership, commence any construction, nor allow student occupation prior to architectural review.

        iii. School Code Approval. After securing both site approval and architectural review approval a school code shall be obtained. A locally-approved Charter School shall contact their school system's facilities department and make a request for a school code. The Charter School shall properly obtain a school code prior to occupancy of the site and/or facility.

    b. Prior to opening the Charter School and prior to students occupying any proposed facility, the Charter School shall obtain and submit the following documents to the Department:

i. Documentation of Ownership or Lease Agreement. The Charter School shall obtain documentation of ownership or the lease agreement for the facility that will house the Charter School.

ii. Certificate of Occupancy. The Charter School shall obtain a Certificate of Occupancy for the facility in which the Charter School shall be located.

iii. Emergency Safety Plan. The Charter School shall prepare a safety plan in accordance with O.C.G.A. § 20-2-1185, which plan shall be submitted to the Georgia Emergency Management Agency.

22. Transportation. To the extent the Charter School offers a transportation program for its students, the Charter School shall ensure that the program complies with all applicable laws governing transportation of students.

23. Food Services. To the extent the Charter School offers a food service program, the Charter School shall ensure that the program complies with all applicable laws governing food service for students.

24. Termination of Charter.

a. Termination Procedures. The parties acknowledge and agree that this Charter may be terminated following the procedures set forth in O.C.G.A. § 20-2-2068 and the accompanying State Board Rule.

b. Requests for Termination. The termination of this Charter may be requested by a majority of the parents or guardians of the students enrolled in the Charter School, a majority of the faculty and instructional staff employed at the Charter School, the Local Board or the State Board following the procedures identified in Section 24(a).

c. Termination Grounds. In accordance with Sections 24(a) and (b), the Charter School may be terminated based on any of the following grounds:

i. Breach of Charter. In the event the Charter School fails to comply with any material provision set forth in this Charter, they shall be notified by certified mail and be given thirty (30) days from receipt of notice to cure the breach. The nature and outcome of the breach shall be recorded in a memo and placed in the Charter School's file;

ii. The Charter School's failure to comply with any recommendation or direction of the State Board with respect to O.C.G.A. § 20-14-41;

iii. The Charter School's failure to adhere to any material term of this Charter, including but not limited to the performance goals set forth in Section 8 above;

iv. The Charter School's failure to meet generally accepted standards of fiscal management;

v. The Charter School's violation of applicable federal, state, or local laws, or court orders;

vi. The existence of competent substantial evidence that the continued operation of the Charter School would be contrary to the best interests of the students or the community;

vii. The Charter School's failure to comply with any provision of the Charter Schools Act;

viii. The existence of conditions that place the health, safety, or welfare of students or staff of the Charter School in danger; or

ix. The Charter School's failure to disclose material information regarding violations or potential violations of any material term of this Charter or applicable federal, state, or local laws or court orders.

d. Distribution of Funds and Assets. In the event the Charter School ceases operation for any reason, the Charter School and its Governing Board will be responsible for concluding the business and affairs of the Charter School and will cooperate with the Local Board and State Board to the extent necessary to provide an orderly return of the students to their local school. Any public surplus remaining at the time the Charter School ceases operation shall be remitted to the Local Board and/or State Board, whichever is appropriate, within 30 days of ceasing operations. Any furniture and equipment purchased with public funds shall be delivered to the Local Board and/or State Board, whichever is appropriate, within 30 days of ceasing operations. Neither the Local Board nor the State Board shall be responsible for the Charter School's unpaid debts in the event the Charter School does not have sufficient funds to pay all of its debts at the time it ceases operation.

25. Pre-Opening Suspension. In the event the Charter School fails to comply with any material provision set forth in this Charter that requires compliance prior to the opening of the Charter School, the opening may be suspended until a time after all requirements have been fulfilled by the Charter School as determined by the local district and Department. Suspension shall not result in an extension of the Charter term set forth above in Section 2.

26. Renewal, Non-Renewal, and Probationary Term.

    a. Renewal. The Charter may be renewed by agreement of the parties following the procedures set forth in the Charter Schools Act and accompanying State Board Rule.

    b. Non-Renewal. Any grounds for termination stated in Section 24(c) above also may be grounds for non-renewal. In addition, the State Board or Local Board may elect not to renew the Charter if the petition for renewal does not comply with the Charter Schools Act and the rules, regulations, policies, and procedures promulgated in accordance with the Charter Schools Act or if the State Board or Local Board deems that the Charter School has not sufficiently increased student achievement or is no longer in the public interest.

    c. Probationary Term. In the event the State Board or Local Board determines that the Charter School has failed to comply with any provision of this Charter, the State Board and Local Board may elect to grant a renewal for a probationary term, within which term the Charter School must come into compliance satisfactory to the State Board and Local Board.

27. Temporary Extension. At the discretion of the local district and the Department, a Charter may be extended for a grace period not exceeding sixty (60) days.

28. Amendments to the Charter. Any material term of this Charter, to be determined by the local district and the Department, may be amended in writing upon the approval of the Local Board, the State Board and a majority of the Governing Board of the Charter School. Any proposed amendment shall be made in accordance with State Board Rule 160-4-9-.06 *et seq*.

29. Administrative Clarifications. Any clarification to a non-material term of this Charter, to be determined by the School District and Department, shall be submitted in writing to the local district and the Department for review. Any non-material term of this Charter may be clarified upon written approval of the School District and the Department.

30. Mandatory Training. The Department reserves the right to require the Charter School to attend any training related to the responsibilities of a Charter School.

31. Indemnification.

    a. The Petitioner and the Charter School agree to indemnify, defend and hold harmless the Local Board, the School District, the Department and the State Board, their officials, officers, employees, agents, volunteers, and assigns (all of whom hereinafter may collectively be referred to as "Indemnitees"), from any and all claims, demands, suits, actions, legal or administrative proceedings, losses, liabilities, costs, interest, and damages of every kind and description, including any attorneys' fees and/or litigation and investigative expenses, for bodily injury, personal injury, (including but not limited to the Charter School's employees), patent, copyright, or infringement on any intellectual property rights, or loss or destruction of property (including loss of use, damage or destruction of Indemnitee owned property) to the extent that any such claim or suit was caused by, arose out of, or contributed to, in whole or in part, by reason of any act, omission, professional error, fault, mistake, or negligence whether active, passive or imputed, of the Charter School or Petitioner, their employees, agents, representatives, or subcontractors, their employees, agents, or representatives in connection with or incidental to their performance of this Charter regardless of whether such liability, claim, damage, loss, cost or expense is caused in part by an Indemnitee.

    b. The Charter School and Petitioner shall be excused from their indemnification obligations above: (a) If the claims, demands, suits, actions, proceedings, losses, liabilities arise solely and exclusively out of the negligence of the Indemnitee seeking indemnification; or (b) If the Indemnitee fails to (i) provide written notice of the third party claim or suit within a reasonable time, (ii) cooperate with reasonable requests of the Charter School or Petitioner related to the indemnification; or (iii) assist the Charter School or Petitioner with the defense of such claim or suit.

    c. The Charter School's and Petitioners obligations to indemnify any Indemnitee shall survive the completion, expiration, or termination of this Agreement for any reason.

32. Non-Agency. The parties expressly acknowledge and agree that the Charter School is not acting as the agent of the Local Board, the State Board, or the Department except as required by law or this Charter. The Charter School acknowledges that it is without authority to, and will not, extend the faith and credit of the Local Board, the State Board, or the Department to any third party.

33. Delegation. The parties acknowledge and agree that the functions and powers of each party may be exercised only by each party and may not be delegated to a third party without written agreement by the parties.

34. Application of Amended Law. This Charter is subject to applicable federal and state laws, rules and regulations and shall be deemed amended to reflect applicable changes to those laws upon the effective date of any such change.

35. Non-Waiver. No waiver of any breach of this Charter shall be held as waiver of any other or subsequent breach.

36. Severability. If any provision of this Charter is determined to be unenforceable or invalid for any reason, the remainder of the Charter shall remain in full force and effect.

37. Contradicting or Conflicting Provisions. If any provision of the Charter is determined to contradict or conflict with any other provision of the Charter, the contradiction or conflict shall be resolved in favor of the broad flexibility guaranteed pursuant to O.C.G.A. § 20-2-2065 *et seq.*

38. Governing Law and Venue. This Charter shall be governed by, subject to, and construed under the laws of the State of Georgia. This Charter shall be interpreted in accordance with O.C.G.A. §§ 20-2-2060 *et seq.* and §§ 20-2-2080 *et seq.*, as amended within the term of this Charter. Any action brought by one party to this Charter against another party shall be brought in the Superior Court of Fulton County.

39. Entire Agreement. This Charter sets forth the entire agreement between the Petitioner, the Local Board and the State Board with respect to the subject matter of this Charter. All prior contracts, representations, statements, negotiations, understandings, and undertakings between the Petitioner, the Local Board and the State Board are superseded by this Charter. The Charter shall not preclude the Charter School from entering into or maintaining any agreement with the Local Board provided no such agreement supersedes, overrides or conflicts with any provision of this Charter. The petition submitted to the Local Board and the State Board serves only as the formal application for the Charter School and does not constitute a contract between the Local Board, the State Board and the Petitioner. This Charter supersedes and overrides any provisions contained in the petition that conflict with this Charter.

CHARTER FOR ATLANTA NEIGHBORHOOD CHARTER SCHOOL

Chairperson, 6/8/16
GEORGIA STATE BOARD OF EDUCATION (Date)

Authorized Representative, 5/25/16
ATLANTA NEIGHBORHOOD CHARTER SCHOOL, INC. (Date)

Chairperson, 5/31/16
ATLANTA BOARD OF EDUCATION (Date)