

-	N	O	N	E	-
---	---	---	---	---	---

5. Identify each individual, business, corporation, union association, firm, partnership, committee proprietorship, franchise holding company, joint stock company, business or real estate trust, non-profit organization, or other organization or group of people doing business with the school(s) governed by the Education Corporation and in which such entity, during the time of your tenure as a trustee, you and/or your immediate family member(s) or person(s) living in your house had a financial interest or other relationship. If you are a member, director, officer or employee of an organization formally partnered with the school(s) that is/are doing business with the school(s) through a management or services agreement, please identify only the name of the organization, your position in the organization, and the relationship between such organization and the school(s). If there was no financial interest, write None.

NONE

Organization conducting business with the school(s)	Nature of business conducted	Approximate value of the business conducted	Name of Trustee and/or immediate family member of household holding an interest in the organization conducting business with the school(s) and the nature of the interest	Steps Taken to Avoid Conflict of Interest
-	N	O	N	E


Signature

Date 1/23/2018

Please note that this document is considered a public record and as such, may be made available to members of the public upon request under the Freedom of Information Law. Personal contact information provided below will be redacted.

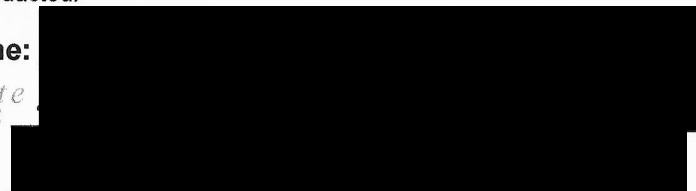
Business Telephone:

Business Address:

E-mail Address:

Home Telephone:

Home Address:



same as above

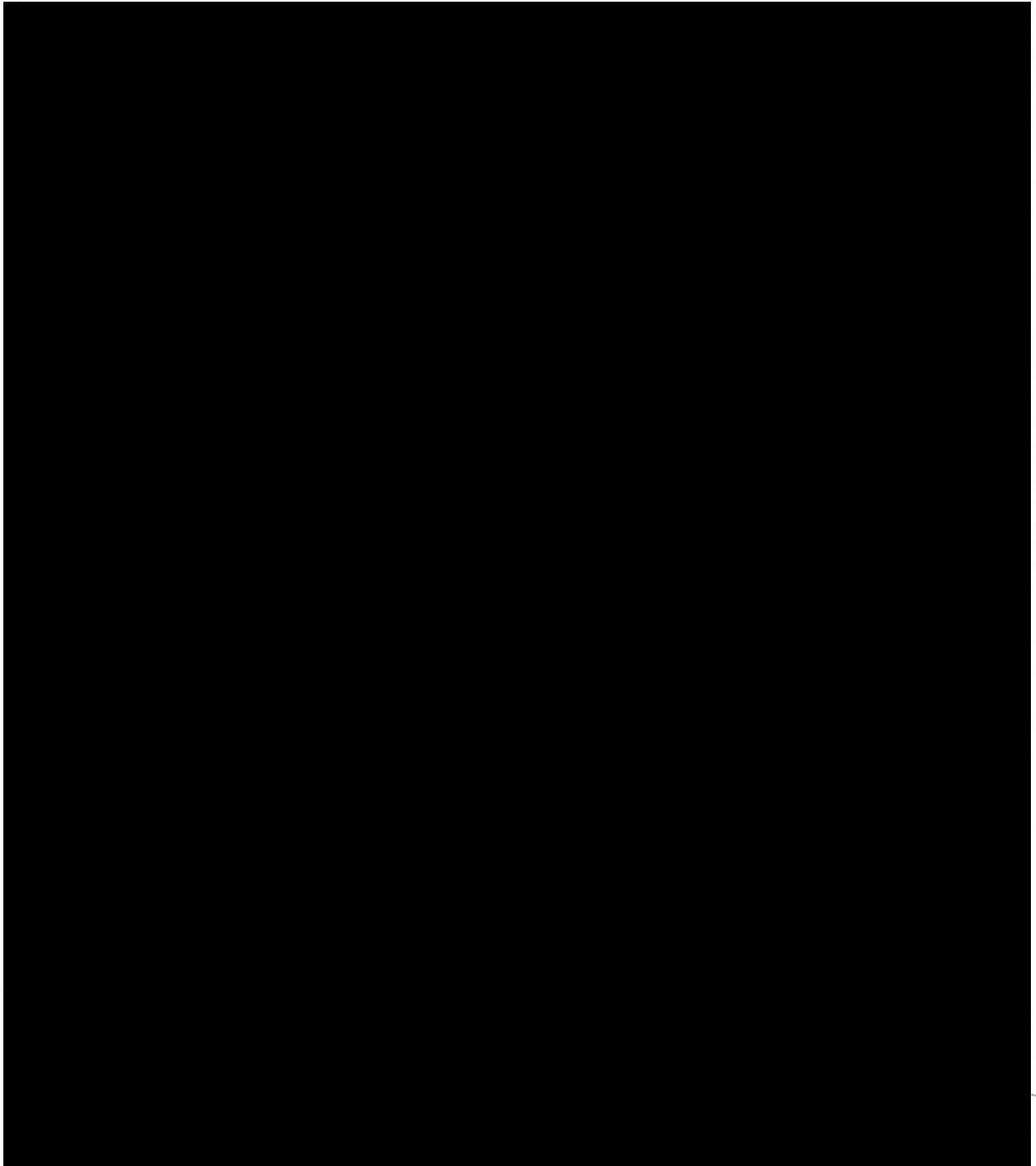
same as above

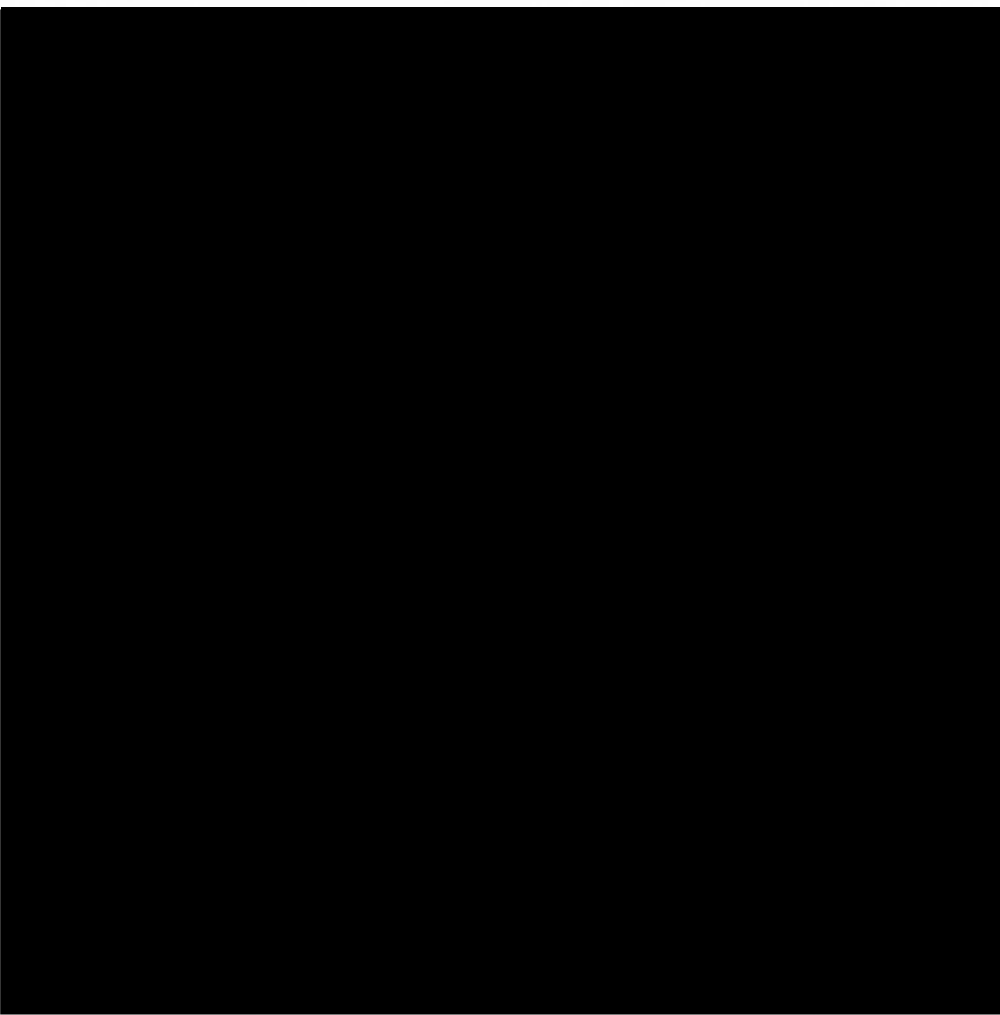
space blank.

JOSEPH H. HOLLAND

PROFILE

Real estate professional possessing a broad range of experiences over thirty-five years as a developer, attorney, and government official at state-level executive and legislative branches.





AUTHOR, *FROM HARLEM WITH LOVE: AN IVY LEAGUER'S INNER CITY ODYSSEY* & *THE TOUCHSTONE TOOLS: BUILDING YOUR WAY TO AN INSPIRED LIFE*.

The former (memoir) was published by Lantern Books in 2012 and the latter (inspirational self-help) by Grand Harbor Press in 2015.

EDUCATION

CORNELL UNIVERSITY, ITHACA, NY – B.A., 1978

CORNELL UNIVERSITY, ITHACA, NY – M.A., 1979

HARVARD LAW SCHOOL, CAMBRIDGE, MA – J.D., 1982

**Request for Information from
Prospective Charter School Trustee**

Please provide the following information.

Background

1. Name of Charter School for which you intend to serve as a trustee. **FLACS**
2. Full name: **JANET MARIE LERNER**
Home Address: [REDACTED]
Business Name and Address: [REDACTED]
Home telephone No.: [REDACTED]
Work telephone No.: [REDACTED]
E-mail address: [REDACTED]
3. A brief educational and employment history (you may attach a resume):
☒ Resume attached.
4. Please affirm that you will be at least 18 years old by the date of appointment to the charter school's board. ☒ I affirm.
5. Please indicate whether you currently or have previously served on a board of a school district, another charter school, a non-public school or any not-for-profit corporation (to the extent not otherwise indicated in your response to Item 3, above). ☒ Yes, ☐ Does not apply to me.
6. Please indicate if you have ever been convicted of a misdemeanor related to honesty or trustworthiness, or a felony. If the answer to this question is yes, please provide details of the offense, the date, disposition, etc. ☒ Does not apply to me. ☐ Yes,
7. Please indicate if you have ever entered into a settlement agreement, consent decree, adjournment in contemplation of dismissal, assurance of discontinuance or other, similar agreement with the Securities Exchange Commission, Internal Revenue Service, the U.S. attorney general or the attorney general of any state, a U.S. or district attorney or any other law enforcement or regulatory body concerning the discharge of your duties as a board member of a for-profit or not-for profit entity or as an executive of such entity. If the answer to this question is yes, please provide details of the agreement.
☒ Does not apply to me. ☐ Yes,

Conflicts

8. Please indicate whether you or your spouse knows any of the other school trustees, or prospective or former school trustees. If so, please indicate the precise nature of your relationship. ☐ I / we do not know any such trustees. ☒ Yes, **MR. LUGOVINA WORKS AS A CONSULTANT FOR NARCO FREEDOM SOMETIMES**
9. Please indicate whether you or your spouse knows any person who is, or has been in the last two years, a school employee. If so, indicate the precise nature of your relationship.
☒ I / we do not know any such employees. ☐ Yes,
10. Please indicate whether you or your spouse knows anyone who is doing, or plans to do, business with the charter school (whether as an individual or as a director, officer, employee or agent of an entity). If so, indicate and describe the precise nature of your relationship and the nature of the business that such person or entity is transacting or will be transacting with the school. ☒ I / we do not know any such persons. ☐ Yes,

Brady
07/27

11. Please indicate if you, your spouse or other immediate family members anticipate conducting, or are conducting, any business with the school. If so, please indicate the precise nature of the business that is being or will be conducted. ☒ I / we do not anticipate conducting any such business. ☐ Yes,
12. If the school contracts with an educational service provider (a management company, whether for-profit or not-for-profit), please indicate whether you or your spouse know any employees, officers, owners, directors or agents of that provider. If the answer is in the affirmative, please describe any such relationship.
☒ Not applicable because the school does not contact with a management company or charter management organization.
☒ I / we do not know any such persons.
☐ Yes,
13. If the school contracts with an educational service provider, please indicate whether you, your spouse or other immediate family members have a direct or indirect ownership, employment, contractual or management interest in the provider. For any interest indicated, please provide a detailed description. ☐ N/A. ☒ I / we have no such interest. ☐ Yes,
14. If the school is partnered with an educational service provider, please indicate if you, your spouse or other immediate family member anticipate conducting, or are conducting, any business with the provider. If so, please indicate the precise nature of the business that is being or will be conducted. ☐ N/A. ☒ I / we or my family do not anticipate conducting any such business. ☐ Yes,
15. Please indicate whether you, your spouse or other immediate family members are a director, officer, employee, partner or member of, or are otherwise associated with, any organization which filed an application in conjunction with the charter school, i.e., is partnered with the charter school. (For the identity of all such organizations, please consult with the chair of the charter school board.) To the extent you have provided this information in response to prior items, you may so indicate. ☒ Does not apply to me, my spouse or family. ☐ Yes,
16. Please indicate any potential ethical or legal conflicts of interests that would, or are likely to, exist should you be approved for service on the school's board. Please note that being a parent of a school student, serving on another charter school's board or being employed by the school are conflicts that should be disclosed, but do not make you automatically ineligible to serve as a trustee. ☒ None. ☐ Yes,
17. Please indicate how you would handle a situation in which you believe one or more members of the school's board are involved in self-dealing (working for their own benefit, or the benefit of their friends and family). Please note that simply confronting the involved trustee is not usually a sufficient answer. *Report to the proper authority.*

Other

18. Please affirm that you have read the school board's by-laws and conflict-of-interest policies (Code of Ethics). ☒ I affirm.
19. Please provide any other information that you feel pertinent to the Charter Schools Institute's review.

Certification

I, Janet LERNER, certify to the best of my knowledge and ability that the information I am providing to the State University Trustees/Charter Schools Institute in regards to my application to serve as a member of the board of trustees of the LPAC FAMILY LIFE CHARTER Charter School is true and correct in every respect. SCHOOL

Signature

Date

7-6-11

Please submit this form with the RFI form to the charter school or via mail, facsimile or e-mail (in PDF with signature) to:

Charter Schools Institute
State University of New York
41 State Street, Suite 700, Albany, NY 12207
Telephone: 518/433-8277; Facsimile 518/427-6510
E-mail: [REDACTED]

**DISCLOSURE OF FINANCIAL INTEREST
BY A CHARTER SCHOOL TRUSTEE¹**

FOR INSTITUTE USE ONLY

FILING FOR SCHOOL YEAR: _____

DATE RECEIVED: _____

1. Name of charter school: Family Live Academy Charter School _____
2. Trustee's name (print): Janet M. Lerner, _____
3. Position(s) on board (e.g., chair, treasurer, committee chair, etc.): member _____
4. Home address: _____
5. Business Address: _____
6. Daytime phone: _____
7. E-mail: _____
8. Is Trustee an employee of the school? Yes. ☐ No. ☒ If you checked yes, please provide a description of the position you hold, your salary and your start date.

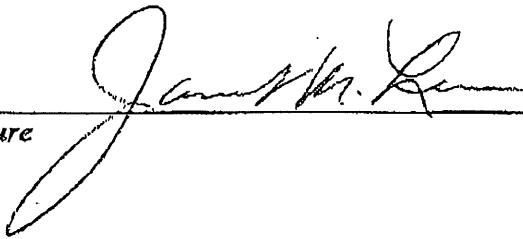
9. Identify each interest/transaction (and provide the requested information) that you or any of your immediate family members have held or engaged in with the charter school during the prior school year. If there has been no such financial interest or transaction, please write "None." Please note that if you answered yes to Question 8, you need not disclose again your employment status, salary, etc. None

Date(s)	Nature of Financial Interest/Transaction	Steps Taken to Avoid a Conflict of Interest, (e.g., did not vote, did not participate in discussion)	Identity of Person Holding Interest or Engaging in Transaction (e.g., you and/or immediate family member (name))
None	None	None	None
None <i>Please write "None" if applicable. Do not leave this space blank.</i>			

10. Identify each individual, business, corporation, union association, firm, partnership, committee proprietorship, franchise holding company, joint stock company, business or real estate trust, non-profit organization, or other organization or group of people doing business with the charter school *and* in which such entity, during the preceding school year, you and/or your immediate family member(s) had a financial interest or other relationship. If you are a member, director, officer or employee of an organization formally partnered with the school that is doing business with the school through a management or services agreement, you need not list every transaction between such entity and the school that is pursuant to such agreement; rather, please identify only the name of the entity, your position in the entity as well as the relationship between such entity and the charter school. If there was no financial interest, please write "None."

Entity Conducting Business with the School	Nature of Business Conducted	Approximate Value of the Business Conducted	Name of Trustee and/or Immediate Family Holding an Interest in the Entity Conducting Business with the School and the Nature of the Interest	Steps Taken to Avoid Conflict of Interest
None	None	None	None	None
Pl. write "None" if applicable. Do not leave this space blank.				

Signature



Date

7-21-11

FILE COPY
 F1AAS
 School Bd. F06
 RTH

Proposal for Family Life Academy Charter School IV
Response 15 - District Relations

Table 15-1: Schools Identified for Possible Partnerships					
School Name	Address	Grades	# of Students	% Meeting ELA	% Meeting Math
I.S. 313 School of Leadership Development	1600 Webster Avenue	6-8	302	14.2	11.2
I.S. 229 Roland Patterson	275 Harlem River Park Bridge	6-8	242	16.7	7
The New American Academy at Roberto Clemente State	275 Harlem River Park Bridge	PK-5	719	16.8	14.1
I.S. 117 Joseph H. Wade	1865 Morris Avenue	6-8	488	16.9	8.6
New Millennium Business Academy Middle School	1000 Teller Avenue	6-8	321	17.9	10.4
P.S. 073 Bronx	1020 Anderson Avenue	PK-5	572	18	11.2
J.H.S. 022 Jordan L. Mott	270 East 167 Street	6-8	421	18.9	12.1
P.S. 132 Garret A. Morgan	1245 Washington Avenue	PK-5	374	21.7	17.9
I.S. 219 New Venture School	3630 Third Avenue	6-8	346	21.9	10.1
P.S. X114 - Luis Llorens Torres Schools	1155 Cromwell Avenue	K-5	711	22.6	23.8
P.S./M.S. 004 Crotona Park West	1701 Fulton Avenue	PK-8	544	22.7	33.1
P.S. 199X - The Shakespeare School	1449 Shakespeare Avenue	PK-5	716	23.5	29.1

These schools were chosen because they are either K-5, 6-8, or K-8 schools who are the lowest performing in ELA in CSD 9. The demographics of these schools mirror those of the schools as a whole in CSD 9 and of FLACS schools.

Response 15a - Relationship Strategies lists several proposed strategies for building a relationship with CSD 9; many of these are also school partnership ideas. Specifically, FLACS IV envisions holding workshops or professional development sessions at its sites that would be open to members from local schools and potentially share curriculum or curriculum development tools with these schools. FLACS IV hopes that this will be the catalyst to form lasting partnerships with these schools.

Response 16a - Facility Needs

FLACS IV intends to open in CSD 9. Table 16-1 lists the number of classrooms needed for FLACS IV.

Table 16-1: Space Requirements by Year for FLACS IV					
Type of Space	Year 1	Year 2	Year 3	Year 4	Year 5
General Education Classrooms	6	9	15	21	27
Small group instructional spaces	2	2	3	5	6
Specialty Classrooms	0	1	2	2	3
Main Office	1	1	1	1	1
Principal's Office	1	1	1	1	1
Assistant Principal Office	1	1	1	2	2
Other Office Space	For 7 people	For 9 people	For 12 people	For 12 people	For 14 people
Food Services	Kitchen Space and Cafeteria Space (to seat at least 125 students at a time)				
Nurse's Office	1	1	1	1	1
Physical Education	Space adequate to fit two classrooms at one time				

Response 16b - Facility Selection

FLACS is actively looking for space available for rental or funding to support the construction of a new facility for FLACS IV.

During its first two years of operation, FLACS IV will co-locate with the FLACS II middle school building, on 316 165th Street, in CSD 9, which will only be using its building at about two-thirds capacity during this time. This building is new construction that will be complete in winter 2019. Since this is new construction and was built as a school property, the facility has been built to meet New York City Department of Buildings School Use and state sanitary specifications; the official certificate of occupancy is anticipated in January or February 2019. This facility has 30 classrooms and a full-size gymnasium and cafeteria. Using this facility for the first two years gives additional flexibility to the organization to secure permanent facilities for the 2022-23 school year.

Over the next 42 months, FLACS will look for a facility to house FLACS IV for 2022-23 and beyond. This timeline is more than adequate to find a building to rent, with time for renovations, or a lot in which a new school could be built and ensure that the building meets New York City Department of Buildings School Use and state sanitary specifications by 2022-23. The board has formed an ad hoc committee, New Facilities, to support this effort. FLACS' community partner, LPAC will also aid in the effort to find space to potentially construct a new school, as FLACS recently did with the property in 316 165th Street for the middle school facility.

At this time, FLACS IV is not intending to be located in a public school facility.

Response 16c - Facility Related Conflicts of Interest

The building at 316 East 165th Street is owned by CG Educational Holding Corporation (CG), a 501(c)(25) not-for-profit real estate holding company organized and controlled by LPAC. CG will pass through the mortgage payments (and any directly related incidental expenses) on the facility to FLACS as rent with no margin to CG itself.

FLACS is seeking a permanent facility for 2022-23 and beyond. If the charter school education corporation or its partner organization would own or lease this facility, FLACS would provide a description of the ownership or lease arrangement indicating specifically any potential conflicts of interest and arrangements by which the education corporation would manage or avoid such conflicts; this would include a fair market valuation of the cost of the facility supported by independent appraisers if required.

Response 16d - Additional Facility Information

Following this page are selected pages from the blueprints for 316 East 165th street, which demonstrate the appropriate designation of the building for school use and give plans for each floor of the facility, and a copy of the lease for 316 East 165th street.

DOB BSCAN

DESCRIPTION

ISSUED TO

DATE

ISS/REV



THIS DOCUMENT IS THE PROPERTY OF LONG CONSULTING. IT IS TO BE USED ONLY FOR THE PROJECT AND SITE SPECIFICALLY IDENTIFIED HEREON. IT IS NOT TO BE REPRODUCED, COPIED, OR TRANSMITTED IN ANY FORM OR BY ANY MEANS, ELECTRONIC OR MECHANICAL, INCLUDING PHOTOCOPYING, RECORDING, OR BY ANY INFORMATION STORAGE AND RETRIEVAL SYSTEM, WITHOUT THE WRITTEN PERMISSION OF LONG CONSULTING. LONG CONSULTING ASSUMES NO LIABILITY FOR ANY ERRORS OR OMISSIONS IN THIS DOCUMENT. THE USER OF THIS DOCUMENT SHALL BE RESPONSIBLE FOR OBTAINING ALL NECESSARY PERMITS AND FOR OBTAINING ALL NECESSARY INFORMATION FROM THE APPROPRIATE AGENCIES AND PERSONS. LONG CONSULTING SHALL NOT BE RESPONSIBLE FOR ANY CONSEQUENCES ARISING FROM THE USE OF THIS DOCUMENT.

**FAMILY LIFE ACADEMY
CHARTER SCHOOL IIB**

316-320 EAST 165TH STREET, BRONX, NY, 10456

**1ST FLOOR
ELECTRICAL
POWER PLAN**

SEAL & SIGNATURE	DATE: 08/11/2017
PROJECT NO: 17-725	
DRAWN BY: VH	
CHECKED: TL	
DRAWING NO: E-201.00	
SHEET NO: 17-725 PLACS 18	

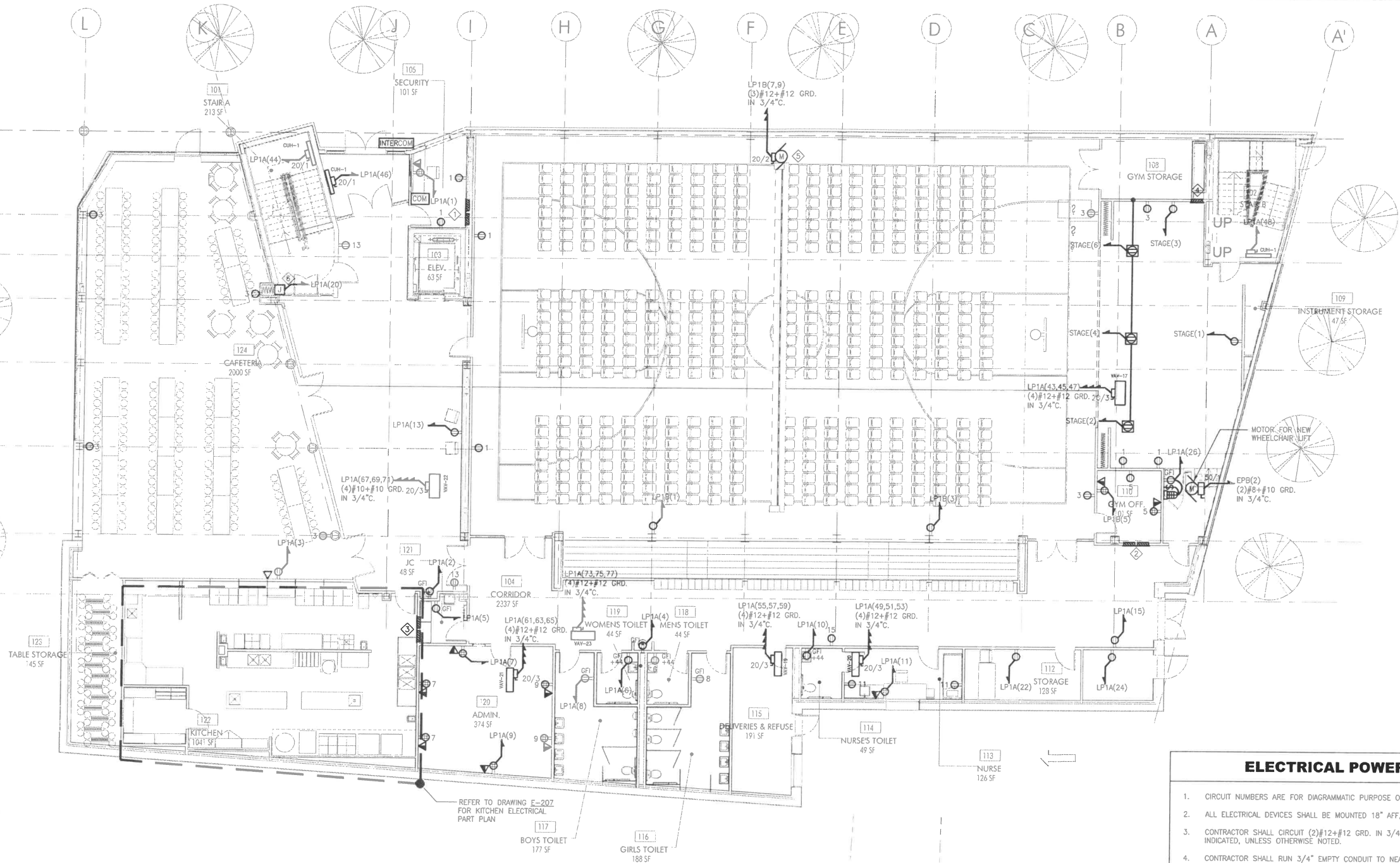
ELECTRICAL POWER NOTES

1. CIRCUIT NUMBERS ARE FOR DIAGRAMMATIC PURPOSE ONLY.
2. ALL ELECTRICAL DEVICES SHALL BE MOUNTED 18" AFF, U.O.N.
3. CONTRACTOR SHALL CIRCUIT (2)#12+12 GRD. IN 3/4" TO PANEL AND CIRCUIT INDICATED, UNLESS OTHERWISE NOTED.
4. CONTRACTOR SHALL RUN 3/4" EMPTY CONDUIT TO NEAREST ACCESSIBLE HUNG CEILING WITH GROMMETED END FITTING FOR TELEPHONE/DATA DEVICE LOCATION. PROVIDE DRAG LINES FOR EMPTY CONDUIT.
5. CONTRACTOR TO REFER TO MECHANICAL AND PLUMBING DRAWINGS FOR LOCATION AND EXACT REQUIREMENTS OF ALL MECHANICAL AND PLUMBING EQUIPMENT. CONTRACTOR TO COORDINATE ALL WORK WITH MECHANICAL AND PLUMBING CONTRACTORS.

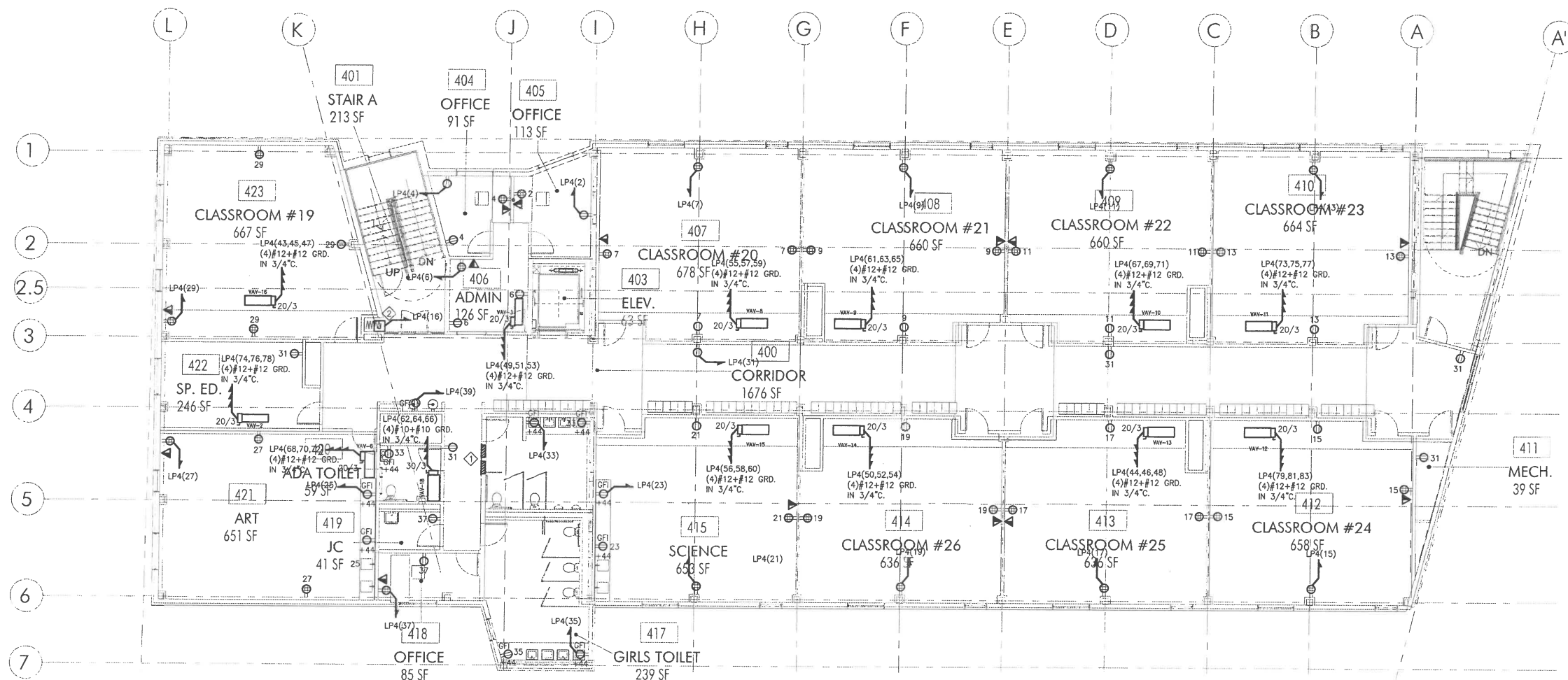
ELECTRICAL KEYNOTES

- 1 NEW PANEL 'LP1A'
200A, 208V, 3Ø, 4W, 2-SECTION, 84-POLE.
- 2 NEW PANEL 'LP1B'
200A, 208V, 3Ø, 4W, 2-SECTION, 84-POLE.
- 3 NEW PANEL 'KP'
200A, 208V, 3Ø, 4W, 2-SECTION, 84-POLE.
- 4 NEW PANEL 'STAGE'
100A, 208V, 3Ø, 4W, 42-POLE.
- 5 NEW MOTOR FOR ELECTRIC OPERABLE CURTAIN SYSTEM. CONTRACTOR SHALL PROVIDE A NEW WALL MOUNTED CONTROL ADJACENT TO THE CURTAIN SYSTEM. COORDINATE ALL WORK AND EXACT REQUIREMENTS WITH MANUFACTURER'S SPECIFICATIONS.
- 6 NEW JUNCTION BOX FOR ACCORDION 'WON' FIRE DOOR. DOOR SHALL BE CONNECTED TO FIRE ALARM SYSTEM AND SHALL CLOSE ON ALARM. COORDINATE EXACT ELECTRICAL REQUIREMENTS WITH MANUFACTURER'S SPECIFICATIONS.

1 1ST FLOOR ELECTRICAL POWER PLAN
SCALE: 1/8" = 1'-0"



REFER TO DRAWING E-207
FOR KITCHEN ELECTRICAL
PART PLAN



1 4TH FLOOR ELECTRICAL POWER PLAN
SCALE: 1/8" = 1'-0"

ELECTRICAL POWER NOTES

1. CIRCUIT NUMBERS ARE FOR DIAGRAMMATIC PURPOSE ONLY.
2. ALL ELECTRICAL DEVICES SHALL BE MOUNTED 18" AFF, U.O.N.
3. CONTRACTOR SHALL CIRCUIT (2) #12+12 GRD. IN 3/4"C. TO PANEL AND CIRCUIT INDICATED, UNLESS OTHERWISE NOTED.
4. CONTRACTOR SHALL RUN 3/4" EMPTY CONDUIT TO NEAREST ACCESSIBLE HUNG CEILING WITH GROMMETED END FITTING FOR TELEPHONE/DATA DEVICE LOCATION. PROVIDE DRAG LINES FOR EMPTY CONDUIT.
5. CONTRACTOR TO REFER TO MECHANICAL AND PLUMBING DRAWINGS FOR LOCATION AND EXACT REQUIREMENTS OF ALL MECHANICAL AND PLUMBING EQUIPMENT. CONTRACTOR TO COORDINATE ALL WORK WITH MECHANICAL AND PLUMBING CONTRACTORS.

ELECTRICAL KEYNOTES

1. NEW PANEL 'LP4' 200A, 208V, 3Φ, 4W., 2-SECTION, 84-POLE.
2. NEW JUNCTION BOX FOR ACCORDION 'WON' FIRE DOOR. DOOR SHALL BE CONNECTED TO FIRE ALARM SYSTEM AND SHALL CLOSE ON ALARM. COORDINATE EXACT ELECTRICAL REQUIREMENTS WITH MANUFACTURER'S SPECIFICATIONS.

ARCHITECTURE

48 UNION STREET,
STAMFORD, CT 06906
P: 203.704.0047
WWW.PPARCHITECT.NET

**LONG
CONSULTING**

26 Main Plain Rd., Unit 2E
Danbury, CT 06801
www.LongEngineers.com
Tel: (203) 683-3703
Fax: (203) 455-3345

DOB BSCAN

ISS/REV	DATE	ISSUED TO	DESCRIPTION



**FAMILY LIFE ACADEMY
CHARTER SCHOOL IIB**

316-320 EAST 165TH STREET, BRONX, NY,
10456

**4TH FLOOR
ELECTRICAL
POWER PLAN**

SEAL & SIGNATURE	DATE: 08/11/2017
PROJECT NO: 17-725	DRAWN BY: VH
CHECKED: TL	DRAWING NO: E-204.00
CAD FILE NO: J:\PHS\2017\25 PLACS IIB	

SHEET REF

SCALE AS NOTED

Excerpts from Architectural Drawings about Building Use

SITE:

316 EAST 165TH ST, THE BRONX, NY 10456
(SOUTH SIDE OF E 165TH ST, BETWEEN TELLER AND FINDLAY AVENUES)

BLOCK: 2432
LOT: 80

ZONE DISTRICT: R7-1 (PAGE 3b)

* LANDMARK DESIGNATION: NONE.
* FLOOD ZONE DESIGNATION: NONE.

LOT AREA: 22,682.00 SQ. FT.
CORNER LOT AREA PORTION: 17,086.00 SQ.FT.
INTERIOR LOT AREA PORTION: 5,636.00 SQ.FT.

PROPOSED USE: SCHOOL, USE GROUP 3A

[24-10] MAXIMUM FLOOR AREA AND LOT COVERAGE

[24-11] FAR: 4.80
(LOT AREA) 22,682.00 SQ. FT. x 4.80 = 108,873.60 SQ. FT. (MAXIMUM ALLOWABLE FLOOR AREA)

MAXIMUM LOT COVERAGE: CORNER LOT PORTION
MAXIMUM LOT COVERAGE: 70%
17,086.00 SQ. FT. x 0.70 = 11,960.00 SQ. FT. (MAXIMUM ALLOWABLE COVERAGE AREA - CORNER LOT PORTION)

MAXIMUM LOT COVERAGE: INTERIOR LOT PORTION
MAXIMUM LOT COVERAGE: 65%
5,636.00 SQ. FT. x 0.65 = 3,663.00 SQ. FT. (MAXIMUM ALLOWABLE COVERAGE AREA - INTERIOR LOT PORTION)

FLOOR AREA SCHEDULE	
FLOOR	FLOOR AREA
FIRST FLOOR	15,839 SF
SECOND FLOOR	11,046 SF
LOWER FLOOR	113 SF
THIRD FLOOR	10,987 SF
FOURTH FLOOR	10,987 SF
ROOF	260 SF
TOTAL FLOOR AREA	49,232 SF

* FLOOR AREA OF A BUILDING SHALL NOT INCLUDE FLOOR SPACE USED FOR ACCESSORY OFF-STREET PARKING SPACES PROVIDED IN ANY STORY LOCATED NOT MORE THAN 23 FEET ABOVE CURB LEVEL

[24-12] PORTION OF THE BUILDING FOR COMMUNITY FACILITY USE AT ANY HEIGHT NOT EXCEEDING 23 FEET ABOVE CURB LEVEL MAY BE EXCLUDED IN DETERMINING THE PERCENTAGE OF LOT COVERAGE.

LOT COVERAGE CALCULATIONS:

A1 = CORNER LOT PORTION 1
A2 = INTERIOR LOT PORTION
A3 = CORNER LOT PORTION 2 (REFER TO SITE PLAN 2/G-103 FOR A1, A2 AND A3 LOCATIONS)

(A1 x 0.7) + (A2 x 0.65) + (A3 x 0.7) = ALLOWABLE LOT AREA
(1321 SF x 0.7) + (5636 SF x 0.65) + (15725 SF x 0.7) = 15,595.6 SF

(15,595.6 SF / 22,682 SF) x 100% = 68.75% (MAX ALLOWABLE LOT COVERAGE)
(11,046 SF / 22,682 SF) x 100% = 48.69% (PROPOSED LOT COVERAGE) < 68.75% (COMPLIES)

[24-30] YARD REGULATIONS: CORNER LOT PORTION

[24-34] FRONT: NOT REQUIRED
[24-35] SIDE: NOT REQUIRED; MINIMUM OF 8 FT IF PROVIDED.
[24-39] REAR: NOT REQUIRED WITHIN 100 FT OF CORNER STREET INTERSECTION.

[24-30] YARD REGULATIONS: INTERIOR LOT PORTION

[24-34] FRONT: NOT REQUIRED.
[24-35] SIDE: NOT REQUIRED; MINIMUM OF 8 FEET IF PROVIDED.
[24-39] REAR: MINIMUM OF 30 FEET.

[24-50] HEIGHT AND SETBACKS- SEE BUILDING PROFILES ON THIS SHEET

[24-52] MAXIMUM HEIGHT OF FRONT WALL: 60 FEET OR 6 STORIES, WHICHEVER IS LESS.

INITIAL SETBACK DISTANCE:
NARROW STREET: (E. 165TH ST., FINDLAY AVE & TELLER AVE.) = 20 FEET MINIMUM.
WIDE STREET: 15 FEET MINIMUM (N/A)

SKY EXPOSURE PLANE:
NARROW STREET: 2.7 (VERTICAL); 1 (HORIZONTAL).

PARKING
[25-31] Schools; R7-1 - NOT REQUIRED

SPECIAL INSPECTIONS REQUIREMENTS:**CODE/SECTION**

STRUCTURAL STEEL - WELDING ✓	1704.3.1
STRUCTURAL STEEL - DETAILS ✓	1704.3.2
STRUCTURAL STEEL - HIGH STRENGTH BOLTING ✓	1704.3.3
STRUCTURAL COLD-FORMED STEEL ✓	1704.3.4
CONCRETE - CAST-IN-PLACE ✓	1704.4
MASONRY ✓	1704.5
SUBGRADE INSPECTION ✓	1704.7.1
SUBSURFACE CONDITIONS - FILL PLACEMENT & ✓	1704.7.2
IN-PLACE DENSITY	1704.7.3
SUBSURFACE INVESTIGATIONS (BORINGS AND TEST PITS)	1704.7.4
DEEP FOUNDATION ELEMENTS ✓	1704.8
EXTERIOR INSULATION FINISH SYSTEMS (EIFS) ✗	1704.12
SPRAYED FIRE-RESISTANT MATERIALS ✓	1704.11
SMOKE CONTROLS	1704.15
MECHANICAL SYSTEMS ✓	1704.15
EXCAVATIONS - SHEETING, SHORING AND BRACING ✓	1704.20.2
SPRINKLER SYSTEMS ✓	1704.23
STANDPIPE SYSTEMS ✓	1704.24
HEATING SYSTEMS ✓	1704.25
FIRE-RESISTANT PENETRATIONS AND JOINTS ✓	1704.27
EMERGENCY AND STANDBY POWER SYSTEMS ✓	1704.31
CONCRETE DESIGN MIX ✓	1905.3
	1913.5
CONCRETE SAMPLING AND TESTING ✓	1905.6
	1913.10

PROGRESS INSPECTIONS

FOOTING & FOUNDATION INSPECTION ✓	BC 110.3.1
ENERGY CODE COMPLIANCE INSPECTIONS ✓	BC 110.3.5
FIRE RESISTANCE RATED CONSTRUCTION ✓	BC 110.3.4

ENERGY CODE PROGRESS INSPECTION

COMPLIANCE WITH TRCN 5000-01 (h) (1) and (2)

- IIA2. INSULATION PLACEMENT AND R VALUES
- IIA3. FENESTRATION U-FACTOR AND PRODUCT RATING
- IIA4. FENESTRATION AIR LEAKAGE
- IIA5. FENESTRATION AREAS*
- IIA6. AIR SEAL AND INSULATION- VISUAL
- IIA7. AIR SEAL AND INSULATION- TESTING
- IIB2. SHUTOFF DAMPERS
- IIB3. HVAC-R AND SERVICE WATER HEATING EQUIPMENT
- IIB4. HVAC-R AND SERVICE WATER HEATING SYSTEM CONTROLS
- IIB5. HVAC-R INSULATION AND SEALING
- IIB6. DUCT LEAKAGE TESTING •
- IIC3. INTERIOR LIGHTING POWER
- IIC4. EXTERIOR LIGHTING POWER
- IIC5. LIGHTING CONTROLS •
- IIC6. ELECTRICAL MOTORS
- IID1. MAINTENANCE INFORMATION

SITE : 316 EAST 165TH ST, BRONX, NY 10456

PROPOSED: SCHOOL

USE CLASSIFICATION: EDUCATIONAL GROUP E - SCHOOL

(TABLE 503) ALLOWABLE BUILDING HEIGHTS & AREAS

GROUP: E

CONSTRUCTION CLASSIFICATION: II-B

ALLOWABLE HEIGHT: 75 FEET - PROPOSED: 60' - 0"

ALLOWABLE STORIES: 4 - PROPOSED: CELLAR + 4 FLOORS

MAXIMUM FLOOR AREA: REFER TO SECTION 506 AND ITS CALCULATIONS
BELOW FOR AREA MODIFICATIONS

APPLICABLE NYC CODES

2014	THE NEW YORK CITY BUILDING CODE
2014	THE NEW YORK CITY PLUMBING CODE
2014	THE NEW YORK CITY MECHANICAL CODE
2014	THE NEW YORK CITY FUEL GAS CODE
2014	THE NEW YORK CITY FIRE CODE
2016	THE NEW YORK CITY ENERGY CONSERVATION CODE
2016	THE NEW YORK CITY ELECTRICAL CODE

(TABLES 503) ALLOWABLE HEIGHT AND BUILDING AREAS REQUIREMENTS

OCCUPANCY GROUP: E			
TYPE OF CONSTRUCTION: II-B	REQUIREMENT:	APPLICABLE EXCEPTIONS:	PROPOSED:
MAXIMUM STORIES	3	+1 STORY = 3+1 = 4 [SEC. 504.2]	4* = 4
MAXIMUM FLOOR AREA	10,500 SF	36,225 SF [SEC.'S 506.1 & 506.2]	15,839 SF < 36,225 SF
MAXIMUM BUILDING HEIGHT	55' - 0"	+ 20' AND 1 ADDITIONAL STORY 55' + 20' = 75' [SEC. 504.2]	59' - 11" < 75

* REFER TO AVERAGE GRADE CALCULATIONS AND APPLICABLE EXCEPTIONS BELOW

APPLICABLE EXCEPTIONS:

(SEC. 504.2) AUTOMATIC SPRINKLER SYSTEM INCREASE

WHERE A BUILDING IS EQUIPPED THROUGHOUT WITH AN APPROVED AUTOMATIC SPRINKLER SYSTEM IN ACCORDANCE WITH SECTION 903.3.1.1, THE VALUE SPECIFIED IN TABLE 503 FOR MAXIMUM HEIGHT IS INCREASED BY 20 FEET (6096 MM) AND THE MAXIMUM NUMBER OF STORIES IS INCREASED BY ONE.

(SEC. 506.1) AREA MODIFICATIONS:

506.1 GENERAL. THE AREAS LIMITED BY TABLE 503 SHALL BE PERMITTED TO BE INCREASED DUE TO FRONTAGE (If) AND AUTOMATIC SPRINKLER SYSTEM PROTECTION (Is) IN ACCORDANCE WITH THE FOLLOWING:
 $A_a = [A_t + (A_t \times If) + (A_t \times Is)]$ [EQUATION 5-1]

WHERE:
 A_a = ALLOWABLE BUILDING AREA PER STORY (SQ. FT.)
 A_t = TABULAR BUILDING AREA PER STORY IN ACCORDANCE W/TABLE 503 (SQ. FT.)
 If = AREA INCREASE FACTOR DUE TO FRONTAGE AS CALCULATED IN ACCORDANCE WITH SECTION 506.2
 Is = AREA INCREASE FACTOR DUE TO SPRINKLER PROTECTION AS CALCULATED IN ACCORDANCE WITH SECTION 506.3

$A_a = [10,500 + (10,500 \times 0.45) + (10,500 \times 2)]$
 $A_a = 36,225$ SF MAXIMUM ALLOWABLE BUILDING AREA PER STORY

(SEC. 506.2) FRONTAGE INCREASE:

WHERE A BUILDING HAS MORE THAN 25 PERCENT OF ITS PERIMETER ADJOINING A PUBLIC WAY OR OPEN SPACE HAVING A MINIMUM WIDTH OF 20 FEET (6096 MM), THE FRONTAGE INCREASE SHALL BE DETERMINED IN ACCORDANCE WITH THE FOLLOWING:

$If = [F/P - 0.25](W/30)$ [EQUATION 5-2]

WHERE:
 If = AREA INCREASE DUE TO FRONTAGE.
 F = BUILDING PERIMETER THAT FRONTS ON A PUBLIC WAY OR OPEN SPACE HAVING 20 FEET OPEN MINIMUM WIDTH (FEET).
 P = PERIMETER OF ENTIRE BUILDING (FEET).
 W = WIDTH OF PUBLIC WAY OR OPEN SPACE (FEET) IN ACCORDANCE WITH SECTION 506.2.1

$If = [388/550 - 0.25] (30/30)$
 $If = 0.45$

(SEC. 506.3) AUTOMATIC SPRINKLER SYSTEM INCREASE:

WHERE A BUILDING IS EQUIPPED THROUGHOUT WITH AN APPROVED AUTOMATIC SPRINKLER SYSTEM IN ACCORDANCE WITH SECTION 903.3.1.1, THE AREA LIMITATION IN TABLE 503 IS PERMITTED TO BE INCREASED BY AN ADDITIONAL 200% ($Is=2$) FOR BUILDINGS WITH MORE THAN ONE STORY ABOVE GRADE PLANE AND ADDITIONAL 300% ($Is=3$) FOR BUILDINGS WITH NO MORE THAN ONE STORY ABOVE GRADE PLANE. THESE INCREASES ARE PERMITTED IN ADDITION TO THE HEIGHT AND STORY INCREASES IN ACCORDANCE WITH SECTION 504.2

$Is = 2$

(TABLES 601 & 602) FIRE RESISTANCE RATING REQUIREMENTS - TYPE II-B CONSTRUCTION

STRUCTURAL FRAME:	REQUIRED:	PROPOSED:
BEARING WALLS		
EXTERIOR	0	0 HR
INTERIOR	0	0 HR
NON-BEARING WALLS & PARTITIONS INTERIOR	0	0 HR
FLOOR CONSTRUCTION	0	0 HR
ROOF CONSTRUCTION	0	0 HR
FIRE SEPARATION DISTANCE FOR EXT. WALLS	≥ 30 FEET = 0 HRS	0 HR
FIRE SEPARATION DISTANCE FOR EXT. WALLS	< 5 FEET = 2 HRS	2 HRS

(SEC. 703.2) FIRE RESISTANCE RATING AND FIRE TEST

FIRE RATED MATERIAL AND EQUIPMENTS SHALL PER ASTM E 119 OR UL 263 OR IN ACCORDANCE WITH SECTION 703.3.

(TABLE 705.8) MAXIMUM AREA OF EXTERIOR WALL OPENINGS

FIRE SEPARATION DISTANCE:	TYPE OF OPENING	ALLOWABLE OPENING	PROPOSED
> THAN 5 & NO MORE THAN 10'	UNPROTECTED	10% OF WALL AREAS	0%
> THAN 30 FEET	UNPROTECTED	UNLIMITED	

(SEC. 706.3.1) SHAFT ENCLOSURE AS PER 708.2

(SEC. 708.2) SHAFT ENCLOSURE REQUIRED
OPENINGS THROUGH A FLOOR/CEILING ASSEMBLY SHALL BE PROTECTED BY A SHAFT ENCLOSURE COMPLYING WITH THIS SECTION.

EXCEPTIONS:

3. A SHAFT ENCLOSURE IS NOT REQUIRED FOR PENETRATIONS BY PIPE, TUBE, CONDUIT, WIRE, CABLE, AND VENTS PROTECTED IN ACCORDANCE WITH SECTION 713.4.

(TABLES 601 & 602) FIRE RESISTANCE RATING REQUIREMENTS - TYPE II-B CONSTRUCTION

STRUCTURAL FRAME:	REQUIRED:	PROPOSED:
BEARING WALLS EXTERIOR INTERIOR	0 0	0 HR 0 HR
NON-BEARING WALLS & PARTITIONS INTERIOR	0	0 HR
FLOOR CONSTRUCTION	0	0 HR
ROOF CONSTRUCTION	0	0 HR
FIRE SEPARATION DISTANCE FOR EXT. WALLS	$\geq$ 30 FEET = 0 HRS	0 HR
FIRE SEPARATION DISTANCE FOR EXT. WALLS	$\leq$ 5 FEET = 2 HRS	2 HRS

(SEC. 703.2) FIRE RESISTANCE RATING AND FIRE TEST

FIRE RATED MATERIAL AND EQUIPMENTS SHALL PER ASTM E 119 OR UL 263 OR IN ACCORDANCE WITH SECTION 703.3.

(TABLE 705.8) MAXIMUM AREA OF EXTERIOR WALL OPENINGS

FIRE SEPARATION DISTANCE:	TYPE OF OPENING	ALLOWABLE OPENING	PROPOSED
> THAN 5 & NO MORE THAN 10'	UNPROTECTED	10% OF WALL AREAS	0%
> THAN 30 FEET	UNPROTECTED	UNLIMITED	

(SEC. 706.3.1) SHAFT ENCLOSURE AS PER 708.2

(SEC. 708.2) SHAFT ENCLOSURE REQUIRED

OPENINGS THROUGH A FLOOR/CEILING ASSEMBLY SHALL BE PROTECTED BY A SHAFT ENCLOSURE COMPLYING WITH THIS SECTION.

EXCEPTIONS:

3. A SHAFT ENCLOSURE IS NOT REQUIRED FOR PENETRATIONS BY PIPE, TUBE, CONDUIT, WIRE, CABLE, AND VENTS PROTECTED IN ACCORDANCE WITH SECTION 713.4.

4. A SHAFT ENCLOSURE IS NOT REQUIRED FOR PENETRATIONS BY DUCTS PROTECTED IN ACCORDANCE WITH SECTION 716.6. GREASE DUCTS SHALL BE PROTECTED IN ACCORDANCE WITH THE NEW YORK CITY MECHANICAL CODE.

10. A SHAFT ENCLOSURE IS NOT REQUIRED FOR JOINTS PROTECTED BY A FIRE-RESISTANT JOINT SYSTEM IN ACCORDANCE WITH SECTION 714.

(SEC. 708.3) MATERIALS

THE SHAFT ENCLOSURE SHALL BE OF MATERIALS PERMITTED BY THE BUILDING TYPE OF CONSTRUCTION.

(SEC. 1009.13) STAIRWAY TO ROOF AND ROOF ACCESS

IN BUILDINGS FOUR OR MORE STORIES OR MORE THAN 40 FEET (12 192 MM) IN HEIGHT ABOVE GRADE, ONE STAIRWAY SHALL EXTEND TO THE ROOF SURFACE THROUGH A STAIRWAY BULKHEAD COMPLYING WITH SECTION 1509.2, UNLESS THE ROOF HAS A SLOPE STEEPER THAN 20 DEGREES (0.35 RAD). ACCESS TO SETBACK ROOF AREAS MAY BE THROUGH A DOOR OR WINDOW OPENING TO THE ROOF. STAIRS TERMINATING AT THE LEVEL OF A SETBACK SHALL PROVIDE ACCESS TO THE SETBACK ROOF AREAS, EXCEPT WHERE THE SETBACK IS LESS THAN 4 FEET (1219 MM) IN WIDTH AND 10 FEET (3048 MM) IN LENGTH, MEASURED FROM THE INSIDE OF THE PARAPET WALL.

(SEC. 1016.1) EXIT ACCESS TRAVEL DISTANCE: W/SPRINKLER SYSTEM = 200 FEET.

(TABLE 1018.1.1) CORRIDOR FIRE RESISTANCE RATING:

OCCUPANCY = E; OCC. GREATER THAN 30;

W/SPRINKLER SYSTEM = 0 HRS.

PROPOSED = 0 HRS.

(SEC. BC 1018.2) CORRIDOR WIDTH REQUIRED IS 66" IN GROUP E SERVING CLASSROOMS. PROVIDED 96".

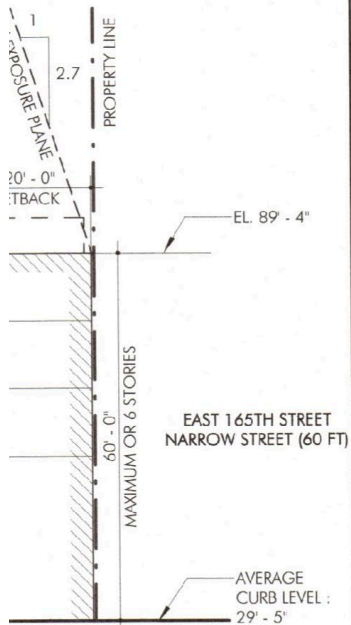
(TABLE 1021.1) MINIMUM NUMBER OF EXITS FOR OCCUPANT LOAD

REQUIRED = 2

PROPOSED = 2

(SEC. 3002.1) ELEVATOR SHAFT ENCLOSURE

ELEVATOR, DUMBWAITER AND OTHER HOISTWAY ENCLOSURES SHALL BE SHAFT ENCLOSURES COMPLYING WITH SECTION 708.



EXAMINED FOR ZONING EGRESS AND FIRE PREVENTION ONLY AS PER DIRM NO. 275

FEB 20 2018

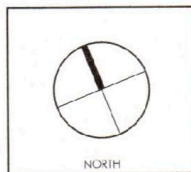
THEODORE FINLEY

TELLER AVENUE
NARROW STREET (60 FT)

AVERAGE
CURB LEVEL :
29' - 5"

SCALE NTS

ISS/REV	DATE	DESCRIPTION
14	02/20/2018	DOB
13	02/08/2018	DOB/ENERGY
12	01/11/2018	DOB/GC
1	09/26/2017	ISSUED FOR BID, ZONING + EGRESS AF



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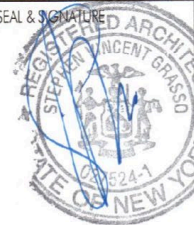
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FAMILY LIFE ACADEMY CHARTER SCHOOL IIB

316 EAST 165TH STREET, THE BRONX, NY 10456

ZONING AND BUILDING CODE INFORMATION

SEAL & SIGNATURE



DATE: 08/29/2017

PROJECT NO.: 17-725

DRAWN BY: TE

CHECKED BY: AG

DRAWING NO:

G-102.00

CAD FILE NO

J:\Proj\2017\725 FLACS IIB

LEASE AGREEMENT

BETWEEN

CG EDUCATIONAL HOLDING CORP.,
a Delaware non-profit corporation

(“LANDLORD”)

AND

FAMILY LIFE ACADEMY CHARTER SCHOOLS,
a charter public school organized and existing under the laws of the State of New York

(“TENANT”)

For the Lease
of

335 E 165TH STREET AND 318 E 165TH STREET,
BRONX, NEW YORK

August 11, 2017

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EXHIBIT A	Legal Description of Land
EXHIBIT B	Form of Addendum to Lease
EXHIBIT C	Form of Tenant Resolution
EXHIBIT D	Form of SNDA

LEASE AGREEMENT

THIS LEASE AGREEMENT (this “**Lease**”), dated as of August 11, 2017 (the “**Effective Date**”), is made by and between CG EDUCATIONAL HOLDING CORP., a Delaware non-profit corporation (“**Landlord**”), and FAMILY LIFE ACADEMY CHARTER SCHOOLS, a charter public school organized and existing under the laws of the State of New York (“**Tenant**”).

RECITALS:

A. Landlord has acquired, or simultaneously herewith will acquire, approximately 0.689 acres of real property and the improvements thereon, if any, located at 335 E 165th Street and 318 E 165th street, in the City of New York, County of Bronx, New York, which real property is legally described on **Exhibit A** attached hereto and by this reference made a part hereof (referred to herein as the “**Land**”). Landlord desires to lease to Tenant and Tenant desires to lease from Landlord the Leased Property, on and subject to the terms and conditions set forth in this Lease.

B. Tenant is a non-profit corporation, and a public charter school organized and existing in good standing pursuant to the New York State Charter Schools Act of 1998, NY Education Law, Title 2, Article 56, §§ 2850–2857, as amended, and all New York laws and regulations governing charter schools (collectively, the “**Charter School Law**”).

C. Tenant is authorized pursuant to the Charter School Law to acquire real property by lease for use as a charter school facility.

D. Tenant desires to operate a charter school at, on, within and from the school facilities located on the Leased Property (the “**Improvements**”) all on and subject to the terms and conditions set forth in this Lease.

NOW THEREFORE, in consideration of the above premises, the mutual covenants and agreements hereinafter set forth and other good and valuable consideration, the receipt and sufficiency of which is hereby acknowledged, and intending to be legally bound hereby, Landlord and Tenant hereby agree as follows:

FUNDAMENTAL PROVISIONS

Total Development Cost: \$30,972,817.00. See Section 3(B).

Annual Fixed Rent: Annual Loan payments payable by Landlord to Lender pursuant to the Loan Agreement, as those increase from time to time

Expiration Date of Fixed Term: Midnight on _____, 2037. See Section 4(B)

Permitted Use:

Operation of a Charter School (or other uses that, as with the advancement of technology, are customary for a public Charter School facility from time to time), which may include other uses incidental to the operation of a Charter School and for no other purpose. See Section 8(A)

1. Attachments to Lease and Exhibits.

Attached to this Lease and hereby made a part hereof are the following:

EXHIBIT A – Legal description of Land

EXHIBIT B –Form of Addendum to Lease

EXHIBIT C -- Form of Tenant Resolution

EXHIBIT D -- Form of SNDA

2. Definitions and Rules of Construction.

(A) **Definitions.** The following terms for purposes of this Lease shall have the meanings hereinafter specified:

“ADA” shall mean the Americans with Disabilities Act of 1990, as amended, 42 U.S.C. §12101 et seq.

“Addendum” shall mean the Addendum to Lease in form attached hereto as Exhibit B.

“Additional Rent” is defined in Section 6(E).

“Affiliate” shall mean as applied to a person or entity, any other person or entity directly or indirectly controlling, controlled by, or under common control with, that person or entity.

“Ancillary Uses” is defined in Section 8(A).

“Annual Fixed Rent” shall mean the annual fixed rent payable hereunder for the Leased Property, which shall be equal to the annual Loan payments payable by Landlord to Lender pursuant to the Loan Agreement, as those increase from time to time.

“Charter” is defined in Section 23.

“Charter School” shall have the same meaning as used by the U.S. Department of Education’s Public Schools Program (as amended) as follows:

(1) A charter school is a public school that

(A) in accordance with a specific State statute authorizing the granting of charters to schools, is exempted from significant State or local rules that inhibit the flexible operation and management of public schools, but not from any rules relating to the other requirements of this paragraph;

(B) is created by a developer as a public school, or is adapted by a developer from an existing public school, and is operated under public supervision and direction;

(C) has a specific set of educational objectives determined by the school's developer and agreed to by the authorized public chartering agency;

(D) provides a program of elementary or secondary education, or both;

(E) is nonsectarian in its programs, admissions policies, employment practices, and all other operations, and is not affiliated with a sectarian school or religious institution;

(F) does not charge tuition;

(G) complies with the Age Discrimination Act of 1975, Title VI of the Civil Rights Act of 1964, Title IX of the Education Amendments of 1972, section 504 of the Rehabilitation Act of 1973, and part B of the Individuals with Disabilities Education Act;

(H) is a school to which parents choose to send their children, and that admits students on the basis of a lottery, if more students apply for admission than can be accommodated;

(I) agrees to comply with the same Federal and State audit requirements as do other elementary and secondary schools in the State, unless such requirements are specifically waived for the purpose of this program;

(J) meets all applicable Federal, State, and local health and safety requirements;

(K) operates in accordance with State law; and

(L) has a written performance contract with the authorized public chartering agency in the State that includes a description of how student performance will be measured in charter schools pursuant to State assessments that are required of other schools and pursuant to any other assessments mutually agreeable to the authorized public chartering agency and the charter school.

“Code” means the Internal Revenue Code of 1986, as the same may be amended or supplemented, and the rules and regulations promulgated thereunder.

“Construction Term” is defined in Section 4(A).

“Curing Party” is defined in Section 29(D).

“Default Rate” shall mean the lesser of (i) the Prime Rate plus four percent (4%) or (ii) the highest rate of interest that may lawfully be charged to the party then required to pay interest under this Lease at the Default Rate.

“Defaulting Party” is defined in Section 29(D).

“Deferred Fixed Rent” is defined in Section 6(D) of this Lease.

“Developer” is FLACS IIB Project Development, LLC, a Utah limited liability company.

“Development Agreement” means that certain Project Development Agreement among Developer and Landlord dated as of the date hereof regarding Construction Work.

“ECS” means Education Capital Solutions, LLC, a Delaware limited liability company.

“Effective Date” is defined in the introductory paragraph of this Lease.

“Environmental Report” is defined in Section 13(B).

“Event of Default” is defined in Section 29(A).

“Existing FLACS Facilities” shall mean collectively, the Facility, the FLACS I Facility, the FLACS II Facility, and the FLACS III Facility.

“Expiration Date” is defined in Section 4(B).

“FF&E” shall mean all equipment, machinery, fixtures and other items of property owned by the Landlord and now or hereafter permanently affixed to or incorporated into the Leased Property, including, without limitation, all furnaces, boilers, heaters, electrical equipment, heating, plumbing, lighting, ventilating, refrigerating, incineration, air and water pollution control, waste disposal, air-cooling and air-conditioning systems and apparatus, sprinkler systems and fire and theft protection equipment, together with all replacements, modifications, alterations and addition thereto; all of which to the maximum extent permitted by law, are hereby deemed to constitute real estate.

“Final Disbursement Date” is defined in Section 4(C).

“Final Plans” shall mean the final plans, drawings and specifications for the Improvements to the Leased Property as built.

“First Mortgage” shall collectively mean that certain Acquisition Loan Mortgage, Security Agreement, Assignment of Leases and Rents and Fixture Filing dated as of the Effective Date, by Landlord in favor of ECS and Developer; that certain Building Loan Mortgage, Security Agreement, Assignment of Leases and Rents and Fixture Filing dated as of the Effective Date, by Landlord in favor of ECS and Developer; and that certain Project Loan

Mortgage, Security Agreement, Assignment of Leases and Rents and Fixture Filing dated as of the Effective Date, given by Landlord in favor of ECS and Developer.

“First Mortgagee” shall mean ECS and Developer and their respective successors and assigns.

“Fiscal Tax Year” shall mean the 12 month period established as the real estate tax year by the taxing authority having jurisdiction over the Leased Property.

“FLACS I Facility” shall mean that certain Charter School operated by Borrower located at 14 West 170th Street, Bronx, New York.

“FLACS II Facility” shall mean that certain Charter School operated by Borrower located at 296-300 East 140th Street, Bronx, New York.

“FLACS III Facility” shall mean that certain Charter School operated by Borrower located at 370 Gerard Avenue, Bronx, New York 10451.

“Force Majeure” is defined in Section 39.

“GAAP” shall mean generally accepted accounting principles consistently applied, as in affect from time to time.

“Governmental Authorities” shall mean all federal, state, county, municipal and local departments, commissions, boards, bureaus, agencies and offices thereof, having or claiming jurisdiction over all or any part of the School Facility or the use thereof.

“Highmark Guarantor” shall mean Highmark School Development, LLC, a Utah limited liability company, as guarantor under that certain Guaranty of Payment of even date herewith executed by Guarantor.

“Hazardous Substances” is defined in Section 13(F).

“Improvements” shall mean the School Facility and any and all other buildings and other improvements to the Land constructed thereon.

“Initial Fixed Term” is defined in Section 4(B).

“Initial Fixed Term Commencement Date” is defined in Section 4(B).

“Land” is defined in the Recitals hereto.

“Landlord” is defined in the introductory paragraph of this Lease.

“Laws” shall mean all present and future requirements, administrative and judicial orders, laws, statutes, ordinances, rules and regulations of any Governmental Authorities, including, but not limited to the ADA.

“Lease” is defined in the introductory paragraph of this Lease.

“Lease Year” shall mean a period of twelve (12) full calendar months, provided that the first Lease Year shall begin on the Initial Fixed Term Commencement Date and shall end on the date which is one (1) year from the last day of the calendar month in which the Initial Fixed Term Commencement Date occurs, and the last Lease Year shall end on the Expiration Date, unless sooner terminated pursuant to any provision hereof. The second Lease Year shall commence on the day immediately following the last day of the first Lease Year and each succeeding Lease Year shall commence on the anniversary of such date (each, an “Adjustment Date”).

“Leased Property” shall mean the Land and the Landlord’s interest therein, all Improvements now existing or hereafter constructed on the Land, all FF&E, appurtenances, rights, easements and privileges thereunto belonging or in any way appertaining, and all other rights, easements and privileges granted to Tenant in this Lease, excluding, however, School’s Property (as defined below).

“Legal Requirements” means the requirements of all present and future Laws, including, but not limited to, all permit and licensing requirements and all covenants, easements, restrictions and conditions, now or hereafter of record which may be applicable to Tenant or the Leased Property, or to the use, manner of use, occupancy, possession, operation, maintenance, alteration, expansion, repair or restoration of the Leased Property.

“Loan” means that certain acquisition and construction loan in the original principal amount of Thirty Million Nine Hundred Seventy-Two Thousand Eight Hundred Seventeen and No/Dollars (\$30,972,817.00) pursuant to the Loan Agreement.

“Loan Agreement” means, collectively, that certain Building Loan Agreement of even date herewith by and between ECS, as lender, and Landlord, as borrower, that certain Project Loan Agreement of even date herewith by and between ECS, as lender, and Landlord, as borrower, and that certain Acquisition Loan Agreement of even date herewith by and between ECS, as lender, and Landlord, as borrower.

“Management Fee” is defined in Section 57.

“Material Adverse Effect” means with respect to any event or occurrence of whatever nature (including any adverse determination in any litigation, arbitration or governmental investigation or proceeding by a Governmental Authority), a materially adverse effect on the business, operations, revenues, financial condition, or property of Tenant or the School or on the ability of Tenant or the School to perform its obligations under this Lease or Charter.

“Mortgage” shall mean any mortgage or deed of trust or other instrument in the nature thereof evidencing a security interest in the Leased Property or any part thereof, including, without limitation, the First Mortgage.

“Mortgagee” shall mean the holder of a Mortgage, including the First Mortgagee.

“Notices” is defined in Section 33.

“Prime Rate” shall mean the per annum interest rate from time to time publicly announced by Citibank, N.A., New York, New York as its base rate. If Citibank, N.A. should cease to publicly announce its base rate, the “Prime Rate” hereunder shall be the prime, base or reference rate of the largest bank (based on assets) in the United States which announces such rate.

“Project Cost” is defined in the Development Agreement.

“Prohibition” is defined in Section 8(C).

“REA” shall mean any applicable reciprocal easement agreement or instrument of similar effect with respect to the Leased Property.

“Released Party” is defined in Section 16(C).

“Releasing Party” is defined in Section 16(C).

“Rent” shall mean Annual Fixed Rent, Deferred Fixed Rent, Additional Rent and any other charges, expenses or amounts payable by Tenant under this Lease.

“Restrictive Agreements” shall mean those certain reciprocal easement agreements, operating agreements, development agreements, easement agreements and/or other similar agreements and instruments that govern and regulate the development of the Land.

“School” shall mean Tenant.

“School Facility” shall mean the school facility located on the Land, including, without limitation, any improvements located on the Land during the Term.

“School’s Property” is defined in Section 11.

“Servicer” shall mean a servicer of the Loan and its successors and assigns. Developer is the initial Servicer.

“SNDA” is defined in Section 25(A).

“State” shall mean the state in which the Leased Property is located.

“State Agency” shall mean the State governmental agency responsible for granting the School the Charter or other agency as designated by the laws of the State to collect and verify enrollment data from public Charter Schools.

“Substantial Completion Date” shall mean that date on which Substantial Completion is achieved. The term “Substantial Completion” shall have the meaning assigned to the term “Substantial Completion” in the Development Agreement.

“Taxes” shall mean: (a) all ad valorem taxes and assessments and governmental charges (including sewer charges), general or special, ordinary or extraordinary, foreseen or unforeseen, of any kind or nature whatsoever, whether imposed by any Governmental

Authorities, which are levied on or charged against the Leased Property, School Facility, this Lease, or the School's Property, personal property or rents, or on the right or privilege of leasing real estate or collecting rents thereon, including any sales or use tax on rents (including the aggregate of any excise, sales, occupancy, franchise, privilege, rental, or transaction privilege tax on, or of any similar tax now or in the future levied, assessed, or imposed by any governmental authority upon, Landlord or the Leased Property as a result (and to the extent) of payments comprising Rent under this Lease, or as a result of Tenant's (or any subtenant's) use or occupancy of the Leased Property) and any other taxes and assessments attributable to the Leased Property or its operation or any tax or assessment or governmental charge imposed or collected in lieu of or in substitution for any such tax, assessment or governmental charge, including without limitation all special assessments, impact fees, development fees, traffic generation fees, parking fees in respect of any Fiscal Tax Year falling wholly within the Term and a portion of any real estate taxes so imposed in respect of any Fiscal Tax Year falling partly within and partly without the Term hereof, equal to the proportion which the number of days of such Fiscal Tax Year falling within the Term hereof bears to the total number of days of such Fiscal Tax Year, and (b) any and all transfer taxes regarding the Leased Property imposed upon and payable by Landlord in connection with the conveyance to Landlord of fee simple title to the Leased Property, and any and all transfer taxes regarding the Leased Property imposed in connection with the creation, grant and conveyance of a leasehold interest (and the grant of any option to purchase) under: (i) any ground lease(s) to Landlord, Tenant or the School regarding the Leased Property, any assignment(s) of such ground leases to any of said parties, and any memoranda of leases regarding the same; (ii) intentionally deleted; (iii) this Lease, any addenda thereto and any memoranda of leases regarding the same; (iv) any other conveyance of leasehold interests to each of Landlord and Tenant; and (v) any conveyance of leasehold interests by Tenant (any and all transfer taxes in connection with the creation, grant or transfer(s) of the fee simple or leasehold interests regarding the Leased Property as described in this subparagraph (b) or in connection with the recording or filing of the deed or memoranda of leases regarding the same, as applicable, are hereinafter collectively referred to as the "Included Transfer Taxes"); excluding, however, any income, franchise, corporate, capital levy, capital stock, excess profits, transfer, revenue, estate, inheritance, gift, devolution or succession tax payable by Landlord other than the Included Transfer Taxes, and any other similar tax, assessment, charge or levy, other than the Included Transfer Taxes, upon, or measured, in whole or in part, by the rent payable hereunder by Tenant except to the extent any such other tax, assessment, charge or levy is imposed in substitution for any ad valorem tax or assessment or except as otherwise provided herein.

"Tenant" is defined in the introductory paragraph of this Lease.

"Tenant's Operating Covenant" is defined in Section 24.

"Tenant's Signs" is defined in Section 21.

"Term" or "Term of this Lease" or "term hereof" means the Initial Fixed Term as defined in Section 4(B) and any renewal or extension thereof.

"Total Development Cost" is defined in the Development Agreement.

“Used” is defined in Section 13(C).

(B) **Rules of Construction.** The following rules of construction shall be applicable for all purposes of this Lease, unless the context otherwise requires:

(i) The terms “hereby,” “hereof,” “hereto,” “herein,” “hereunder” and any similar terms shall refer to this Lease, and the term “hereafter” shall mean after, and the term “heretofore” shall mean before, the date of this Lease.

(ii) Words of the masculine, feminine or neuter gender shall mean and include the correlative words of the other genders and words importing the singular number shall mean and include the plural number and vice versa.

(iii) The terms “include,” “including” and similar terms shall be construed as if followed by the phrase “without being limited to.”

3. Premises.

(A) **Leased Property.** Landlord hereby demises and leases unto Tenant, and Tenant hereby leases from Landlord, for the consideration and upon the terms and conditions herein set forth, the Leased Property during the Term.

(B) **Construction Work.** Landlord and Tenant acknowledge that Developer will develop the School Facility pursuant to the Development Agreement (“**Construction Work**”). As of the Effective Date, the preliminary good faith estimate of Total Development Cost (the “**Preliminary Total Development Cost**”) is Thirty Million Nine Hundred Seventy-Two Thousand Eight Hundred Seventeen and No/Dollars (\$30,972,817.00). The Preliminary Total Development Cost is subject to change as provided in the Development Agreement. Landlord and Tenant acknowledge and agree that Developer and the design-builder engaged by Developer and their respective contractors, subcontractors, representatives and agents shall have the absolute right to enter and access the Leased Property, without notice to Tenant at any time during the Construction Term and thereafter and shall have the right to conduct or cause to be conducted, major or minor renovations, repairs, rebuilds, improvements, or demolitions as are necessary to complete the Construction Work, any punchlist items, and warranty items, without any right of offset or deduction of rent by Tenant. Developer shall be an express third-party beneficiary of this Section.

(C) **Delivery of Leased Property.**

(i) **Acceptance of Delivery.** Landlord shall deliver the Leased Property to Tenant, and Tenant shall accept delivery of the Leased Property from Landlord, on the Substantial Completion Date (“**Delivery Date**”). By occupying the Leased Property, Tenant accepts the same and acknowledges that Developer has complied with all the requirements imposed upon it under the terms of the Development Agreement, and, Tenant accepts the Leased Property, “AS IS, WHERE IS”, WITH NO REPRESENTATION OR WARRANTY BY LANDLORD AS TO THE FITNESS, SUITABILITY, OR USABILITY OF THE LEASED PROPERTY, OR AS TO THE PRESENCE OR ABSENCE OF ANY HAZARDOUS MATERIALS ON, ABOUT OR

ADJACENT TO THE LEASED PROPERTY. In addition, Tenant hereby accepts the Leased Property subject to all applicable zoning, municipal, county and state laws, ordinances and regulations governing and regulating the use of the Leased Property, Restrictive Agreements, and all matters of record, and accepts the Lease subject thereto and to all matters disclosed thereby and by any exhibits attached hereto. Tenant acknowledges that neither Developer nor Developer's agent have made any representation or warranty as to the suitability of the Leased Property for the conduct of Tenant's business or use.

(ii) **Early Entry.** Upon Landlord's and First Mortgagee's prior written consent, which shall not be unreasonably withheld, Tenant shall have access to the School Facility prior to the Initial Fixed Term Commencement Date in order to begin installing Tenant's trade fixtures and personal property, and for any other legal purpose necessary for preparation of the Leased Property for operation by Tenant, provided that such early entry shall not unreasonably interfere with Landlord's Work. Prior to such entry Tenant shall provide Landlord and First Mortgagee with evidence that Tenant has obtained insurance required under the terms of this Lease and shall provide Landlord with a certificate of insurance evidencing such insurance. Such early entry will be at Tenant's sole risk and subject to all the terms and provisions of this Lease as though the Initial Fixed Term Commencement Date had occurred, except for the payment of Rent, which will commence on the Initial Fixed Term Commencement Date, and except that Tenant shall be responsible for all utility services required in connection with Tenant's early entry rights. All rights of Tenant under this section will be subject to the requirements of all applicable Laws.

(iii) **Temporary Space.** If Substantial Completion has not occurred by August 1, 2018, provided that the entire School Facility is incomplete or cannot be occupied, or a portion thereof is incomplete and cannot be occupied, Tenant shall use commercially reasonable efforts to secure a temporary space that Tenant can reasonably conduct its business therefrom ("**Temporary Space**"), and Tenant shall have the obligation to occupy such Temporary Space until the occurrence of Substantial Completion for the entire School Facility.

4. Term.

(A) **Construction Term.** The construction term of this Lease shall commence on the Effective Date and shall expire on the earlier to occur of (i) the day prior to the Delivery Date or (ii) the date that is twelve (12) months from the date of commencement of construction of the School Facility (the "**Construction Term**"). Tenant shall be obligated to open the School Facility immediately following the Delivery Date.

(B) **Initial Fixed Term.** The term of this Lease (the "**Initial Fixed Term**") shall commence on the date following the last day of the Construction Term (the "**Initial Fixed Term Commencement Date**") and shall expire at midnight on _____, 2037 (the "**Expiration Date**"), unless sooner terminated pursuant to any provision hereof.

(C) **Addendum.** Within thirty (30) days after the final disbursement of the Total Development Cost by ECS (“**Final Disbursement Date**”), Tenant and Landlord shall execute the Addendum in the form attached hereto as **Exhibit B**, which shall memorialize, among other things, the Initial Fixed Term Commencement Date, the Expiration Date and the Annual Fixed Rent. Tenant’s failure to execute and deliver such Addendum within ten (10) days after delivery thereof by Landlord shall, at the option of Landlord, constitute a material default under this Lease and, in any event, shall be conclusive upon Tenant that the Addendum as delivered by Landlord is correct in all respects. In addition, Landlord is hereby irrevocably appointed and authorized as agent and attorney-in-fact of Tenant to execute and deliver such Addendum in the event that Tenant fails to execute and deliver such Addendum within ten (10) days after notice from Landlord requesting execution and delivery thereof.

5. **Intentionally Deleted.**

6. **Rent.**

(A) **Construction Term.** No Annual Fixed Rent shall be payable during the Construction Term.

(B) **Annual Fixed Rent.**

(i) Tenant shall timely pay to Landlord for each month during the Term, rent equal to 1/12th of the Annual Fixed Rent, without abatement, adjustment or setoff except as otherwise expressly set forth herein. The Annual Fixed Rent will be paid in twelve (12) equal monthly installments on or before the first (1st) day of each calendar month during the Term, in advance commencing on the Initial Fixed Term Commencement Date and continuing for the remainder of the Initial Fixed Term, as renewed or extended; provided, however, that if the Initial Fixed Term Commencement Date is a date other than the first day of the month, then the first monthly installment of the Annual Fixed Rent shall be made on or before the first (1st) day of the first full calendar month following the Initial Fixed Term Commencement Date and such payment shall be the sum of (1) a pro rata portion of the Annual Fixed Rent payable for a full month, based on the number of days in the month from the Initial Fixed Term Commencement Date to the end of that month and (2) the Annual Fixed Rent for the first full calendar month following the Initial Fixed Term Commencement Date.

(ii) The Annual Fixed Rent and all other Rent due to Landlord under this Lease shall be timely paid to Landlord by electronic transfer to an account designated by Landlord pursuant to written instructions provided in advance by Landlord to Tenant or by check payable to Landlord at the address set forth in **Section 33** hereof, until Tenant receives other written instructions from Landlord.

(C) **Intentionally Omitted**

(D) **Deferred Fixed Rent.** Notwithstanding anything to the contrary contained herein, Tenant shall have the right to defer the first two (2) full calendar monthly installments of the Annual Fixed Rent and to commence paying the Annual Fixed Rent on the first (1st) day of the third (3rd) full calendar month following the Initial Fixed Term

Commencement Date; provided, however, that if the Initial Fixed Term Commencement Date is a date other than the first day of the month, then the first monthly installment of the Annual Fixed Rent after the two-full calendar month deferment shall also include a pro rata portion of the Annual Fixed Rent payable for a full month, based on the number of days in the month from the date that is two (2) months after the Initial Fixed Term Commencement Date to the end of that month (“**Partial Rent**”). Accordingly, as a result of such deferment, Tenant shall make only ten (10) monthly installments of the Annual Fixed Rent during the first Lease Year and Partial Rent (if the Initial Fixed Term Commencement Date is a date other than the first date of the month). The deferred payments of the Annual Fixed Rent as provided in this Section are referred to herein as the “**Deferred Fixed Rent.**”

(E) **Net Lease.** This Lease shall be deemed and construed to be a “net lease”, and Tenant shall pay to Landlord, net throughout the Construction Term and the Term of this Lease, the Rent, free of any charges, assessments, impositions or deductions of any kind and without abatement, deduction or set-off whatsoever except as expressly set forth herein (provided that all Additional Rent, and certain additional costs applicable during the Construction Term shall be added to the Project Cost as herein provided). Under no circumstances or conditions, whether now existing or hereafter arising, or whether beyond the present contemplation of the parties, shall Landlord be expected or required to make any payment of any kind whatsoever or be under any other obligation or liability hereunder, except as herein otherwise expressly set forth. Without limiting the foregoing, Tenant shall pay to the parties respectively entitled thereto, all costs, expenses and charges of every kind and nature relating to the Leased Property (except debt service on any indebtedness of Landlord or except as otherwise expressly set forth herein), which may arise or become due or payable prior to, during or after (but to the extent and only to the extent attributable to or arising during a period falling within) the Construction Term (subject to inclusion thereof in the Project Cost) and Term of this Lease. All of such charges, costs and expenses shall be deemed “**Additional Rent**” and will be due and payable upon demand, if no other time for payment is specified. The parties intend that the obligations of Tenant under this Lease shall be separate and independent covenants and agreements and shall continue unaffected unless such obligations have been modified or terminated pursuant to an express provision of this Lease. As part of Tenant's additional rent obligations under this Lease, Tenant shall also be responsible for reimbursing Landlord for annual accounting costs incurred by Landlord regarding the Lease, including audits in connection with this Lease, audits regarding Tenant's operation at the Leased Property, the filing of any necessary governmental forms regarding the Lease and other accounting costs in connection with the operation of the Charter School on the Leased Property.

(F) **Application of Payments.** Landlord shall have the right to apply any payments received from Tenant in reduction of any amount due under this Lease, in such order as Landlord may elect in its discretion, and regardless of whether Tenant has designated how such payment is to be applied.

(G) **Late Fees.** Landlord may assess a late fee of five percent (5%) of the amount due for any payment due Landlord and not paid within five (5) days of the date due, to compensate Landlord for the extra expense of handling late payments. Such late fee will be in addition to any and all interest and costs of collection of past due amounts.

7. Quiet Possession; Transfer of Title.

(A) **Landlord's Covenant.** Landlord represents and warrants to Tenant that: provided that no Event of Default has occurred and is continuing, Tenant shall have and enjoy, during the Term hereof, the quiet and undisturbed possession of the Leased Property as in this Lease contemplated, free from interference by Landlord or any party claiming under Landlord.

(B) **Leasehold Title Policy.** Tenant may obtain, at its sole cost and expense, binding commitments for the issuance of a leasehold owner's policy on the then-current policy form available in the state in which the Leased Property is located, in amounts so requested by Tenant, written by a title company selected by Landlord and reasonably acceptable to Tenant, committing to insure as of the date of the recording of a memorandum of this Lease the condition and state of the title to the leasehold estate created hereunder. The cost of the foregoing shall be included in the Project Cost. Landlord shall cooperate with Tenant in executing and delivering to Tenant or the title company such reasonable affidavits, undertakings, or other instruments as may be necessary to cause this issuance of such leasehold owner's policies. By executing this Lease, Tenant shall be deemed to have approved and accepted the status of title as reflected in such title commitments.

(C) **Change of Ownership.** Landlord shall promptly notify Tenant in writing of any change in the ownership of the Leased Property or any transfer of Landlord's interest in the Leased Property, giving the name and address of the new owner or transferee, as applicable, and instructions regarding the payment of Rent. In the event of any change in or transfer of title of Landlord in and to the Leased Property or any part thereof, whether voluntary or involuntary, or by act of Landlord or by operation of Laws, Tenant shall have the right to continue to pay Rent to the party to which Tenant was making such payments prior to such change in title until Tenant shall have been notified of such change in title and given satisfactory proof thereof (it being hereby agreed that a letter from the prior owner of the Leased Property notifying Tenant of such transfer and the name and address of the new owner shall be deemed satisfactory proof of such change in title). Tenant acknowledges that the Leased Property, including all Improvements and FF&E, but excluding the School's Property, shall be Landlord's property.

8. Use of Premises.

(A) **During Tenant's Operating Period.** Except with the prior express written consent of the Landlord (which may be granted or withheld in its sole and absolute discretion) or as otherwise provided in this Lease, the Leased Property shall be used only for the operation of a Charter School (or other uses that, as with the advancement of technology, are customary for a public Charter School facility from time to time), which may include other uses incidental to the operation of a Charter School (collectively, "**Ancillary Uses**") and for no other purpose. Notwithstanding anything to the contrary herein, Tenant shall not have the right to use the Leased Property, or any part thereof, for any use or purpose which is not permitted by, or which results in a violation of, any agreement, covenant or restriction to which the Leased Property, or any part thereof, is subject as of the date of this Lease, including any REA or any other Restrictive Agreements applicable to the Leased Property and of which Tenant has been notified in writing by Landlord or of which Tenant has knowledge, actual or constructive.

(B) **Landlord Assistance.** Landlord agrees to execute, without cost to Landlord, such customary applications, consents and other instruments as shall be required by Governmental Authorities to permit the operation of the School Facility as a Charter School, as permitted by this Lease, so long as such applications, consents or other instruments do not impose or subject Landlord to any liability or claim, and Tenant hereby covenants and agrees to indemnify and hold harmless Landlord from and against any and all claims, costs, demands, losses or liabilities (including attorneys' fees) which Landlord may suffer or incur by reason of Landlord's execution of any such applications, consents or other instruments as Tenant may request. If at any time any claims, costs, demands, losses or liabilities are asserted against Landlord by reason of Landlord's execution of any such applications, consents or other instruments as Tenant may request, Tenant will, upon notice from Landlord, defend any such claims, costs, demands, losses or liabilities at Tenant's sole cost and expense by counsel, selected by Tenant, and reasonably acceptable to Landlord.

(C) **Prohibition of Use.** If at any time during the term of this Lease, any Law shall prohibit the use of the School Facility for the purposes permitted in Section 8(A) of this Lease (the "**Prohibition**"), then immediately upon the earlier to occur of (a) Tenant becoming aware of any proposed Prohibition, or (b) Tenant's receipt of any notice from any Governmental Authorities of any Prohibition, Tenant shall promptly notify Landlord of such fact, and Tenant shall have the right (but not the obligation) to proceed, in its or Landlord's name, and at Tenant's sole cost and expense, to take such action as Tenant shall determine to be necessary or desirable to contest or challenge the Prohibition. If a Prohibition should occur or be imposed, nothing in this Section 8(C) shall be deemed to impair Tenant's obligations under Section 13(D) at any time during which Tenant is not prohibited from using such School Facility for the purposes permitted in Section 8(A).

9. Subletting and Assigning.

(A) **Landlord's Consent.** Subject to the provisions of this Section 9, Tenant shall not assign this Lease or sublet the Leased Property in whole or in part by operation of law or otherwise (including merger, consolidation of Tenant into or with any other entity, dissolution of Tenant, change in control, reorganization, sale of Tenant's assets or transfer of membership interest resulting in a change of control of Tenant) without the consent of Landlord and the Mortgagee (if required under the terms of any Mortgage), which consent Landlord and Mortgagee may grant or deny in their sole and absolute discretion.

(B) **Continuation of Liability.** Notwithstanding Landlord's and Mortgagee's consent to any assignment under (A) above, Tenant shall remain liable and responsible under this Lease, unless Landlord and Mortgagee release Tenant in writing.

(C) **Landlord's Assignment.** Anything in this Lease to the contrary notwithstanding, Landlord shall be permitted without Tenant's consent (but after first obtaining the written consent of Mortgagee, which may be withheld in Mortgagee's sole discretion), to sell, transfer, or assign Landlord's interest in the Leased Property and/or this Lease and in such event, Landlord shall be relieved of Landlord's obligations under this Lease to the extent such obligations arise after the date of such sale, transfer, or assignment consented to by Mortgagee, provided that such transferee, or assignee agrees to assume all of the unaccrued obligations under

this Lease and agrees to perform the same to the full extent required under the terms and conditions of this Lease, and further provided that no such sale, transfer or assignment shall violate or cause the revocation or termination of the Charter.

(D) **Rights of Landlord's Lender.** Tenant hereby agrees that the Mortgagee shall have the absolute right at any time after the occurrence and continuance of an Event of Default as herein provided, upon notice to Tenant, to enforce any and all rights Landlord may have under this Lease, and all extensions, modifications and renewals hereof.

(E) **Termination of Lease.** In the event that Landlord terminates this Lease (with the prior written consent of Mortgagee), pursuant to the terms and provisions hereof with respect to the Leased Property, any and all subleases and the rights of all subtenants under such subleases in effect at such Leased Property at such time shall be extinguished unless otherwise approved in writing by Landlord and Mortgagee.

(F) **Licenses, Etc.** For purposes of this Article, subleases shall be deemed to include any licenses, management contracts or other similar arrangements relating to the possession or use of the Leased Property.

(G) **Default Notices After Assignments.** If Landlord and Mortgagee consent in writing to Tenant's assignment in accordance with this Article 9 and Tenant thereafter assigns this Lease in accordance with this Article 9 and with the written consent of Landlord and Mortgagee, then Landlord, when giving notice to said assignee or any future assignee in respect of any default, shall also serve a copy of such notice in the manner provided herein upon the original tenant named in this Lease (the "**Original Tenant**"). The Original Tenant, at its option, shall have the same period that such assignee, as tenant, under this Lease has to cure such default.

10. Continued Possession of Tenant.

Any holding over with respect to the Leased Property after the last day of any extension of the term hereof, or after the last day of the Initial Fixed Term hereof if this Lease is not extended, shall be construed to be a monthly tenancy, on the terms herein set forth, terminable by either party on not less than one month's notice, with the exception that Annual Fixed Rent shall be increased to (i) one hundred twenty five percent (125%) of the Annual Fixed Rent that existed for the year prior to the expiration of the then current term for the first ninety (90) days of holding over following the last day of the applicable term; and (ii) one hundred fifty percent (150%) of the Annual Fixed Rent that existed for the year prior to the expiration of the then current term thereafter. Nothing contained in this Section or elsewhere in this Lease will be construed as Landlord's permission for Tenant to hold over or as limiting Landlord's remedies against a holdover tenant. If the Leased Property is not surrendered at the end of the Term, Tenant will indemnify Landlord for, from and against any loss or liability resulting from delay by Tenant in so surrendering the Leased Property, including without limitation, any claims made by any succeeding tenant based on such delay. This indemnity will survive the expiration or earlier termination of the Lease Term and any holdover term.

11. Fixtures.

Any and all trade fixtures, appliances, furniture and other moveable furnishings and equipment constituting personal property in the School Facility owned by Tenant on the Initial Fixed Term Commencement Date or at any time acquired thereafter by Tenant (all of the foregoing being collectively referred to in this Lease as the “**School’s Property**”), shall not become a part of the realty and may be removed from the School Facility by Tenant at any time during the term hereof or upon the termination of the term hereof. Landlord hereby expressly waives any landlord’s lien, contractual or statutory, to any of the School’s Property located on or connected to the Leased Property, which waiver is self-operative. Additionally, from time to time within ten (10) days following a written request by Tenant, Landlord shall execute and deliver to Tenant, for the benefit of the School, a written waiver (on any form reasonably required by applicable Laws and reasonably acceptable to Landlord) of Landlord’s lien rights under applicable Law with respect to any of the School’s Property. Tenant may grant to its lender(s) a security interest or other lien in the School’s Property (or enter into an equipment lease therefor) and Landlord will permit Tenant’s lender(s) or lessor(s) reasonable access to the School Facility to inspect the School’s Property or to remove the School’s Property in connection with any action to enforce such security interest, lease or other lien.

12. Utilities.

(A) Tenant shall pay all charges for gas, electricity, water, sewer service and other utilities used in the School Facility and the Leased Property during the Construction Term (provided that such costs shall be included in the Project Cost) and during the Term, all such utilities to be separately metered and to be obtained by Tenant from the applicable utility company; provided, however, Tenant also shall be solely responsible for the payment of any connection, tap, hookup or other fee(s) imposed by Governmental Authority or by any utility company to extend and/or connect utility service to the Leased Property (provided that such costs shall be included in the Project Cost with respect to costs arising during the Construction Term).

(B) Tenant shall, at Tenant’s expense, furnish, install (provided that for installation arising during the Construction Term, such costs shall be included in the Project Cost) and maintain in good condition and repair, (i) to points in the School Facility, all storm and sanitary sewers, and all gas, water, telephone, electrical facilities and other utilities of such size and type as may be required to provide adequate service for the Leased Property, and (ii) to Tenant’s Signs, electrical facilities of such size and type as may be required to adequately service Tenant’s Signs. Notwithstanding the foregoing, the initial installation of all such utilities and facilities shall be installed and paid in accordance with the terms of the Development Agreement and thereafter all other costs of maintenance, repair and replacement shall be at Tenant’s sole cost and expense.

13. Governmental Compliance.

(A) **Tenant Responsibilities Generally.** Tenant shall comply with all Laws and Legal Requirements which affect the Leased Property and the School Facility located thereon and the use and occupancy thereof, and shall comply with all laws, licenses and permits related to the operation of the School, including those that involve employee, worker or occupant

health, safety and/or environmental concerns, including, without limitation, those concerning child-occupied facilities. If Tenant receives written notice of any violation of any governmental requirements applicable to the Leased Property, Tenant shall give prompt notice thereto to Landlord and to any Mortgagee.

(B) **Parties; Environmental Knowledge.** Each party hereby acknowledges and agrees that it has received a copy of that certain Phase I Environmental Site Assessment dated June 5, 2017 prepared by PVE, LLC, and that certain letter dated June 19, 2017, prepared by PVE, LLC, regarding the limited subsurface investigation respecting the Leased Property (collectively, the “**Environmental Report**”). Each party is fully aware of the contents of the Environmental Report and accepts that the Leased Property is subject to all matters and conditions disclosed in the Environmental Report. Tenant acknowledges that Landlord has not undertaken any investigation or inquiry with respect to environmental aspects of the Leased Property other than its review of the Environmental Report. Accordingly, Landlord and Tenant each agree to accept the Leased Property “as is,” without any agreements, representations, understandings or obligations on the part of Landlord or Tenant. For the avoidance of doubt, Landlord agrees that Tenant makes no representation, undertakes no obligation, and the provisions of this Section 13 shall not apply with respect to the environmental aspects of the Leased Property disclosed to Landlord in the Environmental Report or otherwise in existence prior to the Initial Fixed Term Commencement Date.

(C) **Landlord’s Environmental Responsibilities During the Term of this Lease.** During the Term of this Lease, Landlord shall not cause any Hazardous Substances to be used, stored, generated or disposed of (collectively “**Used**”) on, in or under the Leased Property by Landlord, except for those Hazardous Substances which may lawfully be Used in the ordinary course of business in the operation of such properties or which may be reasonably required in the performance by Landlord of its obligations under this Lease, and then only to the extent no Laws in effect at such time are violated by Landlord.

(D) **Tenant’s Environmental Responsibilities.** During the Term of this Lease, Tenant shall not cause or permit any Hazardous Substances to be Used on, in or under the Leased Property by Tenant, Tenant’s agents, employees or contractors, or anyone claiming by, through or under Tenant, except in the ordinary course of business in the operation of Tenant’s business as permitted by Section 8, or as reasonably required in performing the obligations of Tenant under this Lease, and then only to the extent no Laws in effect at such time are violated by Tenant.

(E) **Environmental Indemnities.** Tenant shall indemnify and hold Landlord harmless from any and all claims of third parties, and damages, costs and losses owing to third parties or suffered by Landlord, including court costs, reasonable attorneys’ fees and consultants’ fees, arising during or after the Term and reasonably incurred or suffered by the Landlord as a result of any default or breach of any covenant made by Tenant under this Section. It is a condition of this indemnification and hold harmless that the Tenant shall receive notice of any such claim against the Landlord promptly after Landlord first has knowledge thereof, but no failure by the Landlord to promptly notify the Tenant of any such claim shall adversely affect the Landlord’s right to indemnification except (and only to the extent) that the Tenant can prove prejudice as a result of the failure to receive prompt notice. This indemnification and hold

harmless includes any and all costs reasonably incurred by the Landlord after notice to Tenant for any cleanup, removal or restoration mandated by any public official acting lawfully under applicable Laws if Tenant shall not timely perform such work.

(F) **Definition.** As used herein, “**Hazardous Substance**” means any substance that is toxic, radioactive, ignitable, dangerous, harmful, flammable, explosive, reactive or corrosive and that is, in the form, quantity, condition and location then found upon or under the Leased Property regulated by any Governmental Authority. “**Hazardous Substance**” includes any and all materials and substances that are defined as “hazardous waste,” “hazardous material,” “hazardous chemical,” “pollutant,” “contaminant” or “hazardous substance,” in the form, quantity, condition and location then found upon the Leased Property pursuant to Laws. “Hazardous Substance” includes asbestos in any form and any substance containing asbestos, polychlorinated biphenyls, petroleum, lead-based paint, mold, and urea formaldehyde foam insulation.

(G) **Survival.** The provisions of this Section shall survive the expiration or sooner termination of this Lease.

14. Maintenance and Repairs.

Tenant shall pay all costs, expenses, fees and charges incurred in connection with the use or occupancy of the Leased Property, including without limitation, all costs and expenses required to be incurred in the event that any Governmental Authority imposes mandatory controls or guidelines on the School Facility, or any part thereof, relating to the use or conservation of energy, water, gas, oil and electricity or in the event that Landlord is required to make alterations to the School Facility as required to comply with such mandatory or voluntary obligations. Tenant shall at all times, at its own expense, and subject to reasonable wear and tear and damage by casualty or condemnation, which are addressed by Sections 15 and 17, respectively, keep the Leased Property in first class condition and repair as a Charter School. With respect to the Leased Property, such maintenance shall include, without limitation, all interior and exterior repairs (including all replacements of components, systems or parts which are a part of, or are incorporated into, the Leased Property or any part thereof), whether structural or nonstructural, foreseen or unforeseen, ordinary or extraordinary and all common area maintenance including, without limitation, removal of dirt, snow, ice, rubbish and other obstructions and maintenance of sidewalks and landscaping. Tenant acknowledges and agrees that Landlord shall have no obligation to maintain or repair the Leased Property or any portion thereof. Tenant shall have full responsibility for maintenance, repairs, and replacements, capital or otherwise. Tenant shall attend any maintenance training required by Landlord from time to time and shall comply with any maintenance and repair requirements established by Landlord from time to time and all guidelines, requirements and standards contained in any construction and manufacturing warranties with respect to the maintenance, repair and replacement of the Leased Property, any portion thereof, and any equipment serving the Leased Property. All replacements made by Tenant in accordance with the terms of this Lease shall be of like size, kind and quality to the items replaced as they existed when originally installed and shall be subject to Landlord's approval. Tenant shall forthwith replace in a neat and workmanlike manner any glass doors and windows broken upon the Leased Property. Tenant will not overload and will permit no waste, damage or injury to the Leased Property and at Tenant's own cost and

expense, will keep all drainage pipes free and open and will protect water, heating and other pipes so that they will not freeze or become clogged, and will repair all leaks, and will also repair all damages caused by leaks or by reason of a Tenant's failure to protect and keep free, open and unfrozen any of the pipes and plumbing on the Leased Property. Upon Landlord's request, Tenant shall, at its sole cost and expense, contract with a qualified service company approved by Landlord for the periodic maintenance and the repair and replacement, as necessary, of the Leased Property, and any portion thereof, including air-conditioning system serving the Leased Property. Landlord will provide Tenant with a list of required inspections ("**Inspections**") of the Leased Property that Tenant will be required to conduct annually during the Term or as specified by Landlord ("**Inspection Schedule**"). Tenant shall conduct the Inspections in accordance with the Inspection Schedule and shall deliver to Landlord a copy of each Inspection report within thirty (30) days of the completion of the applicable Inspection. If Tenant fails to perform Tenant's obligations under this Section in a manner satisfactory to Landlord in its reasonable determination, Landlord may at its option (but shall not be required to) enter the Leased Property, after ten (10) days' prior written notice to Tenant, and put the same in good order, condition and repair, and the cost thereof together with interest thereon at the Default Rate shall become due and payable as Additional Rent to Landlord upon demand.

15. Damage Clause.

(A) **Damage.** If the School Facility is damaged by fire or other casualty, either in whole or in part, Landlord, subject to compliance with the provisions of any Mortgage, agrees to rebuild and repair the School Facility to operational status, so that such structures and other improvements shall have a value, utility, condition, character as nearly as reasonably practicable to the value, utility condition, character of such structures and other improvements immediately prior to such fire or other casualty (assuming the School Facility to have been in the condition required by this Lease). No Rent shall be abated in connection with such damage; it is understood that Tenant shall carry the business interruption insurance pursuant to Section 16(B)(ii) hereof. All insurance proceeds available as a result of any casualty, including any proceeds payable under Landlord's insurance policy or any other property insurance covering the Leased Property maintained by Tenant or Landlord under Section 16 of this Lease or otherwise, will be payable solely to Landlord (or Mortgagee, as applicable), and Tenant will have no interest in such proceeds. Tenant shall replace all of the School's Property in a manner and in at least a condition equal to that existing prior to the destruction or casualty and the proceeds of all insurance carried by Tenant on the School's Property shall be held in trust by Landlord for the purpose of said repair and replacement.

(B) **Division of Proceeds.** If the Leased Property cannot be rebuilt by reason of any Laws then in effect (provided, however, that in no event shall such prohibition by any Laws relieve Tenant of any of its obligations under this Lease), the proceeds of all hazard insurance on the School Facility which is maintained by Tenant or Landlord pursuant to Section 16 shall belong to Landlord (or Mortgagee, as applicable).

16. Insurance, Indemnity, Waiver of Subrogation and Fire Protection.

(A) **Landlord's Insurance.**

(i) During the Construction Term and the Term hereof, Landlord shall at its expense except as provided below, maintain the insurance coverages required under any Mortgage. Tenant shall be responsible for reimbursing Landlord for Landlord's insurance premiums in connection with such policy of insurance as provided in Subsection (E) below. Notwithstanding any other term or provision to the contrary set forth herein, Landlord's own obligation to maintain certain insurance coverages on the Leased Property pursuant to the terms of the Loan Agreement shall be deemed satisfied if Tenant maintains such insurance coverages as required by those provisions of the Loan Agreement, the policies comply with the Loan Agreement and the policies name Landlord and Mortgagee pursuant to a standard mortgagee clause, additional insured or loss payee as such holder shall elect with respect to such insurance. For the avoidance of doubt, Tenant shall be obligated to maintain insurance as set forth in Section 16(B)(vii).

(B) **Tenant's Insurance.**

(i) **Liability Policy.** Tenant agrees during the Construction Term (if Tenant enters or accesses the Leased Property prior to the Initial Fixed Term Commencement Date) and the Term of this Lease, to maintain, at its expense, commercial general liability insurance against claims for personal injury, bodily injury, death or property damage occurring upon, in or about the Leased Property, such insurance (A) to be on the so-called "occurrence" form containing minimum limits of \$1,000,000.00 per occurrence for personal injury, bodily injury, death or property damage occurring in any one accident or occurrence upon, in or about the Leased Property and \$3,000,000.00 general aggregate; together with \$3,000,000.00 products/completed operations aggregate coverage, and \$10,000,000 umbrella liability, and shall include endorsements for Abuse and Molestation, School Leaders & Educators Errors & Omission and Employee Dishonesty; (B) to continue at not less than the aforesaid limit until required to be changed by Mortgagee in writing by reason of changed economic conditions making such protection inadequate; (C) to cover at least the following hazards, (1) premises and operations, (2) products and completed operations on an "if any" basis, (3) independent contractors, (4) blanket contractual liability for all written and oral contracts, (5) contractual liability covering the indemnities contained herein to the extent the same is available, and (6) all legal liability imposed upon Mortgagee and all court costs and attorneys' fee incurred in connection with the ownership, operation and maintenance of the Leased Property; and (D) to be without any deductible.

(ii) **Business Interruption Insurance.** From the Initial Fixed Term Commencement Date and during the remainder of the Term, Tenant shall, at its expense, keep and maintain for the benefit of Landlord (and Mortgagee, as applicable), coverage for the loss of Rent payable hereunder for a period of up to the next succeeding twelve (12) months.

(iii) **Workers' Compensation Insurance.** Tenant shall maintain, at Tenant's expense, during the Term hereof (and during the Construction Term if Tenant enters or accesses the Leased Property prior to the Initial Fixed Term Commencement Date) with respect to its operations and all of its employees at the Leased Property, a

policy or policies of workers' compensation insurance, in accordance with and in the amounts required by applicable Laws and when applicable to federal laws, Voluntary Compensation and Employer's Liability (including occupational disease) coverage with limits not less than \$100,000.00 per occurrence.

(iv) **Automobile.** Tenant shall maintain, at Tenant's expense, during the Term hereof (and during the Construction Term if Tenant enters or accesses the Leased Property prior to the Initial Fixed Term Commencement Date) comprehensive automobile insurance covering all owned, non-owned and hired automobiles used in connection with the operation of the Leased Property (and each of them) and shall have minimum bodily injury and property damage limits of \$1,000,000.00 combined single limit per occurrence.

(v) **Insurance on Personal Property.** Tenant agrees, at Tenant's expense, to maintain during the entire Lease Term a policy providing fire and extended coverage, vandalism, malicious mischief, sprinkler leakage and special extended coverage insurance in an amount adequate to cover the full cost of replacement of all personal property, inventory, decorations, trade fixtures, furnishings, equipment, Tenant's improvements and betterments, and other contents in the Leased Property.

(vi) **Employee Dishonesty.** Tenant shall maintain, at Tenant's expense, with respect to the operations on the Leased Property, a policy for employee dishonesty with limits not less than \$25,000.00 per claim.

(vii) **D&O Insurance.** During the Term, Tenant shall maintain, at Tenant's expense, a policy or policies of directors' and officers' liability insurance covering certain liabilities which may be incurred by Tenant's officers or directors in the performance of their obligations to Tenant, with limits of not less than \$1,000,000.00 per occurrence.

(viii) **Other Insurance Policies.** In addition to the foregoing policies, Tenant agrees, at Tenant's expense, to maintain such other insurance policies as Landlord or Mortgagee may reasonably require from time to time during the Term, including, without limitation, terrorism insurance.

(C) **Release: Waiver of Subrogation.** Anything in this Lease to the contrary notwithstanding, it is agreed that each party (the "**Releasing Party**") hereby releases the other (the "**Released Party**") from any liability which the Released Party would, but for this Section, have had to the Releasing Party during the Construction Term and Term of this Lease resulting from any accident or occurrence or casualty which is covered by Tenant's required insurance under this Lease (including Liability, Automobile and Workers Compensation), including which is or would be covered by a fire or "all risk" property insurance policy in use in the state in which the Leased Property is located, whether or not the Releasing Party is actually maintaining such an insurance policy, or which is covered by any other casualty or property damage insurance being carried by the Releasing Party at the time of such occurrence, which casualty may have resulted in whole or in part from any act or neglect of the Released Party, its officers, agents or employees; provided, however, the mutual releases hereinabove set forth shall become

inoperative and null and void if the Releasing Party wishes to place such insurance with an insurance company which takes the position that the existence of such release vitiates or would substantially adversely affect any policy so insuring the Releasing Party and notice thereof is given to the Released Party. Notwithstanding any other term or provision to the contrary set forth herein, Tenant agrees and acknowledges that Landlord and any Mortgagee shall have no responsibility or liability for any loss, damage or injury to the School's Property which is located in, on or about the Leased Property at any time and from time to time, regardless of the cause of such loss, damage or injury, and that all of the School's Property is located in, on or about the Leased Property at Tenant's sole risk. Tenant hereby releases Landlord and any Mortgagee from any and all claims with respect to loss, damage or injury to the School's Property located in, on or about the Leased Property, regardless of the cause of such loss, damage or injury, except to the extent the same is caused by any willful or grossly negligent act or omission of Landlord, its agents, employees or contractors.

(D) **General.** All policies of insurance required pursuant to this Section shall be issued by companies approved by Landlord, and authorized to do business in the state where the Leased Property is located. Furthermore, Tenant shall deliver to Landlord a copy of all insurance contracts that are required and such insurance company shall have (i) an A.M. Best rating of not less than "A-VII"; (ii) shall include effective waivers by the insurer of all claims for insurance premiums against all loss payees, additional loss payee, additional insured or named insured; (iii) shall contain such provisions as Landlord deems reasonably necessary or desirable to protect its interest including any endorsements providing that neither Tenant, Landlord nor any other party shall be a co-insurer under said policies and that no modification, reduction, cancellation or termination in amount of, or material change (other than an increase) in, coverage of any of the policies required hereby shall be effective until at least thirty (30) days after receipt by each named insured, additional insured and loss payee of written notice thereof or ten (10) days after receipt of such notice with respect to nonpayment of premium; (iv) shall permit Landlord to pay the premiums and continue any insurance upon failure of Tenant to pay premiums when due; and (v) shall provide that the insurance shall not be impaired or invalidated by virtue of (A) any act, failure to act, negligence of, or violation of the declarations, warranties or conditions contained in such policy by Tenant, Landlord or any other named insured, additional insured or loss payee, except for the willful misconduct or gross negligence of Landlord knowingly in violation of the conditions of such policy or (B) the occupation, use, operation or maintenance of the Leased Property for purposes more hazardous than permitted by the terms of the policy. Tenant shall not have any obligation to deposit or escrow any amounts with Landlord or any other person for the payment of any premiums or other costs of insurance required to be maintained by Tenant hereunder.

(E) **Reimbursement by Tenant.** Tenant shall be responsible for reimbursing Landlord for Landlord's insurance premiums in connection with all policies of insurance that Landlord maintains under the Mortgage, and any other insurance policy relating to the Leased Property, Landlord may elect to maintain from time to time as determined by Landlord in Landlord's reasonable discretion (collectively, "**Landlord's Insurance Policies**"), including, without limitation, Landlord's insurance coverage required under Section 16(A) of this Lease. In addition, Tenant shall be responsible for any costs or deductibles for any Landlord's Insurance Policies carried by Landlord in addition to the cost of annual insurance premiums. Tenant shall pay for Landlord's insurance premiums and deductibles in connection with Landlord's Insurance

Policies as provided in Subsection (F) below. Such insurance expenses shall be considered to be Additional Rent under this Lease.

(F) **Payment; Monthly Installments.** On or prior to the commencement of each Lease Year, Landlord shall submit to Tenant an invoice for the amount of the annual premiums for the Landlord's Insurance Policies paid for by Landlord for such Lease Year. Tenant shall pay such amount within thirty (30) days of Landlord's invoice, provided that if the cost of such annual premiums exceeds \$10,000.00, then Tenant has the right to request Landlord in writing to allow Tenant to pay for such insurance premiums in twelve (12) monthly installments. Upon Landlord's receipt of such request from Tenant, Landlord will use commercially reasonable efforts to arrange for a premium financing contract with a third party to cover such annual premiums. If Landlord is successful in obtaining such contract, Tenant shall be responsible for making all payments under such contract when and as required thereunder, including, without limitation, any interest amount charged by such third party under such contract. For any costs or deductibles for any insurance policy carried by Landlord in addition to the cost of annual insurance premiums, Tenant shall pay Landlord such amounts within thirty (30) days after demand by Landlord.

(G) **Developer's Insurance During Construction Term.** The parties hereto acknowledge that during the Construction Term, Developer will maintain (i) property insurance for the Improvements on a builder's risk policy form throughout the time while the construction is being performed, which insurance shall be in an amount not less than the guaranteed maximum price set forth in that certain design-build contract between Developer and Design-Builder (as defined in the Development Agreement) and shall include the interests of Borrower, Developer, Lender, and Highmark Guarantor; and (ii) commercial general liability insurance against claims for personal injury, bodily injury, death or property damage occurring upon, in or about the Leased Property, such insurance will name Landlord and ECS as additional insureds. The parties further acknowledge that the cost of such insurance will be included in the Project Cost.

17. Condemnation.

(A) **Restoration.** In the event a material part of the Leased Property (meaning any part of the School Facility) is so taken, then Landlord shall, to the extent of the condemnation award made available therefor and subject first to any and all requirements of the Mortgage, restore the School Facility to a complete unit as similar as reasonably possible in design, character and quality to the building which existed before such taking. In the event the School Facility is partially taken, there shall be no reduction or adjustment in the Annual Fixed Rent and other charges thereafter payable hereunder. Any restoration work to be performed pursuant to this Section shall be completed in accordance with the Mortgage and with plans and specifications which shall have been approved by Landlord, Mortgagee, and Tenant, and all condemnation awards shall be applied to pay the costs and expenses of such restoration work to the extent required.

(B) **Condemnation Proceeds.** In any such proceeding whereby all or part of the Leased Property is taken, all such condemnation awards shall be the sole and exclusive property of the Landlord (subject to the rights of Mortgagee under any Mortgage); provided that

Landlord will not be entitled to any award made to Tenant for loss of business, cost of removal of trade fixtures and relocation expenses.

(C) **Temporary Taking Awards.** If by reason of a taking Tenant shall be temporarily deprived in whole or in part of the use of the School Facility or any part thereof, the entire award made as compensation therefor shall belong to Tenant, and there shall be no abatement of the Annual Fixed Rent payable hereunder.

(D) **No Taking by Landlord Action.** Landlord shall not initiate or take any action seeking a public or private taking of the School Facility or the Leased Property or any part of them. Landlord shall not settle or consent to any condemnation proceeding or taking without first advising Tenant (and any Mortgagee) of such proceeding(s).

18. Indemnification Generally.

(A) **Tenant Indemnity.** Tenant agrees to indemnify and save harmless, Mortgagee, Landlord, and their respective trustees, directors, officers, agents and servants from and against all liabilities, costs and expenses (including reasonable attorney's fees and expenses) and all actual damages imposed upon or asserted against the Mortgagee, and/or Landlord, as the owner of the Leased Property, or consequential damages imposed upon or asserted against any Mortgagee or Landlord by unaffiliated third parties, including, without limitation, any liabilities, costs and expenses damages imposed upon or asserted against Mortgagee or Landlord, on account of (i) any failure on the part of Tenant to perform or comply with any of the terms of this Lease or use, misuse, non-use, maintenance or repair by Tenant of the Leased Property, (ii) any impositions which are the obligation of Tenant to pay pursuant to the applicable provisions of this Lease, (iii) any liability Tenant may incur or suffer as a result of the ADA affecting the Leased Property, (iv) any accident, injury to or death of any person or damage to property on or about the Leased Property, except in each instance to the extent the same is caused by any willful or grossly negligent act or omission of Mortgagee or Landlord, their agents, employees or contractors; and (v) any and all liabilities, claims, demands, damages, penalties, expenses (including, without limitation, reasonable costs and attorneys' fees including reasonable costs and attorneys' fees on any appeal), judgments, proceedings and causes of action imposed upon, incurred by, or asserted against Landlord or Mortgagee, which arise out of, or are alleged to have arisen out of, any violation by Tenant or Tenant's agents, contractors, subtenants, employees, licensees, concessionaires or invitees (collectively, "**Tenant's Agents**") of any of the terms or provisions of any Mortgage. If at any time any claims, costs, demands, losses or liabilities are asserted against Mortgagee or Landlord by reason of any of the matters as to which Tenant indemnifies Mortgagee or Landlord hereunder, Tenant will, upon notice from Landlord, defend any such claims, costs, demands, losses or liabilities at Tenant's sole cost and expense by counsel selected by Tenant and reasonably acceptable to Mortgagee and/or Landlord.

19. Tenant to Pay Taxes.

During the Construction Term (subject to inclusion thereof in the Project Cost) and Term of this Lease, Tenant shall pay the Taxes directly to the appropriate taxing authorities prior to their delinquency. Landlord will cooperate with Tenant, at Tenant's sole cost and expense, in submitting any applications or other forms to the applicable taxing authority such

that the Leased Property may receive a reduction or exemption in Taxes due to the use of the Leased Property as a Charter School. Tenant shall have the right (but shall not be obligated) to contest the Taxes or the validity thereof by appropriate legal proceedings or in such other manner as it shall deem suitable, and Landlord shall join in such contest, protest or proceeding, but at Tenant's sole cost and expense. Landlord shall not, during the pendency of such legal or other proceeding or contest, pay or discharge any Taxes on the Leased Property, or tax lien or tax title pertaining thereto, provided Landlord may do so in order to stay a sale of the Leased Property through foreclosure of a tax lien thereon. Any refund obtained by Tenant shall be paid first to Tenant to the extent of its costs and expenses of such contest and on account of any portion of the Taxes so refunded which was previously paid by Tenant.

20. Alterations and Tenant's Liens.

(A) **Minor Alterations.** So long as no Event of Default shall have occurred and be continuing, Tenant may, at its expense, make any additions, modifications or alterations to the Leased Property with prior written notice to Landlord (which consent shall not be unreasonably withheld, conditioned or delayed) and Mortgagee (which consent may be withheld in Mortgagee's sole and absolute discretion); provided that (i) upon completion of such additions or alterations, neither the fair market value of the Leased Property shall be materially lessened thereby nor the utility or condition of the Leased Property materially impaired, below the value, utility or condition thereof immediately prior to such action (ii) such additions or alterations do not materially, adversely affect the use of the Leased Property as set forth in Section 8, (iii) such work shall be completed in a good and workmanlike manner and in compliance with all applicable Laws and insurance requirements; and (iv) such additions or alterations are non-structural in nature. Title to all additions, modifications or alterations to any of the Leased Property shall be and remain part of the Leased Property and subject to this Lease.

(B) **Title to Tenant's Alterations.** Subject to the provisions of Section 11, any alterations, changes, improvements and additions made by Tenant shall immediately become the property of Landlord and shall be considered a part of the School Facility.

(C) **No Tenant Liens.** Tenant shall not permit any mechanic's, materialman's or other similar lien to be foreclosed against the Leased Property by reason of work, labor, services or materials performed by or furnished to Tenant or anyone holding any part of the Leased Property under Tenant. If any such lien shall at any time be filed, Tenant may contest the same in good faith but Tenant shall, prior to foreclosure thereof, cause such lien to be released of record by payment, bond, order of a court of competent jurisdiction or otherwise. Nothing contained in this Lease shall be construed as a consent on the part of Landlord to subject Landlord's estate in the Leased Property to any lien or liability under the lien laws of the state in which the Leased Property is located. Notwithstanding the foregoing, if any mechanics', materialmen's or other similar lien is filed against the Leased Property, and the amount of such lien claim exceeds \$50,000.00, then Tenant shall, within thirty (30) days after the filing thereof, remove, or bond over, or provide such other security satisfactory to Landlord, protecting Landlord from loss or liability by reason of such lien. Tenant hereby covenants and agrees to indemnify and hold harmless Landlord from and against any and all claims, costs, demands, losses or liabilities (including attorneys' fees) which Landlord may suffer or incur by reason of any such mechanics', materialmen's or other similar lien.

(D) **Landlord Elective Improvements.** During the Term of this Lease, Landlord shall not be required to build or rebuild any improvements to the Leased Property or the School Facility, or to make any repairs, replacements, alterations, restorations or renewals thereto. In the event that Landlord should, in its sole discretion elect to make capital improvements to the Leased Property, it may only do so with Tenant's consent, which may be given or withheld in Tenant's sole discretion without any adjustment in Rent.

21. Tenant's Signs.

Tenant shall have the right to erect and maintain signs ("Tenant's Signs") in and about the Leased Property and elsewhere subject only to any applicable Laws, Legal Requirements and any applicable REA or other Restrictive Agreement. In no event shall any of Tenant's Signs make reference to Landlord, without Landlord's consent, which may be withheld in Landlord's sole discretion.

22. Restrictive Agreements; REA; Grants of Easements.

To the extent there are any Restrictive Agreements or grants of easements related to the Leased Property, Landlord and Tenant hereby agree as follows:

(A) Landlord shall not approve or agree to any amendment of any Restrictive Agreement which materially adversely affects the rights granted to Landlord thereunder without Tenant's prior consent, which shall not be unreasonably withheld. In no event shall Tenant's consent be required for any easements necessary for the construction of the School Facility and other improvements to the Leased Property.

(B) Landlord shall not unreasonably withhold, condition or delay the grant of utility, access and similar easements which are requested by Tenant, to the extent necessary for the use and operation of the Leased Property for the uses permitted hereunder so long as such easements and agreements do not materially reduce the value of the Leased Property. Landlord will use commercially reasonable efforts to cause any lender to subordinate their respective lien of its mortgage or deed of trust to any such utility, access and similar easements.

(C) Tenant agrees during the Term of this Lease to comply with and promptly perform each and all of the terms and provisions of any Restrictive Agreements, if any, insofar as they relate to the School Facility and the Leased Property. Without limiting the generality of the foregoing, Tenant agrees to pay any assessments, costs, common area maintenance and operating charges, lighting charges, all common area cost contributions, and any and all other amounts that Landlord or the owner of the Leased Property would otherwise be obligated to pay under any Restrictive Agreement.

(D) Landlord agrees to use commercially reasonable efforts, at Tenant's expense, to cooperate with Tenant in the exercise of any rights or remedies pursuant to the Restrictive Agreements the exercise of which Tenant reasonably believes is necessary or prudent with respect to the Leased Property. Tenant hereby covenants and agrees to indemnify and hold harmless Landlord from and against any and all claims, costs, demands, losses or liabilities (including attorneys' fees) which Landlord may suffer or incur by reason of any failure by Tenant to pay and perform all of the terms of, or any violation by Tenant of or noncompliance by

Tenant with any of the covenants and agreements contained in, the Restrictive Agreements, or any of them, regardless of whether such provisions are binding upon the Leased Property or the holder of the tenant's interest in this Lease. If at any time any claims, costs, demands, losses or liabilities are asserted against Landlord by reason of any failure by Tenant to pay and perform all of the terms of, or any violation by Tenant of or noncompliance by Tenant with any of the covenants and agreements contained in, the Restrictive Agreements, regardless of whether such provisions are binding upon the holder of the tenant's interest in this Lease or the Leased Property, Tenant will, upon notice from Landlord, defend any such claims, costs, demands, losses or liabilities at Tenant's sole cost and expense by counsel reasonably acceptable to Landlord. Landlord will promptly provide to Tenant a copy of any notice received by Landlord in connection with any Restrictive Agreement.

23. School Charter.

(A) Tenant shall take all action reasonably capable of being taken by Tenant so that the charter required for the operation of the Charter School in the School Facility on the Leased Property (the "Charter") remains in full force and effect and upon the expiration thereof, such Charter is continually renewed. Subject to Section 29, it shall be an Event of Default in the event that the Charter of the School is terminated or revoked in any respect, but it shall not be an Event of Default if Tenant receives a notice of revocation or probation with respect to its Charter so long as Tenant takes all action necessary to prevent the Charter from being revoked and keeps Landlord continually advised of its progress in causing the notice of revocation or probation to be withdrawn and the Charter to remain in full force and effect. To the extent legally permissible, Landlord shall have the right, at its option, to cure any default of Tenant under this paragraph and all monies expended by Landlord in doing so, together with any reasonable attorneys' fees incurred, shall be paid upon demand by Tenant to Landlord. Tenant covenants and agrees to the extent legally permissible to provide Landlord with all information reasonably requested by Landlord pertaining to the School and the Charter as and when requested by Landlord from time to time. Tenant hereby authorizes Landlord, after written notice to Tenant, to make such inquiries of governmental authorities and others as Landlord shall reasonably deem necessary or desirable with respect to the status of the Charter or School. On or prior to the first day of each Lease Year, Tenant shall provide to Landlord documentation from the governmental agency responsible for granting the School its Charter that Tenant is in good standing under its Charter.

(B) Tenant acknowledges and agrees that to the extent permitted by the State Agency, all operating revenues derived by the School from enrollment of students in the Charter School operating on the Leased Property during the Term of the Lease, including all revenues paid or derived from the State, the State Agency, or other entity which provides funding for the operation of the Charter School, are required to be applied first to any and all Rents due by Tenant under this Lease, with the remainder to be applied to operating costs and expenses relating to the School Facility.

(C) Tenant acknowledges and agrees that it shall allocate all revenues paid by the State for the each of the Existing FLACS Facilities, including the Charter School to be operated by Tenant on the Leased Property, based on the enrollment count for each Charter School (or the applicable formula applied by the State). Accordingly, Tenant shall allocate any

and all such revenues to the Charter School operated on the Leased Property pursuant in accordance with the invoice submitted to the State for such Charter School.

24. Tenant's Covenant to Operate.

Tenant will, subject to the remainder of this Section and the provisions of Sections 8, 9, 15 and 17, operate a Charter School in the School Facility (such covenant being herein called "**Tenant's Operating Covenant**"). Temporary cessations due to Force Majeure or other reasons beyond the reasonable control of Tenant will not be deemed to be a violation of Tenant's Operating Covenant.

25. Intentionally Deleted.

26. Tenant's Right to Control Operations.

Nothing contained in this Lease or in rules or regulations (if any) promulgated by Landlord shall be deemed in any way to (i) regulate the manner of operation by Tenant of its business in the School Facility and/or the hours and/or days of such operation, or (ii) require Tenant to operate at times or hours different than the majority of other schools in the community.

27. Estoppel Certificate; Attornment and Priority of Lease; Subordination.

(A) **Estoppel Certificate.** Tenant agrees, within twenty-one (21) days after written request by the other party, to execute, acknowledge and deliver to and in favor of the proposed holder of any Mortgage or purchaser of the Leased Property, an estoppel certificate in such form as Landlord and any Mortgagee may reasonably require, but stating no less than: (i) whether this Lease is in full force and effect; (ii) whether this Lease has been modified or amended and, if so, identifying and describing any such modification or amendment; (iii) the date to which rent and any other charges have been paid; and (iv) whether such party knows of any default on the part of the other party or has any claim against the other party and, if so, specifying the nature of such default or claim. Notwithstanding the foregoing, the parties agree that it shall not be reasonable for Landlord to require an estoppel certificate that modifies the terms of this Lease.

(B) **Attornment by Tenant.** Subject to Tenant's rights of non-disturbance as herein provided, Tenant shall, in the event any proceedings are brought for the foreclosure of, or in the event of the exercise of the power of sale under, any Mortgage prior in lien to this Lease made by Landlord, attorn to the purchaser upon any such foreclosure or sale and recognize such purchaser as Landlord under this Lease, provided such purchaser assumes Landlord's obligations under this Lease, in a written agreement in recordable form and with substance reasonably acceptable to Tenant, containing a covenant binding upon such purchaser to the effect that as long as Tenant shall not be in default under this Lease, this Lease shall not be terminated or modified in any respect whatsoever, nor shall the rights of Tenant hereunder or its occupancy of the Leased Property be affected in any way by reason of such Mortgage or any foreclosure action or other proceeding that may be instituted in connection therewith, and that, except to the extent that the holder of such Mortgage is required to do so to effectively foreclose such Mortgage, Tenant shall not be named as a defendant in any such foreclosure action or other proceeding.

(C) **Subordination/Non-Disturbance.** Tenant accepts this Lease subject and subordinate to any mortgage or deed of trust presently existing or hereafter arising on the Leased Property, and to any renewals, refinancing, extensions and replacements thereof, subject to Tenant's and any Mortgagee's mutual execution and delivery of a subordination, non-disturbance and attornment agreement substantially in the form attached hereto as **Exhibit D** and incorporated herein by this reference ("SNDA"), which shall be recorded in the official real estate records of Bronx County, New York. In further confirmation of this subordination, Tenant shall execute and promptly deliver any truthful certificate that Landlord or any Mortgagee may require, and upon request of the holder of any Mortgage, Tenant shall confirm the subordination of its rights under this Lease to the lien thereof and to all advances made or hereafter to be made upon the security thereof, by executing, acknowledging and delivering an SNDA in the form attached hereto as **Exhibit D** or any other subordination, non-disturbance and attornment instrument required by a Mortgagee and reasonably acceptable to Tenant.

(D) **Other Instruments.** Landlord and Tenant, upon request of any party in interest shall execute promptly such commercially reasonable instruments or certificates to carry out the provisions of this Section 27; provided, however, neither party shall be required to execute any such instruments or certificates that would in any way modify the terms and provisions of this Lease.

28. Tenant's Representations and Warranties. Tenant hereby represents and warrants to Landlord as follows:

(A) **Organization and Authority.** Tenant is a non-profit corporation, duly organized and validly existing in good standing under the laws of the state of its organization identified in the introductory paragraph of this Lease; Tenant is duly qualified to do business and is in good standing in every state where the nature or extent of its business or properties require it to be qualified to do business as a foreign limited liability company or corporation (as applicable); Tenant has obtained all licenses and permits and has filed all registrations necessary for the lawful operation of its business; and Tenant has the corporate power and authority to own its properties and carry on its business as now being conducted.

(B) **Due Authorization.** Tenant is duly authorized to execute, deliver, and perform its obligations under this Lease; this Lease has been properly authorized by all requisite corporate action, and its directors; this Lease has been duly executed and delivered on behalf of Tenant; this Lease constitutes the legal, valid and binding obligation of Tenant, enforceable against Tenant in accordance with its terms. Concurrently with the execution of this Lease, Tenant shall provide a duly authorized and executed resolution authorizing the execution of the Lease in the form attached hereto and **Exhibit C**.

(C) **Single Purpose Entity.** Tenant's purpose is limited to the operation of charter schools in the Bronx, New York area. Tenant does not own any other property other than School's Property and any personal property related to the Existing FLACS Facilities (defined later), and does not lease any asset or property other than the Leased Property and the Existing FLACS Facilities; Tenant will not engage in any business other than the activities contemplated by this Lease and the operation of the Charter Schools at the Existing FLACS Facilities; Tenant will maintain all of its books, records, financial statements and bank accounts separate from

those of its affiliates and any constituent party and Tenant will file its own tax returns, provided, however, that Tenant's assets may be included in a consolidated financial statement with its affiliates provided that the appropriate notations shall be made on such consolidated financial statement to indicate the separateness of Tenant and such affiliates and to indicate that none of such affiliates assets and credit are available to satisfy the debts and other obligations of Tenant; Tenant will maintain a separate bank account and separate set of books and records for each Charter School it operates; Tenant will be, and at all times will hold itself out to the public as, a legal entity separate and distinct from any other entity (including any affiliate of Tenant, any constituent party of Tenant, or any affiliate of any constituent party of Tenant), shall correct any known misunderstanding regarding its status as a separate entity, shall conduct business in its own name, shall not identify itself or any of its affiliates as a division or part of the other and shall maintain and utilize a separate telephone number and separate stationery, invoices and checks; Tenant will maintain adequate capital for the normal obligations reasonably foreseeable in a business of its size and character and in light of its contemplated business operations.

(D) **Consents; Permits; Licenses.** To its knowledge, all necessary consents have been obtained, and no consent, permit, license, approval or authorization of, or registration, declaration or filing with or notice to, any Governmental Authority is required in connection with the execution, delivery or performance by Tenant, or the validity or enforceability against Tenant, of this Lease.

(E) **Legal Restraint.** Neither this Lease nor the performance by Tenant of the Tenant's obligations hereunder violates (i) any Legal Requirements, (ii) the articles of organization, partnership agreement or operating agreement of Tenant, or (iii) any agreement, indenture or undertaking to which Tenant is a party or by which Tenant or any of its respective properties are bound or affected, or constitutes a default thereunder or results in the creation or imposition of any lien.

(F) **Litigation and Proceedings.** There is no pending or, to the knowledge of Tenant, threatened action, suit, investigation or proceeding affecting Tenant before any court, arbitrator, or Governmental Authority which, if adversely determined, could have a Material Adverse Effect. To the knowledge of Tenant, Tenant is in compliance with any applicable statute, rule, order, decree or regulation of any arbitrator or Governmental Authority having jurisdiction over Tenant, except where failure to comply will not have a Material Adverse Effect.

(G) **Financial Statements.** All Financial Statements furnished to Landlord by Tenant and, to the best of Tenant's knowledge, furnished by the School, are true, complete and correct, and fairly reflect the financial condition and results of the operations of Tenant or the School, as the case may be, as of the dates and for the periods stated therein.

(H) **No Change in Condition.** Since the date of the most recent Financial Statements of Tenant and the School delivered to Landlord, there has been no change which would have a Material Adverse Effect.

(I) **No Default.** To its knowledge, Tenant is not in default in any respect in the payment or performance of any obligations for any material indebtedness or any other monies borrowed or under any mortgage, deed of trust, indenture, lease, contract or other

agreement or undertaking to which Tenant is a party or to which Tenant may be bound or affected and no default or event of default has occurred and is continuing. To the best of Tenant's knowledge, Tenant is not in default under any order, award or decree of any arbitrator or Governmental Authority binding upon or affecting Tenant or by which Tenant's property may be bound or affected, and no such order, award or decree would adversely affect the ability of Tenant to carry on its business as now conducted or to perform Tenants' obligations under this Lease.

(J) **Compliance With Laws.** To the knowledge Tenant, Tenant is in compliance in all material respects with all Legal Requirements.

(K) **Tax Liabilities; Governmental Charges.** Tenant has filed or caused to be filed all required tax reports and returns required to be filed by it by Governmental Authorities, except where extensions have been properly obtained, and have paid or made adequate provision for payment of all taxes (including, but not limited to, rent taxes), assessments, fees and charges levied upon it or upon its income or properties by any Governmental Authority which are due and payable, including interest and penalties, except such taxes, assessments, fees and other governmental charges, if any, as are being diligently contested in good faith by appropriate proceedings and as to which it has established adequate reserves in conformity with GAAP on their respective books. No tax liens have been filed and, to the knowledge of Tenant, no material claims are being asserted with respect to any such taxes, assessments, fees or other governmental charges.

(L) **Material Omissions.** Tenant has affirmatively disclosed to Landlord all facts material to the Leased Property and its business, operations, property, financial condition or business prospects as related to the Leased Property known to Tenant.

(M) **Board of Tenant.** The governing board of the Tenant has determined that the Leased Property is necessary and essential to the Tenant's operations. The Tenant will recognize economic and other benefits by leasing the Leased Property.

(N) **Tenant's Charter Compliance.** None of the execution and delivery of this Lease, the fulfillment of or compliance with the terms and conditions of this Lease or the consummation of the transactions contemplated by this Lease, conflicts with or results in a breach of the terms, conditions or provisions of the Tenant's charter contract, or of any material restriction or any agreement or instrument to which the Tenant is now a party or by which the Tenant is bound, or constitutes a default under any of the foregoing.

(O) **Representations of Tenant.** Neither the representations of the Tenant contained in this Lease, nor any oral or written statements, furnished by the Tenant, nor written statements furnished on behalf of the Tenant, to the Landlord, or Landlord's counsel in connection with the transactions contemplated hereby, contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements contained herein or therein not misleading. There are no facts that the Tenant has not disclosed to the Landlord in writing that materially and adversely affect or in the future may (so far as the Tenant can now reasonably foresee) materially and adversely affect the properties, business, prospects, or condition (financial or otherwise) of the Tenant, or the ability of the Tenant to perform its obligations under this Lease or any documents or transactions contemplated hereby or thereby.

(P) **Notice of Default.** The Tenant will deliver prompt written notice to the Landlord and Mortgagee of the occurrence or existence of any event or state of facts which, with the passage of time or the giving of notice or both, would constitute an Event of Default under this Lease.

29. Defaults and Remedies.

(A) **Tenant Default.** The following shall constitute an event of default (an “Event of Default”) under this Lease:

(i) If Tenant neglects or fails to pay any Annual Fixed Rent, Additional Rent, or any other Rent or other charge hereunder on the date due, whether or not the same will have been demanded;

(ii) If Tenant neglects or fails to perform or observe any of the other covenants, terms, provisions or conditions on its part to be performed or observed under this Lease, within twenty (20) days after notice of default (or if more than twenty (20) days shall be reasonably required because of the nature of the default, if Tenant shall fail to proceed diligently to cure such default after such notice);

(iii) Any representation or warranty made by Tenant herein or in any certificate, financial statement or document furnished pursuant to the provision hereof shall prove to have been false or misleading in any material respect as of the time made or furnished;

(iv) If Tenant (a) admits in writing its inability to pay its debts generally as they become due, (b) commences any case, proceeding or other action seeking to have an order for relief entered on its behalf as debtor or to adjudicate it a bankrupt or insolvent, or seeking reorganization, arrangement, adjustment, liquidation, dissolution or composition of it or its debts under any federal, state or local law relating to bankruptcy, insolvency, reorganization or relief of debtors, (c) makes an assignment for the benefit of its creditors, (d) is generally unable to pay its debts as they mature, (e) seeks or consents to the appointment of a receiver of itself or of the whole or any substantial part of its property, or (f) files a petition or answer seeking reorganization or arrangement under an order or decree appointing, without the consent of Tenant, a receiver of Tenant of the whole or substantially all of its property, and such case, proceeding or other action is not dismissed or stayed within ninety (90) days after the commencement thereof; or

(v) If the estate or interest of Tenant in the Leased Property or any part thereof is levied upon or attached in any proceeding and the same is not vacated or discharged or stayed within the later of eighty (80) days after commencement thereof or twenty (20) days after receipt by Tenant of notice thereof from Landlord (unless Tenant is contesting such lien or attachment in accordance with this Lease).

Notwithstanding anything to the contrary contained in this Lease, Tenant’s cure period under this Lease shall not exceed Landlord’s corresponding cure period under the Mortgage.

(B) **Landlord's Remedies.** Upon the occurrence of an Event of Default, Landlord shall have the following rights and remedies:

(i) Landlord may immediately or at any time thereafter, as permitted by law, give Tenant written notice of Landlord's termination of this Lease, and, upon such notice, Tenant's rights to possession of the Leased Property shall cease and this Lease shall thereupon be terminated, and Landlord may re-enter and take possession of the Leased Property as its own property;

(ii) Landlord may remain out of possession of the Leased Property and treat the term of the Lease as subsisting and in full force and effect, in which event Landlord shall have all rights and remedies available at law, in equity or hereunder; and as an alternative remedy Landlord may, at Landlord's election, without terminating the then current term, or this Lease, re-enter the Leased Property or take possession thereof pursuant to legal proceedings or pursuant to any notice provided for by law, and having elected to re-enter or take possession of the Leased Property without terminating the term, or this Lease, Landlord shall use reasonable diligence as Tenant's agent to relet the Leased Property, or parts thereof, for such term (which may be greater or less than the remaining balance of the then current Term) or terms and at such rental and upon such other terms and conditions (which may include concessions or free rent) as Landlord may reasonably deem advisable, with the right to make alterations and repairs to the Leased Property, and no such re-entry or taking of possession of the Leased Property by Landlord shall be construed as an election on Landlord's part to terminate this Lease, and no such re-entry or taking of possession by Landlord shall relieve Tenant of its obligation to pay Rent (at the time or times provided herein), or of any of its other obligations under this Lease, all of which shall survive such re-entry or taking of possession, and Tenant shall continue to pay Rent provided for in this Lease until the end of the Term and whether or not the Leased Property shall have been relet, less the net proceeds, if any, of any reletting of the Leased Property after deducting all of Landlord's expenses in or in connection with such reletting, including without limitation all out-of-pocket repossession costs, brokerage commissions, legal expenses, alterations costs and expenses of preparation for reletting.

(iii) Having elected either to remain out of possession and treating this Lease as remaining in full force and effect or to re-enter or take possession of Leased Property without terminating the term, or this Lease, Landlord may by notice to Tenant given at any time thereafter while Tenant is in default in the payment of Rent or in the performance of any other obligation under this Lease, elect to terminate this Lease and, upon such notice, this Lease shall thereupon be terminated.

(iv) If, in accordance with any of the foregoing provisions of this Section 29, Landlord shall have the right to elect to re-enter and take possession of the Leased Property, Landlord may enter and expel Tenant and those claiming through or under Tenant and remove the effects of both or either (forcibly if necessary) without being guilty of any manner of trespass and without prejudice to any remedies for arrears of rent or preceding breach of covenant.

Pursuit of any of the foregoing remedies shall not preclude pursuit of any of the other remedies herein provided or any other remedies provided by law, nor shall pursuit of any remedy herein provided constitute a forfeiture or waiver of any rent due to Landlord hereunder or of any damage accruing to Landlord by reason of the violation of any of the terms, provisions and covenants herein contained. Forbearance by Landlord to enforce one or more of the remedies herein provided upon the occurrence of any Event of Default shall not be deemed or construed to constitute a waiver of such Event of Default. Following an Event of Default, all amounts due from Tenant to Landlord pursuant to this Lease shall bear interest at the Default Rate. Notwithstanding anything herein to the contrary, (i) in no event shall Landlord have the right to confess judgment against Tenant, and (ii) in no event shall Tenant be liable hereunder to Landlord or any other person for any consequential, punitive, exemplary or treble damages by whomsoever suffered.

(C) **Landlord Default, Cure Rights.** If Landlord neglects or fails to perform or observe any of the covenants, terms, provisions or conditions on its part to be performed or observed under this Lease, or within thirty (30) days after notice of any default (or if more than 30 days shall be reasonably required because of the nature of the default, if Landlord shall fail to proceed diligently to cure such default after such notice), then Tenant may immediately or at any time thereafter, in addition to any other rights and remedies as may otherwise be provided in this Lease for a Landlord default, pursue all rights and remedies it may have at law and equity generally.

(D) **Self Help.** If either party (the “**Defaulting Party**”) fails to perform any agreement or obligation on its part to be performed under this Lease (after giving effect to all applicable notice and cure periods, except in cases of actual or suspected emergency, in which case no prior notice will be required), the other party (the “**Curing Party**”) shall have the right (i) if no emergency exists, to perform the same after giving 30 days’ notice to the Defaulting Party, and (ii) in any emergency situation to perform the same immediately without notice or delay. For the purpose of rectifying a default of the Defaulting Party as aforesaid, the Curing Party shall have the right to enter the Leased Property. The Defaulting Party shall on demand reimburse the Curing Party for the costs and expenses incurred by the Curing Party in rectifying defaults as aforesaid, including reasonable attorneys’ fees, together with interest thereon at the Default Rate. Any act or thing done by the Curing Party pursuant to this Section 29(D) shall not constitute a waiver of any such default by the Curing Party or a waiver of any covenant, term or condition herein contained or the performance thereof.

30. Access to Premises.

Tenant shall permit Landlord and its authorized representatives to enter the School Facility at all reasonable times (upon 48 hours prior oral or verbal notice, except in the event of an emergency, in which no prior notice is required prior to entry) for the purposes of (i) serving or posting or keeping posted thereon notices required by Law, (ii) conducting periodic inspections, (iii) performing any work thereon required or permitted to be performed by Landlord pursuant to this Lease, and (iv) showing the Leased Property to prospective purchasers or lenders. Landlord shall use commercially reasonable efforts to minimize any interference with the School’s operations at the Leased Property, and comply with the School’s reasonable

rules or requirements for safety and security; and the School shall have the right to provide a representative of the School to accompany any entry by Landlord.

31. Remedies Cumulative; Legal Expenses; Time of the Essence.

(A) The various rights and remedies given to or reserved to Landlord and Tenant by this Lease or allowed by law shall be cumulative, irrespective of whether so expressly stated.

(B) In case suit shall be brought because of the breach of any agreement or obligation contained in this Lease on the part of Tenant or Landlord to be kept or performed, and a breach shall be established, the prevailing party shall be entitled to recover all expenses incurred in connection with such suit, including reasonable attorneys' fees.

(C) Time is of the essence of this Lease.

32. Certain Landlord Rights On Termination.

(A) **Advertisement of the Leased Property.** If Tenant has not exercised the applicable option to extend this Lease with respect to the Leased Property, then Landlord or its agent shall thereafter have the right to enter the Leased Property at all reasonable times for the purpose of exhibiting the Leased Property to others and to place upon the Leased Property during the period commencing 180 days prior to the expiration of the then current term "for sale" or "for rent" notices or signs of such number and in such locations as Tenant shall reasonably approve.

(B) **Transfer of Permits, Etc. On Termination.** Upon the expiration or earlier termination of this Lease, Tenant shall, at the option of Landlord, transfer to and relinquish to Landlord or Landlord's nominee and reasonably cooperate with Landlord or Landlord's nominee in connection with the processing by Landlord of such nominee of all licenses, operating permits, and other governmental authorization and all assignable service contracts, which may be necessary or appropriate for the operation by Landlord or such nominee of the Leased Property; provided that the costs and expenses of any such transferring assignable contracts or the processing of any such application shall be paid by Landlord or Landlord's nominee.

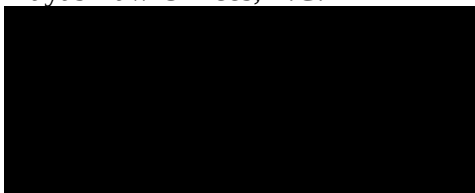
33. Notices.

All notices, consents, requests, approvals and authorizations (collectively, "Notices") required or permitted hereunder shall only be effective if in writing. All Notices (except Notices of default, which may only be sent pursuant to the methods described in (A) and (B) below) shall be sent (A) by registered or certified mail (return receipt requested), postage prepaid, (B) by Federal Express, U.S. Post Office Express Mail, Airborne or similar nationally recognized overnight courier which delivers only upon signed receipt of the addressee, or (C) sent by email, provided that delivery thereof is acknowledged by the receiving party, evidenced by the sender's receipt of a receipt evidencing delivery from its email program, or the sender of an email notice otherwise does not receive any indication that such email did not get delivered

properly to the applicable recipient, and addressed as follows or at such other address, and to the attention of such other person, as the parties shall give notice as herein provided:

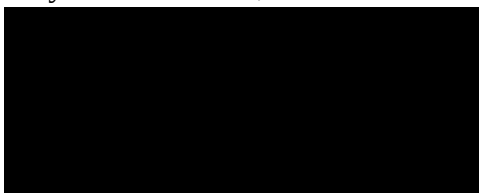
If intended for Landlord: CG EDUCATIONAL HOLDING CORP.
c/o Latino Pastoral Action Center
14 West 170 Street
Bronx, NY 10452
Attention: Chief Financial Officer
Email:

with copies to: Richard R. Zayas, Esq.
Zayas Law Offices, P.C.



If intended for Tenant: FAMILY LIFE ACADEMY CHARTER SCHOOLS
14 West 170th Street
Bronx, NY 10452
Attention: Chief Financial Officer
Email:

with copies to: Richard R. Zayas, Esq.
Zayas Law Offices, P.C.



A notice, request and other communication shall be deemed to be duly received if delivered by a nationally recognized overnight delivery service or email, when delivered to the address of the recipient, or if sent by mail, on the date of receipt by the recipient as shown on the return receipt card; provided that if a notice, request or other communication is served by hand or email on a day which is not a business day, or after 5:00 p.m. on any business day at the addressee's location, such notice or communication shall be deemed to be duly received by the recipient at 9:00 a.m. on the first business day thereafter. Rejection or other refusal to accept or the inability to deliver because of changed address of which no Notice was given shall be deemed to be receipt of the Notice as of the date of such rejection, refusal or inability to deliver.

34. Waiver of Performance and Disputes.

One or more waivers of any covenant, term or condition of this Lease by either party shall not be construed as a waiver of a subsequent breach of the same or any other

covenant, term or condition, nor shall any delay or omission by either party to seek a remedy for any breach of this Lease or to exercise a right accruing to such party by reason of such breach be deemed a waiver by such party of its remedies or rights with respect to such breach. The consent or approval by either party to or of any act by the other party requiring such consent or approval shall not be deemed to waive or render unnecessary consent to or approval of any similar act.

35. No Oral Modifications; Obligation to Execute Amended and Restated Addendum.

(A) **No Oral Modifications.** The terms, covenants and conditions hereof may not be changed orally, but only by an instrument in writing signed by the party against whom enforcement of the change, modification or discharge is sought, or by such party's agent.

(B) **Obligation to Execute Amended and Restated Addendum.** The parties hereto agree that upon substantial completion of all Improvements to the Leased Property, Landlord and Tenant agree at such time to execute an Addendum, setting forth Initial Fixed Term Commencement Date and the Annual Fixed Rent under subparagraph (ii) of the defined term thereof.

36. Brokers.

Landlord represents and warrants to Tenant that it has not incurred or caused to be incurred any liability for real estate brokerage commissions or finder's fees in connection with the execution or consummation of this Lease for which Tenant may be liable. Tenant represents and warrants to Landlord that it has not incurred or caused to be incurred any liability for real estate brokerage commissions or finder's fees in connection with the execution or consummation of this Lease for which Landlord may be liable. Each of the parties agrees to indemnify and hold the other harmless from and against any and all claims, liabilities or expense (including reasonable attorneys' fees) in connection with any breach of the foregoing representations and warranties.

37. Financial Information; Tenant Reporting Requirements.

(A) **Tenant's Financial Reporting.** Tenant hereby covenants and agrees to deliver to Landlord and Servicer the following: (1) within one hundred twenty (120) days after the end of each fiscal year of Tenant, (a) statements of income, retained earnings and cash flows of Tenant or (b) if Tenant is part of a consolidated group for financial reporting purposes, consolidated statements of income, retained earnings and cash flows for such fiscal year and the related consolidated balance sheets at the end of such fiscal year, for Tenant and each person part of such consolidated group that is a tenant under a lease agreement with Landlord, setting forth in each case in comparative form the corresponding consolidated figures for the preceding fiscal year, and accompanied by an opinion thereon of independent certified public accountants of recognized national standing, which opinion shall state that such consolidated financial statements fairly present the consolidated financial condition and results of operations of Tenant or such consolidated group as at the end of, and for, such fiscal year in accordance with GAAP; (2) within sixty (60) days after the end of each interim quarterly fiscal period of each fiscal year of Tenant, unaudited consolidated statements of income, retained earnings and cash flows of

Tenant for such period and for the period from the beginning of the respective fiscal year to the end of such period, and the related balance sheets as at the end of such period, setting forth in each case in comparative form the corresponding consolidated figures for the corresponding periods in the preceding fiscal year (except that, in the case of balance sheets, such comparison shall be to the last day of the prior fiscal year), accompanied by a certificate of a financial officer of Tenant, which certificate shall state that such consolidated financial statements fairly present the consolidated financial condition and results of operations of the Tenant in accordance with GAAP as at the end of, and for, such period; and (3) all information reasonably requested by Mortgagee pertaining to the financial condition of Tenant when requested by Mortgagee, from time to time.

(B) **School's Financial and Other Reporting.** Tenant hereby covenants and agrees to deliver to Landlord and Servicer the following on the dates set forth below and if such dates are not specified, as soon as such items are available to Tenant: (1) Tenant's annual audited financial statements, and a copy of the annual report provided to the State Agency sixty (60) days after the end of each fiscal year; (2) on or before August 1 of each year of the Term of this Lease, an annual budget prepared by Tenant, together with evidence that such information has been provided to the State Agency and approved by Tenant's governing board of directors; (3) on an annual basis a report detailing the number of students, by grade level, that have enrolled in the Tenant (i.e. the official, publicly reported enrollment count determined at the Tenant's year-end), (4) at least thirty (30) days prior to the commencement of each academic school year, the enrollment projections for that coming school year; (5) monthly reports, during each month of the academic school year, stating the actual number of students enrolled at and attending classes at the Tenant on a full-time basis for that month, (6) a copy of the results of standardized student performance testing required by the State Agency or local school authority; (7) on an annual basis, or prior to the first day of each school year, documentation from the State Agency that (i) the Tenant is in good standing under its Charter and the Charter remains unmodified and in full force and effect and (ii) that the Tenant continues to be in compliance with all applicable terms and provisions of the Charter and all applicable laws and requirements of the State Agency relating to the funding and operation of the Tenant in all material respects, if such documentation is provided by the State Agency; (8) all documentation related to the Tenant's five-year compliance review by the State Agency; (9) on an annual basis, an annual report documenting (i) the previous school year's progress in meeting the performance-based goals identified in the Tenant's Charter application and (ii) all State-mandated test scores and other accountability indicators, including proficiency rates and Annual Yearly Progress (AYP) results as required under the federal No Child Left Behind Act of 2001 (for so long as such statute applies to Charter Schools); (10) a copy of the Charter and any amendments thereto; (11) a copy of the Tenant's Bylaws, any other governing document, and any amendments thereto, certified by an officer of Tenant reasonably acceptable to Landlord; (12) a copy of the minutes of each meeting of the governing body of the Tenant and each committee of the Tenant, specifically including all reports reviewed or distributed at each such meeting, including, without limitation, academic, financial and executive committee reports; (13) a copy of any inspection reports prepared by the State Agency; (14) on an annual basis, a list of the Tenant's current directors including the name, position, e-mail address and resume of each director; (15) a copy of such other additional information, reports and statements respecting the operations and financial condition of the Tenant as Landlord or Mortgagee may reasonably request from time to time; (16) a copy of any other financial statements, income expense statements and reports provided

by the Tenant to the State Agency from time to time; (17) such other information reasonably requested by Landlord or Mortgagee pertaining to the Charter and the Tenant's operation of the Charter School as and when requested by Landlord or Mortgagee from Tenant, from time to time. In addition, Tenant shall provide promptly to Landlord copies of all notices and material communications to and from each of the Tenant and the State Agency with respect to the Charter.

(C) **Tenant Records.** Tenant shall keep full, complete and proper books, records and accounts of Tenant's business conducted in, upon or from the Leased Property. Landlord, and its agents and employees, shall have the right at any and all times, during Tenant's regular business hours following at least three days prior written notice, to examine and inspect all of the books and records of the Tenant pertaining to the business of the Tenant conducted in, upon or from the Leased Property, for the purpose of investigating and verifying the accuracy of any financial statements and other submittals made by Tenant under this Section.

(D) **Landlord's Right to Audit.** Landlord, First Mortgagee, Highmark Guarantor, and Servicer, and their respective duly authorized representatives, shall be given the right, upon reasonable advance notice to the School, to audit, examine and make excerpts or transcripts of or from records of such School, and to make audits of all books and records of income and expenses and other financial information relating to the School.

(E) **Metrics.** Tenant will promptly provide to Landlord and Servicer copies of academic and performance metrics submitted by Tenant to the State Agency.

(F) **Landlord's Right to Audit/Independent Accountant.** If Tenant fails to perform Tenant's financial reporting obligations under this Section 37, or if Tenant's financial statements are not accurate or do not comply with GAAP, Landlord may from time to time at its option (but shall not be required to) (i) require that Tenant, at Tenant's expense, engage an independent accounting firm reasonably acceptable to Landlord to prepare Tenant's financial statements required under this Section 37; and/or (ii) engage, at Tenant's expense, an accounting firm reasonably acceptable to Landlord to prepare Tenant's financial statements required under this Section 37.

(G) **Administrative Fee.** If Tenant does not provide all required information required under this Section 37 within the time periods required under this Lease or if Tenant delivers only partial or incomplete information, Landlord or Servicer shall have the right, but not the obligation, to obtain such information from other sources and the cost thereof (collectively, "Administrative Fee"), including, without limitation, any attorneys' fees and fees for the services of Landlord's and Servicer's employees in connection with such tasks, together with interest thereon at the Default Rate, shall become due and payable as Additional Rent to Landlord or Servicer, as the case may be, within ten (10) days of Landlord's or Servicer's invoice.

(H) **Access to Tenant's Information; Confidentiality.** Tenant authorizes Landlord, First Mortgagee, Highmark Guarantor, and Servicer to (i) access and collect the School's information ("School's Information") through the Epicenter software or another software program that collects and stores information from charter schools; (ii) use School's

Information; and (iii) share School's Information with its consultants, employees, owners, attorneys, agents, and servicers. Tenant acknowledges that while accessing School's Information, Landlord, First Mortgagee, Highmark Guarantor, and Servicer may have access to confidential and/or proprietary information of the School. Landlord, First Mortgagee, Highmark Guarantor and Servicer agree to maintain the confidentiality and privacy of such confidential and proprietary information, to the extent such information is marked as confidential or proprietary.

38. Intentionally Deleted.

39. Force Majeure. If either party shall be delayed or hindered in or prevented from the performance of any act required under this Lease by reason of strikes, lockouts, labor troubles, inability to procure materials, failure of power, restrictive Laws (except as otherwise specifically provided herein), riots, insurrection, terrorist acts, war or other reason beyond the reasonable control of and not the fault of the party delayed in performing the work or doing the acts required under the terms of this Lease (collectively, "**Force Majeure**"), then performance of such act shall be excused for the period of the delay, and the period for the performance of any such act shall be extended for a period equivalent to the period of such delay. The provisions of this Section shall not (i) operate to excuse Tenant from prompt payment of Rent or any other payment required by Tenant under the terms of this Lease, or (ii) be applicable to delays resulting from the inability of a party to obtain financing or to proceed with its obligations under this Lease because of a lack of funds.

40. Governing Law. This Lease shall be governed by the laws of the State, without giving effect to its conflict of law principles.

41. **Estoppel.** Landlord and Tenant each confirm and agree that (a) it has read and understood all of the provisions of this Lease; (b) it is familiar with major sophisticated transactions such as that contemplated by this Lease; (c) it has negotiated with the other party at arm's length with equal bargaining power; and (d) it has been advised by competent legal counsel of its own choosing.

42. **Limitation on Landlord's Liability.** Notwithstanding anything to the contrary in this Lease, Tenant will look solely to the interest of Landlord (or its successor as Landlord hereunder) in the Leased Property for the satisfaction of any judgment or other judicial process requiring the payment of money as a result of (i) any negligence (including gross negligence) or (ii) any breach of this Lease by Landlord or its successor (including any beneficial owners, partners, shareholders, trustees or others affiliated or related to Landlord or such successor) and Landlord shall have no personal liability hereunder of any kind.

43. **Waiver of Trial by Jury.** TENANT AND LANDLORD HEREBY WAIVE TRIAL BY JURY IN ANY ACTION, PROCEEDING OR COUNTERCLAIM BROUGHT BY EITHER OF THE PARTIES HERETO AGAINST THE OTHER IN ANY MATTERS ARISING OUT OF OR IN CONNECTION WITH THIS LEASE, THE RELATIONSHIP OF LANDLORD AND TENANT, TENANT'S USE AND OCCUPANCY OF THE SCHOOL FACILITY, AND ANY CLAIM OF INJURY OR DAMAGE.

44. **Interest on Past Due Obligations.** Except where another rate of interest is specifically provided for in this Lease, any amount due from either party to the other under this Lease which is not paid when due shall bear interest at the Default Rate from the date such payment was due to and including the date of payment. Tenant acknowledges that the late payment of any installment of Annual Fixed Rent or any other amounts due Landlord will cause Landlord to incur certain costs and expenses, the exact amount of which are extremely difficult or impractical to fix. These costs and expenses may include, without limitation, administrative and collection costs and processing and accounting expenses. Landlord and Tenant agree that the Default Rate represents a reasonable estimate of the costs and expenses Landlord will incur and is fair compensation to Landlord for its loss suffered by reason of late payment by Tenant. Upon accrual, all Late Fees and Default Rate interest shall be deemed Additional Rent.

45. **No Leasehold Mortgages.** Tenant shall have no right to mortgage or pledge its interest in this Lease in whole or in part with respect to the Leased Property.

46. **Integration.** The parties hereto agree that (i) this is a fully integrated Lease, and a single cotermious and unitary agreement; (ii) that this Lease contains economically interdependent terms and (iii) that the parties do not intend any provisions contained herein to be severable, divisible, or apportionable, except as expressly provided herein.

47. **Lease Binding on Successors and Assigns, Etc.** Except as herein otherwise expressly provided, all covenants, agreements, provisions and conditions of this Lease shall be binding upon and inure to the benefit of the parties hereto and their heirs, devisees, executors, administrators, successors in interest and assigns as well as grantees of Landlord, and shall be deemed to run with the land. Without limiting the generality of the foregoing, all rights of

Tenant under this Lease may be granted by Tenant to any sublessee of Tenant, subject to the terms of this Lease.

48. Lease Not to Be Recorded. Neither party shall record this Lease without the consent of the other party.

49. Joint Preparation. This Lease (and all exhibits thereto) is deemed to have been jointly prepared by the parties hereto, and any uncertainty or ambiguity existing herein, if any, shall not be interpreted against any party, but shall be interpreted according to the application of the rules of interpretation for arm's-length agreements.

50. Counterparts. This Lease may be executed at different times and in any number of counterparts, each of which when so executed shall be deemed to be an original and all of which taken together shall constitute one and the same agreement. Delivery of an executed counterpart of a signature page to this Lease by a pdf sent by e-mail shall be as effective as delivery of a manually executed counterpart of this Lease. In proving this Lease, it shall not be necessary to produce or account for more than one such counterpart signed by the party against whom enforcement is sought.

51. No Third-Party Beneficiaries. Nothing herein expressed or implied is intended or shall be construed to confer upon or give to any person, other than the parties to this Lease and their respective successors and permitted assigns, any rights or remedies under or by reason of this Lease. Notwithstanding the foregoing, First Mortgagee, Developer, Highmark Guarantor, and Servicer shall have the right to enforce those sections of the Lease that benefit such respective parties.

52. Captions. Captions throughout this instrument are for convenience and reference only and the words contained therein shall in no way be deemed to explain, modify, amplify or aid in the interpretation or construction of the provisions of this Lease.

53. Integration. This Lease contains the entire agreement of the parties with respect to the subject matter hereof and supersedes all prior discussions, agreements, commitments, arrangements, negotiations or understandings, whether oral or written, of the parties with respect thereto.

54. Mortgagee Consent. This Lease shall not be amended or terminated without Mortgagee's and Highmark Guarantor's prior written consent.

55. Enrollment Covenant. Tenant covenants and agrees that it will ensure that each official, publicly reported enrollment count for the School as published by the State Agency every school year during the Term shall be equal to, or shall exceed, ninety percent (90%) of the School's projected enrollment count on which the Total Development Cost is based for such year. For the purposes of the foregoing, Tenant's projected enrollment count on which the Total Development Cost is based is as follows: Lease Year 1 – 676 students, Lease Year 2 – 780 students, Lease Year 3 – 858 students, Lease Year 4 – 884 students, and Lease Year 5 – remainder of Lease Term – 936 students. Highmark Guarantor shall be an express third-party beneficiary of this Section and shall have the right to enforce the provisions of this Section.

56. Net Income Covenant. Tenant agrees and covenants that from the Initial Fixed Term Commencement Date and at all times during any two (2) year period comprising two (2) consecutive complete school years (each, a “**Stabilization Period**”) for the remainder of the Term, Tenant's net operating income (as determined in accordance with GAAP consistently applied, as in effect from time to time, except that Annual Fixed Rent shall not be deducted as an expense) (the “**Net Income**”) shall exceed 1.20 times the payments of Annual Fixed Rent under this Lease for such two-year period (“**Net Income Ratio**”), as verified by Tenant's annual official audited financial statements (for example, if the net operating income of Tenant during a Stabilization Period equals \$170,000.00 prior to adjustment for Annual Fixed Rent, and the Annual Fixed Rent equals \$800,000.00, then Net Income equals \$170,000.00 plus \$800,000.00, or \$970,000.00; \$970,000.00 divided by \$800,000.00 equals 1.2125 and the Net Income Ratio for such Stabilization Period required under this Section is achieved). Highmark Guarantor shall be an express third-party beneficiary of this Section and shall have the right to enforce the provisions of this Section.

57. Subordination of Management Fees. The management, operating or license fee, as applicable (“**Management Fee**”) required to be paid by Tenant to any manager, operator or other third party pursuant to the terms of a management agreement or other related agreement are subordinate to the timely payment by Tenant to Landlord of all amounts payable under this Lease, and such Management Fee with respect to the Leased Property may only be paid to such third party if no Event of Default under this Lease exists. Such Management Fee not timely paid by Tenant shall remain due and payable, though deferred, and shall be paid by Tenant when no Event of Default exists under this Lease and at the earliest possible time that funds are available for such payment. For the avoidance of doubt, Tenant covenants and agrees to pay any and all amounts due hereunder prior to the payment of all or any portion of a Management Fee.

[REMAINDER OF PAGE INTENTIONALLY LEFT BLANK]

IN WITNESS WHEREOF, Landlord and Tenant have caused this Lease to be duly executed as of the day and year first above written.

LANDLORD:

CG EDUCATIONAL HOLDING CORP., a
Delaware non-profit corporation

By: _____

Name: _____

Title: _____

TENANT:

**FAMILY LIFE ACADEMY CHARTER
SCHOOLS,** a charter public school organized and
existing under the laws of the State of New York

By: _____

Name: _____

Title: _____

EXHIBIT A TO LEASE AGREEMENT

LEGAL DESCRIPTION OF LAND

Real property in the City of New York, County of Bronx, State of New York, described as follows:

PARCELS I THROUGH VI (FOR INFORMATION ONLY: BLOCK 2432 LOTS 62, 64, 66, 67, 70 AND 80):

ALL THAT/THOSE CERTAIN PIECE/S OR PARCEL/S OF LAND, SITUATE, LYING AND BEING IN THE BOROUGH OF BRONX, CITY AND STATE OF NEW YORK, DESIGNATED ON THE TAX MAP OF THE CITY OF NEW YORK, FOR THE BOROUGH OF BRONX, AS SAID TAX MAP WAS ON LOT 62 - JULY 25, 1972, LOTS 64, 66, 67, 80 - DECEMBER 5, 1978, LOT 70 - MARCH 26, 1974.

PARCEL VII (FOR INFORMATION ONLY: BLOCK 2433 LOT 40):

ALL THAT CERTAIN PLOT, PIECE OR PARCEL OF LAND, SITUATE, LYING AND BEING IN THE BOROUGH AND COUNTY OF BRONX, CITY AND STATE OF NEW YORK, MORE PARTICULARLY DESIGNATED ON THE TAX MAP OF THE CITY OF NEW YORK, FOR THE BOROUGH OF BRONX AS SECTIONS 9 TO 12 AND 14 TO 19, AS SERIAL NO. 769 SECTION 9 BLOCK 2433 LOT 40.

PARCEL VIII (FOR INFORMATION ONLY: BLOCK 2433 LOT 79):

ALL THAT CERTAIN PLOT, PIECE OR PARCEL OF LAND, SITUATE, LYING AND BEING IN THE BOROUGH AND COUNTY OF BRONX, CITY AND STATE OF NEW YORK, MORE PARTICULARLY DESIGNATED ON THE TAX MAP OF THE CITY OF NEW YORK, FOR THE BOROUGH OF BRONX AS SECTIONS 9 TO 12 AND 14 TO 19 AS SAID TAX MAP WAS ON THE 20TH DAY OF SEPTEMBER, 1977, AS SERIAL NO. 1076 SECTION 9 BLOCK 2433 LOT 79.

EXHIBIT B TO LEASE AGREEMENT

FORM OF ADDENDUM

(see attached Addendum)

ADDENDUM TO LEASE

THIS ADDENDUM TO LEASE (this “Addendum”) is made as of _____, by and between CG EDUCATIONAL HOLDING CORP., a Delaware non-profit corporation (“**Landlord**”), and FAMILY LIFE ACADEMY CHARTER SCHOOLS, a charter public school organized and existing under the laws of the State of New York (“**Tenant**”).

RECITALS

A. Landlord and Tenant entered into that certain Lease Agreement dated _____ (the “**Lease**”), for the lease of the property described on **Exhibit A** attached hereto and incorporated by reference herein (the “**Land**”).

B. Landlord and Tenant desire to execute this Addendum in order to fix the Initial Fixed Term Commencement Date (as defined in the Lease) and to memorialize the Annual Fixed Rent under the Lease, as follows:

School Name	FLACS IIB
Address	335 East 165 th Street and 318 E 165 th street, Bronx, New York (the “ Property ”)
Legal Description	As set forth in Exhibit A to the Lease
Initial Fixed Term Commencement Date	[_____, 20__]
Total Development Cost	[\$_____]
Annual Fixed Rent	[include payment schedule]

Except as specifically set forth herein, the terms and conditions of this Addendum shall not modify the terms and conditions of the Lease. The terms of this Addendum are made a part of the Lease.

IN WITNESS WHEREOF, the parties hereto have caused this Addendum to be executed as of the date first above written.

CG EDUCATIONAL HOLDING CORP., a
Delaware non-profit corporation

By:_____

Name:_____

Title:_____

“Landlord”

FAMILY LIFE ACADEMY CHARTER
SCHOOLS, a charter public school organized and
existing under the laws of the State of New York

By:_____

Name:_____

Title:_____

“Tenant”

EXHIBIT A TO ADDENDUM TO LEASE
Legal Description of Land

EXHIBIT C TO LEASE AGREEMENT

FORM OF TENANT RESOLUTION

RESOLUTION OF BOARD OF DIRECTORS OF _____

The Board of Directors of _____, a _____ non-profit corporation (the “**Company**”), in accordance with the constituent documents of the Company, hereby resolve, agree and consent to the following resolutions for and on behalf of the Company:

WHEREAS, it is proposed that the Company enter into that certain Lease Agreement with _____, as lessor (“**Lessor**”) pertaining to that certain real property located at _____ (the “**Lease**”), wherein under the terms of the Lease, Lessor shall construct a school facility for the Company as described therein, on the other terms and conditions and rental rate described therein. A copy of the Lease is attached hereto as **Exhibit 1**.

WHEREAS, the Board of Directors of the Company deems it advisable and in the best interests of the Company to approve the execution and delivery of the Lease.

NOW, THEREFORE, BE IT RESOLVED:

1. That the Company shall, and is hereby authorized to enter into the Lease and to execute and deliver and perform the Lease and all of the documents, instruments, change orders and obligations pertaining to the Lease;
2. That _____, [**President of the Company or other officer**] (“**Authorized Person**”), be, and hereby is, authorized, empowered and directed, in the name and on behalf of the Company, to execute and deliver to the landlord under the Lease, and to perform or cause to be performed, all of the obligations of the Company under the Lease, the Lease, and all documents and instruments necessary in connection with the Lease, and is authorized to execute on behalf of the Company the Lease and each such certificate, agreement, instrument, or other document as the Authorized Person deems it appropriate to execute, in connection with the transactions contemplated hereby, with his/her execution thereof being hereby ratified and deemed conclusive evidence of the approval hereof by the Company consistent with the authority hereby granted.
3. That all actions taken on behalf of the Company by the Company’s officers, directors and representatives in furtherance of the foregoing resolutions are hereby ratified and approved in all respects.

IN WITNESS WHEREOF, this Resolution is adopted as of _____, 20____.

BOARD OF DIRECTORS:

[attach Exhibit 1]

EXHIBIT D TO LEASE AGREEMENT

FORM OF SNDA

(see attached form)

Response 17 - Food Services

Currently, there are two models used at the existing Family Life Academy Charter Schools (FLACS). In FLACS I, food is prepared and cooked in house under the direction of a school chef. In FLACS II and III, due to lack of adequate kitchen equipment to prepare food from scratch on-site, the schools currently contract with an outside food service provider. These food providers currently include Red Rabbit and Salsa & Soul.

The food program at FLACS IV will depend on the ultimate facility selection and availability of external funding to adequately outfit the kitchen with a full kitchen rather than with just refrigeration and warming equipment. If adequate space and funding is not secured for purchasing the necessary equipment to run this program, the school will plan to contract with an outside vendor to provide school meals, such as those listed above. This scenario, without external funding sources and with contracting out for food services, is what is in the budget assumptions.

Any food services at FLACS IV will provide a healthy and nutritious lunch and adhere to the existing FLACS health and wellness policies. This is not only a FLACS core belief, but something that was requested by the community in the feedback obtained by FLACS in advance of this application.

Response 18 - Health Services

FLACS IV will work closely NYCDOE Office of School Health (OSH) and NYC Department of Health and Mental Health (DOHMH), to obtain the services of a school nurse that will be able to attend to the students at FLACS IV. In its first two years, FLACS IV will be sharing space in the FLACS II middle school campus and anticipates sharing the nurse between the schools. In case of absence by the school nurse, FLACS IV will work with NYCDOE OSH to provide a substitute nurse, as is the practice for traditional public schools. FLACS IV will follow all the rules and regulations established by the NYCDOE OSH and NYC DOHMH for public schools in New York City.

FLACS IV will ensure that there is a medical room in the FLACS IV facility that will be adequately sized, have a sink with hot and cold running water, contain no through traffic, have floor to ceiling walls, have internet access and adequate electrical power for computer, have a telephone line and adequate electrical outlets, have adequate heating, air conditioning, lighting and ventilation, and have either an internal bathroom or dedicated bathroom within a few steps of the medical room. FLACS IV will ensure that all necessary medical equipment has been purchased and is available for the school.

The school office staff will work together with the nurse to ensure all medical forms are distributed to the students and families and are properly collected and entered in the ATS student database and provide the originals to the medical office. This includes the immunization record of all students. The pupil accounting secretary and the school nurse will ensure that all students have submitted immunization records or medical or religious exemptions. These immunization and medical forms will be stored in a locked cabinet in the medical office.

FLACS IV must have a written provider order for all medications that are administered to or taken by students in school. This written order must specify who can administer the medicine to the child: the nurse or other licensed staff; the student supervised by the school nurse; or whether the child can give themselves the medicine without assistance. Regardless of who can administer the medication, all medications will be kept in the school health office to ensure the health and safety of all students, limit unauthorized access to medications, provide documentation of the medication taken by the student, and ensure medications are taken as ordered. The only exception to this is for life saving medications, such as for asthma, diabetes, or allergy.

Response 19 - Transportation

Family Life Academy Charter School (FLACS) IV expects that many students will live close enough to the school to walk daily. For students who do not live within walking distance, generally measured by more than a half-mile from the school, FLACS will coordinate transportation services with the New York City Department of Education (NYCDOE) Office of Pupil Transportation (OPT). FLACS IV students will be eligible for yellow bus service according to OPT distance eligibility. Students are eligible for stop-to-school yellow bus service if the student is in kindergarten through grade six, the student lives in the same borough as the school, there is already yellow bus service at the school, and a current stop exists that can serve the student or a new stop can be created. Students receive MetroCard to take public transportation if yellow bus service is not available or if a new stop cannot be added for the student. FLACS IV will be located in Bronx, New York, a city with an extensive public transportation network.

While FLACS IV will generally follow the NYCDOE calendar, there will be approximately six days that FLACS IV is open that NYCDOE is not. FLACS IV will inform parents in advance of days when transportation will not be provided. Historically, this has not posed a major problem for families in the other FLACS schools.

Response 20 - Insurance

FLACS will ensure that FLACS IV has all necessary insurance policies in place. FLACS currently use Austin and Co., a NYCSA preferred vendor. The same policies will cover all schools; coverage for FLACS IV will be in effect by July 30, 2020.

Table 20-1 represents the list of necessary insurance policies and estimated premiums for 2020-21:

Table 20-1: Annual Insurance Limits and Estimates Premium		
Type	Limits	Estimated Premium (2020-21)
Property (including equipment breakdown, business income with extra expense, crime and auto)	\$10,000,000	\$47,000
Excess Crime and Cyber Risk coverage	\$1,000,000	\$7,700
Directors and Officers	\$1,000,000	\$12,200
General Liability	\$1,000,000 (one occurrence) \$3,000,000 (in aggregate)	\$66,000
Umbrella Liability	\$30,000,000	\$13,500
Excess Directors and Officers	\$30,000,000	\$6,250
Excess Fiduciary Liability	\$3,000,000	\$360
Student Accident	\$50,000	\$5,000
Catastrophic Student Accident	\$1,000,000	\$1,100
Workers Comp Statutory Limits (based on approximate payroll of \$16,700,000)	No limit	\$140,000
Total Estimated Premium	-----	\$299,110

Response 21a - Budget Narrative

The FLACS educational corporation has always approached the budgeting process using a conservative approach. Historically, it has been able to operate within its estimated revenue sources while leaving a reserve for any unforeseen contingencies. FLACS believes that by approaching budgeting this way it can ensure that all plans, including those for FLACS IV, are fiscally sound. Below, FLACS describes the overview of and the assumptions for the FLACS IV budget, submitted in *Response 21e - Budget Template*, and how the budget supports the implementation of the academic program. As required, FLACS has also submitted a five-year budget for the entire FLACS network as part of the Business Plan. Assumptions for the budget for the network are discussed in depth in the Business Plan that is being submitted in tandem with this application.

FLACS purposefully starts the budgeting process by analyzing what supports must be in place to implement its rigorous academic program. The budget is therefore well-aligned to ensure the successful implementation of the program.

Start-Up Budget Plan

The start-up budget assumes that FLACS IV will apply for and receive a CSP grant in the amount of \$675,000. Although FLACS IV includes at-risk preferences in its admissions policies, it uses one extra weight in the lottery rather than a set-aside preference so that it will be eligible for federal CSP grant funding. FLACS IV will use the CSP funding to hire a principal for 6 months with a salary of \$70,000 and associated \$5,355 in for social security taxes. FLACS would hire no other school-based position prior to July 1, 2020. However, the principal will be supported by the entire network staff, including human resources, finance, development, curriculum, instruction and data, during the start-up period. Because these employees are network based, they will be paid during the start-up period by the budgets of FLACS I, FLACS II, and FLACS III. The principal will be given space and supplies to work from the FLACS II middle school building, where FLACS IV will be located in its first year. These expenses are already part of FLACS II's budget for this year.

First Year Operational Budget

In addition to per pupil revenue, FLACS IV has several other projected revenue streams. FLACS IV plans to serve 156 students; the budget assumes that all 156 students will be entitled to rental assistance at 30% of the per pupil rate. The budget also assumes that a portion of the CSP grant will cover furniture and computer costs for FLACS IV (\$190,800 for the first year). FLACS IV assumes that it will receive NYS Senate Aid funds (\$41,560) and will be entitled to Title I funds due to its estimated high poverty status and Title II, and Title III due to an estimated number of ELLs based. All of these estimates are based on existing percentages in the existing FLACS schools. FLACS will only use Title I funding to supplement, not supplant, the amount of funds available from non-federal sources for the education of students participating in Title I. FLACS IV assumes that it will be entitled to NYS and Federal government meal reimbursement funds (\$101,408). FLACS IV has included a small portion of revenue from fundraising (\$10,000) In total, FLACS IV is estimating total revenue of \$3.68MM.

FLACS IV is projecting expenses of \$3.58MM in its first year. Of this the largest expense will be personnel costs of \$2.19MM, or approximately 61% of all expenses. This expense reflects full time school based staff members as well as a fractional amount of network based staff. Sharing staff with the network will allow FLACS IV to benefit from positions, such as development, communications, curriculum support,

data analysis, finance, and human resources that it might otherwise not be able to finance. In the first year, FLACS IV will pay 10% of the salary of network staff. FLACS IV has carefully established a staffing plan for the first year that is well aligned to its academic program. The budget assumes an average salary based on the current staff salaries throughout the rest of the FLACS network, which reflects a mix of brand new teachers and staff members and more veteran ones.

The next largest expense is facilities of \$0.83MM, or 23%, of all estimated expenses based on the lease agreement for the facility, which already exists. During the first year, FLACS IV will share space at the FLACS II middle school facility at 165th Street location. As such, one assumption in the budget is that FLACS IV will sharing rent, utility, and some personnel costs (custodial and security) with FLACS II.

The remaining 16% of the estimated expenses include, among other items, materials, books, supplies, furniture, assessment costs, and technology. The costs for these expenses are based on the historical costs of the items and systems at the existing FLACS schools. Since FLACS IV will be adopting the same curriculum, assessment and other systems, these costs are already well established. CSP and Title funds are carefully spent in this budget in accordance with the regulations about how these funds are to be spent.

Five-Year Operational Budget

For the remaining 4 years, FLACS IV has made the following assumptions. It estimates that the per pupil funding figure will increase 2% annually. It has continued to include very conservative fundraising efforts, of \$10,000 per year, that represent a tiny fraction of the overall budget. FLACS IV assumes that it will continue to receive federal Title money and rental assistance. FLACS IV has budgeted a portion of the anticipated CSP grant over a five year period.

The budget assumes that all salaries increase an average of 3% annually. The budget assumes that most expenses increase 3% annually. FLACS assumes that benefits, including medical insurance, will increase 15% annually. As in the first year budget, FLACS is projected costs (with the annual increases described) based on expenses incurred by the schools now. FLACS anticipates that the CSP grant will cover furniture and computer costs in years after year one.

Starting year 3, FLACS IV will occupy a new building thus a large increase in facility cost as well as higher building specific personnel cost. Even though FLACS IV will show a negative net income after cash flow adjustments in year 3, the overall net income after cash flow adjustments in total for the FLACS education corporation shows for year 3 a positive figure. FLACS IV will need to borrow money from the other schools in this year only. In years 4 and 5 FLACS IV has a positive net income in this same facility due to increased student enrollment.

Ensuring Fiscal Soundness - FLACS Financial Policies and Procedures Manual

FLACS has put into place a series of financial policies and procedures that have ensure that the existing schools and the network are fiscally sound. Below are excerpts from the financial policies and procedures manual is used at FLACS and will be used at FLACS IV.

INTRODUCTION

Financial Leadership and Management

The financial management team of FLACS consists of:

- board of trustees ,
- Finance Committee and Treasurer,
- CEO
- COO
- CFO
- Principals
- Assistant Principals

The Financial Management Team outlined above is accountable for the day-to-day fiscal responsibilities of FLACS. The Board of Trustees' primary obligation is to serve as the School's oversight and policy-making body. The board of trustees will meet monthly to ensure that its fiduciary duty is maintained. The board of trustees will establish a Finance Committee annually by the first full board meeting. This committee will be responsible for selecting an audit firm on an annual basis, reviewing the Financial Policies and Procedures manual on an annual basis, and working with the school's finance team to review the monthly financial statements. The Finance Committee of the board of trustees shall be responsible for the primary Board-level oversight of the school's financial matters as defined by the Board's established bylaws. The CEO, COO, CFO and the Principals of FLACS have the primary responsibility of executing all financial matters. The Financial Management Team will collectively work to make certain all financial matters of the organization are properly addressed with care, integrity, and accuracy in the best interest of FLACS. The Principals are accountable for administering the school's adopted policies and ensuring compliance with procedures that have been approved by the board of trustees.

Changes to the Financial Policies and Procedures Manual

The policies and practices enumerated in this Financial Policies and Procedures Manual govern the operational procedures of the Family Life Academy Schools Network (FLACS). It represents management's commitment to the establishment of a system of internal controls that provides for the efficient operation of the organization's business operations while protecting the organization from instances of fraud. FLACS's Chief Executive Officer, Chief Operations Officer and the Chief Financial Officer will oversee the regular review of all controls and procedures to determine their effectiveness in enabling the organization to efficiently conduct its business while preventing fraudulent acts. If potential weaknesses are found new procedures will be developed, implemented and reflected in this manual. The board of trustees must approve this Manual on an annual basis. Any violation of these policies and procedures is considered to be cause for termination or removal and, depending upon the nature of the infraction, civil and/or criminal prosecution.

CHAPTER 1: INTERNAL CONTROL STRUCTURE

Background

This manual establishes and describes the fiscal policies and procedures of FLACS that have been established to achieve FLACS' objectives. The control structure represents policies and procedures that affect FLACS' ability to process, record, summarize and report financial information. This structure is established and maintained to reduce the potential unauthorized use of FLACS assets or misstatement of account balances. The contents of this chapter will demonstrate the internal controls that will be implemented to provide reasonable assurance regarding the achievement of objectives in the following categories; (1) effectiveness and efficiency of operations; (2) reliability of financial reporting; and (3) compliance with applicable laws and regulations.

The following four essential elements make up the internal control structure.

1. Internal Control Environment

By implementing internal controls, FLACS establishes the importance of enforcing and maintaining accountability, transparency and accuracy in their day-to-day financial transactions. Factors impacting the internal control environment can include management and Board philosophy; organizational structure; ways of assigning authority and responsibility; methods of management and control; personnel policies and practices; and external influences such as significant donor expectations.

2. Accounting System

FLACS has implemented an accounting system consisting of processes and documentation used to identify, compile, classify, record and report accounting transactions. These processes were established to: (1) identify, control and record all of the organization's fiscal transactions; (2) describe the transactions adequately in order to allow proper classification for financial reporting, and (3) specify the time period in which transactions occurred in order to record them in the proper accounting period.

3. Internal Control Procedures

FLACS has adopted a number of internal financial controls. These procedures are set up to strengthen FLACS internal control structure in order to safeguard the organization's assets.

A hierarchical structure of authority and responsibility has been developed at FLACS. Tasks are divided and allocated to guard against any individual having the ability to make an accounting error (either knowingly or unknowingly). This protects the school from any potential fraud or misappropriation of funds. In situations where there are an insufficient number of employees to achieve this because of budget constraints, a compensating control has been created at the school.

Restricted Access: Physical and electronic access to valuable and moveable assets is restricted to authorized personnel.

Document Control: In order to ensure that all documents are captured by the accounting system, all documents must be initialed and dated when recorded and then filed appropriately.

Records Retention: Records will be maintained for the periods sufficient to satisfy IRS regulations, federal grant requirements, OMB A133 audit requirements and other legal needs as may be determined and applicable. Record retention requirements are reviewed annually to determine any necessary changes.

Processing Controls: These are designed to identify any errors *before* they are posted to the general ledger. Common processing controls are the following: (1) source document matching; (2) clerical accuracy of documents ;(3) general ledger account code checking, and (4) terms of purchase orders and other quotes when necessary

Reconciliation Controls: These are designed to identify any errors *after* transactions have been posted and the general ledger has been run. The process involves reconciling the general ledger

control accounts to subsidiary ledgers. Reconciliation is completed by the CFO for accuracy and compliance and approved by the Treasurer and reviewed by the Finance Committee of the FLACS board of trustees

Annual Independent Audit: FLACS financial statements are audited and certified annually by an independent audit firm selected by the board of trustees on the recommendation of the Finance Committee.

Security of Financial Data: The school's accounting software is accessible only to the Finance Department and any duly contracted accounting consultant. Individual usernames and passwords will be issued for every user and their access will be limited according to their functionality and role within the school. All other hard copies of financial data, when not in use, will be secured in a designated area in the Finance Department.

Risk Assessment: This is designed to identify, analyze, and manage risk relevant to the preparation of accurate financial statements. It includes mitigating risks involving internal and/or external factors that might adversely affect the school's ability to properly record, process, summarize and report financial data.

4. Accounting Cycle

The accounting cycle is designed to accurately and timely process, record, summarize, and report transactions of FLACS. FLACS will maintain its accounting records and related financial reports on the accrual basis of accounting. Under the accrual basis of accounting, revenues are recognized when earned and expenses are recognized when incurred (goods transferred or services rendered).

The component accounting cycles fall into one of five primary functions:

1) Revenue, Accounts Receivable and Cash Receipts

Key tasks in this area include:

- Processing cash receipts
- Making deposits
- Recording cash receipts in the general ledger and subsidiary records
- Performing month-end bank reconciliation procedures on a timely basis (30 days from receipt)
- Processing general ledger integration for private donations/revenue
- Processing wire transfers into and out of school accounts

2) Purchases, Accounts Payable and Cash Disbursements

Key tasks in this area include:

- Overall responsibility for the FLACS PO system
- Ensuring transactions are appropriately authorized
- Processing invoices
- Issuing checks
- Recording checks in the general ledger and in cash disbursement journals
- Performing month-end reconciliation procedures
- Year-end reporting: Preparing 1099 forms
- Processing wire transfers out of school accounts

3) Payroll

An outside service provider will perform the payroll process. Their responsibilities include calculating appropriate amounts for employee and employer deductions related to taxes remitted to the Federal, State and City government agencies and voluntary and/or statutory deductions that may or may not require remittance to retirement plans, garnishees, etc.

4) General Ledger and Financial Statements

Key tasks in this area include:

- Preparing monthly journal entries
- Reconciling bank accounts and all general ledger accounts
- Reviewing general ledger activity and posting adjusted journal entries
- Producing the financial statements
- Producing the annual budget

The general ledger process consists of timely posting of the period's transactions to the accounting software, which produces the financial statements. The Finance department will reconcile bank and credit/debit card accounts, review the general ledger, prepare for the annual audit and prepare monthly financial statements to be presented to the Board's Finance Committee. The statements to be included are discussed in detail in Section 5 below.

5) Budgets and Financial Reporting

The CEO, COO, CFO and the Principals are responsible for creating and updating 3-year budget projections for individual schools as well as the annual operating budget of income and expenses. The operating budget and the projections are reviewed and approved annually, first by the CEO, COO, CFO and the Principals. It is then reviewed by the Finance Committee and finally by the school's board of trustees and modified as necessary, with approval by the last day of the closing fiscal year.

Budgets

The budgets are created and updated per school and network annually based on actual expenditures and programmatic changes occurring during the fiscal year. Creation of the annual operating budget is led by the CEO, COO CFO with the Principals. This input is necessary to ensure enrollment is accurately represented per the charter agreement, and to make certain that the staff can properly support the proposed number of enrolled students. All school program expenses should be represented in the budget to ensure accuracy. Historical information is used when available and applicable. A review process is repeated until the overall budget fairly represents the programs revenues and expenses for the operating budget.

Once complete, the CEO, COO and the CFO present the overall budget to the Treasurer and the Finance Committee for review. The Committee will review and present the budget to the entire Board for approval. The budget must be approved and passed by June 30th before the start of the new fiscal year. Once approved, the implementation of, and accountability for, the budget is the responsibility of the CFO and each school Principal.

After approval, the Finance Department uploads the budget into the accounting system. This budget is then used to run the monthly P&L actual vs budget analysis reports. The following budget analysis reports are compiled by the Finance department and submitted to the CFO and the Principals by the third Friday of each month; 1) Budget vs. Actual Report and, 2) Budget vs.

Forecast Report on a monthly basis. Budget vs. Actual variances are described in the notes section of the report. The CFO is responsible for making sure significant differences are thoroughly researched and ultimately identified as either permanent or temporary. In the event the variance significantly impacts the budget; the Principal and the CFO will ensure that a contingency forecast is prepared.

Financial Reporting

At least 3 days before each Board meeting, the following will be discussed with the Finance Committee for review, acceptance and approval.

- 1) The Budget vs. Actual report for the operating budget;
- 2) Balance Sheet;

The Treasurer and CFO will present these reports to the entire Board at board meetings along with the Finance Committee minutes approving the report.

At the end of the fiscal year, the following key financial statements are provided for the audit

- 1) Balance Sheet
- 2) Income Statement
- 3) Statement of Cash Flow
- 4) Statement of Functional Expenses
- 5) Comments

CHAPTER 2: PROCESSING CASH RECEIPTS AND REVENUE

Background

FLACS receives revenues from the following sources:

- Federal Government
- State Government
- City Government
- Corporations
- Foundations
- Individuals

If total federal support for the fiscal year should exceed \$750,000, an additional audit under the guidance of OMB Circular A-133¹ must be conducted by the independent audit firm.

Processing and Recording Cash Receipts

The Finance Department is responsible for recording all cash receipts. The Finance Department is responsible for recording EFT's and for generating checks in the accounting system and assigning them to the correct GL accounts. The CFO will audit and review all transactions for accuracy and proper supporting documentation.

The personnel in the Operations Department sort and deliver all the mail. Any mail addressed to a specific staff member should be stamped as "Received" with the date, and transferred, unopened, to

¹ OMB Circular A-133 Revised 2007; http://www.whitehouse.gov/omb/assets/a133/a133_revised_2007.pdf ; access on 07/2010

the addressee. Any mail addressed generally to the school that is not a vendor statement, city/state/federal agency, a credit card statement or bank statement will be transferred to the Finance Department unopened for review. Magazines and catalogs addressed generally to the school do not need to be stamped, but should be transferred to the appropriate individual.

Upon receipt of a credit card or bank statement, the unopened envelope should be stamped as received and dated by the Finance Department. The envelope should then be transferred immediately to the CFO, or held in a locked, secure location. Once the CFO receives the envelope, s/he should open and review the contents marked "received"

All checks received will be recorded and secured until deposited at bank.

All cash received will be recorded and secured until deposited at bank. All cash will be counted by Finance Department staff.

The Finance Department will staple the photocopy of the check and all correspondence (check copy on top) together and file the packet into the Cash Receipts and Transfers Binder, sorted by bank account number and in date order.

The Finance Department will be responsible for making all deposits. When reasonably possible, deposits must be made daily or no later than the next banking day. Checks that cannot be deposited immediately will be placed in a locked location. Before the check is deposited, the Finance Department will prepare a deposit slip, copy it, and staple this to the copied check. When deposited, a deposit receipt with bank-endorsed proof of deposit will be obtained for each deposit.

Deposits are recorded as receivable general ledger entries. After the check has been deposited, the Finance Department records the receipt of funds in the accounting system, filed by date. If an invoice has already been created, then the deposit will be applied against the outstanding invoice(s). If the cash is not yet earned, it will be applied against the Deferred Revenue general ledger account.

The Finance Department prints a copy of the accounting system's actual deposit entry form.

This (or a document showing an invoice has been paid) is attached to the front of the copy of the check, copy of deposit slip, deposit receipt with bank-endorsed proof of deposit, and any correspondence that arrived with the check. Together, these documents comprise the Cash Receipts Packet for the respective transaction, with the Cash Receipts Journal on top.

The CFO verifies that the internal accounting system entry reflects the same data as the copied check and proof of deposit, and initials and dates all documents to indicate approval. Once signed, the Finance Department files the Cash Receipts Packet in the Cash Receipts and Transfers Binder, separated by bank account and in date order. All cash receipts and authorized transfers between accounts will be maintained in each fiscal year's Cash Receipts and Transfers Binder.

Processing and Recording Revenue

Typically, grants received will be accompanied by specific agreements that explicitly or implicitly restrict their use and which impose unique reporting requirements – financial as well as performance. FLACS accounting and documentation system must be such that it is capable of meeting the individual requirements imposed by such grant agreements. Job codes and/or class codes will be attached to

applicable expenses and assets so that associated grant revenues may be earned on an accrual basis. Inasmuch as the quality of grant agreements impacts its financial strength, FLACS is committed to absolute adherence to this requirement in its reporting system. Accordingly, a reporting calendar shall be established wherein grantor accountability deadlines are tracked for compliance purposes.

Revenue Recognition for Grants

In instances where grant funds are received in advance of FLACS expending money applicable to the grant, the grant funds are recorded in the accounting system as deferred revenue until the applicable expenses have been incurred. If the grant funds are received after the school has already expended money on goods or services that are covered under the grant, the grant funds can be recorded as revenue at the time of receipt. If the school has expended part of the grant before receiving the actual funds, the only funds that may be recorded as revenues are those that have already been spent. A corresponding receivable must also be booked to reflect the grant funds owed the school for the corresponding amount of funds expended. Any remaining grant money must be recorded as deferred revenue or a liability until the time the funds are actually expended by the school. See Annex 6 for a description of the accounting entries required for recording grant revenue.

Revenue Recognition for Per-Pupil Funding

Per-pupil funding is received by FLACS on a bi-monthly basis, but recognized as revenues on a monthly basis.

Donated Goods and Services

Donated goods and services can include office space, professional services such as outside counsel's legal advice, food, clothing, furniture and equipment, or bargain purchases of materials at prices less than market value. In addition, volunteers can provide free services, including administrative services, participation in fundraising events, and program services that are not accounted for. The Controller records donated services in the system at fair value, as determined by the donor and documented in writing with the fair value being agreed to by FLACS. General Ledger entries are recorded to recognize in-kind revenues and in-kind expenses.

Contributions Acknowledgment Letter

When a school receives a donation, a contribution acknowledgement letter stating the value of the donation is drafted by the Director of Development and signed by the CEO, COO, or CFO and sent to the donor. A copy of this letter is attached to the check once received and filed in the Cash Receipts or Transfers Binder under the proper bank account, in date order. The Finance Department will keep track of these donation letters.

Accounts Receivable Aging

Accounts receivables outstanding are aged on a thirty, sixty, ninety, and over-ninety day basis. The CFO will review the accounts receivable aging monthly, determine which invoices are collectible, and follow the necessary requirements based on the type of funding, in order to collect. For accounts receivable deemed uncollectible, the CFO will confirm that the CEO and COO are in agreement, then credit and debit the appropriate revenue and accounts receivable general ledger codes.

CHAPTER 3: PROCESSING PURCHASES AND ACCOUNTS PAYABLE

Background

FLACS procures only those items and services that are required to fulfill the mission and/or fill a bona

vide need. Procurements are made using best value contracting, which entails assessing the best value considering quantity, performance and price. This is achieved by the finance department who has the annual responsibility of reviewing the newly approved budget to uncover patterns of orders and opportunities for clustering orders to achieve volume discounts.

Required Signatures

In the event that an item must be pre-approved by the Principal and he/she is not available to provide an in-person signature, the Principal may send an email stating his or her name and authorizing the transaction, with the promise to sign the document in person at the first opportunity. As soon as he/she is back on site, the original document will be signed in person and attached to the email granting permission. Any and all such correspondence must be retained and filed with the corresponding documents.

FLACS adheres to the following objectives:

1. Procurements will be completely impartial based strictly on the merits of supplier and contractor proposals and applicable related considerations such as delivery, quantity, quality, etc.
2. The school will make all purchases in the best interests of the school and its funding sources.
3. The school will obtain quality supplies/services needed for delivery at the time and place required.
4. The school will buy from reliable sources of supply.
5. The school will obtain maximum value for all expenditures.
6. The school will deal fairly and impartially with all vendors.
7. The school will be above suspicion of unethical behavior at all times; avoid any conflict of interest, related parties or even the appearance of a conflict of interest in FLACS supplier relationships. The school's conflict of interest policies are described in its bylaws.

In all purchasing situations, FLACS utilizes the following procurement guidelines:

- If the vendor has a contract with New York City and/or New York State then they are called "preferred vendors" and no bidding is required.
- If the vendor's price is lower than the New York City and/or New York State approved vendor pricing for comparable products/services then no bidding is required.
- If the vendor is providing a unique service or product that is not offered by other vendors then they are called "sole vendors" and no bidding is required. However, it does require a letter describing the unique service.
- If the vendor is not a "preferred vendor" or a "sole vendor" then a competitive bidding procedure is put into effect. This only applies to purchase orders with a total exceeding \$10,000. A description of the competitive bidding procedure follows.

Vendor Vetting and System Set-up

- The Finance Department will vet and approve all vendors prior to adding in to the accounting ledger system.
- This includes all changes in vendor status
- Adding New Vendors and deleting or changing their status is the responsibility of the Finance Dept. They are responsible for ensuring that all needed info for the vendor (i.e. W9) is complete and on file

Competitive Bidding Procedure

- ***Contracts and/or purchases under \$10,000*** - The school uses sound business practices when procuring goods and services for amounts less than \$10,000.
- ***Contracts and/or purchases greater than \$10,000*** - The school seeks price quotes from at least three vendors and awards the contract to the qualified vendor offering the supply or service needed for the lowest price. The person or department is responsible for soliciting and documenting these quotes. A report will be presented to the CFO who will review. He/ she will then report to the Finance Committee for approval. Then the Finance Committee reports its decision to the full board. Award may be made to a vendor other than the low bidder in circumstances where the higher bid demonstrates best value contracting procedures to the school.

Exception

- **Relative to contracts in excess of \$10,000 for auditing and benefits, the three bids are only necessary every three years.**

Approval

Approval to fulfill a purchase order is garnered by first filling out a Purchase Request form.

A Purchase Request Form can be solicited and filled out by any qualified FLACS employee. Completed forms for purchases are submitted to an Administrative Assistant who reviews and submits a completed Purchase Order to the Principal. After Principals approval, it is then sent to the CFO for approval. Purchase Request Forms totaling \$10,000 and over require the additional signature of the Treasurer of the Board for approval. In the event that any one of the before mentioned authorized signatures are not available, the President of the board of trustees will be able to approve the purchase orders in place of one of those individuals. Purchases made by the Principal must be approved by the CEO or COO.

If necessary and after approval, certain employees may purchase supplies and apply for reimbursement. Further information regarding expense reimbursement is provided later in this chapter.

Issuance and Monitoring of Purchase Orders

The CFO works closely with each Administrative Assistant to ensure that all necessary instructional and administrative purchases are made in a timely and cost-effective manner and, when applicable, in accordance with grant restrictions.

It is imperative that for all products and services a Purchase Request form be filled out and approved as outlined above. The CFO is responsible for ensuring adherence to the school's procurement guidelines and determining whether the order exceeds the thresholds requiring competitive bidding. All purchasing thresholds apply to the entire order, not single items. In these cases, all documentation of applicable bids and/or quotes obtained will be retained and filed with the check that ultimately paid for the item(s) in the order.

Receipt of Goods

All goods purchased by the school are delivered directly to the school. It is the responsibility of each school to receive delivery and initial the packing slip and maintain a log of all deliveries received. The packing slip will be reviewed for accuracy, stamped as received. A copy will be made and the original sent to the Finance department. In instances where there is not a packing slip, a Receipt Acknowledgement Form is to be filled out and sent to the Finance department. If everything is correct and the contents of the entire purchase were received and documented on the packing slip, the packing slip will be stapled to the rear of the original PO. If only part of the purchase was received, the packing

slip for the received items is stapled to the back of the original PO and the packet is filed under the Partially Received tab in order by vendor name, until the remaining items are received.

If everything is not correct with the order, the Administrative Assistant will contact the vendor

Exemption from Sales Tax

FLACS is exempt from city, state and federal tax. As such, the school is exempt from sales tax on goods purchased for its own internal use and services. It is the responsibility of the Finance Department to ensure that all vendors have a copy of the sales tax exemption letter allowing the organization to be exempt from sales taxes.

Reimbursable Expenses

In situations where a purchase is required in short order and the total of the purchase is under \$100, staff may make the purchase with their own funds and apply for reimbursement after obtaining approval. Expenses that have not been approved will not be reimbursed. In the event that the Principal requires reimbursement, the CEO, COO or the Treasurer of the Board must approve his/her expenses. It is the employee's responsibility to seek approval prior to incurring costs.

Receipts are required for all expenditures requiring reimbursement. Once expenses have been incurred, requests for reimbursement should be made within 30 days of expense via an Expense Reimbursement form. All receipts should be attached onto blank sheets of paper and attached to the form. These documents are submitted to the Principal for review and approval. Upon approval, they are forwarded to the Finance Department for processing.

Employees should note that the school is tax exempt and therefore will not reimburse employees for tax. A copy of the Tax Exempt Certificate may be obtained from the Finance department.

Travel Expenses

When possible, travel arrangements will be purchased using the school credit card. In situations where expenses are incurred during the course of business travel, staff may apply for expense reimbursement. Expectations for daily expenses or per diem allowances will be determined prior to the employee trip. Employees should file for reimbursement in the manner described in the above section. Receipts are required for all expenditures requiring reimbursement, and requests for reimbursement must be made within 30 days of expense. The reimbursement request must be approved by the Principal prior to travel. In the event that the Principal requires travel reimbursement, the CEO, COO or the Treasurer of the Board must approve his/her expenses.

Mileage Reimbursement

All employees are reimbursed at the standard mileage rate per mile as determined by the Internal Revenue Service for use of their own vehicle for business-related travel. Parking fees and tolls paid are reimbursable if supported by receipts. The reimbursement for business miles driven will be determined at the time based on what the IRS states.

All employees requesting such mileage reimbursement are required to furnish a report containing the destination of each trip, its purpose and the miles driven, parking fees and tolls. All corresponding receipts must be attached to blank sheets of paper and attached to the check reimbursement form. This packet must be submitted to the Principal, CEO, COO or the CFO for approval.

Credit Card Purchases

FLACS holds a credit card issued by Staples, Home Depot and American Express. The Credit card may be used for expenditures as outlined in prior pages of this policy manual. In addition, all approval and budgetary restrictions shall apply. Credit card purchases must be approved by the CEO COO or the CFO. See Annex 4 for the approval hierarchy.

Food Order/Receipt Procedures

FLACS kitchen staff order and receive food supplies to prepare into meals for students. FLACS additionally receives pre-made heated meals to distribute to students directly. The following procedures are designed to ensure the food ordering/receiving process is followed efficiently, and to ensure food purchases are at a cost agreed upon with suppliers, and to minimize excessive purchases and potential waste.

Ordering Pre-made Meals

FLACS personnel will estimate the number of meals needed on a daily basis and order the needed number of meals. The number of meals ordered will be tracked daily on a log to ensure the appropriate number of meals is accounted for daily.

Receiving Pre-made Meals

Meals received by a designated FLACS employee will be verified as to quantity prior to signing off on the receiving document (packing slip or other similar document).

An exact count of the number of trays/meals will be counted and indicated on the receiving document by the receiver. The exact count or any discrepancies will be indicated on the receiving document, with signed acknowledgement by the delivering company obtained and noted on the form.

The receiving document will then be sent to the Finance department, matched with an invoice for the corresponding food order, and be processed through the accounts payable process.

Disposition of Pre-made Meals

FLACS designated personnel will fill out a daily receiving log to indicate the number of pre-made meal orders received. The same log will be used to indicate the number of pre-made meals served, and the remaining number of meals left over. The disposition of the remaining meals will be further indicated on the form with a reason for leftover food to be thrown away.

Weekly, the number of meals thrown away will be evaluated to reduce the number of pre-made meals ordered by FLACS personnel. The decision to reduce the number of meals ordered will be made by the employee ordering the food with the approval of the Assistant Principal.

Food Orders Placed by the Kitchen Staff

The Chef and kitchen staff will document all food orders placed on food ordering spreadsheets. An order form template for each vendor will be used for the ordering of all food and kitchen supplies. For food vendors used less frequently, a generic order spreadsheet will be used with the name of the vendor indicated on the form. The Chef will assign each order a Food PO number to match with corresponding invoices once received.

At a minimum, the spreadsheet will contain:

- Chef assigned PO number
- The name of the vendor the order is placed with
- Date of the food order
- Column for the quantity (with indication of the ship/pack quantity, i.e. 1 case = 12 items per case, two per pack, etc.)
- Cost per item
- Description of the item
- Estimated date of delivery
- Name of FLACS employee placing the order

The food order spreadsheet(s) will be retained electronically, and further utilized as a receiving document to check against the packing slip when food orders are received. Upon receipt of food goods, the spreadsheet will be scanned and retained electronically, and provided to the accounting department in an electronic folder with invoices received from the vendor.

Receiving of Food Goods

Visual Inspection

FLACS kitchen personnel will visually inspect all food goods upon receipt and evaluate for damaged goods, spoilage, incorrect items received, and for the appropriate quantity. Damages and discrepancies will be documented on the receiving document, and communicated to the delivery person. FLACS will make its best effort to have the delivery person sign off in agreement of order discrepancies.

Weighing of Items Received

FLACS kitchen personnel will use a scale to weigh food bulk items received on a regular basis upon immediate delivery. For instance, boxes of chicken weighing 50 pounds will be weighed to ensure the shipment received weighs at least 50 pounds, with an additional tolerance for packing materials. Discrepancies will be pointed out to delivery personnel and noted on the receiving document. FLACS kitchen staff will make every effort to have the delivery person sign off the packing slip to acknowledge receipt of a short shipment.

Piece counts of Items

FLACS kitchen personnel will use both the food ordering spreadsheet and receiving document by the delivering vendor to ensure shipments contain the exact description and quantity of items ordered are received. The receiving document provided by the delivery vendor will be verified by FLACS personnel to ensure the quantity and description of items received is correct. The food ordering template will be additionally used to ensure the quantity and description of items ordered is correct, and at the price estimated from a weekly vendor price list.

To indicate a correct shipment received, FLACS personnel will place a slash mark through the quantity on the packing slip. Discrepancies will be indicated by circling the quantity on the packing slip, with the quantity received written on the packing slip next to the circled quantity on the packing slip. FLACS personnel will make all efforts to have the delivery person acknowledge the difference and sign the receiving document.

Discrepancies will be communicated with the Chef, who will in turn follow up with the vendor to both communicate the difference in quantity received, and to have the billing invoice adjusted.

Pricing Differences

The Chef will have sole responsibility to review invoices to ensure prices charged are accurate, and in line with the weekly price sheet provided by vendors. Discrepancies will be documented on the packing slip and communicated to accounting and the vendor accordingly.

CHAPTER 4: PROCESSING CASH DISBURSEMENTS

Processing Invoices

All invoices and statements are mailed to the FLACS Finance department and the department is responsible for assigning the proper accounting codes per Chart of Accounts, signing and dating all invoices. Finance department personnel are responsible for collecting accounts payable documentation required for processing invoices. They will assemble the following documentation for payments: invoice/purchase order, name and address of vendor, amount, GL code, payment details, and packing slip or receipt acknowledgement form.

If an invoice is received prior to receipt of goods, the Finance Department will file the invoice in the Purchasing Binder under the Invoices without Packing Slips tab, in order by vendor name. To process any payment, all of the above noted documentation must be on hand.

Once the goods have been received (or in the case that the shipment had already been received at the time of invoice arrival), the Finance Department staples the invoice to the front of the corresponding packet composed of packing slip, purchase order, and Purchase Request form. This expanded packet is now a complete Cash Disbursement packet (invoice/packing slip/purchase order/check request form). The Cash Disbursement packet is filed in the Purchasing Binder under the Invoices to be Posted tab, in order by vendor name.

Invoices shall be processed by the Finance Department on a scheduled basis. The Finance Department establishes the vendor file in the accounting system and reviews the invoice for any purchase discounts dates and properly captures the discount period in the system. Invoices are then posted to the accounting system with the correct general ledger codes and then placed in a binder entitled invoices ready to pay.

Processing Checks

The Finance Department will maintain all blank check stock in a locked location. All checks will be pre-numbered, voucher style, containing one stub for the vendor (attached to all outgoing checks) and one to be filed with all supporting disbursement documents.

Checks are processed on a as needed basis by the Finance Department and vendors are paid based on terms of the invoices, as recorded within the system. Check preparation and signatures are prepared not later than the due date, consistent with available discounts if available.

There are designated signatories on the checking account with all checks requiring two signatures.

The Finance Department processes payment for the invoice and creates a check. The check is submitted to the required signatories (see above) for signature(s), along with the corresponding Cash Disbursement packet (invoice/packing slip/purchase order/check request form). At the time the check is signed, any required signatories should review the supporting documentation to ensure they are signing a check for the correct amount and to the correct payee. The Finance Department staples the check

stub or copy of the signed check to the top of the Cash Disbursement packet and files it in the Cash Disbursements Binder in check number order, starting with the first check after July 1st and ending with the last check on June 30th. The Finance Department mails the check to the vendor awaiting payment. Electronic fund transfers may also be used, where the same authorizations as checks will be obtained using an Electronic Payment Authorization form. See below for details.

In no event shall an authorized signatory approve an invoice, execute a check, or authorize a disbursement of any kind, payable to him/her.

All voided checks must be marked "Void" with the date and filed in the Cash Disbursements Binder in check number order.

Recurring Expenses

Recurring expenses do not require special treatment. Payments for goods and services that are required on a regular basis (e.g. equipment lease, insurance payments, rent) are handled in the same manner as non-recurring expenses, as described above.

Accounts Payable Aging

Accounts payables outstanding are aged on a thirty, sixty, ninety, and over-ninety day basis. The CFO will review the accounts payable aging monthly, determine the available cash balances while taking into consideration other cash requirements in the near future. Any item over 60 days will be reviewed and marked as to why they have not been processed yet.

Outstanding Checks

In the event that a check has been disbursed to a vendor for a product or service and the check has not been deposited over a period of at least three months, the Finance Department will contact the vendor to confirm whether it is still in-hand, or whether another check should be reissued. If the check is still in hand, the Finance Department will encourage the vendor to deposit the check within one week. In the event that a vendor requests for a check to be reissued, the Finance Department will inform the CFO of the request and void the original check in the accounting system. The Finance Department will photocopy the backup documentation that was attached to the original payment, obtain approval according to the check approval policies, confirm all vendor information, and send the check to the vendor. In the event the vendor cannot be contacted by phone, letter, or email, the Finance Department will confirm that the CFO and Treasurer are in agreement to write the check off, then make the appropriate entries in the accounting system.

In the event the vendor confirms payment was already made via an alternative method not recorded in the accounting system, an investigation will be conducted to understand how the original payment was made and then make the appropriate entries in the accounting system.

In the event the outstanding check exceeds \$250, the CFO will work with the bank to issue a stop payment on the check to ensure that it is not cashed.

Petty Cash

Petty Cash is a small amount of discretionary funds in the form of cash used (excluding sales tax) for school related minor purchases of goods and services. As it is not sensible to make any disbursement by check because of the inconvenience and costs of writing, signing, and then cashing the check, staff are discouraged from utilizing school funds for petty cash purposes. The Petty Cash Fund is maintained by each school's Principal in a locked and secure location. The Petty Cash Fund balance is \$250, funded by a

check from the general account. The Principal will maintain a file documenting the expenditures and balance of the Petty Cash account at all times. All petty cash purchases require approval in advance of purchase.

The maximum threshold for a petty cash purchase is \$35 per transaction. If the purchase is greater than \$35 but less than \$50, upon initial approval for the purchase, a check reimbursement form will be filled out rather than using petty cash funds. For purchases greater than \$50, the PO request and approval process will be followed. Staff is encouraged to obtain the school tax ID number for petty cash expenditures, as sales taxes charged will not be reimbursed.

Appropriate and Inappropriate uses of Petty Cash

Appropriate petty cash expenses include:

- Taxi fares between FLACS Schools
- Postal fees
- Coffee for meetings and school decorations
- Small maintenance related items

Inappropriate uses of petty cash include:

- Cashing of personal checks
- Personal loans
- Non-school related purchases of goods or services

Petty cash funds will not be provided in advance of any purchase.

Petty Cash Procedure

1. The purchaser fills out the Petty Cash Acknowledgement form, detailing:
 - a. The FLACS entity making the purchase
 - b. The date of the purchase
 - c. The handler (person requesting to make the purchase)
 - d. The vendor
 - e. The \$ amount of the purchase
 - f. Item(s) or service(s) purchased – include quantity of goods
 - g. Reason for the purchase
 - h. Obtains and documents pre-approval from the Principal
2. The purchaser obtains the school tax ID number.
3. The purchaser makes the purchase using personal funds, obtaining an itemized receipt of items purchased. Purchases without a receipt will not be reimbursed.
4. The purchaser returns with the purchase, and shows the items purchased to the Principal for visual inspection.
5. The purchaser fills out the Petty Cash Acknowledgement form, photographs or photocopies receipts, and provides the form to the Principal.
6. The Principal visually inspects goods or a service purchased and acknowledges receipt by signing the Petty Cash Acknowledgment form.

The petty cash transaction(s) should be recorded on a petty cash log (pen & paper) and then transposed to the petty cash spreadsheet (found in Dropbox) when petty cash replenishment is needed. Whenever cash exchanges hands, there will be a transaction written in the petty cash log. For example, \$20 is given to a staff member for a cab ride. However the fare was only \$18. There should be a negative \$20 and then a positive \$2, showing the \$2 was returned.

In the rare event the receipt is not available or missing, the staff member who used the funds has to sign and date a petty cash acknowledgement form. The acknowledgement form should be approved by the school principal or COO. Repeated abuse of the petty cash process by a requester will result in loss of privilege in using the petty cash account.

The petty cash custodian should be ready at any time for a random petty cash audit performed by the Finance Department. The audit will be a simple count of money in the cash box compared to what the petty cash log determines should be left. The Finance Department has the authority to perform a surprise count of petty cash at any time.

Insurance Coverage

Insurance coverage is maintained pursuant to applicable law and to protect the replacement values of all assets etc.

Currently, FLACS maintains insurance policies, including: Commercial Umbrella Liability, Commercial General Liability, Workers' Compensation, Student Accident Excess Liability, Errors and Omissions, and Directors and Officers, and NY State Disability and Property Insurance. See Annex 3

The CEO, COO, CFO, Finance Committee will conduct an annual review of coverage amounts. The purpose of this review will be to ensure there are adequate means by which to preserve the school's assets and lower the risk of being underinsured. Any proposed changes must be approved by the Finance Committee and recorded in board meeting minutes. New coverage's will be executed by the Finance Director, who is also responsible for procuring annual renewals with the school's insurance broker. Quotes for renewal will be procured at least one month in advance of a policy's expiration, and presented to the board finance committee for review and approval.

The CFO maintains original copies of all insurance policies on site, filed in the Insurance Binder by type of insurance. A new binder is created for each fiscal year. When possible, copies of all current insurance policies are saved electronically on a server where the leadership team can view and access the information.

FLACS requires proof of adequate insurance coverage from all prospective contractors, as deemed applicable by the board of trustees. At least an aggregate of \$2,000,000 is required. In those cases, flacs will obtain a cert of insurance from the contractor which shows coverage limits and which names FLACS as an additional insured.

Political Contributions

No funds or assets of FLACS may be contributed to any political party or organization or to any individual who either holds public office or is a candidate for public office. FLACS also cannot be involved with any committee or other organization that raises funds for political purposes. Examples of prohibited activities are:

- Political contributions by an employee that are reimbursed by the school organization.
- Purchase by the organization of tickets for political fundraising events.
- Contributions in kind, such as lending employees to political parties or using school assets in political campaigns

CHAPTER 5: MANAGEMENT OF CASH

Accounts

FLACS has several bank accounts. In all instances, the school is utilizing its accounts in a way that safely maximizes its cash balances. The school has authorized two signatories on all primary operating accounts. Bank statements are received monthly by the finance department , and are opened by the CFO who then gives them to the Finance Department for a timely reconciliation.

In the event that FLACS wishes to open a new bank account, board approval is required. As part of the approval, the Finance Committee must describe the purpose of the account, signatories, and signatories' authority. The vote to approve and all associated determinations must be recorded in the board minutes. Should the school wish to close a bank account, Board finance committee approval is also required and will be documented in board minutes.

FLACS recognizes that federal insurance on deposits with any bank is limited to a total of \$250,000, regardless of the number of accounts held. In the event the balance in a school account is anticipated to be in excess of the insurance coverage, a "re-positioning" agreement is to be negotiated with the financial institution in order to secure such deposits in excess of federal coverage.

Bank Statements

The procedures to follow when processing the receipt of Bank Statements are stated in "Chapter 2: Processing & Recording Cash Receipts"

Bank Reconciliation

Monthly bank account reconciliations are processed using the accounting system. This preparation is accomplished by the Finance Department who identifies reconciling items to ensure that cash is being accounted for properly. Any irregularities shall immediately be reported to the CFO. A reconciled Bank Reconciliation report from the accounting system is printed and attached to the bank statement. The completed report is submitted to the Treasurer and the CFO for review, and is initialed by the Treasurer on a timely basis, within 30 days of the bank statement.

CHAPTER 6: PROPERTY AND EQUIPMENT

The CFO and Director of Operations are responsible for ensuring that accurate inventories are maintained so that all assets are safeguarded

The CFO is responsible for maintaining the equipment and all necessary asset inventories. A separate fixed asset inventory spreadsheet, created in Excel is maintained by the Finance Department. All property and equipment subject to the school's Capitalization Policy must be tagged in the manner described below and depreciated according to the school's Depreciation Policy.

Upon receiving any property that qualifies as a fixed asset, the Finance Department is responsible for recording the following into the fixed asset inventory spreadsheet:

- Inventory number as designated by FLACS (use sequential numbers, no lettering)
- Asset name and description
- Classification (i.e. land, building, equipment, betterment, leasehold improvements, furniture, computer hardware and software)
- Serial number, model number, or other identification
- Whether title vests with FLACS or a governmental agency
- Vendor name and acquisition date

- Location of the equipment
- Purchase Date
- Purchase Value
- Disposal Date
- Disposal Reason

In addition, the Finance Department will enter the following data into the accounting system's general ledger under the fixed asset category:

- Asset name
- Current Value

Each item is also physically tagged in a visible area on the item and with the following information:

- Indication whether the item is property of FLACS

All government-furnished property and equipment is also recorded with identification information indicating it has been acquired through a government contract. For example, when assets are purchased using funds from the Department of Youth and Community Development (DYCD), that item is tracked and physically tagged as property of DYCD. In the event of charter revocation, the item is returned as property of DYCD. (When possible assets of a depreciable basis should not be purchased with funds provided by NYC agencies as the assets could be collected at the end of said contract.)

:

No employee may use any of the school property, equipment, material or supplies for personal use without the prior approval of the CEO, COO and or the CFO

No item of property or equipment shall be removed from the premises without prior approval the prior approval of the CEO, COO and or the CFO

.

All lease agreements on real property will be evidenced by a lease or sublease agreement approved by the board of trustees and signed by the CEO or COO. The agreement will identify all the terms and conditions of the lease. Any real estate agreement to rent or sell will require a beneficial interest disclosure.

Capitalization Policy

The cost threshold for items purchased by FLACS to capitalize is \$1,000. This allows items over this cost threshold to carry value over time, and not simply be expensed in year one. Items with an acquisition cost of less than \$1,000 or a useful life of less than one year are expensed in the year purchased. Items with an acquisition cost of more than \$1,000 are subject to the school's depreciation policy, outlined below.

In instances where a large quantity of one single item is purchased, if the total value exceeds the \$1,000 threshold, the items may be capitalized. For example, if a school buys 100 desks at \$250 per desk, each single item would not meet the threshold. Together, however, these 100 desks have a combined value of \$25,000, which should be capitalized over a 5-year period, as outlined in the Depreciation Policy table below.

The CFO and the Controller perform annual inventory audits, verifying and updating the data contained in the Excel fixed asset inventory spreadsheet. Once complete, the CFO and the Controller compare this inventory to the fixed assets listed in the general ledger to ensure the value of the assets per the

accounting system matches the value of the assets per the spreadsheet. Differences are investigated, reconciled and recorded by the Finance Department.

Depreciation Policy

Any items subject to the Capitalization Policy described above are subject to depreciation. The Controller will account for depreciation based on the school's inventories. Depreciation associated with the fixed assets will be calculated based on its useful life and straight-line depreciation method. Depreciation is based on the month the item was actually purchased. For instance, if the school purchased a computer in July, it would be depreciated for a full fiscal year (12 months out of 12), and recorded as such. But if the school purchased the computer in April, then it would be depreciated for just one-fourth of the fiscal year (3 months out of 12) because it would only be in service for April, May and June.

Any item that is damaged beyond use will be taken out of service and fully depreciated off the accounting records.

Depreciation Policy	
Computers	3 years
Servers	3 years
Classroom Equipment / Furniture	5 years
Office Equipment / Furniture	7 years
Leasehold improvements	Life of Lease or 15 years
Musical Instruments	3 years
Software	3 years

Disposal of Property and Equipment Policy

FLACS has adopted standard disposition procedures for staff to follow. The requester fills out and signs the Asset Disposal Form, which identifies the asset and the reason for disposition. This form is submitted to the CFO, who takes photos of the asset, determines the asset's book value and documents the condition of the asset. Disposal of any asset requires the approval of CFO and the Treasurer of the Board.

Once approved for disposal, the dollar value of the disposed asset is recorded as a reduction in the general ledger. The disposed asset is also recorded as disposed in the Excel fixed asset inventory spreadsheet. The treatment of any proceeds from the disposition, and the recognition of any gain or loss on sale of the disposed asset, is also recorded in the general ledger by the Finance Department

CHAPTER 7: RECORDS RETENTION

Records Retention Policy

All confidential paper records shall be maintained in locked facilities on school premises.

The accounting system files are saved on the school's server, which is backed up on a daily basis to ensure the retrieval of financial information in case of hardware failure. Back-up data and program files shall be stored off-site in a fire-safe area and shall always remain the confidential and sole ownership property of FLACS. In the event of a major system malfunction, the latest backup would be restored on

the server and any transactions since that backup would be reentered based on the cash disbursement records and cash receipts records. FLACS has an onsite drive backup system.

FLACS has an established Disaster Recovery Policy. Please reference the School Safety Plan for details.

Annex 5 2, contains a table which provides minimum requirements for records retention, as recommended by the Non-Profit Coordinating Committee of New York, www.npcnny.org:

Originals of the following corporate documents are maintained on-site and the COO and or the CFO verify their presence on a periodic basis:

- a. Charter and all related amendments
- b. Minutes of the board of trustees and subcommittees
- c. Banking agreements
- d. Leases
- e. Insurance policies
- f. Vendor invoices
- g. Grant and contract agreements
- h. Fixed asset inventory list

Records Access Policy

The CFO will provide access to the organization's records and provide supporting records, as requested by government auditors to facilitate the completion of such audits or reviews, in a timely manner.

Records Destruction Policy

The destruction of confidential school records will be authorized by the CEO COO or the CFO. Should they be unable to provide authorization, destruction will be delayed pending review and final determination.

If any litigation, claim, or audit is started before the expiration of the designated retention period, the records shall be retained until all litigation, claims or audit findings involving the records have been resolved and final action taken.

The school will arrange for the safe and secure destruction of confidential records. Destruction methods will not permit recovery, reconstruction and/or future use of confidential information. An overview of these methods follows.

Paper records containing sensitive confidential information **must** be shredded and not disposed of with other waste.

Electronic or digital data containing sensitive confidential information must be purged from the computer systems in the following manner; 1) Deletion of the contents of digital files and emptying of the desktop "trash" or "waste basket. Keep in mind however, that reconstruction and restoration of "deleted" files are quite possible in the hands of computer technicians. 2) For records stored on a "hard drive" it is recommended that commercially available software applications be utilized to remove all data from the storage device. When properly applied, these tools prevent the reconstruction of any data formerly stored on the hard drive. A destruction record exists to track the destruction of any and all documents. This inventory describes and documents the records, and file formats, authorized for destruction, as well as the date, agent, and method of destruction. The destruction record itself shall not

contain confidential information. The destruction record may be retained in paper, electronic, or other formats. It is recommended that sensitive confidential data stored in digital devices, be physically destroyed.

CHAPTER 8: SUMMARY OF ACCOUNT STRUCTURE

Assets

Types of Equity

In non-profit organizations, assets must be classified by nature and segregated between:

1. Unrestricted Net Assets
2. Temporarily Restricted Net Assets
3. Permanently Restricted Net Assets

The school's assets are classified as unrestricted, temporarily restricted, or permanently restricted.

Cash and Cash Equivalents

All cash and cash equivalents of the school consist of cash in the school's bank, and/or investment account/s.

Grants Receivable

Grants receivable include money that the school expects to receive from government or private sources. Donation letters or pledges are also considered grants receivable.

Property and Equipment

Property and equipment includes the assets used by the school for activities and programs that have an estimated useful life longer than one year. For the school, fixed assets primarily consist of musical instruments, classroom equipment, furniture, computers and computer software.

Purchased property and equipment is recorded at cost. Donated property and equipment are recorded at fair market value at the date of donation. Acquisition costs include all costs necessary to bring the asset to its location in working condition, including:

- Freight
- Installation costs
- Direct and indirect costs, including interest, incurred in construction

Liabilities

Accounts Payable

Accounts payable include costs and expenses billed through a vendor invoice, and are recorded at the invoice amount. Vendors and suppliers are paid as their payment terms require, taking advantage of any discounts offered. If cash flow problems exist, payments are made on a greatest dependency/greatest need basis.

Capital Lease Obligation

The school may lease office equipment under a capital lease. Payments of both principal and interest are made monthly.

Accrued Liabilities

Salaries, wages earned and payroll taxes, along with professional fees, rent and insurance costs incurred, but unpaid, are reflected as a liability when entitlement to payment occurs.

Debt

When applicable, short-term debt consists of financing expected to be paid within one year of the date of the annual audited financial statements. Long-term debt consists of financing that is not expected to be repaid within one year and is recorded on the balance sheet as a long-term liability. All short-term and long-term debt is approved by the board of trustees and may not exceed the duration of the charter, without consent of the Board of Education. Loan agreements approved by the board of trustees should be in writing and should specify all applicable terms, including the purpose of the loan, the interest rate, and the repayment schedule.

Revenue

Private Contributions

The school receives contributions from individuals, foundations, and corporations in the following forms:

1. *Unrestricted Contributions:* No donor-imposed restrictions.
2. *Temporarily Restricted Contributions:* Donor-imposed restrictions such as passage of time, or specific use. Examples include funding grants such as Walton or Simon grants.
3. *Permanently Restricted Contributions:* Donor has placed permanent restrictions on the timing of use of funds, purpose of use of funds and/or the use of earnings and appreciation. Examples include the various NCLB grants and CSP.

Upon receipt of donation, donations are classified as unrestricted, temporarily restricted or permanently restricted. For further information on the processing of donations, please see chapter 2.

Expenses

Types of Expenses

Expenses are classified by functional classification and are matched with any donor-imposed restrictions.

Functional Classifications:

- a. **Program Service Expense:** the direct and indirect costs related to providing education and other services consistent with the school's mission.
- b. **Management & General Expenses:** expenses for other activities related to the purpose for which the organization exists. These relate to the overall direction of the organization and include expenses for the activities of the governing board, business management, and general record keeping, and budgeting.
- c. **Fundraising Expenses:** costs of all activities that constitute appeal for financial support and include costs of personnel, professional consultants, rent, printing, postage, telephone, etc.

The cost of providing the various programs and other activities of FLACS will be summarized on a functional basis as part of the school's annual budget process. Accordingly, certain costs will be allocated among the following categories: general education program, special education program, management and general, and fundraising. Allocations are amended as necessary and the rationale documented. The CEO, COO, and the CFO are all involved in this process.

CHAPTER 9: FRAUD AND MISAPPROPRIATION

FLACS will not tolerate any fraud involving employees, officers or Directors, as well as students or parents of students, members, vendors, consultants, contractors, funding sources and/or any other parties with a business relationship with the school. Any investigative activity required will be conducted without regard to the suspected violator's length of service, position/title, or relationship with the school.

The CEO, COO, CFO, Principals and board of trustees are responsible for the detection and prevention of fraud, misappropriations, and other irregularities. Fraud is defined as the intentional, false representation or concealment of a material fact for the purpose of inducing another to act upon it to his or her injury. The Principal and each board member will be familiar with the types of indiscretions that might occur within his or her area of responsibility, and be alert for any indication of irregularity.

Any fraud that is detected or suspected **MUST** be reported immediately to the board of trustees and they will take the necessary actions.

Actions Constituting Fraud

The term fraud, defalcation, misappropriation, and other fiscal irregularities refer to, but are not limited to the following acts which are not clearly done in error:

- Any dishonest or fraudulent act
- Forgery or alteration of any document or account belonging to the school
- Forgery or alteration of a check, bank draft, or any other financial document
- Misappropriation of funds, supplies, equipment, or other assets of the school
- Impropriety in the handling or reporting of money or financial transactions
- Disclosing confidential and proprietary information to outside parties
- Accepting or seeking anything of material value from contractors, vendors, or persons providing goods or services to the school
- Destruction, removal or inappropriate use of records, furniture, fixtures, and equipment
- Any similar or related irregularity

Investigation Responsibilities

The Board Chairperson has the primary responsibility for the investigation of all suspected fraudulent acts as defined in the policy. The board of trustees may utilize whatever internal and/or external resources it considers necessary in conducting an investigation. If an investigation substantiates that fraudulent activities have occurred, the board of trustees will issue reports to appropriate designated personnel.

Decisions to prosecute or refer the examination results to the appropriate law enforcement and/or regulatory agencies for independent investigation will be made in conjunction with legal counsel and senior management, as will final dispositions of the case.

Confidentiality

The board of trustees will treat all information received confidentially. Any employee who suspects dishonest or fraudulent activity will notify the Board Chairperson immediately, and should not attempt to personally conduct investigations or interviews/interrogations related to any suspected fraudulent act.

The outcome of an investigation will not be disclosed or discussed with anyone other than those who have a legitimate need to know. This is important in order to avoid damaging the reputations of persons suspected but subsequently found innocent of wrongful conduct and to protect the school from potential civil liability.

Authority for Investigation of Suspected Fraud

The Chairperson, Vice Chairperson, Treasurer and the Finance committee will have:

1. Free and unrestricted access to all the school's records and premises; and
2. The authority to examine, copy, and/or remove all or any portion of the contents of files, desks, cabinets, and other storage facilities on the premises without prior knowledge or consent of any individual who may use or have custody of any such items or facilities when it is within the scope of their investigations.

Reporting Procedures

An employee who discovers or suspects fraudulent activity will directly contact the Chairperson of the board of trustees immediately. The employee or other complainant may remain anonymous. All inquiries concerning the activity under investigation from the suspected individual(s), his or her attorney or representative(s), or any other inquirer should be directed to the Finance Committee or legal counsel. No information concerning the status of an investigation will be given out. The proper response to any inquiry is, "I am not at liberty to discuss this matter." Under no circumstances should any reference be made to "the allegation," "the crime," "the fraud," "the forgery," "the misappropriation," or any other specific reference.

The reporting individual should be informed of the following:

1. Do not contact the suspected individual in an effort to determine facts or demand restitution.
2. Do not discuss the case, facts, suspicions, or allegations with anyone unless specifically asked to do so by the appointed legal counsel or the board of trustees.

CHAPTER 10: WHISTLEBLOWER POLICY

FLACS requires employees to observe high standards of business and personal ethics in the conduct of their duties and responsibilities. Employees and representatives of the school are expected to practice honesty and integrity in fulfilling their responsibilities and are expected to comply with all applicable laws and regulations.

It is the responsibility of all employees to report violations of ethics or conduct or suspected violations in accordance with this Whistleblower Policy.

No employee who in good faith reports a violation shall suffer harassment, retaliation or adverse employment consequence. An employee who retaliates against someone who has reported a violation in good faith is subject to discipline up to and including termination of employment. This Whistleblower Policy is intended to encourage and enable employees and others to raise serious concerns within the school prior to seeking resolution outside the school.

Anyone filing a complaint concerning a violation or suspected violation **MUST** be acting in good faith and have reasonable grounds for believing the information disclosed indicates a violation. Any allegations

that prove not to be substantiated and which prove to have been made maliciously or knowingly to be false will be viewed as a serious disciplinary offense.

Violations or suspected violations may be submitted on a confidential basis by the complainant or may be submitted anonymously. Reports of violations or suspected violations will be kept confidential to the extent possible, consistent with the need to conduct an adequate investigation.

The CEO COO and CFO will notify the sender and acknowledge receipt of the reported violation or suspected violation within five business days. All reports will be promptly investigated and appropriate corrective action will be taken if warranted by the investigation.

CHAPTER 11: ETHICS

Annual Acceptance of FLACS Ethics Policy

Annually, all Board members and employees of FLACS will be required to acknowledge and agree to the FLACS Ethics Policy as a condition of Board participation and/or employment with FLACS. The agreement will contain a section for Board members and employees to self-disclose any conflict of interest, though Board members and employees are required to disclose any actual or potential conflict of interest at any time.

Conflicts of Interest

Under no circumstance will a Board member or employee of FLACS initiate, participate or benefit in any way from negotiating a contract or purchase of goods or services in which he/she, relative, or an associate has financial interest.

Upon discovery of an actual or potential conflict of interest, the Board member or employee **must** immediately withdraw from further participation in the involved transaction and report the transaction to the CEO and/or Chairperson of the Board.

Gratuities and Kickbacks

No FLACS Board member or employee (or anyone under their direct supervision) may solicit, demand, accept or agree to a gratuity, kickback or an offer of employment in connection with a business transaction. Such transactions include, but are not limited to, approvals on purchase requests, influencing the content of any procurement standard, auditing, or rendering of advice.

In accordance with the Confidentiality Agreement that appears in this manual, a Board member or an employee must not knowingly use Confidential Information for actual or anticipated personal gain, or for the actual or anticipated personal gain of any other person.

Reprimands and Penalties

A breach of ethical standards from a board member of FLACS is cause for removal from the board of trustees. A breach of ethical standards from an employee of FLACS will warrant a written warning from the CEO, and/Chairperson of the Board. The repercussion of this unacceptable behavior may lead to suspension with or without pay for a specified period of time, and/or termination of employment.

ANNEX 1: FINANCIAL LEADERSHIP ACCOUNTABILITY

Board of Trustees and Finance Committee

Area of Review	Primary Responsibility	Measurement
Oversight of Management & School	Ensure all systems and structures are in place for an effective operation. Oversee and assess the school's educational progress. Provide expertise in the areas of law, real estate and finance. Establish and maintain the school's reputation and enhance FLACS visibility throughout the community and media.	Implementation of awareness of school's mission and educational program. Selection of qualified key employees empowered to comply with the school's mission. School is running effectively on a day to day basis. Financial and Programmatic goals are being accomplished as established on the proposal.
Fundraising	Work with the Finance Committee and the Fundraising Committee and School Leaders to raise funds to meet operational and capital needs	Determine fundraising goals; help to create and execute fundraising plan. Grants etc. are secured.
Budget	Work with the Finance Committee, School Leaders and Finance Department to develop and manage the annual operating budget and demonstrate financial viability to an independent auditor.	Budget is created on schedule; and is updated regularly by the CFO and financials are presented to the Board in timely manner. FLACS is on budget; the Finance committee works with the board of trustees to hire an independent auditor; to successfully complete annual audit.

Principal

Area of Review	Primary Responsibility	Measurement
Oversight of School	Ensure all systems and structures are in place for an effective operation	FLACS opens and runs smoothly with full enrollment and staffing and all policies and procedures in place to effectively run the school on a daily basis.
Fundraising	Work with the CEO, COO Director of Development to raise funds to meet operational and capital needs	Determine fundraising goals; help to create and execute fundraising plan. Grants etc. are secured.
Budget	Work with the CEO, COO and CFO to develop and manage the annual operating budget and demonstrate financial viability to an independent auditor.	Budget is created on schedule; and is updated regularly by the Finance Department and presented to the Board in timely manner. The CFO works with the board of trustees and the school Principal to hire an independent auditor; to successfully complete annual audit.

Chief Financial Officer

Area of Review	Primary Responsibility	Measurement
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Proposal for Family Life Academy Charter School IV
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Oversight of School	Ensure all systems and structures are in place for an effective operation	FLACS opens and runs smoothly with full enrollment and staffing and all policies and procedures in place to effectively run the school on a daily basis.
Financial Requirements and Processes	Work with the CEO, COO, Principal, Finance Committee and any consultants to develop and manage the annual operating budget. in conjunction with CFO and demonstrate financial viability to an independent auditor.	Budget is created on schedule; and is updated regularly by the CFO and financials are presented to the Board in timely manner. .
Human Resources Policies and Procedures	Work with the Human Resources Administrator in compiling personnel documents and Developing a culture that promotes employee retention	Ensure that the school complies with Federal, State and local governmental requirements relating to HR policies and procedures, and best practices. Process, maintain and secure sensitive employee data.
Property, Equipment and Data	Safeguard the School's fixed assets and data	Develop and execute procedures that will ensure that the school's assets are accounted for and recorded properly in the GL. Maintain and safeguard digital, paper and intellectual data.
Board Reports	Required monthly reports	Timely, accurate and clear reports

ANNEX 2: REQUIREMENTS FOR RECORDS RETENTION

Item	Retention Period
Bank Statements & Reconciliations	7 Years
Cancelled Checks - (Important Payments - purchases of property, tax payments, large or significant contracts)	Permanent
Cancelled Checks - (Ordinary)	7 Years
Cash Books	Permanent
Cash Receipts and Disbursements	7 Years
Construction Documents	Permanent
Contracts and Leases (Current)	Permanent
Contracts and Leases (Expired)	7 Years
Corporate - Articles of Incorporation & By Laws	Permanent
Corporate - Certificate of Incorporation and Related Legal or Government Documents	Permanent
Corporate - Minutes of Board & Committee Meetings, etc.	Permanent
Correspondence (General)	3 Years
Correspondence (Legal / Important)	Permanent

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Duplicate Bank Deposit Slips	3 Years
Email	5 Years
Employee Assignments and Garnishments	7 Years
Employee Benefit Plan Documents	7 Years
Employee Payroll Records	7 Years
Employee Payroll Reports (Federal, State or City Gov't)	7 Years
Employee Personnel Records (After Termination)	7 Years
Employee Personnel Records (Current)	Permanent
Employee Retirement & Pension Records	Permanent
Employee Timesheets	7 Years
Employee Workman's Compensation Documents	11 years
Employment Applications (Current Employees)	Permanent
Employment Applications (Other)	1 Year
Finance - Accounts Payable Ledgers and Schedules	7 Years
Finance - Accounts Receivable Ledgers and Schedules	7 Years
Finance - Audit Reports of Independent Accountant	Permanent
Finance - Chart of Accounts	Permanent
Finance - Depreciation Schedules	Permanent
Finance - Expense Analyses & Distribution Schedules	7 Years
Finance - Financial Statements (Inc. Trial Balances)	Permanent
Finance - Fixed Asset Records & Appraisals	Permanent
Finance - General Ledgers	Permanent
Finance - Subsidiary Ledgers	Permanent
Finance - Tax Return Worksheets	7 Years
Finance - Tax Returns	Permanent
Finance - Uncollectible Accounts & Write-offs	7 Years
Finance - W-2 / W-4 / 1099 Forms, etc.	7 Years
Grant Inquiries	7 Years
Insurance - Accident Reports and Claims (Current Cases)	Permanent
Insurance - Accident Reports and Claims (Settled Cases)	Permanent
Insurance - Policies (Current)	Permanent
Insurance - Policies (Expired)	Permanent
Inventories	7 Years
Invoices from Vendors	7 Years
Invoices to Customers	7 Years

Proposal for Family Life Academy Charter School IV
Response 21 - Fiscal Soundness

Notes Receivable Ledgers	7 Years
Paid Bills & Vouchers	7 Years
Patents & Related Papers	Permanent
Physical Inventory Tags	7 Years
Property Appraisals	Permanent
Property Documents - Deeds, Mortgages, etc.	Permanent
Stock and Bond Certificates (Cancelled)	7 Years
Stock and Bond Records	Permanent
Vendor Payment Request Forms & Supporting Documents	7 Years
Voucher Registers & Schedules	7 Years

ANNEX 3: ACCOUNTING ENTRIES REQUIRED FOR RECOGNIZING GRANT REVENUES

Upon receipt of the initial grant award or any portion thereof:

Dr. Cash
Cr. Deferred Revenue

As expenses are Incurred and in line with the grant expenditure plan:

Dr. Accounts Receivable
Cr. Grant Revenue

When periodic billing of the grant is received

Dr. Cash
Cr. Accounts Receivable

ANNEX 4: PROCUREMENT APPROVAL HIERARCHY

\$ Value/Range	Required Signatures for Approval
\$0 - \$10,000	CEO, COO, CFO
\$10,000 and above	Finance Committee

FLACS FINANCIAL POLICIES AND PROCEDURES MANUAL ADDENDUM (Effective July 1, 2015)

This document serves as an addendum to the School's existing Financial Policies and Procedures Manual (FPPM) effective July 1, 2015 to comply with OMNI regulations for recipients of federal funding. These procedures must be followed in conjunction with those outlined in the School's current FPPM.

Annual Audit

If total federal expenditures for the fiscal year should exceed \$750,000 (or current federal guidelines), an additional audit under the guidance of OMB Circular A-133 will be also conducted by the independent audit firm.

Revenue Compliance

The School's accounting and documentation system must be capable of meeting the specific

requirements imposed by grant agreements. Source documentation must be maintained for all authorized awards, expenditures and interest earned. Expenses cannot be charged over 100% against multiple grants. The School must ensure that all reporting requirements and deadlines are met.

For all federal grants an official authorized to legally bind the School will be required to certify all reports and payment requests by signing and agreeing to the following:

"By signing this report, i certify to the best of my knowledge and belief that the report is true, complete and accurate and the expenditures, disbursements and cash receipts are for the purposes and objectives set forth in the terms and conditions of the federal award. i am aware that any false, fictions, or fraudulent information or the omission of any material fact, may subject me to criminal civil or administrative penalties for fraud, false statements, false claims, or otherwise. "

Grant Receipts

Drawdowns/advances must be disbursed within the grant's specified time and maintained in insured account. The funds must also be in an interest bearing account, if:

- Aggregate federal awards are over \$120,000: and
- Account expected to earn in excess of \$500 in interest per year: and
- Bank required minimum balance is feasible for the School to maintain

Interest amounts earned up to \$500 may be retained by the School for administrative purposes.

See the link below for A-133 requirements related to each grant:

http://www.whitehouse.gov/omb/circulars/a133_compliance_supplement-2014

Purchases and Cash Disbursements

Allowability Procedures

Before any grant funds are budgeted and expended staffs are required to determine the cost eligibility based on the following factors:

- Necessary, reasonable and allocable
- Conform with federal law and grant terms
- Consistent with state and local policies
- Consistently treated
- In accordance with GAAP
- Not included as a match
- Net of applicable credits
- Adequately documented

The following link must be used to determine specific cost eligibility:

http://www.whitehouse.gov/omb/circulars_a122_2004#atta

Payments made for costs determined to be unallowable by either the Federal awarding agency or pass-through must be refunded (including interest) to the Federal government in accordance with instructions from the Federal agency that determined the costs are unallowable.

The School adheres to the following purchasing objectives:

- Procurements will be completely impartial based on the merits of supplier and contractor proposals and applicable considerations such as delivery, quantity, quality.
- The School will make all purchases in the best interests of the School and its funding sources and

in accordance with any grant restrictions as applicable.

- The School will buy from reliable vendors
- The School will not contract with vendor who has been suspended or debarred.
- The School will obtain maximum value for all expenditures.
- The School will be above suspicion of unethical behavior at all times and avoid any conflict of interest, transactions with related parties, or even the appearance of a conflict of interest in the School supplier relationships. The School's conflict of interest policies are described in its By-laws.
- The contractor must possess financial and technical resources necessary to provide service/goods.
- Competitive bidding must be based on the procedures outlined in the School's Fiscal Policies and Procedures Manual.

Payroll (Time and Effort Documentation)

Charges to Federal awards for salaries and wages must be based on records that accurately reflect the work performed.

See link for suggested example:

<http://www.p12.nysed.gov/accountability/consolidate/employeecertifications.html>

Property & Equipment

The School must adhere to the established capitalization policy as outlined in the Fiscal Policies and Procedures Manual. Federal award purchases of \$5,000 or more per unit and useful life greater than one year must be capitalized.

Assets Tracking Process

Upon receiving any property that qualifies as a fixed asset, the School is responsible for recording the following into the Fixed Asset Tracking List:

- Asset tracking number as designated by the School;
- Asset name, use, condition and description;
- Classification (i.e. land, building, equipment, betterment, leasehold improvements, furniture, computer hardware and software);
- Serial number, model number, or other identification;
- Indicate if the title vests with the governmental agency, If required;
- Vendor name and acquisition date or date placed in service;
- Location of the equipment;
- Purchase Value;
- Disposal Date and Reason; and
- Specify dollar amount of any asset purchased with grant fund

Physical inventory for assets purchases with federal funds must be performed at least every two years.

Disposition of Assets

For assets purchased with federal funds the School must request disposition Instructions from the federal awarding agency when required.

Otherwise, may be retained, sold or otherwise disposed as follows:

- Over \$5,000 - pay federal share
 - If equipment is sold: Federal awarding agency may permit non-Federal entity to deduct

and retain \$500 or 10% of the proceeds for selling and handling instructions.

- Under \$5,000 - no accountability (still must formally dispose)

Conflict of Interest Policy

Interested Person

The General Municipal Law defines prohibited conflicts of interest for school trustees, officers, and employees.

Under the General Municipal Law, no school officer or employee may have an interest, direct or indirect, in any contract with the School, when such officer, trustee, or employee, individually or as a member of the Board, has the power or duty to (a) negotiate, prepare, authorize or approve the contract, or authorize or approve payment under the contract; (b) audit bills or claims under the contract; or (c) appoint an officer or employee who has any of the powers or duties set forth above.

Financial Interest

A person has a financial interest if the person has, directly or indirectly, through business, investment, or family:

- An ownership or Investment interest, other than de minimis, in any entity with the School has a transaction or arrangements
- A compensation arrangement with the School or with any entity or individual with which the School has a transaction or arrangement, or
- A potential ownership or investment interest, other than de minimis, in, or compensation arrangement with any entity or individual with which the School is negotiating a transaction or arrangement. Compensation includes direct and indirect remuneration as well as gifts or favors having a value of \$100,000 or more whether in the form of money, service, loan, travel, entertainment, hospitality, thing or promise or in any other form, under circumstances in which it could reasonably be inferred that the gift was intended to or could reasonably be expected to influence the performance of a trustee, official or employee in his/her official duties, or was intended as a reward for any official action.

Duty to Disclose

Any trustee, officer or employee who has, will have, or later acquires an interest in any actual or proposed contract with the Board must publicly disclose the nature and extent of such interest in writing to the directors and members of committees with governing board delegated powers considering the proposed transaction or arrangement.

Determining Whether a Conflict of Interest Exists

A financial interest is not necessarily a conflict of interest. A person who has a financial interest may have a conflict of interest only if the appropriate governing board or committee decides that a conflict of interest exists. After disclosure of the financial interest and all material facts, and after any discussion with the interested person, he/she shall leave the governing board or committee meeting while the determination of a conflict of interest is discussed and voted upon. The remaining board or committee members shall decide if a conflict of interest exists.

Notwithstanding anything herein, the following contracts are exempt from this policy, including but not limited to, employment contracts between the school and a board member or employee's spouse, minor children or dependents; a contract between the school and a corporation of which the board member or employee is neither a director nor owns more than five percent of outstanding stock; a contract between the school and a board member or employee entered into preceding the election of

the board member but not the renewal/renegotiation of that contract; a contract between the school and a board member or employee in which the total paid does not exceed \$750.00 during the fiscal year when added to the aggregate amount of consideration payable under all contracts pertaining to that individual; a contract between the school and a company that employs a board member or employee where the individual's compensation is not directly affected as a result of the contract and the duties of the individual's employment do not directly involve the procurement, preparation or performance of such a contract; and purchases in the aggregate amount of Five Thousand Dollars (\$5,000) or less in any single calendar year. No review or action by any governing board or committee shall be necessary if an exception applies.

Procedures for Addressing a Conflict of Interest

An interested person may make a presentation at the governing board or committee meeting, but after the presentation, he/she shall leave the meeting during the discussion of, and the vote on, the transaction or arrangement involving the possible conflict of interest.

The chairperson of the governing board or committee shall, if appropriate, appoint a disinterested person or committee to investigate alternatives to the proposed transaction or arrangement.

After exercising due diligence, the governing board or committee shall determine whether the School can obtain with reasonable efforts a more advantageous transaction or arrangement from a person entity that would not give rise to a conflict of interest.

If a more advantageous transaction or arrangement is not reasonably possible under circumstances not producing a conflict of interest, the governing board or committee shall determine by a majority vote of the disinterested directors whether the transaction or arrangement is in the School's best interest, for its own benefit, and whether it is fair and reasonable. In conformity with the above determination it shall make its decision as to whether to enter into the transaction or arrangement.

Violations of the Conflicts of Interest Policy

If the governing board or committee has reasonable cause to believe a trustee, officer or employee has failed to disclose actual or possible conflicts of interest, it shall inform the trustee, officer or employee of the basis for such belief and afford the member an opportunity to explain the alleged failure to disclose.

If, after hearing the trustee, officer or employee's response and after making further investigation as warranted by the circumstances, the governing board or committee determines the trustee, officer or employee has failed to disclose an actual or possible conflict of interest, it shall take appropriate disciplinary and corrective action.

Any contract entered into with a prohibited interest is null, void and unenforceable. Further any trustee, officer, or employee who willfully and knowingly violates this policy shall be guilty of a misdemeanor.

Records of Proceedings

The minutes of the governing board and all committees with board delegated powers shall contain:

- The names of the persons who disclosed or otherwise were found to have a financial interest in connection with an actual or possible conflict of interest, the nature of the financial interest, any action taken to determine whether a conflict of interest was present, and governing Board's or committee's decision as to whether a conflict of interest in fact existed.

- The names of the persons who were present for discussions and votes relating to the transaction or arrangement, the content of the discussion, including any alternatives to the proposed transaction or arrangement, and a record of any votes taken in connection with the proceedings.

Compensation

A voting member of the governing board who receives compensation, directly or indirectly, from the School for services is precluded from voting on matters pertaining to that member's compensation.

A voting member of any committee whose jurisdiction includes compensation matters and who receives compensation, directly or indirectly, from the School for services is precluded from voting on matters pertaining to that member's compensation.

A voting member of the governing board or any committee whose jurisdiction includes compensation matters and who receives compensation, directly or indirectly, from the School, either individually or collectively, is prohibited from providing information to any committee regarding compensation.

Annual Statements

Each trustee, officer, and employee shall annually sign a statement which affirms such person:

- Has received a copy of the Code of Ethics and Policy on Conflicts of Interest,
- Has read and understands the Code of Ethics and Policy,
- Has agreed to comply with the Code of Ethics and Policy, and
- Understands the School is charitable and in order to maintain its federal tax exemption it must engage primarily in activities which accomplish one or more of its tax-exempt purposes.

Periodic Reviews

To ensure the School operates in a manner consistent with charitable purposes and does not engage in activities that could jeopardize its tax-exempt status, periodic reviews shall be conducted. The periodic reviews shall, at a minimum, include the following subjects:

- Whether compensation arrangements and benefits are reasonable, based on competent survey information and the result of arm's length bargaining.
- Whether partnerships, joint ventures, and arrangements with management organizations conform to the School's written policies, are properly recorded, reflect reasonable investment or payments for goods and services, further charitable purposes and do not result in inurement, impermissible private benefit or in an excess benefit transaction.

Response 21b - Financial Planning

On an ongoing basis, the CEO, COO and CFO meet to discuss needs and wants for the schools and network. In December of each year, the budget process commences in earnest for the following year's budget. The CFO meets with each principal and network department head to discuss all fiscal needs and future planning. The CFO then meets with the CEO and COO regarding these conversations. In all of these conversations, the focus is ensuring that the budget aligns with the mission, vision and key design elements of the school and that the budget will drive student achievement. The CFO compiles a draft budget and presents this to the CEO and COO. After discussions and revisions, the draft budget is presented to the finance committee in early May. The budget is then presented to the full board. Once approved the final budget is provided to NYSED and SUNY CSI.

The CFO meets with all principals on a monthly basis discussing actual results vs budgeted numbers. The CFO meets with the COO every two weeks on the state of the financials. Modifications to the budget occur during these meetings, if necessary. In addition, the CFO reports to the board treasurer and the finance committee and the board with monthly financial results.

The budgeting process is described in more detail in the previous *Response 21a - Budget Narrative*, which includes the FLACS Financial Policies and Procedures Manual.

Response 21c - Fiscal Audits

The school will undergo an annual audit using a certified public accounting firm licensed in New York State. It will be conducted in accordance with auditing standards generally accepted in the United States of America and Government Auditing Standards issued by the Comptroller General of the United States. The school will use the Institute's Audited Financial Report Template ensuring that the completion of the required main schedules. The school will ensure the first annual fiscal audit includes the start-up period.

Response 21d - Dissolution Procedures

Education Corporation Dissolution and Dissolution Reserve Fund

In the event of termination of the Charter of Family Life Academy Charter Schools, whether prematurely or otherwise, Family Life Academy Charter Schools shall establish and follow procedures consistent with those required by subdivision 2851(2)(t) of the Education Law for the transfer of students and student records to the school district in which a school operated by Family Life Academy Charter Schools is located and for the disposition of Family Life Academy Charter Schools' assets to another charter school located within the school district in which Family Life Academy Charter Schools is located. In addition, in case of such an event, voluntary surrender of the Charter or the closure of all of the schools of Family Life Academy Charter Schools without termination of the Charter, Family Life Academy Charter Schools will follow any additional procedures required by the Trustees or the Regents to ensure an orderly dissolution or transition process (including the implementation of an education corporation closure plan as provided by and posted on the website of the Institute, appointment of pupil placement coordinators, a custodian of records and any other necessary personnel).

Family Life Academy Charter Schools must create a dissolution reserve fund or account for purposes of school closures and/or dissolution of Family Life Academy Charter Schools in an amount to be determined as follows:

- Seventy-five thousand dollars (\$75,000) per school for each of the first two (2) schools operated by Family Life Academy Charter Schools to be funded, at a minimum, by reserving twenty-five thousand dollars (\$25,000) per year during the first three (3) years of operation of each school; and
- Twenty-five thousand dollars (\$25,000) per school for each additional school operated by Family Life Academy Charter Schools to be reserved in the first year of operation of each school up to a maximum of three hundred and fifty thousand dollars (\$350,000).

The Trustees may require the escrow or other third-party safeguarding of the funds in the dissolution reserve account and may require funds disbursed therefrom pursuant to terms and conditions determined by the Trustees or their designee in the event any of the following conditions or events occur:

- Family Life Academy Charter Schools' authority to operate any school is terminated or revoked because the Trustees determined that one of the grounds set forth in Education Law § 2855 apply to such school; or
- Family Life Academy Charter Schools' authority to operate any school is terminated or revoked by mutual agreement of Family Life Academy Charter Schools and the Trustees; or
- the Trustees determine that one of the grounds for termination or revocation of the Charter as defined under the Charter School Act, as amended (the "Act"), has occurred or is occurring, and the Trustees elect as follows:
 - to terminate the Charter; or
 - to terminate Family Life Academy Charter Schools' authority to operate one or more programs, schools or sites, or any combination thereof; or
 - to place Family Life Academy Charter Schools on probationary status and prepare and cause Family Life Academy Charter Schools to implement a remedial action plan the terms and conditions of which Family Life Academy Charter Schools must agree to abide by in all respects; or
- the existence of grounds for termination or revocation of the Charter or of the authority of Family Life Academy Charter Schools to operate any of its schools as set forth in the Act or the Charter Agreement, or there is fiscal mismanagement, lack of organizational viability, or lack of educational soundness; or
- the Trustees make a finding that any school of the Family Life Academy Charter Schools is far from meeting most of the goals in its Accountability Plan and not making substantial progress toward meeting those goals; or
- the Trustees deny approval of a charter extension for Family Life Academy Charter Schools or deny school renewal for one or more schools; or
- current or future litigation or other events that threaten the fiscal soundness of Family Life Academy Charter Schools as determined by the Trustees. In the event Family Life Academy Charter Schools draws down funds from the dissolution reserve fund but does not dissolve, Family Life Academy Charter Schools shall deposit funds into the account to maintain the minimum balance set forth above. Family Life Academy Charter Schools shall provide notice to the Trustees anytime funds from the dissolution reserve fund are drawn or used for any purpose not set forth above.

School Closure Procedures and Plan

In the event of non-renewal or closure of one of the schools or sites operated by Family Life Academy Charter Schools, whether prematurely or otherwise, Family Life Academy Charter Schools shall establish and follow procedures consistent with those required by subdivision 2851(2)(t) of the Education Law, implement a school closure plan as published at that time on the website of the Institute, and follow any additional procedures required by the Trustees to ensure an orderly closure or transition process.

Family Life Academy Charter Schools will provide the Institute with the parent names and addresses of all students enrolled in the school, at the time, by grade to enable the Institute to communicate directly with families regarding the process as necessary.

Family Life Academy Charter Schools designate one or more trustees and/or employees to assist in the closure of the school, from an operational and financial perspective. Family Life Academy Charter Schools will transfer the Education Corporation's fixed assets (if any, after the payment of all debts) in accordance with the law at the time of dissolution. Family Life Academy Charter Schools must put in

place procedures to transfer students to other schools operated by Family Life Academy Charter Schools or the school district in which the school is located, and inform parents regarding educational options. In addition, Family Life Academy Charter Schools must retain and safeguard any student records from such school, and forward copies of same to each student's new school or district as appropriate. Family Life Academy Charter Schools will transfer all student records, testing materials, etc. to the school district of location of the charter school and make available a copy of such records to each student's parent or legal guardian. Family Life Academy Schools would follow all steps in the execution of a SUNY Closure Plan, and for the disposition of school assets.



GENERAL INSTRUCTIONS FOR 2019 NEW SCHOOL PROPOSAL BUDGETS AND CASH FLOWS

TAB COLORS

1- GRAY tabs contain the Instructions and the Funding by Districts Table.

Instructions	- Provides description of tabs and input requirements.
Funding by District	- Reference table with Per Pupil Revenue for current year.

2- BLUE tabs require input of information.

1) School Information	- Enter school name, contact information and planned dates for proposed budgets.
2) Enrollment Chart	- Enter enrollment information on this tab to be automatically populated throughout workbook.
3) Staffing Plan	- Enter staffing plan information on this tab to be automatically populated throughout workbook.
4) Pre-Opening Period Budget	- Enter "description of assumptions" for the Pre-Opening Budget on this tab only; the numbers are automatically populated using input from tab 5 or tab 6.
5) Pre-OP Cash Flow 6-Month	- Enter Pre-Opening Cash Flow information on this tab only if opening in the year following the application submission with a 6-month preopening period.
6) Pre-OP Cash Flow 1-Year	- Enter Pre-Opening Cash Flow information on this tab only if opening in the second year following the application submission with a 1-year preopening period.
7) Year 1 Budget & Assumptions	- Enter Year-1 Budget information that includes Program and Support Services detail.
8) Year 1 Cash Flow	- Enter Year-1 Budget information that includes monthly cashflow detail.
9) 5 YR Budget & Cash Flow Adj	- Enter Budget information for Years 2-5 including Per Pupil Rate increase percentages and Revenue and Expense projections.
10) Fiscal Impact	- "Fiscal Impact" report showing effect on primary school district from which the majority of students are enrolled.

CELL COLORS & GUIDANCE COMMENTS

- = Enter information into the light BLUE shaded cells.
- = Cells labeled in ORANGE contain guidance regarding the input of information.
- = Cells containing RED triangles in the upper right corner contain "guidance comments" on that particular line item. Please "mouse-over" the triangle to reveal each comment.

Charter Funding Alphabetical By NYS School District
*** (Sum of Charter School Basic Tuition and Supplemental Basic Tuition)**

District Code	School District Name	Final 2017-18 Basic Tuition*	Final 2018-19 Basic Tuition*
570101	ADDISON CSD	12,263	12,480
410401	ADIRONDACK CSD	12,671	13,038
80101	AFTON CSD	14,800	15,288
142101	AKRON CSD	11,134	11,395
10100	ALBANY CITY SD	15,072	15,541
450101	ALBION CSD	11,580	11,734
140101	ALDEN CSD	10,862	11,106
180202	ALEXANDER CSD	12,335	13,021
220202	ALEXANDRIA CSD	13,100	13,268
20101	ALFRED-ALMOND CSD	11,628	12,119
40302	ALLEGANY-LIMESTONE CSD	11,362	11,350
460102	ALTMAR-PARISH-WILLIAMSTOWN CSD	12,463	12,735
580303	AMAGANSETT UFSD	58,648	61,891
140201	AMHERST CSD	11,721	12,003
580106	AMITYVILLE UFSD	18,777	19,104
270100	AMSTERDAM CITY SD	10,443	10,694
120102	ANDES CSD	22,107	22,538
20601	ANDOVER CSD	13,353	13,481
660405	ARDSLEY UFSD	21,471	22,360
640101	ARGYLE CSD	12,402	12,490
571901	ARKPORT CSD	10,680	11,022
131601	ARLINGTON CSD	12,469	12,797
670201	ATTICA CSD	10,552	10,914
50100	AUBURN CITY SD	11,495	11,759
90201	AUSABLE VALLEY CSD	14,185	14,483
491302	AVERILL PARK CSD	11,036	11,310
570201	AVOCA CSD	14,203	14,628
240101	AVON CSD	11,465	11,904
580101	BABYLON UFSD	17,928	18,331
80201	BAINBRIDGE-GUILFORD CSD	12,434	12,489
280210	BALDWIN UFSD	16,658	16,736
420901	BALDWINVILLE CSD	11,722	12,223
521301	BALLSTON SPA CSD	12,797	13,219
401301	BARKER CSD	13,895	13,739
180300	BATAVIA CITY SD	13,293	13,534
570302	BATH CSD	10,780	10,916
580501	BAY SHORE UFSD	16,357	16,730
580505	BAYPORT-BLUE POINT UFSD	18,566	18,993
130200	BEACON CITY SD	12,093	12,392
231301	BEAVER RIVER CSD	10,873	11,422
660102	BEDFORD CSD	21,556	22,246
90301	BEEKMANTOWN CSD	12,708	12,962
20801	BELFAST CSD	12,619	12,754
220909	BELLEVILLE HENDERSON CSD	11,030	11,580
280207	BELLMORE UFSD	20,638	21,284
280253	BELLMORE-MERRICK CENTRAL HS DISTRICT	14,764	15,136
61001	BEMUS POINT CSD	12,810	13,198
490101	BERLIN CSD	13,890	14,158
10201	BERNE-KNOX-WESTERLO CSD	14,371	14,870
10306	BETHLEHEM CSD	13,513	13,713
280521	BETHPAGE UFSD	18,350	18,888
30200	BINGHAMTON CITY SD	11,220	11,413
661905	BLIND BROOK-RYE UFSD	21,318	21,651
22902	BOLIVAR-RICHBURG CSD	11,885	12,383
630101	BOLTON CSD	21,535	22,004
570401	BRADFORD CSD	14,266	14,560
510101	BRASHER FALLS CSD	11,172	11,580

Charter Funding Alphabetical By NYS School District
*** (Sum of Charter School Basic Tuition and Supplemental Basic Tuition)**

District Code	School District Name	Final 2017-18 Basic Tuition*	Final 2018-19 Basic Tuition*
580512	BRENTWOOD UFSD	14,483	15,007
480601	BREWSTER CSD	17,808	18,243
661402	BRIARCLIFF MANOR UFSD	23,861	24,030
580909	BRIDGEHAMPTON UFSD	54,045	57,471
260101	BRIGHTON CSD	13,448	13,931
171102	BROADALBIN-PERTH CSD	9,636	9,939
261801	BROCKPORT CSD	11,745	12,214
62301	BROCTON CSD	13,437	13,907
660303	BRONXVILLE UFSD	22,606	22,891
250109	BROOKFIELD CSD	12,171	12,473
580203	BROOKHAVEN-COMSEWOGUE UFSD	14,498	15,068
490202	BRUNSWICK CSD (BRITTONKILL)	11,501	11,918
161601	BRUSHTON-MOIRA CSD	12,409	12,693
140600	BUFFALO CITY SD	13,005	13,350
520101	BURNT HILLS-BALLSTON LAKE CSD	11,168	11,713
661201	BYRAM HILLS CSD	21,054	21,631
180701	BYRON-BERGEN CSD	12,347	12,615
190301	CAIRO-DURHAM CSD	11,345	11,398
240201	CALEDONIA-MUMFORD CSD	11,218	11,624
641610	CAMBRIDGE CSD	13,350	13,616
410601	CAMDEN CSD	11,655	12,110
570603	CAMPBELL-SAVONA CSD	11,531	11,923
270301	CANAJOHARIE CSD	11,845	12,286
430300	CANANDAIGUA CITY SD	11,828	12,275
21102	CANASERAGA CSD	13,329	13,617
250901	CANASTOTA CSD	10,837	11,440
600301	CANDOR CSD	12,287	12,704
571502	CANISTEO-GREENWOOD CSD	14,797	15,692
510201	CANTON CSD	12,252	12,648
280411	CARLE PLACE UFSD	21,187	21,462
480102	CARMEL CSD	16,409	16,783
222201	CARTHAGE CSD	8,972	8,572
60401	CASSADAGA VALLEY CSD	12,359	12,297
50401	CATO-MERIDIAN CSD	11,653	11,887
190401	CATSKILL CSD	15,130	15,386
42302	CATTARAUGUS-LITTLE VALLEY CSD	12,368	12,361
250201	CAZENOVIA CSD	11,613	11,755
580233	CENTER MORICHES UFSD	15,847	16,175
580513	CENTRAL ISLIP UFSD	20,614	21,888
460801	CENTRAL SQUARE CSD	10,571	10,872
212101	CENTRAL VALLEY CSD AT ILION-MOHAWK	10,253	10,294
661004	CHAPPAQUA CSD	20,041	20,336
120401	CHARLOTTE VALLEY CSD	11,907	12,319
160801	CHATEAUGAY CSD	11,879	12,254
101001	CHATHAM CSD	13,977	14,247
60503	CHAUTAUQUA LAKE CSD	15,457	15,820
90601	CHAZY UFSD	12,716	12,972
140701	CHEEKTOWAGA CSD	11,235	11,526
140702	CHEEKTOWAGA-MARYVALE UFSD	11,433	11,713
140709	CHEEKTOWAGA-SLOAN UFSD	12,946	12,952
30101	CHENANGO FORKS CSD	11,503	12,030
30701	CHENANGO VALLEY CSD	11,670	11,926
472202	CHERRY VALLEY-SPRINGFIELD CSD	13,674	13,993
440201	CHESTER UFSD	14,170	14,578
251601	CHITTENANGO CSD	11,983	12,159
261501	CHURCHVILLE-CHILI CSD	11,122	11,420
110101	CINCINNATUS CSD	13,691	14,051

Charter Funding Alphabetical By NYS School District
*** (Sum of Charter School Basic Tuition and Supplemental Basic Tuition)**

District Code	School District Name	Final 2017-18 Basic Tuition*	Final 2018-19 Basic Tuition*
140801	CLARENCE CSD	10,001	10,278
500101	CLARKSTOWN CSD	14,310	14,573
140703	CLEVELAND HILL UFSD	11,428	11,674
510401	CLIFTON-FINE CSD	18,107	18,337
411101	CLINTON CSD	12,529	12,623
650301	CLYDE-SAVANNAH CSD	14,326	14,886
60701	CLYMER CSD	15,425	15,883
541102	COBLESKILL-RICHMONDVILLE CSD	11,802	12,187
10500	COHOES CITY SD	12,791	13,170
580402	COLD SPRING HARBOR CSD	21,586	22,091
510501	COLTON-PIERREPONT CSD	19,381	19,804
580410	COMMACK UFSD	16,506	16,846
580507	CONNETQUOT CSD	16,947	17,428
471701	COOPERSTOWN CSD	12,917	13,214
230201	COPENHAGEN CSD	10,935	11,153
580105	COPIAGUE UFSD	15,861	16,229
520401	CORINTH CSD	11,919	12,024
571000	CORNING CITY SD	11,637	12,225
440301	CORNWALL CSD	12,262	12,686
110200	CORTLAND CITY SD	11,142	11,358
190501	COXSACKIE-ATHENS CSD	12,888	13,208
660202	CROTON-HARMON UFSD	16,733	17,089
150203	CROWN POINT CSD	16,175	16,816
22302	CUBA-RUSHFORD CSD	13,488	13,493
241101	DALTON-NUNDA CSD (KESHEQUA)	14,107	13,895
241001	DANSVILLE CSD	11,313	11,586
580107	DEER PARK UFSD	16,685	17,186
120501	DELAWARE ACADEMY CSD AT DELHI	14,930	15,384
140707	DEPEW UFSD	11,409	11,571
31301	DEPOSIT CSD	15,304	15,566
250301	DERUYTER CSD	14,069	14,253
660403	DOBBS FERRY UFSD	19,927	20,363
211003	DOLGEVILLE CSD	11,527	11,844
130502	DOVER UFSD	12,245	12,634
120301	DOWNSVILLE CSD	18,143	18,308
610301	DRYDEN CSD	12,012	12,682
530101	DUANESBURG CSD	10,234	10,068
680801	DUNDEE CSD	10,998	11,641
60800	DUNKIRK CITY SD	13,985	14,270
140301	EAST AURORA UFSD	11,205	11,660
430501	EAST BLOOMFIELD CSD	12,117	12,351
490301	EAST GREENBUSH CSD	12,659	12,974
580301	EAST HAMPTON UFSD	24,729	24,917
260801	EAST IRONDEQUOIT CSD	12,557	12,929
580503	EAST ISLIP UFSD	15,659	15,866
280203	EAST MEADOW UFSD	16,722	16,973
580234	EAST MORICHES UFSD	18,372	18,563
580917	EAST QUOGUE UFSD	23,116	23,527
500402	EAST RAMAPO CSD (SPRING VALLEY)	17,055	17,266
261313	EAST ROCHESTER UFSD	13,585	14,088
280219	EAST ROCKAWAY UFSD	19,383	19,583
420401	EAST SYRACUSE-MINOA CSD	14,674	14,871
280402	EAST WILLISTON UFSD	21,784	22,187
660301	EASTCHESTER UFSD	18,832	19,259
580912	EASTPORT-SOUTH MANOR CSD	14,276	14,629
141201	EDEN CSD	10,674	10,900
660406	EDGEMONT UFSD	18,814	19,250

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District Code	School District Name	Final 2017-18 Basic Tuition*	Final 2018-19 Basic Tuition*
520601	EDINBURG COMMON SD	21,896	22,487
470501	EDMESTON CSD	12,243	12,603
513102	EDWARDS-KNOX CSD	11,536	11,827
180901	ELBA CSD	12,423	12,736
590801	ELDRED CSD	14,570	15,023
150301	ELIZABETHTOWN-LEWIS CSD	14,358	14,605
622002	ELLENVILLE CSD	16,150	16,473
40901	ELLICOTTVILLE CSD	12,491	12,710
70600	ELMIRA CITY SD	12,012	12,238
70902	ELMIRA HEIGHTS CSD	11,136	11,295
280216	ELMONT UFSD	15,397	15,713
660409	ELMSFORD UFSD	23,211	23,794
580401	ELWOOD UFSD	15,773	16,118
141401	EVANS-BRANT CSD (LAKE SHORE)	12,618	12,810
420601	FABIUS-POMPEY CSD	13,479	13,720
261301	FAIRPORT CSD	11,647	12,033
61101	FALCONER CSD	10,522	10,777
590501	FALLSBURG CSD	20,402	21,059
280522	FARMINGDALE UFSD	17,831	18,311
421001	FAYETTEVILLE-MANLIUS CSD	11,653	12,111
22001	FILLMORE CSD	10,156	10,293
580514	FIRE ISLAND UFSD	108,303	112,278
581004	FISHERS ISLAND UFSD	43,471	41,950
280222	FLORAL PARK-BELLEROSE UFSD	15,937	16,272
442115	FLORIDA UFSD	15,007	15,340
270601	FONDA-FULTONVILLE CSD	12,108	12,106
61503	FORESTVILLE CSD	11,484	11,575
640502	FORT ANN CSD	14,847	14,835
640601	FORT EDWARD UFSD	12,493	12,900
270701	FORT PLAIN CSD	13,841	14,162
210402	FRANKFORT-SCHUYLER CSD	10,210	10,249
120701	FRANKLIN CSD	14,106	13,934
280217	FRANKLIN SQUARE UFSD	14,412	14,748
41101	FRANKLINVILLE CSD	12,351	12,328
62201	FREDONIA CSD	13,007	13,285
280209	FREEPORT UFSD	16,703	17,151
60301	FREWSBURG CSD	11,206	11,618
21601	FRIENDSHIP CSD	13,385	13,932
141604	FRONTIER CSD	9,759	10,208
460500	FULTON CITY SD	12,616	13,021
520701	GALWAY CSD	11,157	11,353
650902	GANANDA CSD	10,757	10,999
280218	GARDEN CITY UFSD	18,620	18,909
480404	GARRISON UFSD	22,713	23,138
260401	GATES-CHILI CSD	13,359	13,837
220401	GENERAL BROWN CSD	9,580	9,818
20702	GENESEE VALLEY CSD	12,013	12,355
240401	GENESEO CSD	13,257	13,726
430700	GENEVA CITY SD	13,688	14,179
81401	GEORGETOWN-SOUTH OTSELIC CSD	13,871	14,254
100902	GERMANTOWN CSD	15,614	16,004
470202	GILBERTSVILLE-MOUNT UPTON CSD	12,319	12,576
540801	GILBOA-CONESVILLE CSD	16,707	16,943
280100	GLEN COVE CITY SD	19,185	19,632
630300	GLENS FALLS CITY SD	12,469	12,753
630918	GLENS FALLS COMN SD	13,000	13,590
170500	GLOVERSVILLE CITY SD	10,865	11,063

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430901	GORHAM-MIDDLESEX CSD (MARCUS WHITMAN	12,872	13,288
440601	GOSHEN CSD	13,773	14,252
511101	GOUVERNEUR CSD	11,255	11,480
42801	GOWANDA CSD	12,326	12,820
141501	GRAND ISLAND CSD	10,915	11,164
640701	GRANVILLE CSD	11,360	11,569
280407	GREAT NECK UFSD	23,468	23,954
260501	GREECE CSD	11,979	12,252
10701	GREEN ISLAND UFSD	13,662	13,773
660407	GREENBURGH CSD	23,343	23,686
80601	GREENE CSD	11,565	11,757
581010	GREENPORT UFSD	17,700	18,697
190701	GREENVILLE CSD	14,454	14,655
640801	GREENWICH CSD	13,131	13,310
442111	GREENWOOD LAKE UFSD	19,311	19,713
610501	GROTON CSD	11,406	11,317
10802	GUILDERLAND CSD	12,354	12,628
630801	HADLEY-LUZERNE CSD	14,745	15,207
480401	HALDANE CSD	17,487	16,786
580405	HALF HOLLOW HILLS CSD	15,896	16,249
141601	HAMBURG CSD	10,716	10,997
250701	HAMILTON CSD	13,897	14,154
511201	HAMMOND CSD	13,727	14,120
572901	HAMMONDSPORT CSD	15,766	16,037
580905	HAMPTON BAYS UFSD	17,093	17,666
120906	HANCOCK CSD	15,267	15,275
460701	HANNIBAL CSD	11,178	11,362
580406	HARBORFIELDS CSD	14,773	15,222
30501	HARPURSVILLE CSD	10,887	11,186
660501	HARRISON CSD	24,457	24,770
230301	HARRISVILLE CSD	13,372	13,899
641001	HARTFORD CSD	13,205	13,433
660404	HASTINGS-ON-HUDSON UFSD	20,404	20,896
580506	HAUPPAUGE UFSD	17,435	18,000
500201	HAVERSTRAW-STONY POINT CSD (NORTH RO	18,121	18,221
280201	HEMPSTEAD UFSD	18,702	19,452
660203	HENDRICK HUDSON CSD	19,174	19,498
210601	HERKIMER CSD	10,525	10,764
511301	HERMON-DEKALB CSD	13,646	13,858
280409	HERRICKS UFSD	18,029	18,431
512404	HEUVELTON CSD	11,704	12,132
280214	HEWLETT-WOODMERE UFSD	23,408	23,839
280517	HICKSVILLE UFSD	15,942	16,312
620803	HIGHLAND CSD	13,457	13,676
440901	HIGHLAND FALLS CSD	15,583	15,865
261101	HILTON CSD	11,200	11,568
41401	HINSDALE CSD	10,952	11,246
141701	HOLLAND CSD	12,032	12,083
412201	HOLLAND PATENT CSD	11,388	11,651
450704	HOLLEY CSD	11,275	11,314
110701	HOMER CSD	12,092	12,477
431401	HONEOYE CSD	13,141	13,400
260901	HONEOYE FALLS-LIMA CSD	11,435	11,808
491401	HOOSIC VALLEY CSD	11,338	11,477
490501	HOOSICK FALLS CSD	12,782	13,223
571800	HORNELL CITY SD	10,858	11,112
70901	HORSEHEADS CSD	11,188	11,726

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101300	HUDSON CITY SD	14,222	14,774
641301	HUDSON FALLS CSD	11,021	11,239
190901	HUNTER-TANNERSVILLE CSD	17,482	17,655
580403	HUNTINGTON UFSD	18,512	18,951
130801	HYDE PARK CSD	13,055	13,191
200401	INDIAN LAKE CSD	25,054	25,084
220301	INDIAN RIVER CSD	7,996	8,463
200501	INLET COMN SD	27,047	28,264
141301	IROQUOIS CSD	10,751	11,124
660402	IRVINGTON UFSD	21,150	21,911
280231	ISLAND PARK UFSD	28,985	29,263
280226	ISLAND TREES UFSD	16,505	16,784
580502	ISLIP UFSD	15,288	15,586
610600	ITHACA CITY SD	13,670	14,143
61700	JAMESTOWN CITY SD	11,164	11,412
420411	JAMESVILLE-DEWITT CSD	11,944	12,261
572702	JASPER-TROUPSBURG CSD	11,590	11,729
540901	JEFFERSON CSD	13,445	14,018
280515	JERICO UFSD	24,911	25,088
630601	JOHNSBURG CSD	19,365	19,681
31502	JOHNSON CITY CSD	13,066	13,564
170600	JOHNSTOWN CITY SD	11,408	11,689
420501	JORDAN-ELBRIDGE CSD	12,623	12,825
660101	KATONAH-LEWISBORO UFSD	21,507	21,522
150601	KEENE CSD	20,661	21,054
450607	KENDALL CSD	13,590	13,556
142601	KENMORE-TONAWANDA UFSD	10,477	10,607
101401	KINDERHOOK CSD	12,239	12,771
580805	KINGS PARK CSD	14,928	15,124
620600	KINGSTON CITY SD	15,461	15,861
441202	KIRYAS JOEL VILLAGE UFSD	37,430	38,560
221401	LA FARGEVILLE CSD	10,458	10,814
141800	LACKAWANNA CITY SD	12,969	13,274
420807	LAFAYETTE CSD	16,766	17,309
630701	LAKE GEORGE CSD	13,521	13,823
151102	LAKE PLACID CSD	15,942	16,414
200601	LAKE PLEASANT CSD	26,331	26,763
662401	LAKELAND CSD	16,009	15,966
141901	LANCASTER CSD	9,442	9,789
610801	LANSING CSD	11,855	12,198
490601	LANSINGBURGH CSD	10,352	10,719
470801	LAURENS CSD	11,634	12,014
280215	LAWRENCE UFSD	23,502	23,528
181001	LE ROY CSD	11,790	12,335
670401	LETCHWORTH CSD	12,337	12,369
280205	LEVITTOWN UFSD	18,280	18,558
400301	LEWISTON-PORTER CSD	12,729	12,912
590901	LIBERTY CSD	17,977	18,477
580104	LINDENHURST UFSD	15,253	15,518
511602	LISBON CSD	13,322	13,924
210800	LITTLE FALLS CITY SD	12,471	12,792
421501	LIVERPOOL CSD	13,529	13,950
591302	LIVINGSTON MANOR CSD	17,085	17,604
240801	LIVONIA CSD	12,356	12,771
400400	LOCKPORT CITY SD	10,915	11,175
280503	LOCUST VALLEY CSD	23,507	23,996
280300	LONG BEACH CITY SD	23,348	23,654

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District Code	School District Name	Final 2017-18 Basic Tuition*	Final 2018-19 Basic Tuition*
200701	LONG LAKE CSD	43,198	43,695
580212	LONGWOOD CSD	15,380	15,811
230901	LOWVILLE ACADEMY & CSD	10,603	10,968
221301	LYME CSD	14,021	14,055
280220	LYNBROOK UFSD	18,680	19,009
421504	LYNCOURT UFSD	16,499	16,860
451001	LYNDONVILLE CSD	11,519	11,935
650501	LYONS CSD	11,690	11,999
251101	MADISON CSD	11,738	12,199
511901	MADRID-WADDINGTON CSD	11,491	11,969
480101	MAHOPAC CSD	14,925	15,218
31101	MAINE-ENDWELL CSD	11,197	11,618
161501	MALONE CSD	11,520	11,693
280212	MALVERNE UFSD	20,705	21,730
660701	MAMARONECK UFSD	19,416	19,618
431101	MANCHESTER-SHORTSVILLE CSD (RED JACK	11,420	11,724
280406	MANHASSET UFSD	21,735	22,207
110901	MARATHON CSD	12,911	13,639
421101	MARCELLUS CSD	10,775	11,174
121401	MARGARETVILLE CSD	14,376	14,646
650701	MARION CSD	12,418	12,609
621001	MARLBORO CSD	16,512	16,865
280523	MASSAPEQUA UFSD	17,052	17,142
512001	MASSENA CSD	11,197	11,625
581012	MATTITUCK-CUTCHOGUE UFSD	16,967	17,342
170801	MAYFIELD CSD	11,094	11,187
110304	MCGRAW CSD	12,248	12,604
521200	MECHANICVILLE CITY SD	10,780	11,035
450801	MEDINA CSD	11,827	12,242
10615	MENANDS UFSD	16,870	17,548
280225	MERRICK UFSD	18,936	19,286
460901	MEXICO CSD	12,702	12,993
580211	MIDDLE COUNTRY CSD	14,119	14,389
541001	MIDDLEBURGH CSD	13,453	13,793
441000	MIDDLETOWN CITY SD	13,759	14,126
471101	MILFORD CSD	13,217	13,505
132201	MILLBROOK CSD	13,902	14,099
580208	MILLER PLACE UFSD	13,922	14,376
280410	MINEOLA UFSD	24,709	24,959
150801	MINERVA CSD	26,637	26,368
441101	MINISINK VALLEY CSD	11,552	12,057
441201	MONROE-WOODBURY CSD	14,089	14,584
580306	MONTAUK UFSD	32,259	33,111
591401	MONTICELLO CSD	15,106	15,580
51301	MORAVIA CSD	11,202	11,572
150901	MORIAH CSD	12,855	13,143
471201	MORRIS CSD	11,436	11,899
512101	MORRISTOWN CSD	14,680	14,783
250401	MORRISVILLE-EATON CSD	13,114	13,374
212001	MOUNT MARKHAM CSD	12,231	12,665
240901	MT MORRIS CSD	13,120	13,970
660801	MT PLEASANT CSD	19,590	20,199
580207	MT SINAI UFSD	15,841	16,166
660900	MT VERNON SCHOOL DISTRICT	17,794	18,548
500108	NANUET UFSD	19,531	19,117
431201	NAPLES CSD	14,135	14,597
411501	NEW HARTFORD CSD	12,431	12,953

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280405	NEW HYDE PARK-GARDEN CITY PARK UFSD	15,771	16,132
101601	NEW LEBANON CSD	16,792	16,688
621101	NEW PALTZ CSD	14,284	14,718
661100	NEW ROCHELLE CITY SD	17,138	17,668
581015	NEW SUFFOLK COMN SD	16,281	16,242
650101	NEWARK CSD	12,100	12,367
600402	NEWARK VALLEY CSD	11,287	11,621
441600	NEWBURGH CITY SD	15,796	16,159
151001	NEWCOMB CSD	44,080	45,001
400601	NEWFANE CSD	11,086	11,212
610901	NEWFIELD CSD	10,832	11,015
400800	NIAGARA FALLS CITY SD	11,925	12,164
400701	NIAGARA-WHEATFIELD CSD	11,443	11,561
530301	NISKAYUNA CSD	12,790	12,833
580103	NORTH BABYLON UFSD	15,290	15,799
280204	NORTH BELLMORE UFSD	18,493	18,926
142201	NORTH COLLINS CSD	14,023	14,594
10623	NORTH COLONIE CSD	11,708	11,957
490801	NORTH GREENBUSH COMN SD (WILLIAMS)	12,741	12,973
280229	NORTH MERRICK UFSD	18,825	19,378
651501	NORTH ROSE-WOLCOTT CSD	13,030	13,545
661301	NORTH SALEM CSD	21,280	21,659
280501	NORTH SHORE CSD	24,323	24,887
420303	NORTH SYRACUSE CSD	11,709	11,997
400900	NORTH TONAWANDA CITY SD	11,593	11,869
630202	NORTH WARREN CSD	16,475	16,292
131101	NORTHEAST CSD	16,342	16,460
90501	NORTHEASTERN CLINTON CSD	12,543	12,596
90901	NORTHERN ADIRONDACK CSD	13,594	13,725
580404	NORTHPORT-EAST NORTHPORT UFSD	19,008	19,284
170901	NORTHVILLE CSD	14,440	14,781
81200	NORWICH CITY SD	10,956	11,350
512201	NORWOOD-NORFOLK CSD	11,652	12,063
411504	NY MILLS UFSD	12,834	13,345
500304	NYACK UFSD	19,240	19,752
300000	NYC CHANCELLOR'S OFFICE	14,527	15,307
181101	OAKFIELD-ALABAMA CSD	10,994	11,324
280211	OCEANSIDE UFSD	17,067	17,195
550101	ODESSA-MONTAIGNE CSD	11,863	11,806
512300	OGDENSBURG CITY SD	14,953	15,475
42400	OLEAN CITY SD	11,976	12,152
251400	ONEIDA CITY SD	12,079	12,368
471400	ONEONTA CITY SD	12,790	13,160
421201	ONONDAGA CSD	13,132	13,652
621201	ONTEORA CSD	19,571	19,861
271201	OPPENHEIM-EPHRATAH-ST. JOHNSVILLE CSD	13,497	13,830
142301	ORCHARD PARK CSD	11,523	11,933
412901	ORISKANY CSD	11,992	12,496
661401	OSSINING UFSD	18,796	19,255
461300	OSWEGO CITY SD	13,270	13,258
471601	OTEGO-UNADILLA CSD	12,481	12,617
600601	OWEGO-APALACHIN CSD	12,524	12,961
81501	OXFORD ACADEMY & CSD	12,858	12,967
280506	OYSTER BAY-EAST NORWICH CSD	23,533	24,117
581002	OYSTERPONDS UFSD	33,931	32,944
650901	PALMYRA-MACEDON CSD	11,655	12,008
61601	PANAMA CSD	12,826	13,148

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512501	PARISHVILLE-HOPKINTON CSD	11,609	12,209
580224	PATCHOGUE-MEDFORD UFSD	13,814	14,350
181201	PAVILION CSD	11,682	11,971
131201	PAWLING CSD	16,571	16,675
500308	PEARL RIVER UFSD	15,858	16,275
661500	PEEKSKILL CITY SD	17,430	17,697
661601	PELHAM UFSD	17,187	17,651
181302	PEMBROKE CSD	12,828	13,543
261201	PENFIELD CSD	13,346	13,586
680601	PENN YAN CSD	12,554	12,593
671201	PERRY CSD	12,041	12,001
91101	PERU CSD	12,849	13,207
431301	PHELPS-CLIFTON SPRINGS CSD	12,376	12,673
462001	PHOENIX CSD	13,226	13,377
440401	PINE BUSH CSD	12,570	13,126
131301	PINE PLAINS CSD	15,565	16,116
60601	PINE VALLEY CSD (SOUTH DAYTON)	12,589	12,683
261401	PITTSFORD CSD	13,722	14,069
280518	PLAINEDGE UFSD	16,704	17,269
280504	PLAINVIEW-OLD BETHPAGE CSD	18,942	19,213
91200	PLATTSBURGH CITY SD	14,604	14,714
660809	PLEASANTVILLE UFSD	17,558	17,881
660802	POCANTICO HILLS CSD	47,333	48,663
211103	POLAND CSD	12,690	12,858
51101	PORT BYRON CSD	11,865	12,124
661904	PORT CHESTER-RYE UFSD	14,392	15,031
580206	PORT JEFFERSON UFSD	22,199	22,792
441800	PORT JERVIS CITY SD	12,904	13,237
280404	PORT WASHINGTON UFSD	21,028	21,583
42901	PORTVILLE CSD	11,058	11,453
512902	POTSDAM CSD	12,390	12,842
131500	POUGHKEEPSIE CITY SD	13,524	13,680
572301	PRATTSBURGH CSD	11,626	11,569
461801	PULASKI CSD	12,580	13,100
641401	PUTNAM CSD	24,966	26,554
480503	PUTNAM VALLEY CSD	17,888	18,253
630902	QUEENSBURY UFSD	10,538	10,812
580903	QUOGUE UFSD	47,923	47,885
500401	RAMAPO CSD (SUFFERN)	17,919	18,270
43001	RANDOLPH CSD	11,720	11,831
10402	RAVENA-COEYMANS-SELKIRK CSD	14,289	14,550
651503	RED CREEK CSD	11,916	12,381
131701	RED HOOK CSD	14,202	14,712
411701	REMSSEN CSD	15,798	16,147
580901	REMSENBURG-SPEONK UFSD	37,414	38,521
491200	RENSSELAER CITY SD	9,884	10,489
131801	RHINEBECK CSD	17,681	18,333
472001	RICHFIELD SPRINGS CSD	11,916	12,222
62401	RIPLEY CSD	16,941	16,992
580602	RIVERHEAD CSD	17,076	17,974
261600	ROCHESTER CITY SD	13,090	13,684
280221	ROCKVILLE CENTRE UFSD	19,767	20,259
580209	ROCKY POINT UFSD	13,814	14,375
411800	ROME CITY SD	12,413	12,989
560603	ROMULUS CSD	15,567	16,067
620901	RONDOUT VALLEY CSD	18,589	18,723
280208	ROOSEVELT UFSD	17,425	17,883

Charter Funding Alphabetical By NYS School District
*** (Sum of Charter School Basic Tuition and Supplemental Basic Tuition)**

District Code	School District Name	Final 2017-18 Basic Tuition*	Final 2018-19 Basic Tuition*
591301	ROSCOE CSD	18,826	19,165
280403	ROSLYN UFSD	21,898	22,134
530515	ROTTERDAM-MOHONASEN CSD	9,989	10,370
121502	ROXBURY CSD	17,963	18,507
401201	ROYALTON-HARTLAND CSD	11,207	11,503
261701	RUSH-HENRIETTA CSD	13,330	13,739
661800	RYE CITY SD	19,917	20,287
661901	RYE NECK UFSD	19,357	19,942
580205	SACHEM CSD	14,251	14,488
221001	SACKETS HARBOR CSD	11,104	11,490
580305	SAG HARBOR UFSD	25,725	27,212
580910	SAGAPONACK COMN SD	16,281	16,753
43200	SALAMANCA CITY SD	12,582	12,510
641501	SALEM CSD	14,082	14,199
161201	SALMON RIVER CSD	14,576	15,057
461901	SANDY CREEK CSD	13,911	14,146
91402	SARANAC CSD	12,333	12,688
161401	SARANAC LAKE CSD	14,999	14,951
521800	SARATOGA SPRINGS CITY SD	11,532	11,873
621601	SAUGERTIES CSD	12,822	13,325
411603	SAUQUOIT VALLEY CSD	11,956	12,446
580504	SAYVILLE UFSD	17,460	17,846
662001	SCARSDALE UFSD	23,148	23,530
530501	SCHALMONT CSD	14,862	15,517
530600	SCHENECTADY CITY SD	12,515	12,628
470901	SCHENEVUS CSD	13,566	14,227
491501	SCHODACK CSD	13,169	13,477
541201	SCHOHARIE CSD	13,147	13,532
151401	SCHROON LAKE CSD	16,368	16,887
521701	SCHUYLERVILLE CSD	12,472	12,731
22401	SCIO CSD	12,968	13,122
530202	SCOTIA-GLENVILLE CSD	12,013	12,223
280206	SEAFORD UFSD	16,660	17,070
560701	SENECA FALLS CSD	12,016	12,537
280252	SEWANHAKA CENTRAL HS DISTRICT	13,522	13,842
541401	SHARON SPRINGS CSD	15,154	15,184
580701	SHELTER ISLAND UFSD	29,013	29,556
520302	SHENENDEHOWA CSD	11,919	12,263
82001	SHERBURNE-EARLVILLE CSD	11,712	12,094
62601	SHERMAN CSD	11,196	11,278
412000	SHERRILL CITY SD	10,651	11,065
580601	SHOREHAM-WADING RIVER CSD	16,726	17,231
121601	SIDNEY CSD	12,637	13,134
61501	SILVER CREEK CSD	12,223	12,540
421601	SKANEATELES CSD	13,337	13,456
580801	SMITHTOWN CSD	14,969	15,255
651201	SODUS CSD	13,623	13,994
420702	SOLVAY UFSD	12,760	13,019
662101	SOMERS CSD	17,825	18,189
10601	SOUTH COLONIE CSD	13,137	13,272
580235	SOUTH COUNTRY CSD	16,951	17,426
521401	SOUTH GLENS FALLS CSD	11,667	11,847
580413	SOUTH HUNTINGTON UFSD	16,758	17,272
220101	SOUTH JEFFERSON CSD	10,183	10,516
121702	SOUTH KORTRIGHT CSD	14,381	14,715
231101	SOUTH LEWIS CSD	14,513	14,880
500301	SOUTH ORANGETOWN CSD	16,503	16,762

Charter Funding Alphabetical By NYS School District
*** (Sum of Charter School Basic Tuition and Supplemental Basic Tuition)**

District Code	School District Name	Final 2017-18 Basic Tuition*	Final 2018-19 Basic Tuition*
560501	SOUTH SENECA CSD	14,574	14,960
580906	SOUTHAMPTON UFSD	24,414	25,076
50701	SOUTHERN CAYUGA CSD	14,419	14,879
581005	SOUTHOLD UFSD	18,400	18,772
60201	SOUTHWESTERN CSD AT JAMESTOWN	11,202	11,187
131602	SPACKENKILL UFSD	17,018	17,443
261001	SPENCERPORT CSD	11,533	11,970
600801	SPENCER-VAN ETEN CSD	11,808	12,222
580304	SPRINGS UFSD	22,275	23,162
141101	SPRINGVILLE-GRIFFITH INST CSD	12,347	12,493
161801	ST REGIS FALLS CSD	14,886	15,422
121701	STAMFORD CSD	14,915	14,999
401001	STARPOINT CSD	10,789	11,141
522001	STILLWATER CSD	10,269	10,520
251501	STOCKBRIDGE VALLEY CSD	11,638	12,028
591502	SULLIVAN WEST CSD	16,008	16,203
30601	SUSQUEHANNA VALLEY CSD	13,156	13,473
140207	SWEET HOME CSD	12,954	13,335
280502	SYOSSET CSD	21,263	21,684
421800	SYRACUSE CITY SD	12,930	13,257
100501	TACONIC HILLS CSD	14,622	15,138
220701	THOUSAND ISLANDS CSD	13,027	13,387
580201	THREE VILLAGE CSD	16,887	17,345
151501	TICONDEROGA CSD	14,455	14,829
600903	TIOGA CSD	10,451	10,802
142500	TONAWANDA CITY SD	11,051	11,198
211901	TOWN OF WEBB UFSD	21,143	21,215
591201	TRI-VALLEY CSD	19,324	19,736
491700	TROY CITY SD	16,486	17,048
611001	TRUMANSBURG CSD	11,227	11,514
580913	TUCKAHOE COMN SD	29,200	30,114
660302	TUCKAHOE UFSD	21,009	21,257
421902	TULLY CSD	11,036	11,388
160101	TUPPER LAKE CSD	12,461	12,877
441903	TUXEDO UFSD	18,470	18,139
660401	UFSD-TARRYTOWNS	17,449	18,170
81003	UNADILLA VALLEY CSD	12,393	12,785
51901	UNION SPRINGS CSD	13,059	13,703
280202	UNIONDALE UFSD	20,864	21,461
31501	UNION-ENDICOTT CSD	12,048	12,454
412300	UTICA CITY SD	9,780	10,023
660805	VALHALLA UFSD	21,983	22,440
441301	VALLEY CSD (MONTGOMERY)	12,222	12,667
280213	VALLEY STREAM 13 UFSD	16,487	16,771
280224	VALLEY STREAM 24 UFSD	21,044	21,164
280230	VALLEY STREAM 30 UFSD	19,777	20,089
280251	VALLEY STREAM CENTRAL HS DISTRICT	15,858	16,053
211701	VAN HORNESVILLE-OWEN D YOUNG CSD	12,991	13,735
31601	VESTAL CSD	13,166	13,415
431701	VICTOR CSD	10,518	10,941
11003	VOORHEESVILLE CSD	13,742	14,189
580302	WAINSCOTT COMN SD	16,281	18,412
621801	WALLKILL CSD	11,997	12,287
121901	WALTON CSD	11,718	11,931
280223	WANTAGH UFSD	14,593	15,005
132101	WAPPINGERS CSD	11,887	12,269
631201	WARRENSBURG CSD	15,836	15,994

Charter Funding Alphabetical By NYS School District
*** (Sum of Charter School Basic Tuition and Supplemental Basic Tuition)**

District Code	School District Name	Final 2017-18 Basic Tuition*	Final 2018-19 Basic Tuition*
671501	WARSAW CSD	12,643	13,421
442101	WARWICK VALLEY CSD	13,198	13,509
440102	WASHINGTONVILLE CSD	12,931	13,156
522101	WATERFORD-HALFMOON UFSD	13,844	14,291
561006	WATERLOO CSD	11,263	11,593
222000	WATERTOWN CITY SD	9,985	10,360
411902	WATERVILLE CSD	11,900	12,149
11200	WATERVLIT CITY SD	10,404	10,529
550301	WATKINS GLEN CSD	11,489	11,561
600101	WAVERLY CSD	10,063	10,172
573002	WAYLAND-COHOCTON CSD	11,769	11,938
650801	WAYNE CSD	12,034	12,478
261901	WEBSTER CSD	11,872	12,379
50301	WEEDSPORT CSD	12,820	13,308
200901	WELLS CSD	22,823	23,341
22601	WELLSVILLE CSD	12,671	12,998
580102	WEST BABYLON UFSD	15,849	16,226
210302	WEST CANADA VALLEY CSD	12,723	13,252
420101	WEST GENESEE CSD	11,199	11,361
280227	WEST HEMPSTEAD UFSD	17,759	17,850
260803	WEST IRONDEQUOIT CSD	11,413	11,516
580509	WEST ISLIP UFSD	14,799	15,117
142801	WEST SENECA CSD	11,179	11,286
40204	WEST VALLEY CSD	14,623	14,800
280401	WESTBURY UFSD	19,287	20,226
62901	WESTFIELD CSD	12,891	13,055
580902	WESTHAMPTON BEACH UFSD	19,354	19,873
420701	WESTHILL CSD	11,635	11,727
412801	WESTMORELAND CSD	12,938	13,823
151601	WESTPORT CSD	14,591	14,820
262001	WHEATLAND-CHILI CSD	16,259	16,148
170301	WHEELERVILLE UFSD	19,435	19,870
662200	WHITE PLAINS CITY SD	20,443	20,840
641701	WHITEHALL CSD	13,236	13,529
412902	WHITESBORO CSD	10,886	11,417
22101	WHITESVILLE CSD	11,904	12,012
31401	WHITNEY POINT CSD	12,324	12,694
580232	WILLIAM FLOYD UFSD	15,169	15,645
651402	WILLIAMSON CSD	13,113	13,244
140203	WILLIAMSVILLE CSD	11,904	12,143
151701	WILLSBORO CSD	16,355	16,604
401501	WILSON CSD	11,386	11,692
191401	WINDHAM-ASHLAND-JEWETT CSD	19,838	20,191
31701	WINDSOR CSD	11,115	11,505
472506	WORCESTER CSD	13,352	13,790
580109	WYANDANCH UFSD	17,666	18,039
490804	WYNANTSKILL UFSD	12,243	12,967
671002	WYOMING CSD	16,376	16,286
662300	YONKERS CITY SD	15,023	15,607
241701	YORK CSD	11,694	11,968
43501	YORKSHIRE-PIONEER CSD	12,406	12,710
662402	YORKTOWN CSD	17,743	17,837



**2019 New School Proposal
Budget(s) & Cash Flow(s) Template**

Family Life Academy Charter School

Contact Name: Scott S. Quintero
Contact Title: CFO
Contact Email: [REDACTED]
Contact Phone: [REDACTED]

First Academic Year: 2020-21

Pre-Opening Period: July 1, 2019 - June 30, 2020

Note: For pre-opening period if the RFP submission date is:

- a) less than 1 year from the "First Academic Year," select the January through June date range.
- b) 1 year or more before the "First Academic Year," select the July through June date range.

FAMILY LIFE ACADEMY CHARTER SCHOOL
2020-21 through 2024-25

CHARTER ENROLLMENT BY GRADE							
GRADES	LEVEL	2020-21	2021-22	2022-23	2023-24	2024-25	AGE RANGE
Kindergarten	Elementary School	78	78	78	78	78	4-6
1st Grade	Elementary School	78	78	78	78	78	5-8
2nd Grade	Elementary School		78	78	78	78	6-9
3rd Grade	Elementary School			78	78	78	7-10
4th Grade	Elementary School				78	78	8-11
5th Grade	Elementary School				0	78	9-12
6th Grade	Middle School			78	78	78	10-13
7th Grade	Middle School				78	78	11-14
8th Grade	Middle School					78	12-15
9th Grade	High School						
10th Grade	High School						
11th Grade	High School						
12th Grade	High School						
Ungraded							
TOTAL		156	234	390	546	702	

NUMBER OF CLASSES BY GRADE						
GRADES	LEVEL	2020-21	2021-22	2022-23	2023-24	2024-25
Kindergarten	Elementary School	3	3	3	3	3
1st Grade	Elementary School	3	3	3	3	3
2nd Grade	Elementary School		3	3	3	3
3rd Grade	Elementary School			3	3	3
4th Grade	Elementary School				3	3
5th Grade	Elementary School					3
6th Grade	Middle School			3	3	3
7th Grade	Middle School				3	3
8th Grade	Middle School					3
9th Grade	High School					
10th Grade	High School					
11th Grade	High School					
12th Grade	High School					
Ungraded						
TOTAL		6	9	15	21	27

AVERAGE NUMBER OF STUDENTS PER CLASS BY GRADE						
GRADES	LEVEL	2020-21	2021-22	2022-23	2023-24	2024-25
Kindergarten	Elementary School	26	26	26	26	26
1st Grade	Elementary School	26	26	26	26	26
2nd Grade	Elementary School	0	26	26	26	26
3rd Grade	Elementary School	0	0	26	26	26
4th Grade	Elementary School	0	0	0	26	26
5th Grade	Elementary School	0	0	0	0	26
6th Grade	Middle School	0	0	26	26	26
7th Grade	Middle School	0	0	0	26	26
8th Grade	Middle School	0	0	0	0	26
9th Grade	High School	0	0	0	0	0
10th Grade	High School	0	0	0	0	0
11th Grade	High School	0	0	0	0	0
12th Grade	High School	0	0	0	0	0
Ungraded		0	0	0	0	0

SUMMARY AND OTHER INFORMATION					
Total Elementary Enrollment	156	234	312	390	468
Total Middle School Enrollment	-	-	78	156	234
Total High School Enrollment	-	-	-	-	-
Total Ungraded Enrollment	-	-	-	-	-
Total Enrollment	156	234	390	546	702
Change in Net Enrollment from Prior Year (Count)	156	78	156	156	156
Change in Net Enrollment from Prior Year (Percent)	100.0%	50.0%	66.7%	40.0%	28.6%
Anticipated rate of attrition (Percent)	0.0%	0.0%	0.0%	0.0%	0.0%

ADDITIONAL NOTES/COMMENTS



ESTIMATED ENROLLMENT BY DISTRICT					
ANNUAL ENROLLMENT BY DISTRICT TOTALS	156	234	390	546	702
Enrollment by Grade vs Enrollment by District (should = 0)	-	-	-	-	-

ENTER NUMBER OF SCHOOL DISTRICTS ANTICIPATED: -->	1
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PRIMARY SENDING SCHOOL DISTRICT	NYC CHANCELLOR'S OFFICE	2020-21	2021-22	2022-23	2023-24	2024-25
DISTRICT'S ANNUAL TOTAL OPERATING BUDGET		\$ 25,000,000,000	\$ 25,000,000,000	\$ 25,000,000,000	\$ 25,000,000,000	\$ 25,000,000,000
ENROLLMENT (<i>Charter School</i>)		156	234	390	546	702
DESCRIPTION OF SOURCE FOR DISTRICT'S OPERATING BUDGET (Include web address if available)	https://en.wikipedia.org/wiki/New_York_City_Department_of_Education#Budget					

SECONDARY SENDING SCHOOL DISTRICT	Select from drop-down list →	2020-21	2021-22	2022-23	2023-24	2024-25
DISTRICT'S ANNUAL TOTAL OPERATING BUDGET		\$ -	\$ -	\$ -	\$ -	\$ -
ENROLLMENT (<i>Charter School</i>)						
DESCRIPTION OF SOURCE FOR DISTRICT'S OPERATING BUDGET (Include web address if available)						

FAMILY LIFE ACADEMY CHARTER SCHOOL

STAFFING PLAN FTE		Year 1	Year 2	Year 3	Year 4	Year 5
	Acad Years	2020-21	2021-22	2022-23	2023-24	2024-25
	Grades	K-1	K-2	K-3, 6	K-4, 6-7	K-8
	Enrollment	156	234	390	546	702

****NOTE:** Enter the number of planned full-time equivalent ("FTE") positions in each category for each charter year in the section provided below.*

ADMINISTRATIVE PERSONNEL FTE

	FTE				
Executive Management	0.2	0.3	0.4	0.5	0.6
Instructional Management	2.0	2.0	2.0	3.0	3.0
Deans, Directors & Coordinators	0.6	2.0	2.6	5.1	5.4
CFO / Director of Finance	0.1	0.1	0.2	0.3	0.3
Operation / Business Manager	0.0	0.0	0.0	0.0	0.0
Administrative Staff	6.6	8.3	11.2	14.7	17.2
TOTAL ADMINISTRATIVE STAFF	9.5	12.8	16.4	23.6	26.5

INSTRUCTIONAL PERSONNEL FTE

Teachers - Regular	6.0	9.0	15.0	21.0	27.0
Teachers - SPED	1.0	1.0	1.0	2.0	3.0
Substitute Teachers	0.0	0.0	0.0	0.0	0.0
Teaching Assistants	6.0	9.0	12.0	15.0	15.0
Specialty Teachers	3.0	5.0	7.0	10.0	12.0
Aides	0.0	0.0	0.0	0.0	0.0
Therapists & Counselors	1.0	1.0	2.0	2.0	3.0
Other	0.0	0.0	0.0	0.0	0.0
TOTAL INSTRUCTIONAL	17.0	25.0	37.0	50.0	60.0

NON-INSTRUCTIONAL PERSONNEL FTE

Nurse	1.0	1.0	1.0	1.0	1.0
Librarian	0.0	0.0	0.0	0.0	0.0
Custodian	1.0	2.0	5.0	6.0	6.0
Security	1.0	2.0	3.0	4.0	4.0
Other	0.0	0.0	0.0	0.0	0.0
TOTAL NON-INSTRUCTIONAL	3.0	5.0	9.0	11.0	11.0

TOTAL PERSONNEL SERVICE FTE	29.5	42.8	62.4	84.6	97.5
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FAMILY LIFE ACADEMY CHARTER SCHOOL

STAFFING PLAN WAGES		Year 1	Year 2	Year 3	Year 4	Year 5
	Acad Years	2020-21	2021-22	2022-23	2023-24	2024-25
	Grades	K-1	K-2	K-3, 6	K-4, 6-7	K-8
	Enrollment	156.00	234.00	390.00	546.00	702.00

**NOTE: Enter the proposed average salary for each category and the anticipated yearly increase percentages in the section provided below.*

ADMINISTRATIVE PERSONNEL WAGES	WAGES					
	Salary/Incr %	2.00%	2.00%	2.00%	2.00%	2.00%
Executive Management	\$ 195,625	\$ 36,115	\$ 51,755	\$ 80,007	\$ 104,793	\$ 122,828
Instructional Management	\$ 127,308	\$ 254,616	\$ 259,708	\$ 264,902	\$ 397,509	\$ 405,459
Deans, Directors & Coordinators	\$ 111,741	\$ 72,202	\$ 229,784	\$ 296,565	\$ 578,951	\$ 626,950
CFO / Director of Finance	\$ 148,701	\$ 13,383	\$ 19,599	\$ 30,400	\$ 39,781	\$ 46,674
Operation / Business Manager	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Administrative Staff	\$ 60,207	\$ 395,511	\$ 510,504	\$ 692,434	\$ 917,228	\$ 1,085,866
TOTAL ADMINISTRATIVE STAFF		\$ 771,827	\$ 1,071,350	\$ 1,364,309	\$ 2,038,262	\$ 2,287,777

INSTRUCTIONAL PERSONNEL WAGES

Teachers - Regular	\$ 68,000	\$ 408,000	\$ 620,160	\$ 1,040,563	\$ 1,469,374	\$ 1,906,762
Teachers - SPED	\$ 68,000	\$ 68,000	\$ 69,360	\$ 70,747	\$ 140,162	\$ 210,965
Substitute Teachers	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Teaching Assistants	\$ 31,827	\$ 190,962	\$ 290,262	\$ 391,548	\$ 494,860	\$ 504,758
Specialty Teachers	\$ 68,000	\$ 204,000	\$ 344,080	\$ 486,962	\$ 700,701	\$ 850,715
Aides	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Therapists & Counselors	\$ 68,000	\$ 68,000	\$ 69,360	\$ 138,747	\$ 141,522	\$ 212,353
Other	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
TOTAL INSTRUCTIONAL		\$ 938,962	\$ 1,393,222	\$ 2,128,568	\$ 2,946,620	\$ 3,685,552

NON-INSTRUCTIONAL PERSONNEL WAGES

Nurse	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Librarian	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Custodian	\$ 31,200	\$ 31,200	\$ 63,024	\$ 157,884	\$ 192,242	\$ 196,087
Security	\$ 31,200	\$ 31,200	\$ 63,024	\$ 95,484	\$ 128,594	\$ 131,166
Other		\$ -	\$ -	\$ -	\$ -	\$ -
TOTAL NON-INSTRUCTIONAL		\$ 62,400	\$ 126,048	\$ 253,369	\$ 320,836	\$ 327,253

TOTAL PERSONNEL SERVICE WAGES		\$ 1,773,189	\$ 2,590,620	\$ 3,746,246	\$ 5,305,719	\$ 6,300,582
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***NOTE:** State the assumptions that are being made for personnel FTE levels in the section provided below.

Description of Assumptions
Network CEO COO
School Principal and Assistant Principal
NETWORK CFO

Classroom teachers
SPEC ED
teachers assistants

nurse will be provided by outside
custodians
security

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***NOTE:** Concisely state the assumptions that are being made for personnel wages in the section provided below.

Description of Assumptions
3% increase yearly for individuals in the class
3% increase yearly for individuals in the class
3% increase yearly for individuals in the class
3% increase yearly for individuals in the class
3% increase yearly for individuals in the class
3% increase yearly for individuals in the class

3% increase yearly for individuals in the class
3% increase yearly for individuals in the class
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3% increase yearly for individuals in the class
3% increase yearly for individuals in the class
3% increase yearly for individuals in the class

3% increase yearly for individuals in the class
3% increase yearly for individuals in the class
3% increase yearly for individuals in the class

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FAMILY LIFE ACADEMY CHARTER SCHOOL
PROJECTED BUDGET / OPERATING PLAN FOR PRE-OPENING PERIOD
July 1, 2019 - June 30, 2020

****NOTE:** Please enter financial data on either tab "5.) Pre-OP Cash Flow 6-Month" OR "6.) Pre-OP Cash Flow 1-Year". The pre-opening budget will be for either a 6-Month Period OR a 1-Year Period as selected.*

Total Revenue	75,355
Total Expenses	75,355
Net Income	-
	START-UP PERIOD
REVENUE	
REVENUES FROM STATE SOURCES	
Grants	
Stimulus	-
DYCD (Department of Youth and Community Developmt.)	-
Other	-
Other	-
TOTAL REVENUE FROM STATE SOURCES	-
REVENUE FROM FEDERAL FUNDING	
Grants	
Charter School Program (CSP) Planning & Implementation	75,355
Other	-
Other	-
TOTAL REVENUE FROM FEDERAL SOURCES	75,355
LOCAL and OTHER REVENUE	
Contributions and Donations	-
Fundraising	-
Erate Reimbursement	-
Earnings on Investments	-
Interest Income	-
Food Service (Income from meals)	-
Text Book	-
OTHER	-
TOTAL REVENUE FROM LOCAL and OTHER SOURCES	-
TOTAL REVENUE	75,355

FAMILY LIFE ACADEMY CHARTER SCHOOL
PROJECTED BUDGET / OPERATING PLAN FOR PRE-OPENING PERIOD
July 1, 2019 - June 30, 2020

****NOTE:** Please enter financial data on either tab "5.) Pre-OP Cash Flow 6-Month" OR "6.) Pre-OP Cash Flow 1-Year". The pre-opening budget will be for either a 6-Month Period OR a 1-Year Period as selected.*

Total Revenue	75,355
Total Expenses	75,355
Net Income	-

**START-UP
PERIOD**

EXPENSES

ADMINISTRATIVE STAFF PERSONNEL COSTS

	FTE No. of Positions	
Executive Management	-	-
Instructional Management	1.00	70,000
Deans, Directors & Coordinators	-	-
CFO / Director of Finance	-	-
Operation / Business Manager	-	-
Administrative Staff	-	-
TOTAL ADMINISTRATIVE STAFF	1.00	70,000

INSTRUCTIONAL PERSONNEL COSTS

Teachers - Regular	-	-
Teachers - SPED	-	-
Substitute Teachers	-	-
Teaching Assistants	-	-
Specialty Teachers	-	-
Aides	-	-
Therapists & Counselors	-	-
Other	-	-
TOTAL INSTRUCTIONAL	-	-

NON-INSTRUCTIONAL PERSONNEL COSTS

Nurse	-	-
Librarian	-	-
Custodian	-	-
Security	-	-
Other	-	-
TOTAL NON-INSTRUCTIONAL	-	-

SUBTOTAL PERSONNEL SERVICE COSTS

1.00	70,000
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PAYROLL TAXES AND BENEFITS

Payroll Taxes	-
Fringe / Employee Benefits	5,355
Retirement / Pension	-
TOTAL PAYROLL TAXES AND BENEFITS	5,355

TOTAL PERSONNEL SERVICE COSTS

1.00	75,355
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CONTRACTED SERVICES

Accounting / Audit	-
Legal	-
Management Company Fee	-
Nurse Services	-
Food Service / School Lunch	-
Payroll Services	-
Special Ed Services	-
Titlement Services (i.e. Title I)	-
Other Purchased / Professional / Consulting	-
TOTAL CONTRACTED SERVICES	-

FAMILY LIFE ACADEMY CHARTER SCHOOL
PROJECTED BUDGET / OPERATING PLAN FOR PRE-OPENING PERIOD
July 1, 2019 - June 30, 2020

****NOTE:** Please enter financial data on either tab "5.) Pre-OP Cash Flow 6-Month" OR "6.) Pre-OP Cash Flow 1-Year". The pre-opening budget will be for either a 6-Month Period OR a 1-Year Period as selected.*

Total Revenue	75,355
Total Expenses	75,355
Net Income	-

	START-UP PERIOD
--	----------------------------

SCHOOL OPERATIONS

Board Expenses	-
Classroom / Teaching Supplies & Materials	-
Special Ed Supplies & Materials	-
Textbooks / Workbooks	-
Supplies & Materials other	-
Equipment / Furniture	-
Telephone	-
Technology	-
Student Testing & Assessment	-
Field Trips	-
Transportation (student)	-
Student Services - other	-
Office Expense	-
Staff Development	-
Staff Recruitment	-
Student Recruitment / Marketing	-
School Meals / Lunch	-
Travel (Staff)	-
Fundraising	-
Other	-
TOTAL SCHOOL OPERATIONS	-

FACILITY OPERATION & MAINTENANCE

Insurance	-
Janitorial	-
Building and Land Rent / Lease / Facility Finance Interest	-
Repairs & Maintenance	-
Equipment / Furniture	-
Security	-
Utilities	-
TOTAL FACILITY OPERATION & MAINTENANCE	-

DEPRECIATION & AMORTIZATION

DISSOLUTION ESCROW & RESERVES / CONTINGENCY

TOTAL EXPENSES	75,355
NET INCOME	-

FAMILY LIFE ACADEMY CHAR'
PROJECTED BUDGET / OPERATING PLAN PERIOD

July 1, 2019 - June 30,

****NOTE:** Please enter financial data on either tab "5.) Pre-OP Cash f'6) Pre-OP Cash Flow 1-Year."
The pre-opening budget will be for either a 6-Month Period OR a 1-Year on tab #1, School Information.*

DESCRIPTION OF ASSUMPTIONS

Total Revenue

Part of CSP grant, \$550k

Total Expenses

Net Income

REVENUE

REVENUES FROM STATE SOURCES

Grants

Stimulus

DYCD (Department of Youth and Community Developmt.)

Other

Other

TOTAL REVENUE FROM STATE SOURCES

REVENUE FROM FEDERAL FUNDING

Grants

Charter School Program (CSP) Planning & Implementation

Other

Other

TOTAL REVENUE FROM FEDERAL SOURCES

LOCAL and OTHER REVENUE

Contributions and Donations

Fundraising

Erate Reimbursement

Earnings on Investments

Interest Income

Food Service (Income from meals)

Text Book

OTHER

TOTAL REVENUE FROM LOCAL and OTHER SOURCES

TOTAL REVENUE

FAMILY LIFE ACADEMY CHAR'
PROJECTED BUDGET / OPERATING PLAN PERIOD

July 1, 2019 - June 30,

****NOTE:** Please enter financial data on either tab "5.) Pre-OP Cash F'6) Pre-OP Cash Flow 1-Year."
The pre-opening budget will be for either a 6-Month Period OR a 1-Year on tab #1, School Information.*

DESCRIPTION OF ASSUMPTIONS

Total Revenue	Part of CSP grant, \$550k
Total Expenses	
Net Income	

EXPENSES

ADMINISTRATIVE STAFF PERSONNEL COSTS

	FTE No. of Positions	
Executive Management	-	
Instructional Management	1.00	Principal salary for 6 months
Deans, Directors & Coordinators	-	
CFO / Director of Finance	-	
Operation / Business Manager	-	
Administrative Staff	-	
TOTAL ADMINISTRATIVE STAFF	1.00	

INSTRUCTIONAL PERSONNEL COSTS

Teachers - Regular	-	
Teachers - SPED	-	
Substitute Teachers	-	
Teaching Assistants	-	
Specialty Teachers	-	
Aides	-	
Therapists & Counselors	-	
Other	-	
TOTAL INSTRUCTIONAL	-	

NON-INSTRUCTIONAL PERSONNEL COSTS

Nurse	-	
Librarian	-	
Custodian	-	
Security	-	
Other	-	
TOTAL NON-INSTRUCTIONAL	-	

SUBTOTAL PERSONNEL SERVICE COSTS

	1.00	
--	-------------	--

PAYROLL TAXES AND BENEFITS

Payroll Taxes		
Fringe / Employee Benefits		FICA of Personnel salary
Retirement / Pension		
TOTAL PAYROLL TAXES AND BENEFITS		

TOTAL PERSONNEL SERVICE COSTS

	1.00	
--	-------------	--

CONTRACTED SERVICES

Accounting / Audit	
Legal	
Management Company Fee	
Nurse Services	
Food Service / School Lunch	
Payroll Services	
Special Ed Services	
Titlement Services (i.e. Title I)	
Other Purchased / Professional / Consulting	
TOTAL CONTRACTED SERVICES	

FAMILY LIFE ACADEMY CHAR'
PROJECTED BUDGET / OPERATING PLAN PERIOD

July 1, 2019 - June 30,

****NOTE:** Please enter financial data on either tab "5.) Pre-OP Cash f'6) Pre-OP Cash Flow 1-Year."
The pre-opening budget will be for either a 6-Month Period OR a 1-Year on tab #1, School Information.*

DESCRIPTION OF ASSUMPTIONS

Total Revenue

Part of CSP grant, \$550k

Total Expenses

Net Income

SCHOOL OPERATIONS

Board Expenses
Classroom / Teaching Supplies & Materials
Special Ed Supplies & Materials
Textbooks / Workbooks
Supplies & Materials other
Equipment / Furniture
Telephone
Technology
Student Testing & Assessment
Field Trips
Transportation (student)
Student Services - other
Office Expense
Staff Development
Staff Recruitment
Student Recruitment / Marketing
School Meals / Lunch
Travel (Staff)
Fundraising
Other

TOTAL SCHOOL OPERATIONS

FACILITY OPERATION & MAINTENANCE

Insurance
Janitorial
Building and Land Rent / Lease / Facility Finance Interest
Repairs & Maintenance
Equipment / Furniture
Security
Utilities

TOTAL FACILITY OPERATION & MAINTENANCE

DEPRECIATION & AMORTIZATION

DISSOLUTION ESCROW & RESERVES / CONTINGENCY

TOTAL EXPENSES

NET INCOME

PRE-OPENING CASH FLOW 6-MONTH		FAMILY LIFE ACADEMY CHARTER SCHOOL							
*NOTE:		PROJECTED CASH FLOW FOR SCHOOLS PROPOSING TO OPEN IN THE YEAR FOLLOWING PROPOSAL SUBMISSION							
Please enter "Description of Assumptions" on tab "4) Pre-Opening Period Budget."		Do NOT complete this section. Complete tab "6) Pre-OP Cash Flow 1-Yr."							
Total Revenue		-	-	-	-	-	-	-	-
Total Expenses		-	-	-	-	-	-	-	-
Net Income		-	-	-	-	-	-	-	-
Cash Flow Adjustments		-	-	-	-	-	-	-	-
Beginning Cash Balance		-	-	-	-	-	-	-	-
Net Income		-	-	-	-	-	-	-	-
		JAN	FEB	MAR	APR	MAY	JUN	TOTAL	
REVENUE									
REVENUES FROM STATE SOURCES									
Grants									
Stimulus		-	-	-	-	-	-	-	-
DYCD (Department of Youth and Community Development)		-	-	-	-	-	-	-	-
Other		-	-	-	-	-	-	-	-
Other		-	-	-	-	-	-	-	-
TOTAL REVENUE FROM STATE SOURCES		-	-	-	-	-	-	-	-
REVENUE FROM FEDERAL FUNDING									
Grants									
Charter School Program (CSP) Planning & Implementation		-	-	-	-	-	-	-	-
Other		-	-	-	-	-	-	-	-
Other		-	-	-	-	-	-	-	-
TOTAL REVENUE FROM FEDERAL SOURCES		-	-	-	-	-	-	-	-
LOCAL and OTHER REVENUE									
Contributions and Donations		-	-	-	-	-	-	-	-
Fundraising		-	-	-	-	-	-	-	-
Erate Reimbursement		-	-	-	-	-	-	-	-
Earnings on Investments		-	-	-	-	-	-	-	-
Interest Income		-	-	-	-	-	-	-	-
Food Service (Income from meals)		-	-	-	-	-	-	-	-
Text Book		-	-	-	-	-	-	-	-
OTHER		-	-	-	-	-	-	-	-
TOTAL REVENUE FROM LOCAL and OTHER SOURCES		-	-	-	-	-	-	-	-
TOTAL REVENUE		-	-	-	-	-	-	-	-

PRE-OPENING CASH FLOW 6-MONTH		FAMILY LIFE ACADEMY CHARTER SCHOOL							
*NOTE:		PROJECTED CASH FLOW FOR SCHOOLS PROPOSING TO OPEN IN THE YEAR FOLLOWING PROPOSAL SUBMISSION							
Please enter "Description of Assumptions" on tab "4) Pre-Opening Period Budget."		Do NOT complete this section. Complete tab "6) Pre-OP Cash Flow 1-Yr."							
Total Revenue		-	-	-	-	-	-	-	-
Total Expenses		-	-	-	-	-	-	-	-
Net Income		-	-	-	-	-	-	-	-
Cash Flow Adjustments		-	-	-	-	-	-	-	-
Beginning Cash Balance		-	-	-	-	-	-	-	-
Net Income		-	-	-	-	-	-	-	-
		JAN	FEB	MAR	APR	MAY	JUN	TOTAL	
EXPENSES									
ADMINISTRATIVE PERSONNEL COSTS		FTE No. of Positions							
Executive Management	-	-	-	-	-	-	-	-	-
Instructional Management	-	-	-	-	-	-	-	-	-
Deans, Directors & Coordinators	-	-	-	-	-	-	-	-	-
CFO / Director of Finance	-	-	-	-	-	-	-	-	-
Operation / Business Manager	-	-	-	-	-	-	-	-	-
Administrative Staff	-	-	-	-	-	-	-	-	-
TOTAL ADMINISTRATIVE STAFF	-	-	-	-	-	-	-	-	-
INSTRUCTIONAL PERSONNEL COSTS									
Teachers - Regular	-	-	-	-	-	-	-	-	-
Teachers - SPED	-	-	-	-	-	-	-	-	-
Substitute Teachers	-	-	-	-	-	-	-	-	-
Teaching Assistants	-	-	-	-	-	-	-	-	-
Specialty Teachers	-	-	-	-	-	-	-	-	-
Aides	-	-	-	-	-	-	-	-	-
Therapists & Counselors	-	-	-	-	-	-	-	-	-
Other	-	-	-	-	-	-	-	-	-
TOTAL INSTRUCTIONAL	-	-	-	-	-	-	-	-	-
NON-INSTRUCTIONAL PERSONNEL COSTS									
Nurse	-	-	-	-	-	-	-	-	-
Librarian	-	-	-	-	-	-	-	-	-
Custodian	-	-	-	-	-	-	-	-	-
Security	-	-	-	-	-	-	-	-	-
Other	-	-	-	-	-	-	-	-	-
TOTAL NON-INSTRUCTIONAL	-	-	-	-	-	-	-	-	-
SUBTOTAL PERSONNEL SERVICE COSTS		-	-	-	-	-	-	-	-
PAYROLL TAXES AND BENEFITS									
Payroll Taxes		-	-	-	-	-	-	-	-
Fringe / Employee Benefits		-	-	-	-	-	-	-	-
Retirement / Pension		-	-	-	-	-	-	-	-
TOTAL PAYROLL TAXES AND BENEFITS		-	-	-	-	-	-	-	-
TOTAL PERSONNEL SERVICE COSTS		-	-	-	-	-	-	-	-
CONTRACTED SERVICES									
Accounting / Audit		-	-	-	-	-	-	-	-
Legal		-	-	-	-	-	-	-	-
Management Company Fee		-	-	-	-	-	-	-	-
Nurse Services		-	-	-	-	-	-	-	-
Food Service / School Lunch		-	-	-	-	-	-	-	-
Payroll Services		-	-	-	-	-	-	-	-
Special Ed Services		-	-	-	-	-	-	-	-
Titement Services (i.e. Title I)		-	-	-	-	-	-	-	-
Other Purchased / Professional / Consulting		-	-	-	-	-	-	-	-
TOTAL CONTRACTED SERVICES		-	-	-	-	-	-	-	-

PRE-OPENING CASH FLOW 6-MONTH		FAMILY LIFE ACADEMY CHARTER SCHOOL							
*NOTE:		PROJECTED CASH FLOW FOR SCHOOLS PROPOSING TO OPEN IN THE YEAR FOLLOWING PROPOSAL SUBMISSION							
<i>Please enter "Description of Assumptions" on tab "4) Pre-Opening Period Budget."</i>		Do NOT complete this section. Complete tab "6) Pre-OP Cash Flow 1-Yr."							
Total Revenue		-	-	-	-	-	-	-	-
Total Expenses		-	-	-	-	-	-	-	-
Net Income		-	-	-	-	-	-	-	-
Cash Flow Adjustments		-	-	-	-	-	-	-	-
Beginning Cash Balance		-	-	-	-	-	-	-	-
Net Income		-	-	-	-	-	-	-	-
		JAN	FEB	MAR	APR	MAY	JUN	TOTAL	
SCHOOL OPERATIONS									
Board Expenses		-	-	-	-	-	-	-	-
Classroom / Teaching Supplies & Materials		-	-	-	-	-	-	-	-
Special Ed Supplies & Materials		-	-	-	-	-	-	-	-
Textbooks / Workbooks		-	-	-	-	-	-	-	-
Supplies & Materials other		-	-	-	-	-	-	-	-
Equipment / Furniture		-	-	-	-	-	-	-	-
Telephone		-	-	-	-	-	-	-	-
Technology		-	-	-	-	-	-	-	-
Student Testing & Assessment		-	-	-	-	-	-	-	-
Field Trips		-	-	-	-	-	-	-	-
Transportation (student)		-	-	-	-	-	-	-	-
Student Services - other		-	-	-	-	-	-	-	-
Office Expense		-	-	-	-	-	-	-	-
Staff Development		-	-	-	-	-	-	-	-
Staff Recruitment		-	-	-	-	-	-	-	-
Student Recruitment / Marketing		-	-	-	-	-	-	-	-
School Meals / Lunch		-	-	-	-	-	-	-	-
Travel (Staff)		-	-	-	-	-	-	-	-
Fundraising		-	-	-	-	-	-	-	-
Other		-	-	-	-	-	-	-	-
TOTAL SCHOOL OPERATIONS		-	-	-	-	-	-	-	-
FACILITY OPERATION & MAINTENANCE									
Insurance		-	-	-	-	-	-	-	-
Janitorial		-	-	-	-	-	-	-	-
Building and Land Rent / Lease / Facility Finance Interest		-	-	-	-	-	-	-	-
Repairs & Maintenance		-	-	-	-	-	-	-	-
Equipment / Furniture		-	-	-	-	-	-	-	-
Security		-	-	-	-	-	-	-	-
Utilities		-	-	-	-	-	-	-	-
TOTAL FACILITY OPERATION & MAINTENANCE		-	-	-	-	-	-	-	-
DEPRECIATION & AMORTIZATION		-	-	-	-	-	-	-	-
DISSOLUTION ESCROW & RESERVES / CONTINGENCY		-	-	-	-	-	-	-	-
TOTAL EXPENSES		-	-	-	-	-	-	-	-
NET INCOME		-	-	-	-	-	-	-	-

PRE-OPENING CASH FLOW 6-MONTH		FAMILY LIFE ACADEMY CHARTER SCHOOL						
*NOTE:		PROJECTED CASH FLOW FOR SCHOOLS PROPOSING TO OPEN IN THE YEAR FOLLOWING PROPOSAL SUBMISSION						
<i>Please enter "Description of Assumptions" on tab "4) Pre-Opening Period Budget."</i>		Do NOT complete this section. Complete tab "6) Pre-OP Cash Flow 1-Yr."						
Total Revenue		-	-	-	-	-	-	-
Total Expenses		-	-	-	-	-	-	-
Net Income		-	-	-	-	-	-	-
Cash Flow Adjustments		-	-	-	-	-	-	-
Beginning Cash Balance		-	-	-	-	-	-	-
Net Income		-	-	-	-	-	-	-
		JAN	FEB	MAR	APR	MAY	JUN	TOTAL
CASH FLOW ADJUSTMENTS								
OPERATING ACTIVITIES								
Description (e.g. Add Back Depreciation)		-	-	-	-	-	-	-
Other		-	-	-	-	-	-	-
Total Operating Activities		-	-	-	-	-	-	-
INVESTMENT ACTIVITIES								
Description (e.g. Subtract Property and Equipment Expenditures)		-	-	-	-	-	-	-
Other		-	-	-	-	-	-	-
Total Investment Activities		-	-	-	-	-	-	-
FINANCING ACTIVITIES								
Description (e.g. Add Expected Proceeds from a Loan)		-	-	-	-	-	-	-
Other		-	-	-	-	-	-	-
Total Financing Activities		-	-	-	-	-	-	-
Total Cash Flow Adjustments		-	-	-	-	-	-	-
NET INCOME		-	-	-	-	-	-	-
Beginning Cash Balance		-	-	-	-	-	-	-
ENDING CASH BALANCE		-	-	-	-	-	-	-