

**Twelfth Amended and Restated Campus Management Agreement Between the
Chicago Charter School Foundation
and
Civitas Schools, LLC
(Wrightwood Campus, Northtown Academy Campus and Ralph Ellison Campus)**

THIS TWELFTH AMENDED AND RESTATED CAMPUS MANAGEMENT AGREEMENT (the "**Agreement**") is executed as of the ___ day of June, 2019, by and between Civitas Schools, LLC ("**Civitas**"), an Illinois limited liability company, and the Chicago Charter School Foundation a/k/a and referred to herein as the Chicago International Charter School ("**CICS**"), an Illinois not-for-profit corporation.

WHEREAS, CICS has qualified as a tax-exempt organization under Section 501(c)(3) of the Internal Revenue Code (the "**Code**");

WHEREAS, CICS has been granted a charter (the "**Charter**") to organize and operate a charter school (the "**School**") at multiple locations in Chicago, Illinois (each such location, an "**Attendance Center**") by the Chicago School Reform Board of Trustees (the "**School Reform Board**") pursuant to the State of Illinois Charter Schools Law, 105 ILCS 5/27A-1 et seq., as amended (the "**Charter Schools Law**"). CICS and the School Reform Board entered into a Renewal of Charter and Charter School Agreement dated as of May 17, 2002, which was renewed in 2007 and again in 2012 and 2017 (the "**Charter Agreement**"), which sets forth certain terms and conditions of the Charter and which may be amended from time to time;

WHEREAS, CICS is governed by a Board of Directors (the "**CICS Board**"), which is responsible for overseeing the operations of CICS;

WHEREAS, CICS wants Civitas to provide services at CICS' Attendance Centers at the Campuses;

WHEREAS, CICS conducts a computerized lottery to randomly and fairly assign students to places in schools or on waiting list. The high school lottery is conducted at a CICS high school campus and the elementary lottery is conducted at a CICS elementary campus. Both lotteries are open to the public; and

WHEREAS, CICS and Civitas now desire to enter into this Agreement to govern their relationship beginning July 1, 2019 (the "**Effective Date**").

NOW, THEREFORE, for and in consideration of the mutual undertakings in this Agreement, the parties hereby agree to the following term and conditions:

1. DEFINITIONS.

(a) "**Academic Year**" means the period which students are attending school, commencing in the month of August and ending in the month of June.

(b) "**Annual Civitas Receipts**" shall equal the difference between Operating Funds and the sum of: (i) the CICS Holdback; (ii) the Insurance Amount, (iii) the Offset Amount, and (v) the CPS Debits Amount. The sum of the Monthly Civitas Receipts for all twelve (12) Months is intended to equal the Annual Civitas Receipts.

(c) "**Attendance Center**" shall have the meaning ascribed to it by the preamble to this Agreement.

(d) "**Campus**" means one of the three following Attendance Centers: (i) Wrightwood Campus, (ii) Northtown Academy Campus and (iii) Ralph Ellison Campus. "**Campuses**" means two or more of the foregoing Attendance Centers.

(e) "**Capital Repairs and Improvements**" means capital repairs and improvements for which CICS is responsible as more particularly described in **Schedule A**.

(f) "**Charter**" shall have the meaning ascribed to it by the preamble to this Agreement.

(g) "**Charter Agreement**" shall have the meaning ascribed to it by the preamble to this Agreement.

(h) "**Charter Schools Law**" shall have the meaning ascribed to it by the preamble to this Agreement.

(i) "**CICS Holdback**" means the annual amount "held back" by CICS for facilities and central administration. The CICS holdback shall be equal to the sum of 13% for facilities plus 2% for central administration for a total of 15% of Civitas' total Student Based Budgeting (SBB), Non-Student Based Budgeting (Non-SBB), Supplemental Aid and Facilities Supplement for all CICS campuses managed by Civitas. Student Based Budgeting (SBB), Non-Student Based Budgeting (Non-SBB), Supplemental Aid and Facilities Supplement amount is expected to be provided to each Civitas Campus by the Chicago Public Schools in Fiscal Year 2020.

(j) "**CICS Intellectual Property**" means (i) all intellectual property rights created or conceived by CICS or an affiliate, including, but not limited to: all patents, patent applications, trademarks, trade names, logos, descriptive slogans, service marks, copyrights and any renewal rights therefore relating thereto, including the trademarks "**Chicago Charter School Foundation**," "**Chicago International Charter School**" and any combination thereof, applications for any of the foregoing, and (ii) all inventions, ideas, processes, trademarks, know-how, works, discoveries, and improvements or enhancements to any of the foregoing which are created, in whole or in part, by Civitas out of Civitas Campus Receipts relating to the operation of the Campuses or CICS' other Attendance Centers (collectively "**Inventions Made From Civitas Campus Receipts**") which are protectable by copyright are "works made for hire" (as that term is defined in the U.S. Copyright Act) for CICS. To the extent that any Inventions Made From Civitas Campus Receipts cannot be "works made for hire," Civitas hereby assigns to CICS all right, title, and interest in and to such Inventions Made From Civitas Campus Receipts, including all intellectual property rights.

- (k) "**CICS Property**" shall have the meaning ascribed to it by **Section 9(a)**.
- (l) "**Civitas Campus Receipts**" shall equal Annual Civitas Receipts minus the SMO Holdback.
- (m) "**Civitas Intellectual Property**" means all copyright and other proprietary rights developed or created by or on behalf of Civitas that are not CICS Intellectual Property, including all instructional materials, personal preparation materials, administrative/procedural materials, training materials, curriculum and lesson plans, teaching techniques or methods, and any other materials developed by or on behalf of Civitas, its employees, agents or subcontractors prior to this Agreement or any predecessor thereto.
- (n) "**Civitas Property**" shall have the meaning ascribed to it in **Section 9(b)**.
- (o) "**CPS**" means Chicago Public Schools.
- (p) "**CPS Debits Amount**" means any offset for any obligations that are imposed on CICS by CPS, including, without limitation, pensions.
- (q) "**Effective Date**" shall have the meaning ascribed to it by the preamble to this Agreement.
- (r) "**Epicerter**" means the network compliance management tool used by CICS and Civitas.
- (s) "**Insurance Amount**" means the amounts payable by CICS for insurance required pursuant to **Section 12**.
- (t) "**Maintenance and Repairs**" means maintenance and repairs for which Civitas is responsible as more particularly described in **Schedule A**.
- (u) "**Month**" shall mean a calendar month during the Term.
- (v) "**NWEA**" means Northwest Evaluation Association MAPS tests, or a reasonable replacement of such MAPS test acceptable to CICS and approved in writing for use by the CICS Board of Directors.
- (w) "**Offset Amount**" means an offset for any obligations that are imposed on Civitas by this Agreement and that have not been paid in a timely fashion.
- (x) "**Operating Funds**" means the funds that CICS receives pursuant to the Charter Agreement to the extent allocable to the Campuses. If a non-recurring increase is made to the per-student amount CICS receives pursuant to the Charter Agreement (the "**Non-Recurring Increase**"), CICS will calculate the product of (i) the preceding year's per-student Operating Funds and (ii) one plus two times the increase in the CPI for the twelve month period ending on the last day of final month that ends on or before the date that CICS receives such increase (the "**Calculation**"). If the value of the Non-Recurring Increase is greater than the Calculation, the Operating Funds shall only be equal to the value of the Calculation. Any excess (i.e. the difference between the Non-Recurring Increase and the Calculation) shall be paid to

Civitas or its employees, subject to their attainment of performance goals determined by CICS after consultation with Civitas.

(y) **"Per Pupil Amount"** means the PCTC per pupil funds that CICS receives pursuant to the Charter Agreement to the extent allocable to each Campus.

(z) **"Quarter"** shall mean a calendar three-month period beginning on July 1, 2019, October 1, 2019, January 1, 2020 and April 1, 2020.

(aa) **"Quarterly Civitas Receipts"** for a Quarter shall equal the difference between Operating Funds received in respect of such Quarter and the sum of: (i) the CICS Holdback, (ii) one-fourth (1/4) of the Insurance Amount, and (iii) the Offset Amount, to the extent not previously debited against the Quarterly Civitas Receipts for a previous Quarter.

(bb) **"Reserve"** shall have the meaning ascribed to it by **Section 8(cc)**.

(cc) **"School Facilities"** means the real estate facilities for each of the Campuses.

(dd) **"School Reform Board"** shall have the meaning ascribed to it by the preamble to this Agreement.

(ee) **"Services"** shall have the meaning ascribed to it by **Section 8(a)**.

(ff) **"SMO Holdback"** shall have the meaning ascribed to it by **Section 8(aa)**.

(gg) **"Term"** shall have the meaning ascribed to it by **Section 2(a)**.

2. **TERM.**

(a) **Initial Term.** Unless terminated earlier in accordance with this Agreement, the term of this Agreement ("**Term**") shall commence on July 1, 2019, and end on June 30, 2020, which Term shall include one (1) Academic Year.

(b) **Extensions.** It is anticipated that in or around May of the Academic Year, the parties will enter into negotiations to extend the Term of this Agreement for an additional year, but neither party will be required to enter into such negotiations or agree to such an extension. Notwithstanding the foregoing, in no event shall the Term extend beyond the term of the charter granted to CICS, as such charter may be extended from time to time.

3. **ACKNOWLEDGEMENTS.**

(a) **Civitas.**

(i) **Other Attendance Centers.** Civitas hereby acknowledges that CICS may operate additional Attendance Centers pursuant to the Charter or otherwise, either on its own or through arrangements with Civitas or other service providers.

(ii) **Naming of Attendance Centers.** Civitas acknowledges that the naming of campuses, sport's fields and rooms within CICS School Facilities provides opportunities for CICS to raise philanthropic funds. Civitas accordingly acknowledges that CICS has the sole naming authority of any Attendance Center's physical space, including the campus itself, sport's fields and rooms within the Attendance Center, such as the cafeteria, gymnasium or classrooms.

(iii) **Branding.** In connection with each Campus, Civitas shall use the official name and logo chosen by CICS on all public communications including the campus and operator websites, social media, e-mail signatures, when greeting visitors or callers to the campus and on all signage, stationery, marketing, clothing and any other materials. The form of all such materials shall be subject to CICS' prior review and written approval. CICS reserves the right to re-order materials that do not conform to CICS branding standards, including but not limited to Campus apparel. CICS will withhold the cost of any such branded materials, plus a fee of ten percent of the re-branded materials (10%), from Civitas' succeeding quarterly payment. In the event the final quarterly payment under this Agreement has already been paid or made available to Civitas, Civitas shall immediately pay CICS the cost of any such re-branded materials plus the ten percent (10%) fee. Civitas shall cooperate with CICS in transitioning to the new design of CICS' official name, logo or any other new or different branding designs that CICS may hereafter approve and agrees to assist CICS in transitioning its branding designs in such a way that does not impose material costs upon the families of students attending any Campus.

(iv) **Campus Website and Social Media.** In connection with each Campus, Civitas shall maintain a Campus website, which shall include, at a minimum, a listing of school teachers and staff. The website shall be updated regularly and Civitas agrees that content posted on any Campus website shall comply with any federal, state or local statute or regulation or any agreement Civitas or CICS has entered into with any person or entity. Additionally, Civitas agrees to operate a social media account in connection with each Campus consistent with any branding guidebook or other guidance provided by Neiger Design or any other branding vendor engaged by CICS. Civitas shall not create any additional websites or social media accounts containing or utilizing the CICS logo without CICS' express written consent.

(b) **CICS.**

(i) CICS acknowledges that Civitas may operate and manage other educational programs and provide educational and related services, with other partners in and around Chicago and elsewhere *provided* that prior to any expansion, Civitas shall provide CICS notice and copies of any expansion plans for CICS' review and consultation with adequate time, and no less than three months, for CICS to respond prior to implementation of such plans. CICS will provide a response within four weeks. Civitas shall further consider the effect expansion may have on the operation of any of Civitas' CICS Campuses and implement plans to mitigate any such negative effects prior to expansion. Should CICS determine in its sole discretion that Civitas' operation or

management of other educational programs hinders Civitas' operation of its CICS campus, CICS reserves the right to terminate this Agreement.

4. MUTUAL OBLIGATIONS OF THE PARTIES.

(a) **Attendance Days; School Days; School Week.** The academic school year and schedule will be presented to CICS for approval and must meet or exceed the requirements of Illinois law and the Charter Agreement.

(b) **Class Size.** Each party shall perform its duties under this Agreement in such a way that will allow the maximum class sizes to be as set forth below:

Maximum Class Size

<u>Grade</u>	<u>Maximum Number of Students per Class</u>
Kindergarten	35
1	35
2	35
3	35
4	35
5	35
6	35
7	35
8	35
9	35
10	35
11	35
12	35

(c) **Admissions, Recruitment and Enrollment.** Each party shall perform its duties under this Agreement in such a way that the following enrollment criteria will be met

(i) Enrollment shall be open to all Chicago students, as determined by CICS and in accordance with the Charter Schools Law.

(ii) To enroll for any Campus, a child's parent or legal guardian must complete a CICS elementary school or high school application, depending upon the age of the child.

(iii) A child's parent or legal guardian must complete the CICS application and must list the Attendance Centers at which they want their child to attend in preferential order.

(iv) A child's parent or legal guardian shall be entitled to apply to all or any Attendance Centers that have programs for the grade for which the application is being submitted.

(v) A high school lottery shall be held in February for the immediately succeeding Academic Year, and an elementary school lottery shall be held in April for the immediately succeeding Academic Year.

(vi) In order for an application to be included in the relevant lottery, it must be received by CICS in the manner designated by it on the Friday immediately preceding the date of the lottery.

(vii) Applications that are received after the relevant lottery date shall be assigned a place at the Attendance Center or a position on the waiting list that is behind all who applied in a timely fashion, on a first-come, first-served basis.

(viii) Students who are attending an Attendance Center at the time of the relevant lottery need not participate in the lottery and shall be allowed to fill any "open" seats before the admission of any students through the relevant lottery unless they have officially transferred from such Attendance Center prior to the relevant lottery.

(ix) The applications of siblings of students who are currently enrolled at a specific Attendance Center are given preference to any "open" seats at that Attendance Center.

(x) "Open" seats in each grade level are determined for the Academic Year in January for high school students and in March for elementary school students, after "intent to return forms" are completed by currently enrolled CICS students.

(xi) Except for boundary schools, all CICS Campuses shall adhere to the same application and admission policies.

(xii) Where a boundary exists for an Attendance Center, CICS shall work with the office of School Demographics & Planning of the Chicago Public Schools to ensure that students, who live within the appropriate boundaries for that Attendance Center and who applied to that Attendance Center by the lottery deadline, are given preference in the lottery over those students who applied by the lottery deadline but who: (a) do not live within the set boundary, (b) are not transferring from another Attendance Center, (c) do not have a sibling currently attending that Attendance Center, or (d) do not have a parent or legal guardian currently employed at that Attendance Center.

(xiii) If there are more applicants than space available in any given grade, all students not accepted in the lottery will be placed on a waiting list in the order that their name was placed in the lottery. The CICS waiting list will not carry over from year to year and a new student application must be filled out annually if parents or legal guardians wish to enroll their student for subsequent Academic Years.

(xiv) Once a student enrolls in CICS, if a parent or legal guardian wishes to withdraw the student from CICS, the parent or legal guardian must fill out a withdrawal form that will contain the name of the school to which the student is transferring. The form must then be signed by the student's parent or legal guardian. The student's file will be kept for the legally required amount of time at the Campus or sent

with the student to the school to which they transfer, whichever is required by law. In this case, the Campus will make the required changes in the RPS student information system.

(xv) If a student wishes to transfer to another Attendance Center, the parent or legal guardian must fill out and sign a CICS transfer form. Students must have attended a CICS Attendance Center for one full year before requesting a transfer to another Attendance Center. Provided that there is space in the requested Attendance Center, the student will be transferred the next Academic Year. The application and enrollment process for transfer students in grades 9-12 shall be aligned with the CICS Lottery and Enrollment Policy, in accordance with Illinois Charter Schools Law.

(xvi) Siblings of students currently enrolled in an Attendance Center are given preference when applying to that Attendance Center. Sibling preference is not a guarantee of acceptance into an Attendance Center. If there are more siblings interested in attending a particular Attendance Center than there are available enrollment slots, the siblings shall be placed in a random lottery and accepted in the order indicated by the computerized lottery program. Sibling preference will only be granted if the application is received by CICS by the lottery deadline. Applications for siblings received after the deadline are entered into the general lottery. No preference is given to those applications.

(xvii) Civitas shall only enroll students in full compliance with the requirements of the Charter Agreement and the Charter Schools Law.

(xviii) If a student who applied to and was admitted by CICS to CICS is found in violation of residency or age requirements, Civitas will inform CICS within 48 hours of discovery, and CICS shall have such student removed from CICS immediately.

(d) **Student Recruiting.** Civitas and CICS shall be jointly responsible for the recruitment of students for the Campuses. Joint responsibility will include sharing equally the cost of advertising and marketing for the Campuses and community outreach for new Campuses, *provided* that such costs will not be incurred without CICS' and Civitas' prior written approval. CICS will support the recruitment efforts of Civitas by providing Civitas with the leadership staff responsible for this effort and a student recruitment and community engagement strategy. The recruitment and community engagement strategy will be developed and approved jointly by CICS and Civitas.

(e) **CICS Fundraising.** CICS may apply for grants and philanthropic support for its general operations, new initiatives, as well as programs offered by its SMO partners, including Civitas. Civitas shall cooperate and support CICS' philanthropic efforts during the Term and for the joint benefit of CICS and Civitas. CICS will notify Civitas partners when there is a potential conflict between CICS and Civitas applications. CICS and Civitas will work to coordinate their efforts to diminish any potential conflicts. CICS reserves the right to resolve conflicts of interest related to grant applications and other fundraising activities at the network office level on a case by case basis with Civitas input. As a result of its fundraising activities, CICS may occasionally need access to the Campuses. Civitas shall grant CICS access to the

Campuses and provide support from school leadership and teachers as needed for Campus tours or other events.

5. CICS' Rights.

(a) **Right of Set-Off.** CICS shall be entitled at all times to set-off any amount owing at any time from Civitas to CICS against any amount payable at any time by CICS to Civitas pursuant to this Agreement. If CICS desires to exercise such right, CICS shall provide Civitas with specific and detailed written notice and Civitas shall use its best efforts to remedy the situation within ten (10) days. Civitas will notify CICS in writing immediately if Civitas reasonably believes it will take longer than ten (10) days to resolve, with specifics around the proposed resolution. Upon reviewing the proposed resolution, CICS, at its sole discretion, may grant Civitas an extension to remedy the situation.

6. Civitas' Rights.

(a) **Access and Use.** Although CICS shall retain legal possession of and access to the School Facilities at all times, Civitas shall be entitled to enter the School Facilities to meet its obligations under this Agreement and may use equipment, computers, desks and other furniture, furnishings and other CICS Property included with and located at the School Facilities to educate students at the Campuses, *provided* that: (i) if the School Facilities are leased by CICS, then Civitas shall only be permitted to use the School Facilities and the related CICS Property to the extent permitted under its current lease and/or related documents with the landlord and (ii) Civitas may not move any property or equipment owned by the landlord, if any, or any CICS Property valued over \$15,000 in the aggregate, between Campuses or from Campuses without the prior written approval of CICS. Notwithstanding the foregoing, Civitas may remove Civitas Property between campuses or from the Campuses without the prior written approval of CICS.

(b) **After-school Use of School Facilities.** During after-school, evening and weekend hours, Civitas shall be entitled to request that CICS make the School Facilities available for non-school use purposes that are consistent with CICS policies and related to the operation of the Campuses, and CICS shall not unreasonably deny any such request. For the avoidance of doubt, CICS may deny any such request that (i) may cause CICS to recognize unrelated trade or business income, (ii) may give Civitas legal rights or entitlement to Campuses or Campuses' facilities, or (iii) may impede CICS' ability to satisfy any required law or regulation, including such tax regulations affecting any tax-exempt bond financing eligibility.

(c) **Civitas Rules and Regulations.** Subject to the overall direction, oversight and policies of CICS (excluding employment-related policies) and subject to compliance with all policies that CICS sets for its Campuses, Civitas shall be authorized to adopt and enforce such rules, regulations and procedures applicable to CICS at the Campuses that do not conflict with federal, state, or local laws, rules, regulations or policies that have not been waived, including rules and regulations concerning student attendance, standards of conduct, discipline, compulsory attendance, including without limitation hour requirements and the distinction between excused and unexcused absences.

(d) **Civitas Fundraising.** Civitas shall have the right to apply for and receive grant money and other contributed income on its own or together with CICS, and to retain any such funds for its use consistent with the terms of such grants and/or gifts; *provided* that Civitas will keep CICS informed in writing of such applications prior to any application's submission, and grants at the level of detail that CICS reasonably requests. Civitas shall use the standard grant language provided in the CICS External Affairs Policy and Procedure with regard to CICS network operations, attached hereto as **Appendix A**. Any such monies received by Civitas shall not reduce the fees due under this Agreement, unless otherwise agreed at the time the application is made. Any tax deductible funds raised utilizing CICS' charitable organization status under Section 501(c)(3) of the Code, with EIN 36-4141583 must be processed through the CICS network office's accounting and development departments according to network office policies and procedures.

(e) **Use of Name.** Subject to CICS' written approval, and in accordance with **Section 3(a)** above, Civitas may use the name "CICS" on business note paper or marketing materials, signage, press releases, websites and other documents in accordance with brand standards.

7. **CICS' Responsibilities.**

(a) **State and Other Funding.** CICS shall use its best efforts, without expenditure of funds other than its share of Operating Funds, to comply with (i) the requirements of the Charter Agreement and the Charter Schools Law for the purpose of receiving or maintaining its eligibility to receive from CPS the per pupil allowance for each student enrolled and in attendance at the Campuses, and (ii) the requirements to receive funds from other external sources, including but not limited to those listed in **Subsection (b)** below, *provided* that Civitas shall provide such assistance to CICS in the preparation or review of such applications and reports as CICS may request and *provided further* that CICS shall permit Civitas to review any such applications and reports prior to their submission.

(b) **Compliance with External Source Funding.** CICS shall comply with all terms and conditions of any external source funding (*e.g.*, federal, state, or local funds designated for particular purposes such as Title I and special education) that is received pursuant to this Agreement.

(c) **Payment Schedule.** All funds payable to Civitas hereunder shall be paid or made available to Civitas by CICS on the last day of every quarter, *provided* that CICS has received the Operating Funds pursuant to the Charter Agreement.

(d) **School Facilities.** CICS shall (i) provide the School Facilities for each of the Campuses, and (ii) use its reasonable efforts to provide the Capital Repairs and Improvements needed to (A) make the School Facilities suitable and appropriate for use as a school by the student population to be served at each Campus and (B) to put such School Facilities in compliance with all federal, state and local fire, safety, and building codes and requirements applicable to CICS, including, to the extent applicable, the abatement of environmental hazards and the requirements of the Americans with Disabilities Act.

(e) **Capital Repairs and Improvements.** CICS shall (i) manage and pay for Capital Repairs and Improvements at the Campuses and (ii) consult with Civitas in determining the Capital Repairs and Improvements that will be made, *provided* that the final decision with respect to Capital Repairs and Improvements shall rest with CICS.

(f) **Real Estate.** CICS shall make all rental payments and other payments due from CICS as tenant pursuant to leases, or as owner of the real estate.

(g) **Non-amendment.** CICS shall not agree to amend the Charter Agreement as it relates to the Campuses in any way that materially adversely affects Civitas unless it consults with Civitas in advance.

(h) **Expulsions.** CICS shall inform the applicable Campus within one (1) business day when a student is expelled from such Campus.

8. Civitas Responsibilities.

(a) **Provision of Services.** Civitas shall provide the services contemplated by this Agreement (the "**Services**") to CICS subject to the direction, oversight and SMO policies of CICS (excluding employment-related policies), and the requirements of the Charter Agreement and the Charter Schools Law to the extent applicable to such Services.

(b) **Campuses.** Except as otherwise provided in **Section 3(a)**, Civitas shall provide the Services contemplated by this Agreement at the Wrightwood Campus, Northtown Academy Campus and Ralph Ellison Campus.

(c) **Compliance with External Source Funding.** Civitas shall (i) comply with all terms and conditions of any external source funding (*e.g.*, including but not limited to, federal, state, and local funds designated for particular purposes such as Title I and special education) that is received pursuant to this Agreement, (ii) expend any such funds solely on behalf of the designated students when so required by the funding source, (iii) upon reasonable advance request, provide evidence to CICS that the Campuses are in compliance with such terms and conditions, and (iv) provide all reports, data, and information reasonably necessary for CICS to meet any reporting, certification or other requirements for such funding. If it is ever determined that Civitas was non-compliant with any external source funding that was received pursuant to this Agreement, and such non-compliance results in a loss of or repayment of cash, the cost of such loss or repayment of cash shall be deducted from Civitas' succeeding quarterly payment. In the event that such a determination is made after the termination of this Agreement or after the final quarterly payment under this Agreement has already been paid, Civitas shall immediately return to CICS the cost of such loss or repayment.

(d) **Expenditures.** Except as otherwise provided in this Agreement, Civitas shall pay the costs associated with operating the Campuses and shall use the Annual Civitas Receipts to defray those costs.

(e) **Use of Funds.** Civitas shall use all funds received on behalf of CICS students solely for CICS students and the Campuses.

(f) **School Operations.**

(i) Civitas shall provide CICS and its students at the Campuses in grades kindergarten through twelve (12) with a complete educational program based on (A) school management principles previously presented in writing to CICS, subject to the overall direction, oversight and policies of CICS, (B) the requirements of the Charter Agreement, and (C) the Charter Schools Law, except as may be further required by this Agreement.

(ii) Civitas shall provide the management and administrative services necessary to implement and operate its educational program at each of the Campuses.

(iii) Civitas shall operate the Campuses in accordance with the program requirements set forth in this Agreement.

(iv) Civitas shall inform CICS (A) in advance whenever it dismisses an administrator or, in the case of an emergency, promptly after it dismisses an administrator and (B) promptly whenever an administrator resigns.

(v) Civitas shall inform CICS regarding the resignation or termination of any other Campus employee if such termination could pose a potential liability to CICS.

(g) **Assessment of Academic Success.**

(i) Civitas shall be responsible for and accountable to CICS for the performance of students who attend the Campuses, said performance to be measured in accordance with the requirements of the Charter Agreement and the Charter Schools Law, and such other assessment strategies as may be provided herein and as shown on **Appendix B**, and Civitas shall conduct such testing as is required to permit the evaluations contemplated by each of the foregoing.

(ii) Civitas shall take all testing required through both the Charter Schools Law and the Contract with CPS.

(h) **Portfolio Excellence Framework.**

(i) Civitas shall adhere to the Portfolio Excellence Framework in **Appendix B**. All Civitas Campuses will be evaluated on an annual basis in accordance with such Portfolio Excellence Framework in **Appendix B**. The CICS Board of Directors will determine the course of action to be taken in connection with any such review. If CICS determines that the Portfolio Excellence Framework should be revised, CICS agrees to work jointly with Civitas in good faith to develop or revise such plan.

(i) **Reporting.**

(i) The reporting requirements identified in **Subsections (ii-iv)** herein shall survive termination of this Agreement with respect to reports covering periods prior to termination.

(ii) *Additional information.* Civitas shall provide all information regarding the operation of the Campuses and the students at such times and in such manner as CICS shall reasonably request, including without limitation information relating to Civitas' educational performance and the efficiency of the operation of the Campuses during the school year. Without limitation of the forgoing, Civitas shall deliver the Monthly and Quarterly reports on the Campuses as outlined in Epicenter and below:

- i. Notice of changes in leadership of the attendance center should be communicated two weeks before the change is implemented or within 48 hours if personnel removal is unplanned;
- ii. Notice of any physical or perceived threat to members of the attendance center community should be communicated immediately;
- iii. Notice of engagement of emergency response departments (Fire, Police, Medical), including while on attendance center sponsored field trips and events, should be communicated immediately (and no later than by the end of the same day on which the incident occurred) so that CICS may take appropriate coordination steps to support the campus and/or Civitas and required communication steps with the Local Education Authority, CPS, our charter authorizer; and
- iv. Notice of any publicly released information or public media statements at least 48 hours prior to public release, or as far in advance as possible.

(iii) *Academic Reporting.* Civitas shall deliver academic reporting documents to CICS, as identified and per the timeframe outlined in Epicenter. Civitas' academic reporting documents will be assessed by CICS to ensure model fidelity by the CICS Central Office throughout the Academic Year. Academic reporting documents may include, but are not limited to:

- i. Campus Strategic Plan
- ii. Overview of SMO model
- iii. SMO Network-level organizational chart

- iv. School-level Organizational Chart, including teacher names, content areas and grade-levels taught
- v. Framework for Teaching
- vi. List of curricular resources use at each grade level
- vii. List of interim assessment administered, if applicable
- viii. High School Advisory Plan
- ix. High School Course Offerings
- x. RtI Implementation Overview (or Multi-Tiered System of Support Overview)

(iv) *Financial Reporting.* Civitas shall be responsible for preparing and delivering to CICS financial reports on an accrual and cash basis, according to the timeframes identified in Epicenter. Civitas' **Fiscal Year** shall commence on July 1st and end on June 30th. Civitas shall undergo an independent financial and compliance audit at the end of each Fiscal Year. The auditing firm shall be chosen by CICS and shall start no later than one week after the commencement of the CICS audit.

(j) **School Technology.** Civitas shall be responsible for the acquisition and installation of school-based technology equipment integral to the operations of the Campuses, and for related clean-up and painting incident thereto, *provided* that all such technology equipment acquired or installed on the Campuses purchased with Civitas Campus Receipts or any other funds paid or otherwise disbursed by CICS to Civitas under this Agreement shall be and remain property of CICS.

(k) **Curriculum Materials and Other Property.** Civitas shall provide curriculum materials to be used at the Campuses, including without limitation acquisition of curriculum materials from third parties to the extent necessary or appropriate, *provided* that curriculum materials and other property provided by Civitas out of its owns funds (excluding any funds paid or otherwise disbursed by CICS to Civitas under this Agreement) shall be the property of Civitas and curriculum materials and other property provided by Civitas out of Civitas' Campus Receipts or any other funds paid or otherwise disbursed by CICS to Civitas under this Agreement shall be and remain property of CICS.

(l) **Cost of Operating the Campuses.** Except as otherwise provided in this Agreement or on **Schedule A**, Civitas shall be responsible for all expenses of operating the Campuses.

(m) **School Facilities.** In addition to the Capital Repairs and Improvements paid for by CICS, Civitas may make building adaptations to the School Facilities at its own cost and expense if required by or advantageous to its educational objectives, *provided* that Civitas shall not make capital improvements or alterations to the School Facilities without ten (10) business days' prior approval of CICS, which approval may be contingent upon consistency and

compliance with normal CICS standards, educational objectives and landlord requirements, but shall not be unreasonably withheld. If Civitas makes building adaptations to the School Facilities without the required prior written consent of CICS, and CICS does not provide subsequent approval, CICS shall deduct one hundred and five percent (105%) of the cost of such building adaptations from Civitas' succeeding quarterly payment, or, in the event that the final quarterly payment under this Agreement has already been paid or made available to Civitas, Civitas shall immediately pay such cost to CICS.

(n) **Maintenance and Repair.** Civitas shall provide Maintenance and Repairs and shall be responsible for any additional costs or expenses incurred as a result of Civitas' negligence or willful misconduct and the negligent and willful misconduct of any independent contractors hired by Civitas or students managed by Civitas. If Civitas incurs additional costs pursuant to this **Section 8(n)**, (i) such costs shall be deducted from Civitas' succeeding quarterly payment and (ii) CICS, upon written notice to Civitas, shall have the right to outsource the Maintenance and Repairs for which Civitas is responsible, and to deduct the increased cost of such services, if any, over that allocated by Civitas in the annual projected budget, from Civitas' succeeding quarterly payment. In the event that such a determination is made after the termination of this Agreement or after the final quarterly payment under this Agreement has already been paid or made available to Civitas, Civitas shall immediately return to CICS the amount of such additional costs.

(o) **Cleaning and Maintenance.** Civitas shall be responsible for the cleaning, maintenance and operation of the School Facilities. If CICS believes that Civitas is not providing adequate cleaning and maintenance services, CICS shall notify Civitas in writing of such default and Civitas shall have ten (10) days to cure such default or provide a plan for promptly curing the default. If (i) Civitas does not cure such default within the ten (10) day period or provide a plan to promptly cure the default in that time period, or (ii) Civitas receives two or more notices of default in any three (3) month period, CICS, upon written notice to Civitas, shall have the right to outsource the cleaning and maintenance services for which Civitas is responsible, and to deduct the increased cost of such services, if any, over that allocated by Civitas in the annual projected budget, from Civitas' succeeding quarterly payment. In the event that the final quarterly payment under this Agreement has already been paid or made available to Civitas, Civitas shall immediately return to CICS the amount of such increased costs.

(p) **Facilities Restoration upon Termination.** Upon termination of this Agreement in whole, or in part with respect to any Campus, Civitas shall take steps to insure that the applicable School Facilities are in substantially the same condition as they were on the date of this Agreement, except for permitted alterations and improvements, reasonable wear and tear consistent with the number of years that Civitas has performed services at the School Facilities, obsolescence, and fire or other casualties beyond Civitas' control.

(q) **Transportation.** Civitas shall be responsible for arranging transportation for students in accordance with applicable local, state and federal law.

(r) **Food.** Civitas recognizes that CICS is the School Food Authority for all the campuses within its network and that CICS will contract with a food service management company for the provision of breakfast, lunch, snacks, and where applicable, dinner, at all

Campuses. With the cooperation of CICS, Civitas shall ensure the food operations at its Campuses adhere to all applicable local, state, and federal laws and the CICS Wellness Policy.

(s) **Health and Safety.** Civitas shall comply with all applicable federal, state, or local laws concerning welfare, safety and health of students, and with all applicable CPS policies and rules, and the Code of Conduct.

(t) **School Uniforms.** Civitas and program leaders may implement a uniform or dress code policy that promotes a positive and safe learning environment. All uniform or dress code policies must be approved by CICS and consider students and families who may not have the ability to afford uniforms. If a uniform is selected, uniforms must be aligned with CICS brand standards, as applicable. If a dress code replaces a uniform, Civitas shall consider the challenges of implementation and submit plans to CICS to address those challenges before CICS will approve any dress code.

(u) **Student Conduct.** Civitas will communicate to CICS any Category III violation or alleged violation to the Code of Conduct within 24 hours of the alleged violation occurring.

(v) **Special Needs.**

(i) *Special Education.* Civitas shall (A) be responsible for identifying the Campuses' students with special needs and developing Individual Educational Plans and Section 504 Plans, as necessary, (B) enroll students with disabilities, mental illness, behavior disorders, or other health impairments without prejudice, (C) serve Campus students requiring special education services in classrooms, (D) provide special education services to students who attend the Campuses in a manner that complies with federal, state and local laws and applicable regulations, all in a manner consistent with the Charter Agreement, the Charter Schools Law and other applicable law, *provided* that Civitas may subcontract all or any portion of such services to a public or private subcontractor, subject to approval by CICS.

(ii) *Bilingual and ELL Education.* Civitas shall provide appropriate bilingual and/or "English for speakers of other languages" for English language learners ("ELL") education services to the limited English proficient students at the Campuses through programs consistent with the requirements of this Agreement, the Charter Agreement, the Charter Schools Law and other federal, state, and local law, *provided* that Civitas may subcontract all or any portion of such services to a public or private subcontractor, subject to approval by CICS.

(iii) *Other Special Student Services.* Civitas shall work with CICS to ensure compliance with the requirements of the Individuals with Disabilities Education Act, Section 504 of the Rehabilitation Act, the Americans with Disabilities Act, and regulations relating to homeless students, *provided* that in no event shall CICS be required to expend funds in connection with the foregoing, *provided* that services necessary to comply with such requirements shall be provided in a manner that complies with state, federal, or local laws and applicable rules, regulations and policies, and

provided further that Civitas may subcontract such services to a public or private subcontractor, subject to approval by CICS and consistent with this Agreement.

(iv) *CPS Compliance.* In the event that CPS imposes additional requirements on CICS related to special education services, CICS shall notify Civitas of those requirements and Civitas shall comply therewith.

(w) **Compliance with Local, State, and Federal Guidelines.**

(i) Civitas shall operate the Campuses in accordance with the Charter Agreement, the Charter Schools Law, and applicable state, federal, or local regulations.

(ii) Except to the extent expressly waived by appropriate governmental authorities, Civitas shall, and shall cause its officers and employees to, (A) comply with the Charter Schools Law, the Charter Agreement, and all applicable federal, state, and local laws, concerning the maintenance and disclosure of student records, and (B) comply with the Family Educational Rights and Privacy Act, *provided* that Civitas acknowledges that such records are property of CICS, that Civitas has no rights in such records whatsoever, that it shall maintain such records on behalf of CICS and may use such records only in connection with its duties under this Agreement, and that it will follow CICS' instructions in connection with such records. Based on the foregoing, CICS hereby designates employees of Civitas as having a legitimate educational interest such that they are entitled to access to education records under 20 U.S.C. §1232g, the Family Educational Rights and Privacy Act.

(iii) Civitas shall meet an agreed calendar of reporting dates relating to local, state, and federal compliance reporting and must submit at least ninety percent (90%) of the documents on time (and the remaining ten percent (10%) within thirty (30) days of the applicable reporting date) and at least ninety percent (90%) of the documents must be accurate the first time that they are submitted.

(iv) If Civitas fails to meet the ninety percent (90%) benchmark in terms of either accuracy or timeliness in a fiscal quarter, CICS shall notify Civitas in writing that such benchmark was not met. If Civitas fails to meet the ninety percent (90%) benchmark in terms of either accuracy or timeliness, Civitas will make the following additional payments to CICS:

After two (2) consecutive fiscal quarters that Civitas does not meet the ninety percent (90%) benchmark in terms of either accuracy or timeliness	Civitas will pay CICS \$10,000 per Campus.
After four (4) consecutive fiscal quarters that Civitas does not meet the ninety percent (90%) benchmark in terms of either accuracy or timeliness	Civitas will pay CICS \$20,000 per Campus.

After eight (8) consecutive fiscal quarters that Civitas does not meet the ninety percent (90%) benchmark in terms of either accuracy or timeliness	Civitas will pay CICS \$40,000 per Campus.
After twelve (12) consecutive fiscal quarters that Civitas does not meet the ninety percent (90%) benchmark in terms of either accuracy or timeliness	Civitas will pay CICS \$60,000 per Campus.

(v) CICS reserves the right to hire a third-party auditor if, as a result of the audit referenced in **Section 8(i)(iv)**, any internal financial control findings or concerns are identified. The third-party auditor shall audit Civitas' accounting practices and where necessary, correct deficiencies. Civitas shall bear the cost of the third-party auditor, not to exceed \$25,000.

(vi) CICS reserves the right to hire a third-party auditor if, as a result of the audit referenced in **Section 8(i)(iv)**, any legal compliance findings are identified. The third-party auditor shall audit Civitas' compliance with local, state and federal regulations and guidelines throughout the subsequent Academic Year. Civitas shall bear the cost of the third-party auditor, not to exceed \$25,000.

(x) **Volunteer Background Checks.** Pursuant to CICS' obligations to CPS, Civitas shall adhere to the CICS Volunteer Background Check Policy.

(y) **Reporting and Documenting Reasonable Suspicions of Child Abuse or Neglect.** Civitas shall ensure that all Civitas employees and related vendors and volunteers are trained in and adhere to applicable local, state and federal laws related to the reporting of child abuse and neglect, including that mandatory reporters with reasonable cause to believe that a child known to the reporter in the reporter's official capacity may have been abused or neglected immediately call the DCFS Hotline at 1-800-252-2873 (1-800-25-ABUSE). As soon as possible and no later than within 24 hours after a DCFS report has been made, Civitas is required to notify CICS leadership that a report has been filed. Within 48 hours after a DCFS Hotline call has been made, Civitas or its school leader/supervisor shall upload a copy of the incident report, including written confirmation of the reporter's oral Hotline report into the CICS electronic incident-reporting system.

(z) **Providing Support to Students Who Are Abused or Neglected.** Civitas shall ensure that all Civitas school leaders are trained in and adhere to the following policies for students who are abused or neglected:

(i) If the school leader or designee determines that the child needs medical assistance, the principal or designee must call the Chicago Police Department.

(ii) If the school leader or designee determines that it is not safe for the child to return home, the school leader or designee must not allow the child to go home until DCFS has interviewed the child.

(iii) The school leader shall assign a school mental health professional to support students who are determined to be abused or neglected.

(aa) **Limitations on Use of Annual Civitas Receipts.** Civitas shall be entitled to use not more than ten percent (10%) of the amount which equals the Operating Funds minus the CICS Holdback received in respect to the Academic Year to pay management or other non-Campus fees, other expenses charged by Civitas or its affiliates, other than CICS and Civitas, related to fulfilling its duties under this Agreement, or other expenses not authorized and budgeted (the "**SMO Holdback**"). The 2% reduction in SMO Holdback (from 12% in Fiscal Year 2019 reduced to 10% in Fiscal Year 2020 within the terms of this agreement) must be redistributed directly into the classroom.

(bb) **Reporting and Accounting.** Civitas' financial reports to CICS, referenced in **Section 8(i)(iv)** above, shall separately account for the SMO Holdback. Moreover, upon request and in an effort to promote transparency of public spending, Civitas shall provide CICS with information about how its SMO Holdback has been spent based on the following expenditure categories: occupancy, personnel, professional development, legal, insurance, consulting, and administration. Civitas shall not commingle the Annual Civitas Receipts, or any other funds paid or otherwise disbursed by CICS to Civitas under this Agreement, with any funds received from its activities that are unrelated to the Campuses. Civitas shall maintain separate bank accounts for each Campus for all Annual Civitas Receipts and any other funds paid or otherwise disbursed by CICS to Civitas under this Agreement. Additionally, upon CICS' request, Civitas shall approve CICS as an authorized user for each of Civitas' Campus bank accounts and provide CICS with all of the account statements, including the account numbers for such bank accounts. To the extent it has not already been done, Civitas will work with CICS to transition ownership of its Campus bank accounts to CICS by January 1, 2020. Civitas must use CICS instance of Intacct accounting system for all financial record keeping for each CICS campus. Civitas must further use the CICS accounts for Civitas at Wintrust Bank exclusively for all campus and operating bank accounts. CICS agrees to transfer the Operating Funds, less any CICS holdback, to the applicable Civitas Campus Wintrust Bank accounts within one week of receiving such funds from CPS. Civitas will have access to the Civitas Campus Wintrust Bank accounts, and any funds transferred thereto, at all times during the Term of this Agreement.

(cc) **Reserve.** At the end of the Term, the Campus bank accounts may have a reserve that represents the excess of the Civitas Campus Receipts and the amount that Civitas has expended in connection with each Campus and CICS (the "**Reserve**"). The Reserve shall only be expended for the benefit of the Campuses, with CICS' prior approval. If the Campus bank accounts have such a Reserve at the end of the Term of this Agreement and the parties decide not to renew this Agreement or the Agreement is terminated pursuant to **Section 15(a) or (c)**, the Reserve funds shall remain in the appropriate Campus bank account for the benefit of the Campus. Nothing herein shall limit Civitas' collection of any budgeted central office and other Non-Campus expenses.

(dd) **Tax-Exempt Status.** Both parties acknowledge and agree that this Agreement is intended to be consistent with CICS' status as a tax-exempt organization and with the tax-exempt status of its bonds, and both parties shall interpret this Agreement in such a manner so as to prevent this Agreement from causing CICS from losing its tax-exempt status or

from causing the bonds to lose their tax-exempt status and, if necessary, shall amend this Agreement in such a manner that will cause it to comply, including without limitation an appropriate allocation of amounts payable to Civitas hereunder into fixed and variable components.

(ee) **No Inconsistent Tax Position.** Civitas agrees that it is not entitled to and will not take any tax position that is inconsistent with being a service provider to CICS with respect to the Campuses, Attendance Centers and CICS Property. Civitas agrees, for example, not to claim any depreciation or amortization deduction, investment tax credit, or deduction for any payment as rent with respect to any of the Campuses, Attendance Centers or CICS Property.

(ff) **Government Advocacy.** Civitas shall notify the CICS Schools team of any contact with local, state and national elected officials, so that CICS and Civitas can coordinate advocacy efforts to the joint benefit of both CICS and Civitas. Civitas acknowledges that close coordination with CICS is essential to ensuring that CICS and Civitas take consistent positions on policies affecting CICS schools, students and their families.

(gg) **Press Releases and Media Inquiries.** Civitas shall notify CICS' Strategy and Operations team prior to issuing any press release, authoring any article or participating in any interview, video, or other promotional activity. Any Civitas interviews or press relations should be conducted in accordance with the CICS External Affairs Policy and Procedure.

(hh) **Network Collaboration and Events.** Civitas must attend and participate in good faith during all required, CICS collaboration sessions and special events. Appropriate representation from operator staff and/or school leadership teams must be present at network-wide meetings (expected attendance dependent on the targeted participants). Engagement before, during and after meetings and events must be aligned to network-wide, exposed values as articulated in CICS Vision of Excellence. Failure to attend and productively participate in collaboration and events is considered a material breach of this agreement. CICS will make mutually-agreed upon, reasonable accommodations for scheduling and unique circumstances (e.g. illness, campus emergencies, etc.) with Civitas when needed. Beyond network-wide sessions and events, specific collaboration requirements include, but are not limited to: (i) Civitas leader(s) must attend monthly 1:1 meetings in-person with CICS leader(s); (ii) Civitas must provide monthly updates to CICS leadership on campuses to communicate: monthly priorities/focus, progress made from past month, concerns/risks and mitigation plans and support needed; (iii) Civitas must work with CICS to identify appropriate and grant CICS opportunities to communicate with Civitas staff, leaders and teachers about the purpose and structure of the CICS network. CICS must provide sufficient notice of its request for any such opportunities, which may be mutually planned by CICS and Civitas.

(ii) **Performance and Culture.** Because we believe all students deserve an excellent education, it is CICS' expectation that no campus managed by Civitas is placed on the CPS warning list as determined by the CPS School Quality Rating Policy ("**SQRP**"). If any campus is in danger of warning list status based on current year data, Civitas will share mitigation plans to increase excellence for students and meet with CICS to review the plan within 30 days of CICS notification of concerns. In the case where any Campus that Civitas manages is placed on the warning list, CICS may require Civitas to implement specific

academic, operational or other strategic changes to improve performance. Civitas must include progress on mitigation implementation and outcomes within regular monthly update and during monthly 1:1 meetings. As a steward of public dollars with the responsibility to provide a public service, entities within the CICS network must prioritize stakeholder feedback that evaluates and informs delivery of such service. Each Campus managed by Civitas must not earn less than a 3.4 on any CICS VOE stakeholder survey sub-category (e.g. under Domain Indicators of "Amazing Talent," "Thriving Culture," and "Rigorous Academics") two years in a row. In order for any measure score to be considered valid, at least 75% of students and teachers and 50% of families must complete the survey for each Campus. In the case where any Campus that Civitas manages does not meet this requirement, CICS may require Civitas to implement specific academic, operational, or other strategic changes to improve performance. Civitas must include progress on related implementation and outcomes within regular monthly update and during monthly 1:1 meetings. Each Campus managed by Civitas must participate in an annual site review process and day-long visit resulting in a findings debrief, report and action plan. Each school leader must own the resulting action plan and provide updates on progress to CICS when requested. The site review process and resulting deliverables (e.g. findings report, action plan, domain ratings) created by the site review team are aligned with the CICS Vision of Excellence and are critical to ensuring each CICS campus implements a school model that upholds the network-wide commitment to excellence, equity and innovation for all students.

(i) Civitas shall participate in an end-of-year leadership performance evaluation to ensure the Civitas CEO is fulfilling the expectations of stakeholders, including CICS, as aligned to values exposed in the CICS Vision of Excellence. The evaluation will be comprised of but not limited to: performance against annual goals mutually-agreed upon by CICS and the Civitas CEO at the beginning of the year; 360-degree feedback using CICS-sponsored and standardized tool for the Civitas CEO; competency-based feedback for the Civitas CEO; and campus and operator performance data. The Civitas CEO must engage in 1:1 conversation with CICS leadership to review end-of-year performance in addition to any performance evaluation executed by the Civitas board of directors, to the extent it exists. If the Civitas CEO's performance is not at least meeting expectations, CICS will determine and communicate appropriate actions.

(ii) The Parties acknowledge that the management of Civitas Education Partners, LLC, the sole member of Civitas is in the process of creating a new Illinois not-for-profit corporation that will apply to the IRS for recognition of tax-exempt status under section 501(c)(3) of the Internal Revenue Code and that will carry on the activities currently conducted by Civitas (such new corporation to be referred to herein as "NEWCO"). Each of CICS and Civitas agrees to use its best efforts to facilitate and support those actions, with the goal of obtaining a 501(c)(3) determination for NEWCO by no later than June 30, 2020. The Parties further agree that the rights and obligations of Civitas pursuant to this agreement may be assigned by Civitas or Civitas Education Partners, LLC, to NEWCO upon NEWCO's receipt of a 501(c)(3) determination letter.

(jj) **Board Governance and Oversight.** Transparent and effective governance is a critical component for ensuring CICS campuses are managed by organizations fulfilling nonprofit legal obligations as well as upholding stakeholder expectations for quality and trustworthy services. To the extent they exist, directors of the governing board of Civitas shall (i)

have duties and responsibilities consistent with the Illinois General Not-For-Profit Corporation Act of 1986, as amended and (ii) operate in accordance with the Open Meetings Act (5 ILCS 120/1.01 et seq.). The governing board shall hold meetings at least four (4) times a year and must notify CICS of any board meetings at least ten (10) business days before each meeting so that CICS leaders can attend. Every four (4) months, Civitas shall submit to CICS the approved minutes of every governing board meeting held since its last submission of its approved board meeting minutes to CICS and any advertised copies of such meeting notices. The Board Bylaws and Conflict of Interest Policy and notices shall be submitted to CICS on an annual basis.

(kk) **Fleet Management.** In addition to ensuring all provisions of the CICS Fleet Vehicle Use Agreement are met, Civitas shall also meet all stipulations of 625 ILCS 5/6-104(d)(2). Vans can ONLY be used for non-curriculum related trips that are not routine. For trips that are required for students to earn credit per their curriculum, the trip is considered a curriculum related trip and is not allowed unless the driver has a School Bus Driver Permit. Trips that happen to and from the school routinely (ex. every day or every Tuesday) are considered "routine routes" and also require a driver to possess a School Bus Driver Permit. Only 10 people total are permitted in each van (driver and students).

9. **Property Ownership.**

(a) **CICS Property.** Subject to **Subsection (b)** below, all property purchased by CICS with its own funds, all property purchased by Civitas for use at the Campuses with Civitas Campus Receipts, any other funds paid or otherwise disbursed by CICS to Civitas under this Agreement (other than the SMO Holdback), any funds CICS acquires through government or private grants or donation, or any other CICS funds ("**CICS Property**"), shall remain the property of CICS, or be disposed of in accordance with the terms of the applicable grant. Any such property acquisitions shall require contemporaneous recording in the books and records of CICS. To the extent that such acquisitions are made by Civitas with Civitas Campus Receipts, or other funds paid or otherwise disbursed by CICS to Civitas under this Agreement (other than the SMO Holdback), Civitas shall be responsible for initiating the contemporaneous financial accounting entries necessary in the books and records of both Civitas and CICS to properly reflect the asset acquisition transaction and CICS' ownership of the asset.

(b) **Civitas Property.** All property which has been purchased by Civitas with its own funds will remain the property of Civitas, *provided* that such Civitas funds do not include Civitas Campus Receipts, any other funds paid or otherwise disbursed by CICS to Civitas under this Agreement (other than the SMO Holdback), any funds CICS acquires through government or private grants or donation, or any other CICS funds ("**Civitas Property**").

(c) **Teacher and Other Staff Property.** All property owned personally and/or individually by the teachers, administrative and support staff shall remain the property of such individual teachers and staff. Such property shall include, but shall not be limited to, albums, curriculum manuals, and personal mementos and other materials or apparatus that have been personally financed or personally developed by teachers or staff.

(d) **CICS Intellectual Property.** CICS owns the CICS Intellectual Property, including the CICS High School Curriculum, and Civitas shall at no time contest or aid in contesting the validity or ownership of the CICS Intellectual Property or take any action in

derogation of CICS' rights therein, including, without limitation, applying to register any trademark, trade name, domain name, or other designation that is confusingly similar to CICS' trademarks, trade names or domain names, Civitas shall promptly notify CICS of any actual or suspected infringement by a third party of CICS' rights in the CICS Intellectual Property. In addition, Civitas shall take all measures reasonably necessary to assure that no Civitas personnel or agents employed or engaged by it disclose, publish, copy, transmit, modify, alter or utilize CICS Intellectual Property without CICS' written consent. CICS hereby grants Civitas a non-exclusive, royalty-free, worldwide, perpetual, non-assignable license to use, make, have made, import, offer for sale, sell, reproduce, distribute, modify, adapt, prepare derivative works of, display, perform, and otherwise exploit Inventions Made From Civitas Campus Receipts.

(e) **Civitas Intellectual Property.** Civitas shall own the Civitas Intellectual Property. CICS shall take all measures reasonably necessary to ensure that no CICS personnel or agents employed or engaged by it disclose, publish, copy, transmit, modify, alter or utilize Civitas Intellectual Property without Civitas' written consent. Nothing in this paragraph shall be construed to prevent a teacher from using lesson plans or other instructional materials s/he has developed for his or her own use, in or outside of the Campus, regardless of the expiration or termination of this Agreement. If new teaching techniques or methods, or significant revisions to known teaching techniques or methods, are developed or used in the Campus, Civitas shall report those to CICS.

10. Budget.

(a) **Submission of an Annual Budget.** Civitas shall submit an annual projected budget for the following Academic Year, in reasonable detail (including an accounting of the SMO Holdback) and on an accrual basis, to CICS for each of the Campuses on or before the deadlines in Epicenter, for CICS' approval in its discretion. If CICS fails to give its approval, the parties will attempt in good faith to negotiate a budget. If the parties have not agreed on a budget by the July 31, the budget shall be submitted to arbitration in accordance with **Section 18** of this Agreement, and the Campuses shall be operated based on the last budget proposed by CICS until the arbitrator has issued its decision. Additionally, within ten (10) business days of the Effective Date, Civitas shall submit an FY20 budget that demonstrates that the reduction of SMO Holdback funds has been redistributed directly into classrooms.

(b) **Remaining within Budget.** In connection with the operation of the Campuses, Civitas shall not deviate more than five percent (5%) from the approved budget in totality or in any major category on the CPS Budget Template without notice to CICS and approval by CICS. For purposes of this Agreement, moving an amount from one category to another without CICS' approval shall be treated as a deviation, even if the bottom line numbers remain unchanged.

(c) **Modification of the Budget.** If either party believes that the actual Annual Civitas Receipts reasonably projected to be remitted to Civitas during a fiscal year with respect to the Campuses will fall below ninety-five percent (95%) of the Annual Civitas Receipts projected in the budget, such party shall notify the other party in writing, and Civitas shall then promptly notify CICS of its proposed budget amendments to adjust for such revenue shortfall. If CICS disagrees with the proposed amendments, the parties will attempt to negotiate an agreed

amendment, and if they cannot do so, the matter will be submitted to arbitration in accordance with **Section 18**. If Civitas fails to notify CICS of its proposed amendments prior to the third (3rd) quarter of the Fiscal Year, Civitas' succeeding quarterly payment shall be decreased to account for the budget shortfall. In the event that such a determination is made after the termination of this Agreement or after the final quarterly payment under this Agreement has already been paid or made available to Civitas, Civitas shall immediately return to CICS the amount of the budget shortfall.

11. Personnel.

(a) **Personnel Responsibilities.** Civitas shall (i) determine staffing levels at the Campuses and select, evaluate, assign, discipline and transfer personnel consistent with federal, state, and local laws, rules, and regulations (unless waived by appropriate authorities), (ii) ensure that all Civitas personnel meet all local, state, and federal laws and regulations related to school personnel, and (iii) complete a background check in accordance with public school policies for all Civitas personnel.

(b) **Selection of Personnel; Supervision.** Civitas shall, in a manner consistent with local, state and federal laws, select the principal(s)/directors for the Campuses, and Civitas shall supervise such principal(s)/directors and hold her, him or them accountable for the success of the Campuses. Civitas shall, in a manner consistent with local, state and federal laws and in consultation with its principals, select and supervise the teachers and the non-instructional staff at the Campuses. CICS shall have the right to investigate or provide oversight for any investigation into allegations that a Civitas Principal, director, teacher or non-instructional staff member has engaged in misconduct, fraud or any other act in violation of local, state or federal laws.

(c) **Employment Terms.** Civitas shall engage all personnel working at the Campuses as employees of Civitas, and Civitas shall compensate all such employees according to Civitas' compensation policies, which may include performance-based incentives. Civitas shall pay for the salaries, fringe benefits, employment taxes and other employment related costs and expenses for all such employees.

(d) **Training.** Civitas shall provide (i) training in its methods, curriculum, program, and technology to all teaching personnel at the Campuses on a regular basis, (ii) training to new teaching personnel prior to the commencement of each school year, and (iii) ongoing professional development programs throughout each school year, *provided* that such training and development may be held onsite or offsite, at locations selected by Civitas.

(e) Personnel Policies.

(i) Civitas shall comply with applicable federal, state, and local laws and regulations, concerning employee welfare, safety and health, including, without limitation, the requirements of federal, state, or local law for a drug free workplace.

(ii) Civitas shall comply with all applicable federal, state, or local laws and regulations concerning the maintenance and disclosure of employee records for Campus personnel.

(iii) Civitas shall not illegally discriminate against any employee or applicant for employment on the basis of race, creed, color, sex, national origin, religion, ancestry, age, disability, marital status, citizenship, veteran status, or sexual orientation in its recruitment, selection, training, utilization, termination or other employment-related activities.

(f) **Joint or Single Employer.** CICS is not an employer, joint employer, or single employer of Campus personnel and does not authorize any party, including Civitas, to consent to or imply that CICS is an employer, joint employer or single employer of Campus personnel. CICS does not possess or reserve any authority to exercise control over Campus personnel or any other Civitas employees.

(g) **Student Fees.** Subject to the Charter Agreement, the Charter Schools Law and other applicable law, and the approval of CICS, Civitas shall be entitled to charge fees to students at the Campuses for program expenses for which other public schools in the region customarily charge fees or for extra services such as after school programs, athletics and other similar activities, *provided* that such fees must be on a "sliding scale" to allow students who qualify for free/reduced lunch to pay a reduced charge or to waive such fee if it causes financial hardship for such student's family and *provided further* that students may not be excluded from school day activities because of failure to pay fees. These fees must be approved by CICS in advance of their collection.

12. Insurance.

(a) Liability Insurance.

(i) Civitas shall secure and maintain, at its expense, for the protection of CICS, Civitas, and their respective officers, directors, employees, students, teachers and volunteers, insurance, including but not limited to general liability, sexual misconduct and molestation liability, education, employment practices, employee dishonesty, errors and omissions insurance and insurance coverage for bodily injury and property damage. **Appendix C** to this Agreement sets forth minimum coverage amounts for certain insurance policies required pursuant hereto. All such insurance policies shall be issued by an insurance company or companies selected by Civitas (subject to approval by CICS) and licensed to do business in the State of Illinois. Except as otherwise agreed in writing by CICS and Civitas, all such insurance coverage shall be primary insurance, with deductibles or self-insured retentions and policy limits in accordance with **Appendix C** and shall be occurrence based insurance and not claims made insurance. Civitas shall be financially responsible for payment of all deductibles and self-insured retentions.

(ii) Civitas shall cause all insurance policies maintained by Civitas pursuant to this Agreement (including without limitation insurance described in this **Section 12** hereof) to be endorsed to state that coverage shall not be suspended, voided, canceled, or reduced, in coverage or limits, except after thirty (30) days prior written notice to CICS and Civitas. The parties shall furnish one another certified copies of the insurance policies or certificates of insurance which name one another as additional insured and which demonstrate compliance with this Agreement.

(b) **Hazard Insurance.**

(i) Each party shall secure and maintain workers' compensation insurance for its own employees.

(ii) Civitas shall (i) maintain hazard insurance for all ancillary property and other personal property provided by Civitas at the School Facilities, on which CICS shall be named as an additional insured, as further described in **Appendix C**, (ii) secure from its insurers waivers of subrogation as against CICS with respect to damages to the site, and (iii) otherwise hold CICS and its Board harmless against liabilities arising out of any such damages.

(iii) CICS shall (i) maintain hazard insurance for the School Facilities and for all personal and other property on the site provided by CICS, on which Civitas and its facilities manager shall be named as additional insureds and the premiums for which insurance shall be withheld from Operating Funds otherwise payable to Civitas, (ii) secure from its insurers waivers of subrogation as against Civitas and its facilities managers, with respect to damages to the site, and (iii) otherwise hold Civitas and its facilities managers, and their respective offices, employees and agents, harmless against liabilities arising out of any such damages.

(iv) The parties shall coordinate risk management activities with one another, including without limitation the prompt reporting of any and all pending or threatened claims, filing of timely notices of claim, cooperating fully with one another in the defense of any claims and complying with any defense and reimbursement provisions of state governmental immunity laws and applicable insurance policies.

(v) Neither party shall compromise, settle, negotiate or otherwise affect any disposition of any claim or potential claims asserted against it to the extent such claims are insured by or through the other party without the approval of the other party.

13. Representations, Warranties and Covenants.

(a) **Representations, Warranties and Covenants of CICS.**

(i) CICS represents and warrants that it is an Illinois not-for-profit corporation duly organized and existing under the laws of the State of Illinois and that it has the authority under state law to execute, deliver and perform this Agreement, to incur the obligations provided for under this Agreement and to contract with Civitas for Civitas to provide the services set forth in this Agreement.

(ii) CICS represents and warrants that this Agreement constitutes a legal, valid and binding obligation of CICS enforceable in accordance with its terms.

(iii) CICS shall notify Civitas immediately in the event any of its representations or warranties made above become untrue after the date of this Agreement.

(b) **Representations, Warranties and Covenants of Civitas.**

(i) Civitas represents and warrants that it is an Illinois limited liability company duly organized and existing under the laws of the State of Illinois and that it has the authority under state law to execute, deliver and perform this Agreement, to incur its obligations provided for in this Agreement, and to contract with CICS to provide the services set forth in this Agreement.

(ii) Civitas represents and warrants that this Agreement constitutes a legal, valid and binding obligation of Civitas enforceable in accordance with its terms.

(iii) Civitas shall notify CICS immediately in the event any of its representations or warranties made above become untrue after the date of this Agreement.

14. Indemnification.

(a) **Civitas.** Civitas shall indemnify and save and hold CICS, its Board of Directors, its employees, officers, directors, subcontractors and agents harmless against any and all claims, demands, suits, damages, liabilities, losses, settlements, judgments, costs and or other forms of liability to third parties, actual or claimed, including reasonable attorneys' fees, which arise out of or relate to the operation of the Campuses from conduct committed or omitted by Civitas or by its employees, officers, directors, subcontractors, agents or by employees of any Campus while assigned to the supervision of Civitas during the term of this Agreement or any renewal thereof, including but not limited to allegations related to injuries to property or person or compliance with local, state, or federal regulations. Upon timely written notice from CICS, Civitas shall defend the foregoing indemnitees in any such action or proceeding brought thereon.

(b) **CICS.** CICS shall indemnify and save and hold Civitas, its Board of Directors, its employees, officers, directors, subcontractors and agents harmless against any and all claims, demands, suits, damages, liabilities, losses, settlements, judgments, costs and or other forms of liability to third parties, actual or claimed, including reasonable attorneys' fees, which arise out of or relate to the operation of the Campuses from conduct committed or omitted by CICS or by its employees, officers, directors, subcontractors, agents or by employees of any Campus while assigned to the supervision of CICS during the term of this Agreement or any renewal thereof, including but not limited to allegations related to injuries to property or person or compliance with local, state, or federal regulations. Upon timely written notice from Civitas, CICS shall defend the foregoing indemnitees in any such action or proceeding brought thereon.

(c) **Notice.** Each party shall give prompt written notice to the other party of the assertion of any claim or the commencement of any litigation for which indemnification is sought and shall cooperate with the indemnifying party in the defense of the claim or litigation.

(d) **No Waiver.** The foregoing provisions shall not be deemed a relinquishment or waiver of any kind of applicable limitations of liability to third parties provided or available to any of the parties under applicable state governmental immunities laws or otherwise.

(e) **Survival.** The provisions of this **Section 14** shall survive any termination, expiration or cancellation of this Agreement.

15. Termination.

(a) **CICS Termination.**

(i) **CICS Termination for Cause.** CICS may terminate this Agreement in whole, or in part with respect to any Campus, for cause prior to the end of the Term, in accordance with the procedures set forth herein, for the reasons set forth in subparagraphs (i), (ii), or (iii) below, as applicable.

i. If (i) Civitas substantially breaches any of the material terms and conditions of this Agreement and fails to remedy such breach within ninety (90) days after receipt of written notice of such breach from CICS, (ii) Civitas is liquidated or dissolved, (iii) Civitas makes any assignment of its assets for the benefit of a creditor, (iv) Civitas files a voluntary petition under any federal, state, or local bankruptcy statute, (v) a third party files an involuntary petition against Civitas under any federal, state, or local bankruptcy statute, which involuntary petition has not been dismissed or withdrawn within ninety (90) days of the date of filing, (vi) Civitas violates the rights of any protected individuals under the Individuals with Disabilities Education Act, or (vii) Civitas misuses, misappropriates or commingles funds in violation of this Agreement, CICS may terminate this Agreement; or

ii. If there occurs an enactment, repeal, promulgation or withdrawal of any federal, state, or local law, regulation, or court or administrative decision or order which, after all possible appeals, results in a final judgment or finding that this Agreement or the operation of the Campuses in conformity with this Agreement violates CICS' responsibilities, duties or obligations under the state, federal, or local constitutions, statutes, laws, rules or regulations, or any Foundation contract or agreement, or interferes with CICS' status as a tax-exempt organization under Code Section 501, or results in an excess benefit transaction under Code Section 4958, CICS may terminate this Agreement.

iii. If there occurs a material reduction (more than 25%) of the funding for the Campuses in comparison to the funding budgeted, CICS may terminate this Agreement.

(ii) **CICS Termination by Non-Renewal.** CICS may elect, pursuant to **Section 2** above, not to extend the Term for an additional year.

(b) **Procedures.** The following procedures shall apply to any termination pursuant to **Section 15(a)**. CICS shall give Civitas written notice of its intent to terminate this Agreement in whole or with respect to a Campus, as applicable, at least ninety (90) days prior to the effective date of termination stated in the notice, except in the case of a termination pursuant to **Section 15(a)(i)**, in which case such notice shall be given at least thirty (30) days prior to the

effective date of termination. The cause for termination shall immediately be submitted to CICS' Chief Executive Officer and Civitas' Chief Executive Officer, or their respective designees, for consideration and discussions to attempt to resolve the matter. If these representatives are unable to resolve the matter, then termination shall become effective in accordance with CICS' termination notice. Notwithstanding the foregoing, any termination will not become effective until the end of a school year unless there are unusual and compelling circumstances, determined by CICS in its sole discretion, that justify the disruption to the educational program and the students caused by a mid-year termination. However, if the grounds for termination relates to a serious health, safety or educational risk to students, then notwithstanding any provision to the contrary set forth above, upon election by CICS termination shall be effective immediately.

(c) **Civitas Termination.**

(i) Civitas Termination for Cause. Civitas may terminate this Agreement for cause prior to the end of the Term, in accordance with the procedures set forth below, for any of the reasons set forth in subparagraphs (i), (ii), or (iii) below, as applicable.

i. If (A) CICS substantially breaches any of the material terms and conditions of this Agreement and fails to remedy such breach within ninety (90) days after receipt of written notice of such breach from Civitas, (B) CICS makes any assignment of its assets for the benefit of a creditor, (C) CICS files a voluntary petition under any federal, state, or local bankruptcy statute, or (D) a third party files an involuntary petition against CICS under any federal, state, or local bankruptcy statute, which involuntary petition has not been dismissed or withdrawn with ninety (90) days of the date of filing. For this purpose, a material breach may include, but is not limited to, failure to make payments as required by this Agreement unless the required payment is subject to reasonable dispute, or any other failure which undermines the purposes of this Agreement.

ii. A material reduction (more than 25%) in the funding for the Campuses (unrelated to declines in enrollment) in comparison to the funding for the prior fiscal year.

iii. The enactment, repeal, promulgation or withdrawal of any federal, state, or local law, regulation, or court or administrative decision or order which has a material adverse effect on Civitas' ability to operate a charter school in accordance with its budget.

(ii) Civitas Termination by Non-Renewal. Civitas may elect, pursuant to **Section 2** hereof, not to extend the Term for an additional year.

(d) **Procedures.** The following procedures shall apply to any termination pursuant to **Section 15(c)**. Civitas shall give CICS written notice of its intent to terminate this Agreement at least ninety (90) days prior to the effective date of the termination stated in the notice. The cause of termination shall immediately be submitted to CICS' President and Civitas' Chief Executive Officer, or their respective designees, for consideration and discussions to

attempt to resolve the matter. If these representatives are unable to resolve the matter, then termination shall become effective in accordance with Civitas' termination notice. Notwithstanding the foregoing, any termination will not become effective until the end of a school year unless there are unusual and compelling circumstances that justify the disruption to the educational program and the students caused by a mid-year termination.

(e) **Assistance.** In the event of a termination (including a termination by virtue of non-renewal pursuant to **Section 2** hereof) by CICS or Civitas of this Agreement in whole, or in part with respect to any Campus, Civitas shall, at its sole expense, (i) provide reasonable assistance to CICS for up to ninety (90) days after the effective date of termination, to assist in the transition of the Campus or Campuses, as applicable, to an alternative school program, (ii) return to CICS all CICS Property and Reserve funds, (iii) cooperate with CICS and the auditor to promptly provide such information and records necessary to complete the audits, including any and all reports, as required under **Section 8(i)** for all reporting periods through the date of termination, and (iv) provide the following information (including both printed and, where available, machine readable forms), in good and orderly condition, to CICS or its designees:

(i) All staff records.

(ii) All student records including, without limitation, all materials which pre-date a student's enrollment at the applicable Campus or Campuses and all records generated for operation of such Campus while the student has been enrolled at the applicable Campus including student and parent or legal guardian names, addresses and contact information; attendance records; medical records; special education records, if any; disciplinary records; academic transcripts; standardized test scores; and report cards.

(iii) Name, address and phone number and grade level for each student enrolled in each applicable Campus.

(iv) All free and reduced lunch records.

(v) All material documents relating to the pension fund and other employee benefits provided to personnel employed at each applicable Campus.

(vi) All material administrative files or records necessary for the operation of each applicable Campus.

(vii) Such other materials as are necessary to ensure that the re-enrollment process for the Academic Year following termination proceeds in orderly manner.

(viii) Such other materials as Civitas is required to deliver pursuant to applicable law.

(ix) CICS, any affiliate of CICS, any designee of CICS or any organization replacing Civitas shall have the right to offer employment to and to hire any Civitas employee who works at any applicable Campus and any such employee shall

have the right to accept employment with any of the foregoing, both without any obligation to Civitas.

(f) **Disposition of Fixed Assets upon Termination.** Upon expiration or termination of this Agreement in whole, or in part with respect to any Campus for any reason, CICS shall have the right, subject to any limitations and/or conditions in loan or lease agreements to which Civitas is a party, to acquire or lease all or any part of the property and equipment owned by Civitas and located in the Campus or Campuses, as applicable, and in the homes of the schools' students or teachers by paying Civitas the lower of "net depreciated value" or the then fair market value of such property and equipment as carried on the books of Civitas, within sixty (60) days after the effective date of termination. Civitas shall be allowed to remove and retain such property and equipment in the event that CICS elects not to purchase it. Civitas shall restore the School Facilities after removing equipment to the condition that existed prior to such removal. In the event CICS and Civitas cannot agree on the "net depreciated value" or fair market value, as applicable of such property and equipment within thirty (30) days after the effective date of termination, such dispute shall be settled by arbitration administered by an arbitrator reasonably selected by CICS (the "**Arbitrator**"). In such event, within ten (10) days of the engagement of the Arbitrator, CICS and Civitas shall submit to the Arbitrator their respective valuations for the property and equipment, along with any supporting material or analysis. Within thirty (30) days of the Arbitrator's engagement, the Arbitrator shall choose from the two valuations which valuation shall be binding on the parties. In the event a party fails to submit to the Arbitrator a valuation within ten (10) days of the Arbitrator's engagement, then the valuation received by the Arbitrator shall automatically be the final valuation to be used by the parties. Upon reaching a final decision, the Arbitrator shall immediately deliver notice to each of the parties, who shall promptly act in accordance therewith. The parties agree that any decision of the Arbitrator shall be final, conclusive and binding, and that they will not contest any actions taken by any other parties in accordance with the decision of the Arbitrator. It is specifically understood and agreed that any party may enforce any arbitration decision rendered pursuant hereto by bringing suit pursuant hereto. All fees, costs and expenses of the Arbitrator shall be shared equally by Civitas and CICS.

(g) **Remedies.** Termination of this Agreement in whole, or in part with respect to any Campus in accordance with **Sections 15(a)** and **15(c)** shall be the sole remedies for breaches of this Agreement except for any breach of any obligation to make monetary payments to the other party. Any monetary payments that are not paid within thirty (30) days after the due date will be subject to interest at the rate of one percent (1%) per month. Notwithstanding the foregoing, nothing herein shall preclude any party from seeking a temporary and/or permanent injunction, or other equitable remedy, in the event of a breach hereof by the other party hereto or any person acting for or in concert with such party. Civitas acknowledges that if it fails to provide assistance to CICS pursuant to **Section 15(e)** after the termination of this Agreement, CICS will be irreparably harmed and money damages will not be a sufficient remedy. In addition to all other remedies available at law, CICS shall be entitled to specific performance and injunctive and other equitable relief as a remedy for such breach or threatened breach. Civitas hereby waives any requirement for the securing or posting of any bond or the showing of actual monetary damages in connection with such claim.

16. Appendices and Schedules.

The parties agree to the terms and conditions of this Agreement and the Appendices and Schedules, if any, attached hereto and incorporated herein by reference. The above described Appendices and Schedules shall become incorporated herein and part of this Agreement effective as of the date the parties agree to the terms and conditions of such Appendices and Schedules.

17. Entire Agreement.

This Agreement and Appendices and Schedules hereto shall constitute the full and complete agreement between the parties. All prior representations, understandings and agreements are merged herein and are superseded by this Agreement.

18. Dispute Resolution.

The parties agree to cooperate in good faith in all actions relating to this Agreement, to communicate openly and honestly, and generally to attempt to avoid disputes in connection with this Agreement. If, nevertheless, a dispute should arise in connection with this Agreement, the parties agree to use their best efforts to resolve such dispute in a fair and equitable manner and without the need for expensive and time-consuming litigation. Except as otherwise set forth in this **Section 18**, in the event any dispute arises between CICS and Civitas concerning this Agreement, it shall be resolved in accordance with the alternate dispute resolution procedure that is set forth in **Appendix D** to this Agreement (subject to any specific modifications to such procedure required pursuant to this Agreement). All such dispute resolution proceedings shall take place in Chicago, Illinois, unless otherwise agreed by the parties.

19. Force Majeure.

Neither party shall be liable if the performance of any part or all of this contract is prevented, delayed, hindered or otherwise made impracticable or impossible by reason of any strike, flood, riot, fire, explosion, war, act of God, sabotage, accident or any other casualty or cause beyond either party's control, and which cannot be overcome by reasonable diligence and without unusual expense.

20. Independent Contractor Status.

The parties to this Agreement intend that the relationship between them created by this Agreement is that of an independent contractor, and not employer-employee. No agent, employee, or servant of Civitas shall be deemed to be the employee, agent or servant of CICS except as expressly acknowledged in writing by CICS.

21. Subcontracting.

Civitas reserves the right to subcontract any and all services specified in this Agreement to CICS and/or to public or private subcontractors, as permitted by law, *provided* that Civitas shall not subcontract the management, oversight or operation of the teaching and

instructional program, except as specifically permitted herein or as expressly agreed to in writing by CICS. If Civitas desires to enter into a contract with a subcontractor or any other third-party service provider which has a term of three (3) years or more and which binds any Campus to make regularly scheduled payments throughout the term of the contract (regardless of whether Civitas remains the management provider for such Campus), Civitas must provide at least ten (10) days prior written notice to CICS before entering into such contract.

22. No Third Party Beneficiary Rights.

No third party, whether a constituent of CICS or otherwise, may enforce or rely upon any obligation of, or the exercise of or failure to exercise any right of, CICS or Civitas in this Agreement. This Agreement is not intended to create any rights of a third party beneficiary.

23. Governing Law; Construction and Enforcement.

This Agreement shall be construed and enforced in accordance with the laws of the State of Illinois, without respect to conflicts of laws principles thereof.

24. Legal Representation and Costs; Cooperation.

Except as expressly provided herein or in connection with insurance coverage required to be provided in this Agreement by one party for the benefit of the other, each party shall be responsible for its own legal representation and legal costs. Except where there is an actual or potential conflict of interest, CICS and Civitas shall fully cooperate with legal counsel for one another in connection with any legal claim asserted against either of them. Notwithstanding any other provision of this Agreement, neither party shall settle or compromise any claim against the other without the express written permission of that party.

25. Amendments.

This Agreement may be altered, amended, changed or modified only by agreement in writing executed by Civitas and CICS.

26. Section Headings.

The section headings shall not be treated as part of this Agreement or as affecting the true meaning of the provisions hereof. The reference to section numbers herein shall be deemed to refer to the numbers preceding each section.

27. Invalidity of Provisions of this Agreement.

If, for any reason, any provision hereof shall be determined to be invalid or unenforceable, the validity and effect of the other provisions hereof shall not be affected thereby.

28. Assignment.

This Agreement shall not be assigned by either party without the prior written consent of the other party except as provided in **Section 8(ii)**.

29. No Waiver.

No waiver of any provision of this Agreement shall be deemed or shall constitute a waiver of any other provision. Nor shall such waiver constitute a continuing waiver unless otherwise expressly stated.

30. Survival.

All representations, warranties and indemnities made herein shall survive termination of this Agreement.

31. Notices.

All notices required or permitted by this Agreement shall be in writing and shall be either personally delivered or sent by nationally-recognized overnight courier, telecopy, e-mail, or by registered or certified U.S. mail, postage prepaid, addressed as set forth below (except that a party may from time to time give notice changing the address for this purpose). A notice shall be effective on the date personally delivered, on the date delivered by a nationally-recognized overnight courier, on the date set forth on the receipt of a telecopy, facsimile or – mail, or upon the earlier of the date set forth on the receipt of registered or certified mail or on the fifth day after mailing.

To Civitas at:

Civitas Schools, LLC
901 West Jackson Blvd, Suite 205
Chicago, Illinois 60607
Attn: LeeAndra Khan

with a copy to:

Civitas Schools, LLC
901 West Jackson Blvd, Suite 205
Chicago, Illinois 60607
Attn: Joni Pearlman

To CICS at:

The Chicago Charter School
Foundation
11 East Adams Street, Suite 600
Chicago, Illinois 60603
Attn: Elizabeth Shaw, CEO

with a copy to:

Goldberg Kohn Ltd.
55 East Monroe Street, Suite 3300
Chicago, Illinois 60603
Attn: Michael L. Sullivan, Esq.

[SIGNATURE PAGE FOLLOWS]

IN WITNESS WHEREOF, the parties hereto have executed this Agreement as of the day and year first above written.

THE CHICAGO CHARTER SCHOOL
FOUNDATION

CIVITAS SCHOOLS, LLC

By  _____
Elizabeth Shaw, CEO

By  _____
LeeAndra Khan, CEO

Table of Schedules and Appendices

Schedule A	Maintenance, Repairs and Improvements
Appendix A	External Affairs Policy and Procedure
Appendix B	Portfolio Excellence Framework
Appendix C	Insurance
Appendix D	Dispute Resolution

Schedule A

Maintenance, Repairs and Improvements

1. **Capital Repairs and Improvements to be made by CICS.** The following maintenance, repair, replacement and improvement activities at the School Facilities shall be CICS' responsibility, without reimbursement from Civitas (unless the need for such maintenance, repair, replacement or improvement is due to the negligence or willful misconduct of Civitas or its agents, employees or contractors):

- a) all maintenance, replacement and repair to the roof, flashing, gutters, downspouts, foundation, outer walls and structural portions of the School Facilities which shall be necessary to maintain the School Facilities in a safe, dry and tenantable condition and in good order and repair;
- b) all maintenance, replacement and repair of underground utility installations and underground electrical conduit and wire, up to the points of connection with the School Facilities and inside the School Facilities;
- c) any repair, maintenance or restoration required as a result of the act or neglect of Lessor or its agents, employees or contractors, or resulting from the failure of Lessor to perform in a timely manner its obligations under this Agreement;
- d) all major repairs, improvements and alterations and all replacements to: (i) all fixtures attached within the School Facilities, (ii) the parking area(s) adjacent to the School Facilities, (iii) the building systems of the School Facilities and/or any major component thereof, including the heating, ventilation, electrical, mechanical, sewerage and plumbing systems, ceiling and flooring, initial security system installation, adherence to all local, state and national building codes relevant to structures.

2. **Repair and Maintenance to be made by Civitas.** All maintenance, repair and replacement activities not allocated to CICS pursuant to **paragraph (A)** above shall be the sole responsibility of Civitas, without reimbursement from CICS (unless the need for such maintenance, repair or replacement is due to the negligence or willful misconduct of CICS or its agents, employees or contractors).

Budgets. To the extent allocation of responsibility for maintenance, repair and improvement expenditures set forth in any annual budget for any Campus is inconsistent with this **Schedule A**, the allocation of responsibility set forth in the budget shall govern and control.

Appendix A



External Affairs Policy and Procedure

Chicago International Charter School (CICS) is committed to providing effective external affairs support to its partner school management organizations and schools, including building brand awareness, securing philanthropic funding and continuing its advocacy efforts. If we are successful at elevating the CICS brand and securing substantial funding for our strategic initiatives, we will experience greater community awareness, successful student recruitment, and increased funding for our network of schools.

CICS is in a time of transition, placing renewed focus on quality and innovation as communicated in our Vision of Excellence. In our efforts to realize the Vision, it is important that we maintain a positive and consistent public profile in all our interactions with the media, government representatives and prospective donors. To this end, CICS has outlined the following external affairs parameters for all partner SMO's and schools within the network.

Press Releases and Inquiries

Prior to issuing a press release, authoring an article, speaking with the media, participating in a video, responding to social media (with a global context) or other promotional activity, please notify CICS Director of Communications and Public Affairs, Luis Sanchez via e-mail at lsanchez@chicagointl.org, or phone at 312-651-5018. CICS fully supports the public relations efforts of the SMO's and their campuses. It is important that we are notified of these efforts and are afforded the opportunity to review all press material prior to distribution.

If a CICS network or school employee is contacted, unsolicited, by the press, please ask for the reporter's name, publication and contact information and refer the inquiry to our Director of Communications and Public Affairs, Luis Sanchez, via email at lsanchez@chicagointl.org, or via phone at 312-651-5018, while also notifying your SMO leadership. Please do not participate in an interview with the media without advanced preparation. It is appropriate when contacted by a reporter to ask for their questions or the purpose of their call, ask if they are on deadline, and schedule a time to call back. Do not have conversations with reporters "off the record" because there is no such thing. You should approach conversations with reporters as if anything you say could be included in their publication. Please be sure that all school employees are aware of this policy.

To ensure consistency, interactions with the press should always include the following CICS organizational description:

CICS (school name), a (SMO campus) school, is part of the Chicago International Charter School (CICS) network. CICS, founded in 1997, is one of Illinois' largest charter networks with two decades of experience managing a diverse portfolio of innovative public charter schools. Our vibrant network of diverse Chicago charter schools enables students to thrive every day, puts them on a path to success in college and life, and empowers entrepreneurial educators to pursue excellence through innovation. CICS educates more than 8,000 students in grades K-12 who travel from 56 different Chicago neighborhoods to attend one of its 14 campuses.

Campus Website

CICS asks that all partners include the CICS organizational description (included on the previous page) on its website regarding its relationship with CICS and CICS network operations. It is the campus' responsibility to keep their website up-to-date and accurate, ensuring timely updates to its calendar and contents. Campuses should provide web access to CICS, SMO and campus social media sites including official network and campus Facebook, LinkedIn, Twitter, and YouTube profiles. Campuses are expected to adhere to all network, district and state policies regarding student privacy. Campuses must secure parental approval in advance when posting student names, pictures, personal stories, etc. Campuses may also be asked to include links to articles mentioning CICS or its other SMO campuses.

Social Media

CICS requires SMO partners to maintain a clearly delineated policy regarding appropriate social media behavior for all of its employees and students. CICS understands the value of social media and the benefits offered by digital communication for providing quick and easy interaction among peers, students and families. When using social media or digital communication devices to communicate with students and/or families, network staff should always comply with the policies of CICS, their School Management Organization, and the district and state policies related to student privacy, acceptable use policies, mandatory reporting requirements, copyright and discrimination policies. CICS does not take a position on an employee's decision to participate in blogs, wikis, social media pages, etc. for personal use on personal time. However, do not "friend", "follow" or otherwise interact with students from your personal social media accounts. Only communicate with families and students through network or SMO devices, or via network or SMO systems. Staff must avoid posting student information, pictures, work-product exemplars or other identifying information on personal social media sites, blogs, etc.

Supervisory staff who have identified themselves as associated with CICS should use the following disclaimer on personal social media sites, including blogs: "The views on this site are my own and do not necessarily represent the views, opinions, vision or strategies of the Chicago International Charter School network."

Government Affairs

CICS has an effective advocacy strategy for the City of Chicago and the State of Illinois. The network team is often in communication with district, city and state officials concerning funding and policy decisions that impact our network and schools.

Please notify CICS Director of Family and Community Engagement, Meghan Schmidt at mschmidt@chicagointl.org if your school is contacted by any local, state and national elected official. Should an elected official contact your school to schedule a visit, please refer the inquiry

to Meghan. Close coordination with the network team is essential to insuring that we are consistently and repeatedly pressing the same policy positions on behalf of CICS schools, students and their families.

Fund Development and Donor Relations

The CICS network team is focused on funding network operations, new strategic initiatives and supporting the financial needs of its partner schools. As we ramp up our fund development activities, we must maintain clear communications regarding any donor interactions so that we are aware of existing relationships at the school, SMO and network levels. The ability of the CICS development team to successfully raise funds will depend on a professional, well-coordinated effort across the network.

Tours: It is likely that we will be meeting with many local and national education funding partners over the coming months as we roll out the new network strategy. We expect to bring prospective donors on tours of the network campuses, and we ask that school leadership support our efforts by personally participating in the meetings and providing access to the facilities and students during the tour. Network staff will provide as much advance notice as possible and be responsible for preparing all of the presentation materials.

Grants (applications and letters of inquiry) in excess of \$5,000: When a CICS campus or SMO considers pursuit of a grant valued at, or above, \$5,000, please contact CICS Director of Development Bill Nalley via email at wnalley@chicagointl.org or by phone at 312-651-5023 to coordinate an effective submission. We are confident that we will achieve increased collective success that fully leverages every opportunity with better communication, as well as avoid the embarrassment and potential conflict of competing proposals submitted to the same organization. Bill is committed to providing as much support as possible to insure our collective success, including notifying schools of potential opportunities, and providing materials, training and other strategic supports.

Websites such as FirstGiving.org, JustGiving.org, and DonorsChoose.org are useful ways to feature classroom or campus projects and solicit donations. Pages set up on these types of sites can be specific to the school instead of the network and checks should be made out to the school. All donors who contribute directly to a school should receive an acknowledgement letter as both a thank you and a receipt to use for tax purposes.

CICS Network Events and Site Visits

The CICS External Affairs team will occasionally host special events at network schools. We will provide as much notice as possible and be considerate of the campus academic calendar. When CICS hosts an event, we request a campus contact be assigned during the planning and execution phase. The network may request a student performance or speakers for the event and will work with the schools to select the appropriate group or individuals. The campus custodial team is expected to ensure the cleanliness and proper set-up of the space being used in advance of the event. The network will cover all costs associated with these events.

CICS Campus and SMO Fundraising Events

When campuses and SMOs plan to host a fundraising event, CICS requests that all prospective sponsors be submitted to Bill Nalley, CICS Director of Development, for review prior to

solicitation. While we request that lists be submitted as soon as possible, the Director of Development should receive the list no later than two weeks prior to a planned solicitation. The Director of Development will review this list and provide feedback no later than one week after receiving it. Close coordination will ensure that funding partners are engaged most effectively and consistently. Please note: Individual ticket purchases do not fall under this policy.

Appendix B

CICS Portfolio Excellence Framework

Background and framing

CICS has a unique portfolio model with open architecture that allows for school model innovation and true autonomy in order to achieve excellence for every student, every day. As a portfolio operator, CICS holds a replicating charter with Chicago Public Schools and empowers talented educators and organizations to lead diverse school models across multiple campuses.

Through this model of empowering talented and entrepreneurial leaders and organizations to operate brilliant academic programs, students will thrive and CICS will improve the education landscape in Chicago by launching new organizations, enabling innovations that catalyze improvements in our campuses, and sharing learnings.

CICS must manage their portfolio of campuses and operators to ensure they are living up to the promise of delivering a world class education to students and families. This framework will serve as a guide to deliver on that promise.

Purpose of campus and operator excellence framework

The main purpose of creating this framework is to ensure that the CICS network has excellent campuses and operators. This framework will:

- Define excellence for campuses and operators
- Explain how CICS will measure excellence for campuses and operators
- Outline the role of CICS in achieving excellence for campuses and operators
- Detail how CICS will evaluate their portfolio of campuses and operators
- Create a mechanism for continuous improvement of the framework

Guiding principles of this framework

- We will take into consideration the best interest of students and families before any decision is made
- We will be transparent with all data and decision making criteria
- We will be efficient and eliminate unnecessary bureaucratic practices during data collection
- We will consider improvement and growth of campuses and operators before making any decisions
- We will consider overall campus and operator performance before oversight or intervention is required
- We will balance oversight and operator accountability as best as possible during decision making processes

Defining excellence for campuses and operators

Through a detailed strategic planning process, CICS engaged multiple stakeholders to create a vision for excellent campuses and operators.

Excellence at the campus level has been defined through the CICS Vision of Excellence (VOE). The VOE along with operator priorities is what CICS operators and campuses will be measured against. There will be a combination of indicator and outcome domains that will be measured as described below.

Indicator domains for academics are derived directly from the VOE. Three indicator domains that CICS believes create an excellent school are:

- Amazing Talent
- Thriving Culture
- Rigorous Academics

It is a core belief of CICS that these three domains are leading indicators of strong student academic outcomes. However, CICS believes the truest measure of success for a school is strong academic performance. Academic performance will be defined as an outcome domain and classified as:

- Student Academic Outcomes

Additionally, operators must be able to manage resources wisely and responsibly in order to achieve sustainable excellence. An important component of managing resources wisely and responsibly is:

- On Time and Accurate Financial Submissions

It is a core belief of CICS that this is an indicator of strong financial outcomes. CICS defines on time and accurate financial submissions as an indicator domain. Most importantly, CICS believes that there are key measures that determine the financial health of an organization. Those measures will be defined as an outcome domain and classified as:

- Financial Outcomes

Further detail on indicator and outcome domains and measurements can be found throughout this document and within the CICS Excellence Rubric. However, please reference the chart below for more clarity on indicator vs. outcome domains.

Domains	Academic	Financial/Operational
Indicator	Amazing Talent Thriving Culture Rigorous Academics	On Time and Accurate Financial Submissions
Outcome	Student Academic Outcomes	Financial Outcomes

Measuring excellence for campuses and operators

CICS will measure campus and operator performance using four collection methods:

- Academic Outcome Data
- Non-Academic Outcome Data
- Campus and Operator Observations
- Survey Data (parent, students, and teachers)

These collection methods will be used to determine how schools and operators are performing. The tables below outlines which collection method will be used to measure each domain for campuses and operators.

Campus measurements:

Domain to evaluated	Academic Outcome Data	Non-Academic Outcome Data	Campus and Operator Observations	Survey Data
Amazing Talent	No	Yes	Yes	Yes
Thriving Culture	No	Yes	Yes	Yes
Rigorous Academics	No	Yes	Yes	Yes
Student Academic Outcomes	Yes	No	No	No

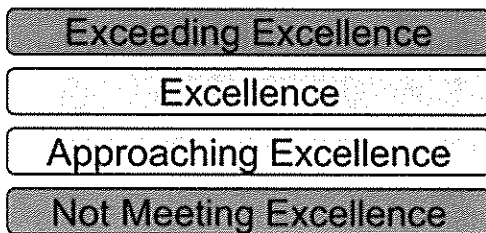
Operator measures:

Domain to evaluated	Academic Outcome Data	Non-Academic Outcome Data	Campus and Operator Observations	Survey Data
Amazing Talent	No	Yes	Yes	Yes
Thriving Culture	No	Yes	Yes	Yes
Rigorous Academics	No	Yes	Yes	Yes

On Time and Accurate Financial Submissions	No	Yes	No	No
Student Academic Outcomes	Yes	No	No	No
Financial Outcomes	No	Yes	No	No

Student academic outcomes and financial outcomes are the most critical domains when measuring overall performance of a campus or operator. These are defined as outcome domains. However, in order for CICS to make decisions about future opportunities with campuses and operators, all domains will be reviewed. Amazing talent, thriving culture, rigorous academics, and on time and accurate financial submissions are defined as indicator domains. Specifics on this concept can be found in the Evaluating the CICS Portfolio section of this document.

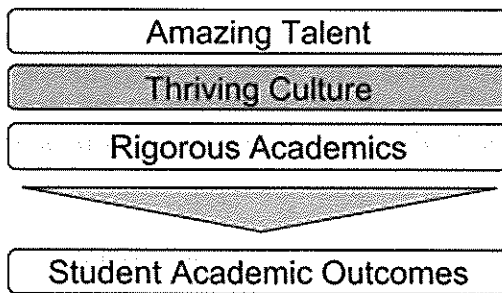
These collection methods will provide data that can be used to classify overall performance of campuses and operators in each domain. Performance classification (and color code) will be:



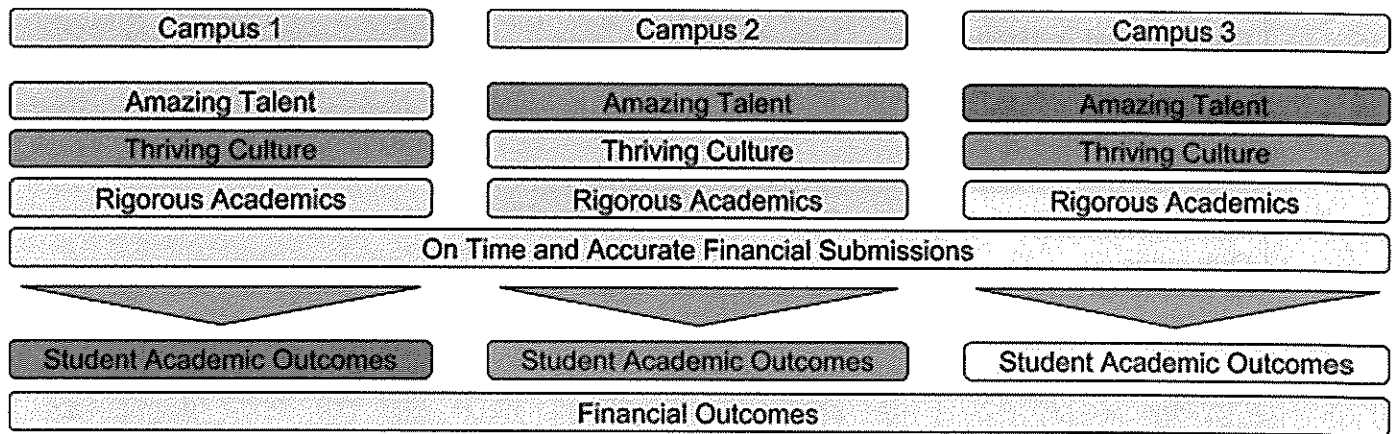
Each domain will receive a classification based on performance. For the indicator domains of amazing talent, thriving culture, and rigorous academics, a body of evidence approach will be used to determine overall classification. For the outcome domains of student academic outcomes and financial outcomes, clear performance benchmarks will be established to determine overall classification. Details on these classifications can be found in the [CICS Excellence Rubric](#).

An example of this classification for both campus and operators would look as follows:

Example of possible outcome for a campus:



Example of possible outcome for an operator:



There will be some elements that are measures that count for operators that do not count for campuses. Those details can be found in the CICS Excellence Rubric.

CICS role in achieving excellence for campuses and operators

The main role of each operator is to create academic models on campuses where students will thrive every day on a path to ultimately be successful in college and life. CICS will measure that impact and reward campuses and operators who are performing well and require certain oversight or interventions for campuses and operators who are not. CICS will provide support in order to assist in achieving excellence. This support will take form in three key areas.

- Campus Reviews
 - CICS will fund campus observations conducted by industry experts
 - Observations will be aligned to the CICS Vision of Excellence
 - Observations will provide campuses with action plans and resources for improvement
- Data analysis
 - CICS will create and fund data dashboards aligned to this framework
 - CICS will be available for ad-hoc analysis on an as needed basis
- Collaboration opportunities
 - CICS will create in person and remote opportunities to collaborate across campuses and operators

Evaluating the CICS Portfolio

In order to fulfill the promise of providing students and families with a world class education, it is the responsibility of CICS to evaluate its portfolio of campuses and operators. Classification of each domain is established in the Measuring excellence for campuses and operators section of this document. This section will determine campus and operator classification and potential action once campuses and operators are classified.

Campuses and operators will have access to performance data throughout the school year. Three times during the year a formal data cycle review and evaluation will happen with CICS and operator.

- July/August - preliminary data available - goal setting and initiatives for the year

- November/December - final data from the previous year available
- February - mid-year data is available.

More information about these reviews is outlined below. Data sharing and discussion is not limited to these data cycle reviews. Data will be shared whenever available. CICS will work with campuses and operators to address any concerns that may arise. At any point, if a campus or operator is not achieving excellence in a domain, CICS will discuss with the operator and provide oversight or intervention depending on context of the situation. The guiding principles of this document will help inform this discussion with CICS and the operator before any action is taken.

Any reward or intervention at the campus level will be discussed with the operator to ensure (1) that rewards are aligned with current operator performance management practices and (2) that interventions are aligned with any improvement initiatives currently in place.

CICS will consider a campus and operator's progress over time when implementing any rewards or interventions. Specifically, campus attainment over time and overall performance will be heavily considered. The rubric created for this framework does have a growth component, which will help determine an annual classification. However, context about performance over time will be considered during reviews. Additionally, for operators that are in a phase of incubation or transformation, CICS will segment out portions of the CICS rubric to portions that are relevant and attributable to the timing and schedule of the incubation and transition. Details on this differentiation can be found in the Incubation/Transformation Operators section of this document.

Incubation/Transformation operators

Incubating new operators to run new campuses or transform existing campuses is aligned to the CICS strategic plan and a critical lever to reach excellence as a portfolio. An incubation operator is defined as any new operator that starts or builds an organization with CICS. A transformation operator is defined as an operator that has a change at the highest level of leadership. For both incubation and transformation operators, it will take time to deliver excellence. However, maintaining current results and then building on those is required in order to ensure current students are not negatively affected by incubation or transformation. CICS expects it will take 3 years to achieve excellence for these operators and the general expectations for each year are as follows:

- Year 1 - Maintain steady performance on all metrics and increase performance on select elements within the CICS Excellence Rubric -trriage specific performance issues.
- Year 2 - Demonstrate modest observable increase across most measures. Data shows approaching excellence or at excellence across relevant elements and domains within the CICS Excellence Rubric.
- Year 3 - Demonstrate significant increase across all major elements and domains. Data shows "Excellence" on all relevant domains.

CICS will measure each incubation and transformation operator in accordance with the CICS Excellence Rubric to ensure each campus and operator understands where they stand against our

collective definition of excellence. However, during the July/August review with operators, CICS will set specific targets with the operator that will define the potential rewards and interventions for these specific operators. During this review cycle, the operator present goals for the school year and CICS and the operator will come to a collective agreement on what goals are appropriate and aligned with the CICS Vision of Excellence.

July/August Review

CICS will review preliminary data from the previous school year with each operator and understand what goals and major priorities will be focused on for the upcoming year. Operator goals and initiatives should be aligned to the CICS Vision of Excellence and the elements and domains within the CICS Excellence Rubric. The July/August review will not be a formal evaluation. This review will serve as an alignment exercise to ensure operators and CICS understand goals for the year and that CICS can tailor support and interaction that align to those goals. CICS will provide the data for this review and set the agenda for the discussion. Additionally, this review will serve as a useful exercise for development planning and interaction.

CICS also realizes that priorities and goals for the year have likely been established and budgeted for prior to the July/ August review. This review can serve as an update and adjustment exercise for campuses and operators as more data will be available for review.

For incubation and transition operators, there will be a more formal discussion around goal setting for certain elements for the year.

November/December Review

CICS will review finalized data from the previous school year as well as new data available from the current school year (updated targeted surveys and school observations). CICS may reward campuses that have reached excellence benchmarks. CICS will formally sit down with each operator and discuss the results of previous year performance and all available data for the current year. Additionally, CICS may require additional oversight or interventions for campuses that have not reached excellence benchmarks depending on performance across both academic and financial domains. Details on criteria as well as rewards/interventions can be found in the tables below. For campuses or operators that may not be in any jeopardy of falling below “Excellence”, there may be an option available to move the November/December review to a later date depending on the circumstances.

Campus Classification*	Criteria**	Reward/Intervention
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<p>Exceeding Excellence</p>	<p>Student academic outcomes is classified as “Exceeding Excellence” AND All three indicator domains (Amazing Talent, Thriving Culture, Rigorous Academics) are classified as a “Excellent” or above AND the campus is at least a Level 1 on the SQRP.</p>	<p>Funded activities: \$15,000 total amount towards (at the operator discretion):</p> <ul style="list-style-type: none"> • Funded college trips • Technology purchases • Small Facility Improvements • Funded Professional Development for staff • Funded stipends/bonuses for high performing staff members • School specific celebration items <p>Rewards should be used to invest in high leverage initiatives. Rewards to be discussed and decided on with CICS and the operator.</p>
<p>Excellence</p>	<p>Student academic outcomes is classified as at least “Excellent” AND two of the three indicator domains (Amazing Talent, Thriving Culture, Rigorous Academics) are classified as “Excellent” or above AND the campus is at least a Level 1 on the SQRP.</p>	<p>Funded activities: \$7,500 total amount towards:</p> <ul style="list-style-type: none"> • Funded college trips • Technology purchases • Small Facility Improvements • Funded Professional Development for staff • Funded stipends/bonuses for high performing staff members • School specific celebration items <p>Rewards to be discussed and decided on with the SMO</p>
<p>Approaching Excellence</p>	<p>Student academic outcomes is classified as “Approaching Excellence” or above AND two of the three indicator domains (Amazing Talent, Thriving Culture, Rigorous Academics) are classified as “Approaching Excellence” or above AND the campus is at least a Level 2+ on the SQRP.***</p>	<p>Plans for improvement will be discussed with CICS and the operator during scheduled data cycle reviews.</p> <p>See operator classification table for other potential interventions.</p>

Not Meeting Excellence	Student academic outcomes is “Not Meeting Excellence” OR does not meet any of the other classification requirements ***	Plans for improvement will be discussed with CICS and the operator during scheduled data cycle reviews. See operator classification table for other potential interventions.
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*Campus classification will be outlined in detail on the instructions tab of the CICS Excellence Rubric

**For a campus that is unable to score on a domain, that domain will be eliminated from the classification criteria and other domains will be used.

***If a campus has student academic outcomes classified as “Excellence” or “Exceeding Excellence” AND is a level 1 or 1 +, the campus overall will be classified as “Excellence”. However, leading indicators may signal a potential concern that CICS will discuss with the operator.

Operator Classification	Criteria	Reward/Intervention
Exceeding Excellence	All campuses are classified as “Excellence” or above AND the majority of campuses are “Exceeding Excellence” AND Financial Outcomes have an “Excellence” classification or above.*	<ul style="list-style-type: none"> • Expansion support from CICS • Contractual operator SMO Holdback increase • Extension of CICS contract longer than 1 year • \$20,000 for Operator to use at discretion • Additions or alterations in metrics for student academic outcomes to be incorporated based on operator recommendation that would allow for a more innovative approach
Excellence	51% or more of campuses are classified as “Excellence” AND not more than one campus is campus is classified as “Approaching Excellence” or below AND Financial Outcomes has an “Excellence” classification or above.*	<ul style="list-style-type: none"> • Expansion support from CICS • Extension of CICS contract longer than 1 year • Additions or alterations in metrics for student academic outcomes to be incorporated based on operator recommendation that would allow for a more innovative approach

<p>Approaching Excellence</p>	<p>50% or more of campuses are classified as “Approaching Excellence” AND not more than one campus is classified as “Not Meeting Excellence” AND Financial Outcomes has an “Approaching Excellence” classification or above.</p>	<p>For operators that are approaching excellence, CICS will review goals and initiatives that the operator has in place to improve practice at each campus. Depending on the level of performance and the context of each campus, CICS may require more frequent data cycle reviews in addition to the ones outlined in this document , to ensure that campuses are on the right track.</p> <p>The interventions will be discussed and agreed upon as outlined in the Potential Reward/Intervention Detail section of this document.</p>
<p>Not Meeting Excellence</p>	<p>Operator has more than one campus that is classified as “Not Meeting Excellence” OR Financial Outcomes has an “Not Meeting Excellence” classification.</p>	<p>For operators that are not meeting excellence, CICS will review goals and initiatives that the operator has in place to improve practice at each campus. Depending on the level of performance and the context of each campus, CICS may require more frequent data cycle reviews in addition to the ones outlined in this document , to ensure that campuses are on the right track.</p> <p>Additionally, operators that are classified as not meeting excellence may be subject to an operator change.</p> <p>The interventions will be discussed and agreed upon as outlined in the Potential Reward/Intervention Detail section of this document.</p>

*If an operator has a majority of campuses with student academic outcomes classified as “Excellence” or above AND has no campuses that have students academic outcomes classified as “Not Meeting Excellence”, and the operator overall classification is anything below “Excellence”, CICS will still consider options for rewards and actions will not be take until further analysis is completed.

In addition to the domains used to classify campuses and operators in the classification table above, CICS will also review the On Time and Accurate Financial Submissions domain. For any operator that has below an “Excellence” classification in this domain during the November/December review, CICS may intervene and require additional oversight.

February Review

CICS will conduct a mid-year review analysis when mid year data is available. CICS will use all currently available data and use the previous year results to predict the future SQRP score for each campus. CICS will also review financial indicator domains and assess progress from the November/December review. Based on these data, as well as any other relevant data from the November/December reviews, CICS will conduct analysis to determine the current performance state of each campus and operator and present to each operator. Part of this CICS will sit down with every operator to review plans for improvement for the rest of the school year.

For any campus that may be at risk to being on the warning list at the end of the year, or is projected to “Not Meet Excellence” on financial indicator domain, CICS reserves the right to require interventions to improve results.

In addition to the domains used to classify campuses and operators in the classification table above, CICS will also review the On Time and Accurate Financial Submissions domain. For any operator that has below an “Excellence” classification in this domain during the February review, CICS may intervene and require additional oversight.

Potential Reward/Intervention Detail

The framework and tables that classify campuses and operators as either Exceeding Excellence, Excellence, Approaching Excellence, or Not Meeting Excellence will help guide further discussion and decision making with CICS and operators. CICS will not make any decisions about potential rewards or interventions without considering the context of the campus or operator.

For campuses and operators that are classified as Exceeding Excellence or Excellence, CICS will discuss the potential rewards with the operator. In order to determine the ultimate rewards given, CICS will review all available data to develop a more holistic view of the campus or operator that includes context. Below are the guiding questions that CICS will review and use existing data and observation to answer these questions in order to come to a conclusion about rewards.

- Has the operator showed sustained performance over time for each campus?
- What investment would make the most impact on the campus for students aligned with the Vision of Excellence?
- What is the capacity of the operator to expand?
- Where is there a need for expansion in the city?
- Has the operator had proven results with the demographic where there is need for expansion?
- How sustainable are the results of the campus or operator moving forward?
- What would an increase in the allowable operator SMO Holdback be used for?

For campuses and operators that are classified as Approaching Excellence or Not Meeting Excellence, CICS will discuss the potential interventions with the operator. In order to determine the ultimate intervention, CICS will review all available data to develop a more

holistic view of the campus or operator that includes context. Below are the guiding questions that CICS will review and use existing data and observation to answer these questions in order to come to a conclusion about interventions.

- Are there specific domains or elements where the campus or operator is struggling?
- Is there an increasing or decreasing trend in performance in domains or elements?
- What actions have been taken by the operator to improve the current domains or elements that are not meeting Excellence classifications?
- What is the capacity of the operator to make impactful improvement?
- What is the real impact to students due to underperformance?
- What risk does this underperformance have on the CICS network?

Ultimately, if an operator is Not Meeting Excellence, there is a potential for an operator transition depending on the context of the situation. If it is determined that an operator transition is needed, intervention will be required mid year and the extent of that intervention will be outlined in operator contracts.

Continuous improvement

The CICS mission and vision creates an imperative to build new and innovative academic models – both through incubating new operators and supporting our existing operators -- that will educate for equity in an accelerating world. As a network, CICS will use this same equity lens on innovation towards continually improving our governance structure because we know “school excellence” is not a static thing in our world. Accordingly, portfolio management and evaluation of campus and operator excellence will be an area where CICS will look to be a leader in education space. This “Framework for Excellence Campuses and Operators” document will be a starting point for this. This framework will be continuously reviewed with four goals in mind:

- Ensure CICS is forward thinking about what we measure that prioritizes indicators and outcomes relevant to student success
- Ensure CICS is capturing the amazing innovations campuses and operators are implementing that are aligned to the CICS VOE and operator priorities
- Integrating multiple perspectives (eg, college admissions, employers) on what our students should be learning.
- Integrating cutting-edge research about how students learn.

CICS will work with all relevant stakeholders to review this framework on a regular basis and make changes annually as needed.

CICS Vision of Excellence

CICS Vision of Excellence:

We're spreading the joy of learning every day: *Every* school promotes a safe, thriving culture filled with joy, a love of learning, and a relentless focus on results.

Our schools offer rigorous content for every child: *All* students tackle complex, culturally-responsive, standards-aligned content, ideas, and tasks to sequentially build knowledge and experiences that support active, informed civic engagement and college success.

We're all in for our students: *The whole* CICS community is invested in the success of *all* our students – cares deeply for them, believes they have the potential to be successful in *any* life path they choose, expects them to persevere through challenges, and is *fully* committed to providing safe spaces for students to learn and experience the world.

We're all in for our adults too: In our schools, educators are empowered to grow and lead. They are given the opportunity to succeed individually while supporting better student outcomes.

Our schools are designed for our students: CICS's portfolio of schools provide a rich mix of school models and learning environments that together meet the unique interests, preferences, and needs of families in the communities it serves.

Our schools are hubs of excellence and equity: CICS uses its scale to push every possible resource to schools so they are thriving learning spaces that promote equity.

When families speak, we listen: *All* students and parents have a meaningful voice in their education experience.

Our schools are diverse and culturally competent: Our schools reflect the diversity of our beloved city. We value and expect cross-cultural competence and know that this requires a continuous commitment to self-reflection and self-awareness. Through policies, practices, and attitudes, we nurture a culture that prepares staff and students to thrive in a cross-cultural world.

We're taking calculated risks that pay off for students long-term:

Every school and provider is encouraged to implement evidence-based innovations to meet student needs, with long-term student success as their north star.

CICS's vibrant, thriving work settings attract bold, ambitious, outstanding, creative talent who are willing to take risks and are committed to lifelong learning.

We're nurturing mind and body: *All* students receive individualized support and access to enrichment activities that nurture the social-emotional competencies they'll need to become happy, healthy, mature, and aware adults.

CICS Excellence Rubric

Attached.

Appendix C

Certain Insurance Requirements

Minimum Acceptable Insurance Requirements for Educational Management Organizations

During the term of this Agreement, Civitas shall, at its own expense, have in effect the coverages listed below. Civitas shall also require the same in writing from all of its subcontractors engaged in the work.

Commercial General Liability:

- Coverage should include premises operations, products and completed operations, broad form property damage, contractual liability, independent contractors, and personal and advertising injury with minimum limits of \$1,000,000 limit per occurrence for bodily injury and property damage; \$2,000,000 aggregate with defense outside the limits. Any aggregate limit must apply per project/per location and must be unimpaired.
- The policy shall include CICS and the Campuses under Civitas management and its subsidiaries, affiliates, officers, directors and employees as additional insureds under ISO form #CG2026 (11/85) or its equivalent.
- The coverage provided by the additional insured endorsement shall be primary without right of contribution by any coverage carried by CICS and the Campuses under Civitas management and its subsidiaries, affiliates, officers, directors and employees.
- The policy shall include a waiver of subrogation endorsement in favor of CICS and the Campuses under Civitas management and its subsidiaries under ISO form #CG2404 or its equivalent.
- The policy shall contain a severability of interest clause for all additional insureds with no cross suits liability exclusion.

Sexual Misconduct and Molestation Liability:

- Coverage shall include Sexual Misconduct and Molestation Liability insurance for minimum limits of \$1,000,000 Each Loss and Annual Aggregate. Further Innocent Party Defense Coverage shall be included at a minimum amount of \$300,000 per occurrence.
- It is understood and agreed that the aforementioned primary limits shall be included within the underlying schedule of primary coverage applicable to the CMO Umbrella Liability Policy, and as such be supplemented by Excess Liability Limits to the full extent of the CMO Umbrella policy.
- It is further understood and agreed that the aforementioned limits of insurance are primary and non contributory with respect to any other insurance that may be available, and only after the aforementioned limits of liability are exhausted for any single occurrence or multiple occurrences shall the insurance of CICS/CCSF become available for any covered claim.

Workers Compensation:

- Workers compensation coverage: statutory limits required by all authorities having jurisdiction in locations in which Civitas operates, and in which the work required by the contract awarded is performed.
- Employers liability coverage:
 - \$500,000 Bodily injury by accident – each accident
 - \$500,000 Bodily injury by disease – each employee
 - \$500,000 Bodily injury by disease – policy limit

The Employers Liability Limits may be combined with either an Excess or Umbrella Liability policy.

- The policy shall include a waiver of subrogation endorsement in favor of CICS and the Campuses under Civitas management and its subsidiaries under form #WC000313 or its equivalent.

Automobile Liability:

- Coverage for owned, leased, hired and non-owned vehicles with a combined single limit of \$1,000,000 for bodily injury and property damage.
- The policy shall include CICS and the Campuses under Civitas management, affiliates, officers, directors and employees as additional insureds under ISO form #CG2026 or its equivalent.
- The coverage provided by the additional insured endorsement shall be primary without right of contribution by any coverage carried by CICS and the campuses of the Campuses under Civitas management and its subsidiaries, affiliates, officers, directors and employees.
- The policy shall include a waiver of subrogation endorsement in favor of CICS and the Campuses under Civitas management and its subsidiaries.

Umbrella Liability:

- Coverage excess of general liability, auto liability and employers liability in an amount of at least \$ 5,000,000 per occurrence with defense outside the limit. Any aggregate limit must apply per project/per location and must be unimpaired.

i. Property and Builders Risk:

- When hiring contractors to do work for Civitas on Campus, maintain property coverage on a special form cause of loss or "all risk" basis for personal property, improvements & betterments, and business income/extra expense/rents with an agreed amount provision to waiver coinsurance.
- When hiring contractors to do work for Civitas on Campus, replacement cost valuation should apply to personal property and improvements & betterments.

Educators Legal Liability, Directors and Officers Liability, and Employment Practices Liability:

- Coverage for Professional Services, Educators Legal Liability and Directors and Officers Liability, Including Employment Practices Liability shall be provided at minimum limits of \$5,000,000 per occurrence, and annual aggregate.

Conditions Applying to all Coverage's:

- All policies required should apply with a worldwide coverage territory to cover the sale of products worldwide and suits brought worldwide.
- Any deductibles or self-insured retentions must be declared to and approved by Foundation
- Any changes to the coverages required must be authorized in advance by Foundation and be documented in writing.
- The certificate shall provide that sixty (60) days prior written notice of cancellation be given to CICS. The wording "endeavor to...but failure to do so shall impose no obligation or liability of any kind upon the insurer, its agents or representatives" should be stricken from the Accord certificate form.
- Certificates for renewal policies must be issued ten (10) days prior to the renewal date.
- All liability policies for injury and property damage shall be issued on the "occurrence" form.
- All coverages must be in a company approved to do business in the state and carrying a rating of at least A X by A.M. Best's. Coverages for subcontractors must have a carrier rating of at least A- VIII by A.M. Best's.
- Civitas shall be responsible for assuring in its contracts that all subcontractors are properly insured and maintain the same coverage, terms, and conditions as required by this agreement.
- Foundation reserves the right to increase or expand these requirements when it deems prudent.
- If any of the insurance required to be maintained by this contract is written with aggregate limits, Civitas shall actively monitor all claims, incidents and occurrences that may affect such insurance to assure that the application of the aggregate limit will not have the practical effect of reducing the minimum amount of insurance coverage that is available on a per occurrence or per claim basis. If, at any time, the full minimum per occurrence or per claim limit is not available for the payment of claims, or Civitas reasonably believes that such limits may not be available, Civitas shall take immediate steps to increase the aggregate limits as necessary to provide such coverage, notify Foundation in writing, subject to the insurance requirements herein, maintain separate insurance protection that is not subject to the aggregate limit.

Appendix D

Dispute Resolution

1. Any dispute under this Agreement shall be submitted to arbitration conducted in accordance with the Commercial Arbitration Rules ("**Rules**") of the American Arbitration Association ("**AAA**") except as amplified or otherwise varied hereby. The parties shall submit the dispute to the Chicago regional office of the AAA and the situs of the arbitration shall be Chicago. The arbitration shall be conducted by a single arbitrator. The parties shall appoint the single arbitrator to arbitrate the dispute within ten (10) business days of the submission of the dispute. In the absence of agreement as to the identity of the single arbitrator to arbitrate the dispute within such time, the AAA is authorized to appoint an arbitrator in accordance with the Rules, except that the arbitrator shall have as his principal place of business the Chicago metropolitan area.

2. Anything in the Rules to the contrary notwithstanding, in any dispute seeking a monetary award, the arbitration award shall be made in accordance with the following procedure: Each party shall, at the commencement of the arbitration hearing, submit an initial statement of the amount each party proposes be selected by the arbitrator as the arbitration award ("**Settlement Amount**"). During the course of the arbitration, each party may vary its proposed Settlement Amount. At the end of the arbitration hearing, each party shall submit to the arbitrator its final Settlement Amount ("**Final Settlement Amount**"), and the arbitrator shall be required to select either one or the other Final Settlement Amounts as the arbitration award without discretion to select any other amount as the award. The arbitration award shall be paid within five (5) business days after the award has been made, together with interest from the date the dispute was submitted to arbitration at the rate of ten percent (10%) per annum. Judgment upon the award may be entered in any federal, state, or local court having jurisdiction over the parties.

3. Should a budget be submitted for arbitration, the arbitrator will take into account the desires of the parties to maintain the tax status of bond financing Campus facilities and restrictions imposed on this Agreement and on the budget related thereto. Any budget approved or proposed by the Arbitrator will provide for dollar amounts for line items of the budget and no such budget will include any reference to net profits or losses or to both total revenues and expenses related to a Campus or to any amounts to be calculated on the basis of net profits or losses.

**Addendum to the Twelfth Amended and Restated Campus Management Agreement
Between the Chicago Charter School Foundation and Civitas Schools**

Civitas Schools, LLC ("Civitas") and the Chicago Charter School Foundation a/k/a and referred to herein as the Chicago International Charter School ("CICS") agree that for Fiscal Year 2020, the "SMO Holdback" defined in **Section 8(aa)** of the Twelfth Amended and Restated Campus Management Agreement Between the Chicago Charter School Foundation and Civitas Schools, LLC (the "Agreement") shall be calculated based on the total Operating Funds received in connection with the operation of the Wrightwood Campus, Northtown Academy Campus, Ralph Ellison Campus and ChicagoQuest Campus, minus the CICS Holdback received for each of the Wrightwood Campus, Northtown Academy Campus, Ralph Ellison Campus and ChicagoQuest Campus. The Parties further agree that for Fiscal Year 2020, the SMO Holdback as so described herein, may be used for the benefit of the Wrightwood Campus, Northtown Academy Campus, Ralph Ellison Campus and ChicagoQuest Campus.

THE CHICAGO CHARTER SCHOOL
FOUNDATION

By _____

Elizabeth Shaw, CEO

CIVITAS SCHOOLS, LLC

By _____

LeeAndra Khan, CEO