

**CHARTER SCHOOL CONTRACT
BETWEEN
CITY OF MILWAUKEE
AND
DARRELL LYNN HINES PREPARATORY ACADEMY
OF EXCELLENCE, INC.**

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**CHARTER SCHOOL CONTRACT
BETWEEN
CITY OF MILWAUKEE
AND
DARRELL LYNN HINES PREPARATORY ACADEMY OF EXCELLENCE , INC.**

THIS CONTRACT made by and between the City of Milwaukee, acting by its Common Council, (hereinafter, "City"), 200 East Wells Street, Milwaukee Wisconsin, 53202, and Darrell Lynn Hines Preparatory Academy of Excellence, Inc., 7151 North 86th Street, Milwaukee, Wisconsin 53224 (hereinafter, "Charter School").

WHEREAS, the City is authorized by Wis. Stat. § 118.40 (2r), to contract with an individual or group to operate a school as a Charter School; and

WHEREAS, the City entered into a Contract to establish Charter School for a five-year period commencing with the 2002-2003 school year and ending on the last regularly scheduled school day of the 2006-2007 school year; and

WHEREAS, the Charter School Review Committee (hereinafter "CSRC") at its meeting of March 16, 2007 voted unanimously to recommend that the City renew its Contract with Charter School for an additional 5-year period commencing with the 2007-2008 school year and ending on the last regularly scheduled school day of the 2011-2012 school year; and

WHEREAS, the Steering and Rules Committee of the Common Council of the City of Milwaukee on April 26, 2007 voted to accept the recommendation of the CSRC and refer the matter to the full Common Council; and

WHEREAS, the Common Council on _____, voted to accept the recommendation of the CSRC and the Steering and Rules Committee and to authorize the appropriate City officials to enter into this Contract with Charter School.

NOW THEREFORE, the parties agree as follows:

I. CHARTER SCHOOL HEREBY AGREES TO:

- A. The name of the person who will be in charge of the Charter School and the manner in which administrative services will be provided.**

Charter School shall be in charge of the person named in the Charter School application (kept on file in the Office of the City of Milwaukee Department of Administration and incorporated herein by reference as Appendix A). The manner in which administrative services will be provided shall be in accordance with Appendix A.

B. A description of the educational program of the school.

Charter School shall provide the educational program set forth in Appendix A. Charter School shall ensure that all classrooms are equipped with all materials, equipment and supplies required to provide the educational program set forth in Appendix A.

C. The methods the school will use to enable pupils to attain the educational goals under Wis. Stat. § 118.01.

Charter School shall use the methods described in Appendix A to enable pupils to attain the educational goals listed in Wis. Stat. § 118.01.

D. Charter School shall use the following local measures and standardized tests to measure pupil progress under Wis. Stat. § 118.01.

Charter School shall meet or exceed such academic performance standards as may, from time to time, be established by CSRC and communicated in writing to Charter School. In addition, Charter School shall use the following standardized tests and local measures to measure pupil progress under Wis. Stat. § 118.01.

- LOCAL MEASURES

Charter School shall use the local measures described in Appendix A to measure pupil progress under Wis. Stat. § 118.01.

- STANDARDIZED TESTS

Charter School shall administer such standardized tests as may be required under Wis. Stat. § 118.40(2r)(d), the No Child Left Behind Act of 2001, or other law.

In those grade levels in which standardized testing is not required under Wis. Stat. § 118.40(2r)(d), the No Child Left Behind Act of 2001, or other law, or in which only a standardized reading test is required, Charter School shall administer such standardized tests as may be required by CSRC.

Charter School shall report the results of standardized tests to CSRC, or its designee, in such manner as CSRC may determine.

Charter School shall pay all costs incurred in the administration, scoring and reporting on results of all tests, including those required under Wis. Stat. § 118.40(2r)(d)(2.)

E. The governance structure of the school, including the method to be followed by the school to ensure parental involvement.

- INCORPORATION

Charter School is incorporated under Chapter 181 of the Wisconsin Statutes as a non-profit nonsectarian corporation. Charter School is exempt from federal income tax under 501(a) of the Internal Revenue Code as an organization described in section 501(c)(3). Charter School shall immediately notify City if there is a change in status in this regard. City reserves the right to terminate this Contract due to a change in status.

- **GOVERNANCE STRUCTURE**

The governance structure of Charter School shall be that set forth in Appendix A. Charter School shall notify City 30 days prior to any anticipated change in the governance structure or governing board members of the school. The City reserves the right to reject any proposed change of the governance structure or governing board members.

- **PARENTAL INVOLVEMENT**

Charter School shall employ the methods described in Appendix A to ensure parental involvement.

F. Subject to Wis. Stat. §§ 118.40(7)(a), 118.19(1) and 121.02(1)(a)2. the qualifications that must be met by the individuals to be employed in the school.

Charter School shall ensure that instructional staff of Charter School all hold a license or permit to teach issued by the Wisconsin Department of Public Instruction (hereinafter, "DPI").

G. The procedures that the school will follow to ensure the health and safety of the pupils.

Charter School shall comply with all applicable Federal, State and local health and safety requirements. Charter School shall ensure that all of its pupils comply with Wisconsin immunization requirements.

H. The means by which the school will achieve a racial and ethnic balance among its pupils that is reflective of City's school-age population.

Charter School shall periodically advertise its nondiscrimination policy. Charter School shall target its marketing efforts in neighborhoods which may be under represented in Charter School's pupil population.

I. The requirements for admission to the school.

Pupils who are enrolled in the Charter School Program shall reside in the City of Milwaukee.

If more pupils apply for admission than can be accommodated, Charter School shall admit pupils on the basis of a lottery. However, continuing pupils and their siblings and children of current employees of Charter School may be given preference in admission and do not need to be included in the lottery process.

Charter School shall maintain pupil data base information pertaining to each Charter School pupil, including, but not limited to, the pupil's name, address, home phone number, place and date of birth, parent(s) or guardian, immunization records, ethnic background, school of last attendance, number of siblings, and emergency contact.

Charter School shall submit to CSRC a copy of all documentation Charter School submits to DPI concerning pupil counts.

J. The manner in which annual audits of the financial and programmatic operations of the school will be performed.

Charter School agrees to comply with the same federal and state audit requirements as do other public schools in the state.

- **AUDIT REQUIREMENTS**

1. CSRC or designee and City Comptroller or designee shall have full access to all books and records during normal business hours and upon reasonable notice.
2. Charter School shall submit to CSRC or designee and/or City Comptroller or designee within 75 days after fiscal year end a complete set of audited financial statements including Balance Sheet, Income Statement and Statement of Cash Flows together with full footnote disclosure. The audit statements shall be prepared in accordance with generally accepted accounting principles and shall be prepared using full accrual accounting. The audit shall be conducted in accordance with generally accepted auditing standards and Government Auditing Standards, issued by the Comptroller General of the United States. The auditor shall also attest to the validity of Charter School enrollment and pupil eligibility as represented in Charter School records and reports, applying appropriate State of Wisconsin requirements and AICPA (American Institute of CPAs) attestation standards. Notwithstanding other provisions of this Contract, City retains the right, with approval of the Common Council, to terminate the Charter Contract should such auditor's opinions be anything other than unqualified.
3. In all contract auditor representations regarding Charter School's financial reporting, such auditors will certify that they have complied with the relevant AICPA standards for attestation engagements as contained in

SSAE (Statement on Standards for Attestation Engagements) pronouncements.

4. All management letters and all other reports of an independent auditor transmitting reportable conditions or advice to management or reviewer related to Charter School must be submitted to CSRC or designee and City Comptroller or designee within 15 days of receipt.
5. Single audit reports, prepared in accordance with The Single Audit Act of 1996 if applicable, must be submitted to CSRC or designee and/or City Comptroller or designee within 75 days of fiscal year end.
6. Charter School agrees to assist CSRC designees (currently Children's Research Center and M.L. Tharps & Associates) in assessing Charter School educational performance and financial status, respectively. These assessments are expected to annually cover the reasonableness of academic achievement and programmatic results reported by Charter School as well as various aspects of financial performance. Charter School assistance could take the form of interviews, provision of data, access to all appropriate records and other assistance consistent with the purpose of the above assessments. Such reports as prepared by CSRC designees are to be completed within 75 days of the end of the school year. Such other performance reports as necessary will additionally be required during the school year. CSRC designees will plan work with Charter School staff so as to minimize any interruption with the educational activities of Charter School. Such reports will be used in determining the exercise of renewal options for Charter Contract. City retains the right to terminate this Contract upon receipt and review of such performance reports.
7. Beginning with the completion of the first three months of the school year and quarterly thereafter, Charter School shall prepare and submit to CSRC and Comptroller the following:
 - a) A "Budget vs. Year-To-Date Actual" Report including all Charter School revenues and expenses. This report will identify all budgeted line-item amounts as presented in its Charter School application as well as unbudgeted line item amounts for each of the following: approved annual budget; year-to-date actual and projected year-end actuals. If Charter School prepared its budget by separate funds or for more than one fund, (examples: operations fund, capital fund, endowment fund) this report should be provided for each fund; and
 - b) "Updated Cashflow Budget" Report containing a month-by-month record (or projection) of all Charter School cashflows. This report should include the following data by month for each major cash receipts and disbursements category: beginning cash balance, receipts (\$) by category,

disbursements (\$) by category, ending cash balance. Actuals should be shown for each past month with up-to-date projections of the current and each future month. See example below.

The two above-required quarterly reports must be submitted no later than 30 days following completion of the quarter being reported. For both of the above reports, all significant assumptions including projected pupil enrollment, staffing, major purchases and projected revenues/receipts should be clearly stated and accompany the reports. Other explanatory information is appropriate for inclusion to help the reader understand and analyze the reports.

 Example of Updated Cashflow Budget Report:

First Quarter Cashflow Report: Sept 1-Nov 30, 2007

<u>Month</u>	September	October	November	December ... <i>Total</i>
		(actuals)		(projected)
State Reimbursement				
State Ed grant				
Private Research grants				
Etc....				
Total Receipts				
Salaries				
Fringe benefits				
Equipment				
Supplies				
Etc....				
Total Disbursements				
Ending month balance				

K. The procedures for disciplining pupils.

Charter School shall adhere to the procedures for disciplining pupils set forth in Appendix A.

L. The public school alternatives for pupils who reside in the City and do not wish to attend or are not admitted to the Charter School.

As required by Wis. Stat. § 118.40(6): “Program voluntary. No pupil may be required to attend a charter school without his or her approval, if the pupil is an adult, or the approval of his or her parents or legal guardian, if the pupil is a minor.” A pupil who is a resident of the City of Milwaukee, who does not choose to attend Charter School, may attend a school operated and managed by the Milwaukee Board of School Directors.

M. A description of the school facilities and the types and limits of the liability insurance that the school will carry.

Charter School shall locate an appropriate school facility. Prior to committing itself to the facility, Charter School shall notify CSRC and CSRC shall view the facility to ascertain its appropriateness to operate the Charter School contracted for under this Contract.

Charter School shall ensure that the facility in which its program is conducted is adequate to serve the pupil population set forth in Appendix A and that the facility meets all local, state and federal laws, codes, rules and regulations pertaining to health and safety that apply to public schools in Wisconsin cities of the first class. Charter School shall assume full responsibility for the cost of providing and maintaining this facility.

In the event Charter School anticipates relocating its school, Charter School shall notify CSRC in writing at least 30 days prior to the anticipated relocation. Charter School shall ensure that any new facility meets all of the safety codes and standards required under this Contract, including, but not limited to, the occupancy permit referred to in this section, in accordance with applicable timelines. CSRC shall view any new facility to ascertain its appropriateness to operate the Charter School contracted for under this Contract.

Charter School shall obtain, at least 30 days prior to the start of the first day of pupil attendance, an occupancy permit for school usage to provide the educational program under this Contract.

Charter School shall comply with all laws and regulations pertaining to asbestos abatement that may apply to Charter School.

- **INDEMNIFICATION**

Charter School shall be required to defend, indemnify and hold harmless City, its agents, officers, and employees (the "indemnitee") from and against any and all actual or alleged claims, demands, actions, causes of action, damages and claims of any kind, including, but not limited to, for bodily injuries, personal injuries, contingent liabilities or damages and reasonable attorney fees, arising out of or in any way related to or associated with, or arising from the services rendered under this Contract or the operation of the Charter School Program, that are or may be brought or maintained by any individual or entity against the indemnitee. This

indemnification obligation shall include any actual or alleged claims or causes of action of any kind against the indemnitee due to its decision to award a contract to Charter School.

This indemnification obligation shall not be reduced in any way by the existence or nonexistence, limitation, amount or type of damages, compensation or benefits payable under worker's compensation laws or other insurance provisions. Under no circumstances is the indemnitee's recovery limited due to the fact that City is named as an additional insured under any of Charter School's insurance policies. Charter School agrees to accept tender of the defense of any claim or action against City falling within the scope of this indemnity.

- INSURANCE

Charter School understands and agrees that financial responsibility for claims or damages to any person, or to Charter School employees and agents, shall rest with the Charter School. Charter School shall effect and maintain insurance coverage, including, but not limited to, Worker's Compensation, Employer's Liability, Commercial General Liability, Contractual Liability, Automobile Liability, and Umbrella Liability to support such financial obligations.

The City is to be named as an additional insured by separate endorsement under all of the insurance coverage policies listed below with the exception of Worker's Compensation.

A certificate of insurance acceptable to City evidencing the aforementioned insurance requirements is to be provided to CSRC. Certification is to be provided on the certificate of insurance with separate letter from the insurance agent or broker that there are no exclusions, sub-limits, or restrictions in coverage as noted in this paragraph I.M. The certificate of insurance or policies of insurance evidencing all coverages shall include a statement that City shall be afforded a thirty (30) day written notice of cancellation, non-renewal or material change by any of Charter School's insurers providing the coverage required by City for the duration of this Contract. Insurance companies must be acceptable to City and must have a current A.M. Best rating of A- or better.

All certificates of insurance are to be provided to CSRC within 30 days of final execution of this Contract. If Charter School does not comply with this provision of the Contract, the City has the authority to declare this Contract terminated in accordance with the provisions of paragraph II. C. 2.

The minimum limits of insurance that City requires from Charter School shall be:

	Worker's Compensation
Worker's Compensation	Statutory Coverage
	Employer's Liability Limits
Bodily Injury by Accident	\$100,000 each accident
Bodily Injury by Disease	\$500,000 policy limit

Bodily Injury by Disease \$100,000 each employee

Worker's Compensation at Statutory limits and Employer's Liability at \$100,000 per occurrence or sufficient limits to meet Umbrella underlying insurance requirements. Coverage shall be modified to include a Waiver of subrogation Endorsement in favor of City including its directors, officers, agents, employees and volunteers.

Commercial General Liability		
Commercial General Liability	\$1,000,000	per occurrence/
General Aggregate	\$2,000,000	
Personal & Advertising Injury Limit	\$1,000,000	
Products - Completed Operations	Aggregate	\$2,000,000
Medical Expense	\$ 5,000	

Commercial General Liability shall be on an occurrence form covering the risks associated with or arising out of the services provided under this Contract. This insurance is not to have any exclusions, sub-limits, or restrictions as respects coverage for sexual abuse and molestation, corporal punishment, athletic events, and use of gymnasium equipment.

Auto Liability	
Combined Single Limit	\$1,000,000 each accident

Business Auto Liability insurance including, but not limited to, Uninsured Motorists, Underinsured Motorists, and contractual liability for risks assumed in this Contract covering the use of any vehicle in an amount not less than \$1,000,000 per accident. (Verification of this coverage is needed only if vehicles will be used while providing services under this Contract).

Umbrella (excess) Liability	
Umbrella (excess) Liability	\$4,000,000 per occurrence/\$4,000,000 aggregate

The Umbrella Liability insurance shall provide excess employer's liability, commercial general liability and auto liability coverage.

Fidelity Bond/Crime Insurance	
Fidelity Bond/Crime Insurance	50% of the Value of the contract

Crime Insurance, in the form of either a Commercial Crime Policy or Financial Institution Bond, providing coverage for Employee Dishonesty, On Premises, In Transit (Theft Disappearance and Destruction Coverage Form and Robbery and Safe Burglary Coverage Form), Forgery/Alteration, Computer and Funds Transfer Fraud shall be carried for fifty percent (50%) of the total annual program costs of Charter School. Such insurance may be written with a deductible; however, such deductible shall not exceed \$10,000. The City shall be named as loss payee with respect to losses involving property or funds provided under this Contract by DPI. This policy is to cover all employees,

officers, and board members of Charter School and all of Charter School's contractors or subcontractors handling money, securities or other property of Charter School. Proof of such coverage shall be provided to CSRC prior to the commencement of the 2007-2008 school year.

	** School Leader's Errors & Omissions
Limit per occurrence	\$1,000,000
Aggregate Limit	\$2,000,000

*** Director's and Officer's insurance may be used in lieu of School Leader's E&O provided that the Insurance Company shows proof that all employees and volunteers are protected by the coverage.*

All policies, with the exception of the School Leaders Error's & Omissions policy, shall be written on an occurrence form.

N. The effect of the establishment of the Charter School on the liability of City.

Nothing contained herein shall be deemed to render Charter School and City as joint ventures or partners of each other, and neither shall have the power to bind or obligate the other, except in accordance with the terms of this Contract

As between Charter School and City, there shall be no liability on the part of City on account of the establishment or operation of Charter School.

No officer, agent, employee or volunteer of Charter School shall be deemed an officer, agent, employee or volunteer of City for any purposes whatsoever.

City shall not pay any amount whatsoever to Charter School on account of the establishment or operation of Charter School.

Any payments which may be due to Charter School for the operation of Charter School Program are the responsibility of DPI. DPI is obligated under Wis. Stat. § 118.40(2r)(e) to make payment directly to the operator of Charter School in September, December, February, and June of each year Charter School participates in the Charter School Program under Wis. Stat. § 118.40(2r). If, for whatever reason, DPI fails to make any and/or all of such payments to Charter School, City, its officers, agents, and employees shall have no responsibility whatsoever to make such payments to Charter School.

O. Fees for contract administration.

Charter School shall pay to City any and all reasonable fees that may be assessed, from time to time, by CSRC to process the application for a charter school contract or to oversee the Charter School Contract. Charter School shall make payment to City in accordance with the invoice from CSRC within 30 days of receipt of the next following payment from DPI to Charter School.

P. Nonsectarian.

Charter School shall be nonsectarian in its programs, admissions policies, employment practices and all other operations and shall not be affiliated with a sectarian school or religious institution.

Q. Pupil tuition and fees.

Charter School shall not charge tuition for any pupil attending Charter School under the Charter School Program, Wis. Stat. § 118.40(2r). Charter School is entitled to charge tuition for pupils who are attending Charter School, but who are not doing so under Wis. Stat. § 118.40(2r).

Nothing in this Contract shall prevent Charter School from operating a Before and After-School Program, a day-care program, or a summer program nor from charging fees for children participating in those programs.

Charter School may require its pupils to purchase and wear uniforms, but Charter School may not profit from the sale of uniforms to pupils.

Charter School may assess reasonable pupil fees (not to exceed actual cost) for activities such as field trips and social and extra-curricular activities.

Charter School may charge a reasonable rental fee (not to exceed actual cost) for the use of personal use items such as towels, gym clothes, or uniforms.

Charter School may not prohibit an eligible pupil from attending Charter School under this Contract, expel or otherwise discipline the pupil, or withhold or reduce the pupil's grades because the pupil or the pupil's family cannot pay or has not paid fees permissibly charged under this section of the Contract.

Charter School may not charge fees for any of the following:

1. Instruction or registration.
2. Initial issuance of books.
3. Teacher salary.
4. Buildings, maintenance or equipment.
5. Courses credited for graduation.
6. Computers or microfilm readers.

R. Local education agency responsibilities.

Charter School is the Local Education Agency (LEA) for purposes of all state and federal laws, codes, rules and regulations pertaining to LEA duties, rights and responsibilities.

S. Nondiscrimination and Other Requirements.

Charter School shall not discriminate in admission or deny participation in any program or activity on the basis of a person's sex, race, religion, national origin, ancestry, pregnancy, marital or parental status, sexual orientation or physical, mental, emotional or learning disability.

Charter School shall not discriminate against any qualified employee or qualified applicant for employment because of sex, race, religion, color, national origin or ancestry, age, disability, lawful source of income, marital status, sexual orientation or familial status. Charter School shall require all subcontractors with whom Charter School contracts to comply with this same nondiscrimination in employment provision and shall require a similar provision to be included in all subcontracts.

Charter School shall comply with the following state and federal laws and regulations as those laws apply to traditional public schools and/or charter schools:

1. 42 U.S.C. §2000d *et seq.*, Title VI of the Civil Rights Act of 1964 (prohibiting discrimination on the basis of race, national origin, and color); and
2. 20 U.S.C. §1681 *et seq.*, Title IX of the Education Amendments of 1972 (prohibiting discrimination on the basis of sex) ; and
3. 42 U.S.C. §6101 *et seq.*, The Age Discrimination Act of 1975 (prohibiting discrimination on the basis of age) ; and
4. 29 U.S.C. §794 *et seq.*, Sec. 504 of the Rehabilitation Act of 1973 (prohibiting discrimination on the basis of handicap) and 42 U.S.C. §12101, *et seq.* the Americans with Disabilities Act; and
5. 20 U.S.C. §1232g, Family Education Rights and Privacy Act (FERPA), (regarding protection of pupil records), and Wis. Stat. §118.125; and
6. 20 U.S.C. §3171 *et seq.*, The Drug-Free School and Communities Act of 1986; and
7. 20 U.S.C. §1400 *et seq.*, Individuals With Disabilities Education Act (IDEA); and
8. 29 U.S.C. §626 *et seq.*, Age Discrimination in Employment Act, Older Worker Benefits Protection Act of 1990; and
9. 29 U.S.C. §201 *et seq.*, Fair Labor Standards Act; and
10. 29 U.S.C. §2601 *et seq.*, Family and Medical Leave Act; and
11. 15 U.S.C. §2641 *et seq.*, Asbestos Hazard Emergency Response Act (AHERA) ; and
12. 20 U.S.C. §6301 *et seq.*, No Child Left Behind Act (NCLB); and
13. 42 U.S.C. §11431 *et seq.*, McKinney-Vento Homeless Assistance Improvements Act of 2001 ; and
14. All federal and state constitutional guarantees protecting the rights and liberties of individuals, including freedom of religion, expression, association, against unreasonable search and seizure, equal protection, and due process.

T. Background screening.

Charter School shall perform background screening through the Wisconsin Department of Justice (and similar agencies of other states in the event of present or former out-of-state residence) on all Charter School full and part-time employees and volunteers and shall not assign any employee or volunteer to teach or work with pupils until Charter School investigates and determines that there is nothing in the background of the employee or the volunteer which would render the employee or volunteer unfit to teach or work with pupils of Charter School, including, but not limited to, conviction of a criminal offense or pending charges which substantially relate to the duties and responsibilities assigned to the employee and/or volunteer.

For purposes of this Contract, volunteer means a non-paid person who serves under the supervision of Charter School and who provides services on a regular and ongoing basis or for more than 5 hours a week. It does not apply to those parents and/or other adults who are one-time volunteers for field trips or other one-time only activities in Charter School.

Charter School shall obtain the social security number of all individuals who are volunteers having contact with Charter School pupils or individuals who are employed by Charter School on either a full or part-time basis. Such social security numbers shall be retained by Charter School and shall be provided to City upon request.

U. Right to inspect and receive requested information and reports.

Charter School shall grant City or its designee and/or CSRC or designee the right to inspect Charter School facilities or to review any Charter School records at any time during the term of this Contract.

Charter School shall give such information at such times and on such forms as may be requested by City or its designee and/or CSRC or designee concerning any of the operations of Charter School.

Charter School shall generate and provide such reports at such times and concerning such matters as may be requested by City or its designee concerning any of the operations of Charter School.

V. Calendar.

Charter School shall operate under the days and hours indicated in the calendar for the 2007-2008 school year, attached hereto as Appendix B and incorporated herein by reference. Charter School shall annually provide CSRC with a school year calendar prior to the conclusion of the preceding school year.

II. TERM AND MODIFICATION OR TERMINATION OF CONTRACT

A. Term.

The term of this Contract is five (5) school years commencing with the 2007-2008 school year and ending on the last regularly scheduled school day in the 2011-2012 school year. This Contract is contingent on the approval of the Common Council of the City of Milwaukee. This Contract shall become effective upon approval by the Common Council and execution by all appropriate persons.

B. Modification.

This Contract represents the entire agreement reached between the parties. This Contract can be modified only upon mutual agreement reached between the parties and reduced to writing. If either party wishes to modify any of the terms of this Contract, that party shall put the proposed modification in writing and submit it to the other party for consideration. If CSRC determines that the proposed modification is not a major modification, CSRC is authorized to act on behalf of the City. If CSRC determines that the proposed modification is a major modification, approval shall be obtained from the Common Council of the City of Milwaukee prior to the implementation of the modification.

Charter School has no authority to require the City to renegotiate any of the terms of this Contract. The City does have the authority to require Charter School to renegotiate any and all of the terms of this Contract as a condition of continuing this Contract, notwithstanding the fact that the term of this Contract has not expired. In the event Charter School and the City are unable to come to an agreement with respect to the modification of contract provisions, the City has the authority to declare this Contract terminated in accordance with the provisions of paragraph II.C.6. The City also has the authority to unilaterally amend this Contract. If Charter School does not agree to the terms of any such amendment to this Contract, the City has the authority to declare this Contract terminated in accordance with the provision of paragraph II.C.6.

C. Termination.

This Contract may be terminated before expiration of its term upon any of the following circumstances:

- **BY BOTH PARTIES:**
 1. Both parties agree in writing to the termination.
- **BY CITY:**
 2. City determines that Charter School violated this Contract, proposals or provisions in Appendix A, summaries or directives in the annual report submitted by the CSRC to the Common Council,

or Chapter 330 of the Milwaukee Code of Ordinances, or no longer meets the requirements of sec. 330-15 of the Milwaukee Code of Ordinances.

3. City determines that pupils enrolled in Charter School have failed to make sufficient progress toward attaining the educational goals under Wis. Stat. § 118.01 or the academic performance criteria established by City.
4. City determines that Charter School has failed to comply with generally accepted accounting standards of fiscal management, failed to maintain a pupil enrollment sufficient to support the school, or in any other way failed to operate a financially viable Charter School.
5. City determines that Charter School has violated Wis. Stat. § 118.40.
6. City determines that Charter School does not agree to modifications and/or amendments required to this Contract by the City.

- BY CHARTER SCHOOL:

7. Charter School does not receive a payment from DPI required to be made under Wis. Stat. § 118.40(2r)(e).

If this Contract is terminated under the first ground (because both parties agree in writing to the termination) the termination shall become effective on a date agreed to by the parties. If this Contract is terminated under the second through sixth grounds (because of a determination on the part of City) the termination of this Contract shall not become effective until, at a minimum, the end of the semester in which notice of termination is given, unless, in the sole discretion of City, termination should become effective sooner. If this Contract is terminated under the seventh ground (because of failure of Charter School to receive state funding), termination shall become effective on the date notice of termination is received by CSRC.

CSRC may recommend to City that this Contract be terminated under the third ground (because pupils have failed to make sufficient progress) if Charter School fails to meet such written academic performance criteria as may be established by CSRC.

Failure on the part of City to exercise its right to terminate this Contract under any ground listed above shall not be deemed to constitute an amendment to the terms of this Contract or to constitute a waiver of the right of City to terminate this Contract at a later date under that ground.

In the event of termination of this Contract, written notice by certified or registered mail, return receipt requested, shall be provided which shall list the reason(s) for termination and the effective date of the termination.

III. CONTRACT ADMINISTRATION, NOTICE AND PROVIDING OF INFORMATION

Unless specified otherwise in this Contract, any act of discretion, including, but not limited to, any approval required under this Contract or determination to terminate this Contract, to be made by and on behalf of City, shall be made by the Common Council of the City of Milwaukee.

Unless specified otherwise in this Contract, whenever notice must or may be given to the other party, or whenever information or reports may or must be provided to the other party, the party who may or must give notice or provide information or reports shall fulfill any such responsibility under this Contract if notice is given, or information is or reports are provided, to the following persons, or their successors:

TO CITY or CSRC:

Charter School Review Committee
200 East Wells Street, Rm. 606
Department of Administration
Milwaukee, WI 53202
Attn: Mr. Robert Juhay

TO Charter School:

Darrell Lynn Hines
7151 North 86th Street
Milwaukee, WI 53224

A party to this Contract shall immediately give written notice to the other party if the contact person for purposes of notice and providing information is modified or if that person's address changes.

IV. STATUTES

This Contract shall be governed by the laws of the State of Wisconsin. Whenever under this Contract reference is made to a provision in the Wisconsin Statutes or United States Code or implementing code, rule, or regulation, and such provision is subsequently amended by the Wisconsin Legislature, United States Congress or state or federal administrative agency, such reference in the Contract shall be deemed to be amended to conform to the new law, code, rule, or regulation.

V. SEVERABILITY

If any term or provision of this Contract shall be found by a court of competent jurisdiction to be invalid, illegal or otherwise unenforceable, the same shall not affect the other terms or provisions hereof or the whole of this Contract, but such term or provision shall be deemed modified to the extent necessary in the court's opinion to render such term or provision enforceable, and the rights and obligations of the parties shall be construed and enforced

accordingly, preserving to the fullest permissible extent the intent and agreements of the parties herein set forth.

VI. CHARTER SCHOOL APPLICATION

It is recognized that Appendix A was submitted to the City as an invitation to enter into a charter school contract and that the City is not bound by any of the proposals or provisions set forth by Charter School in Appendix A. Charter School does not have the right to enforce any of the proposals or provisions that it made in Appendix A.

City does have the right to hold Charter School to any of the proposals or provisions made by Charter School in Appendix A or other papers submitted in support of Appendix A, regardless of whether such proposals or provisions are specifically enumerated in this Contract. Charter School's failure to adhere to the proposals or provisions made in Appendix A and other supporting papers shall, at the sole discretion of the City, constitute a violation of this Contract. Appendix A and other supporting papers shall be kept on file in the office of the Department of Administration, 200 East Wells Street, Room 606, Milwaukee, Wisconsin 53202.

VII. APPENDICES

Appendix A: Charter School Application

Appendix B: Charter School Calendar for 2007-2008 School Year

In the event an inconsistency exists between this Contract and any Appendix, this Contract shall be controlling.

APPROVED:

**CITY OF MILWAUKEE:
acting by its Common Council**

WILLIE L. HINES, Jr., President of the
Common Council of the City
of Milwaukee

Date: _____

RONALD D. LEONHARDT
City Clerk

Date: _____

APPROVED:

**CHARTER SCHOOL: Darrell Lynn
Hines Academy, Inc.**

DARRELL L. HINES, Chairman Board
of Directors

Date: _____

BARBARA P. HORTON, Executive Director
Darrell Lynn Hines Academy, Inc.

Date: _____

COUNTERSIGNED:

W. MARTIN MORICS
City Comptroller

Date: _____

Approved as to form and execution
as of this ____ day of _____, 2007.

Approved as to content this ____
day of _____, 2007.

ROXANE L. CRAWFORD
Assistant City Attorney

ROXANE L. CRAWFORD
Assistant City Attorney

1034-2007-1049;117663