

AMENDMENT TO CHARTER OF OUR COMMUNITY SCHOOL

This Amendment to the Charter of Our Community School (“Amendment”) is made between Los Angeles Unified School District (“District”), a California public school district, on the one hand, and Our Community School Charter (“Charter School and/or Our Community Charter”), a California non-profit corporation, on the other hand. This Amendment is to be read in conjunction with and shall expressly amend the Charter of Our Community School Charter approved by the Los Angeles City Board of Education on May 24, 2005 (“Charter”). The effective date of this Amendment is the date of approval by the Board of Education.

RECITALS.

A. WHEREAS, Charter School agrees to waive its right to seek renewal under California Education Code section 47607.

B. WHEREAS, District and Charter School jointly seek to amend the Charter in accordance with sections 47605 and 47607 of the California Education Code.

C. WHEREAS, District and Charter School jointly agree to amend certain provisions of the Charter to reflect District policy and applicable state and federal laws, statutes, and regulations.

NOW, THEREFORE, the parties hereby acknowledge the adequacy of the consideration given for this amendment and, notwithstanding any provision to the contrary set forth in the Charter, the parties hereto expressly agree as follows:

1. Special Education: All paragraphs set forth in the section entitled “Special Education Attendance, Fiscal and Legal Issues” of the Charter shall be deleted. All paragraphs set forth in the section entitled “Special Education Programs” of the Charter shall be deleted in their entirety and replaced with the following provisions:

The Charter School will adhere to the provisions of the Individuals with Disabilities Education Act (IDEA) and state special education laws and regulations to assure that all students with disabilities are accorded a free, appropriate public education (FAPE). The Charter School will also ensure that no student otherwise eligible to enroll in their charter school will be denied enrollment.

The Charter School will comply with Section 504 of the Federal Rehabilitation Act, the Americans with Disabilities Act, and all Office of Civil Rights mandates for students enrolled in the Charter School.

The Charter School will adhere to all Los Angeles Unified School District policies and procedures regarding special education.

The Charter School will adhere to the requirements of the *Chanda Smith* Modified Consent Decree, including compliance with the District MCD plans, submitting documents and information, participating in reviews, and attending informational sessions and meetings.

The Charter School will identify and refer students with disabilities who demonstrate early signs of academic, social or behavioral difficulty that may require assessment for special education eligibility and placement in a special education program. The referral process shall include Student Success Team meetings to review prior interventions, accommodations and modifications and to recommend further interventions as appropriate.

The Charter School will use District forms to develop assessment plans and IEPs in the format required by the District and will enter accurate assessment and IEP data into the District's designated data system (Welligent) in accordance with LAUSD policies and procedures. The Charter School will submit to the District all required reports, including but not limited to CASEMIS, SESAC and Welligent IEPs, in a timely manner as necessary to comply with state and federal and Modified Consent Decree requirements. The Charter School will also schedule IEP team meetings for its students with disabilities in accordance with the timelines and requirements set forth in State and Federal law.

Decisions regarding eligibility, goals/objectives, program, placement and exit from special education shall be the decision of the IEP team. Team membership shall be in compliance with applicable state and federal law and shall include a Charter School administrative representative (or designee) and a LAUSD administrative representative (or designee) whenever an IEP team is going to consider a placement or program outside of the Charter School. Services and placement shall be provided to all eligible Charter School students in accordance with the policies, procedures and requirements of LAUSD.

The IEP Team will develop Individual Transition Plans to help students with disabilities, ages 14 and older, in transitioning to adult living.

The Charter School will participate in the state quality assurance process for special education (i.e., verification reviews, coordinated compliance self-reviews, complaints monitoring, procedural safeguards, and the local plan).

Provision of Special Education and Related Services

LAUSD shall assess those Charter School students who are referred for special education assessments. LAUSD shall directly provide, contract for, or reimburse the charter school at established rates for all special education and related services that are contained within or required by the terms of the IEP of any student who is enrolled at the Charter School. LAUSD will also provide appropriate and timely interim placements for Charter School students who are when necessary to meet the needs of the students.

The Charter School shall aggressively pursue educational records for all students enrolled at the school and review records received to determine if the student has an IEP. The Charter School shall immediately notify the District in writing of students enrolled at the Charter School who have IEPs. LAUSD will provide those related services required by the students' current IEPs upon notification of the students' enrollment in the Charter School. An IEP meeting will be convened for newly enrolled special education students within thirty (30) days to discuss placement and determine appropriate services. A representative from Division of Special Education will participate a student's first IEP meeting at the Charter School.

For students transferring to the Charter School from other school districts, the District shall provide related services required by the students' IEPs upon the students' enrollment regardless of the type of service provider (school, NPA or private). IEP team meetings for such students will be held within thirty (30) days of the student's enrollment in accordance with state and federal law.

In the event that the IEP team determines that the Charter School is unable to provide an appropriate placement or services for a student with special needs, the IEP team will discuss placement and service alternatives with the participation of LAUSD representative authorized to allocate district resources.

Procedural Safeguards/Due Process Hearings

The District may invoke dispute resolution provisions set out in a charter, initiate due process hearings, and/or utilize other procedures applicable to the Charter School if the District determines that such action is legally necessary to ensure compliance with federal and state special education laws and regulations or the Modified Consent Decree.

In the event that a parent or guardian of a student attending the Charter School initiates due process proceedings, both the Charter School and the District may be named as respondents. Whenever possible, the District

and the Charter School shall work together in an attempt to resolve the matter at an early stage (informal settlement or mediation).

In the event that LAUSD determines that legal counsel representation is needed, legal counsel may jointly represent LAUSD and the Charter School unless it is determined that there is a conflict of interest. If the Charter School retains legal representation for a due process proceeding or other legal proceeding or action, the Charter School will be responsible for the cost of such representation.

In administrative hearings and court proceedings LAUSD will be responsible for defending, and any liability resulting from, special education assessments, offers of FAPE, and the provision of special education instruction and services to Charter School students. The Charter School will be responsible for any liability resulting from its failure to fulfill its obligations under this charter, which include identifying and referring students with suspected disabilities, developing assessment plans, scheduling timely IEP team meetings with the appropriate participants, and implementing IEPs in the Charter School's general education setting. In addition, the Charter School may be held liable if its staff impedes the implementation of an IEP and the student is denied FAPE as a result. "Liability" as used in this paragraph includes any prospective special education and related services, compensatory education and services, parent's attorneys' fees and reimbursement awarded to remedy the denial of FAPE by a due process hearing officer, court or settlement reached by the parties (*i.e.*, parent, District and Charter School).

Complaints

The District will investigate and respond to all special education complaints the District receives pertaining to the Charter School pursuant to the District's Uniform Complaint Procedures. The Charter School will cooperate with the District in any such investigations and provide the District with any and all documentation that is needed to respond to complaints.

Special Education Local Plan Area (SELPA)

The District is approved to operate as a single-district SELPA under the provisions of the California Education Code, Section 56195.1(a). Charter schools authorized by the District are deemed to be public schools within the District for purposes of special education. The District will determine the policies and procedures necessary to ensure that the protections of special education law extend to students in the charter schools in the same manner as students in all District schools.

Funding for Special Education and Related Services

State and Federal special education funding will be assigned to LAUSD, not the Charter School. LAUSD shall retain all revenue, which is generated by the Charter School for the delivery of special education and related services and shall be solely responsible for the financial costs of providing special education and related services as set forth above.

In addition, the Charter School will contribute a fair share of SELPA-wide excess costs, not to exceed 27% in 2006-07. The percentage may be adjusted by a maximum of 2% per year upward or downward to reflect changes in expenditure patterns or in federal or State special education revenue streams. The calculation of the fair share contribution shall be based upon a rationale designed by the District's Budget Services Office with consideration of the District's encroachment and other factors. These excess costs will be determined as follows: To the extent the SELPA-wide (including Charter School) special education and related services costs exceed SELPA-wide (including Charter School) special education funding, the excess cost percentage shall be charter to Charter School on a prorated basis. The prorating shall be based on the number of students enrolled at the charter School compared to SELPA-wide enrollment. The numbers and calculations shall be reviewed with the Charter School upon request.

2. Methods for Assessing Student Progress: Charter shall be amended to add the following language to the section entitled "Methods for Assessing Student Progress:"

If the charter school does not test (i.e., STAR, CELDT, CAHSEE) with the District, a copy of the school's test results must be submitted to the District on a CD on or before September 30, immediately following that spring's test administration, except that the CELDT and CAHSEE results must be submitted to the District no later than two weeks after receipt of the CD from the state's vendor. Please send the CDs to:

Planning, Assessment and Research
School Information Branch
Beaudry Building, 23rd Floor
Attn: Grace Pang Bovy

3. Governance: The section entitled "Governance," commencing on page 61 of the Charter shall be amended to include the following provisions:

The Charter School and/or its non-profit corporation will be solely responsible for the debts and obligations of the charter school.

Members of the Charter School's executive board, any administrators, managers, or employees, and any other committees of the School shall

comply with federal and state laws, nonprofit integrity standards and LAUSD's Charter School policies and regulations regarding ethics and conflicts of interest.

Charter School agrees to provide the names of those individuals appointed to sit on the board of directors of the non-profit corporation and the names of those individuals appointed to sit on the governing board of Our Community Charter. Charter School further agrees to provide a copy of the bylaws of the parent nonprofit corporation to the District's Charter Schools Division.

4. Indemnification: The section entitled "Hold Harmless Indemnification" on page 94 of the Charter shall be deleted in its entirety and shall be replaced with the following language concerning indemnification:

To the fullest extent permitted by law, the charter school does hereby agree, at its own expense, to indemnify, defend and hold harmless the LAUSD and the Board of Education and their members, officers, directors, agents, representatives, employees and volunteers from and against any and all claims, damages, losses and expenses including but not limited to attorney's fees, brought by any person or entity whatsoever, arising out of, or relating to this charter agreement. The charter school further agrees to the fullest extent permitted by law, at its own expense, to indemnify, defend, and hold harmless the LAUSD and the Board of Education and their members, officers, directors, agents, representatives, employees and volunteers from and against any and all claims, damages, losses and expenses including but not limited to attorney's fees, brought by any person or entity whatsoever for claims, damages, losses and expenses arising from or relating to acts or omission of acts committed by the charter school, and their officers, directors, employees or volunteers. Moreover, the Charter School agrees to indemnify and hold harmless the District for any contractual liability resulting from third party contracts with its vendors, contractors, partners or sponsors.

5. Insurance: The section entitled "Insurance" on pages 93 and 94 of the Charter shall be deleted in its entirety. Charter shall be amended to include the following language regarding the purchase and maintenance of certain insurance policies:

No coverage shall be provided to the charter school by the District under any of the District's self-insured programs or commercial insurance policies. The charter school shall secure and maintain, as a minimum, insurance as set forth below with insurance companies acceptable to the District [A.M. Best A-, VII or better] to protect the charter school from claims which may arise from its operations. Each charter school location shall meet the below insurance requirements individually.

It shall be the Charter School's responsibility, not the District's, to monitor its vendors, contractors, partners or sponsors for compliance with the insurance requirements.

The following insurance policies are required:

- a. Workers' Compensation Insurance in accordance with provisions of the California Labor Code, adequate to protect the charter school from claims under Workers' Compensation Acts which may arise from its operations, including Employers Liability limits of \$1,000,000/\$1,000,000/\$1,000,000.
- b. Commercial General Liability coverage of not less than \$5,000,000 for each occurrence. The policy shall be endorsed to name the Los Angeles Unified School District and the Board of Education of the City of Los Angeles as *named* additional insured and shall provide specifically that any insurance carried by the District which may be applicable to any claims or loss shall be deemed excess and the charter school's insurance primary despite any conflicting provisions in the charter school's policy. Coverage shall be maintained with no self-insured retention above \$25,000 without approval of the LAUSD.
- c. Commercial Auto Liability coverage with limits of \$1,000,000 combined single limit unless the Charter School operates student bus services; if providing student bus services coverage limits not less than \$5,000,000 combined single limit shall be required. *The policy shall be endorsed to name the Los Angeles Unified School District and the Board of Education of the City of Los Angeles as named additional insured and shall provide specifically that any insurance carried by the District which may be applicable to any claims or loss shall be deemed excess and the charter school's insurance primary despite any conflicting provisions in the charter school's policy.*
- d. Fidelity Bond coverage shall be maintained by the Charter School to cover all charter school employees who handle, process, or otherwise have responsibility for charter school funds, supplies, equipment or other assets. Minimum amount of coverage shall be \$50,000 per occurrence, with no self-insured retention.
- e. Professional Educators Errors and Omissions liability coverage including sexual molestation and abuse coverage [if that coverage is not afforded elsewhere in the Commercial General Liability policy by endorsement or by separate policy] with minimum limits of \$3,000,000 per occurrence.
- f. Excess/umbrella insurance with limits of not less than \$10,000,000 required of all high schools and any school which participates in competitive interscholastic or intramural sports programs.

Coverages and limits of insurance may be accomplished through individual primary policies or through a combination of primary and excess policies. *The policy shall be endorsed to name the Los Angeles Unified School District and the Board of Education of the City of Los Angeles as named additional insured and shall provide specifically that any insurance carried by the District which may be applicable to any claims or loss shall be deemed excess and the charter school's insurance primary despite any conflicting provisions in the charter school's policy.*

6. Evidence of Insurance: Charter shall be amended to include the following language:

The Charter School shall furnish to the District's Office of Risk Management and Insurance Services located at 333 S. Beaudry Ave, 28th Floor, Los Angeles CA 90017 within 30 days of all new policies inceptions, renewals or changes, certificates or such insurance signed by authorized representatives of the insurance carrier. Certificates shall be endorsed as follows:

"The insurance afforded by this policy shall not be suspended, cancelled, reduced in coverage or limits or non-renewed except after thirty (30) days prior written notice by certified mail, return receipt requested, has been given to the District."

Facsimile or reproduced signatures may be acceptable however the District reserves the right to require complete certified copies of the required insurance policies.

Should the charter school deem it prudent and/or desirable to have insurance coverage for damage or theft to school, employee or student property, for student accident, or any other type of insurance coverage not listed above, such insurance shall not be provided by the District and its purchase shall be the responsibility of the Charter School.

7. Asbestos Management: Charter shall be amended to include the following language:

The Charter School shall occupy facilities that comply with the Asbestos requirement as cited in the Asbestos Hazard Emergency Response Act (AHERA), 40CFR part 763. AHERA requires that any building leased or acquired that is to be used as a school or administrative building shall maintain an asbestos management plan.

8. Public School Choice Traveling Students: Charter shall be amended to include the following language:

The District and Our Community Charter are committed to providing all students with quality educational alternatives in compliance with all federal and state laws, including students who are enrolled in schools of the District identified by the California Department of Education as in need of Program Improvement. Public School Choice (“PSC”) placement with charter schools is an alternative strongly encouraged by the No Child Left Behind Act of 2001 (“NCLB”). Our Community Charter agrees to discuss with the District the possibility of accepting for enrollment District students participating in the District’s PSC program. The parties agree to separately memorialize any agreed-to number of PSC placements of District students at the school.

As required under NCLB, all PSC students attending Our Community Charter shall have the right to continue attending Our Community Charter until the highest grade level of the charter. However, the obligation of the District to provide transportation for a PSC student to Our Community Charter shall end in the event the PSC student’s resident District school exits Program Improvement status.

Our Community Charter will ensure that all of its PSC students are treated in the same manner as other students attending the school. PSC students are and will be eligible for all applicable instructional and extra-curricular activities at the school. Our Community Charter will make reasonable efforts to invite and encourage the participation of the parents of PSC students in the activities and meetings at the school.

Determination of student eligibility for this PSC option, including the grade level of eligibility, will be made solely by the District, based on the District’s PSC process, guidelines, policies and the requirements of NCLB. In the event demand for places at Our Community Charter under the PSC program increases in subsequent years, Our Community Charter agrees to discuss with the District the possibility of increasing the number of PSC places available at the school.

9. Federal Compliance: The Charter shall be amended to include the following language:

To the extent that Our Community Charter is a recipient of federal funds, including federal Title I, Part A funds, Our Community Charter has agreed to meet all of the programmatic, fiscal and other regulatory requirements of the No Child Left Behind Act and other applicable federal grant programs. Our Community Charter agrees that it will keep and make available to the District any documentation necessary to demonstrate compliance with the requirements of the No Child Left Behind Act and other applicable federal programs, including, but not limited to, documentation related to required parental notifications, appropriate

credentialing of teaching and paraprofessional staff, the implementation of Public School Choice and Supplemental Educational Services, where applicable, or any other mandated federal program requirement. Our Community Charter also understands that as part of its oversight of the school, the Charter School Office may conduct program review of federal and state compliance issues

10. Integration Court Order: The Charter shall be amended to include the following language:

The Charter School is subject to the requirements of the Crawford Court Order. The school will provide a written plan to achieve and maintain the District's ethnic balance goal which is within a 70:30 or 30:70 ratio.

11. Student Discipline: The last sentence of the 3rd paragraph on page 81 shall be deleted. The last paragraph on page 81 of the Charter shall be deleted in its entirety and replaced with the following language:

a. Rehabilitation Plan: Pupils who are expelled from the charter school shall be given a rehabilitation plan upon expulsion as developed by the charter school's governing board at the time of the expulsion order, which may include, but is not limited to, periodic review as well as assessment at the time of review for readmission. The rehabilitation plan should include a date not later than one year from the date of expulsion when the pupil may reapply to the charter school for readmission.

b. Readmission: The decision to readmit a pupil or to admit a previously expelled pupil from another school district or charter school shall be in the sole discretion of the charter school's governing board and the pupil and guardian or representative, to determine whether the pupil has successfully completed the rehabilitation plan and to determine whether the pupil poses a threat to others or will be disruptive to the school environment. The pupil's readmission is also contingent upon the capacity of the charter school at the time the pupil seeks readmission.

12. Attendance Alternatives: The paragraph on page 83 of the Charter shall be deleted in its entirety and replaced with the following language:

Pupils who choose not to attend Our Community Charter may choose to attend other public schools in their district of residence or pursue an interdistrict-transfer in accordance with existing enrollment and transfer policies of the district. If space is available, traveling students will have the option to attend.

Conference shall take place within fifteen (15) business days from the date the Written Response is received by the other party. The Written Response may be tendered by personal delivery, by facsimile, or by certified mail. The Written Response shall be deemed received (a) if personally delivered, upon date of delivery to the address of the person to receive such notice if delivered by 5:00p.m., or otherwise on the business day following personal delivery; (b) if by facsimile, upon electronic confirmation of receipt; or (c) if by mail, two (2) business days after deposit in the U.S. Mail.

(3) If the controversy, claim, or dispute cannot be resolved by mutual agreement at the Issue Conference, then either party may request that the matter be resolved by mediation. Each party shall bear its own costs and expenses associated with the mediation. The mediator's fees and the administrative fees of the mediation shall be shared equally among the parties. Mediation proceedings shall commence within 120 days from the date of the Issue Conference. The parties shall mutually agree upon the selection of a mediator to resolve the controversy or claim at dispute. The mediator may be selected from the approved list of mediators prepared by the American Arbitration Association. Mediation proceedings must be administered in accordance with the mediation rules or guidelines of the American Arbitration.

(4) If the mediation is not successful, then the parties agree to settle the controversy, claim or dispute by arbitration conducted by a single arbitrator in accordance with the guidelines of the American Arbitration Association. The arbitrator must be an active member of the California State Bar or a retired judge of the state or federal judiciary of California. Each party shall bear its own costs and expenses associated with the arbitration. The arbitrator's fees and the administrative fees of the arbitration shall be shared equally among the parties. Each party shall bear their own costs and expenses.

(5) However, any party who fails or refuses to submit to arbitration shall bear all costs and expenses incurred by such other party in compelling arbitration of any controversy, claim, or dispute.

14. Revocation: The third paragraph on page 89 of the Charter entitled, "Revocation of Charter," shall be deleted in its entirety and replaced with the following revocation language:

The District may revoke the charter of Our Community Charter if Our Community Charter commits a breach of any terms of its charter. Further, the District may revoke the charter if Our Community Charter commits a breach of any provision set forth in a policy related to charter schools adopted by the District Board of Education and/or any provisions set forth

in the Charter School Act of 1992. Furthermore, the District may revoke the charter of Our Community Charter on any of the following grounds:

- Our Community Charter committed a material violation of any of the conditions, standards, or procedures set forth in the charter.
- Our Community Charter failed to meet or pursue any of the pupil outcomes identified in the charter.
- Our Community Charter failed to meet generally accepted accounting principles, or engaged in fiscal mismanagement.
- Our Community Charter violated any provisions of law.

Prior to revocation, and in accordance with California Education Code section 47607(d), the District will notify Our Community Charter in writing of the specific violation, and give Our Community Charter a reasonable opportunity to cure the violation, unless the District determines, in writing, that the violation constitutes a severe and imminent threat to the health or safety of the pupils. Notwithstanding the immediately preceding language, revocation proceedings are not subject to the dispute resolution clause set forth in this charter.

15. Renewal: Charter shall be amended to include the following language concerning renewal:

Our Community Charter must submit its renewal petition to the District's Charter School Division no earlier than September of the year before the charter is due to expire and no later than January 31 of the year the charter is scheduled to expire.

16. Facilities: Charter shall be amended to include the following language regarding facilities:

If Our Community Charter fails to submit a certificate of occupancy to the District not less than 45 days before the school is scheduled to open, it may not open unless an exception is made by the Charter Schools Division. If Our Community Charter moves or expands to another facility during the term of this charter, Our Community Charter shall provide a certificate of occupancy to the District for each facility at least 45 days before school is scheduled to open in the facility or facilities. Our Community Charter shall not open in any location for which it has failed to timely provide a certificate of occupancy to the District, unless an exception is made by the Charter Schools Division. Notwithstanding any language to the contrary in this charter, the interpretation, application, and enforcement of this provision are not subject to the Dispute Resolution Process set forth herein.

17. School Closure Procedures: All paragraphs identified in the section entitled “Element 16: Charter School Closing Procedures” of the Charter shall be deleted in their entirety and replaced with the following provisions:

The following are closing procedures that abide by California Education Code section 47605(b)(5)(P), should the school close for any reason. The decision to close Our Community Charter either by Our Community Charter governing Board or by the LAUSD Board, will be documented in a Closure Action. The Closure Action shall be deemed to have been automatically made when any of the following occur: the charter is revoked or non renewed by the LAUSD Board of Education; the charter school board votes to close the school; or the charter lapses. In the event of such a Closure Action, the following steps are to be implemented:

a. Written notification to parents/guardians/caregivers of the enrolled students of Our Community Charter will be issued by Our Community Charter within 72 hours after the determination of a Closure Action. A sample copy of the language used in the written notification is also to be made to LAUSD within the same time frame.

i. The written notification will also include information on assistance in transferring each student to another appropriate school, and a process for the transfer of all student records.

ii. The process for transferring student records to the receiving schools shall be in accordance with LAUSD procedures for students moving from one school to another.

iii. Parents will also be provided with student information that includes closure notice, grade reports, discipline records, immunization records, completed coursework and credits that meet graduation requirements.

b. Written notification to LAUSD of the list of returning students and their home schools, to be made within 72 hours of the determination of the Closure Action.

c. Transfer of student records to the receiving schools, within seven calendar days from the determination of an Action to Close.

d. Written notification to the California Department of Education and the Los Angeles County Office of Education of the Closure Action shall be made by Our Community Charter by registered mail within 72 hours of the decision to Closure Action.

e. Our Community Charter shall allow LAUSD access, inspection and copying of all school records, including financial and attendance records, upon written request by LAUSD.

f. A financial closeout audit of the school will be paid for by Our Community Charter to determine the disposition of all assets and liabilities of the charter school, including plans for disposing of any net assets. The final independent audit shall be completed within six months after the closure of the school. This audit will be conducted by a neutral, independent licensed CPA who will employ generally accepted accounting principles. Any liability or debt incurred by Our Community Charter will be the responsibility of Our Community Charter and not LAUSD. Our Community Charter understands and acknowledges that Our Community Charter will cover the outstanding debts or liabilities of Our Community Charter. Any unused monies at the time of the audit will be returned to the appropriate funding source. Our Community Charter understands and acknowledges that only unrestricted funds will be used to pay creditors. Any unused AB 602 funds will be returned to the District SELPA, and other categorical funds will be returned to the source of funds.

g. For six calendar months from the Closure Action or until budget allows, whichever comes first, sufficient staff as deemed appropriate by Our Community Charter Board, will maintain employment to take care of all necessary tasks and procedures required for a smooth closing of the school and student transfers.

h. Our Community Charter Board shall adopt a plan for wind-up of the school and, if necessary, the corporation, in accordance with the requirements of the Corporations Code.

i. In addition to a final audit, Our Community Charter will also submit any required year-end financial reports to the California Department of Education and LAUSD, in the form and time frame required.

j. If the charter school is a nonprofit corporation, the corporation does not have any other functions than operation of the charter school, the corporation will be dissolved according to its bylaws.

i. The corporation's bylaws will address how assets are to be distributed at the closure of the corporation.

ii. A copy of the corporations bylaws containing the information on how assets are to be distributed at the closure of the corporation, are to be provided to LAUSD prior to approval of this Petition.

This section shall survive the revocation, expiration, termination, cancellation of this charter or any other act or event that would end Our Community Charter's right to operate as a charter school or cause Our Community Charter to cease operation. Our Community Charter and District agree that, due to the nature of the property and activities that are the subject of this petition, the District and public shall suffer irreparable harm should charter school breach any obligation under this section. The District, therefore, shall have the right to seek equitable relief to enforce any right arising under this section or any provision of this section or to prevent or cure any breach of any obligation undertaken, without in any way prejudicing any other legal remedy available to the District. Such legal relief shall include, without limitation, the seeking of a temporary or permanent injunction, retraining order, or order for specific performance, and may be sought in any appropriate court.

18. Grievance Procedures: Charter shall be amended to include the following provisions:

Charter School will designate at least one employee to coordinate its efforts to comply with and carry out its responsibilities under Title IX of the Education Amendments of 1972 (Title IX) and Section 504 of the Rehabilitation Act of 1973 (Section 504) including any investigation of any complaint filed with Charter School alleging its noncompliance with these laws or alleging any actions which would be prohibited by these laws. Charter School will notify all its students and employees of the name, office address, and telephone number of the designated employee or employees.

Charter School will adopt and publish grievance procedures providing for prompt and equitable resolution of student and employee complaints alleging any action, which would be prohibited by Title IX, or Section 504.

Charter School will implement specific and continuing steps to notify applicants for admission and employment, students and parents of elementary and secondary school students, employees, sources of referral of applicants for admission and employment, and all unions or professional organizations holding collective bargaining or professional agreements with the recipient, that it does not discriminate on the basis of sex or mental or physical disability in the educational program or activity which it operates, and that it is required by Title IX and Section 504 not to discriminate in such a manner.

19. Employee Rights: Delete the 2nd sentence in the first paragraph on page 84 of the Charter commencing with: "*A District employee may take leave from employment*

with the sponsoring district, LAUSD to work in a charter school.” This deletion shall be replaced with the following language:

Former District employees must consult with the District to determine their eligibility for leave. Certificated leave from the District may be up to one year. Classified leave from the District may be for one year, which may be extended for up to the term of the original petition.

20. Responding Inquiries: Charter shall be amended to include the following language:

The Charter School shall promptly respond to all inquiries, including but not limited to, inquiries regarding financial records, from the District and shall consult with the District regarding any inquiries. The Charter School acknowledges that it is subject to audit by LAUSD including, without limitation, audit by the District Office of the Inspector General.

21. Audit and Inspection of Records: Charter agrees to observe and abide by the following terms and conditions as a requirement for receiving and maintaining their charter authorization:

- a) Charter School is subject to District oversight.
- b) The District’s statutory oversight responsibility continues throughout the life of the Charter and requires that it, among other things, monitor the fiscal condition of the Charter School.
- c) The District is authorized to revoke this charter for, among other reasons, the failure of the Charter School to meet generally accepted accounting principles or if it engages in fiscal mismanagement.

Accordingly, the District hereby reserves the right, pursuant to its oversight responsibility, to audit Charter School books, records, data, processes and procedures through the District Office of the Inspector General or other means. The audit may include, but is not limited to, the following areas:

- Compliance with terms and conditions prescribed in the Charter agreement,
- Internal controls, both financial and operational in nature,
- The accuracy, recording and/or reporting of school financial information,
- The school’s debt structure,
- Governance policies, procedures and history,
- The recording and reporting of attendance data,
- The school’s enrollment process,
- Compliance with safety plans and procedures, and
- Compliance with applicable grant requirements.

The Charter School shall cooperate fully with such audits and to make available any and all records necessary for the performance of the audit upon 30 days notice to Charter School. When 30 days notice may defeat the purpose of the audit, the District may conduct the audit upon 24 hours notice.

In addition, if an allegation of waste, fraud or abuse related to the Charter School operations is received by the District, the Charter School shall be expected to cooperate with any investigation undertaken by the Office of the Inspector General, Investigations Unit.

22. Oversight: The section entitled “Supervisory Oversight” shall be deleted in its entirety and replaced with the following provision:

The District may charge for the actual costs of supervisory oversight of the Charter School not to exceed 1% of the charter school’s revenue, or the District may charge for the actual costs of supervisory oversight of the Charter School not to exceed 3% if the Charter School is able to obtain substantially rent free facilities from the District. Notwithstanding the foregoing, the District may charge the maximum supervisory oversight fee allow under the law as it may change from time to time.

23. Responding to Inquiries: Charter shall be amended to include the following language:

The Charter School shall promptly respond to all inquiries, including but not limited to, inquiries regarding financial records, from the District and shall consult with the District regarding any inquiries. The Charter School acknowledges that it is subject to audit by LAUSD including, without limitation, audit by the District Office of the Inspector General.

24. Policy of Charter Schools Division: Charter shall be amended to include the following language:

Charter School will comply with the District policy related to charter schools, as it may be change from time to time.

25. Public Laws: Charter shall be amended to include the following language:

Charter School agrees to comply with all laws that apply to public agencies.

26. Notifications: Charter shall be amended to include the following language:

Notification is to be made to the Charter Schools Division of any notices of workplace hazards, investigations by outside regulatory agencies, lawsuits, or other formal complaints, within one week of receipt of such notices by the Charter School.

27. Termination: The parties acknowledge that the Charter is set to expire on June 30, 2007. The parties, however, agree that this Amendment shall operate to extend the term of the Charter from June 30, 2007 to June 30, 2010. The parties further agree that Our Community Charter will be required to apply for renewal of its Charter in accordance with Education Code section 47607 upon expiration of the Charter on June 30, 2010.

28. All other provisions of the Charter shall remain in effect.

IN WITNESS WHEREOF, the parties hereto have caused this Amendment to be duly executed and delivered in their respective names by their authorized representatives as of the date set forth below.

DATED: May __, 2007

LOS ANGELES UNIFIED SCHOOL DISTRICT
("District")

By: _____

Title: _____
Authorized Representative of Los Angeles Unified
School District

DATED: May __, 2007

OUR COMMUNITY CHARTER SCHOOL
("Charter School")

By: _____

Title: _____
Authorized Representative of Our Community School
Charter