

CHARTER SCHOOL CONTRACT

Between

Northfield Public Schools

And

Prairie Creek Community School – District #4090

WHEREAS, the primary purpose of the School is to provide an educational program for its students in order to improve all pupil learning and all student achievement; and

WHEREAS, the secondary purpose(s) of the School's educational program is/are:

- Increase learning opportunities for all pupils;
- Encourage the use of different and innovative teaching methods;
- Measure learning outcomes and create different and innovative forms of measuring outcomes; and
- Create new professional opportunities for teachers, including the opportunity to be responsible for the learning program at the school site; and

WHEREAS, the parties are authorized under Minnesota law to contract for the operation and oversight of a charter school, pursuant to Department of Education approval of Northfield Public Schools intent to charter the School, dated November 21, 2001, a copy of which is attached as Exhibit A; and

WHEREAS, Northfield Public Schools and the School previously entered into a charter school contract which expires June 30, 2016; and

WHEREAS, Northfield Public Schools has conducted the performance evaluation of the School (See Exhibit N), considered the reauthorization of the School, and has approved the issuance of a charter contract to the School.

NOW, THEREFORE, Northfield Public Schools grants this Contract conferring certain rights, privileges, and obligations of a charter school and confirms the status of a charter school to the School. In addition, the parties agree that the granting of this Contract is subject to the following terms and conditions.

ARTICLE I DEFINITIONS

Section 1.1. Certain Definitions. For purposes of this Contract, and in addition to the terms defined throughout this Contract, each of the following words or expressions, whenever initially capitalized, shall have the meaning set forth in this section:

(a) "Applicable Law" means all state and federal law applicable to Minnesota charter schools and any regulations implemented pursuant thereto.

(b) "Charter School Act" means the Minnesota Statutes 124E.01 through 124E.26, as amended, and any rules adopted pursuant thereto.

(c) "Commissioner" means the Commissioner of the Minnesota Department of Education.

(d) "Contract" means this Charter School Contract between Northfield Public Schools and the School.

(e) "Department of Education" means the Minnesota Department of Education.

(f) "District" means Northfield Public Schools.

(g) "School" means Prairie Creek Community School, located at one site, 27695 Denmark Avenue, Northfield, MN 55057, which is established as a charter school under this Contract pursuant to the Charter School Act, and any additional site(s) pursuant to subsequent Department of Education approval of any supplemental affidavit to expand sites. The name and location(s) of the School will not be changed without the prior written consent of the District.

(h) "School Board" means the Board of Directors of the School.

(i) "Student" and "Pupil" are used interchangeably, and each means the Students/Pupils at the school.

Section 1.2. Captions. The captions and headings used in this Contract are for convenience only and shall not be used in construing the provisions of this Contract.

Section 1.3. Gender and Number. The use of any gender in this Contract shall be deemed to be or include the other genders, including neuter, and the use of the singular shall be deemed to include the plural (and vice versa) wherever applicable.

Section 1.4. Exhibits. All Exhibits to this Contract are incorporated into, and made part of, this Contract. This Contract has the following Exhibits:

EXHIBITS

- A. Minnesota Department of Education Approval
- B. Articles of Incorporation of the School
- C. Bylaws of the School
- D. Implementation of Purpose/Mission
- E. Description of School's In-School & Out-of-School Time Programs
- F. Academic & Non Academic Pupil Performance Outcomes/Goals
- G. Statement of Admissions Policies and Procedures
- H. Governance & Management Plan
- I. Administration and Operations Plan
- J. Financial Management Plan
- K. Statement of Assurances Signed by All Board Members
- L. Charter School Closure Checklist & Plan
- M. Supplemental Continuing Oversight Criteria, Processes, Procedures
- N. Performance Evaluation of School

ARTICLE II RELATIONSHIP BETWEEN THE SCHOOL AND THE DISTRICT

Section 2.1. Voluntary Authorization. The District qualifies as a authorizer pursuant to Minnesota Statute 124E.05 Subd. (1). In granting this Contract, The District voluntarily exercises powers given to The District pursuant to Applicable Law to authorize charter schools. Nothing in this Contract shall be deemed to be any waiver of the District's autonomy or powers.

Section 2.2. Independent Status of the School. The School is not and shall not be deemed to be a division or part of the District. The relationship between the School and the District is based solely on the applicable provisions of the Charter School Act and the terms of this Contract or other written contracts or written agreements between the District and the School. Except as otherwise provided in this Contract or the Charter School Act, the District shall have no authority or control, over operational, administrative, or financial responsibility for the School.

Section 2.3. Financial Obligations Are Separate. Any contract, mortgage, loan or other instrument of indebtedness entered into by the School and a third party shall not in anyway constitute an obligation, either general, special, or moral, of the District. The School will never pledge the full faith and credit of the District for the payment of any School contract, mortgage, loan or other instrument of indebtedness.

Any contract, mortgage, loan or other instrument of indebtedness entered into by The District and a third party shall not in anyway constitute an obligation, either general, special, or moral, of the School. The District will never pledge the full faith and credit of the School for the payment of any District contract, mortgage, loan or other instrument of indebtedness.

Section 2.4. No Authority To Obligate or Bind Other Party. The School has no authority whatsoever to enter into any contract or other agreement that would obligate the District, nor does the School have any authority whatsoever to make any representations to third parties

including lenders, that the District in any way guarantees, is obligated, or is in any way responsible for any obligation, including any contract, mortgage, loan or other instrument entered into by the School.

The District has no authority whatsoever to enter into any contract or other agreement that would obligate the School, nor does the District have any authority whatsoever to make any representations to third parties including lenders, that the School in any way guarantees, is obligated, or is in any way responsible for any obligation, including any contract, mortgage, loan or other instrument entered into by the District.

Section 2.5. Limited Use of "District" Name. The School may not use the name of the District or any assumed name, trademark, division or affiliation of the District in any of the School's promotional advertising, contracts, or other materials without the District's prior written consent, except that the School may include the following statement in such materials, "[Name of School] is authorized by Northfield Public Schools." Pursuant to Minnesota Statute 124E.07 Subd. 8(b) the School shall identify the District as its authorizer and include District contact information on its website and in School materials made available to the public.

ARTICLE III ROLE OF DISTRICT

Section 3.1. Oversight Responsibilities of the District. The District shall monitor and evaluate the School's academic, financial, operational, and student performance, including the School's compliance with this Contract and Applicable Law. The District shall monitor and evaluate School performance using various criteria, processes, and procedures set forth generally in Article VI and Exhibit M.

The School agrees that, in the spirit of continuous improvement, the District may monitor and evaluate any indicator of academic, financial, operational, and student performance, including indicators not expressly set forth in this Contract, which shall inform the School's continuous improvement plan.

Section 3.2. Authorizer Fee. The School shall pay the District a fee for the District's execution of its oversight responsibilities. The fee shall be the maximum fee provided by the Charter School Act, except that if Minnesota law is amended to increase this fee, the School will pay the increased fee.

Section 3.3 Conflict of Interest Policy. The District, at the time of this contract's execution, is developing a specific Conflict of Interest policy for its role as a Charter School authorizer. This policy will be in effect and available on the District's policy web page (<http://northfieldschools.org/about/board/policies>) no later than October 1, 2016. The District will notify the School by U.S. mail when the policy has been adopted.

ARTICLE IV
PERMITTED ACTIVITIES OF THE SCHOOL & ASSUMPTION OF LIABILITY

Section 4.1. Limitation on Actions. The School shall act exclusively as a charter school and shall not undertake any action inconsistent with its status as a charter school authorized to receive state and federal school aid funds and shall not undertake any action to jeopardize its 501(c)(3) status including observation of applicable conflict of interest requirements.

Section 4.2. Other Permitted Activities. The School shall have all powers, duties and responsibilities provided by law to a charter school. The School shall not engage in any otherwise lawful activities that are in derogation of the School's status as a public school or that would jeopardize the eligibility of the School for state and federal school aid funds. The School may exercise its powers, enter into agreements with other public schools, governmental units, businesses, community and nonprofit organizations, reasonably necessary to accomplish its obligations as a charter school under this Contract.

Section 4.3. Assumption of Liability. The School and the School Board may sue and be sued. The School and the School Board accept liability for all actions arising out of or are in any manner connected with the School's operations.

ARTICLE V
LEGAL STATUS OF THE SCHOOL

Section 5.1. Nonprofit Status. The School shall be organized and operated as a nonprofit corporation under Minnesota Statutes Chapter 317A, as amended. Notwithstanding any provision of Minnesota Statutes Chapter 317A, as amended, the School shall not take any action inconsistent with the Charter School Act or in derogation of the School's status as a public school.

Section 5.2. Articles of Incorporation. The School represents that, as of the date of this Contract, the Articles of Incorporation of the School set forth as Exhibit B are accurate and have not been otherwise altered or amended.

Section 5.3. Bylaws. The School represents that, as of the date of this Contract, the Bylaws of the School set forth as Exhibit C are accurate and have not been otherwise altered or amended. Bylaws shall be amended in accordance with procedures specified in the School's bylaws. Updated bylaws (as amended) must be forwarded to the District within 20 days and upon acceptance shall become an amendment to Exhibit C.

**ARTICLE VI
OPERATING REQUIREMENTS**

Section 6.1. Governance. The School shall be organized and administered under the direction of the School Board elected in accordance with the School's Bylaws and Applicable Law. The School Board shall decide and be responsible for matters related to the operation of the School including, but not limited to, budgeting, curriculum, programming, personnel, and operating procedures. In addition, the Board shall evaluate the student achievement and School's progress towards achieving its charter contract goals and commitments.

Section 6.2. School Board Meetings. Meetings of the School's Board and its committees shall comply with the Minnesota Open Meeting Law, Minnesota Statute Chapter 13D.

Section 6.3. Exhibits. The School agrees to implement and adhere to all the representations and information identified in the Exhibits, including without limitation, the achievement of the academic outcomes/goals identified in Exhibit F.

Section 6.4. Compliance with all Applicable Laws. The School shall comply with all Applicable Laws.

Section 6.5. Programs Offered by the School. All programs which the School provides, operates, is affiliated with, or sponsors shall comply with Applicable Law and be covered by the School's insurance.

The School provides the following programs:

(a) In-School Time Programs. In-school time programs include all programs operated during school hours. The School provides the in-school time program summarized in Exhibit E. Except as may be otherwise limited by the Department of Education approval of The District affidavit of intent to charter the school or expanded by the Department of Education approval of any supplemental affidavit to expand the grades or programs offered by the School, the School may accept enrollment to students for the following in-school time program(s):

Early Learning

Preschool Instructional

Pre-K

Grades K – 5 with a maximum enrollment of 180 students

(b) Out-of-School-Time Programs. Out-of-school-time programs include any programs operated before or after school hours, or on weekends, or during school calendar breaks, including before/after school care, but does not include School clubs or athletics. The School provides, operates, is affiliated with, or sponsors the out-of-school time programs identified and described in Exhibit E and according to the parameters set-forth therein. The School does not provide, operate, affiliate with, or sponsor out-of-school-time programs not otherwise identified and described in Exhibit E.

(c) Club and Athletic Programs. The School provides club or athletic programs as it deems appropriate from time to time. The School will provide equal access to all programs and will not permit any program to operate in derogation of Applicable Law or its status as a public school.

Section 6.6. Academic Curriculum Program. The School will implement and adopt the academic program and curriculum set forth in Exhibit E.

Section 6.7. Methods of Assessment. The School shall evaluate students' work based on, at a minimum, the assessment strategies identified in this Contract and its annual report.

(a) Academic Measures – The District will monitor student academic performance and school culture, which provides the basis for high academic performance.

1. Regular Assessments. The District will monitor academic achievement by reviewing student testing and assessment.
2. State Required Assessments. School students will take the Minnesota Comprehensive Assessment tests and any other testing required by Applicable Law.
3. Nationally-Normed Referenced Assessments & School-Level Assessments. Except as may be otherwise limited by Exhibit F, School students will take a nationally-normed referenced assessment on at least an annual basis. In addition, School students will also take assessments that are consistent with the educational program articulated in Exhibit E, the statutory purpose articulated in Exhibit D and the School goals articulated in Exhibit F.
4. Assessment and Test Results. The School will provide the District results of Minnesota required assessments. The District will compare testing data to other schools in order to measure performance.
5. Northfield Public Schools and Authorized Charter Schools Meetings. The School agrees to participate in joint meetings of the Northfield Public Schools and its Authorized Charter Schools, that consists of representatives of the District and all District authorized schools, and the District will monitor the School's participation in these meetings. The goal of participation in these meetings is to share information and identify resources, and the School agrees to do so.
6. Professional Development. The school will ensure that each teacher at the School has opportunities to engage in professional development activities that focus in part on developing authentic assessments, measures of student outcomes, and effective teaching strategies. The School will advise the District of its various professional development activities in its Annual Report.

(b) Site-visits. The District shall engage in site-visits in the course of the Contract term. Site-visits will be an opportunity to review academic goals and achievement data to date, evaluate the implementation of the academic program, operations and other matters. The District shall engage in site visits at such frequency as determined necessary or prudent by the District.

(c) Remediation.

1. School Initiated. If the School fails to make adequate progress towards achieving its academic outcomes/goals, financial targets, or comply with Applicable Law or other requirements, the School may at any time prepare and implement an improvement plan to overcome such deficiencies. The School may at any time submit the plan to the District for review and comment prior to adoption and implementation.

2. District Initiated. If the District has a concern about the School, or if the School fails to make adequate progress towards achieving its academic outcomes/goals or to meet financial requirements, or to comply with Applicable Law, or other requirements, the District shall provide the following notices, as applicable.

(a) Notice to School Leader or Board Chair. The District shall notify the school leader or board chair of area(s) of concern for correction. The District may specify a target date for correction.

(b) Formal Notice to School Board. If the situation remains uncorrected without reasonable explanation, or if the situation involves an urgent concern, the District will formally notify the School of the area(s) of concern for correction and may ask the School to adopt a specific performance improvement plan. If the District requires the School to retain a third-party investigation, the School shall retain an investigator within ten (10) days of such requirement; in addition, the third party investigator must be acceptable to the District, and the School shall authorize such investigator to provide status reports to and communicate with the District. The District shall specify a target date for correction that the District may, if circumstances warrant, amend.

(c) Notice to School Board of Charter Revocation/Termination. The District initiates notice whereby charter authorization will be withdrawn pursuant to Article X.

Section 6.8. School Calendar and School Day Schedule. The School shall provide instruction for at least the hours of instruction required by Minn. Stat. 120A.41.

Section 6.9. Finance, Reporting and Compliance.

(a) To the District. The School will furnish the District (via the School's website) with monthly financial reports. The reports must contain budget and actual

revenue and expenses (both by current month and year-to-date) and contain explanations for all items exceeding budget and the manner in which the excess items will be resolved, as well as cash-flow statements and fiscal year-end fund balance projections. The financial reports will also include the total dollar amount of unpaid accounts payable more than thirty days past due with an explanatory note for the total amount of any such past due amounts disputed by the School, if applicable; and the current average daily membership of the School. Should the School continually exceed its budgeted expenses with no corresponding increase in revenue, not report properly or timely to the Department of Education or the District, evidence any fiscal or legal non-compliance, the School will engage resources to resume budgeted performance and operate in compliance with all Applicable Law and generally accepted standards of fiscal management.

The School allows the District to discuss the School's financial matters with both its external auditor and accounting service provider if any. The School consents to the District conducting reviews of the School's accounts payable, at such times as the District may require, either at the School or at the School's accounting service provider, if any.

The School Board is responsible for establishing, approving, and amending an annual budget in accordance with Applicable Law. The School will provide the District (via the school's website) the adopted budget for the following school year by June 30th.

The budget must detail budgeted expenditures at the object level. In addition, the School Board is responsible for approving all revisions and amendments to the annual budget. The school will make available on its website any revisions or amendments to the School's budget within ten (10) business days after School Board approval.

(b) To Department of Education. The School will comply with all reporting requirements established by the Department of Education.

Section 6.10. Accounting Standards. The School shall at all times comply with generally accepted public sector accounting principles, generally accepted standards of fiscal management, and accounting system requirements that comply with Department of Education requirements.

Section 6.11. Annual Financial Statement Audit. The School shall engage an annual external audit of all financial and accounting records. The audit will be prepared and reviewed by an independent certified public accountant. By December 15th of each year, the School shall submit two (2) copies of the annual financial statement audit and auditor's management letters including any required supplemental information, for the school year ending the previous June 30th. By January 1st of each year, the School Board shall provide to the District a copy of any

responses to auditor's management letters. The School will comply with the same financial audits, audit procedures, and audit requirements of school districts, including Minnesota Statutes sections 123B.75 to 123B.83, except to the extent deviations are necessary because of the program of the School. Financial, program, or compliance audits may be conducted by the Department of Education, or the State Auditor, and/or the Legislative Auditor.

Section 6.12. UFARS and MARSS. The School will utilize the UFARS financial accounting principles and methods. The School will comply with MARSS requirements with respect to student accounting.

Section 6.13. Contributions and Fund Raising. The School may solicit and receive contributions and donations as permitted by Applicable Law and UFARS. The School shall have an approved policy regarding the acceptance and administration of such gifts. No solicitation shall indicate that a contribution to the School is for the benefit of the District.

Section 6.14. Annual Reports. The School will submit its state-required annual report to the District no later than the date specified by the Minnesota Department of Education. The annual report shall be approved by the School Board prior to the submission to the District and will include such information as the District may require including at a minimum, information required under Applicable Law and a report on the School's performance as it relates directly to the goals articulated in Exhibit F.

Section 6.15. Employment. An employee hired by the School shall be an employee of the School for all purposes and not an employee of the District for any purpose. With respect to School employees, the School shall have the power and responsibility to: (i) select and engage employees; (ii) pay their wages; (iii) dismiss employees; and (iv) control employees' conduct, including the method by which the employee carries out his or her work. The School shall comply with the Public Employment Relations Act (PELRA), Minnesota Statutes Chapter 179A, as applicable. The School must employ or contract with teachers who hold valid licenses or any allowable waivers to perform the teaching service for which they are employed at the School.

The School Board shall be responsible for carrying workers' compensation insurance for its employees. The School shall employ and contract teachers who hold valid licenses or certifications, as required by Applicable Law. Teachers employed by the School shall be treated by the School as public school teachers for the purposes of Minnesota Statutes Chapters 354 and 354A.

The School will ensure that lesson plans and related materials developed by School employees to implement the School's academic program and curriculum are and remain School, and not individual/employee, property.

Section 6.16. Collective Bargaining Agreements. Collective bargaining agreements, if any, with employees of the School shall be the responsibility of the School.

Section 6.17. Transportation. The School may provide transportation for students enrolled in the School and shall provide transportation for all students who are enrolled in the School and who reside in the District in which the School is located as required by Applicable Law. Otherwise, transportation will be provided by the district in which the School is located. In providing transportation either through the District or itself, the School shall do so in compliance with and provide any notices required by Applicable Law.

Section 6.18. Notification of Claim. The School agrees to provide notice to The District within five (5) days of the School's receipt of any significant claim, including any allegation of illegality or impropriety by the School or its employees, and any adverse notice received from the Department of Education.

Section 6.19. Expenses. The School agrees to pay for all expenses related to its operation as a charter school, including expenses incurred for operational programs and all expenses related to the performance of its obligations under this Contract and Applicable Law.

Section 6.20. Board Data. The School agrees to notify the District of any resignations or additions to its School Board within ten (10) days of such change. All additions to the School Board will execute a statement of assurance, in the form of Exhibit K, within ten (10) days of such addition, and which shall be provided to the District within thirty (30) days of such addition. The School agrees to obtain background checks, at the School's expense or at the individual's expense if allowed by Applicable Law, on all potential board members before such members are added to the School Board.

Section 6.21. Additional Reporting Obligations.

(a) Teacher Licensure. The School will provide the District by October 1 (via the Annual Report) of each school year of the following for each teaching staff member: full name, Minnesota license number, grade taught, subject(s) taught. The School will advise The District of any changes to its teaching staff via the board meeting minutes on the school website.

(b) Other Reporting. The School will furnish the District with other critical documents, data or information at the District's request. The District agrees that requests for other reporting will be reasonable and necessary.

Section 6.22 Cooperation and Third Parties. The School agrees to cooperate with and assist the District or its designee in providing the access, information, and data the District requires at the District's sole discretion in executing this Contract. The School understands and agrees that the District may contract with a third party to perform any of the District's oversight functions.

Section 6.23. Conflict of Interest and Assurances. The School agrees to comply with the provisions of Minnesota Statutes Section 124E.14 as well as the requirements of Exhibit K.

**ARTICLE VII
GENERAL PROHIBITIONS**

Section 7.1. Tuition Prohibited. The School shall not charge tuition. The School may impose fees and require payment of expenses for activities of the School where such fees and payments are not prohibited by Applicable Law, including Minn. Stat 123B.34-123B. 39.

Section 7.2. Establishment of Religion Prohibited. The School shall be nonsectarian in its programs, admission policies, employment practices, and all other operations.

Section 7.3. Home School Support Prohibited. The School shall not be used as a method of educating or generating revenue for students who are being home schooled, except as may be allowed by Applicable Law.

Section 7.4. Open Admissions. The School shall not limit admissions to students on the basis of intellectual ability, measures of achievement or aptitude, athletic ability or any other criteria inconsistent with Applicable Law. A student shall be re-enrolled for the next school year until formally withdrawn from the School.

Section 7.5. Lottery Admissions. The School shall enroll an eligible student who submits a timely application, unless the number of applicants exceeds the capacity of the programs, class, grade level, or building. In such cases, enrollment shall be by lottery and, when conducting such lottery, the School shall provide enrollment preferences as provided by Applicable Law.

**ARTICLE VIII
COMPLIANCE WITH STATE AND FEDERAL LAWS**

Section 8.1. State Laws. The School shall comply with applicable state laws. Nothing in this Contract shall be deemed to apply any other state law to the School. Except as otherwise provided by the Charter School Act or this Contract, the School shall be exempt from all Minnesota Statutes and rules applicable to a school, school board, and school district unless the statute or rule is made specifically applicable to a charter school.

(a) Students with Disabilities.

1. Compliance. The School shall comply with Minnesota Statute Sections 125A.02, 125A.03 to 125A.24 and 125A.65, concerning the provision of education services to students with a disability at the School.

2. Special Education Director. The School shall employ or contract with a special education director who shall be responsible for program development, coordination and evaluation; planning for professional development and general programmatic and fiscal supervision and administration.

3. Systems & Services. The School shall implement, at a minimum:

(a) a child-find system to identify students with disabilities and students who are suspected of having disabilities; such system will include a procedure for receiving referrals from parents, teachers, outside agencies, and physicians.

(b) a system for conducting comprehensive initial and reevaluations to determine eligibility for special education and related services.

(c) a full range of special education services to ensure that all students with disabilities are provided with the specially designed instruction and related services based on their disability-related needs.

(d) a system for monitoring appropriate and proper due process procedures to ensure effective and efficient child study procedures and methods of providing special education services for identified students.

4. Financial Parameters. The School is entitled to access state special education funds for salaries, supplies/equipment, contracted services, and student transportation costs. The School is permitted to bill certain special education costs not paid by state special education funds to the student's resident district. The combination of state special education funds and the ability to bill to the district certain special education costs enable the School to adequately provide special education services to such children. The School may also access federal special education funds.

At such time as the School has determined the number of its students who have disabilities as defined in Minnesota Statutes, sections 125A.03-24 and 125A.65, the School shall provide to the Commissioner a further description of the financial parameters within which the School will operate to provide special education instruction and services to such children.

(b) Health and Safety. The School shall meet the same federal, state, and local health and safety requirements applicable to a school district.

(c) Immunization. The School shall comply with the Minnesota Statutes section 121A.15, requiring proof of student immunization against measles, rubella, diphtheria, tetanus, pertussis, polio, mumps, and hemophilia influenza type B prior to enrollment.

(d) Human Rights Act. The School shall comply with the Minnesota Human Rights Act, Chapter 363A, which prohibits unfair discriminatory practices in employment, public accommodations, public services, or education; and comply with Minnesota Statutes section 121A.04, which governs provisions of equal opportunities for members of both sexes to participate in athletic programs.

(e) Student Discipline and Dismissal. The School shall comply with the Minnesota Pupil Fair Dismissal Act (MPFDA), Minnesota Statutes sections 121A.40 to 121A.56. The School Board

shall provide to the District its approved discipline policy and procedure consistent with the MPFDA within 120 days of the effective date of this Contract. The School shall comply with the continuing truant notifications under Minnesota Statute section 260A.03.

(f) Fee Law. The School shall comply with the Minnesota Public Schools Fee Law, Minnesota Statutes sections 123B.34 to 123B.39, which governs authorized and prohibited student fees.

Section 8.2. Federal Laws. The School shall comply with applicable federal laws. Nothing in this Contract shall be deemed to apply any other federal law to the School.

Section 8.3. Intellectual Property. The School has ascertained that its name and logo do not violate or infringe upon the intellectual property rights of another and has taken appropriate measures to secure the intellectual property rights with respect to its name and logo.

Section 8.4. Student Records. The School shall comply with Applicable Law regarding the management and transfer of student records.

ARTICLE IX AMENDMENT

Section 9.1. Amendments. The District and the School acknowledge that the operation and administration of a charter school and the improvement of educational outcomes over time may require appropriate amendment of this Contract. In order to ensure a proper balance between the need for independent development of the School and the statutory responsibilities of The District as an authorizing body, all amendments to this contract must be in writing, and signed by the parties.

Section 9.2. Change in Existing Law. If, after the effective date of this Contract, there is a change in Applicable Law which alters or amends the responsibilities and obligations, rights, or remedies of either the School or the District, this Contract shall be altered or amended to reflect the change in existing law as of the effective date of such change. To the extent possible, the responsibilities, obligations, rights or remedies of the School and the District shall conform to and be carried out in accordance with the change in Applicable Law.

ARTICLE X CONTRACT REVOCATION/TERMINATION AND NONRENEWAL

Section 10.1. Grounds for Revocation/Termination or Nonrenewal. This Contract may be revoked/terminated and need not be renewed by the District upon a determination by the District that one or more of the following has occurred:

- (a) Failure of the School to demonstrate satisfactory achievement for all students including the requirements for student performance set forth in this Contract; or
- (b) Failure of the School to meet generally accepted standards of fiscal management; or
- (c) Failure of the School to comply with all Applicable Law.

Section 10.2. Other Grounds for Revocation/Termination or Nonrenewal. In addition to the grounds for revocation/termination and nonrenewal set forth in Section 10.1, the District may revoke/terminate or not renew this Contract, upon the District's determination that one or more of the following has occurred:

- (a) The School is unable to pay its bills as they become due, is insolvent, or is bankrupt;
- (b) The School has insufficient enrollment or demonstrated financial resources to successfully operate a charter school, or the School has lost more than fifty percent (50%) of its student enrollment from the previous school year.
- (c) The School defaults in any of the terms, conditions, promises or representations contained in or incorporated into this Contract;
- (d) The School amends its Articles of Incorporation and/or Bylaws at any time without notifying the district.
- (e) The District discovers negligent, fraudulent or criminal conduct by any of the School's applicant(s), directors, officers, employees or agents in relation to the school's performance under this Contract; or
- (f) The School's applicant(s), directors, officers or employees have provided false or misleading information or documentation to the Department of Education or the District in connection with the District's issuance or oversight of this Contract, or in connection with any affidavit that the School requests the District submit to the Department of Education, or in connection with the School's reporting requirements under this Contract or Applicable Law; or
- (g) Other good cause shown.

Section 10.3. Procedures for Revoking/Terminating or Not Renewing Contract.

The District's process for revoking/terminating or not renewing the Contract is as follows:

- (a) Notice of Intent to Revoke/Terminate or Not Renew. The District, upon reasonable belief that grounds for revocation/termination or nonrenewal of the Contract exist, shall notify the School Board of such grounds by issuing the School Board a notice of intent to revoke/terminate or not renew. The notice of intent to revoke/terminate or not renew shall be in writing, shall set forth in reasonable detail the alleged grounds for revocation/termination or nonrenewal, and shall state

that the School Board may request in writing, within fifteen (15) business days of receiving the notice, an informal hearing before the District.

(b) School Board's Response. Within fifteen (15) business days of receipt of the notice of intent to revoke/terminate or not renew, the School Board shall respond in writing to the alleged grounds for revocation/termination or nonrenewal. The School Board's response shall either admit or deny the allegations of non-compliance. If the School's response includes admissions of non-compliance with the Contract or Applicable Law, the School Board's response must also contain a description of the School Board's plan and timeline for correcting the non-compliance with the Contract or Applicable Law. If the School's response includes a denial of non-compliance with the Contract or Applicable Law, the School's response shall include sufficient documentation or other evidence to support a denial of non-compliance with the Contract or Applicable Law. A response not in compliance with this Section shall be deemed to be non-responsive. As part of its response, the School Board may request that an informal hearing be scheduled with the District. The School Board's failure to provide to the District a written request for an informal hearing within the fifteen (15) business day period shall be treated as acquiescence to the District's proposed action.

(c) Informal Hearing. Upon receiving a timely written request for an informal hearing, the District shall give ten (10) business days notice to the School Board of the hearing date and time, and the District shall conduct such hearing.

(d) Plan of Correction. The District shall review the School Board's response and may, in its sole discretion, determine whether a reasonable plan for correcting the deficiencies may be formulated. If the District determines that a reasonable plan for correcting the deficiencies set forth in the notice of intent to revoke/terminate or not renew can be formulated, the District shall develop a plan for correcting the non-compliance ("Plan of Correction"). In developing a Plan of Correction, the District is permitted to adopt, modify or reject some or all of the School Board's response for correcting the deficiencies outlined in the notice of intent to revoke/terminate or not renew. The District is not obligated to offer a Plan of Correction to the School.

(e) Withdrawal of Notice of Revocation/Termination or Nonrenewal. The District may withdraw its notice of intent to revoke/terminate or not renew if the District determines any of the following: (i) the School Board's denial of noncompliance is persuasive; (ii) the non-compliance set forth in the notice of intent to revoke/terminate or not renew has been corrected by the School Board; or (iii) the School Board has successfully completed the Plan of Correction.

(f) Effective Date of Revocation/Termination or Nonrenewal. If the District decides to revoke/terminate or not renew the Contract, the revocation/termination or nonrenewal shall be effective on the date of the District's act of revocation/termination or nonrenewal, or at a later date as determined by the District, such date specified by the District in its determination of revocation/termination or nonrenewal. The District must take final action regarding revocation/termination or nonrenewal no later than twenty (20) business days: (i) before the

specified date for revocation/termination or nonrenewal of the Contract, or (ii) the Contract's termination date.

Section 10.4. Dissolution. If this Contract is revoked/terminated, or if this Contract is not renewed pursuant to this Article, the School will dissolve following the process provided by Minn. Stat. Ch. 317A and Applicable Law relating to dissolutions and Exhibit L.

Section 10.5. Distribution of Property Upon Termination of Contract. In the event of dissolution of the School, all property which it might lease, borrow or contract for use, shall be promptly returned to those organizations or individuals from which the School has leased or borrowed the materials.

Section 10.6. Property Owned by School. All property that has been purchased by the School will remain its own. In the event of subsequent dissolution of the School, such property as may be required or permitted by Applicable Law will first be donated to other charter schools authorized by the District and if no District Charter School wants such property, then to any other Minnesota Charter School. Any remaining property will then will be sold or distributed in accordance with Applicable Law.

Section 10.7. Property Owned by School Employees. All property personally and/or individually owned by the trained and licensed teachers or staff employed by the School, shall be exempt from distribution of property and shall remain the property of the individual teachers and staff. Such property includes, but is not limited to, albums, personal mementos and other materials or apparatus that have been personally financed by teachers or staff. Such property does not include lesson plans and related materials developed and produced by School employees to implement the School's academic plan and curriculum; the School will ensure that its employment agreements document that such property is School property.

ARTICLE XI ADDITIONAL PROVISIONS

Section 11.1. Contract Renewal or Transfer to Different Authorizer.

(a) Contract Renewal

1. Considerations Determining Renewal. The School acknowledges that improving all pupil learning and all student achievement is the most important factor the District will consider in determining Contract renewal, which determination shall be based substantially on the School's attainment of its academic outcomes/goals identified in Exhibit F. The District will also consider any compelling evidence of improved pupil learning and student achievement for all students on Department of Education measures other than the attainment of outcomes/goals specified in Exhibit F.

The District will consider other factors in its renewal determination, which factors are considered secondary to improving all pupil learning and all student achievement. Specifically, the District will consider the achievement of any additional identified purposes specified in Exhibit D, and financial and operational performance obligations and compliance with Applicable Law as set forth in this Contract.

The School will be eligible for renewal only if the School has improved pupil performance and student achievement for all students, notwithstanding superior performance in financial, operations, governance, or legal compliance factors.

If the District offers a renewal contract, a five-year term will be awarded only if warranted by School performance: the School has improved all pupil learning and all student achievement, the School has met or substantially met its academic pupil performance outcomes/goals in Exhibit F, the school has no significant financial, operational, governance, or legal compliance deficiency, or multiple deficiencies in any of the financial, operational, governance, or legal compliance areas, or deficiencies in multiple areas.

2. Considerations Warranting Nonrenewal. Nonrenewal is warranted based on the existence of grounds identified in section 10.1 or 10.2 or Applicable Law, notwithstanding the existence of improved pupil learning and student achievement for all students. For example, nonrenewal will result from the School's failure to improve all pupil learning and all student achievement notwithstanding superior performance in financial, operations, governance, or legal compliance factors, and nonrenewal may result from the School's improvement of all pupil learning and all student achievement combined with a significant financial, operational, governance, or legal compliance deficiency, or multiple deficiencies in any of the financial, operational, governance, or legal compliance areas, or deficiencies in multiple areas.
3. Corrective Action Renewal. If the School has improved all pupil learning and all student achievement, but School performance also indicates the existence of a significant financial, operational, governance, or legal compliance deficiency, or multiple deficiencies in any of the financial, operational, governance, or legal compliance areas, or deficiencies in multiple areas, The District may, but is not obligated to, renew this Contract. If the District renews the Contract in these circumstances, the renewal is for corrective action with a term not to exceed three years, and the School acknowledges and agrees that the School must continue to improve all pupil learning and all student achievement and must eliminate and resolve the deficiencies causing the Corrective Action Renewal and that no additional deficiencies are created or identified during that renewal term, in order to be eligible for a subsequent renewal.
4. Application. By December 15th of the school year in which this Contract terminates, the School will submit an application to the District that shall contain three parts: (1) School Performance. An analysis and evaluation of the School's performance under this Contract, which shall include a comprehensive evaluation of each contract goal for each year of the contract, as well as an evaluation of fiscal, operational, and governance performance during the term of the contract; (2) Proposed Goals. A proposal for goals for the following contract period; and (3) Other

Information. Any other information the School desires the District to consider. The School agrees to provide to the District documentation supporting the School's evaluation if requested by the District.

The District will notify the School at least sixty (60) business days prior to the termination of this contract as to whether the District intends to offer a renewal charter contract.

(b) Transfer to Different Authorizer. The District must consent to the School's transfer to another authorizer. If the District consents to the School's request to transfer to a different authorizer, the School agrees to reimburse the District for any authorizer fees waived or not paid, grants provided by District to the School, and all training and professional development provided to the School by a third party but paid by the District. This provision does not apply if the District requests that the School transfer to another authorizer.

Section 11.2. Insurance. The School Board shall secure and maintain in its own name as the "first named insured" at all times the following insurance coverage:

- (a) workers' compensation insurance to include coverage A;
- (b) insurance covering all of the School's real and personal property, whether owned or leased;
- (c) insurance required by Minn. Stat. 466.04, including a minimum of commercial general liability insurance in comprehensive form, bodily injury and property damage combined of one and a half million dollars (\$1,500,000) per occurrence and personal injury of one and a half million dollars (\$1,500,000) per occurrence; and up to one million dollars (\$1,000,000) per occurrence for the release or threatened release of a hazardous substance; and if not included under its general liability coverage, additional coverage as follows: minimum automobile liability insurance coverage, bodily injury and property damage, of one million dollars (\$1,000,000) per occurrence if the School owns or operates motor vehicles; officer and employee errors and omissions/professional liability of one and a half million dollars (\$1,500,000) per occurrence; and employee theft insurance of five hundred thousand dollars (\$500,000).

The insurance must be obtained from a financially responsible licensed mutual, stock, or other responsible company licensed to do business in the State of Minnesota.

The School may join with other charter schools to obtain insurance if the School Board finds that such an association provides economic advantages to the School, provided that each School maintains its identity as first named insured. The School shall have a provision included in all policies requiring notice to the District, at least thirty (30) days in advance, upon termination or non-renewal of the policy. In addition, the School shall provide the District or its designee copies of all insurance policies required by this Contract, if requested for periodic review by the District.

The above-stated coverage limits shall be issued and maintained as indemnity limits and shall not be reduced by any applicable insurer defense obligations. The Department of Education may suggest or Applicable Law may determine alternative amounts and terms of any deductible or insurance provisions, which shall supersede the foregoing requirements. The School shall provide the Department of Education with any insurance information, as requested.

The School may expend funds for payment of the cost of participation in an accident or medical insurance program to insure protection for students while attending school or participating in a school program or activity.

Section 11.3. School Lease. The School shall provide to the District a copy of its lease, and any subsequent amendment(s), or deed for the premises in which the School shall operate within fourteen (14) calendar days of execution. The school will provide to The District any notice of lease termination within five (5) calendar days of receipt. The School may lease space from any independent or special school board eligible to be a charter school authorizer, other public organization, private nonprofit institution organization or private property owner, as it deems necessary. The School may lease space from a sectarian organization as allowed by Applicable Law.

Section 11.4. Occupancy and Safety Certificates. The School Board shall: (a) ensure that the School's physical facilities comply with all fire, health and safety standards applicable to schools; and (b) possess the necessary occupancy and safety certificates for the School's physical facilities. The School Board shall not conduct classes until the School has complied with this section. Copies of such certificates shall be provided to the District before the first day of classes, if requested by the District.

Section 11.5. Legal Liabilities. The District does not assume any obligation with respect to any director, employee, agent, parent, guardian, student, or independent contractor of the School. The School acknowledges and agrees that it assumes full liability for its activities and that the Commissioner, the District, officers and members of the Board of the District, and employees of the District, are immune from civil and criminal liability with respect to all activities related to the School, pursuant to Minnesota Statutes Section 124E.09 and nothing in this Contract is intended to affect such immunity.

Section 11.6. Indemnification of the District and Commissioner. Notwithstanding Section 11.5, the School agrees to indemnify and hold harmless the District and its officers, board members, employees, agents or representatives, and to indemnify and hold harmless the Commissioner and Department of Education officers, agents, and employees notwithstanding Minn. Stat. section 3.736, from all suits, claims, demands, or liability, including attorney fees, and related expenses, which arise out of or are in any manner connected with the School's operations or which are incurred as a result of the reliance of The district upon information supplied by the School, or School Board and its agents or employees, or which arise out of the failure of the School to perform its obligations under this Contract or which arise out of the District's exercise of its obligation under Applicable Law or enforcement of this Contract.

**ARTICLE XII
GENERAL TERMS**

Section 12.1. Term of Contract. This Contract shall be effective on July 1, 2016 and shall remain in full force and effect for five (5) academic years through the end of the 2020/2021 school year, and shall terminate on June 30, 2021, unless sooner revoked/terminated according to the terms hereof.

Section 12.2. Notices. Any and all notices permitted or required to be given hereunder shall be deemed duly given: (i) upon actual delivery, if delivery is by hand; or (ii) upon receipt by the transmitting party of confirmation or answer back if delivery is by facsimile or electronic mail; or (iii) upon placing into United States mail if by postage paid first class mail. Each such notice shall be sent to the respective party at the address indicated below or to any other address or person as the respective party may designate by written notice delivered pursuant hereto:

If to the District:
Northfield Public Schools
1400 Division Street South
Northfield, MN 55057

If to the School: to the attention of the School Board or School Board President/Chair at:
Prairie Creek Community School
27695 Denmark Avenue
Northfield, MN 55057

Section 12.3. Severability. If any provision in this Contract is held to be invalid or unenforceable, it shall be ineffective only to the extent of the invalidity, without affecting or impairing the validity and enforceability of the remainder of the provision or the remaining provisions of this Contract. Subject to Section 9.2, if any provision of this Contract shall be or become in violation of any local, state or federal law, such provision shall be considered null and void, and all other provisions shall remain in full force and effect.

Section 12.4. Successors. The terms and provisions of this Contract are binding on and shall inure to the benefit of the parties and their respective successors.

Section 12.5. Entire Contract. Except as specifically provided in this Contract, this Contract sets forth the entire agreement between the District and the School with respect to the subject matter of this Contract. All prior contracts, representations, statements, negotiations, understandings, and undertakings are superseded by this Contract.

Section 12.6. Assignment. This Contract is not assignable by either the School or the District.

Section 12.7. Non-Waiver. Except as provided herein, no term or provision of this Contract shall be deemed waived and no breach or default shall be deemed excused, unless such waiver or consent shall be in writing and signed by the party claimed to have waived or consented. No

consent by any party to, or waiver of, a breach or default by the other, whether expressed or implied, shall constitute a consent to, waiver of, or excuse for any different or subsequent breach or default.

Section 12.8. Governing Law. This Contract shall be governed and controlled by the laws of the State of Minnesota as to interpretation, enforcement, validity, construction, and effect, and in all other respects.

Section 12.9. Counterparts. This Contract may be executed in any number of counterparts. Each counterpart so executed shall be deemed an original, but all such counterparts shall together constitute one and the same instrument.

Section 12.10. Construction. This Contract shall be construed fairly as to both parties and not in favor of or against either party, regardless of which party prepared the Contract.

Section 12.11. Force Majeure. If any circumstances occur which are beyond the control of the parties, which delay or render impossible the obligations of one or both of the parties, the parties' obligations to perform such services shall be postponed for an equivalent period of time or shall be canceled, if such performance has been rendered impossible by such circumstances.

Section 12.12. No Third Party Rights. This Contract is made for the sole benefit of School and the District. Except as otherwise expressly provided, nothing in this Contract shall create or be deemed to create a relationship between the parties hereto, or either of them, and any third person, including a relationship in the nature of a third party beneficiary or fiduciary.

Section 12.14. Non-agency. School is not an agent of the District and the District is not an agent of the school.

Section 12.14. Termination of Responsibilities. Except as provided in Section 12,15, upon termination or revocation of the Contract, the District or its designee and the School shall have no further obligations or responsibilities under this Contract to the School or any other person or persons in connection with this contract.

Section 12.15. Survival of Provisions. The terms, provisions, and representations contained in Section 11.1 (a)3 Probationary Renewal, Section 11.2 Insurance, Section 11.5 Legal Liabilities, Section 11.6 Indemnification of the District, Section 12.8 Governing Law, Section 12.10 Construction, Section 12.13 Non-Agency, and any other provisions of this Contract that by their sense and context are intended to survive termination of this Contract shall survive.

As the designated representative of the District, I hereby issue this Contract to the School on the date set forth:

DATE: July 1, 2016

NORTHFIELD PUBLIC SCHOOLS

By: _____

Julie Pritchard
Its: Board Chair

As the authorized representative of the School, I hereby certify that the School is able to comply with the Contract and all Applicable Law, and that the School, through its governing board, has approved and agreed to comply with and be bound by the terms and conditions of this contract as of the date set forth above.

PRAIRIE CREEK COMMUNITY SCHOOL

By: _____

Rosalyn Eaton-Neeb
Its: Board Chair