

FINANCIAL AND OPERATIONAL AGREEMENT
Between
NAPA VALLEY UNIFIED SCHOOL DISTRICT
And
STONE BRIDGE SCHOOL

THIS AGREEMENT is entered into as of the 1st day of July 2019, by and between the Stone Bridge School, (hereinafter "SBS") a Charter School approved by the Board of Education of the Napa Valley Unified School District pursuant to the California Charter Schools Act of 1992, and the Board of Education of the Napa Valley Unified School District, a school district organized and existing under the laws of the state of California (hereinafter "District").

RECITALS

WHEREAS, the District granted a charter to the Stone Bridge School on May 21, 2015 for a period of five years pursuant to the terms of the California Charter Schools Act of 1992 and District Board Policy and Administrative Regulations 0420.4;

WHEREAS, the approved charter establishes the contractual agreement between SBS and the District regarding educational program and curriculum; pupil performance standards and evaluation; student admission standards; general provisions for funding, employment, facilities and dispute resolution, as required by the Charter School Act;

WHEREAS, Stone Bridge School is a charter school established under the laws of California and operates as a non-profit benefit corporation;

WHEREAS, SBS and District desire to enter into an agreement setting forth the financial and operational terms and conditions for operation of SBS consistent with state law and District regulations;

WHEREAS, SBS acknowledges that it is accountable to the District Board of Education and subject to the ultimate authority of the Board for the performance of SBS and for the obligations of SBS under the terms of its charter and this agreement;

WHEREAS, the District acknowledges that SBS has substantial flexibility to achieve successful educational results in new and innovative ways under the Charter School Act, and desires to work with SBS in a cooperative manner to support SBS in order to provide maximum educational benefit to its students and that does not have an adverse impact on the education of other District students;

NOW THEREFORE, in consideration of the mutual agreements and covenants herein set forth, SBS and District agree as follows:

ARTICLE 1
TERM AND RENEWAL

1.1 **Term**

This Agreement shall be effective for one year commencing on July 1, 2019 and continuing until June 30, 2020. The Agreement is subject to termination during the initial term and any renewal term under the terms and conditions set forth in Article 18.

1.2 **Renewal**

This Agreement shall be automatically renewed for an additional fiscal year commencing July 1, 2020; unless written notice of intent to renegotiate is given by either party by April 1 of each fiscal year. In no event shall any renewal term extend beyond the effective date of the charter granted by the Board of Education pursuant to Education Code 47605.

ARTICLE 2
DESIGNATION OF SCHOOL AND SCHOOL GOVERNANCE

2.1 The subject of this Agreement is the Stone Bridge School, hereinafter referred to as SBS. Stone Bridge School and its Charter Council shall be responsible for all functions of SBS subject to the terms and conditions set forth in this agreement.

2.2 **Non-Profit Public Benefit Corporation**

The parties recognize that the Stone Bridge School and its Charter Council operate as a non-profit public benefit corporation in accordance with Education Codes Section 47604 and therefore SBS and its Charter Council is a separate legal entity under the control and direction of its Board of Directors. It is further recognized that the Board of Directors for the non-profit public benefit corporation is also referred to as the "Charter Council."

Stone Bridge School shall maintain its status as a non-profit corporation as provided in Education Code 47604. SBS has provided the District with a current copy of the Stone Bridge School Corporate Bylaws and shall notify the District in writing of any changes by providing a copy thereof within 30 days of approval. The President of the Charter Council shall be the person responsible for providing said documents and updates to the District.

2.3 In accordance with state law, the District may designate a representative to the SBS Board as a non-voting member. Neither attendance nor participation in such meetings shall act or be interpreted as approval or action by the District.

2.4 The Charter Council shall conduct their meetings in conformance with the Brown Act, Government Code Sections 54950, et seq. SBS shall provide a list of their regular meetings for the 2019-2020 school year to the District by October 1, 2019. SBS agrees to provide to the District a copy of the agenda for all special and regular meetings of the Charter Council at the time the agenda is posted.

2.5 The District maintains full authority to monitor the operation of SBS and shall have access to all records of SBS upon reasonable written request and in compliance with Education Code 47604.3.

2.6 SBS acknowledges that it shall comply with Government Code Section 87100 relating to Conflict of Interest and will comply with said requirements.

2.7 **Statement of Facts Roster**

It shall be the sole responsibility of SBS to file, and update as required, the "Statement of Facts Roster of Public Agencies" as required by Government Code 53051. The current Statement of Facts Roster shall be submitted to the District by October 31 each year. It shall also be the sole responsibility of SBS to file an amendment to the Statement of Facts within 10 days after a change in any of the required information. In addition to submission to the County Clerk and Secretary of State, an amendment to the Statement of Facts will also be submitted to the District within 10 days after the change.

2.8 **Student Enrollment**

Based on prior projections and the availability of facilities for the 2018-19 school year, SBS agrees that enrollment shall not exceed 275 students, who reside inside and outside of the District, for the 2019-2020 school year and each school year thereafter.

The parties agree that to the extent applications for enrollment exceeds capacity in any year of SBS operation, final enrollment will be determined by a random lottery. The format for the lottery shall be described in writing by SBS and be well publicized in advance.

2.9 **Grade Levels Offered**

SBS will offer grades K-8 in the -2019-2020 school year and each school year thereafter during the term of the charter.

- 2.10 Notice of Projected Enrollment and Grade Levels
On an annual basis and not later than March 1 of each year, SBS shall provide written notice to the District of the estimated maximum enrollment anticipated and any proposed grade level offerings for the following school year. No additional information is needed unless enrollment differs from projections stated in the Prop 39 request.

The educational program and grade level offerings shall be in compliance with the charter approved by the District on March 4, 2010 and any subsequently authorized amendments, if any. Expansion of grade level offerings beyond grades K-8 will require a material amendment to the charter.

SBS recognizes that such notice is critical to District planning for the next year. Failure to provide timely notice shall act to prohibit SBS from expansion in the following school year unless otherwise agreed to by the parties.

ARTICLE 3 **DEFINITIONS**

- 3.1 Average Daily Attendance (ADA)
The average daily attendance (ADA) is the attendance of SBS pupils while engaged in educational activities required of them by SBS, as defined in Education Code 47612 and Title 5, California Code of Regulations, Section 11960.
- 3.2 Fiscal Year
The fiscal year shall be defined as starting July 1, and ending June 30.
- 3.3 Accounting Period
An accounting period shall be a calendar month, twelve (12) of which shall constitute a calendar year.
- 3.4 Charge
A charge is defined as a fee established by the District for goods or services provided to the Charter appropriate to the program.
- 3.5 Deficit
Deficit shall be the excess of the total of Operating Expenses over Income.
- 3.6 External Source Funding
The external source funding is any state or federal categorical funds or other private or public grant or loan funds received by the District and/or SBS other than the state general purpose and categorical block grant computed pursuant to Education Code Sections 47633 and 47634, lottery funds pursuant to 47638 and any applicable special education funding pursuant to Education Code Section 47646.
- 3.7 Fund Accounting (SACS)
The accounting systems of school districts and county offices of education are organized and operated on a fund basis. A fund is an accounting entity with a self-balancing set of accounts recording financial resources and liabilities. It is established to carry on specific activities or to attain certain objectives of an LEA in accordance with special regulations, restrictions, or limitations.
- 3.8 Site-Specific Operating Expenses
All site-specific expenses include all costs directly attributable to the instructional programs at SBS site, including but not limited to:
- 3.8.1 Salaries and benefits for teachers, principal, instructional assistants, substitutes, clerical, custodial, and other staff generally associated with the school site.
 - 3.8.2 Instructional materials and supplies purchased and used by the school.
 - 3.8.3 Utilities directly associated with the operation of the school.

3.8.4 Equipment and supplies purchased and used by the school.

3.9 Revenue

Revenue received by SBS includes the general purpose entitlement and categorical block grant, as defined in subdivisions (a) and (b) of Education Code Section 47632, other federal categorical revenue; and state lottery revenue.

ARTICLE 4
CHARTER SCHOOL REVENUE

4.1 Charter School Revenues

As an independent charter school, SBS will receive its LCFF monies directly, as established by Education Code 47630 et seq., in accordance with Education Code 47651 (a)(1). Accordingly, SBS shall receive:

1. A general purpose entitlement pursuant to Education Code 47633 and Education Code 47635, which includes in-lieu property taxes and state aid.

2. A categorical block grant amount pursuant to Education Code 4763 3. Lottery funds, pursuant to Education Code 47638.

Lottery funds, pursuant to Education Code 47638.

4.2 Other Funding Sources

SBS may apply for other state and federal programs that are not included in the LCFF funding.

SBS may also apply for private grant funding. Any application that includes the District shall be approved in advance by the parties.

It shall be the responsibility of SBS to apply for funding from other sources.

4.3 The District shall transfer funding in lieu of property taxes to SBS in monthly installments by no later than the fifteenth of each month in accordance with Education Code 47635.

4.4 No Tuition or Fees

In accordance with the terms of its charter, SBS agrees that it shall not charge tuition as a condition for attendance at SBS. SBS agrees that it shall not charge fees to students or parents for participation in extracurricular activities, consistent with the California Supreme Court decision in *Hartzell v. O'Connell* (1984) 35 Cal.3d 899.

4.5 The District retains the right to inspect any and all information regarding sources of funding for SBS. SBS shall respond to all reasonable inquiries regarding financial records pursuant to Education Code 47604.3.

ARTICLE 5
CHARTER SCHOOL EXPENDITURES

5.1 Charter School Accounts

The LCFF monies , and lottery funds shall be held in a Stone Bridge School Account at the office of the County Treasurer of the County of Napa under the supervision of the Napa County Office of Education pursuant to Education Code 47651(a)(1). SBS will provide, at its own expense, personnel to work with the Napa County Office of Education or District to manage receipts and disbursements for SBS, according to the Napa County Office of Education fiscal procedures. Payroll reporting and disbursements, including contributions to the PERS and STRS retirement systems (if applicable), shall be facilitated through the Napa County Office of Education. Any contractor retained by SBS pursuant to Article 6, Section 6.32 to provide fiscal services to SBS will work in conjunction with the Napa County Office of Education and consistent with County procedures and practices.

5.2 Charter School Responsibilities

Unless otherwise noted in this MOU, SBS shall pay for any costs which in its discretion are deemed necessary, and which comply with external source funding requirements, to operate SBS and its educational programs from the revenue it receives pursuant to Article 4.

Except as provided herein, or as required by law, the District shall not incur or pay any expense or enter into any agreement that relates to providing services to students who attend SBS or to the operation and maintenance of SBS.

SBS shall be primarily responsible for communicating with the State Department of Education on matters involving SBS. Where the District is obligated to make reports to the State Department of Education on behalf of SBS, the District shall notify SBS of its reports prior to sending them to the State Department of Education.

5.3 Compliance with External Source Funding Requirements

The District and SBS shall comply with all terms and conditions of any external source funding requirements applicable to funding received by the District on behalf of SBS or received directly by SBS. SBS shall expend such money solely on behalf of the designated students when so required by the funding source. Revenues received from external sources not expended during a fiscal year shall be carried over to the following fiscal year for expenditure on behalf of designated students when allowed by the funding source. Upon reasonable advance request by the District, SBS shall provide evidence to the District that SBS is in compliance with all such requirements, and shall provide the District with all reports, data, and information reasonably necessary for the District to meet any reporting, certification, or other requirements for such funding. SBS shall specifically indemnify, defend, and hold harmless the District, its officers, directors, and employees, attorneys, agents, representatives, volunteers, successors and assigns from and against any and all actions, suits, claims, demands, losses, costs, penalties, obligations, errors, omissions, or liabilities, including attorney's fees, and/or any judgment rendered against the District or SBS arising out of SBS's compliance with the external source funding requirements for those revenues retained by SBS as specified in Section 4.2 above excepting those actions, suits, claims, demands, losses, costs, penalties, obligations, errors, omissions, or liabilities, including attorney's fees, and/or any judgment rendered against the District or SBS arising out of District's compliance with the external funding source requirements.

5.4 Provisions Applicable to Socioeconomically Disadvantaged Students

SBS shall survey its student population for eligibility for free and reduced lunches or other subsidies under federal guidelines. SBS shall comply with applicable laws, rules, regulations and policies regarding free and reduced lunch or other federal subsidy programs.

ARTICLE 6
CONTRACTED OPERATIONAL SERVICES

6.1 Operating Services

SBS shall pay the following Service Fees:

6.1.1 Supervisorial Oversight up to 3 % in accordance with Education Code Section 47613.

6.1.2 Special Education Excess Costs: This amount is determined by considering the following:

(A) Revenues: Per the approved and current SELPA distribution of revenue per ADA, the District will receive revenues generated by NVUSD and SBS students. The amount of revenue generated by SBS students will be calculated during the fiscal closing process, but in no case after August 15th. This revenue will be used to offset expenses, both direct and indirect as calculated per 6.1.2(B);

(B) Expenses: Upon closing of the District's and SBS finances each fiscal year, but in no case after August 15th, the direct expenses attributable to special education services delivered directly

by NVUSD on behalf and requested by SBS will be determined. The District will also calculate indirect costs per the District's approved indirect cost rate.

If (A) exceeds (B), the District will remit to SBS by November 1st, the difference or excess of revenues over direct expenses;

If (B) exceeds (A), SBS will remit payment to NVUSD by November 1st, the excess of expenses over revenue received on-behalf of SBS.

6.2 Contracted Services

6.2.1 SBS may agree to purchase other services from the District.

The amounts to be charged by the District for these optional services will be calculated each year according to the District's Charter School Financial and Operating Guidelines, as revised from time to time. The District will provide updated buyback costs for the current year after the books are closed for the current year or by October 1 of the current year.

The District may agree to provide and be solely responsible for delivery of various services at the same level and to the same extent as that provided to each school site within the District.

6.2.2 SBS will employ or contract with a knowledgeable individual, firm or other public agency for all fiscal services of SBS including but not limited to payroll, purchase orders, attendance reporting and preparation, completion and submission of state budget forms, and budget monitoring and development. SBS will implement payroll in conjunction with and consistent with the Napa County Office of Education procedures and practices.

6.2.3 SBS will be responsible for any transportation and/or food services it may offer to students enrolled at SBS, either contracted from The District or an outside source.

6.2.4 SBS will be responsible for procuring its own legal services and the costs of such services, except in those cases where The District is responsible for such services, eg, as in Section 9.9.4.

6.2.5 The District may charge SBS for the actual costs of District administration of SBS pupil expulsions.

ARTICLE 7 FACILITIES AND EQUIPMENT

7.1 District Facilities Use Agreement

The District and SBS shall execute a separate written agreement outlining the use of District facilities by SBS. This agreement shall be consistent with Proposition 39 and its implementing regulations and any other provisions mutually agreed upon subsequent to the parties' negotiations. This agreement shall include the space allocation, any fees, maintenance responsibilities, insurance, utilities, and indemnification.

7.1.1 SBS is responsible to meet the maintenance, grounds, and operations standards of the District. The District and SBS administration and employees or contractors responsible for the services will meet before June 30, 2019 to review District standards. The District will conduct regular inspections at the discretion of the District.

7.1.2 Capital costs for repairs and maintenance are the responsibility of the District. Minor maintenance and repairs are the responsibility of SBS. Maintenance and repairs to the water system and other similar services must be communicated to the District.

7.2 Inventories of Equipment, Goods, and Supplies

SBS has the authority to purchase equipment, goods, merchandise and supplies. SBS shall maintain an inventory of all equipment, goods, merchandise, and supplies purchased over \$500. This inventory shall include the original purchase price and date, a brief description, serial numbers, and other information appropriate for documenting the school's assets. Property shall be inventoried on an annual basis. In the event of SBS closure, inventories purchased with state block grant or state or federal categorical funds since the inception of this charter shall be distributed in accordance with Section P of the charter and the Articles of Incorporation and Bylaws of SBS, which shall specifically provide that all property and assets acquired with public funding after June 30, 2005 will be distributed to the District.

7.3 Purchasing Procedures

All purchases for equipment, supplies, and services over \$1,000 must include documentation of a good faith effort to secure the lowest possible cost for comparable goods or services. All purchases in excess of California Public Contracts code bid limits must be publicly bid using the Board approved bid process.

7.4 Bonds

In the event that the District seeks and receives a voter approved bond, SBS shall not automatically participate in the bond proceeds unless such participation is negotiated in advance of presenting the bond to the public for vote. SBS agrees that it has no entitlement to funds currently being received by the District under prior bond elections. The District will provide SBS with reasonable notification of its intent to seek a voter approved bond.

ARTICLE 8
PERSONNEL AND EMPLOYEE RELATIONS

8.1 Equal Opportunity Employer

SBS shall not discriminate because of race, color, religion, sex/gender, sexual preference, marital status, age, national origin, ethnic group, disability, or status as a veteran, as defined and prohibited by applicable law, in the recruitment, selection, training, utilization, promotion, termination, or other employment related activities concerning SBS employees. In addition, SBS affirms that it is an equal opportunity employer and shall comply with all applicable federal, state and local laws and regulations including, but not limited to, Executive Order 11246 as amended by 11375 and 12086; 12138; 11625; 11758; 12073; the Rehabilitation Act of 1973, as amended; Civil Rights Act of 1964; Equal Pay Act of 1963; Age Discrimination in Employment Act of 1967; Immigration Reform and Control Act of 1986; and any additions or amendments thereto.

8.2 Employer for Collective Bargaining/Collective Bargaining Agreements

SBS has declared in its charter that SBS will be the employer for purposes of collective bargaining with the employees of SBS as provided in Education Code 47605(b)(5)(O).

8.3 Employment

All staff at SBS are employees of Stone Bridge School. SBS shall have sole responsibility for employment, management, dismissal, and discipline of its employees.

8.4 District Employees Working at SBS

A District employee who is employed by SBS shall have no automatic right to return to employment of the District unless otherwise agreed to by the District.

8.5 Credentialed Teachers

SBS shall only employ teachers who meet the requirements of Education Code Section 47605(l) credential, permit or waiver requirements of the California Commission on Teacher Credentialing applicable to the instructional assignment of the teacher in SBS.

8.6 Criminal Background Checks

SBS will require of all employees and non-parent volunteers fingerprint and criminal record summaries prior to employment pursuant to Education Code 44237. SBS shall not employ any person who has been convicted of a violent or serious felony as defined by state law or any other conviction prohibited by Education Code Section 44237.

- 8.7 Tuberculosis Testing
All SBS employees and non-parent volunteers shall receive TB testing and clearance prior to employment or volunteering on campus.
- 8.8 Retirement Plans
SBS employees may be eligible to participate in the State Teachers Retirement System (STRS) or the Public Employees Retirement System (PERS) based on their classification and/or certification. SBS shall ensure that the STRS and PERS reports are created in accordance with Section 47611.3. SBS may offer and shall be responsible for any other retirement plans for its employees.
- 8.9 Safety and Risk Management Program
SBS shall establish and supervise a risk management program. A report of the risk management program operation shall be submitted to the District by October 31 each year. The components of the report should include the Designated Safety Person that the following District policies and practices are being adhered to (unless waived pursuant to Article 13 and replaced by SBS policies):
- 8.9.1 Injury and Illness Prevention Plan
 - 8.9.2 Blood-borne Pathogen Training
 - 8.9.3 Hazardous Materials Communication Program
 - 8.9.4 Emergency Preparedness Plans
 - 8.9.5 Employee Safety Training with documentation
 - 8.9.6 Annual Safety Inspection
 - 8.9.7 Other safety programs established by law and regulation
- 8.10 Annual Employment Audit
SBS shall provide the District with the following documents by October 31 each year:
- 8.10.1 A list of all employees verifying fingerprint, physicals where appropriate, and TB clearance.
 - 8.10.2 A list of certificated employees verifying credentials and expiration dates of credentials.
 - 8.10.3 A master schedule showing teaching assignments
 - 8.10.4 Verification that all SBS employees have been provided with any applicable legally required SBS or District policies.

ARTICLE 9

SPECIAL EDUCATION SERVICES

- 9.1 Access to SBS
It is understood and agreed between the parties that all children shall have access to attend SBS, in accordance with the guidelines outlined in the school's charter, and no student shall be denied admission nor counseled out of SBS due to disability.
- 9.2 Special Education Services
SBS shall be deemed a public school of the District for purposes of providing special education services to students with exceptional needs who attend SBS pursuant to Education Code Section 47641(b). As such, the parties understand and agree that the District shall ensure that all students with exceptional needs who attend SBS are provided with a free and appropriate public education in compliance with the Individuals with Disabilities Education Act (hereafter "IDEA"). A child with disabilities attending SBS shall receive the same special education and related services, or both, in the same manner as a child with disabilities who attends another public school of the District pursuant to Education Code Section 47646.
- SBS shall have the right to pursue independent local education agency (LEA) and/or special education local plan area (SELPA) status pursuant to Education Code Section 47641(a) in future years of operation.
- 9.3 Identification and Referral of Students With or Who May Have Exceptional Needs
SBS has the responsibility to make referrals of any students enrolled in SBS who are believed to be eligible for special education assessment and/or services. Prior to making such referral, SBS shall conduct a Student Success Team (SST) to determine if alternative interventions are appropriate. Prior to making the referral, SBS representative shall consult with the District Superintendent or designee(s). A copy of all referrals

shall be immediately delivered to the District Superintendent or designee. SBS staff shall attend any in-service offered by the District or Napa County SELPA on the referral system and criteria.

9.4 Assessments

The District in collaboration with SBS will determine what assessments, if any are necessary and arrange for such assessments for all referred students, for annual assessments and for triennial assessments. The District shall consult with the designated representative of SBS prior to offering assessments conducted by individuals outside the District or Napa County SELPA. SBS shall not conduct unilateral independent assessments without the prior written approval of the District.

9.5 Individual Education Programs (IEPs)

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 state and federal law and shall include the designated representative of SBS (or designee) and the designated representative of the District (or designee). Services and placements shall be provided to all eligible SBS students, in accordance with the policies, procedures, and requirements of the District and the Napa County SELPA.

9.6 Implementation of Individual Educational Plans

SBS and/or District shall be responsible for implementation of an IEP for all students with an IEP enrolled in SBS. For District students with current IEP's who enroll in SBS, the District agrees to forward the student's cumulative file including all special education files to SBS within 10 days. In addition, the District will provide consultative assistance to SBS to help transition the student. SBS will provide special education and related services to the same extent provided by each school site of the District. The District shall provide special education and related services to the same extent provided to all other public schools of the District.

To the extent the IEP requires educational or related services to be delivered by staff other than SBS staff, the District shall provide and/or arrange for such services. District services shall also include consultative services by District staff to SBS staff. SBS shall not unilaterally authorize any program or services without the prior consent of the District. District and SBS will coordinate to ensure that mandated services are provided without interruption.

9.7 IEP Meetings

The District and site-based special education staff shall be responsible for arranging the necessary IEP meetings. SBS shall be responsible for having the designated representative of SBS in attendance at the IEP meetings in addition to representatives who are knowledgeable about the regular education program at SBS. District responsibility shall include notification, facilitation, and documentation of IEP meetings and provision of parental rights.

9.8 Parent/Guardian Concerns

Parent/Guardian concerns regarding special education services, related services, and rights shall be directed by SBS staff to the designated District representative. The District representative in consultation with SBS designated representative shall respond to and address the parent/guardian concerns.

9.8.1 Parents of SBS students shall have the opportunity to participate in the special education Community Advisory Committee (CAC) to the same extent as parents of students enrolled in the District.

9.8.2 Due Process Hearings

In consultation with SBS, the District may initiate a due process hearing on behalf of a student enrolled in SBS as the District determines is legally necessary to meet a school agency's responsibilities under federal and state law. In the event that parents/guardians file for a due process hearing, both SBS and the District shall be named as respondents. The District and SBS shall work cooperatively to defend the case. In the event that the District determines that legal counsel representation is needed, District legal counsel shall jointly represent the District and SBS unless SBS or the District believes a conflict of interest exists in which case SBS may bear the expense of retaining its own legal counsel.

9.9 Special Education Funding
The District shall receive all SELPA allocated revenue which is generated by SBS for the delivery of special education and related services. The District shall use said revenue to offset the financial costs of services and responsibilities as set forth above and in Section 6.1.

9.10 Special Education Staffing
The District shall determine appropriate staffing levels to meet the needs of SBS students' with IEP's. District shall also assign appropriate special education staff to SBS in order to meet student needs. District staff will collaborate with SBS to the extent feasible, based on individual student needs, regarding the use of Waldorf inspired instruction for students with IEP's.

ARTICLE 10 **INSURANCE**

10.1 Property and Liability Insurance
SBS shall maintain, at its own expense, policies of comprehensive liability insurance, and property damage coverage as set forth below. Additional insurance may also be obtained as deemed necessary by SBS or as required by law. The District shall be named as an additional insured under all insurances carried by SBS. Proof of insurance shall be provided to the District by July 1 of each year.

10.1.1 Student Insurance: SBS students may participate at their own expense in student insurance coverage programs offered by the District or other providers.

10.1.2 Workers' Compensation insurance.

10.1.3 General Liability and Property Insurance: SBS will purchase property and general liability insurance through the District pursuant to the Facility Use Agreement fee schedule or from other providers.

10.1.4 Health and Welfare Benefits for employees.

10.1.5 SBS will obtain necessary insurance commensurate with its corporate status and assets.

10.1.6 SBS may obtain indemnity coverage for errors and omissions for its directors and officers and any other insurance SBS deems necessary.

10.2 SBS shall provide written confirmation of insurance for the 2019-2020 school year and the District's named status on or before June 30, 2019 and by June 30 of each fiscal year thereafter.

ARTICLE 11 **BUDGETS AND FINANCIAL STATEMENTS**

11.1 Budgets
SBS shall establish an operational budget for each fiscal year, which shall be presented to the District Board of Education on or before July 1 of each fiscal year during the term of the charter. The Budget shall include all estimates of income and expenditure for the fiscal year, including cash flow and start-up costs, if any. SBS shall submit a revised budget based on actual State General Fund Entitlements, Categorical Block Grants, Operating Service Fees, and Contracted Service Fees/Costs when such actual revenue amounts are available but no later than December 31 of each year.

11.2 **Periodic Financial Statements**
SBS shall submit the following reports to District and the Napa County Office of Education pursuant to Education Code 47604.33:

11.2.1 A preliminary budget on or before July 1.

11.2.2 An interim financial report reflecting budget changes and ADA through October 31, submitted on or before December 15.

11.2.2 A second interim financial report reflecting budget changes and ADA through January 31, submitted on or before March 15.

11.2.4 A final unaudited report for the full prior year, submitted on or before September 15.

11.3 **Audit**

SBS shall conduct an annual independent financial audit in the manner specified in the charter agreement. The auditor shall use generally accepted accounting principles, i.e., all accounting standards required of traditional public school districts and shall address the manner in which audit exceptions and deficiencies shall be resolved to the satisfaction of the District, the Napa County of Education, and the State of California. SBS agrees to defend, indemnify, and hold the District harmless for any audit exceptions or state or federal law compliance exceptions.

A copy of the audit report shall be submitted to the District within one month of completion, but no later than December 15 of each year.

11.4 **Reserve**

SBS is required to maintain the greater of 5% or \$67,000 in a separate reserve for economic uncertainties in accordance with the Criteria and Standards pursuant to Education Code 33127.

ARTICLE 12 **FISCAL AGENT**

12.1 The District shall not act as fiscal agent for SBS unless otherwise agreed to in writing. As stated above, SBS shall employ or contract with a knowledgeable individual, firm or public agency for all fiscal services of SBS including but not limited to payroll, purchase orders, attendance reporting and preparation, completion and submission of state budget forms, budget monitoring and development. SBS will provide District a copy of the contract for fiscal services performed by an outside service provider within 30 days of the effective date of the contract.

12.2 To the extent that the District may be required to submit financial forms on behalf of SBS, SBS is responsible for providing the necessary information to the District in a timely manner and in a format consistent and compatible with District software systems. SBS agrees to follow processing schedules and specified District business office procedures. The authorized representative of the District shall be responsible for communicating the procedures.

12.3 SBS will establish a system for internal fiscal management and a calendar for fiscal services in conjunction with its fiscal agent. A written description of this plan/system shall be provided to the District on or before July 1, 2018 or within 30 days of any revisions. The President of SBS Charter Council or specified designee shall be designated to provide this plan to the District. The system shall include the following:

12.3.1 Description of how the Fiscal Reports required in Article 11, section 11.2 shall be developed and monitored. These reports shall include fund balances for current year as well as projections.

12.3.2 Plan to establish and maintain the reserves specified in Article 11, section 11.4.

12.3.3 Plan for how to monitor adopted budget for the school year and how to develop and adopt budgets in subsequent years.

- 12.3.4 Plan for how to revise adopted budgets. Copies shall be made available to District within one week of adoption by SBS Charter Council.
 - 12.3.5 Two interim reports comparing expenditures to date and revenue along with the adopted actual budget and ADA summary.
 - 12.3.6 Identification of individual(s) authorized to expend SBS funds and issue checks and identification of individual(s) responsible for review and monitoring of monthly budget reports.
 - 12.3.7 Written plan for identification and repayment of loans.
- 12.4 SBS shall establish a fiscal plan for repayment of any loans received by SBS in advance of receipt of such loans. All loans sought by SBS shall be authorized in advance by its Charter Council and shall be the sole responsibility of SBS. SBS agrees that the District shall have no obligation for repayment of such loans. SBS shall provide advance written notice to District specifying its intent to apply for a loan. SBS shall also provide advance written notice of deposit of any sums that are loans and the plan for re-payment.
- 12.5 The District shall not advance any funds or provide a line of credit to SBS unless otherwise approved by the District.

ARTICLE 13
DATA REPORTING RESPONSIBILITIES

- 13.1 Average Daily Attendance (ADA)
SBS shall develop an attendance reporting calendar and maintain a system to record and account for average daily attendance (ADA). SBS will report ADA figures to the District at the time of P1 and P2 reporting, as well as an end of year report. The District will report ADA to the Napa County Office of Education, after approval by the Assistant Superintendent for Business Services. SBS shall notify the Assistant Superintendent/Business Services of the District if, during any month, actual ADA falls more than 10 percent below estimated in district ADA.

SBS will be responsible for preparation and transmission to the District the Period 1, Period 2 and Annual Attendance Reports.

SBS shall annually submit to the District a report of enrollments showing each student's demographic information, including home address and school of attendance in the prior year. This report shall be compiled and submitted to the District no later than October 31 each year. The District agrees that it is an educationally interested party as defined by the Family Educational Rights to Privacy Act and shall protect the confidentiality of the pupil records as if they were the records of District pupils.

13.2

Enrollment-California Longitudinal Pupil Achievement Data System (CALPADS)

It is understood that SBS site has a CDS code number from the California Department of Education. Using that code, SBS shall complete and submit enrollment and other necessary demographic information to the California Longitudinal Pupil Achievement Data System (CALPADS).

13.3

13.4 Data Recording and Reporting Statements

SBS shall be responsible for recording and reporting data to the California Department of Education as required by the CDE to calculate the school's funding entitlements. These data reports may include, but are not be limited to:

- 13.4.1 Attendance and enrollment reports (including the "CBEDS" enrollment and "J-18/19" attendance reports).
 - 13.4.2 Categorical programs data forms for categoricals outside the categorical block grant.
 - 13.4.3 Any special charter school data report that has been generated by the Education Finance Division of CDE to address issues particular to charter schools.
- 13.5 Retention of records
SBS shall retain all necessary financial records in their original form consistent with state record retention guidelines.

ARTICLE 14
BOARD POLICIES AND OTHER LEGAL OBLIGATIONS

- 14.1 Compliance with Board Policies and State and Federal Law
SBS and District acknowledge that the Charter Schools Act of 1992 exempts a charter school from compliance with state law governing school districts as set out in Education Code Section 47610, except as required by Education Code Sections 47611, 41365 and the laws related to the minimum age for public school enrollment. SBS further acknowledges that it must comply with all other applicable state and federal laws and with the terms of its approved Charter and this Agreement.
- 14.2 Waiver of Board Policies
- 14.2.1 Existing Policies
SBS generally accepts all existing District policies except as specifically identified herein or in the charter. SBS shall adopt its own policies and procedures which shall be provided to the District promptly upon adoption by SBS Charter Council but in no event later than one month after adoption. SBS shall provide copies of any subsequent changes to those policies within one month of adoption by SBS Charter Council.
 - 14.2.2 Welfare and Safety
Unless waived and replaced by SBS by its own policies in accordance with Article 8, Section 8.9, SBS shall comply with all Board approved policies and regulations, and all applicable federal and state laws, concerning welfare, safety and health of students, employees, visitors, volunteers and others, including, without limitations, Board policies and laws addressing the reporting of child abuse, accident prevention, disaster response and emergency response, and any state regulations governing the operation of school facilities.
 - 14.2.3 Student Records
SBS shall comply with all Board policies and regulations, and applicable federal and state laws, concerning the maintenance and disclosure of student records, including without limitation, the Education Code Section 49060 et seq., and the Federal Family Education Rights and Privacy Act of 1974, 20 U.S.C.A. 1232g. Required student records may include, without limitation, immunization records, class schedules, academic performance, and testing records, and attendance and discipline records, except to the extent expressly waived by the District or state authorities.

ARTICLE 15
DISPUTE RESOLUTION

- 15.1 In the event of any dispute, claim, question, or disagreement arising from or relating to this Agreement or breach thereof, the parties agree to use their best efforts to settle the dispute, claim, question, or disagreement. To this effect, they shall consult and negotiate with each other in good faith and, recognizing their mutual interest, attempt to reach just and equitable solutions satisfactory to both parties. If they do not reach such solution within a period of thirty (30) days, the dispute resolution procedures outlined in Section N of the charter shall be used to attempt to resolve the dispute.
- 15.2 SBS shall adopt a general complaint procedure for addressing internal disputes and public complaints. Except in the instance of complaints that allege student safety issues, or other matters that may constitute grounds for revocation or non-renewal of the charter, the District will refer all complaints it receives concerning SBS back to SBS for investigation and processing.

**ARTICLE 16
INDEMNIFICATION**

- 16.1 Contract Authority
SBS agrees that it will not extend the faith and credit of the District to any third person or entity. SBS acknowledges and agrees that it has no authority to enter into a contract that would bind the District
- 16.2 Liability for Non-District Approved Vendors
District understands that SBS may enter into agreements with vendors and suppliers of products used in SBS program. The District shall not be liable for any defect of any product purchased by SBS.
- 16.3 Indemnification
SBS shall indemnify and hold the District, its Board, agents and employees harmless from all liability, claims and demands on account of injury, loss or damage, including, without limitation, claims arising from the constitutionality of the public Waldorf curriculum and instruction, SBS's intentional or negligent actions related to its responsibilities to implement special education IEP's pursuant to Article 9 and applicable state and federal law, bodily injury, personal injury, sickness, disease, death, property loss or damage or any other losses of any kind whatsoever, including but not limited to breach of contractual or statutory obligations, which arise out of or are in any manner connected with SBS's operations. The foregoing provision shall not be deemed a relinquishment or waiver of any kind of applicable limitations of liability provided by the California Tort Claims Act.

Notwithstanding anything to the contrary contained in this Agreement, no indemnification shall be provided under this Agreement from SBS to the District for any claims against the District or SBS based on, arising out of, or relating to any of the following:

- 16.3.1 Any liability expressly assumed by the District in writing expressly referencing this agreement;
- 16.3.2 Liability arising out of the District's obligations to provide special education instruction or related services pursuant to Article 9 and applicable state and federal law;
- 16.3.3 Any breach of contract, negligent or intentional misconduct of any District officer, director, employee, agent, attorney, representative, volunteer, successor or assign; or
- 16.3.4 Any violation by the District, its officers, directors, employees, agents, attorneys, representatives, volunteers, successors or assigns of the laws of the United States or any state of the United States, including without limitation the California Charter School Act.

**ARTICLE 17
DISTRICT MONITORING AND OVERSIGHT RESPONSIBILITIES**

- 17.1 The District shall do the following, in accordance with Education Code 47604.32 and Board Policy/Regulations 0420.4 to monitor and oversee SBS operations:

- 17.1.1 Identify annually the District contact person for SBS's educational program and the District contact person for SBS's business and financial operations.
- 17.1.2 Visit to SBS by appropriate District representative at least once annually, consistent with the District's Guidelines for charter school oversight.
- 17.1.3 Ensure that SBS complies with all reports required by law.
- 17.1.4 Monitor and assess the fiscal condition of SBS for the purpose of ensuring SBS is:
 - A. Practicing generally accepted accounting principles
 - B. Engaging in effective fiscal management
 - C. Complying with all terms of the charter and this Memorandum of Understanding
 - D. Complying with all applicable state and federal laws
- 17.1.5 Monitor and assess the educational program of SBS for the purpose of ensuring that SBS is:
 - A. Meeting the terms of the charter
 - B. Meeting and achieving all the pupil outcomes identified in the charter
 - C. Complying with all terms of the charter and this Memorandum of Understanding
 - D. Complying with all applicable state and federal laws, including but not limited to conflicts of interest, records, and No Child Left Behind
- 17.1.6 Provide timely notification to the California Department of Education if a renewal of the charter is granted or denied and/or the charter is revoked, and/or SBS will cease operation for any reason.

17.2 Program Audit

During the first trimester of each school year, Stone Bridge School shall compile and provide to the District an annual Accountability Plan or Single Plan for Student Achievement. The Plan shall include a comprehensive evaluation of student performance on school and state measures. Data from these assessments will be used to set specific measurable student objectives for the year.

The District may visit or observe any part of the school and its programs at any time, and shall also do so in conjunction with the programmatic audit described in this section.

If the District believes it has cause to revoke this charter pursuant to Education Code Section 47607, or intends to recommend to the Board of Education that sanctions or disciplinary action be taken against SBS, the District agrees to notify Stone Bridge School in writing within 30 days, noting the specific reasons for which the charter may be revoked. Stone Bridge School will then be granted a reasonable time to respond to the notice and take appropriate corrective action. At no time shall this notification be published publicly or placed on the agenda for a Board of Education meeting until the school has had time to respond to the notice. The notice shall specify the time that the district and school jointly believe will provide the school a reasonable period in which to take corrective action.

17.3 Waldorf Curriculum and Instructional Methodology Review

Should there be a final federal or state court determination that a public Waldorf School curriculum and/or methodology includes unconstitutional religious content or philosophy, the District will conduct an audit of SBS's curriculum and instructional methodologies. The District's determination that SBS's curriculum and/or instructional methodologies include unconstitutional religious content or philosophy could be cause for revocation of the charter, subject to the notice and opportunity to cure requirements of section 17.2.

ARTICLE 18
TERMINATION

18.1 Termination For Cause

In the event either party breaches a material provision of this agreement ("Cause"), the non-breaching party shall give the other party notice of such Cause. In the event the Cause is remedied within ten (10) calendar days in the case of failure to make any payments due, or sixty (60) calendar days, in the case of any other Cause; the notice shall be null and void. In the event the Cause is not remedied in ten (10) days (failure to make payments) or sixty (60) days (any other Cause), the contract may be terminated unless the timelines are extended by mutual written agreement.

This Agreement shall be deemed terminated if the charter is terminated or revoked by either the Napa Valley Unified School District or the State Board of Education.

18.2 Termination of Agreement Not Equal Revocation of Charter

It is understood between the parties that termination of this Agreement does not automatically constitute revocation of the charter granted by the District. However, termination for cause may provide evidence for consideration of revocation of the charter by the District Board of Education pursuant to Education Code Section 47607.

ARTICLE 19
SCHOOL CLOSURE PROCEDURES

- 19.1 In the event SBS closes, there shall be an audit of programmatic and financial operations for the final fiscal year. The assets and liabilities of the school will be disposed of by the SBS Board of Directors in accordance with the charter provisions and SBS's corporate bylaws and Articles of Incorporation. The Charter Council will attend to enumerating and disposing of assets and liabilities as directed by the charter provisions and Bylaws, and the SBS Board Treasurer shall ensure that the final audit of the school's assets is performed. All files, records, and documentation shall become the property of the District.

ARTICLE 20
MISCELLANEOUS

- 20.1 Force Majeure
Neither party shall be liable if the performance of any part or all of this contract is prevented, delayed, hindered or otherwise made impracticable or impossible by reason of any strike, flood, riot, fire, explosion, war, act of God, sabotage, accident or any other casualty or cause beyond either party's control, and which cannot be overcome by reasonable diligence and without unusual expense.
- 20.2 Third Party Beneficiary Rights
This Agreement is not intended to create any rights of a third party beneficiary.
- 20.3 Construction and Enforcement
This Agreement shall be construed and enforced in accordance with the laws of the State of California. The article and paragraph headings are used solely for convenience, and shall not be deemed to limit the subject of the articles and paragraphs or be considered in their interpretation. This Agreement may be executed in several counterparts, each of which shall be deemed an original.
- 20.4 Independent Contractor Status
The parties to this Agreement intend that the relationship between them created by this Agreement is that of an independent contractor, and not an employer/employee. No agent, employee, or servant of SBS shall be deemed to be an employee, agent, or servant of the District, except as expressly acknowledged in writing by the District. No agent, employee, or servant of the District shall be deemed to be an employee, agent, or servant of SBS, except as expressly acknowledged in writing by SBS.
- 20.5 Entire Agreement

This Agreement and Appendices hereto shall constitute the full and complete Agreement between the parties hereto. This Agreement supersedes all prior negotiations, representations, or agreements, if any.

20.6 Amendments

This Agreement may be modified in writing and signed by both parties. Changes in the Charter's policies, practices, and service requirements shall result in an appropriate amendment.

20.7 Invalidity of Provisions of this Agreement

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

20.8 Nondiscrimination

SBS covenants and agrees that it shall not discriminate against any person or group thereof upon the basis of ethnicity, race, creed, age, gender, national origin, disability, sexual orientation, religion, marital status, or any other basis prohibited by law in the operation of SBS. SBS shall comply with District policies, and federal and state laws, rules, and regulations pertaining to nondiscrimination of hiring and employment and as to admission and treatment of students. SBS shall at all times comply with the Americans with Disabilities Act, Title VI, Title IX and Section 504.

20.9 Assignment

No portion of the charter approved by the District Board of Education or this Agreement may be assigned by either party without the prior written consent of the other party, provided that SBS may, without consent of the District, delegate the performance but not the responsibility for such duties and obligations of SBS as specifically set forth in this Agreement.

20.10 No Waiver

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

20.11 Appendices

Appendices to this Agreement shall become a part of this Agreement and shall be incorporated into this Agreement as of the date both parties agree to the content of the appendices.

20.12 Attorney's Fees

If any action or proceeding is necessary to enforce the provisions of this Agreement, including any claim or demand, or to interpret this Agreement, the prevailing party shall be entitled to reasonable attorney's fees, costs and necessary disbursements in addition to any other relief to which it may otherwise be entitled, whether or not such action or proceeding is prosecuted to judgment.

20.13 Survival

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

20.14 Notices

All notices required or permitted by this Agreement shall be in writing and shall either be hand delivered, sent by telecopy or facsimile, sent by U.S. mail, postage prepaid, addressed as set forth on the signature page hereof. A notice shall be effective either when personally delivered, on the date set forth on the receipt of a telecopy or facsimile, or upon the earlier of the date set forth on the receipt of registered or certified mail or on the fifth day after mailing.

Notices shall be delivered to the following individuals on behalf of each party:

For the District:

Administrative Director of Business Services
Napa Valley Unified School District
2425 Jefferson Street

- 20.5 **Entire Agreement**
This Agreement and Appendices hereto shall constitute the full and complete Agreement between the parties hereto. This Agreement supersedes all prior negotiations, representations, or agreements, if any.
- 20.6 **Amendments**
This Agreement may be modified in writing and signed by both parties. Changes in the Charter's policies, practices, and service requirements shall result in an appropriate amendment.
- 20.7 **Invalidity of Provisions of this Agreement**
If, for any reason, any provision hereof shall be determined to be invalid or unenforceable, the validity and effect of the other provisions shall not be affected.
- 20.8 **Nondiscrimination**
SBS covenants and agrees that it shall not discriminate against any person or group thereof upon the basis of ethnicity, race, creed, age, gender, national origin, disability, sexual orientation, religion, marital status, or any other basis prohibited by law in the operation of SBS. SBS shall comply with District policies, and federal and state laws, rules, and regulations pertaining to nondiscrimination of hiring and employment and as to admission and treatment of students. SBS shall at all times comply with the Americans with Disabilities Act, Title VI, Title IX and Section 504.
- 20.9 **Assignment**
No portion of the charter approved by the District Board of Education or this Agreement may be assigned by either party without the prior written consent of the other party, provided that SBS may, without consent of the District, delegate the performance but not the responsibility for such duties and obligations of SBS as specifically set forth in this Agreement.
- 20.10 **No Waiver**
No waiver of any provision of this Agreement shall be deemed or shall constitute a waiver of any other provision. Nor shall such waiver constitute a continuing waiver unless otherwise expressed.
- 20.11 **Appendices**
Appendices to this Agreement shall become a part of this Agreement and shall be incorporated into this Agreement as of the date both parties agree to the content of the appendices.
- 20.12 **Attorney's Fees**
If any action or proceeding is necessary to enforce the provisions of this Agreement, including any claim or demand, or to interpret this Agreement, the prevailing party shall be entitled to reasonable attorney's fees, costs and necessary disbursements in addition to any other relief to which it may otherwise be entitled, whether or not such action or proceeding is prosecuted to judgment.
- 20.13 **Survival**
All representations, warranties, and indemnities made herein shall survive termination of this Agreement.
- 20.14 **Notices**
All notices required or permitted by this Agreement shall be in writing and shall either be hand delivered, sent by telecopy or facsimile, sent by U.S. mail, postage prepaid, addressed as set forth on the signature page hereof. A notice shall be effective either when personally delivered, on the date set forth on the receipt of a telecopy or facsimile, or upon the earlier of the date set forth on the receipt of registered or certified mail or on the fifth day after mailing.

Notices shall be delivered to the following individuals on behalf of each party:

For the District:

Administrative Director of Business Services
Napa Valley Unified School District
2425 Jefferson Street
Napa, California 94558

For SBS:
Maria Martinez, Administrator
1680 Los Carneros Ave.
Napa, California 94559

20.15 Authorized Signatures.

Each party represents and warrants that the signatories to this agreement are legally authorized to sign and enter into this Agreement on behalf of the parties.

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

STONE BRIDGE SCHOOL

By: 
Title: Maria Martinez, Administrator

Date: 5/24/19

STONE BRIDGE SCHOOL

By: 
Title: Heather Shumaker, Stone Bridge Charter Council

Date: 5/24/19

NAPA VALLEY UNIFIED SCHOOL DISTRICT

By: 
Rosanna Mucetti, Superintendent

Date: 5/24/19