

Compliance With H3097 Requirements

(A)

1. Provide each student enrolled in the program with a course or courses of online or computer instruction approved by the State Department of Education that must meet or exceed the South Carolina content and grade specific standards. Students enrolled in the program of online or computer instruction must receive all instructional materials required for the student's program.

- Goals and Objectives – Page 19
- Student Goals – Page 27
- Course Approval from SED Office of E-Learning – Page 27
- Evidence of the process to insure instruction meets/exceeds standards – Page 28
- Curriculum Requirements for a South Carolina High School Diploma – Page 34
- Appendix B – Page 120

2. Ensure that the persons who operate the program on a day-to-day basis comply with and carry out all applicable requirements, statutes, regulations, rules, and policies of the charter school.

- Parents and Teachers Partnership and Evaluations – Page 23
- Proposed Daily Schedule – Page 30
- Strategies and Approached – Page 32
- Governing Board Authority – Page 67
- Management & Execution of Day-to-Day School Activities – Page 70
- Parental, Community, and Educator Involvement – Page 71
- Administrative Staff – Page 73

3. Ensure that each course offered through the program is taught by a teacher meeting the requirements of Section 59-40-50.

- Strategies and Approaches – Page 32
- Administrative and Teaching Staff – Page 73
- Special Education Teacher – Page 74
- Teachers – Page 80

4. Ensure that a parent or legal guardian of each student verifies the number of hours of educational activities completed by the student each school year.

- Parental, Community, and Educator Involvement – Page 71

5. Adopt a plan by which it will provide:

(a) Frequent, ongoing monitoring to ensure and verify that each student is participating in the program, including proctored assessment(s) per semester in core subjects graded or evaluated by the teacher, and at least bi-weekly parent-teacher conferences in person or by telephone;

- Goals and Objectives – Page 20
- Parents and Teachers Partnership and Evaluations – Page 23
- Students will Participate in Assessments – Page 24
- Provisions for Determining Achievement – Page 28
- Student Assessment – Page 38
- Testing Students with Disabilities – Page 44
- Parents will Conference with Teachers – Page 72
- Appendix B – Page 121

(b) Regular instructional opportunities in real time that are directly related to the school's curricular objectives, including, but not limited to, meetings with teachers and educational field trips and outings;

- Monthly Outings – Page 72

(c) Verification of ongoing student attendance in the program;

- Appendix B – Page 120

(d) Verification of ongoing student progress and performance in each course as documented by ongoing assessments and examples of student coursework;

- Work samples – Page 25
- K12's Online Progress Tools – Page 41
- Internal Assessments – Page 42
- Lesson Assessments – Page 43
- Unit and Semester Assessments – 43

6. Administer to all students in a proctored setting all applicable assessments as required by the South Carolina Education Accountability Act.

- All students will participate in required assessments – Page 20.
- Student Assessment – Page 39
- Testing Students with Disabilities – Page 44

(B)

1. Nothing in this section shall prohibit a charter school that provides a program of online or computer instruction from reimbursing families of enrolled students for costs associated with their Internet connection for use in the program.

- SCVCS will Reimburse Parents for Necessary Internet Access – Page 86

(C)

1. A charter school shall provide no more than seventy-five percent of a student's core academic instruction in kindergarten through twelfth grade via an online or computer instruction program. The twenty-five percent of the student's core academic instruction may be met through the regular instructional opportunities outlined in sub-item (A)(5)(b).

- Appendix B – Page 121
- We are prepared to deliver a live demonstration of our Instructional Program at the Charter School Advisory Committee hearing and our approval hearing before our sponsor.

(D)

1. Charter school students may enroll in the South Carolina Virtual School Program pursuant to program requirements.

- Strategies and Approaches – Page 33

(E)

1. Private or home school students choosing to take courses from a virtual charter school may not be provided instructional materials, or any other materials associated with receiving instruction through a program of online or computer instruction at the state's expense.

- Expenditures – Page 53

(F)

1. Only students enrolled in the charter school as a full-time student shall be reported in the charter school's average daily membership to the State Department of Education for the purposes of receiving state or federal funds. Private and home school students may not be included in the student weighted pupil units or average daily membership reported to the State Department of Education for the purposes of receiving state or federal funds."

- Pupil Accounting System – Page 55

Applicant Narrative Content

A. Charter School Mission Statement

South Carolina Virtual Charter School (SCVCS), a highly effective public virtual charter school, provides an individualized standards-based education for students in the State of South Carolina. Our team of hard working, highly qualified staff works as partners with parents to provide an innovative and challenging education that focuses on traditional instructional models to promote mastery of the South Carolina Academic Standards.

South Carolina Virtual Charter School believes parents are integral in the acquisition of knowledge and works to increase student learning, promote character, and provide skill mastery through the use of technology and the K12 curriculum.

Through this mission, South Carolina Virtual Charter School will improve student learning, increase learning opportunities for students, encourage the use of a variety of productive teaching methods, establish new forms of accountability for schools, create new professional opportunities for teachers, including the opportunity to be responsible for the learning program at the school site, and assist South Carolina in reaching academic excellence. Accordingly, we create a legitimate avenue for parents, teachers, and community members to take responsible risks and create new, innovative, and more flexible ways of educating all children within the public school system.

B. Admissions Policies and Procedures

1. Enrollment Procedures

a. Eligibility to Attend

All age appropriate K through 12 grade students residing within the South Carolina Public Charter School District (SCPCSD) are eligible to attend the South Carolina Virtual Charter School (SCVCS). Students will be admitted without regard to race, religion, gender, creed, national origin, disability, ancestry, need for special education or itinerant services, or socioeconomic condition. Expelled students will be considered – on a case by case basis – for admission.

b. Applications

Applications for admission will be received and processed by the SCVCS Charter Committee. Media advertisements, public announcements, will clearly state how or where applications are available and the deadline for receipt of completed applications. All applications received will be screened for completeness.

c. Conduct of a Lottery

If the number of applicants exceeds the capacity of a program, class, grade level or building, a lottery process will be used to determine enrollment. The lottery will be supervised by the Charter Committee and it will be held no later than two weeks following the conclusion of the Open Enrollment Period.

The name and grade of each student who have submitted a complete application:

- Will be placed on an index card (Lottery Card).
- The information on the Lottery Card will be verified against the application.
- The individual Lottery Card will be placed in an unmarked envelope.
- All envelopes will be placed in a large, clear container and shuffled.
- An individual with no professional or business relationship to SCVCS will randomly select an envelope from the box.
- The name of the student will be announced and assigned a Lottery Number. This number will be recorded on the Lottery Card and the application. This information will also be recorded on a ledger.
- This process will continue until all envelopes have been drawn, opened, and recorded.
- The names drawn in lottery number order equaling the enrollment openings for that grade will be placed on the class roster for that grade.
- The remaining names will be placed on a Waiting List in their lottery order number.
- The above lottery process will be repeated for all appropriate grade levels.

d. Priority Enrollment

SCVCS will grant priority enrollment to siblings of a pupil already enrolled, students of a charter school employee, and students of a charter committee member, provided that their enrollment does not comprise more than twenty percent of the enrollment of the charter school.

2. Students Outside the District

Not applicable.

3. Student Appeals Process

Students who are denied admission for reasons other than the results of a lottery may appeal the denial to the SCPCSD. The appeal shall be in writing and state the grounds on which it is based. The decision of the SCPCSD shall be binding and final without right of appeal on the student and SCVCS.

C. Support for Formation of the Charter School

1. Charter Committee

The South Carolina Virtual Charter School Charter Committee is made up of the following individuals.

Dr. Kathleen Brady, Chair
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Dr. Brady is a Vocational Consultant after having served for 18 years as an Area Supervisor and Counselor for the South Carolina Vocational Rehabilitation Department.

Dr. Brady is a Board Member of the Fuller Normal Advanced Technology Charter School and the Greenville Workforce Investment Board.

Deborah Elizabeth Stevenson Dingler
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Ms. Dingler is a home schooling mother of two children with 4 years experience in organization, planning and recordkeeping. Ms. Dingler is also a Registered Nurse with 14 years administrative experience in an acute care setting.

Richard Thomas Gianni
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Mr. Gianni is a South Carolina certified teacher in Mathematics and Florida certified teacher in Mathematics and Business Management. In addition to over 16 years of classroom experience on three continents he possess' virtual school experience having served as an online instructor and Director of Mathematics and Business for the Virtual High School of Excellence and the Crescent Preparatory School in Florida.

Clara Heinsohn
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Ms. Heinsohn was formerly the K-12 Research Director for the South Carolina Senate Education Committee. A South Carolina certified teacher with over 25 years teaching experience, Ms. Heinsohn also served on the South Carolina Education Oversight Committee and the South Carolina Performance and Accountability Standards for School Commission.

Alison K. Miller
1687 Nestledown Court
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Ms. Miller has utilized the K12 Curriculum with her four children for the past five years and believes it superior to anything else available and equally strong in its support of

parents using the program. Ms. Miller wants to make this outstanding program available to all families in South Carolina.

Victoria Dixon-Mokeba
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Ms. Dixon-Mokeba is the Lead Teacher for the Carolina School for Inquiry. Nationally Board Certified in Early Childhood Education, Ms. Dixon-Mokeba also served as a Literacy Coach with South Carolina Reading.

Dr. Richard A. NeSmith
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Dr. NeSmith is the Dean of Education and a Professor of Science & Technology Education for North Greenville University. Among his numerous roles in education, Dr. NeSmith serves as a NCATE Board of Examiner for the South Carolina Department of Education and as the Co-Chair of the South Carolina ASCD Chapter Committee.

Lorilyn Smith
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Ms. Smith has a Master's Degree in Clinical Psychology from the University of South Carolina Aiken, coupled with excellent interpersonal and communication skills, and very strong skills in motivation, team building, and leadership.

2. Evidence of Support

There is significant support and interest among South Carolinians of all walks of life and in every part of the state, including parents, teachers, and educators, in the South Carolina Virtual Charter School specifically and in utilizing the K12 curriculum in particular. During the past several years nearly 4,000 South Carolina families have reached out to K12 and expressed their interest in its high quality learning program. Unsolicited, they have either called K12, expressed their interest via the K12 website (www.k12.com), or reached out to K12 in some other way, providing their names, phone numbers, and email addresses, and other contact information. The map below, which geographically plots these prospective families of the South Carolina Virtual Charter School, highlights the statewide breadth and depth of family interest.

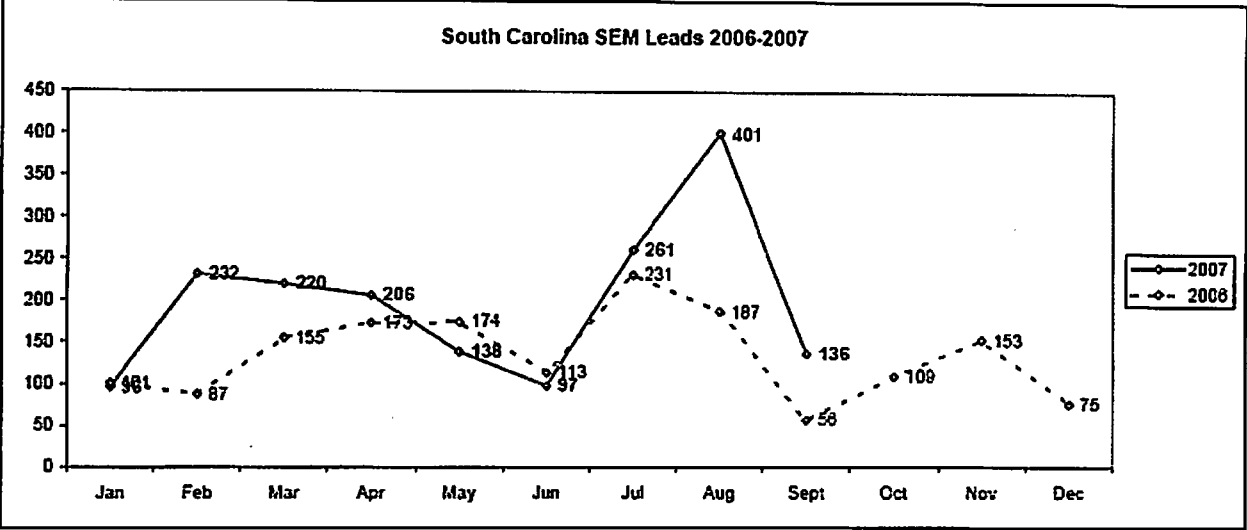


The map also shows the concentrations of interest that exist in South Carolina's major population centers of Greenville, Spartanburg, Columbia, Charleston, and Myrtle Beach.

In following up on the tremendous unsolicited inquiries, we developed a comprehensive marketing plan that spanned the Assessment Phase, Application Phase (current), and will continue into the Pre-Operations Phase and Operations Phase of our charter initiative. This plan includes Direct Mail, Online and Offline Directory Listings, Eblasts (example is Appendix A), Information Sessions, Community Meetings, Online Advertising, Telephone Campaign, Print Advertising, and Radio Advertising.

The Planning Committee circulated petitions to gauge the interest of parents in the school and willingness of these families to take advantage of this schooling option by enrolling their children. The petitions, which were signed by hundreds of families from across the state representing hundreds more children and these petitions are available upon request. In addition, a number of South Carolina families also attended online general information sessions hosted by K12 using Elluminate web conferencing tools. Finally, the Planning Committee has received inquiries from South Carolina administrators and teachers who have expressed interest in employment opportunities with the South Carolina Virtual Charter School should it become a reality.

The graph below brings this multi-year statewide interest, culled with follow up contact and petitions, to documented support that demonstrates that we will likely meet enrollment expectations.



	2007	2006	%-Change
Jan	98	101	-5.0%
Feb	232	87	166.7%
Mar	220	155	41.9%
Apr	206	173	19.1%
May	138	174	-20.7%
Jun	97	113	-14.2%
Jul	261	231	13.0%
Aug	401	187	114.4%
Sept	136	58	142.6%
Oct		109	-100.0%
Nov		153	-100.0%
Dec		75	-100.0%
	1787	1277	39.9%

3. Conversion Schools

Not Applicable.

D. Educational Program

South Carolina amended its charter school law in 2007 to enable charter schools to deliver instructional services through the Internet or other online arrangements. This law change presents an exciting opportunity to introduce an innovative, research-based, and effective model of virtual education to the state's public education system. Virtual education leverages technology to connect students, parents, and teachers in a 21st century learning community focused on results. Virtual education offers every South Carolina child, without regard to income or geography, to access high quality public education—and helps to close the digital divide. But technology is only a means to an end, not an end in itself. The goal of providing the best possible education for our children will only be accomplished if we put children first and empower them with high expectations and constant support.

Our vision is to establish SCVCS as one of the first virtual charter schools in South Carolina but as one of the highest performing public schools in the state, one that engages students, parents, and teachers through technology to provide all of our students with the education and tools they will need to succeed.

A synopsis of our education program is Appendix B. Documentation of K12's academic achievement is Appendix C.

1. Student Population

a. Enrollment Projections

SCVCS will be open to all students statewide, but will also attract special populations of students, such as gifted and talented students, students attending schools designated as “needs improvement” under NCLB, homebound students, or those who are struggling academically and in need of a quality educational option. Students will be distinguished by grade level, kindergarten through 12th grade; Appendix D is our Student Enrollment Projections.

b. Conversion Schools

Not Applicable

2. Goals and Objectives

The SCVCS Board of Directors, administration, and teaching staff will share a common vision for student success that is measurable and meaningful. We view it as our responsibility to educate the whole child, and feel that the tools for success lie in a strong foundation in academic content. The following are **goals the school** will strive to accomplish in its initial five years of operation:

a. Students will demonstrate mastery of a curriculum that meets or exceeds the South Carolina Curriculum and Academic Standards:

- In all grades, all students will master the K12® Curriculum, attaining the knowledge and skills that South Carolina has identified students should acquire in each subject area and at each grade level.
- All students will demonstrate their mastery in reading and math through participation in the state assessment program, Palmetto Achievement Challenge Test (PACT). On average, students will perform at or above the proficient level on the PACT.
- All students in grades two through twelve will demonstrate their mastery in reading and math through participation in the Measures of Academic Progress (MAP) tests published by Northwest Education Association (NWEA).
- All students in grades K and one will demonstrate gains in early literacy skills through participation in the Dynamic Indicators of Basic Early Literacy Skills (DIBELS) assessments.

All students will participate in state, sponsor, and school required assessments.

b. For students in grades K-3 participating in the DIBELS early reading diagnostic assessment, 80 percent of all students, at each grade level, each year, will attain the following end-of-year benchmark scores:

- Kindergarten: total score of 25 on nonsense word fluency, total score of 35 on phoneme segmentation fluency, total score of 25 on initial sound fluency. Letter name fluency should also be mastered by the end of kindergarten.
- 1st grade: 40 words /min on oral reading and a total score of 50 on nonsense word fluency.
- 2nd grade: 90 words/ min on oral reading fluency.
- 3rd grade: 110 words/min. on oral reading fluency.

c. Students in grades K through 12 will demonstrate proficiency in language arts:

- Students will develop and use the conventions of successful composition: spelling, grammar, mechanics, and penmanship.
- Students will develop and use an advanced vocabulary in verbal and written communications.

- Students will grasp meaning, content, tone, and style from a variety of genres (i.e., fiction, poetry, essays, and news articles).
- Students will gain exposure to as well as an appreciation for great works of literature.
- Students will master the skills of the writing process: researching, brainstorming, drafting, revising, editing, and publishing.
- Students will develop and use a variety of writing strategies appropriate for different audiences and purposes—persuasive, creative, descriptive, and research writing—by the end of eighth grade.
- Students will demonstrate their proficiency in language arts through participation in the state testing program. On average, students will perform at or above the proficient level on the PACT.

d. Students in grade K through 12 will demonstrate proficiency in mathematics:

- Students will understand and apply basic and advanced properties of numbers (ranging from the concept of whole numbers to the theorems of roots and exponents).
- Students will use basic and advanced procedures while performing computations (ranging from adding whole numbers to simplifying radical expressions).
- Students will understand and apply basic and advanced properties of the concept of measurement (ranging from determining length and width to the acceleration of the Space Shuttle).
- Students will understand and apply the basic and advanced properties of algebra, geometry, statistics, and probability.
- Students will apply mathematical skills to solve real-world problems.
- Students will demonstrate their proficiency in mathematics through participation in the state testing program. On average, students will perform at or above the proficient level on the PACT.

e. Students will develop a strong foundation of knowledge, facts, and skills in History, Geography, Civics, Science, Art, Music, Economics, and other disciplines:

- Students will use this base of information to understand the important connections among these disciplines and their application in daily living.

- Students will be able to identify and draw on these interdisciplinary connections when faced with complex issues and problems, demonstrating an ability to approach them from multiple perspectives.
- Students will achieve 80% or higher mastery on all coursework related to History, Geography, Civics, Science, Art, Music and Economics as measured by the OLS lesson assessments.

f. Students will develop critical reasoning and higher-order thinking skills:

- Students will demonstrate the use of problem-solving and analytical techniques on open-ended questions by the fifth grade.
- Students will demonstrate the ability to recognize alternative positions and evaluate their validity by the fifth grade.
- Students will be able to analyze, synthesize, evaluate, and apply their knowledge.
- Students will be able to analyze, synthesize, evaluate, and apply their knowledge as demonstrated through lesson assessments with a minimum of 80% mastery on lessons requiring the student to analyze, synthesize, evaluate, and apply knowledge.

g. Students will acquire skills in both art and music as part of their aesthetic development:

- Students will understand and implement artistic and musical techniques.
- Students will know and be able to speak intelligently about great works of art and music.
- Students will develop a sense of the history of art and music and how ideas, movements, and trends from one era inform another.
- Students will achieve 80% or higher mastery on art and music curriculum as measure by the OLS lesson assessments.

Our primary non-academic goal is to develop those qualities of mind and character that will help our students develop into active, thoughtful, and responsible citizens. Our choice of materials and approach are designed to communicate and build commonly

shared values such as honesty, integrity, courage, discipline, compassion, respect for others, and appreciation of the work ethic. While children are learning the basics of computation, decoding, and analysis, they will also be wrestling with moral dilemmas, writing about courage and justice, and learning about times when history was shaped by moral surrender and heroic deeds.

a. To create a powerful partnership between satisfied SCVCS parents and teachers, combining forces to ensure that children receive individual attention and achieve academic excellence. This goal will be measured in two ways:

- Parental satisfaction: 70% or more of parents or other responsible adults in 2008-2009, 80% or more of parents or other responsible adults in 2009-2010, and 90% of parents or other primary adults in 2010-2011 will be satisfied with the academic progress their student is making while enrolled in SCVCS; and
- Professional Development: 95% of SCVCS teachers each year will participate in networking and professional development opportunities with the goal of improving student academic achievement in math and reading. This goal is measured by the percentage of SCVCS teachers participating in professional development.

Parents and teachers will help us to continuously evaluate the operation and governance of the school both online and offline. SCVCS will survey parents and teachers online twice each year to determine their satisfaction with their overall experience in SCVCS, including the curriculum, instruction, Online School, administration, support, quality and delivery of materials, working with the lessons, student progress, student attitude towards learning, communication, and interaction with other SCVCS students and parents. Parents and teachers will be offered the opportunity to give critiques and/or testimonials about the program.

b. Students will be responsible for the improvement of their school and local community:

- All students will participate in assessments required by the school, including the PACT and NWEA MAP assessments. This goal is measured based on the percentage of students participating in required assessments.
- Students will participate in school activities and events (whether electronically or physically).
- Students will exercise a voice in school affairs and will work to improve the educational and social life of their school.
- Students will be encouraged to volunteer in their communities on various school-related or civic projects.
- Students will learn about individuals who have contributed their talents and efforts to improve our country and our world.

c. Students will develop important personal traits such as honesty, courage, loyalty, personal responsibility, perseverance, respect for others, and diligence:

- Students will take responsibility for their actions and will be asked and encouraged to learn from their mistakes.
- Students will demonstrate an ability to work in teams and will work toward personal, team, and school goals.
- Students will understand and be able to explain the value of our country's vibrant diversity and common civic heritage.
- Students will demonstrate respect for others in school, community, and extracurricular activities and an appreciation of differences among individuals and groups.

d. Students will develop effective work habits and skills that will prepare them for the demands of school, society, business, government, and civic affairs:

- Students will learn to work effectively with technology and become proficient users of software, e-mail, and the Internet.
- Students will participate in regular conferences with teachers and parents. This goal is measured by actual student participation in conferences.

- Students shall submit the required work samples on a regular basis. SCVCS teachers shall provide feedback on the samples provided. This goal is measured based on the number of samples submitted.
- Students will develop an understanding of the dynamics and importance of entrepreneurship.
- Students will learn to collaborate effectively with other students.
- Students will be expected to meet deadlines and make clear and compelling multimedia presentations.

(e) Students will rise to meet high expectations of behavior and performance:

- Students will be expected to give their best effort in their schoolwork and their active participation in school events.
- Students will respect their parents, teachers, and fellow students and abide by the school's guidelines and rules.
- Students will learn to interact maturely with peers and adults.
- Students will conduct themselves with integrity at all times.

(f) Students will learn habits of healthy living:

- Students will attend to their social, emotional, and physical well-being.
- Students will learn to balance school responsibilities (on- and off-line) with the other demands of their lives (personal, family, social, athletic, artistic).
- Students will engage in social activities and school events to enrich their academic work with real-world experiences.

The strategies employed to accomplish the **goals the school** are contained throughout the description of our Education Program. These strategies include:

- Comprehensive South Carolina standards-based, content rich, curriculum
- Certified and Highly Qualified Teachers
- State-of-the-art online and hands-on instructional materials
- Create and sustain an innovative learning environment
- Flexible, self-paced individualized instruction
- Online and Offline lessons
- High expectations
- High accountability
- Rigorous and comprehensive assessment program
- Academic Improvement Plans (AIP)
- Direct parental involvement in the education process
- Detailed Parental Orientation and Information Sessions
- Close, frequent two-way communication between teaching team and parents
- School climate, discipline, and attendance policies
- Nurturing student social needs
- Sound governance and fiscal management
- Appropriate technology support

3. Academic Standards

a. Student Goals

The K12® Curriculum is standards and research based, content-rich, and meets or exceeds the South Carolina Curriculum and Academic Standards. The curriculum is based largely on the Core Knowledge sequence, a highly specific, rigorous sequence of knowledge and skills to guide schools in planning and development of a coherent curriculum that has been aligned with the South Carolina Curriculum and Academic Standards (<http://ed.sc.gov/agency/offices/cso/>). (Appendix E).

Upon application certification by the Charter School Advisory Committee, all courses will be submitted for approval to the SDE Office of E-Learning. Information submitted will include, but will not be limited to, course materials, content description, and student-to-teacher ratios.

Overseeing the development of the entire curriculum is John Holdren, former Vice President and Director of Research and Publications at the Core Knowledge Foundation, and a co-editor of the Core Knowledge Series (*What Your First [Second, etc.] Grader Needs to Know*). Hundreds of public and private schools nationwide now use this sequence to great effect.

Accordingly, our **student goals** (subject area at each grade level) correlate to our aligned curriculum and the South Carolina Academic and Curriculum Standards.

b. Evidence of the process to insure instruction meets/exceeds standards.

SCVCS faculty and staff will work with state officials and the SCPCSD to ensure that the school's instructional program meets or exceeds the student academic standards adopted by the State Board of Education. SCVCS teachers will be fully cognizant of the state's Curriculum and Academic Standards for the applicable grades.

The goals for each subject area have been drawn from the state's current Curriculum and Academic Standards (via curriculum alignment) and will be updated in the future to correspond to any changes adopted by the SDE. We will continue to work with the SDE and the SCPCSD staff to further ensure that the curriculum will meet or exceed the student academic standards adopted by the State Board of Education.

Prior to the beginning of every academic year the Board, HOS, and staff will review course curriculum to revise and update any changes that need to be made to ensure the school is meeting or exceeding the most recent student academic standards adopted by the State Board of Education.

c. Provisions for determining achievement.

Student achievement gains will be continuously measured and reported to students, parents, teachers, and administrators, and the Board of Directors during the school year. Diagnostic tests at the beginning of the year determine students' current level of competence and correct placement in the K12 math and English/Language Arts

curricula. Students will take lesson, unit, and semester assessments built into the K12 program and accessible from the OLS as well as in paper form. Students will submit work samples to be included in their portfolios. Each semester, students will receive a report card. Students will fully participate in the Palmetto Achievement Challenge Test (PACT) assessments. See **Section E: Student Assessments** for a detailed description of specific methods by which student performance information will be gathered and monitored.

4. Instructional Program

a. Calendar and Daily Schedule

SCVCS academic year will meet the minimum 180-day and 6 hours of instruction student attendance requirements.

Proposed 2008-2009 School Calendar

Fall Semester		
Aug. 20	Wed.	First day for students
Sept. 1	Mon.	Labor Day – School Closed
Nov. 26-28	Wed.-Fri.	Thanksgiving – School Closed
Dec. 19th	Fri.	End of 1st Semester
Dec. 22 - Jan. 2	Mon. – Fri.	Winter Break –School Closed
Winter Semester		
Jan. 5	Mon.	Students return
Jan. 19	Mon.	Martin Luther King, Jr. Day – School Closed
Jan. 23	Fri.	End of Winter Semester
Spring Semester		
Jan. 26	Mon.	Students begin Spring Semester
Feb. 16	Mon.	Presidents' Day – School Closed
April 6-10	Mon. – Fri.	Spring Break – School Closed
June 5	Fri.	Last Student Day – minimum of 180 days

Proposed Daily Schedule

In this imaginary scenario, Sean, a first-grader, is enrolled in the SCVCS. His grandmother (whom he calls “Grandma”) stays at home with him during the day while his mother, a single parent, works outside the home.

7:00 a.m.	Grandma logs onto the SCVCS website and looks over the day’s lessons. She reviews the on-line activities and prints out the day’s worksheets. She also reads the daily notices from the school administration and discusses them with Sean’s mom.
7:30 a.m.	Mom wakes up Sean; he gets dressed and eats breakfast.
8:00 a.m.	Mom kisses Sean goodbye and leaves in time to catch her bus for work.
8:30 a.m.	<p>School starts! First class of the day: language arts.</p> <p>Sean sits at the computer side by side with his Grandma. They click on the language arts class icon. The first activity is a phonics lesson. A graphic of moving lips pronounces a series of phonemes. Grandma and Sean practice them together.</p> <p>Sean receives an e-mail from his teacher with some practice exercises (tailored lessons, sent as an attachment) that they discussed during their last conference. The teacher asks Grandma if she can make herself available briefly to discuss Sean’s math progress at 10:30.</p> <p>Grandma and Sean move to the kitchen table and Sean practices the phonemes he is learning by reading aloud from a decodable reader (this is an item shipped to the student by SCVCS.)</p> <p>Break</p> <p>They go to the kitchen table, where Sean practices his penmanship, spelling, and grammar. (Worksheets have been printed off the SCVCS website.)</p> <p>They go to the living room where Sean and Grandma read a story together. (Helpful hints for making read-aloud time successful have been printed off the computer, along with discussion questions.)</p> <p>They return to the computer to complete a fun, interactive assessment that gauges if Sean has mastered the language arts skills of the day. Lesson over.</p>
10:30 a.m.	Play time. Grandma and the SCVCS Teacher discuss recent math assessment. Sean’s Teacher suggests a new approach to issues they have been facing lately.
11:00 a.m.	<p>Math time!</p> <p>While working in his math book, Sean receives an e-mail summarizing their new approach for today’s lesson.</p>
12:00 p.m.	Lunch and more play time.
1:00 p.m.	<p>History class (Science class is tomorrow at this time)</p> <p>Sean sits in front of the computer side by side with his Grandma. Today’s lesson focuses on Nomads.</p> <p>Sean starts by watching a “slide show,” run directly off the Internet. It is a three-minute presentation highlighting some of the reasons Mesopotamian nomads began to develop irrigation systems and then fixed communities. The lesson explains to Sean why farmers needed cows, water, plows, and other agricultural items when they stopped being a hunting and gathering society.</p> <p>Next is story time. As Grandma reads a story that she’s printed off the computer, Sean</p>

	<p>presses a button to change pictures on the screen when appropriate. Together, they read an engaging narrative about Tok, a seven year-old girl who is growing up near the Euphrates River.</p> <p>Throughout the narrative, Grandma asked Sean questions to ensure that he's listening. (The questions have been incorporated into the narrative.)</p> <p>At the end of the story, Grandma asks Sean a series of prepared questions, both factual and conceptual. In the lesson, Sean learned how Tok's world is similar to and different from his own. Lesson over.</p>
1:45 p.m.	<p>Art class (Music class is tomorrow at this time)</p> <p>Today's lesson focuses on the use of lines in paintings.</p> <p>Sean sits next to his Grandma in front of the computer. Together they watch an animated slide show about the use of lines in two famous paintings: Kandinsky's <i>Composition Storm</i> and Picasso's <i>Mother and Child</i>. Sean and his Grandmother discuss the similarities and differences. They look at wavy lines and angular lines, thick lines and thin lines.</p> <p>Sean then gets to work, first practicing a series of lines and then creating his own version of a child in snowstorm. Teaching cues prompt Grandma to encourage the use of a variety of line types. (All art supplies have been shipped into the house.)</p>
2:30 p.m.	<p>The end of the school day!</p> <p>Sean and Grandma check the SCVCS website for greetings and announcements. An e-mail message from Sean's teacher compliments his on his recent successes on the addition assessments, suggests to Sean's Grandma a strategy to help Sean understand the idea of a complete sentence, and confirms their conference scheduled for tomorrow from 1:00 – 2:00.</p> <p>Sean's Grandma records the attendance for the day and sends it in.</p> <p>Sean and Grandma listen to an audio clip from the Head of School.</p> <p>They view the postings about upcoming special events, both on-line and in their geographic community.</p> <p>School's out!</p>
3:00 p.m.	Sean rides his bike with friends in the neighborhood.
4:00 p.m.	Cub Scout's meeting. Grandma and several kids in the neighborhood walk to the YMCA for the scout meeting.
6:00 p.m.	Sean returns home for Dinner.
7:00 p.m.	<p>Sean and Mom's time together</p> <p>They log onto the SCVCS website and look over what Sean did in school today.</p> <p>Mom asks him some questions about what he learned. Mom reads to him.</p>
8:30 p.m.	Sean's bedtime.

In our school, we will create message boards on our website where we will post recommended, age-appropriate extra-curricular activities, identify interesting places for field trips, facilitate events and gatherings, and list suggestions from other parents about what is enriching their children's lives. We believe that children have a lot to learn and gain from involvement in theatrical and musical productions, athletics, clubs, and other events and activities. Thus, the school administration will work to negotiate agreements

with school districts and community organizations statewide to allow our students to participate in extracurricular programs where they reside.

Although we will encourage students to learn at their own pace, they will meet all state requirements for instructional time.

b. Strategies and Approaches:

At every grade level in the program, all learning is self-paced. Each student is instructed by a team, including a state certified and highly qualified SCVCS teacher and parents or other designated responsible adults. Teachers direct students to achieve mastery of learning objectives, providing guidance, instruction, and support to students and parents via email, telephone, in person and during synchronous sessions using platforms such as Elluminate.

The academic progress of all students, including those in at-risk situations, students with disabilities, English Language Learners, homeless students, and gifted/ talented students will be monitored against expectations for mastery and meeting academic standards. SCVCS's expectation is that every student will make achievement gains, regardless of the level of their performance upon entering SCVCS.

The strategies and approaches that will be used to enable students to accomplish the curriculum standards are directly linked to the student goals previously discussed in the

Academic Standards section and to the tenants described in the Student Assessment section:

- Comprehensive South Carolina standards-based, content rich, curriculum
- Certified and Highly Qualified Teachers
- Detailed Parental Orientation and Information Sessions
- Direct parental involvement in the education process
- Close, frequent two-way communication between teaching team and parents
- State-of-the-art online and hands-on instructional materials
- Create and sustain an innovative learning environment
- Flexible, self-paced individualized instruction
- Online and Offline lessons
- Students may enroll in the SC Virtual School Program pursuant to program requirements
- High expectations and accountability
- Rigorous and comprehensive assessment program (PACT, NWEA, DIBELS, K12 Benchmark)
- Academic Improvement Plans (AIP)
- Individual Education Plans (IEP)
- School climate, discipline, and attendance policies
- Nurturing student social needs
- Appropriate technology support

c. High School Diploma:

The following table includes the state requirements for the high school diploma, include course unit requirements and passage of the required examinations:

Curriculum Requirements for a South Carolina High School Diploma

Each student must earn a total of 24 units of credit in state-approved courses. The unit requirements are distributed as follows:

Subjects	Units Required
English/Language Arts	4.0
Mathematics	4.0
Science	3.0
U.S. History and Constitution	1.0
Economics	0.5
U.S. Government	0.5
Other Social Studies	1.0
Physical Education	1.0
Computer Science	1.0
Foreign Language or Career and Technology Education*	1.0
Electives	7.0
Total †‡	24

For a student in a College Prep program to meet the state high school diploma requirements, one unit must be earned in a foreign language (most four-year colleges/universities require at least two years of the same foreign language);
 † The student must demonstrate computer literacy before graduation.

‡ Must pass the exit examination.

One unit of credit is granted for the satisfactory completion of an approved course in which a student attends at least 120 hours of instruction, one-half unit is granted for 60 hours, and one-fourth unit is granted for 30 hours. Credit for SDE approved distance

learning courses and college classes may be allowed when approved specifically by the HOS and written into the students Individual Graduation Plan.

The South Carolina High School Diploma also requires the passage of the required end of course examinations.

SCVCS will view the curriculum requirements for a South Carolina High School Diploma as minimum requirements with students setting specific goals and course pathways in their Individual Graduation Plans. This Individual Graduation Plan is mandated by the state and is developed by the student, family, teachers, and guidance counselors. Each student will have an Individual Graduation Plan starting in 8th or 9th grade depending on when they start at the school. Many colleges and careers require coursework beyond the SC diploma requirements. For example, many students will have at least 3 years of foreign language built into their course plan with the understanding that it is required by many colleges for admission.

d. Individuals with Disabilities:

The school will comply with the Individuals with Disabilities Education Act, Section 504 of the Rehabilitation Act, and the Americans with Disabilities Act.

i. All students identified as qualifying for services under IDEA or 504 will be referred by the parent or teacher to the Head of School. A team composed of the student's teachers, parent/guardians, student and Head of School will convene to discuss the

educational program designed to meet the individual student's needs. Methods of evaluation of current skill levels may include prior test results, grades, portfolio assessments, standardized tests, observations and teacher recommendations. These possible variances in performance are not limited to academic area, but may include social or emotional factors. Corrective action plans, including intervention by the school staff will be developed in cooperation with the parents. The team will determine if the student needs to attend mandatory after-school tutoring to remediate the problem, and/or if the student requires the services available under section 504 or IDEA.

ii. As identified by the legislation, an Individual Educational Plan (IEP) will be developed for each special education student. IDEA requires that students by the age of 14 be provided with an annual meeting for the purpose of discussing possible transition services. The school shall invite the parent and a student of any age with a disability to attend the IEP meeting if the purpose of the IEP meeting will be the consideration of transition services. This may include discussion concerning what the student wants for his or her future, what needs or challenges are perceived as barriers to reaching student goals, and what accommodations and supports will aid the student's efforts. Annual goals, short term objectives, statement of interagency responsibilities, statement of participation in state and district-wide tests and a list of special education and related services to be provided will be a part of the IEP. The IEP / 504 Team for the student will determine if services outside the school are required for a student.

iii. If such services are deemed appropriate, the IEP / 504 Team and the school administration will make arrangements for the services to be secured. Some of these possible services to be secured may include speech, assistive technology, transition services, mental health, and vocational rehabilitation. Such services will be obtained by SCVCS and all services will be paid for (if any) by SCVCS. Assistive technology and transition services will be met in accordance with federally mandated laws, Section 504, IDEA, and ADA. Staff Development training will occur, if needed, to assist the student in using his/her assistive technology devices. The records of students identified as eligible for services through IDEA or 504 follow federal mandates. These records become a part of the student's permanent file that is maintained in a highly secure and fire proof area. The SC Department of Education audits records to ensure accuracy and security.

E. Student Assessment

1. Student Achievement and Progress Evaluation

The Palmetto Achievement Challenge Test (PACT) includes tests in four subject areas- English/Language Arts, Mathematics, Science, and Social Studies. PACT is administered over a two week testing period at a designated time near the end of the school year. As mandated by state law, student performance on PACT will be shared with each student and his/her parents/guardians annually.

SCVCS and our students will participate in ***Palmetto Achievement Challenge Test (PACT)*** assessments and ensure student participation through a variety of mechanisms. First, as part of the enrollment process, SCVCS will make clear to parents and students that PACT participation is required as part of enrollment in the school. Parents will also be asked to sign an enrollment acceptance form acknowledging that enrollment includes participation in state testing. Second, a testing schedule, including PACT assessments, will be made available to parents and students as part of the school calendar, which will be available on the SCVCS website as well as in the Parent/Student Handbook. The Handbook will also include a section on state standardized assessments and student participation in the PACT. Finally, prior to the scheduled PACT assessment dates, teachers will be in contact with parents and students about upcoming assessments, their required participation, and information on where students will take the assessments.

SCVCS teachers and administrators will administer state assessments to students at facilities with classroom style settings (local libraries, local schools, school corporation offices of education, etc.) within driving distance of students' home, maximizing student accessibility to test sites. Throughout the state, students will report to these sites to have their tests administered/proctored by South Carolina Virtual Charter School administrators and certified teachers. Parents will be responsible for getting students to and from testing sites. Students will not be permitted to take the PACT in their homes.

SCVCS will follow the guidelines established in the South Carolina Department of Education with respect to proper test administration and security. Testing site coordinators, proctors, and other staff involved in test administration will receive training in proper test handling procedures so that test security is not compromised. SCVCS will ensure that all appropriate staff have knowledge of ethical testing practices and procedures and understand how to secure, administer, and handle the PACT tests while in their possession. All tests will be taken under the direct supervision of a certified teacher within these proctored settings and all students will be proctored using the state guidelines to ensure no testing irregularities occur.

In addition to the PACT, SCVCS students will participate in the ***Measure of Academic Progress (MAP)*** tests published by the Northwest Education Association (NWEA) in the fall and spring of each school year. For the NWEA testing, SCVCS will follow the same test administration and security procedures as used for PACT testing, including proctoring by SCVCS teachers. The same steps utilized to secure parents and student

participation in PACT testing will be employed to secure NWEA testing. As with the PACT, students will not be permitted to take NWEA assessment in their homes.

In addition to the PACT and NWEA assessments, all students in grades K-3 will be required to participate in the *Dynamic Indicators of Basic Early Literacy Skills (DIBELS)* assessment. Students will be assessed using DIBELS in the fall and spring of each school year. DIBELS is an early reading diagnostic assessment which utilizes a set of standardized, individually administered measures of early literacy development and designed to be short (one minute) fluency measures used to regularly monitor the development of pre-reading and early reading skills.

The measures were developed upon the essential early literacy domains discussed in both the National Reading Panel (2000) and National Research Council (1998) reports to assess student development of phonological awareness, alphabetic understanding, and automaticity and fluency with the code. Each measure has been thoroughly researched and demonstrated to be reliable and valid indicators of early literacy development and predictive of later reading proficiency to aid in the early identification of students who are not progressing as expected. Properly administered, the results from this assessment will be used to evaluate individual student development as well as provide grade-level feedback toward instructional objectives.

In addition to data from the PACT, NWEA, and DIBELS assessments, the school will have data from the following instruments:

K12 Benchmark Tests: Students will take lesson, unit, and semester assessments built into the K12 program and accessible from the K12 Online School (OLS) as well as in paper form. Every lesson ends in an assessment. Typically, a unit contains 8 – 10 lessons. Therefore, students are taking a mid-unit or unit test in Language Arts/English, math, history, and/or science on a weekly basis. Students are expected to obtain a mastery level of 80% or higher before they can advance to the next lesson or unit. By utilizing these tests on a regular basis, teachers and staff can better understand how grades, classes, or individual students are doing on a regular basis.

K12's Online Progress Tools: These tools help teachers and administrators view the progress each student is making in the curriculum. The tools are simply markers of progress, but can often help a teacher and/or administrator see when a lessons or units are taking longer than they should. In some cases, it may be that a student needs to review material before making progress. In that case, the expectation for what will be taught and when simply needs to be adjusted.

Use of IEPs: Individualized Education Plans (IEP) will set measurable goals for special needs students, including identified gifted students. If the goals are not measurable, it is difficult to know if each team is making progress.

The assessment component of the OLS is unique in its ability to generate detailed and ongoing data on academic achievement. Data from both on and offline assessments are entered into the system, and are compiled to create a steady stream of data about

student performance toward mastering specific learning objectives. This data stream will be reviewed and analyzed by teachers on a regular basis. The system is designed so that a student who is not mastering lessons on a particular topic is redirected to alternate or additional instruction in the same topic. A student will move on to more advanced work only after demonstrating mastery of the material in question. With this kind of accountability and built-in transparency, there will be no surprises about student work. The system can notify parents and teachers that a child is beginning to fall behind, allowing teachers to intervene in a proactive, timely way. The program works to ensure student progress is continuous and that students make steady academic gains to keep them at or above grade level.

SCVCS will regularly assess student performance in each subject area (Language Arts/English, mathematics, science, history, social science, and art) using its own Internal Assessment System. The system is designed to help teacher, parents and students determine how students are meeting the specific goals of the SCVCS curriculum, whether they are achieving important learning objectives, and flag areas in which the student might need extra work. These assessments also help the school improve the learning program by providing information on the effectiveness of instructional activities.

The SCVCS assessment system consists of the following:

Placement Tests: The K12 assessment team has developed a series of assessments designed to discover each student's current level of competence and correct placement in the K12 mathematics and Language Arts/English curricula. Teachers administer the short, offline placement assessments at the beginning of the year and place students at a place in the curriculum that is challenging, but academically appropriate.

Lesson Assessments: Professor David Niemi, who helped lead UCLA's Center for Research on Evaluation, Standards, and Student Testing, as well as the Center for the Study of Evaluation, designed K12's assessment system. In Math, Science, Art, and History, every lesson is followed by a brief assessment. In Language Arts/English, there are assessments after grammar, usage, mechanics, and composition lessons. "Check your reading" mini-assessments occur throughout the study of a novel, with a final assessment typically at the end of the novel. Guided reading has lesson assessments every few days, and spelling and phonics offer assessments after every fifth lesson. These assessments show whether the student has achieved the objectives for that lesson, or whether a review of some, or all, of the lesson is advisable. A student is expected to obtain a mastery level of 80% or higher before they advance to the next lesson.

Unit and Semester Assessments: In Language Arts, mathematics, science, history, and art, the student takes an assessment at the end of a unit. These assessments show whether or not the student has retained key learning objectives for the unit. There are similar semester assessments, with equivalent purposes, in the middle and at the end of

a year's worth of content for many subjects. Parents and teachers can use the results of the semester and unit assessments to guide review or additional practice.

These assessments are presented in different ways. Some are assessment sheets to be printed (the results of which are entered into the online system by the parent), others are online questions for the parent to answer about the student's work, and still others (for students in grades 3 and up) are questions to be answered directly online. Within these assessment types, the individual items take a variety of forms. In the early grades, many items are short, open-ended questions, to which the student responds with a word or number, a phrase, or a sentence or two. Other items require longer responses, and still others are selected response. Using multiple item formats allows students to demonstrate what they have learned in a variety of ways.

Other Assessments: SCVCS will adhere to all state guidelines/regulations concerning academically gifted and talented students. All assessments (e.g. Otis Lennon, STAR, etc.) required will be administered.

Testing Students with Disabilities

All students with disabilities will be included in statewide assessments and if necessary, will have accommodations or modifications, or will participate in an alternate assessment. Decisions regarding the methods of assessing students with disabilities will be made on an individual basis by the student's IEP team or 504 accommodations team and documented in the Individual Education Plan (IEP) or 504 plan.

Accommodations and modifications that are used in statewide assessment will be the same ones as the student uses in typical classroom instruction and assessment. Although the IEP team has the authority to determine what, if any, accommodations and/or modifications are needed in order for a student with a disability to participate in statewide assessments, state and local agencies have the authority to determine how test results are reported and used.

An alternate assessment is an assessment that is developed to meet the needs of students with significant disabilities who cannot participate in the regular assessment even with accommodations and/or modifications. The assessment provides evidence of student progress toward achievement of the South Carolina Curriculum Standards.

In order to document that the alternate assessment is appropriate for an individual student, the IEP team will review all information about the student over multiple school years and multiple instructional settings and determine that the student meets all of the following criteria:

- Demonstrates cognitive ability and adaptive skills, which prevent completion of the state-approved standards even with accommodations and modifications.
- Has current adaptive skills requiring extensive direct instruction in multiple settings to accomplish the application and transfer of skills necessary for functional application in school, work, home and community environments.
- Is unable to apply or use academic skills in natural settings when instructed solely or primarily through school-based instruction; and
- The inability to complete the state standards is not the result of excessive or extended absences or social, cultural, or economic differences.

The PACT-Alt will be administered to students who meet all of the participation criteria and whose age and year in school are commensurate with students in grades 3 through

8. Students who are ages 8 through 13 on September 1 will be assessed.

Age 8	Grade 3
Age 9	Grade 4
Age 10	Grade 5
Age 11	Grade 6
Age 12	Grade 7
Age 13	Grade 8

2. Performance Goals Timeline

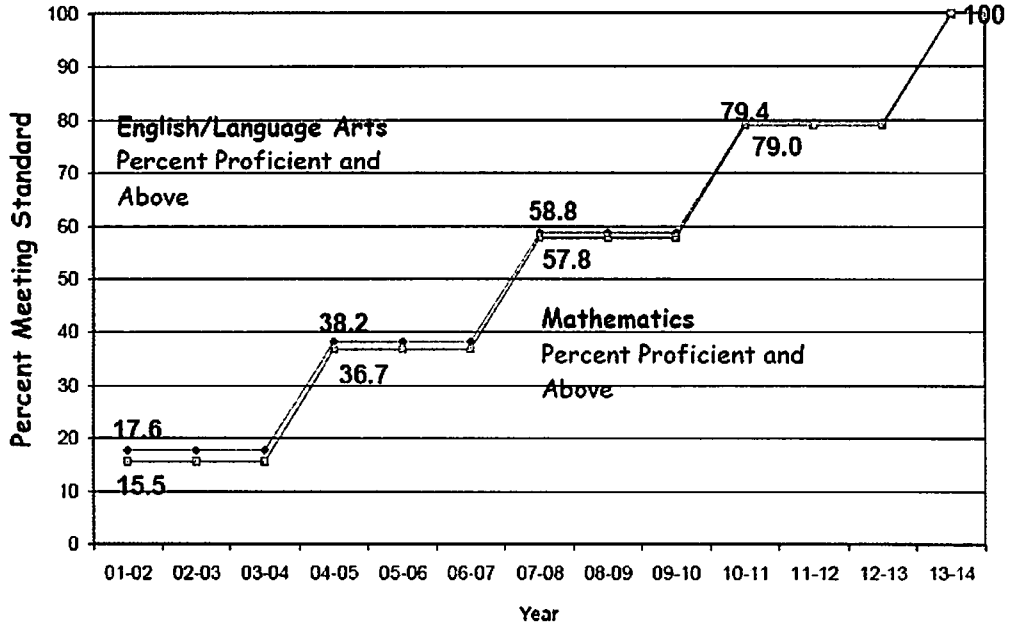
Adequate Yearly Progress (AYP) is one of the cornerstones of the federal No Child Left Behind (NCLB) Act. In South Carolina, it's a measure of year-to year student achievement on the Palmetto Achievement Challenge Test (PACT). According to NCLB, South Carolina must develop target starting goals for AYP and the state must raise the bar in gradual increments so 100 percent of the students in the state are proficient or advanced on state assessments by the 2013-14 school year.

Further, the No Child Left Behind Act calls for ALL students in the U.S. to be at the Proficient or Advanced level (two highest levels) on state tests by 2014. In addition, AYP status for elementary and middle schools includes student attendance, and AYP status for high schools includes graduation rate. Elementary and middle schools must

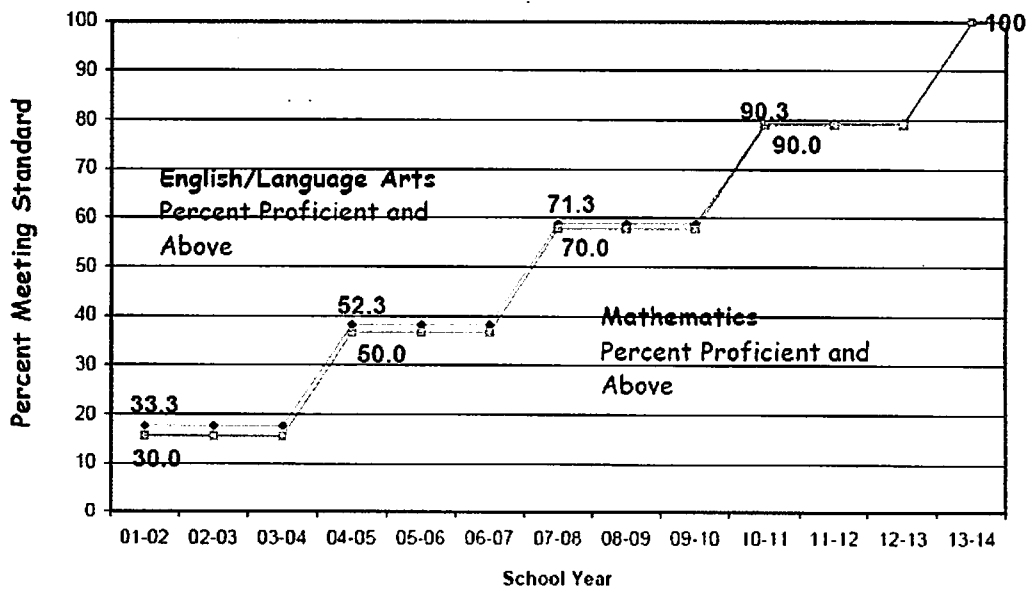
achieve a 94.0% student attendance rate or have a higher attendance rate than previous year to meet AYP requirements. High schools must annually achieve an 88.3% student graduation rate, meet or exceed last year's graduation rate, or meet or exceed its three-year average graduation rate. A graduation rate of 100 percent is required by the Class of 2014.

AYP must be defined in a manner that is statistically valid and reliable. By federal law the state is required to define the subgroups and targets for meeting AYP with all students scoring proficient by 2013-14. Shown below are the NCLB targets and the required timeline for meeting the proficiency goal. The graphs identify the incremental gains a school must make each year to meet proficiency for all students by the school year 2013-14. SCVCS will adopt the timeline as its performance goals timeline. SCVCS will use the SC standards in addressing expectations for student learning. Long range plans will identify the state academic standards and the methods used to insure that the standards are met or exceeded. Ongoing assessments will provide evidence of achievement.

ADEQUATE YEARLY PROGRESS OBJECTIVES FOR GRADES 3-8



ADEQUATE YEARLY PROGRESS OBJECTIVES HIGH SCHOOLS



3. Academic Assistance

SCVCS will take proactive measures to address the needs of students who do not perform at acceptable levels of proficiency in the statewide assessment program.

The academic progress of all students, including those in at-risk situations, students with disabilities, English Language Learners, homeless students, and gifted/ talented students will be monitored against expectations for mastery and meeting academic standards. SCVCS's expectation is that every student will make achievement gains, regardless of the level of their performance upon entering SCVCS. For all students performing below grade level, SCVCS's expectation is that these students will need to make even greater gains in order for them to reach grade level.

For those students entering SCVCS performing below grade level, SCVCS will employ learning strategies customized to individual student needs and a variety of educational tools to help students make greater learning gains to bring them grade level. Initial performance will be assessed using report cards, standardized tests, and placement tests for incoming students. As a general rule, students will be placed no more than 2 grade levels below K12's default (normal grade level) course in math and/or language arts. This approach allows students performing below grade and needing additional work to catch up to grade level the additional time to do it.

Academic Improvement Plans (AIPs) will be developed for each student entering SCVCS performing below grade level. AIPs are agreements among the student,

teacher and parents that set out individualized learning plans to provide students with additional supports so as to enable them to make additional learning gains that will bring them up to grade level. For example, below grade level students would not complete any optional lessons so they are on a faster track to master skills and move on. These students might also participate in teacher-led sessions of instruction and assessment where an SCVCS teacher may combine several lessons in one session and the student will take multiple assessments after the session to make faster progress.

Finally, academic support services will be coordinated by the teachers and guidance counselors; academic assistance, tutors, and instructional services will be made available to all students who need them.

F. Budget and Accounting System

The Board of Directors of the South Carolina Virtual Charter School (SCVCS) will hold direct responsibility for all financial matters, with the Treasurer assigned regular oversight responsibilities. The Board of Directors will receive financial statements as part of its regularly quarterly meetings. Added to the Board of Directors' oversight, the Treasurer will convene regular monthly meetings with the school's Business Manager to review revenues and expenditures against established plans and address any ongoing financial concerns. The Treasurer's meetings will also serve as any early warning system should any financial issues arise in between regularly scheduled board meetings. The attached *Five Year Projected Budget*, cash-flows, and start-up expenses present the Board of Directors' best insights into the revenues, expenses, and timing of expenses for the school. SCVCS will seek start-up funding through the Planning and Implementation Grant Program, and from K12 Inc., to ensure the school can operate without deficits on both a monthly and an annual basis.

With approval anticipated in early 2008 and enrollment outreach planned to begin soon thereafter, the school has ample time to recruit students and meet enrollment and budget targets. The Board of Directors will receive periodic enrollment updates leading up to the opening of school and will provide the same to the South Carolina Public Charter School District (SCPCSD). By opening day, the school will be ready to open at any level of enrollment, though the Board of Directors fully expects to meet its enrollment targets.

The virtual nature of the school is an asset to its financial planning and coping with any failure to achieve expected enrollments. Except for rent for an administrative office, the school bears few fixed costs. With nearly 80 percent of its expenditures related to direct student instruction, the school's major costs are variable, that is, they are matched with student enrollments. And while the school will begin initially with a core administrative team, other administrative and teacher positions will be staffed only as enrollments dictate. This enables the school's budget to be properly sized consistent with its enrollments as well as to minimize budget expenditures until enrollments actually materialize. In this sense, the Board of Directors is well positioned to address any financial implications that might arise should its enrollment assumptions not be met.

As a whole, the Board of Directors recognizes that funding is essential to the financial viability of this charter school. The Board of Directors considers as one of its most important tasks to build its knowledge and understanding of complete funding spectrum (local, state, federal) as well as other funding opportunities that may exist to help build and maintain a sound financial basis for the school, including seeking out grants that can help support the school's activities.

1. Annual Budget

Our spreadsheet formatted, *Five-Year Projected Budget* is Appendix F. This budget has been prepared in accordance with State Department of Education (SDE) *Financial Accounting Handbook*, with reference to the *Funding Manual* and the *Single Audit Guide*. The Board of Directors will adopt an *Annual Operating Budget* during June

preceding the start of the Fiscal Year and will receive and approve *Quarterly Financial Statements* during the operational Fiscal Year.

a. Revenues:

Revenue account codes used in the attached budget are in accordance with the SDE *Financial Accounting Handbook* for South Carolina school districts. Documentation from the SDE of estimated revenues for the SCPCSD, in accordance with the allocations in S.C. Code Ann. § 59-40-140(A)-(D), is Appendix G. Our revenues do not include funds acquired through grants.

b. Expenditures:

Expenditure account codes used in the attached budget are in accordance with the SDE *Financial Accounting Handbook* for South Carolina school districts. Anticipated expenditures follow the same budget codes (Fund, Function, Object) that are required of school districts operating in South Carolina. Costs associated with planning, implementation and continuance are included.

- Private or home school students choosing to take courses from a virtual charter school may not be provided instructional materials, or any other materials associated with receiving instruction through a program of online or computer instruction at the state's expense.

c. Budget and Accounting Management:

In addition to the competencies of SCVCS Board Members that will be brought to bear in providing direct responsibility and oversight of the school's finances, the school's financial management team is further supplemented by the services of K12 in

overseeing the day-to-day finances of the school. Accordingly, the SCVCS Board of Directors will enter into a services agreement for educational, administrative, and technology services related to the operation of the school with K12. The Board chose K12, in part, because it has a track record of helping virtual schools achieve successful state program and financial audits in fourteen states.

K12's operational skills include establishing the schools' chart of accounts and accounting system, payroll and benefits management, inventory / asset management and tracking, invoicing, insurance management, financial reporting, and day-to-day business operations. K12 will employ a Business Manager who will have 6-8 years accounting / finance experience with a Bachelor's degree in accounting or finance. A CPA or MBA will be desirable. Additionally, K12's Vice President of Finance, based at K12's corporate office in Herndon, Virginia, will provide oversight for all the business operations of the school. The Board of Directors expects K12 to bring these same skills and competencies to bear in South Carolina on behalf of SCVCS.

The primary contact for K12 is Charles Zogby. Mr. Zogby serves as the Senior Vice President for K12 and his contact information is:

607 Moores Mountain Road
Mechanicsburg, PA 17055

(717) 697-6109 (Office)
(717) 576-0938 (Mobile)
czogby@k12.com

2. Annual Audit

A Certified Public Accountant (CPA) will conduct an annual audit of all financial records. The audit will be conducted in the same manner as any public school operating in South Carolina. SCVCS will adhere to accounting, auditing, and reporting procedures and requirements of the SCPCSD, which are those for all public schools operating in South Carolina. Accounting, auditing and reporting procedures and requirements will comply with the published specifications of the Office of District Auditing and Field Services contained in the *Financial Accounting Handbook*, *Funding Manual*, and *Single Audit Guide*. The Board of Directors will receive, review, and approve the Auditor's Report prior to official reporting.

3. Pupil Accounting System

In accordance with the guidelines set forth by the *South Carolina Pupil Accounting Manual* and the *South Carolina Student Accountability Manual*, SCVCS will adhere to the reporting procedures, policies, and regulations that apply to all public schools in South Carolina. Reports will be maintained and filed according to district, state, and federal requirements.

- Only students enrolled in the charter school as a full-time student shall be reported in the charter school's average daily membership to the State Department of Education for the purposes of receiving state or federal funds. Private and home school students may not be included in the student weighted pupil units or average daily membership reported to the State Department of Education for the purposes of receiving state or federal funds.

4. Negotiated Services Documentation

SCVCS has not negotiated any services with the SCPCSD.

G. Governance and Operation

The South Carolina Virtual Charter School (SCVCS) Board of Directors will assume ultimate responsibility for all of the operations and the budget of the school. The Board intends to enter into a services agreement for educational, administrative, and technology services related to the operation of the SCVCS with K12, Inc. based in Herndon, Virginia. Under the agreement, K12 will manage the day-to-day operations of the school, utilizing the K12® Curriculum, the K12 Online School (“OLS”), and K12's suite of management services. K12 was selected based on the proven effectiveness of its curriculum and learning program as demonstrated by state assessment results from the virtual public schools from across the nation that utilize the K12® Curriculum and virtual school model and because of K12's leadership in the operation and management of virtual public schools.

The Board of Directors will be responsible for monitoring K12's performance under and compliance with the terms of the services agreement. The Board will identify an audit firm with governmental accounting and/or charter school audit experience and will arrange for an independent audit of the school's financial condition on an annual basis. The Board will also arrange for a third-party evaluation of K12's performance as well as the academic and operational performance of the school.

SCVCS does not plan to own any property, except perhaps office furniture and fixtures, teacher laptops and related equipment, such as projectors. SCVCS plans to lease a

facility from a third party other than K12 to house its administrative staff. We will contract with K12 to manage the property. The SCVCS Board will have access to the facility and be able to make use of the facility as necessary.

All administrative staff will be employees of K12, including the Head of School (HOS) and other positions such as the Assistant Head of School, Director of Special Education, Director of Technology, and the Manager of Operations and Personnel/Business Manager. All administrative hires will be the responsibility of K12. K12 will have the responsibility and authority for determining staffing levels necessary to carry out its obligations to the Board of Directors under the services agreement. SCVCS teachers will be employees of the school. Under agreement, K12 will recruit teachers and the Board will review recommendations made by K12 regarding their hiring by the school.

Below is a list of the services that K12 is prepared to provide to the SCVCS. K12 and SCVCS will work together to see that the services provided fit with the particular priorities and needs of the school and that the services are adapted over time to conform with the changing issues and needs of the school.

Educational Services

Student Account Management System

- Research, study, and select a Web-based student information system to handle student records, grades, attendance, registration, enrollment, health, and other necessary information
- Set up and maintain student information and accounting systems
- Provide electronic security of student records (through the use of encryption, firewalls, etc.
- Prepare for, supervise, and implement all system roll-overs at the end of each academic year
- Maintain SASI to meet evolving student and teacher requirements
- Design and implement systems in support of student performance research and analysis

Administrative Services

Human Resources

- Place advertisements for administration, teacher, and staff recruiting
- Organize recruiting sites for teaching staff interviews
- Review and sort resumes
- Assemble interview team
- Conduct interviewing (including second- and third-round, if necessary)
- Correspond with applicants regarding the status of their applications
- Check references / certification / background checks of finalists
- Prepare employment agreements for teachers on behalf of the Governing Authority
- Negotiate and secure benefits for health, retirement, etc. for teachers on the school's behalf

- Manage employee benefits for the school

Financial

- Assist in establishing a line of credit for the School's day-to-day operations on the School's behalf, if required
- Hire and train the School's Business Manager
- Set up third-party accounting, reporting and planning software
- Establish the School's chart of accounts according to state guidelines
- Prepare periodic budget assessments
- Prepare periodic reports on actual performance as compared to approved budget
- Prepare annual budget for adoption by the Governing Authority
- Perform accounting services for the School
- Prepare and file required non-profit filings
- Assist with the administration of federal entitlement programs (e.g., Title I, I.D.E.A.)
- Assist in identifying and developing fundraising and revenue enhancements on behalf of the School
- Administer school payroll
- Establish and implement policies and procedures to maintain proper internal controls
- Assist and coordinate in third-party audit of the School

Legal

- Work with local counsel to the Governing Authority, if any, on legal matters affecting or of the School

Facility

- Research and identify a location for the School's administrative space
- Negotiate a lease and or leasehold improvements on the School's behalf as required

Administration

- Hire Head of School and as needed, Assistant Head of School (as needed), Director of Technology, Director of Special Education, Business Manager, and other administrators.
- Propose policies and procedures for the School
- Assist with creating a secure filing system
- Enter student data into the School's student information system and generate administrative reports
- Plan and arrange school orientation sessions
- Arrange contracts with school districts, education services centers, and professional service providers for special education and other support services on the School's behalf
- Manage day-to-day operations with families, students, teachers, Governing Authority, press, vendors, contractors, districts, education service centers, etc.
- Oversee compliance with the School's policies and procedures, subject to Governing Authority oversight
- Report to the Governing Authority all significant developments in the School
- Manage budgets, personnel, and human resources issues
- Prepare the School to meet reporting and audit requirements
- Prepare the School for the accreditation process
- Represent the School at conferences and Open Houses
- Work with school staff to create, design, and arrange for the publication and dissemination the School's annual report
- Arrange for and attend meetings with individuals and groups interested in the School

- Develop community outreach strategy and connect with local organizations (e.g., YMCA's, Boys & Girls Clubs)
- Work regularly with the administration to develop human resources policies, bonus plans, and strategic plans for staffing, development, and growth
- Participate in the charter renewal process with the Governing Authority, as needed

Logistics

- Arrange for the negotiation, selection, contracting, distribution, leasing, and re-shipment or return (as necessary) of computers and printers for families, administrators, and teachers
- Arrange for the negotiation, selection, contracting, distribution, and re-shipment or return (as necessary) of instructional materials for students, administrators, and teachers on the School's behalf
- Create, design, and deliver virtual school binders to School teachers and administrators
- Set up and disseminate K12 login and password accounts to students, teachers, and administrators and manage changes to those accounts
- Collect fees from the school for any unreturned school property including materials and computers

Marketing and Design Team

- Design look and feel and maintain the content of the School-specific web site
- Design teacher, administrator, and student recruitment ads
- Design school recruitment materials
- Design school letterhead, cards, and logos
- Design school application and enrollment forms
- Design and code school calendars, threaded discussion groups, message boards, and other community-building aspects of the School-specific web site

Sourcing and Procurement

- Identify and source all curriculum and assessment materials necessary for the Educational Program
- Negotiate a distribution agreement with the School's school supply vendors on the School's behalf
- Negotiate a distribution agreement with the School's curriculum providers on the School's behalf
- Negotiate agreements with the School's professional service providers and testing centers for proctored examinations on the School's behalf

Admissions, Enrollment, and Pupil Recruitment

- Create, design, and publish the School's applications and enrollment packages and make them available on the School-specific web site for downloading
- Answer enrollment questions from potential families (phone, mail, and e-mail) and assist the School in managing the enrollment process, including the processing of paperwork and data entry
- Apprise families of their status in the School's enrollment process
- Work with the School to conduct a random lottery, by grade, if required
- Assist with public relations and demand creation for the School and its Open Houses and other events via mail, e-mail, newspapers, magazines, journals, radio, television, community forums, town hall meetings, and other forms of communication and outreach on the School's behalf
- Assist with the drafting and distribution of School press releases

Family Services

- Field and respond to incoming calls, letters, faxes, and e-mails about the School, its curriculum, the application/enrollment process, instructional materials, etc.
- Conduct focus groups, surveys, interviews, observation sessions, and/or user testing on the online school program to obtain feedback on how to improve the program

- Create “feedback buttons” on lessons so that students, parents, and teachers may send in lesson comments and suggestions; respond to suggestions and implement improvements
- Assist the School with setting up school outings and events throughout the year
- Assist with setting up and implementing special education policies, procedures, and services for children with special needs
- Conduct exit interviews for those who withdraw in order to learn more about how to improve the program for families

Teacher Training and Professional Development

- Advise and assist with the creation of teacher training materials for new and returning teachers
- Assist with the design and implementation of parent orientation sessions
- Administer a discussion board for School teachers. Teachers may post questions or feedback on any topics relating to the role of a Virtual School teacher and get answers/feedback from teachers at other Academies and/or K12 personnel
- Provide teacher performance evaluation models to the School and advise the School on effective ways to measure teacher performance in a virtual setting
- Collect, analyze, and disseminate research on teacher quality in a virtual environment
- Work with the School to address the continuing professional development needs of the administration and staff

Charter Renewal

- Assist the Governing Authority with the development of the School’s charter renewal application, including working with the Governing Authority to develop any necessary budgetary information
- Present and defend the School’s charter renewal application with the Governing Authority before the Sponsor/Agency, as necessary, at public hearings

Technology Services

Technology

- Develop, design, publish, and maintain the School-specific interactive web site
- Negotiate a contract for and supervise the construction and installation of the School's internal computer and telephone network on the School's behalf
- Negotiate contracts with software vendors and office set-up vendors on the School's behalf
- Support teachers and customer care associates in answering technology-related questions from students, parents, teachers, and administrators
- Research, study, and select a web-filtering device to restrict student access to inappropriate materials on the Internet
- Assist with local, state, and federal reporting requirements
- Prepare the School for attendance and other audits
- Attend administrative training sessions on the web-based student information system to stay current with new plug-ins, fixes, and functionality
- Design and implement inventory management systems with the School's distribution and hardware vendors, as well as recycling programs, as needed
- Develop community tools on the School-specific web site (including threaded discussions, message boards, password protection, moderation functionality, etc.)
- Determine hardware configurations (including software and operating systems) for the School's technology needs
- Conduct teacher and administrator training in all the School's technology systems
- Support the School's administration in troubleshooting system errors
- Arrange for the wired or wireless network on the School's behalf
- Arrange for the set-up of the network on the School's behalf
- Arrange for the installation of the PBX phone system on the School's behalf
- Identify the requirements and software to meet the computing needs of the School's students, teachers and administrators

Project Management

- Oversee changes to the School-specific web site to maintain quality assurance and make sure that there are not “version control” problems
- Coordinate security, creative, and content issues pertaining to the School-specific web site
- Coordinate web hosting contracts and relationships with vendors, as needed, on the School’s behalf
- Handle technical design and content issues for the School-specific web site and send issues to the appropriate person or division for resolution
- Coordinate media planning and placement activities to support student recruitment efforts

Our Service Agreement with K12 will be finalized and executed in concert with the approval process with our sponsor – South Carolina Public Charter School District.

Appendix H

1. Non-Profit Corporation Status

South Carolina Virtual Charter School, Inc. has been established as a Nonprofit Corporation and is in good standing with the Secretary of State. Our Nonprofit Certificate of Incorporation, Articles of Incorporation and By Laws are Appendix I. Upon approval of our charter school application, we will apply to the Internal Revenue Service for recognition of exemption from federal income taxes under Section 501c(3) of the Internal Revenue Code. This tax-exempt status will qualify us to receive tax-deductible charitable contributions.

2. Governing Board

a. Governing Board Election Process

South Carolina Virtual Charter School, Inc will be managed in accordance with the requirements of the South Carolina Charter School Act. During the planning stage, the applicants convened a charter school committee, consisting of teachers, parents, and community members with various background experiences from different constituent districts to govern the charter school through the application process.

The Charter Committee will act as governing board until such time as a duly elected board shall be chosen. The initial election of the Board of Directors will occur in October of the 2008-2009 school year and annually by October 30th the school years thereafter. The board will consist of nine members.

All employees of the charter school and all parents or guardians of students enrolled in the school are eligible to participate in the election. Nominations for candidates of the governing board will be accepted and individuals nominated will be contacted to ensure their willingness to serve. Names of nominated individuals who have indicated their willingness to serve on the school's governing board will be placed on a ballot to be sent home with every student in the school and given to every school employee.

Employees will be given one vote. Parents or guardians of a student shall have one vote for each student enrolled in the charter school. The deadline for voting will clearly

be stated on the ballot. At the first board meeting of newly elected directors, the Board of Directors will elect officers. The elected governing board will be re-elected annually.

b. Governing Board Authority

The Board of Directors is the governing board for South Carolina Virtual Charter School and will govern in accordance with the *Charter School Act of 1996*. The board's focus is student achievement, ensure compliance, and sound fiscal management. The governing board has the authority to develop policies, make decisions and execute each of the following responsibilities:

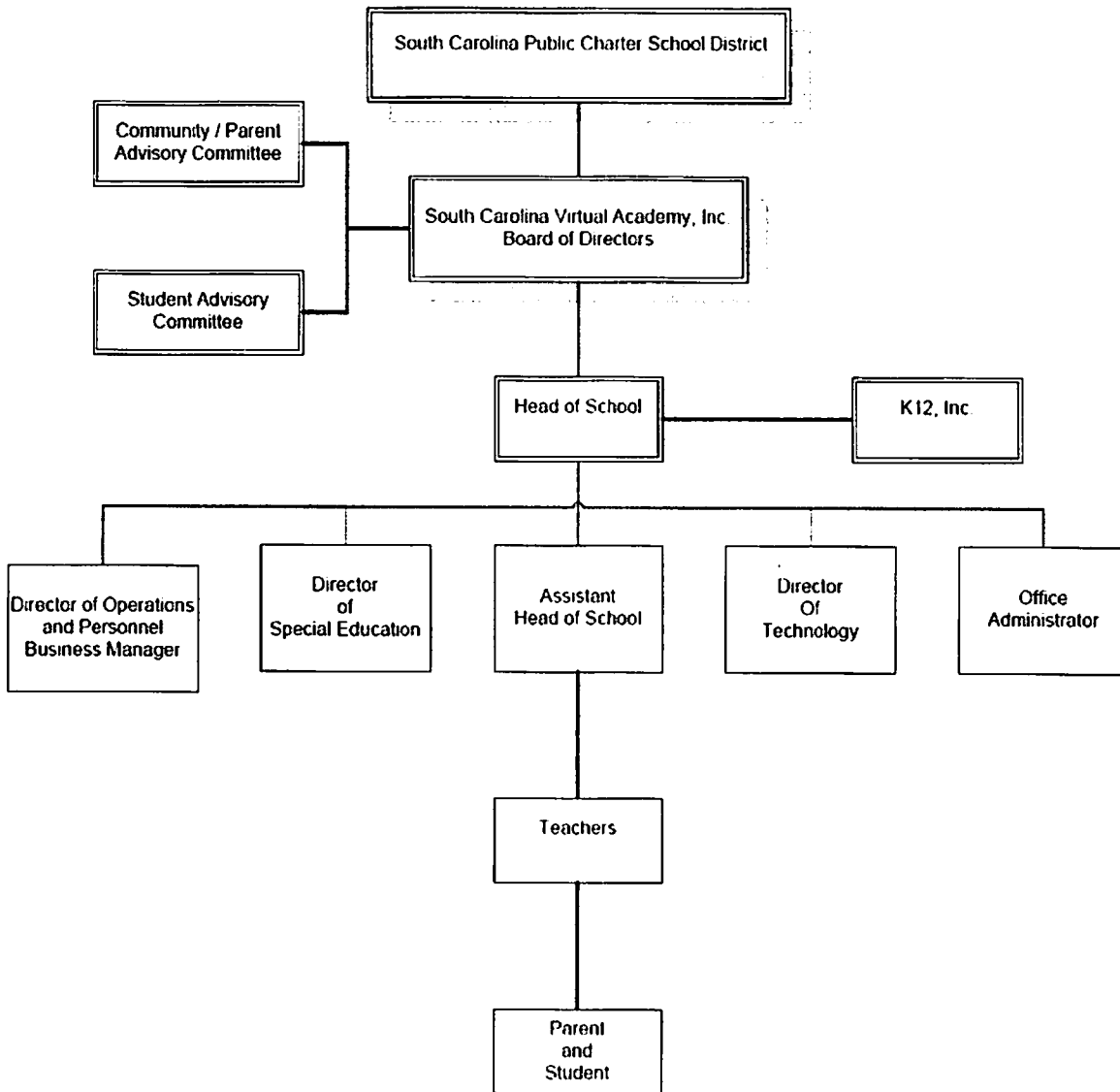
- Establishes policies for the governance in accordance with national, state and local laws governing public charter schools in South Carolina.
- Employee agreements and contracts with Head of School, teachers and non-teaching employees;
- Ensure that all certified personnel and non-certified teachers undergo the background checks and other investigations before they are employed in the school;
- Contract for other services, including but not limited to transportation, financial, food, accounting and legal;
- Develop pay scales, performance criteria, and discharging policies for its employees, including the school's administrator;
- Deciding all other matters related to the operation of the school, including budgeting, curriculum, and operating procedures;
- Reviews monthly financial reports and vote annually on the budget;
- Reviews and evaluates the academic and administrative achievements and progress towards annual goals;
- Maintain accurate up to date records of the business conducted at all Board meetings. Notify the public of scheduled meetings in accordance with state laws and;

- Ensure that the school will adhere to the same health, safety, civil rights, and disability rights requirements as are applied to all public schools operating in the same school district.

c. Freedom of Information Act

The governing body will comply with the Freedom of Information Act and this will include, but is not limited to, all policies regarding student, faculty and staff records, administrative records, and meetings.

3. Administrative Structure



The Board of Directors is the governing body for the private nonprofit corporation and is legally responsible for all matters regarding SCVCS. The Board will set policy, oversee long-range planning, ensure fiscal solvency, and supervise operational matters, including budgeting, curriculum, operating procedures, and community relations. The Board's focus is strategic.

- Establishes policies for governance in accordance with national, state, and local laws governing public charter schools in South Carolina.
- Adopts and upholds the Mission, Philosophy, and Goals of SCVCS.
- Sets priorities (short and long term) for the successful operation of the school.
- Hires, evaluates, retains, and removes the school Head of School.
- Reviews and evaluates the academic and administrative achievements and progress toward annual goals.
- Reviews the financial statements, ensuring financial stability, budget viability, and state compliance.
- Maintains accurate, up-to-date records of the business conducted at all Board Meetings.

The Board will delegate to the Head of School the authority for the management and execution of day-to-day school activities, including management of personnel and instructional leadership. The Head of School serves as the liaison between the Board and the school.

- Establishes and directs procedures for the planning, development, and evaluation of the academic program – curriculum, quality of instruction, assessment.
- Directs the effective implementation and execution of all aspects of the academic program.
- Directs the accreditation and other licensing processes by governmental and private agencies.
- Ensures the interests of students, faculty, and staff are properly addressed and integrated in a timely manner.
- Directs the successful business management of the school.
- Makes the final decision for the hiring and placement of personnel.
- Represents the school to parents, the local community, the media, and other governmental agencies.

- Strengthens communication and understanding of the value and achievements of the school.

4. Parental, Community, and Educator Involvement

Parents and teachers will be represented in the governance of the school by their vote for board members. Parents and Charter Committee members will serve on committees and on the Board of Directors.

The involvement of parents in the education of students will be critical to the success of SCVCS. The K12 virtual school model that SCVCS will utilize places critical importance on the parent's role on the teaching team and the expectation is that they will contribute significantly to the education of the student in that role.

At SCVCS, parents will help guide students through their daily coursework using the K12® Curriculum and OLS and will verify the number of hours of educational activities completed by the student each school year.

If a parent(s) does not serve as the primary guiding adult, the parent(s) determines the "other responsible adult," unless the student is under court placement or in the custody of a person other than the parent(s). For the assignment to be effective, the parent(s) must formally notify the school of "the other responsible adult" assigned responsibility as the primary guiding adult. In the context of the educational program, parents will be used to refer to parents or, in the case of an assignment, other responsible adults serving as the primary guiding adult.

Throughout their child's education and as part of the learning process, parents will work closely with certified teachers who will oversee the learning of each child. Parents will conference with teachers on a regular basis via phone, email, synchronous sessions using platforms such as Elluminate, or in person to discuss their child's progress. Teachers will also plan and supervise monthly outings, including field trips or other learning opportunities. Outings provide opportunities for fellowship, informal information exchange, and outside the classroom academic enrichment. When possible, parents will participate in monthly outings that SCVCS teachers will plan and supervise. Parents are expected to attend school outings, field trips, and other outside learning opportunities with their child, but other arrangements can be made to enable a student's attendance in the event that a parent is unable to bring them. Students will not be penalized if they are unable to make an outing because of a parent's inability to attend.

SCVCS parents will be expected to be proactive, to contact teachers, specialists, and other parents to solve problems, to give feedback, or pass on ideas and insights to the school community. The SCVCS website will have also have an online community discussion board to facilitate a lively and interactive communication process between teachers and parents and between SCVCS families. The school also expects parents to volunteer their time and effort on behalf of the school—and to suggest, help organize, and participate in field trips, other educational outings, and social events.

H. Administrative and Teaching Staff

In compliance with the South Carolina Charter Schools Act of 1996, at least one member of the SCVCS administrative staff will hold a current South Carolina certification in administration or one year of experience in the field of school-based administration.

In accordance with the No Child Left Behind Act (NCLB) and recent guidance from the US State Department of Education about NCLB and Title 1, employment will meet the South Carolina Charter Schools Act guidelines with a minimum of 75% of all SCVCS teachers having certification in their subject area.

Teachers in each core academic area (English and language arts, mathematics, science, and social studies) will either be certified in that area or hold a baccalaureate or graduate degree in that subject. Teachers will meet the definition of "highly qualified" teachers by state and NCLB standards: they will have earned at least a bachelor's degree with full certification in the content area and no waivers and demonstrated core content knowledge by state approved assessment (HOUSSE, high objective uniform state standard of evaluation). The core subjects according to Section 9101(11) of NCLB are English, reading or language arts, mathematics, science, foreign languages, civics and government, economics, arts, history, and geography. The acceptable certificates meeting the "highly qualified" criteria are initial, critical needs (PACE), or Professional.

Special education teachers will have certification consistent with the state regulations in each area of disability for students needing special education. Each school year, administrators and teachers will review the Individualized Education Programs (IEPs) for all students to determine the special education staff requirements.

Non-certified teachers will be appropriately qualified for the subject matter taught, will have completed at least one year of study at an accredited college or university, and will have met the qualifications outlined in S.C. Code Ann. § 59-25-115.

Qualifications and experience PCS Data of all faculty and staff of the school will be open to the public and considered an important part of the information shared with prospective and enrolled students and their parents/guardians. Updates on changes as they occur with regard to staffing and qualifications will be communicated in a timely manner as specified in the NCLB Act.

1. Administrative Staff

The SCVCS administrative staff will manage the school and handle day-to-day academic and operational issues. The administrative staff will assist in the development of policies concerning educational and operational issues of the school for the Board of Directors consideration and adoption, but the Board of Directors itself will retain ultimate responsibility for the adoption of school policies and for overseeing the administrative staff's implementation of procedures consistent with those policies.

SCVCS administrative staff is expected to demonstrate expertise in curriculum, instruction, assessment, finance, facilities, business management, governance, and administration. The administrative staff has been structured based on the school's education program and projected enrollment. The following are the administrative positions reflected in the Organizational Chart with the qualifications and role of each administrator. SCVCS will employ one administrator who must hold current SC certification in administration or at least one year of experience in the field of school based administration. The Charter Committee has not identified nor promised employment to any future administrative or staff members.

Head of School: The Head of School will serve as the chief liaison to the Board of Directors. The HOS will be responsible for developing and implementing the school's mission, vision, and strategic planning. The HOS will oversee academic and operational aspects of school, including curriculum, assessment, instruction, special education, English Language Learners, technology and staff development. The HOS creates a school culture of achievement, and nurtures a strong relationship among all school staff, families, and students; the Board of Directors, and the Office of Charter Schools.

Qualifications: Masters degree or equivalent work experience. School administration and school finance and business experience. Experience working with school boards. Experience working with local, state, and federal laws and reporting. Great organizational and time management skills. Flexible schedule. Proficient in MS Excel,

MS Word, and Outlook. Experienced with Internet. Experience using a student information system or other database. Strong written and verbal communication skills.

Assistant Head of School: The Assistant Head of School (AHOS) will be the Head of School's true complement. The AHOS may be asked by the HOS to assist in every aspect of his/her job description and will be responsible for reporting to state and local authorities. The AHOS may be asked to help the HOS complete any or all of the following:

- Ensure that the academic and social programs of the school meet the vision and terms established in its charter agreements
- Create an environment where meeting and supporting the needs of students, families, and staff is the central focus of the administration
- Develop and implement the school's policies and oversee the writing of its handbooks
- Develop and maintain relationships with districts and the state
- Work with the Director of Operations and Personnel/Business Manager to oversee all business operations including: budget development, cash flow reports, payroll, retirement plans, health benefit programs, and any other business or personnel issues
- Ensure that all reporting requirements are met in an accurate and timely manner (including school report cards and all district, state, and federal reports)
- Work with the Director of Special Education to ensure that the school is meeting the needs of our students and is following the requirements of all applicable local, state, and federal agencies
- Prepare the administration to meet the requirements of all internal and external audits
- Pursue accreditation procedures for the school
- Oversee the creation of grant proposals

- Be able to use the school's main software programs
- Organize and lead student recruitment events across the state
- Help develop all public relations, communications, and marketing plans
- Attend (and present at) professional conferences
- Delegate responsibilities from the list above to the appropriate members of the administration

Qualifications: The qualifications for the AHOS are the same as those for the HOS.

Director of Operations and Personnel / Business Manager: The Director of Operations and Personnel/Business Manager (Business Manager) reports to the HOS and the K12 Vice President of Finance. The Business Manager is responsible for day-to-day operational affairs of the school, including budget, bookkeeping, record keeping, cash collections and disbursements, vendor contracting, security, and other non-academic matters.

Qualifications: Minimum of 6-8 years Accounting/Finance experience. Bachelor's degree in Accounting or Finance. CPA, MBA desirable. Excellent communication and presentation skills. School or non-profit accounting a plus. Proficient in Excel.

Director of Special Education: The Director of Special Education reports to the HOS. The Director of Special Education will oversee all aspects of the special education program to ensure compliancy to IDEA 2004 and all state guidance as it relates to special education issues, including the administration of 504 plans. The Director of

Special Education will provide all school staff on a monthly basis professional development related to special education, including child find, service delivery, scientific research-based interventions, IEP development and implementation and other relevant topics. The Director of Special Education will work directly with parents and students when necessary.

Qualifications: Bachelor's degree or higher in Special Education. Special Education administrative experience. Experience with local, state, and federal laws and reporting. 5+ years of Special Education experience. Great organizational and time management skills. Proficient in MS Excel, MS Word, and Outlook. Experienced with Internet. Experience using a student information system or other database. Strong written and verbal communication skills.

Director of Technology: The Director of Technology reports to the HOS and is responsible for the set-up and maintenance of the office technology systems and technology training of administrators, teachers, and parents. The Director of Technology monitors and tracks student information and oversees moderation of school discussion boards. The Director of Technology is fluent with all school technology, databases, and software, and works directly with students as necessary.

Qualifications: BA in Computer Information Systems or related degree and/or 5 years experience working in an enterprise environment. Strong knowledge of Windows Operating Systems. Professional experience using MS Word, Excel, PowerPoint,

Access, Outlook. Computer networking ability. Experience using a student information system or other database. 1-2 years experience developing and delivering technical training to adults (both face-to-face and online delivery preferred). Technical writing experience. Knowledge of basic HTML.

Office Administrator: The Office Administrator will report directly to the HOS. The Office Administrator will work to support the efficiency of the administrative office in a variety of ways. Among the position's responsibilities, the Office Administrator will:

- Assist in maintaining contacts with families, teachers, and other community members
- Assist in the preparation and publication of newsletters
- Assist in all aspects of the enrollment process
- Be trained to use the K12 student information system (SAMS)
- Be trained to use the SC student information system (SASI)
- Assist in the handling of all student information reporting
- Assist in the management of all employee benefits
- Manage all incoming calls and the PBX system as a whole
- Oversee the inventory and maintenance of all office equipment, supplies, and services
- Manage travel arrangements
- Copy, fax, mail, and scan materials for the school
- Coordinate special events
- Create and maintain contact database (Access); administrative calendars (Outlook)

Qualifications: A working knowledge of PBX telephony, Internet usage, Outlook, Word, PowerPoint, Excel, and database management will be requirements for this position.

2. Teachers

a. With student to teacher ratios K-8 60:1, High School 180:1, and Special Education 25:1, our anticipated number of teachers will be:

Year	K-8	High School	Special Education
1	14	6	6
2	29	9	9
3	27	12	12
4	34	15	15
5	40	18	18

The grades and content area that teachers will instruct are listed in Appendix E.

b. SCVCS will employ teachers who are certified and highly qualified, experienced, or hold a baccalaureate degree or graduate degree in that subject in accordance with South Carolina Charter Schools Act of 1996 and No Child Left Behind Act of 2002. At least 75% of all teachers will be certified. Each certified teacher must hold current certification by the State of South Carolina.

c. Special education teachers will have certification consistent with the state regulations depending on the specific needs of children to be served. Student needs and staffing requirements will be reviewed annually and will be in compliance with all state and federal laws.

I. Racial Composition

1. Racial Composition

The statewide racial profile indicates a population of 68.4% white (majority), 29.2% African American, 2.4% other. The racial composition of South Carolina Virtual Charter School will comply within the 20% variance level that is permitted for charter schools.

2. Policies and Procedures

South Carolina Virtual Charter School (SCVCS) will hold public meetings, conduct marketing and publicity blitzes geared to encourage enrollment from the under represented racial group(s). This procedure will help ensure a racially balanced pool of students. All students regardless of race will be eligible to apply for admissions to SCVCS and efforts will be made to maintain the proportional statewide racial mix.

3. Desegregation Plan or Order

A letter from the SCPCSD (Appendix J) indicates that there is no desegregation plan or order; therefore SCVCS will not be required to establish such a plan. Should the district be placed under such an order during the operation of the SCVCS, the school will respond as directed by the order.

J. Transportation

1. Transportation Needs

SCVCS does not intend on providing transportation. We will coordinate with the Parent Organization in establishing a carpool system to ensure that our students are transported to and from school events as required. Transportation will not be a barrier to attendance; accordingly, we have appropriated funds in our budget for contingency transportation requirements.

2. School Bus

SCVCS will not provide transportation via schools busses.

3. Contracted Services

SCVCS does not intend to contract with the school district for transportation services; however, there may be occasions where we will contract with a third party transportation service for specific transportation needs.

4. Special Needs Students

Our special needs students will be given access to a free and appropriate public education and related educational services – including transportation.

Federal Public Law 94-142 and Chapter 33 of Code of Law of South Carolina 1976: Title 59 (Sections 59-33-10 through 59-33-110) will govern.

As mandated, our students with special needs will be provided transportation as necessary. The student's IEP (Individualized Education Plan) will specify any special circumstances (equipment, supervision, vehicle type, etc.) that are necessary to meet the student's needs.

K. Facility and Equipment

1. Identified Facility

SCVCS has not yet identified a facility.

2. Facility Not Identified

SCVCS plans to lease or renovate an existing site in the Columbia metropolitan area to accommodate the needs for our administrative offices and meetings rooms based on staff size, rather than build a new facility. We intend to retain the services of a leading commercial real estate firm in South Carolina to locate and lease a suitable facility. The administrative offices will require a simple lease which will include secure and fire proof filing cabinets for student records.

SCVCS estimates that it will need roughly 3,000 square feet of office and meeting space to accommodate its administrative staff (ten offices, two restrooms, 1 kitchen facility). The building will provide sufficient wiring and communication capabilities to support the high-tech nature and infrastructure of the school. The building will also provide adequate heating, ventilation, lighting, sanitary conditions, and water supply to support the school's staff.

As soon as the facility is finalized, SCVCS will arrange for an inspection to ensure that it meets the requirements of the applicable building, fire prevention, safety, health, and sanitation codes. Once completed, we will provide the SCPCSD and SDE with the necessary documentation to demonstrate that its facility has met all applicable laws.

Administration of the PACT testing for SCVCS students will take place in proctored settings at facilities located regionally across the state. In many cases, we expect to contract with schools and/or districts to have our students take the state tests during regular testing days in their districts of residence. Those school buildings must be in compliance with applicable building codes, health and safety laws and regulations including the federal Occupational Safety and Health Act of 1970 and the Americans with Disabilities Act (ADA). In other instances, the school administration will find other suitable locations which also are in compliance with those laws and regulations.

3. Equipment

The following technological equipment, or of similar functionality, will be shipped to the home of the family of each student enrolled in SCVCS to enable the student to access and participate in the school's educational program. These items, as school property, will be provided on loan to the student at no cost to the student or student's family. The equipment will, at a minimum, contain the following software and hardware specifications:

Computer Software: Microsoft Office Standard; Anti-virus software; Internet filtering software; Microsoft® Internet Explorer; Adobe® Acrobat® Reader® 5; Real Player® (Version 7); Macromedia Flash™ (Version 5); and QuickTime®.

Computer Hardware Specifications: Speed: 1.8 GHz; RAM: 128MB (minimum); Disk space: 40GB; CDROM; 10/100 NIC; Modem: 56 kbps; Monitor: 15 –inch display; Audio: 16-bit sound card; 2 PC Speakers; Operating System: Windows XP; Printer; and Manufacturers Warranty.

In addition, SCVCS will reimburse parents for necessary Internet access. Based on individual need, SCVCS will provide a computer, monitor, printer, and software on loan to each family and access for students to the Internet through Internet Service Provider subsidies.

A computer, related equipment, and the Internet service necessary to access the program will be provided as needed by the VCP. Students or families will not need to obtain any additional equipment or technological support. The minimum computer specifications of the equipment to be provided are:

CPU:

Makes	Model	Processor	RAM	HD	CD-ROM	Modem	USB Ports	Floppy	OS
HP IBM	Various	1.8 GHz Minimum	512 MB Minimum	40 GB Minimum	48x Minimum	56k	4 Minimum	No	XP Pro SP2

SOFTWARE	PRINTERS	MONITORS
Microsoft Office 2003 Professional Apple QuickTime Macromedia Flash Player Adobe Reader McAfee Virus Scan Managed Virus Scan Java Runtime Environment with Java Web Start PeoplePC Smart Dialer (Dialup Internet)	HP-4215 HP-3740 HP-5550	HP 15"-17" LCD Proview 14" LCD X2Gen 14" LCD

Software Updates: A new image is created each year for computers in service. CDs with the new image are sent out by request.

Machine Usability: The VCP will replace computer equipment that is not able to be fixed remotely by a K12 tech support staff member. Tech support will attempt a variety of repairs including the reissuing of installation CDs.

Machine Connectivity: All computers issued for service will have both a network interface card (NIC) and a 56k internal modem.

In addition, the K12 Support Center provides contact information for a variety of Internet Service Providers (ISP) for technical assistance pertaining to individual ISPs.

All materials and technology are provided to students at no cost. Each student's family is provided with a computer and Internet access as well as print and other hands-on materials which are all they need to access both the web-based and print lessons and assessments.

SCVCS will provide multiple layers of technical support to ensure that SCVCS families have the highest quality user experience. These layers include SCVCS teachers, a SCVCS Director of Technology, and K12 customer care professionals and tech support.

SCVCS teachers will be the first point of contact for parents and students. As part of the training provided by K12, teachers will be empowered with the knowledge to answer questions regarding the K12® Curriculum, OLS navigation, and certain technical questions about computers, software, and materials.

SCVCS will also have the services of K12's Customer Support Team, which is made up of K12 Customer Care and K12 Tech Support. These teams work closely with parents and teachers to provide superior client support in the following areas:

- K12® Curriculum advice and instructions
- OLS navigation advice and instructions
- Order processing and shipments assistance
- PC software and hardware support

One of the key goals of K12 Customer Care is to develop and deploy customer self-help tools. One area of online support is our FAQ link on the K12 homepage. K12 also provides an OnLine Assistance Database and tutorials that illustrate how to use various elements of the Online School. These tools will be accessible by all parents and teachers.

All equipment provided to SCVCS families is also backed by vendor support. All K12 computers and printers come with parts or service warranties. Broken or malfunctioning equipment will be fixed or replaced either by K12 Customer Support or by its vendors.

K12 will provide the vendor's contact information to SCVCS families as another avenue of support.

All online servers are protected by a multiple security zone topology through the use of firewall technology. All access is monitored by an industry leading managed security service provider on a 24x7 real-time basis. All sensitive data transmissions are secured by 128-bit SSL encryption.

If Internet connectivity can not be established, the school will help to identify a local library or other facility where the family can temporarily access the OLS. As part of the enrollment process, SCVCS will clearly communicate that the parent must have electricity and Internet access to complete the K12® Curriculum. A worst case scenario would be a disaster such as a student house fire or flood. SCVCS would send “in house” curriculum to the family from stock in office until replacement curriculum can be provided by K12. The school would contact K12 to have a replacement computer sent to the family via overnight delivery.

All hardware and software layers are deployed redundantly with failover capability. Data storage is redundant in an industry standard RAID configuration that also includes secondary live data clustering. Every hour a live snapshot of all data is stored in a secondary location. Every night all data is backed up to digital tape. Digital tapes are stored offsite in an access controlled data vault on a weekly basis.

Finally, the K12 Support Center includes self-service tools, email and phone support. All support personnel are knowledgeable in LMS use and have received training on resolving technical support problems. K12 Support Center includes the following self-service:

- Using the Online School (OLS);
- Materials;
- Materials Lists;
- Account Information;
- Technical Support; and
- Teaching Resources
- Checking status of material shipments, computer shipments, assigned courses

K12's phone center includes support in three (3) general areas:

- Customer Care (using the LMS, shipment of materials);
- Technical Support (available only for K12 issued equipment or K¹² systems);
- Enrollment Consultants (assistance for enrolling students).

K12's Support Center provides email support on a 24/7 basis and a toll-free number to report technical system problems and other issues. Regular hours of support during the year are 8 AM- 9 PM ET and are subject to change depending on the time of the year.

K12's LMS includes 24-hour automated email assistance for forgotten username or password. For any call that does come in after hours, the customer can leave a voicemail. Voicemails are returned within a maximum of 24 business hours—including during peak season. During non-peak season K12 support staff are able to get back to the customer within a few hours of initial contact (e.g., from 2 to 4 hours). For example, during the 2007 school launch period, of the 58,000 calls customer care and tech support took in, 95% of those calls on the customer's first attempt. Students may also

call the K12 administrative staff at the program office during regular business hours for additional assistance.

K12's Self-Help website provides Frequently Asked Questions (FAQ's) for most of the common questions customers tend to call about. This site is available 24 hours a day. If the FAQ does not answer the customer's question, they also have access to email that they can write to customer support and they can expect an answer within 24 business hours

L. Employee Relations

Under the school's services agreement with K12, it is K12's responsibility to recruit, interview, and recommend the hiring of school employees. The Board of Directors will review recommendations, and either approve or reject candidates. As part of that services agreement, K12 will supervise the day-to-day performance of the employees.

All administrative staff will be employees of K12, including the Head of School (HOS) and other positions such as the Assistant Head of School, Director of Special Education, Director of Technology, and the Manager of Operations and Personnel/Business Manager. The hiring of the HOS will be agreed upon jointly by the Board of Directors and K12. K12 will have the responsibility and authority for determining staffing levels necessary to carry out its obligations to the Board of Directors. SCVCS teachers will be employees of the school and K12 will recruit teachers and the Board will review recommendations made by K12 regarding their hiring by the school.

Our ***Employee Handbook*** is being drafted and will be approved by the SCVCS Board of Directors. The information addressed is:

- Employment Relationship
- Hiring
- New Employee Information
- Employee Classification
- Hours
- Pay Policies
- Employee Benefits
- Use of School Property
- Leave and Time Off
- Performance

Workplace Behavior
Health and Safety
Employee Privacy
Computers, Email, and the Internet
Employee Records
Complaint Policies
Ending Employment

SCVCS will employ experienced teachers who meet both state teacher certification requirements as well as the Highly Qualified requirements of NCLB. K12 will assist the school in recruiting, supervising, and disciplining teachers, including master and lead teachers. Our teachers will have a Bachelor's or higher degree, state certification, and demonstrate competency in either elementary education or in a secondary subject area depending on the grade level or subject they will teach. Depending on the students enrolled, teachers and other staff with bilingual skills will be recruited and hired. The faculty will include regular (master and lead) and special education teachers at the elementary, middle, and high school levels.

1. Employment Process

Recruitment and hiring of professional personnel will be based on qualifications and merit. As an Equal Opportunity and Affirmative Action employer, SCVCS policy prohibits discrimination on the basis of race, color, religion, national origin, sex, marital status, sexual orientation, educational affiliation, handicap status, or age. Equal employment opportunities will be considered throughout the entire employment process including: recruitment selection and hiring; transfer and promotion; demotions, terminations, layoffs and recalls; compensation; working conditions; benefits and privileges of employment; and training.

After analyzing each job vacancy, we may consider the following recruitment strategies to assure the diversity of staffing:

- Advertisements in local, state, and regional newspapers
- Advertisements in professional publications
- Advertisements with college and university placement services – especially those schools with strong math and science programs
- Internal and external searches
- SCVCS website
- Inquiries and referrals
- Professional contacts with community organizations that promote the interest of minority groups
- Publications and pamphlets
- Special activities and events for prospective applicants
- Audiovisual packages and recruiting program

Position notices will include the description of duties, requirements and qualifications, statement of Equal Opportunity and Affirmative Action, and closing date.

Applicants for teaching positions must submit the following as a part of the application process:

- Resume
- An official application
- South Carolina Teaching Credentials

- A transcript from an accredited college or university showing a major or minor in the subject matter they intend to teach, if applicable
- A copy of professional test results for the HOUSSE requirements of No Child Left Behind (NHLB), if applicable
- Three work / professional references

Applicants will be reviewed by the administration of the school. Candidates that are most qualified to teach will be selected. Top candidates will be sent a letter inviting them to participate in an interview or series of interviews (depending upon the job for which they are being considered).

Interviews will offer the opportunities to evaluate each candidate's interpersonal skills and professionalism. Review of background and experience will be included as a part of the interview. Each candidate will be given the opportunity to discuss issues facing educators today, what they hope to learn working at SCVCS, what they want to offer students, and what they expect to be their biggest challenges.

Background checks and other investigations required by law will be conducted on all recommended applicants. The school's administrator will make the final recommendation and submit it to the Board of Directors for approval and hiring.

2. Teacher Evaluations

SCVCS will use the South Carolina System for Assisting, Developing, and Evaluating Professional Teaching (ADEPT). Personnel evaluations are designed to provide

information for continuous improvement of performance and to provide a record for personnel decisions. Evaluations shall be based upon the following standards:

Knowledge of Curriculum:

- Knowledge of state and national standards.
- Knowledge of state and national curriculum frameworks.
- Knowledge of school and grade level curriculum.
- Development of unit plans as determined by a faculty guideline for mastery learning.

Effective Use of Instructional Systems:

- Application of different teaching strategies.
- Knowledge of student learning styles based on accommodation plans.
- Knowledge and use of multiple forms of student assessment.
- Use of a variety of materials and technology in the learning process.
- Use of a variety of teaching strategies to identify and eliminate skill deficiencies.
- Providing students with the opportunity to be self directed learners.
- Collaboration with other professionals on the staff or under contract.

Management of the Learning Environment:

- Implementation of guidelines found in the school's Staff and Student handbooks.
- Modeling appropriate behavior to students.
- Maintaining classroom routines that support the mission of the school.

Student Assessment Results:

- Promotes student academic growth and achievement as measured by our student assessment protocols, and other criterion-reference assessments and state and national assessments.
- Communicates to students and parents according to the team policy.
- Communicates high standards to students.
- Maintains accurate records of student achievement.

Promotes Equity and the Appreciation of Diversity:

- Encourages students to participate in the full range of programs and activities.
- Develops appropriate teaching, communication and assessment strategies to meet the needs of all students.

Professional Responsibilities:

- Shows respect for all students, parents and colleagues.
- Maintains professional boundaries with parents, students and colleagues.
- Works collaboratively with colleagues and others.
- Develops and implements a Professional Development Plan.
- Demonstrates receptivity to suggestions for growth and improvement.
- Demonstrates the ability to use available resources.

The Head of School will serve as the teacher's primary evaluator and the evaluation cycle will consist of the following:

- Annual self evaluation by the teacher using professional standards prior to the beginning of the school year.

- Goal setting with the HOS, during the first month of the school year, that includes a review of student achievement, the school's charter/mission, the teachers' self evaluation and the school's accountability plan.
- A professional development plan developed by the teacher in concert with the goal setting process.
- At least three (3) classroom observations each year.

3. Terms and Conditions of Employment

The Board of Directors will approve the terms of employment for all employees. These terms will comply with Para 41-10-30 of the SC Code of Laws, 1976. The Terms and Conditions of Employment will be included in the employment agreement:

- Pay Date Information
- Salary Schedule
- Vacation Days
- Holidays
- Sick Leave
- Severance Pay
- Deductions
- Three Day Deadline for Notification of Absences
- Tuberculin Skin Test (Form 1420):
- South Carolina Teaching Credential (if applicable)
- Additional Terms of Employment
- SLED Check

Employment with SCVCS is at-will. No employee or school representative, other than Head of School and the Board, has the authority to change the at-will employment relationship or to contract with any employee for different terms of employment. Furthermore, the Head of School may change the at-will employment relationship only in a written contract, signed by Head of School, approved by the Board, and signed by the employee.

Official personnel records for all employees of SCVCS will be maintained in the school's administrative office using appropriate security measures. Personnel files will contain signed employment agreement; credentials and certifications or professional tests, if applicable; academic transcripts; health certificates; birth certificate; social security number; Employment Eligibility Form; benefits declarations; signed terms of employment form; signed receipt of employee handbook; evaluation documentation and commendations; and other official correspondence.

As stated earlier, an employee handbook outlining policies and procedures will be developed and approved by the Board of Directors and this handbook will be given to all employees and updated annually. The handbook will include personnel policies and procedures and all policies and procedures will comply with state and federal laws. Employees will sign a statement indicating their receipt of the handbook and acceptance of the policies & procedures.

M. Grievance and Termination Procedures

An employee handbook outlining policies and procedures will be developed and approved by the Board of Directors; this handbook will be given to all employees and updated annually. Employees will sign a statement indicating their receipt of the handbook and acceptance of the policies and procedures.

1. Teacher Employment and Dismissal Procedures

SCVCS expects to have certain reasonable policies and rules for the conduct of our school. The most important rule is the “rule of reason.” There are a few basic rules that should not be violated under any circumstances. Violation of these basic rules may lead to discipline, up to and including immediate termination: substance abuse; insubordination; bad attitude; poor performance; theft; threats and weapons in the workplace; harassment; absenteeism and tardiness; misuse of property; fraud, dishonesty and false statements; violation and/or lack of enforcement of school rules; and breaching confidentiality.

This list is not all-inclusive and there may be other circumstances for which employees may be disciplined, up to and including immediate termination. SCVCS retains the discretion at all times to immediately terminate an employee or to decide what level or type of discipline is warranted, if any. Employees are at-will employees and can be terminated at any time, without resorting to any type of discipline. SCVCS does not have to use any of the following steps of discipline, and does not have to use them in

any particular order, but retains the discretion at all times to determine the nature and severity of discipline and/or termination.

In the event it becomes necessary to discipline an employee, the following steps of discipline may occur at the discretion of the Board:

1. Verbal warning
2. Written warning
3. Final warning and/or probation
4. Termination

The Head of School will give written notice to the teacher of intent not to offer an employment agreement no later than April 15 of each year.

2. Employment and Dismissal Procedures for Administrative, Paraprofessional, and Non-teaching Staff

Same as Teacher Employment and Dismissal Procedures

3. In the interest of effective personnel management, the administration and Board recognizes the need for a personnel grievance procedure to provide prompt and effective means of resolving any differences that may arise among our personnel. Such procedure is available to all employees, regardless of whether they are teaching employees or staff.

a. SCVCS does not follow the statutory provisions of Article 5, Chapter 25 of Title 59 of the South Carolina Code of Laws, (1976 as amended), concerning the Employment and Dismissal of Teachers.

b. All employees of the School are considered employees at will, as defined by the laws of the State of South Carolina unless modified in writing by contract and approved by the Board.

c. The School has adopted the following Grievance and Hearing Procedure for the employees of the School. The Procedure is as follows:

- School employees are encouraged to discuss any concerns regarding his or her employer with the employer's immediate supervisor. This discussion should occur within ten working days after the event/action which results in the grievance.
- Should any issue arise between an employee and the immediate supervisor, including, but not limited to performance evaluations and decisions to terminate the employee's services, that cannot be resolved, then the employee may reduce his or her concerns in writing and submit this writing to the Head of School (HOS).
- The HOS will meet with the employee within a reasonable time to attempt to resolve the issue. A summary of the discussion and the proposed resolution shall be given to the employee by the HOS within a period not to exceed ten working days after the meeting. The employee shall sign an acknowledgement of the receipt of the proposed resolution.
- If the employee is not satisfied with the proposed resolution, then he or she may appeal the proposed resolution to the Board of Directors. Such appeal must be filed with the Board in writing within five working days of receipt of the proposed resolution.
- This appeal must contain the following documents: 1) a copy of the original writing stating the dispute, 2) a copy of the meeting summary and the proposed resolution, and 3) a written statement prepared and signed by the employee stating the specific reasons why the proposed resolution is unacceptable.

- The appeal must be delivered to the Board's legal counsel.
- The Board Chair shall select three members of the Board to review the appeal. This panel, in its sole discretion, may conduct any additional investigation that it deems necessary.
- The panel shall complete its investigation and submit its findings and conclusions to the Board's legal counsel within thirty days of appointment to the panel.
- The Board's legal counsel shall present the panel's findings of facts and conclusions to the full board at the next scheduled board meeting.
- The Board shall then decide what action, if any, that it will take concerning this appeal.
- The employee shall receive the Board's decision in writing, and a summary of any actions that will be taken by the Board or HOS.
- If the Board decides to hold a hearing to hear the appeal, then the employee shall be given written notice of the time, date and place of the hearing.
- The Board will attempt to respond to any appeal filed within thirty days upon receipt of any appeal. However, the Board shall respond to all appeals within forty-five days of receipt. To comply with this time limitation, the Board may call a special meeting for the limited purpose of issuing its decision concerning the appeal.

This procedure shall be kept as informal and confidential as reasonably possible. No person associated with a grievance shall be the object of administrative reprisal, sanction, or penalty of any kind for either activating or participating in the grievance procedure. The procedure prescribed herein shall be adhered to in processing employee complaints under Title I of the Education Amendment of 1972 (Sex Discrimination).

Because of the Board's desire to resolve grievances and appeals as quickly as possible, there will be no extension of the prescribed time contained in this procedure

without a compelling showing of good cause. The purpose of this procedure is to settle personnel grievances and complaints at a level as close as possible to the points of their origin.

N. Student Conduct, Rights, and Responsibilities

At the time of this application, the SCPCSD has not adopted and published policies on student conduct and discipline; accordingly, SVCA will not adopt the policies for student conduct and discipline of our sponsor.

Our ***Parent - Student Handbook*** is being drafted and will be approved by the SCVCS Board of Directors. Upon enrollment, each student and parent will be presented with a copy of the handbook, which outlines student conduct, rights, responsibilities. The policies addressed are:

- Anti-Discrimination Policy
- Harassment Policy
- Inappropriate Behavior
- Academic Integrity
- Use of Copyrighted Material
- Source Citation
- Plagiarism
- Student Internet Safety
- Network Etiquette
- Monitoring

1. Student Conduct

SCVCS's policy that will govern student conduct will be set forth in our ***Parent - Student Handbook***. Students will always conduct themselves in an orderly, courteous, dignified and respectful manner. Students have the right to be informed of school policies, regulations, and rules. Students will be informed of the academic requirements of courses, will be advised on their progress, and will have opportunities for assistance. Unacceptable behavior, whether listed or not, will not be tolerated. Disciplinary actions taken by the administration for breaches of the student conduct policy will include

counseling, suspension, and expulsion, for commission of any crime, gross immorality, gross misbehavior, persistent disobedience, or violation of rules and regulations, and when the presence of the student is detrimental to the best interest of the school.

In addition to the consequences of misbehavior listed below, school officials shall use all available school and community resources to diagnose and deal effectively with students who have persistent or severe behavior problems. Students whose offenses may also constitute a violation of criminal law will be reported to appropriate law enforcement officials.

School sponsored activities, at any time or any place, may also subject a student to disciplinary action.

2. Students with Disabilities

Special education students will be managed on a case by case basis. Based on their Individual Education Plan (IEP), students shall adhere to the disciplinary policies of SCVCS or will be monitored through the behavior management plan delineated in their IEP. SCVCS's policy on suspension and expulsion of students with disabilities will adhere to the specific procedures for disciplinary actions that involve students with disabilities as outlined in the IDEA 2004 Amendments or Section 504 of the Rehabilitation Act of 1973. The following guidelines will be implemented for compliance:

- School personnel can remove a student with disability for 10 consecutive days or less at a time for violation of the school code of conduct (to the same extent applied to children without disabilities). School personnel can immediately remove up to 10

consecutive school days or less, the same child for separate incidences of misconduct.

- School personnel can also order a change of placement of a child with a disability to an appropriate interim alternative educational setting for up to 45 days for possession of weapons or drugs or the solicitation or sale of controlled substances while at school and school functions.
- If school personnel believe that a student is dangerous to himself or others, they can ask for an expedited due process hearing to remove a student to an interim alternative educational setting for up to 45 days.
- 45-day interim alternative educational placements can be extended in additional 45-day increments if the hearing officer agrees that the child continues to be substantially likely to injure himself or herself or others if returned to his or her prior placement.
- School personnel can remove a child with a disability, including suspending or expelling for behavior that is not a manifestation of the child's disability, to the same extent as is done for children without disabilities, for the same behavior.
- School personnel can report crimes to appropriate law enforcement and judicial authorities.

School personnel can always ask a court for a temporary restraining order in order to protect children or adults from harmful behaviors. (See IDEA Regulations 300.519.529 and 521(d)).

3. Student Rights

SCVCS's appeals process for students recommended for suspension or expulsion, which includes a right to appeal a decision to the SCVCS Board of Directors, is described below:

- The Head of School will ensure the timely processing of all expulsion cases.
- All students will be treated with fairness.
- A reasonable effort will be made to determine the truth of what happened before disciplinary measures are taken.

- The student will have the opportunity to tell his/her side of the story.
- The Head of School will adhere to due process requirements when making decisions directly affecting students' protected rights under federal and state law.
- The Head of School will notify the student and parent/guardian with notice of the charges of misconduct.
- The Head of School will give written notice of the disciplinary action to be taken.
- Parent/guardian may appeal/request a meeting with the SCVCS Board.
- The SCVCS Board will review all disciplinary recommendations and notify the parent/guardian in writing of the final disciplinary action to be taken.
- The action of the Board may be appealed to the proper court.

4. Parental Notification

At the beginning of the school year, parents and students will be given a copy of the ***Parent - Student Handbook*** which contains the student conduct, rights, and responsibilities policies and procedures. Additionally, this information will be posted and maintained on the school's web site. Parents will be notified and kept informed of any process or actions related to the discipline of their child.

O. Indemnification

South Carolina Virtual Charter School assumes the liability for the activities of the charter school and an agreement to hold harmless the school district, its servants, agents and employees from any and all liability, damage, expense, cause of action, suits, claims, or judgments arising from injury to persons or property or otherwise that arise out of the act, failure to act, or negligence of the charter school, its agents and employees, in connection with or arising out of the activity of the charter school.

P. Insurance

SCVCS's risk management philosophy in relation to minimizing liability of the school, and its governing board and employees is to ensure that everyone connected with the school understand their responsibilities and obligations, and does their very best to meet them. Ensuring this goal is achieved starts with securing high quality employees to administer and staff the school, but it also includes a level of organization-wide training and continuing professional development for all those connected to the school.

From an insurance perspective, SCVCS intends to utilize the services of K12, Inc. to coordinate the school's insurance needs through a reputable broker who will market the insurance requirements only to companies with an Excellent or Superior rating from A.M. Best. The broker will be experienced in the education field and has secured insurance on behalf of other charter schools. SCVCS also intends to undertake periodic reviews of its coverage and limits to ensure the school is adequately insured with respect to changes in our business, industry trends, and potential exposures. Documentation of insurability and estimated cost of insurance is Appendix K.

1. Worker's Compensation Insurance

As required by the South Carolina Code of Laws, Title 42-1-10, et seq., South Carolina Virtual Charter School (SCVCS) will provide worker's compensation insurance. This coverage agreement obligates the insurer to pay compensation and other benefits as

required by the South Carolina Code of Laws; coverage includes bodily injury by accident and by disease.

2. Liability Insurance

SCVCS will obtain liability insurance coverage and the policy will provide coverage for damages resulting from personal injury or property damage. Coverage meets the limitations set forth by the South Carolina Tort Claims Act, South Carolina Code of Laws, Title 15-78-120; a single person recovery may not exceed \$300,000 and a single occurrence recovery shall not exceed \$600,000.

3. Property Insurance

At the time of this application, SCVCS is researching and evaluating potential property sites for the school. Therefore, the policy quoted and referenced to in this application will apply to estimated contents value of the business personal property. Coverage is written on a replacement cost basis and will pay for direct physical loss of or damage to covered property.

4. Indemnity Insurance

SCVCS will obtain indemnity insurance and the policy will protect the sponsor, the members of the board of the sponsor, and employees of the sponsor acting in their official capacity. This policy will protect the aforementioned entities and person against compensatory damages and legal costs resulting from a claim of negligence or criminal act; specifically employee dishonesty.

5. Automobile Insurance

At the time of this application, an evaluation is still being performed to determine our transportation needs. To demonstrate our ability to secure automobile insurance coverage a quote is provided.

6. Other Insurance

Other types of insurance that could potentially be needed and obtained, through either the South Carolina Insurance Reserve Fund and/or through another South Carolina licensed insurance company, includes Directors & Officers Liability, Fiduciary Liability, Workplace Violence, Internet Liability, medical professional liability, and activity vehicle AD&D. These items may be acquired based on the completion of this application.

STATEMENT OF ASSURANCES

As the authorized representative of the applicant group, I hereby certify under the penalties of perjury that the information submitted in this application for South Carolina Virtual Charter School (SCVCS) is true to the best of my knowledge and belief; and further I understand that if awarded a charter, the school and its governing board:

- A. Will comply with all federal and state laws and constitutional provisions prohibiting discrimination on the basis of disability, race, creed, color, gender, national origin, religion, ancestry, or need for special education services.
- B. Will not charge tuition or other charges of any kind except as may be allowed by the sponsor.
- C. Will adhere to the same health, safety, civil rights, and disability rights requirements as are applied to other public schools operating in the same school district.
- D. Will meet, but may exceed, the same minimum student attendance requirements as are applied to public schools operating in the same school district.
- E. Will adhere to the same financial audits, audit procedures and audit requirements as are applied to public schools operating in the same school district.
- F. Will report to its sponsor and the Department of Education documentation of the appropriate use of federal funds the charter school may receive.
- G. Will use the same pupil accounting system as is required of all public schools and districts.
- H. Will employ non certified teachers in a ration of up to twenty-five percent of its entire teaching staff. Teachers in the core academic areas of English/language arts, mathematics, science, or social studies will be certified in those areas or possess a baccalaureate or graduate degree in those areas. All teachers will be highly qualified as defined in the No Child Left Behind Act of 2002.
- I. Will employ one administrative staff member who is certified or experienced in the field of school administration.
- J. Will be secular in its curriculum, programs, governance, and all other operations.
- K. Will comply with the Freedom of Information Act.

- L. Will comply with the No Child Left Behind Act Legislation.
- M. Will adhere to all provisions of reporting student truancy, discipline incidents and persistently dangerous situations as required by No Child Left Behind.
- N. Will assume liability for the activities of the charter school and will indemnify and hold harmless the school district, its servant, agents, and employees, from any and all liability, damage, expense, causes of action, suits, claims, or judgments arising from injury to persons or property or otherwise which arises out of the act, failure to act, or negligence of the charter school, its agents and employees, in connection with or rising out of the activity of the charter school.
- O. Will report to its sponsor and the Department of Education any change to information provided under its application in a timely matter.
- P. Will report at least annually to its sponsor and the Department of Education all information required by the sponsor and by the Department, including, at minimum, the number of students enrolled in the charter school, the success of students in achieving the specific educational goals for which the charter school was established, and the identity and certification status of the teaching staff.
- Q. Will adhere to all provisions of federal law relating to students with disabilities, including Individuals with Disabilities Education Act, section 504 of the Rehabilitation Act of 1973, and Title II of the Americans with Disabilities Act of 1990 that are applicable.
- R. Will adhere to all provisions of federal law relating to students who are limited English proficient (LEP), including Title VI of the Civil Rights Act of 1964 and the Equal Educational Opportunities Act of 1974.
- S. Will comply with S.C. Code Ann. §59-63-235 (2004) which provides for the expulsion of any student who brings a firearm to school.
- T. Will comply with the Family Education Rights and Privacy Act (20 U.S.C. §1232).
- U. Will comply with any school district desegregation plan or order in effect.
- V. Will adhere to all requirements of the office of school facilities as detailed in the Charter School Facilities Approval Form.

Kathleen Brady
Name of Charter School Planning Committee Chair

Date


Signature of Charter School Planning Committee Chair

12.21.07
Date

Appendix A

Electronic Recruiting Correspondence (E Blast)



Working with local school districts, state education agencies, and the U.S. Department of Education, K12 Inc. provides its innovative learning program, including curriculum, workbooks, and textbooks, as well as teachers and experienced school leaders, to over 30,000 students across the country. In partnership with South Carolina community leaders, K¹² is helping finalize an application for a new charter school in the state—the South Carolina Virtual Charter School—to offer the K¹² curriculum as part of a new education option to families across the state.

The South Carolina Virtual Charter School would feature a combination of face-to-face interaction and online distance learning. Students would spend a portion of their time meeting with a highly qualified, state-certified teacher and interacting with other virtual school students, and another portion of their time learning online under the guidance of a parent or other responsible adult with the support of a certified teacher.

Families who enroll in this tuition-free public charter school would receive:

- The full K12 curriculum ([View sample lessons here.](#))
- Planning and placement tools
- Supplemental materials
- Community support
- Access to a state-certified, professional teacher

This pioneering education option gives dedicated parents the opportunity to make a personal difference in their children's education.

The planning committee for the South Carolina Virtual School is interested in hearing about the support of South Carolina families for this innovative public education option. If you would like to see the South Carolina Virtual School available in the state or would be interested in taking advantage of this option for your child, **please demonstrate your interest** by signing [our petition!](#) In addition, if you are interested in taking an active role in helping establish the school, or providing a long-form letter of support, please [send us an e-mail](#) and provide us with your contact information, including your phone number.

If you are interested in joining us for an online general information session to learn more about what K¹² has to offer, you are invited to join us for these sessions:

Tuesday, September 25 — Noon
Monday, October 1 — 7 pm

To join an event at the scheduled time, simply [visit us here](#). If you are unable to attend at the scheduled times, the session will be recorded and available for viewing at your convenience.

We encourage you to forward this e-mail to any friends or family members in South Carolina who you think might be interested in participating in this exciting opportunity.

To learn more about K¹² and the products and services we offer, visit www.K12.com.

Appendix B

Synopsis of Educational Program

The South Carolina Virtual Charter School (SCVCS) will utilize the K12® Curriculum and learning management system for its educational program. The K12® Curriculum is standards- and research-based, content-rich curriculum that meets or exceeds the Indiana Academic Standards. The K12® Curriculum is based largely on the Core Knowledge sequence, a highly specific, rigorous sequence of knowledge and skills to guide schools in planning and development of a coherent curriculum. Overseeing the development of the entire curriculum is John Holdren, former Vice President and Director of Research and Publications at the Core Knowledge Foundation, and a co-editor of the Core Knowledge Series (*What Your First [Second, etc.] Grader Needs to Know*). Hundreds of public and private schools nationwide use this sequence to great effect.

The K12® Curriculum utilizes research-backed methods with proven effectiveness to boost student achievement by delivering high quality content and regularly assessing mastery. It includes a proprietary phonics program developed with the help of Louisa Moats, leading scholar in the field of early reading and a project director at the National Institute of Child Health and Human Development (NICHD); a math program reinforced by Sadlier-Oxford's *Progress in Mathematics*; and an engaging, hands-on proprietary science program based on Core Knowledge, the California Standards, and the American Association for the Advancement of Science's *Project 2061 Benchmarks*. In history, K12 has again leveraged the Core Knowledge Sequence to build a proprietary program that emphasizes the "story" of history, what it means to be a good and responsible citizen, historical analysis skills, and spatial sense as they work with maps, globes, and other geographic tools. Delivered through the SCVCS's Online School, the curriculum and program offers personalized, self-paced instruction that uses teachers and parents as mentors and guides to inspire students to own the learning process.

SCVCS will use the complete K12® Curriculum program which provides lessons for every subject, for every school day, for the entire school year. The curriculum program includes:

- **Mathematics**: Through daily practice, review, and application, the K12 curriculum builds a solid early foundation in both facts and concepts. Students will develop a high degree of mathematical literacy and qualitative proficiency.
- **Language Arts**: The language arts program, developed and reviewed by nationally renowned experts, stresses early mastery of decoding skills through a systematic, phonics-based curriculum, complemented by a generous exposure to stories, myths, fables, and poems from many cultures, many of which communicate models of exemplary virtues. The program places a strong emphasis on the basic building blocks of good communication through writing, spelling, grammar, and composition. Recognizing the primacy of language skills

in the early grades, the program places great emphasis on the skills, rewards, and joys of reading and writing and on the importance of great literature.

- **History, Geography, and Civics**: Beginning in the primary grades, we offer a chronological study of History, complemented by integrated lessons in Geography and Civics. This approach is designed to provide students with a coherent and connected sense of the past—and our relation to it.
- **Science**: K12's science program (which has been reviewed by a Nobel laureate) balances hands-on investigation and experimentation with a systematic approach to key scientific concepts. Based upon a classroom-tested program, our science curriculum integrates Physical Science, Life Sciences, Earth Sciences, and Investigations and Experimentation each year. Students are introduced to critical and creative thinking through the lens of the scientific method.
- **Art**: The art program offers enriching lessons that focus on doing, looking, and knowing. **Doing**: Students draw, paint, glue, build, mold with clay, and more to develop artistic technique (and fine motor skills). They also create artwork for the sheer joy of it. **Looking**: Students spend time learning to look at and talk about works of art. Students learn to recognize artistic techniques and elements of design, express informed opinions about specific pieces, and develop an appreciation for great works of art. **Knowing**: Students are introduced to the biographies and styles of great artists as well as their place within the history of art.
- **Music**: The music program provides a comprehensive array of activities for musical enjoyment and enrichment with an emphasis on singing traditional songs from various cultures, learning basic elements of music, and becoming familiar with great works and composers.

As part of their enrollment in the SCVCS, students will be provided, at no cost, the K12® Curriculum and all materials and technology necessary to fully participate in the school, including a computer, Internet access, and print and other hands-on materials to access both the web-based and print lessons and assessments.

The SCVCS program utilizes parents (or other responsible adults) to help guide students through their daily coursework using the research- and standards-based curriculum provided by K12 Inc. Parents and students will log in to the Online School through a specially designed SCVCS website. In the Online School, parents and students will view their daily lessons, log daily attendance, and access planning and progress tools that will help them manage their schedule and academic work throughout the school year.

Through the Online School, parents and students will access online lessons or be directed to work offline using text and work books, a phonics program, math cards, science and musical equipment which has been shipped directly to the family of every

student enrolled in the school). The program employs a variety of teaching strategies, including direct instruction, hands-on exploration, online learning, and use of manipulatives and learning games. The program provides day by day lesson plans, including:

- Clearly defined learning objectives;
- Step-by-step, easy-to-follow procedures for hands-on activities;
- Creative ideas for alternative teaching approaches;
- Materials to prepare and gather;
- Keyword definitions and tips and strategies for pronunciation; and
- Suggestions for optional activities and readings beyond the lesson

The self-paced nature of the program means that some students can dig deeply into the rich curriculum, while those having difficulty can spend more time attaining mastery of essential lessons. The K12 developed lesson plans and curriculum-based assessments guarantee consistent quality access for all students.

For students, the amount of time they spend on the computer and the nature of their work on the computer changes as they move from grades K to 12 as does the parent role in the process. In the early grades, as much as 20 percent of a student's learning time may be spent on the computer, the other 80 percent spent on learning offline. The parental role at this stage is more directly involved in the instructional process. As students progress to higher grade levels, they become more self-directed, and the amount of time they spend online increases with as much as half of their time spent on the computer by high school. At these higher grades, parents, while still involved in the learning program, are less involved in the direct instructional process

At every grade level in the program, all learning is self-paced. Each student is instructed by a team, including a state certified and highly qualified SCVCS teacher and parents or other designated responsible adults. Teachers direct students to achieve mastery of learning objectives, providing guidance, instruction, and support to students and parents via email, telephone, in person and during synchronous sessions using platforms such as Elluminate.

Teachers will communicate with the parent on a regular basis at teacher conferences. Teachers will also grade student work and will be available daily via phone or e-mail when students (or adults) have questions. SCVCS teachers will be located geographically around the state, situated close to their students, and will in most cases work from their homes. Teachers also plan and supervise periodic student events including field trips and opportunities to socialize with fellow students. Overseeing the educational program will be a professional administrative staff that will work from a central administrative facility based in Indianapolis.

Student achievement gains will be continuously measured and reported to students, parents, teachers, and administrators and the Board of Directors during the school year. Placement tests at the beginning of the year determine students' current level of competence and correct placement in the K12 math and English/Language Arts

curricula. SCVCS students will also take lesson, unit, and semester assessments built into the K12 program and accessible from the K12 Online School as well as in paper form. Students are expected to obtain a mastery level of 80% or higher before they can advance to the next lesson or unit. Students will submit work samples to be included in their portfolios. Each semester, students will receive a report card marking their progress in the program. Face-to-face parent-teacher conferences will be scheduled at least twice each school year. Students will fully participate in the PACT, NWEA, and DIBELS assessments at the appropriate grade levels.

In twelve statewide programs using the K12 program, public school districts, charter school boards, and/or state education agencies have developed schools like the SCVCS which meet both the sponsor's and each state's attendance, enrollment, academic, legal, financial, and all other forms of compliance. At the federal level, these schools have also met NCLB, Title I, IDEA, and all other crucial aspects of accountability required of all public schools.

In public virtual schools in other states that use the K12 curriculum in a model similar to that which we are proposing for the SCVCS, students in urban areas such as Los Angeles, Denver, Philadelphia, Columbus, and Cleveland as well as in small cities and rural areas across the country are successfully participating in this innovative model which is equally well-suited to Indiana.

While many students enter a K12 program more than one year below grade level, the longer they remain in the K12 program, the better their academic achievement. The evidence reflects the positive effect the K12 program has on students over time. A summary of achievement data from state assessment results through school year 2004-2005:

- Students enrolled in the K12 program for two years or more outperformed their district peers by an average of 8% in math and 27% in reading.
- Students enrolled in K12 schools for one year or less under-performed district students by an average of 10% in math but out-performed their peers by an average of 10% in reading.
- Students enrolled in K12 schools two or more years scored an average of 18% higher in math and 17% higher in reading than students enrolled in K12 schools one year or less.

The results from state assessments for the most recent school year available, 2004-05, provides further evidence of that achievement among the schools and students, including low-income, underachieving students, utilizing the K12 curriculum and program. (Note: Complete results for state standardized tests for school year 2005-06 are pending at this time and were unavailable for this application.)

- Of the 13 public virtual schools using K12's curriculum and management services, 10 met Adequate Yearly Progress for school year 2004-2005. The three schools not meeting AYP had adequate school wide proficiency rates, but one or more subgroups that did not meet targets.

- All of the 13 public virtual schools using K12's curriculum and management services met NCLB participation goals for school year 2004-05.
- Implementation of the K12 math curriculum has resulted in impressive and unprecedented gains in student achievement in inner-city classrooms.
- K12 reading and math curricula have accelerated the achievement of Title I, at-risk, and special education students.
- Students enrolled in K12's Supplemental Educational Services (SES) math program in 2005 showed dramatic academic progress.
- K12 effectiveness has been shown on norm-referenced tests.

Finally, virtual schools using K12's curriculum are also among the highest scoring virtual schools in their states, frequently outscoring comparable virtual schools. For example:

- Ohio Virtual School (OHVA) has been the top scoring virtual school in the state for the past three school years.
- Colorado Virtual School (COVA) outscored all other online schools in the state in school year 2004-05.
- Wisconsin Virtual School (WIVA) students had the highest test scores of any state-wide virtual school in the state for school year 2004-05.
- Florida Virtual School and Pennsylvania Virtual School (PAVCS) generally outscored other providers including Connections School in 2004-05.

Appendix C K12 Academic Achievement

K12 Virtual Public Schools Academic Achievement Snapshot March 2007

K12 Inc. is a leading provider of curriculum and school management services to statewide public virtual schools, serving more than 25,000 students.

Virtual Public Schools that utilize the K12 Curriculum

16 STATEWIDE PUBLIC VIRTUAL SCHOOLS USING K12:

Agora Cyber Charter School (Pennsylvania)
Arizona Virtual School
Arkansas Virtual School
California Virtual Academies
Colorado Virtual School
Florida Virtual School
Honors High Online of Wisconsin
Idaho Virtual School
Indiana Virtual Charter School
Lawrence Virtual School (Kansas)
Minnesota Virtual School
Ohio Virtual School
Pennsylvania Virtual Charter School
Utah Online Academies
Washington Virtual School
Wisconsin Virtual School

3 CITY-WIDE PUBLIC VIRTUAL SCHOOLS USING K12:

Chicago Virtual Charter School
Texas Virtual School at Southwest (Houston, TX)
Washington D.C. Community School Public Charter School Online (CAPCS Online)

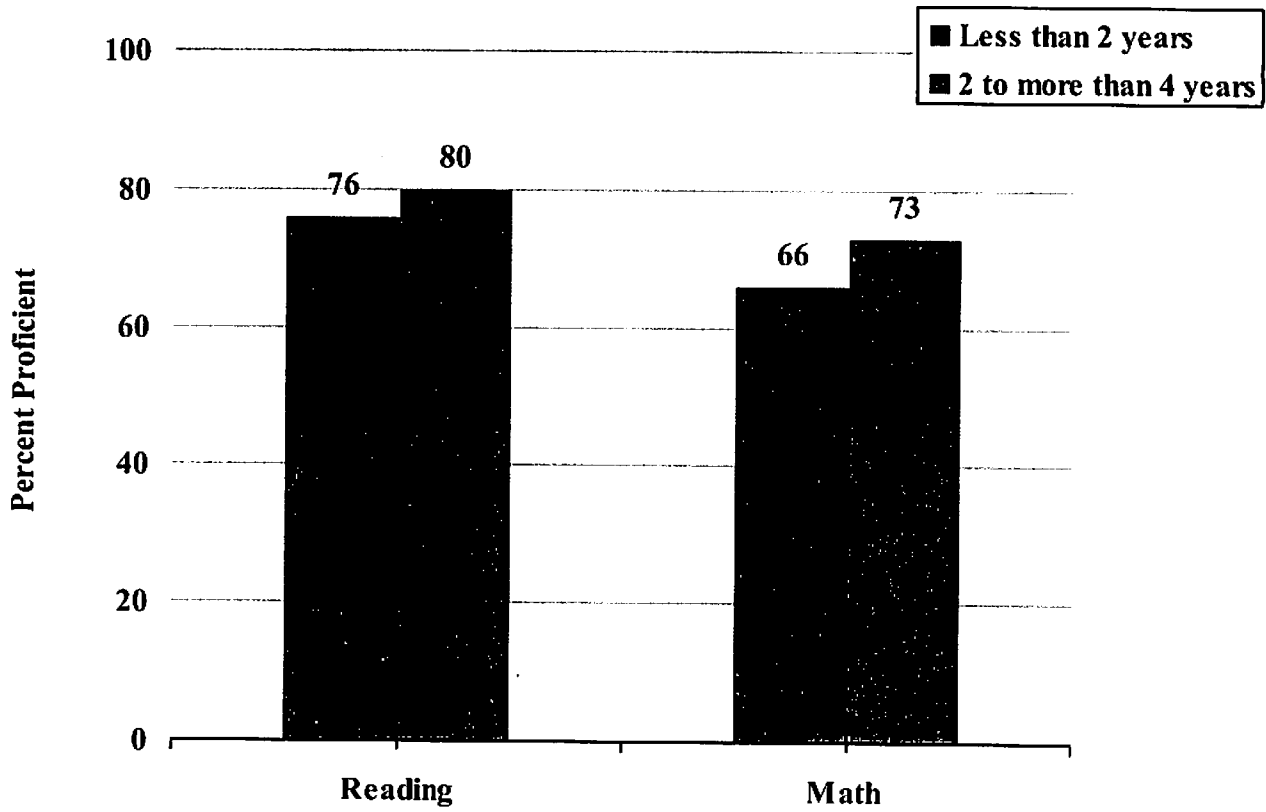
K12 Curriculum and Performance

- All K12 Schools generally perform between the state average and above average. Reading scores tend to be strongest, followed by math and writing.
- With very few exceptions, K12 is the highest performing public virtual school in the state
- The longer a child stays with K12, the better they perform.
- Children who have been with K12 since kindergarten do extremely well. Furthermore, middle school students who have been with K12 for more than one year perform very well.
- Value Added data in Ohio shows K12 is doing extraordinarily well on reading exams and quite well on math exams.

Public virtual schools using K12's curriculum are among the highest scoring virtual schools in their states, frequently outscoring comparable virtual schools.

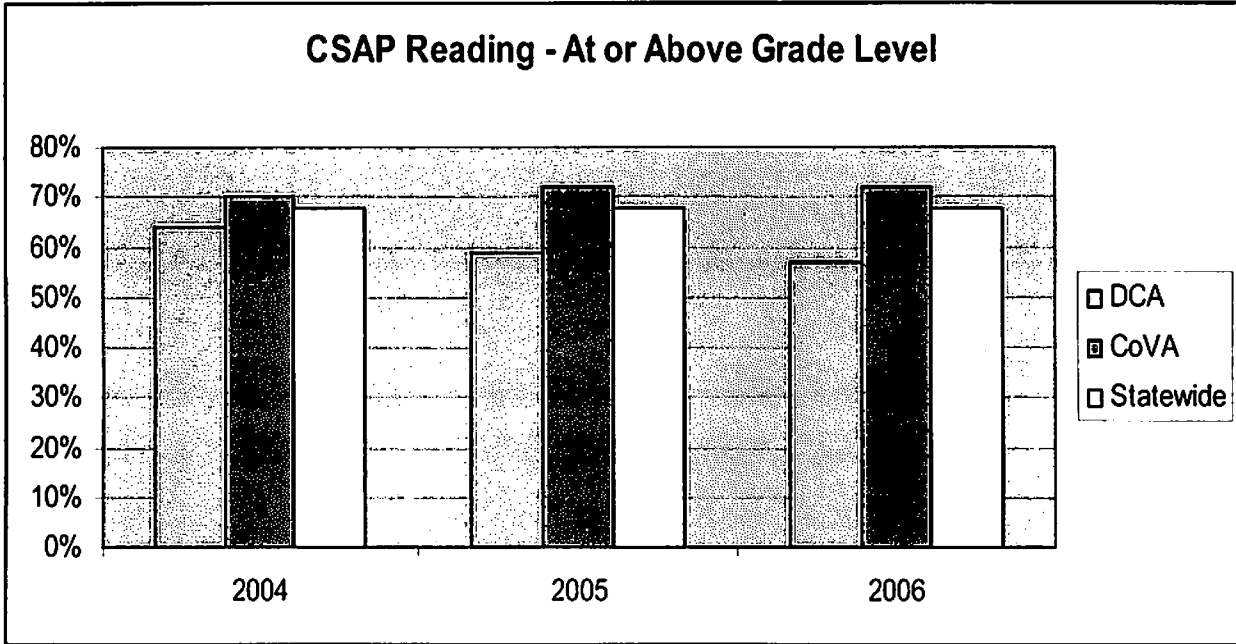
- **Ohio Virtual School (OHVA)** maintains the #1 position of all 41 eSchools in the state; OHVA has maintained that ranking for the 4th year in a row.
- **Colorado Virtual School (COVA)** had the highest percentage of students scoring in the proficient and advanced range of any online school in the state for the third year in a row.
- **Wisconsin Virtual School (WIVA)** students had the highest test scores of any state-wide public virtual school in the state.
- **Florida Virtual School (FLVA)** students outperformed the state and other public virtual schools in all grade levels and subjects tested for the fourth year in a row.
- **Pennsylvania Virtual School (PAVCS)** now leads among the other public virtual schools in the state that have served similar grade levels over the years from 2004 to 2006.
- For the third year in a row, the **Arkansas Virtual School (ARVS)** demonstrated high academic marks in math and literacy, surpassing the state average in most grades, making the K-8 public virtual school one of the top-scoring public schools in the state.

**Proficiency Rates by Number of Years with Idaho Virtual School
(All Grades 3-8 Combined)**
The longer students remain in Idaho Virtual School, the better they perform on state assessment tests

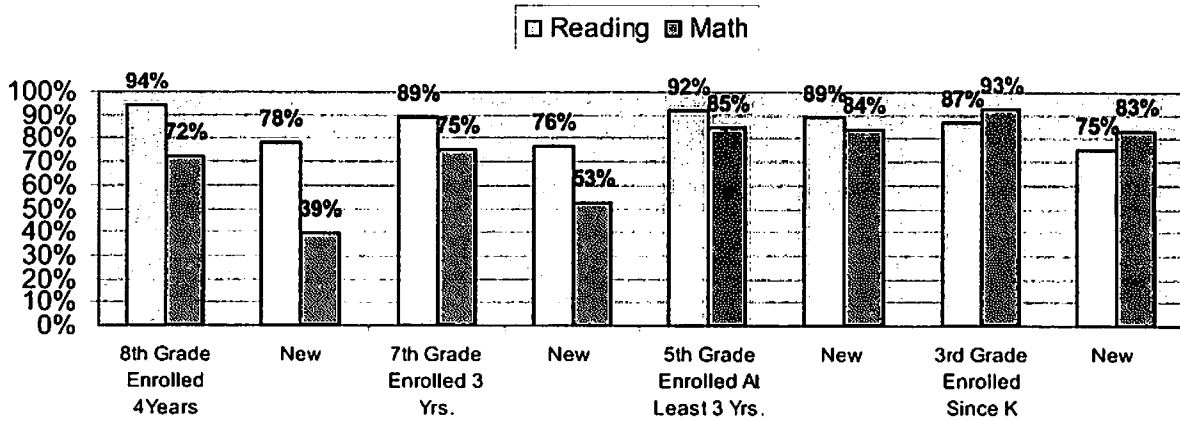


Colorado Virtual School (COVA) is the highest performing public virtual school in the state.

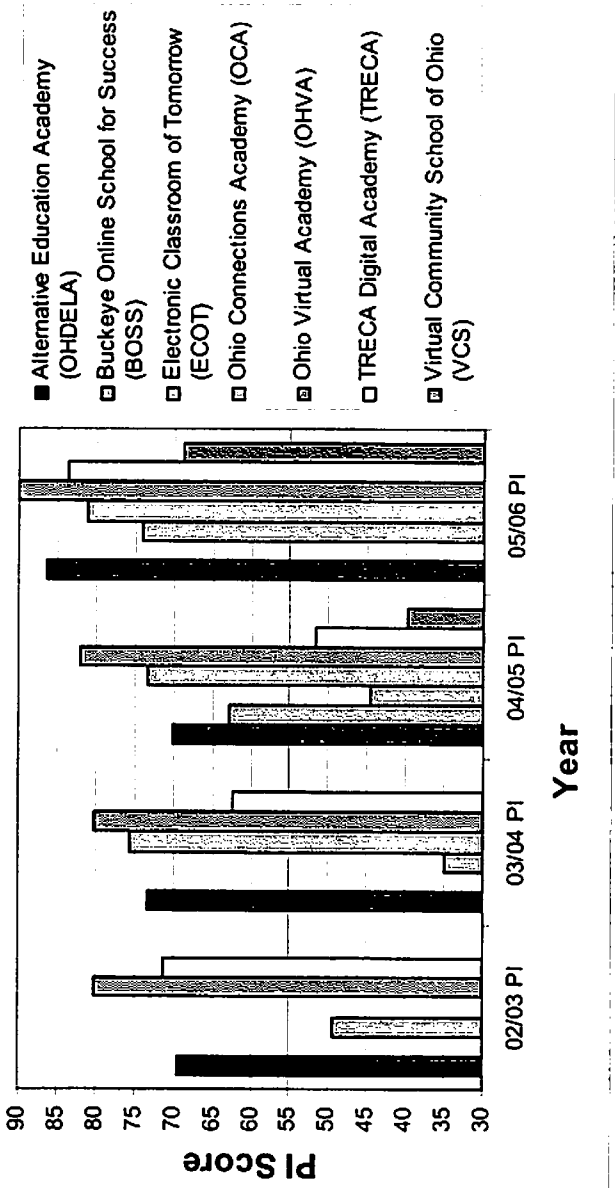
COVA's reading scores exceed the state average 3 years in a row



New vs. Returning Students in Colorado Virtual Academy
The longer students remain in Colorado Virtual Academy, the better they perform on state assessment tests



Ohio Public Virtual School Performance Index Score Over Time
Ohio Virtual Academy (OHVA) is the highest performing public virtual school 4 years in a row

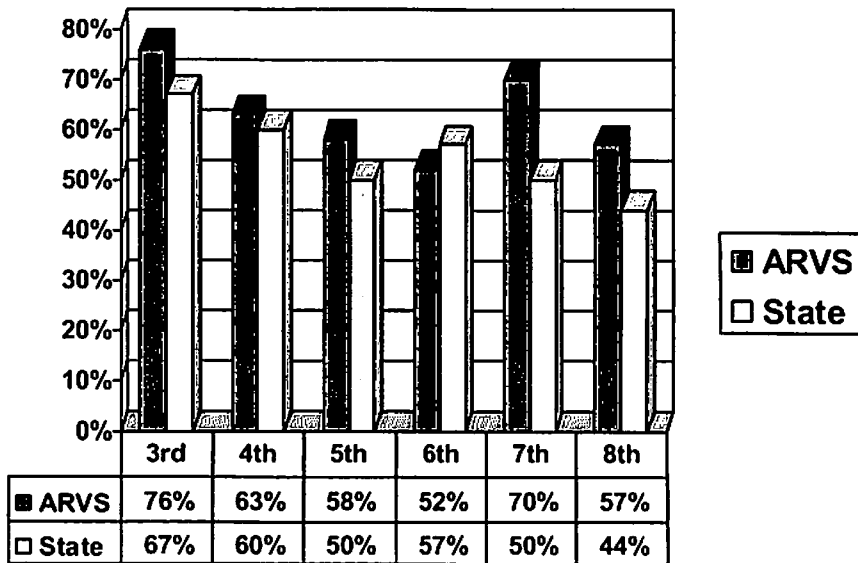
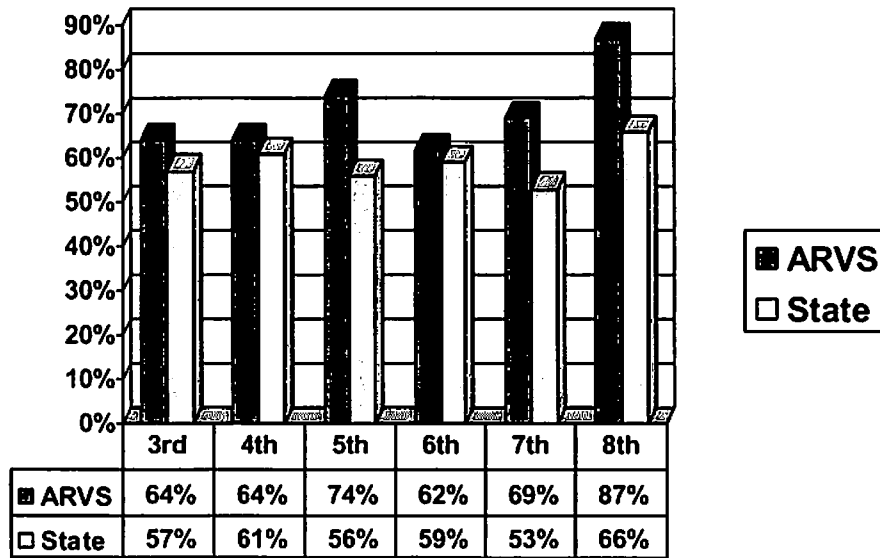


eSchool Report Card Rankings
 Ohio Virtual School (OHVA) received an **EFFECTIVE** school ranking in 05/06 from the OH Department of Education – the 2nd highest ranking a public school can receive. OHVA was the first and only public eSchool in the state to receive an Effective school ranking.

eSchool	02/03	03/04	04/05	05/06
Alternative Education School (OHDELA)		Academic Watch	Academic Watch	Continuous Improvement
Buckeye Online School for Success (BOSS)			Academic Emergency	Not Available
Electronic Classroom of Tomorrow (ECOT)	Academic Emergency	Academic Emergency	Academic Emergency	Continuous Improvement
Ohio Connections School (OCA)			Academic Watch	Continuous Improvement
Ohio Virtual School (OHVA)		Continuous Improvement	Continuous Improvement	Effective
TRECA Digital School (TRECA)	Academic Watch	Academic Watch	Academic Emergency	Continuous Improvement
Virtual Community School of Ohio (VCS)			Academic Emergency	Academic Emergency

**Arkansas Virtual School (ARVS) vs. State Average
SY 05-06**

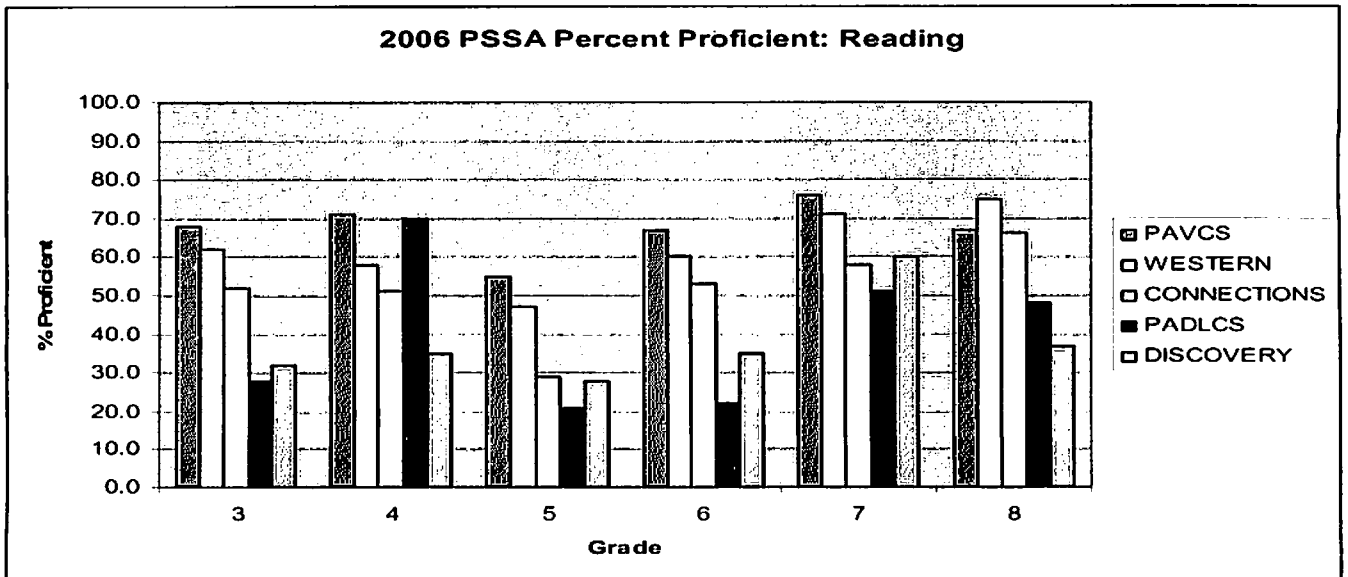
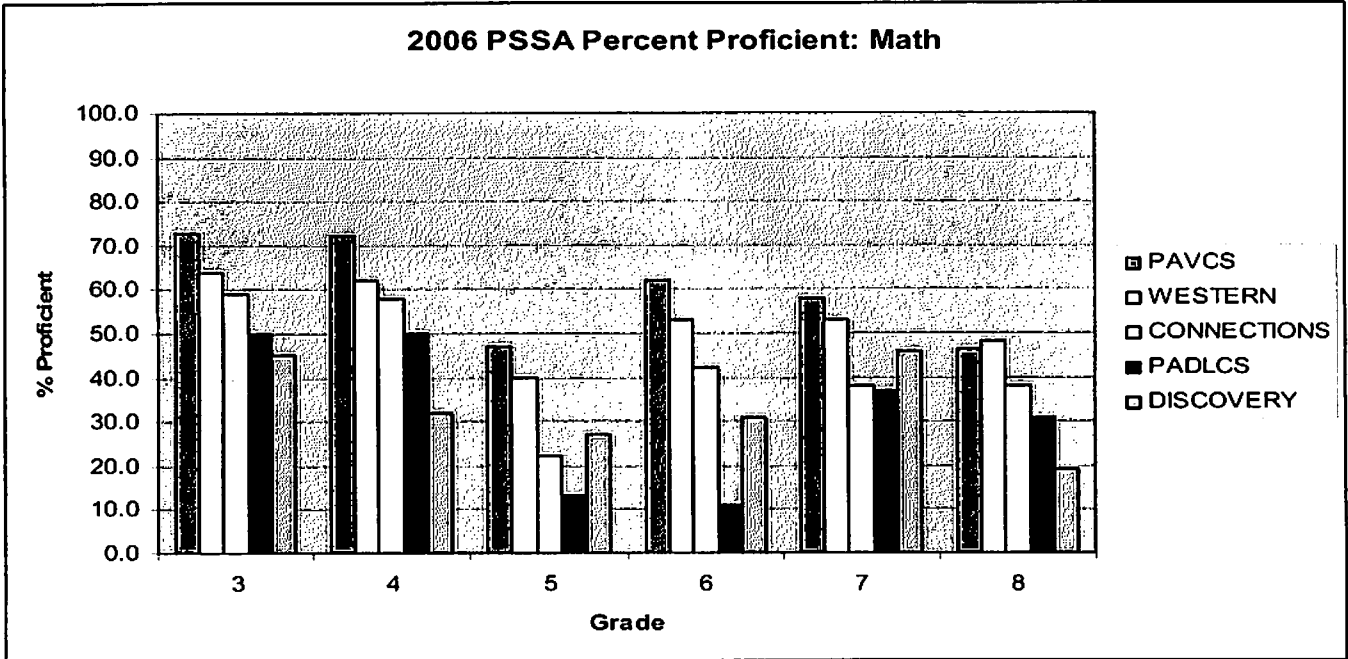
ARVS exceeded the state average in every subject, every grade (except 6th grade math)



Florida Virtual School (FLVA) exceeded the state average in every subject and every grade on the SY05-06 FCATs

% OF STUDENTS SCORING THREE (proficient) OR HIGHER ON THE FLORIDA COMPREHENSIVE ASSESSMENT TEST (FCAT)		
Grade Level and Subject	Florida Virtual School SY 2005-06	State SY 2005-06
Grade 3 Reading	86%	75%
Grade 3 Math	80%	72%
Grade 4 Reading	83%	66%
Grade 4 Math	82%	67%
Grade 5 Reading	84%	67%
Grade 5 Math	68%	57%
Grade 6 Reading	80%	64%
Grade 6 Math	75%	53%
Grade 7 Reading	76%	61%
Grade 7 Math	74%	55%
Grade 8 Reading	69%	46%
Grade 8 Math	82%	60%

Pennsylvania Virtual Charter School (PAVCS) was overall the highest performing public virtual school in PA





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K¹² Inc. and Florida Virtual School win the 2007 ITFlorida Government Technology Leadership Award

Orlando, FL (November 1, 2007)—On Tuesday, ITFlorida presented K¹² Inc. and Florida Virtual School (FLVA) with its 2007 Government Technology Leadership Award at the organization’s fifth annual Awards Gala and Tech Forum.

The ITFlorida Government Technology Leadership Award recognizes an innovative IT initiative or solution for its contributions to a state or local government agency’s mission and ability to improve delivery of services to the public. The ITFlorida awards spotlight those who have distinguished themselves and their industry in the best application of information technology throughout Florida.

ITFlorida is an umbrella, not-for-profit, membership organization that represents Florida's diverse technology community on a statewide basis.

Florida Virtual School is a K-8 online public school program authorized through the Florida Department of Education. The public school program provides students across the state with a full-time, comprehensive education using innovative technology, academic services and web-based learning programs developed by K¹² Inc., a technology-based education company and leading national provider of high-quality curriculum and services to online public schools.

Florida Virtual School was established in 2003 as a pilot program of the Florida Department of Education. The public school program has demonstrated strong academic performance each year and has consistently been the top-scoring K-8 online public school in the state. Since 2003, the percentage of FLVA students scoring proficient or higher has exceeded the state averages in most grades and subjects tested. Last year, FLVA received an “A” from the Florida Department of Education.

“I am honored to accept this award on behalf of K¹² Inc. and the all the parents, students, teachers, and administrators at Florida Virtual School,” said Patty Betoni, FLVA Head of School. “We are proud to be a partner in Florida’s public education system. Most importantly, we are pleased that children all across the state—regardless of their geographic, financial or demographic circumstance—are achieving in our high-quality, individualized public education program.”

About Florida Virtual School

Florida Virtual School serves 940 students in grades K-8 across the state. The public school program allows students to receive a complete education outside the traditional classroom.

Every FLVA student receives an individualized learning program using a curriculum with web-based lessons and assessments developed by K¹² Inc. Students access lessons through the innovative K¹² Online School and use other K¹² education materials (textbooks, workbooks, math and science supplies, and other hands-on projects) that are shipped directly to them.

All students are assigned to state-certified teachers. FLVA teachers work in partnership with the students and parents to help meet the students' learning needs. Teachers assign lessons, provide instruction, guidance and support and regularly communicate with students and parents via phone, email, Web-based "e-classrooms," and face-to-face meetings. Teachers also organize school outings and activities for students and their families. Students work with a "learning coach," usually a parent or responsible adult, to help guide them through their lessons.

Students must meet a number of accountability measures including academic progress and attendance requirements, and must also participate in state assessment tests.

Because FLVA is a public school program, there is no cost to enroll. More information can be found at www.flva.org.

About K¹² Inc.

K¹² Inc. is a leading national provider of individualized, one-to-one learning solutions for students in online schools, distance education programs and traditional classrooms. In the 2006-07 academic year, the K¹² program was used by more than 27,000 students in 17 statewide online schools. Many of the top-performing online schools use the K¹² curriculum and school services.

K¹² offers individualized learning solutions for students using an outstanding, highly effective curriculum that enables mastery of core concepts and skills for students of all abilities. The K¹² program combines a cognitive science-based curriculum with individualized learning approaches, delivered by teachers specifically trained to educate in an online environment.

K¹² Inc. is accredited through the Commission on International and Trans-Regional Accreditation (CITA) and is the largest national K-12 virtual school provider to be recognized by CITA. More information can be found at www.K12.com.

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Fuller Normal Charter School Receives 2007 InnoVision Technology Award for Innovation in Education

Greenville, SC - On Wednesday evening, November 7, The Fuller Normal Advanced Technology Charter School (FNATCS) was awarded the 2007 InnoVision Technology Award for Innovation in Education at the eighth annual awards dinner and ceremony. The award recognizes a company or organization for the application or development of innovative, technology-based projects and programs that impact education in the Upstate community.

“Each school day, our students get to experience a whole new world of learning made possible by the use of powerful technology and innovative curriculum,” said Brenda Humbert, Principal of FNATCS. “This award recognizes the valuable role technology and high-quality learning programs can play in a child’s education.”

The InnoVision Technology Awards program has been an early innovator in the South Carolina Upstate's drive to become a leader in the state's new economy. The mission is to honor and highlight organizations and individuals that develop or apply technological innovation, engage youth in areas of science and math, and advance technical collaboration. The awards program is led by an Advisory Board comprised of representatives from the Upstate's leading businesses, organizations and educational institutions.

At Fuller, subject matter comes alive as teachers deliver instruction using interactive whiteboards, projectors, web-based curriculum and audio and visual presentations. The school and its state-of-the-art facilities, which hosts a technology infrastructure unlike any in the nation, offers students in grades K-6 a unique, innovative and technologically-enriched educational opportunity.

FNATCS uses the innovative learning program designed by K¹² Inc., a leading provider of high quality curriculum and academic services to schools across the country. Developed by renowned and respected education experts—including scholars, writers, teachers, and designers—the K¹² curriculum is based on time-tested and research-based methods of instruction. FNATCS uses the K¹² curriculum to bring lessons to life with a rich mixture of online and offline teaching tools, including interactive animations, printed books with beautiful illustrations and narrative, original CD's and videos and materials for hands-on experiments.

For more information about the Fuller Normal Advanced Technology Charter School, please visit www.fnatcs.org.

Appendix D

Student Enrollment Projections

GRADE	2008-09	2009-10	2010-11	2011-12	2012-13
Kindergarten	89	133	178	222	267
First	89	133	178	222	267
Second	89	133	178	222	267
Third	89	133	178	222	267
Fourth	89	133	178	222	267
Fifth	89	133	178	222	267
Sixth	89	133	178	222	267
Seventh	89	133	178	222	267
Eighth	89	133	178	222	267
Ninth	80	120	160	200	240
Tenth	60	90	120	150	180
Eleventh	40	60	80	100	120
Twelfth	20	30	40	50	60
TOTALS	1001	1497	2002	2498	3003

Appendix E

K12 Curriculum Coverage of SC Academic Standards

MATHEMATICS	
SC Standards	Coverage
Math Grade K	<p>All South Carolina standards covered (some in other K12 grades) except K-4.3.</p> <p>To meet standard K-4.3:</p> <ul style="list-style-type: none"> • In lesson K.1.2 (<i>Top, Middle, Bottom</i>) play <i>I Spy</i> using page 6 of the student textbook. After completing page 6 as the lesson dictates, tell students that they can use the words <i>below</i> and <i>above</i> to identify the position of an object. On page 6, point out that the fish bowl is above the pinecone and that the seashell is below the pinecone. Then say, "I spy with my little eye something that is above the trumpet." Students should identify the bell. Repeat the "I spy" activity using various items on page 6 and the words <i>below</i> and <i>above</i>. • In lesson K.1.3 (<i>Left, Right, Between</i>) add an activity using toys to illustrate the concepts of <i>near, far, across from, next to</i>. Gather 2 stuffed animals, dolls or figurines. First, stand next to the student. State that you are next to her and she is next to you. Next, stand across from the student and state that you are across from her and she is across from you. Point out that you are facing each other. Have the student arrange the toys so that they are next to each other. Then have her arrange them so that they are across from each other. Repeat the activity using the concepts of <i>near</i> and <i>far</i>.
Math Grade 1	All South Carolina standards covered (some in other K12 grades).
Math Grade 2	All South Carolina standards covered (some in other K12 grades).
Math Grade 3	<p>All South Carolina standards covered (some in other K12 grades) except 3-5.4 and 3-6.4.</p> <p>To meet standard 3-5.4 add the following activity to lesson 3.9.11 (<i>Measuring Tools</i>) after Teach and Practice: Gather the following household items: cm ruler, inch ruler, 29 paperclips, 1-quart container, and 1-liter container. Recall that length, volume, and mass (weight) can be measured in customary or metric units. Identify the items that you have gathered. For this activity, be sure to point out that one paperclip represents 1 gram and the other 28 together represent 1 ounce. Have the student sort the items gathered by system of measurement (customary or metric). Point out that each system of measurement has units for similar measures. Use the household items to show that: 1.) centimeters and inches are similar because they are both used to measure short lengths; 2.) grams and ounces are similar because they are both used to measure mass; and 3.) quarts and liters are similar because they are used to measure capacity. Have the student revisit the answers to problems 1-6 on page 232. Make sure that she has all possible responses for each problem. Then, have her identify each of the responses as a customary or metric tool of measurement.</p> <p>To meet standard 3-6.4: Add an activity to lesson 3.8.3 (<i>Making Bar Graphs</i>) using the Arctic Deer Population graph found at the following link: http://www.pbs.org/americanfieldguide/teachers/native_species/deer_graph.pdf Ask the student to name the title and axis labels of the graph. Explain that each dot on the graph represents arctic deer population for a year and that when the points are connected they show how deer population changed over several years. Point out that the fifth data point tells that the population of arctic deer was 500 in 1930. Discuss the graph by asking the student to name the year with the highest and the year with the lowest population of arctic deer. Have the student write a short paragraph to explain what has happened to the arctic deer population over the time period represented in the graph.</p>
Math Grade 4	<p>All South Carolina standards covered (some in other K12 grades) except 4-5.1.</p> <p>To meet standard 4-5.1: In lesson 4.11.5 (<i>Metric Units of Mass and Weight</i>) add an extension</p>

South Carolina Virtual Charter School

	<p>activity in which students visit the produce department in a grocery store. Have each student weigh various amounts of produce to the nearest pound, then to the nearest ounce.</p>
Math Grade 5	<p>All South Carolina standards covered (some in other K12 grades) except 5-6.1.</p> <p>To meet standard 5-6.1: In lesson 5.7.8 (<i>Working With Graphs</i>), add an extension activity in which the student formulates a survey question, collects data in a tally chart, then creates a graph to represent survey results. Guide the student to select the type of graph that would best illustrate her data. Have her write a paragraph to summarize results of the investigation.</p>
Math Grade 6	<p>All South Carolina standards covered (some in other K12 grades).</p>
Math Grade 7	<p>All South Carolina standards covered (some in other K12 grades) except 7-5.4 and 7-5.5.</p> <p>To meet standards 7-5.4 and 7.5.5: Add an activity to lesson 6.4.2 (<i>Measuring Segments</i>) after the written exercises. Visit http://www.bartleby.com/61/charts/M0182500.html. Scroll through the webpage to recall equivalencies of length, mass and weight, and liquid volume between the Customary and metric systems of measurement. Then return to the section of the web page called <i>From Metric to U.S. Customary Units</i>. Use the information found there to convert the answers to problems 1-8 on page 110-111 from centimeters to inches.</p>
Math Grade 8	<p>All South Carolina standards covered (some in other K12 grades) except 8-2.6, 8-5.7, 8-6.1, and 8-6.2.</p> <p>To meet standard 8-2.6: Add an activity to lesson 8.15.3 (<i>Rational Square Roots</i>) after the <i>In the Book</i> activity. Explain that a cube number is a number that is multiplied by itself 3 times. Write the following cubes as examples: $3^3 = 3 \times 3 \times 3 = 27$; $5^3 = 5 \times 5 \times 5 = 125$; $8^3 = 8 \times 8 \times 8 = 512$. $10^3 = 10 \times 10 \times 10 = 1000$. Next, write 27, 125, 512, and 1000 each inside the cube root symbol, explaining that the symbol means <i>the cube root of 27</i>, etc... Explain that the cube root of a number is the inverse of a cube. Therefore, the cube roots of the previous examples respectively are 3, 5, 8, and 10. Have the student write the following numbers in cube root notation then find their cube roots: 64, 1, 8, 343, 729.</p> <p>To meet standard 8-5.7: Add problems to the <i>Exercises</i> section of lesson 8.9.6 (<i>Dimensional Analysis</i>) in which students convert between U.S. Customary System and the metric system.</p> <p>To meet standard 8-6.1: Add an activity to lesson 8.17.6 (<i>Statistical Graphs</i>) in which the student organizes 2 sets of data in a scatter plot then generalizes the relationship between the two sets and creates a line of best fit. The following interactive online tools may be helpful: http://www.shodor.org/interactivate/activities/Regression/ and http://www.shodor.org/interactivate/activities/ScatterPlot/.</p>
Elementary Algebra (High School)	<p>All South Carolina standards covered (some in other K12 grades) except EA-2.9, EA-2.10, EA-4.4, and EA-4.5.</p> <p>To meet standard EA-2.9: Add an activity to the unit called <i>Working with Real Numbers</i> to incorporate with matrices to perform addition, subtraction, and scalar multiplication.</p> <p>To meet standard EA-2.10: an activity to the unit called <i>Working with Real Numbers</i> in which students solve applied problems by using matrices.</p> <p>To meet standards EA-4.4 and EA-4.5: Add an activity to the lesson <i>Relations: Domain and Range</i> in which students write an equation of a trend line from the graphs in problems 13-18 on pages 389-390. Add an extension activity to analyze a scatter plot to make predictions.</p>
Intermediate Algebra (High School)	<p>No proprietary K12 course to align.</p>
Geometry (High School)	<p>All South Carolina standards covered except G-6.5, G-6.6, G-6.7, and G-6.8.</p> <p>To meet standard G-6.5: Add an activity in which students use the parallelogram method to represent the sum of two vectors geometrically.</p> <p>To meet standard G-6.6: Add an activity in which students determine the magnitude and direction</p>

	<p>of the resultant of two vectors by using a scale drawing and direct measurement.</p> <p>To meet standard G-6.7: Add an activity in which students compute the magnitude of the resultant of two perpendicular vectors by using the Pythagorean theorem.</p> <p>To meet standard G-6.8: Add an activity in which students determine the direction of the resultant of two perpendicular vectors by using a scale drawing and direct measurement.</p>
Precalculus (High School)	No proprietary K12 course to align.
Data Analysis and Probability (High School)	No proprietary K12 course to align.
ENGLISH-LANGUAGE ARTS	
SC Standards	Coverage
ELA Grade K	<p>All South Carolina standards covered (some in other K12 grades) except K-3.16, K-4.5, and K-4.6.</p> <p>To meet standard K-3.16: Teachers will supplement the curriculum to expose students to environmental print.</p> <p>To meet standards K-4.5 and K-4.6: Teachers will facilitate small group or whole class experiences.</p>
ELA Grade 1	<p>All South Carolina standards covered (some in other K12 grades) except 1-3.17.</p> <p>To meet standard 1-3.17: Teachers will supplement the curriculum to expose students to environmental print.</p>
ELA Grade 2	All South Carolina standards covered (some in other K12 grades).
ELA Grade 3	<p>All South Carolina standards covered (some in other K12 grades) except 3-5.3 and 3-5.4.</p> <p>To meet standard 3-5.3: Teachers will include a writing assignment related to the history of South Carolina.</p> <p>To meet standard 3-5.4: Teachers will supplement the curriculum to include an activity on the creation of riddles or jokes.</p>
ELA Grade 4	<p>All South Carolina standards covered (some in other K12 grades) except 4-5.1 and 4-5.4.</p> <p>To meet standard 4-5.1: Teachers will include an activity requiring students to create informational pieces such as postcards, flyers, letters, and e-mails that use language appropriate for the specific audience.</p> <p>To meet standard 4-5.4: Teachers will supplement the curriculum to include lessons addressing the creation of skits or plays.</p>
ELA Grade 5	<p>All South Carolina standards covered (some in other K12 grades) except 5-1.2 and 5-5.4.</p> <p>To meet standard 5-1.2: Teachers will include an activity for students to differentiate among the first-person, limited-omniscient (third person), and omniscient (third person) points of view.</p> <p>To meet standard 5-5.4: Teachers will supplement the curriculum to include lessons addressing the creation of picture books, comic books, or graphic novels.</p>
ELA Grade 6	All South Carolina standards covered (some in other K12 grades).
ELA Grade 7	<p>All South Carolina standards covered (some in other K12 grades) except 7-1.4.</p> <p>To meet standard 7-1.4: Teachers will supplement existing literature lessons to address static, dynamic, round, or flat characters.</p>
ELA Grade 8	All South Carolina standards covered (some in other K12 grades).

English 1 (High School)	All South Carolina standards covered (some in other K12 grades).
English 2 (High School)	No proprietary K12 course to align.
English 3 (High School)	No proprietary K12 course to align.
English 4 (High School)	No proprietary K12 course to align.
SCIENCE	
SC Standards	Coverage
Science Grade K	All South Carolina standards covered (some in other K12 grades).
Science Grade 1	All South Carolina standards covered (some in other K12 grades).
Science Grade 2	All South Carolina standards covered (some in other K12 grades).
Science Grade 3	All South Carolina standards covered (some in other K12 grades).
Science Grade 4	All South Carolina standards covered (some in other K12 grades).
Science Grade 5	All South Carolina standards covered (some in other K12 grades) except 5-4.8. To meet standard 5-4.8: Teachers will supplement the curriculum to teach students to explain how the mixing and dissolving of foreign substances is related to the pollution of the water, air, and soil.
Science Grade 6	All South Carolina standards covered (some in other K12 grades) except 6-2.8. To meet standard 6-2.8: Teachers will supplement the curriculum to teach students to explain how plants respond to external stimuli (including dormancy and the forms of tropism known as phototropism, gravitropism, hydrotropism, and thigmotropism).
Science Grade 7	All South Carolina standards covered (some in other K12 grades) except 7-3.4. To meet standard 7-3.4: Teachers will supplement the curriculum to teach students to explain the effects of disease on the major organs and body systems (including infectious diseases such as colds and flu, AIDS, and athlete's foot and noninfectious diseases such as diabetes, Parkinson's, and skin cancer).
Science Grade 8	All South Carolina standards covered (some in other K12 grades) except 8-3.9. (not specific to South Carolina) To meet standard 8-3.9: Teachers will supplement existing lessons on this concept to include South Carolina-specific information.
Physical Science (High School)	No proprietary K12 course to align.
Biology (High School)	All South Carolina standards covered except B-1.7, B-1.8, B-3.4, and B-3.5. To meet standard B-1.7: Teachers will supplement the curriculum to teach students to evaluate a technological design or product on the basis of designated criteria (including cost, time, materials). To meet standard B-1.8: Teachers will supplement the curriculum to teach students to compare the processes of scientific investigation and technological design. To meet standard B-3.4: Teachers will supplement the curriculum to teach students to summarize how the structures of organic molecules (including proteins, carbohydrates, and fats) are related to their relative caloric values. To meet standard B-3.5: Teachers will supplement the curriculum to teach students to summarize the functions of proteins, carbohydrates, and fats in the human body.
Chemistry (High School)	No proprietary K12 course to align.
Physics (High School)	No proprietary K12 course to align.

<p>Earth Science (high school)</p>	<p>All South Carolina standards covered except ES-1.8, ES-5.3 and ES-5.6.</p> <p>To meet standard ES-1.8: Teachers will supplement the curriculum to teach students evaluate a technological design or product on the basis of designated criteria (including cost, time, and materials).</p> <p>To meet standard ES-5.3: Teachers will supplement the curriculum to teach students to explain how karst topography develops as a result of groundwater processes.</p> <p>To meet standard ES-5.6: Teachers will supplement the curriculum to teach students to summarize the advantages and disadvantages of devices used to control and prevent coastal erosion and flooding.</p>
<p>HISTORY-SOCIAL STUDIES</p>	
<p>SC Standards</p>	<p>Coverage</p>
<p>Kindergarten: Children as Citizens: An Introduction to Social Studies</p>	<p>All South Carolina standards covered except K.1.1, K.1.2, K.2.1, K.2.2, K.2.3, K.4.1, K.4.2, K.5.1, K.5.2, K.5.3, K.5.4, K.5.5, K.6.1, K.6.2, and K.6.3.</p> <p>To meet the above standards: Lessons addressing these standards will supplement the K12 program.</p>
<p>Grade 1: Families Here and across the World</p>	<p>All South Carolina standards are covered except 1.1.1, 1.1.2, 1.1.3, 1.1.4, 1.1.5, 1.2.1, 1.2.2, 1.3.1, 1.3.2, 1.3.3, 1.3.4, 1.4.1, 1.4.2, 1.4.3, 1.5.1, 1.5.2, 1.6.1, 1.6.2, 1.6.3, and 1.6.4.</p> <p>To meet the above standards: Lessons addressing these standards will supplement the K12 program.</p>
<p>Grade 2: Communities Here and across the World</p>	<p>All South Carolina standards are covered except 2.1.1, 2.1.2, 2.1.3, 2.1.4, 2.2.3, 2.2.5, 2.3.1, 2.3.2, 2.3.3, 2.5.1, 2.5.2, 2.5.3, 2.5.4, and 2.5.5.</p> <p>To meet the above standards: Lessons addressing these standards will supplement the K12 program.</p>
<p>Grade 3: South Carolina Studies</p>	<p>No proprietary K12 course to align.</p>
<p>Grade 4: United States Studies to 1865</p>	<p>All South Carolina standards are covered except 4.2.1, 4.3.5, and 4.3.6.</p> <p>To meet the above standards: Lessons addressing these standards will supplement the K12 program.</p>
<p>Grade 5: United States Studies: 1865 to the Present</p>	<p>All South Carolina standards are covered except: 5.3.6 and 5.4.6.</p> <p>To meet the above standards: Lessons addressing these standards will supplement the K12 program.</p>
<p>Grade 6: Ancient Cultures to 1600</p>	<p>All South Carolina standards are covered except 6.2.6, 6.3.6, 6.4.1, and 6.6.3.</p> <p>To meet the above standards: Lessons addressing these standards will supplement the K12 program.</p>
<p>Grade 7: Contemporary Cultures: 1600 to the Present</p>	<p>All South Carolina standards are covered except: 7.3.2, 7.3.3,</p> <p>To meet the above standards: Lessons addressing these standards will supplement the K12 program.</p>
<p>Grade 8: South Carolina: One of the United States</p>	<p>No proprietary K12 course to align.</p>
<p>Global Studies (High School)</p>	<p>No proprietary K12 course to align.</p>
<p>United States History and the Constitution (High School)</p>	<p>No proprietary K12 course to align.</p>
<p>Economics (High School)</p>	<p>No proprietary K12 course to align.</p>
<p>United States Government (High School)</p>	<p>No proprietary K12 course to align.</p>

School)	
PHYSICAL EDUCATION	
SC Standards	Coverage
Grades 9 - 12	<p>All South Carolina standards covered except part of Standard 2, part of Standard 4, Standard 5 and Standard 6.</p> <p>To complete coverage of Standard 2 (Analyze and assess the motor performance of others in selected activities): In Unit 4, lesson 1 (<i>Muscle Strength, Endurance and Flexibility</i>), after reading about the correct way to complete a push-up, have students 'coach' one another (or the mentor) as each completes a series of push-ups. The student who is 'coaching' should make verbal suggestions to help the other student maintain good form as he completes the exercises. Repeat the activity with leg lunges.</p> <p>To complete coverage of Standard 4 (Meet the gender and age group health-related physical fitness standards as defined by the Fitnessgram™.): Begin Unit 9 lesson 1 (<i>Self-Assess and Revise Your Physical Fitness Plan</i>) by having each student complete a Fitnessgram™, and revise his plan according to the results. Then, in Unit 18 lesson 1 (<i>Summarize Physical Fitness Experience</i>) have each student complete a final Fitnessgram™.</p> <p>To meet Standard 5: In Unit 13, complete lesson 1 (<i>Personal and Social Behavior</i>) by having each student write a paragraph to explain how he would respond to the following hypothetical situation using what he learned in the lesson: "You are a player on a soccer team and the first period has ended. As both teams are leaving the field, a player from the opposing team begins to taunt you and a few of your teammates. Some of your teammates shout back and move toward the opposing players in a confrontational way. What do you do?"</p> <p>To meet the first bullet point of Standard 6: In Unit 12, lesson 1 (<i>Rules and Strategies</i>) when completing the Physical Education Research Report have the student list strategies for including persons of diverse backgrounds and abilities.</p> <p>To meet the second bullet point of Standard 6: In Unit 17, lesson 1 (<i>Lifelong Physical Fitness</i>) have each student interview an active senior citizen about his or her physical fitness preferences (type of activity, duration, frequency), then write a paragraph contrasting his own fitness level and choices with those of the senior citizen.</p>

Appendix F Five Year Projected Budget

South Carolina Virtual Charter School Five-Year Budget

Academic School Year		2008-2009	2009-2010	2010-2011	2011-2012	2012-2013		
Number of Students		1001	1497	2002	2498	3003		
FND	REVENUE	Revenues						
1	100	1920	Contributions & Donations	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00
2	100	1999	Fundraising	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00
3	100	3100	State Restricted Funding	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00
4	100	3311	Education Finance Act (Kindergarten)	\$401,084.68	\$593,813.69	\$796,960.48	\$984,480.59	\$1,187,627.38
5	100	3312	Education Finance Act (Primary)	\$1,204,682.17	\$1,801,739.56	\$2,404,080.65	\$2,995,854.35	\$3,598,195.43
6	100	3313	Education Finance Act (Elementary)	\$1,404,234.16	\$2,097,088.49	\$2,804,763.22	\$3,497,617.55	\$4,208,997.39
7	100	3314	Education Finance Act (High School)	\$784,494.04	\$1,176,741.06	\$1,568,988.08	\$1,961,235.10	\$2,353,482.13
8	100	3316	Education Finance Act (SP)	\$360,716.07	\$537,026.11	\$721,432.14	\$913,451.16	\$1,097,857.19
9	100	3323	Education Finance Act (LD)	\$660,679.96	\$997,991.84	\$1,342,192.92	\$1,679,504.80	\$2,017,259.00
10	200	4000	Federal Programs	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00
11	252	4320	Planning & Implementation Grant	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00
12	300	3500	Education Improvement Act (EIA)	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00
13	600	1610	Lunch Sales to Pupils	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00
14	600	4810	USDA Reimbursement - School Lunch	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00
15	700	1700	Pupil Activity	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00
16	900	3100	State Restricted Funding	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00
17	900	3600	Education Lottery Act (ELA)	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00
18	Total Revenue			\$4,815,891.09	\$7,204,400.76	\$9,638,417.49	\$12,032,143.55	\$14,463,418.50

South Carolina Virtual Charter School
Five-Year Budget

Academic School Year				2008-2009	2009-2010	2010-2011	2011-2012	2012-2013
Number of Students				1001	1497	2002	2498	3003
FND	FCT	OBJ	Instruction Expenditures					
19	100	110	110 Teacher Salaries	\$755,000.00	\$1,095,500.00	\$1,473,000.00	\$1,850,500.00	\$2,191,000.00
20	100	110	210 Group Health & Life Insurance	\$72,000.00	\$104,400.00	\$140,400.00	\$176,400.00	\$208,800.00
21	100	110	220 Employee Retirement	\$94,224.00	\$136,718.40	\$183,830.40	\$230,942.40	\$273,436.80
22	100	110	230 Social Security	\$57,757.50	\$83,805.75	\$112,684.50	\$141,563.25	\$167,611.50
23	100	110	240 Tuition Reimbursement	\$13,689.00	\$20,534.00	\$27,378.00	\$34,223.00	\$41,067.00
24	100	110	260 Unemployment Compensation Tax	\$9,520.00	\$9,044.00	\$13,804.00	\$14,042.00	\$15,946.00
25	100	110	270 Worker's Compensation Tax	\$5,285.00	\$7,668.50	\$10,311.00	\$12,953.50	\$15,337.00
26	100	110	340 ISP Reimbursement	\$13,437.00	\$20,155.00	\$26,874.00	\$33,592.00	\$40,310.00
27	100	110	311 Exams & Test Administration	\$50,000.00	\$75,000.00	\$100,000.00	\$125,000.00	\$150,000.00
28	100	110	340 Telephone (Teacher)	\$22,843.00	\$34,264.00	\$45,685.00	\$57,106.00	\$68,528.00
29	100	110	340 ISP (Student)	\$42,603.00	\$63,904.00	\$85,205.00	\$106,506.00	\$127,808.00
30	100	110	360 Instructional Printing & Binding	\$6,718.00	\$10,078.00	\$13,437.00	\$16,796.00	\$20,155.00
31	100	110	410 Instructional Supplies (Teacher)	\$34,069.00	\$32,534.00	\$40,285.00	\$48,034.00	\$55,784.00
32	100	110	410 Instructional Supplies (Student)	\$578,709.00	\$868,064.00	\$1,157,418.00	\$1,446,773.00	\$1,736,127.00
33	100	110	490 Curriculum Delivery (Teacher)	\$45,728.00	\$68,593.00	\$91,457.00	\$114,321.00	\$137,185.00
34	100	110	490 Curriculum Delivery (Student)	\$1,034,653.00	\$1,551,979.00	\$2,069,306.00	\$2,586,632.00	\$3,103,958.00
35	100	110	545 Instructional Cap Computers (Teacher)	\$48,397.00	\$24,198.00	\$24,198.00	\$24,198.00	\$24,198.00
36	100	110	545 Instructional Cap Computers (Student)	\$95,114.00	\$142,671.00	\$190,228.00	\$237,785.00	\$285,342.00
37	100	120	110 Exceptional Teacher Salaries	\$237,000.00	\$355,500.00	\$474,000.00	\$592,500.00	\$711,000.00
38	100	120	210 Group Health & Life Insurance	\$21,600.00	\$32,400.00	\$43,200.00	\$54,000.00	\$64,800.00
39	100	120	220 Employee Retirement	\$29,577.60	\$44,366.40	\$59,155.20	\$73,944.00	\$88,732.80
40	100	120	230 Social Security	\$18,130.50	\$27,195.75	\$36,261.00	\$45,326.25	\$54,391.50
41	100	120	260 Unemployment Compensation Tax	\$2,856.00	\$2,856.00	\$3,570.00	\$4,284.00	\$4,998.00
42	100	120	270 Worker's Compensation Tax	\$1,659.00	\$2,488.50	\$3,318.00	\$4,147.50	\$4,977.00
43			Total Instruction Expense	\$3,290,569.60	\$4,813,917.30	\$6,425,005.10	\$8,031,568.90	\$9,591,492.60

South Carolina Virtual Charter School
Five-Year Budget

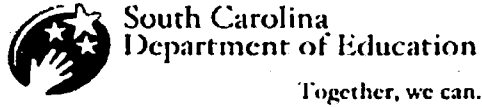
Academic School Year				2008-2009	2009-2010	2010-2011	2011-2012	2012-2013
Number of Students				1001	1497	2002	2498	3003
FND	FCT	OBJ	Support Services Expenditures					
44	100	212	110 Guidance Salaries	\$50,000.00	\$50,000.00	\$100,000.00	\$100,000.00	\$100,000.00
45	100	212	210 Group Health & Life Insurance	\$3,600.00	\$3,600.00	\$7,200.00	\$7,200.00	\$7,200.00
46	100	212	220 Employee Retirement	\$6,240.00	\$6,240.00	\$12,480.00	\$12,480.00	\$12,480.00
47	100	212	230 Social Security	\$3,825.00	\$3,825.00	\$7,650.00	\$7,650.00	\$7,650.00
48	100	212	260 Unemployment Compensation Tax	\$476.00	\$238.00	\$714.00	\$476.00	\$476.00
49	100	212	270 Worker's Compensation Tax	\$350.00	\$350.00	\$700.00	\$700.00	\$700.00
50	100	214	313 Psychological Services	\$228,174.00	\$342,260.00	\$456,346.00	\$570,433.00	\$684,520.00
51	100	215	313 Exceptional Program Services	\$114,086.00	\$171,130.00	\$228,174.00	\$285,217.00	\$342,260.00
52	100	221	110 Instructional Coordinator Salaries	\$35,000.00	\$35,000.00	\$70,000.00	\$70,000.00	\$70,000.00
53	100	221	210 Group Health & Life Insurance	\$3,600.00	\$3,600.00	\$7,200.00	\$7,200.00	\$7,200.00
54	100	221	220 Employee Retirement	\$4,368.00	\$4,368.00	\$8,736.00	\$8,736.00	\$8,736.00
55	100	221	230 Social Security	\$2,677.50	\$2,677.50	\$5,355.00	\$5,355.00	\$5,355.00
56	100	221	260 Unemployment Compensation Tax	\$476.00	\$238.00	\$714.00	\$476.00	\$476.00
57	100	221	270 Worker's Compensation Tax	\$245.00	\$245.00	\$490.00	\$490.00	\$490.00
58	100	224	312 Instructional Staff Development	\$20,534.00	\$30,801.00	\$41,067.00	\$51,334.00	\$61,601.00
59	100	231	314 Board Development & Training	\$2,500.00	\$2,500.00	\$2,500.00	\$2,500.00	\$2,500.00
60	100	231	318 Audit Services	\$10,000.00	\$10,000.00	\$10,000.00	\$10,000.00	\$10,000.00
61	100	231	319 Legal Services	\$7,500.00	\$7,500.00	\$7,500.00	\$7,500.00	\$7,500.00
62	100	231	650 Liability Insurance	\$18,000.00	\$18,000.00	\$27,000.00	\$27,000.00	\$120,000.00
63	100	233	315 Administrative Services	\$577,906.93	\$972,594.10	\$1,301,186.36	\$1,684,500.10	\$2,097,195.68
64	100	233	332 Travel	\$28,437.00	\$35,155.00	\$41,874.00	\$48,592.00	\$55,310.00
65	100	233	340 Telephone	\$14,100.00	\$14,100.00	\$17,100.00	\$17,100.00	\$17,100.00
66	100	233	340 Internet	\$6,000.00	\$6,000.00	\$9,000.00	\$9,000.00	\$9,000.00
67	100	233	340 Conference Calling	\$6,000.00	\$6,000.00	\$9,000.00	\$9,000.00	\$9,000.00
68	100	233	340 Fax Service	\$1,200.00	\$1,200.00	\$1,800.00	\$1,800.00	\$1,800.00

South Carolina Virtual Charter School
Five-Year Budget

Academic School Year				2008-2009	2009-2010	2010-2011	2011-2012	2012-2013
Number of Students				1001	1497	2002	2498	3003
FND	FCT	OBJ	Support Services Expenditures					
69	100	233	360 Administrative Printing & Binding	\$2,400.00	\$2,400.00	\$3,600.00	\$3,600.00	\$3,600.00
70	100	233	410 Office Supplies	\$7,800.00	\$7,800.00	\$11,700.00	\$11,700.00	\$11,700.00
71	100	233	410 Postage	\$9,600.00	\$9,600.00	\$14,400.00	\$14,400.00	\$14,400.00
72	100	233	540 Office Equipment	\$9,000.00	\$9,000.00	\$13,500.00	\$13,500.00	\$13,500.00
73	100	233	545 Office Cap Computers	\$1,208.00	\$1,208.00	\$1,812.00	\$1,812.00	\$1,812.00
74	100	254	321 Public Utility Services (Water & Sewer)	\$500.00	\$500.00	\$750.00	\$750.00	\$750.00
75	100	254	324 Property Insurance	\$1,500.00	\$1,500.00	\$2,000.00	\$2,000.00	\$2,000.00
76	100	254	325 Facility Lease	\$57,750.00	\$57,750.00	\$86,625.00	\$86,625.00	\$86,625.00
77	100	254	329 Trash Service	\$250.00	\$250.00	\$400.00	\$400.00	\$400.00
78	100	254	470 Energy (Electric, Gas, Oil)	\$2,888.00	\$2,888.00	\$4,331.00	\$4,331.00	\$4,331.00
79	100	266	345 Technology Services	\$264,874.01	\$504,308.05	\$674,689.22	\$842,250.05	\$1,012,439.30
80	100	271	660 Field Trips / School Events	\$5,000.00	\$7,500.00	\$10,000.00	\$12,500.00	\$15,000.00
81			Total Support Services Expense	\$1,508,065.44	\$2,332,325.66	\$3,197,593.59	\$3,938,607.15	\$4,805,106.98
82			Total Expenditures	\$4,798,635.04	\$7,146,242.96	\$9,622,598.69	\$11,970,176.05	\$14,396,599.58
83			Balance	\$17,256.05	\$58,157.80	\$15,818.80	\$61,967.50	\$66,818.93

Appendix G

SDE Documentation of Estimated Revenue



Per Pupil Funding - State Charter School District - FY 2008-2009

Note: This is an estimated per pupil figure to be used in charter applications for schools applying to the State Charter School District

Stated Per Pupil - Charter Law \$2,578.00
(Base Student Cost)

Other Potential District Per Pupil - Based on FY 07-08 Appropriations, the following are estimated per pupil figures that can be used during the budget/application process

Other General Fund Allocations
 Employer Contributions (for state sponsored benefit programs) \$682.00
 Retiree Insurance (only if employees are part of the State Retirement System) \$113.00

Estimated Base Per Pupil \$3,373.00

Estimated Three-Year Average Per Pupil for Categorical Funding *

Program Name	Student Data Source Used for Allocation	Grades Served	FY 06 Per Pupil	FY 07 Per Pupil	FY 08 Per Pupil	Average 3-yr per pupil	
Academic Assistance K-3	Free/Reduced Lunch	K-3	\$470.96	\$524.06	\$526.65	\$507.22	K, P
Academic Assistance 4-12	Free/Reduced Lunch	4-12	\$218.51	\$186.29	\$177.95	\$194.25	E, HS
Reduce Class Size	Free/Reduced Lunch	1-3	\$393.55	\$381.44	\$367.47	\$380.82	P
Grades K-5 Lottery Enhancement	Average Daily Membership (ADM)	K-5	\$127.69	\$125.68	\$126.48	\$126.62	K, P, E
Grades 6-8 Lottery Enhancement	Average Daily Membership (ADM)	6-8	\$11.28	\$10.93	\$11.50	\$11.24	E
Increase High School Diploma Req.	Average Daily Membership (ADM)	9-12	\$120.65	\$120.35	\$132.46	\$124.49	HS

* These per pupil figures are estimates derived from statewide allocations based on a three year average. Charter schools sponsored by the State Charter School District are not guaranteed this per pupil amount. Data provided for preliminary budgetary purposes only.

Charter schools may be eligible for other categorical funds based on programs offered and the student population served.

Appendix H

K12 Educational Products and Services Agreement

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EDUCATIONAL PRODUCTS AND SERVICES AGREEMENT

Between the
 SOUTH CAROLINA VIRTUAL CHARTER SCHOOL
 and
 K12 SOUTH CAROLINA L.L.C.

This EDUCATIONAL PRODUCTS AND SERVICES AGREEMENT ("Agreement") is made and entered into, by and between the Customer identified below ("Customer") and South Carolina Virtual School ("K12") as of the date signed by K12, and includes the following exhibits:

- a. Terms and Conditions of Product Delivery and Services
- b. Exhibit A (Products and Services)
- c. Exhibit B (K12 Proprietary Marks)

Capitalized terms used herein but not otherwise defined will have the meaning ascribed to them in Sec. 8.

Customer Information	K12 Information
Contact: _____	Account _____
School/District: South Carolina Virtual Charter School, a South Carolina non-profit corporation	Rep: _____
Street/PO: _____	Phone: _____
City: _____	Fax: _____
State: _____	E-mail: _____
Zip: _____	
Email: _____	
Entity Type: <input type="checkbox"/> SEA <input type="checkbox"/> LEA <input checked="" type="checkbox"/> Non-profit Charter School <input type="checkbox"/> Private School <input type="checkbox"/> Other: _____	
Educational Program Type: <input checked="" type="checkbox"/> Distance Learning Educational Program. <input type="checkbox"/> Distance Learning with Supplemental Classroom-based Instruction Educational Program <input type="checkbox"/> Classroom-based Program.	
Name of Program or School in which products and services will be used: South Carolina Virtual Charter School	
Billing Contact information (required for all accounts)	
Billing Name: _____	Billing Email: _____
Billing Address: _____	
Billing City: _____	Billing State and Zip: _____
By signing below, I accept the Products and Services and prices above and have read and understood, and agree to be bound by, all terms and conditions of this Agreement, as well as other applicable K12 agreements or policies which are incorporated therein by reference. I am a duly authorized officer, partner or principal with full authority to enter into this Agreement on Customer's behalf.	
South Carolina Virtual Charter School	K12 South Carolina L.L.C.
By: _____	By: _____
Name & Title: _____	Name & Title: _____
Date: _____	Date: _____

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1. K12 Products and Services.
 - 1.1. Description of Educational Products. For each school year during the Term, K12 and Affiliates shall license to Customer, for use in its Program, on a non-exclusive, non-assignable, non-sublicensable basis, the K12® curriculum (a/k/a Online School or OLS) and/or available third party curriculum, instructional tools and other products for an Educational Program, as described in Exhibit A, during the term of this Agreement (the "Educational Products"). During the Term, the parties may agree that K12 and Affiliates shall license additional Products (e.g., additional curriculum, supplementary curriculum, and/or educational programs) beyond those listed in Exhibit A, in the event that Customer has sufficient funds to purchase the additional Products or K12 agrees to otherwise provide. Provision of additional Products will be agreed to in writing as an addendum to this Agreement and shall be governed by the terms of this Agreement.
 - 1.2. Description of Services. K12 and Affiliates shall provide Customer with the services, as described in Exhibit A, during the term of this Agreement (the "Services"). During the Term, the parties may agree that K12 and Affiliates shall provide Customer with additional Services beyond those listed in Exhibit A, in the event that Customer has sufficient funds to purchase the additional Services or K12 agrees to otherwise provide. K12's provision of additional Services will be agreed to in writing as an addendum to this Agreement and shall be governed by the Terms of this Agreement.
 - 1.2.1. Place of Performance. Performance of Services is not required to be rendered on Customer premises, unless specifically stated in Exhibit A.
 - 1.3. Standard of K12 Performance.
 - 1.3.1. General. It is understood by both parties that the services provided by K12 under this Agreement, will be provided to the extent deemed necessary and appropriate by K12 in its professional judgment and discretion to satisfy the requirements of Applicable Law, Customer's Charter, the Customer-Sponsor Agreement and the Sponsor's and Customer's policies.
 - 1.3.2. Confidentiality of Records. K12 will maintain the confidentiality of personnel, student and other records in accordance with the requirements of Applicable Law.
 - 1.3.3. Licensure or Other State Requirements. Except as otherwise provided in this Agreement or in the Charter, all personnel performing Administrative Services for K12 on behalf of Customer must comply with all applicable licensure or other requirements of the State and any regulations promulgated there under applicable to persons who perform such services.
2. Customer Responsibilities.
 - 2.1. Payment. For the Educational Products and Services, Customer shall compensate K12 at the rates and conditions set forth in this Agreement. It is Customer's responsibility to pay for all costs and expenses provided under this Agreement. The compensation provided for herein constitutes full consideration for the Products and Services.
 - 2.2. General Oversight. Customer will be responsible for monitoring K12's performance under, and compliance with, the terms of this Agreement.
 - 2.3. Customer Policies. The parties acknowledge and agree that in providing services hereunder, K12 will recommend various policies for the operation of Customer's Program and will implement procedures consistent with those policies, but that Customer retains ultimate responsibility and authority for adopting policies and for overseeing K12's implementation of procedures consistent with those policies, such that the policies and their implementation are in compliance with Applicable Law. By way of example and without limiting the foregoing, Customer will approve the adoption of policies relating to the budget, authorization of expenditures, curriculum, admissions procedures, student conduct, school calendars, procedures for resolution of parent or student complaints and disputes between Customer and its employees, and the responsible use of computer equipment and other instructional property. Customer shall provide K12 written copies of all policies adopted by Customer and must notify K12 promptly in

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- writing of any changes to such policies adopted by Customer and shall provide K12 with copies thereof. Subject to Section 12.1.5, K12 must comply with any changes in such policies within thirty (30) days of its receipt of written notice and a copy thereof.
- 2.4. **Financial Matters.** In accordance with Exhibit A, except for any budget approved prior to the effective date of this Agreement, Customer will adopt an annual Program budget for each school year during the Term. Customer will not unreasonably withhold its approval of any budget or modifications thereto proposed by K12 and will review and act upon each such proposed budget and any such proposed modifications within thirty (30) days following the submission thereof by K12. Customer may request that K12 (i) prepare and submit reports on the Program's finances in addition to those financial reports required by Applicable Law or (ii) provide Customer with such other information as reasonably necessary and appropriate to enable Customer to monitor its performance under the Charter and related agreements, including the effectiveness and efficiency of the Program's operations. Any requests made by Customer hereunder shall be made in writing.
 - 2.4.1. **Audit.** If not required to do so by Applicable Law, Customer will identify an audit firm in collaboration with K12 and will arrange for an independent audit of the Program's financial condition on an annual basis and for a third-party evaluation of K12, and the Program's academic and operational performance. The cost of such audit shall be the responsibility of Customer.
 - 2.4.2. **Grants.** In accordance with Section 5.3, Customer will review any recommendations made by K12 regarding the solicitation by K12 on behalf of Customer for grants and donations from public funds through competitive grant processes or from private sources and will approve or disapprove of such solicitation. To the extent required by Applicable Law, Customer will supervise the administration of grant funds from third parties and ensure that such grant funds are used in accordance with applicable statutory and regulatory requirements and the terms of the pertinent grant agreements.
 - 2.5. **Annual Reports to Sponsor.** Customer, with the assistance of K12, will provide the Sponsor on an annual basis a report setting forth the information required by the Charter and /or Applicable Law.
 - 2.6. **Employment of Teachers.** In accordance with Section 6.2.1.1, unless otherwise agreed in writing by K12 and Customer, Customer will employ teachers for the Program and will be responsible for all costs associated with their employment (including, without limitation, salaries, benefits, travel, professional development and other Program related expenses). Customer will review recommendations made by K12 regarding the hiring or dismissal of teachers by Customer, but will have the authority to determine in its sole discretion whether any person to be employed by Customer as a teacher shall be hired or any teacher employed by Customer shall be dismissed. In the case where the parties agree that K12 will employ Customer's teachers, and without violating Applicable Law, K12 will have the authority to determine in its sole discretion whether any person to be employed by K12 as a teacher shall be hired or any teacher employed by K12 shall be dismissed. Customer may hear appeals to disciplinary measures imposed by K12 on teachers employed by Customer, and Customer may also formulate and implement binding decisions on disciplinary matters relating to teachers employed by Customer.
 - 2.7. **Compliance with Applicable Law.** Customer will perform its obligations under this Agreement in a manner consistent with the requirements of Applicable Law, the Charter, the Customer-Sponsor Agreement and the Sponsor's and Customer's policies. Without limiting the generality of the foregoing, Customer will maintain the confidentiality of personnel, student and other records in accordance with the requirements of Applicable Law.
 - 2.8. **School Expenses.** Customer will be responsible for all debts, liabilities, and obligations incurred by Customer and by K12 on behalf of Customer's Program (collectively, "School Expenses"). School Expenses shall include but not be limited to the following:
 - 2.8.1. fees payable to the Sponsor, if any;

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- 2.8.2. fees payable to K12 and its Affiliates under this Agreement;
 - 2.8.3. curriculum and other academic service fees, including tutoring and supplemental services;
 - 2.8.4. legal fees for representation of Customer;
 - 2.8.5. directors' and officers' liability insurance, general liability insurance, worker's compensation coverage and other insurance coverage;
 - 2.8.6. accounting, reporting, payroll processing, audit, and/or tax preparation fees for Customer;
 - 2.8.7. use, sales, and income taxes, if any;
 - 2.8.8. fees for required background investigations of Customer personnel;
 - 2.8.9. Facility and technology expenses (e.g., rent, maintenance, office furniture, supplies, servers, etc.);
 - 2.8.10. teacher training, including facility rental and travel reimbursements;
 - 2.8.11. ongoing teacher professional development expenses, including travel reimbursements, and conference fees;
 - 2.8.12. administrative staff offices, travel, and other related non-labor expenses;
 - 2.8.13. support staff salaries, bonuses, benefits, travel, phone, conferences, and other related non-labor expenses;
 - 2.8.14. teacher salaries, benefits, travel, phone, conferences, and other related non-labor expenses;
 - 2.8.15. Internet service provider reimbursement to students, teachers and administrators;
 - 2.8.16. student and teacher computers;
 - 2.8.17. proctored examinations and student test preparation sessions;
 - 2.8.18. school outings, events and achievement incentive programs, including face-to-face parent training sessions, back to school events, competitions, and graduation ceremonies;
 - 2.8.19. direct mail expenses for enrolled Students;
 - 2.8.20. related services expense for special education students;
 - 2.8.21. annual report and Charter renewal expenses;
 - 2.8.22. Board development and retreat expenses;
 - 2.8.23. other fees and/or expenses involved in oversight of Customer or K12 under this Agreement; and
 - 2.8.24. all other discretionary expenses approved in the budget by Customer from time to time.
3. Term Of Agreement.
- 3.1. Term. This Agreement will become effective upon signature ("Effective Date") and will end on June 30, 2018 ("Initial Term") unless sooner terminated under Section 12 of the Agreement.
4. Pricing and Payment
- 4.1. Educational Product Prices. In consideration of the value of the Educational Products provided by K12, Customer will pay K12 and its Affiliates for the Educational Products based on the then current national pricing for K12 Managed Virtual Schools ("Product Price List"). Notwithstanding anything in this Agreement to the contrary, for each Educational Product set forth in the Product Price List, the fees for such Educational Products will be subject to change, no more than once per calendar year, at K12's reasonable discretion and communicated during the annual budget process.
 - 4.2. Administrative Services Fee. In consideration of the value of the Administrative Services provided by K12, Customer will pay K12 and its Affiliates 15 percent (15%) of the Qualified Revenues for the Administrative Services (the "Administrative Services Fee") for the first Fiscal Year of the Agreement.
 - 4.3. Technology Services Fee. In consideration of the value of the Technology Services provided by K12, Customer will pay K12 and its Affiliates 7 percent (7%) of the Qualified Revenues for the Technology Services (the "Technology Services Fee") for the first Fiscal Year of the Agreement.

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- 4.4. **Performance Incentive Fee.** As an incentive for K12 to manage the Program at a Surplus while meeting certain educational goals, Customer will pay to K12 an incentive fee (the "Performance Incentive Fee") as provided in this Section 4.5.
- 4.4.1. In no event will the Performance Incentive Fee exceed fifty percent (50%) of the Program's cumulative Surplus.
- 4.4.2. Customer will pay the Performance Incentive Fee to K12 if the following conditions are met:
- 4.4.2.1. Customer's Program has a Surplus prior to the payment of any incentive fees for a given Fiscal Year during the Term, as evidenced by Customer's audited financial statement for such Fiscal Year; and either
- 4.4.2.2. based on a survey of all Program parents conducted by K12, an unweighted average of ninety percent (90%) of Program families surveyed respond that they are Very Satisfied and Satisfied with the quality lesson content, age-appropriateness of content, instructional approach, quality of lesson materials, Planning and Progress tools, amount of time spent preparing for lessons, amount of time spent working on lesson, quality of hardware (computer, monitor, printer), delivery of shipped-in supplies (lesson materials, computer, etc.), support provided by virtual Customer teachers, support provided by Customer Care/Tech Support, the student's progress, the student's attitude toward learning ("Educational Experience Incentive");
- 4.4.2.3. the Program achieves adequate yearly progress in those categories that serve a majority of Program students as defined by the No Child Left Behind of 2001, P.L. 107-110 ("Student Achievement Incentive"); or
- 4.4.2.4. the Program's full year surplus as a percent of total funding, as evidenced by the Program's audited financial statement for such Fiscal Year exceeds the previous year's full year surplus as a percentage of total funding, evidenced by the Program's audited financial, by a minimum of two (2) percentage points ("Fiscal Responsibility Incentive").
- 4.4.3. Subject to the limitations set forth in this Section 4.5, the Performance Incentive Fee shall consist of the following components:
- 4.4.3.1. If one of the incentive measures set forth in Sections 4.5.2.1, 4.5.2.2 and 4.5.2.3 are met, one percent (1%) of Qualified Revenue.
- 4.4.3.2. If any two of the incentive measures set forth in Sections 4.5.2.1, 4.5.2.2 and 4.5.2.3 are met, two percent (2%) of Qualified Revenue.
- 4.4.3.3. If all three of the incentive measures set forth in Sections 4.5.2.1, 4.5.2.2 and 4.5.2.3 are met, four percent (4%) of Qualified Revenue.
- 4.5. The foregoing fees described in this Section 4 are in addition to and not duplicative of any fees payable by Customer to any Affiliate of K12 pursuant to any separate agreement between Customer and such Affiliate.
- 4.6. Except as otherwise set forth in this Agreement, K12 assumes the risk that its fees will not allow it to operate profitably or to cover fully the costs of business during any given period.
- 4.7. The parties hereto acknowledge and agree that as of the date of this Agreement, the fees payable to K12 hereunder are reasonable, necessary, and fair market value compensation for products and services delivered.
5. **Customer Advances and Loans: Other Revenue.**
- 5.1. **Advances.** In the event that the cash receipts of the Program available from time to time (other than amounts payable to K12 pursuant to this Agreement, any other agreement between K12 and Customer or any agreement between any Affiliate of K12 and Customer) are insufficient to cover payment of School Expenses on a timely basis, K12 will advance to Customer from time to time such amounts as will be necessary to allow payment of such School Expenses on a timely basis provided that, K12 will have no obligation to make any advances to Customer in any Fiscal

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- Year for expenditures (i) for any items that are in excess of the lesser of the amount proposed by K12 for the budget or the amount budgeted therefore in the approved budget or (ii) for any matters as to which K12 or any other person or entity is entitled to indemnification under Section 16. The advances will be due and owing to K12 by Customer forty-five (45) days after K12 advances the funds and subject to the interest provisions in Section 9.3.
- 5.2. Repayment of Advances. Customer agrees to repay any outstanding advances and unpaid invoices from K12 and/or its Affiliates ("Debt") as determined by the audited financial statements of the Program. Customer is obligated to repay this Debt and any unpaid advances that may occur in the future to K12.
 - 5.3. Grants and Donations for the Customer. Customer and K12 may, together or independently, on behalf of the Program, solicit and receive grants and donations from public funds through competitive grant processes or through private sources consistent with the mission of Customer and the Charter; provided, however, that any solicitation of such grants and donations by K12 will be subject to the prior approval of Customer. For purposes of calculating the fees payable to K12 under Section 4, such grants and donations will be deemed to be included in "Qualified Revenues".
 - 5.4. Grants and Donations for K12. Nothing in this Section 5 will be construed to prohibit K12 from soliciting funds or grants solely for its own general corporate purposes and using such funds or grants solely for such purposes.
6. General Personnel Responsibility:
- 6.1. K12 Employees Assigned to the Program. To satisfy its obligations under this Agreement, K12 may assign employees to the Facility or other locations. K12 will employ and determine the employment terms for administrative personnel who may include a Head of School ("HOS") or equivalent administrative staff position, and such other staff as K12 deems necessary to deliver the Educational Products and Services described in this Agreement. The responsibilities and performance of K12 employees will be consistent with those outlined in the Charter. Such administrative personnel may be assigned to the Program on a full- or part-time basis. K12 will have the sole authority to select, supervise, evaluate, transfer, promote, discipline and dismiss the administrative staff. Customer acknowledges and agrees that K12 is only obligated to provide the Educational Products and Services described within this Agreement, and that K12 is not obligated to provide specific positions or titles, with the exception of HOS or equivalent.
 - 6.1.1. Complaints About K12 Employees. If Customer is dissatisfied or concerned about the job performance of a K12 employee assigned to the Program, Customer shall discuss the matter first with the HOS or its equivalent. In the event Customer has a concern or is not satisfied with the HOS's job performance, Customer will provide K12 official notice pursuant to this Agreement and set forth the specific issues and requested action with supporting documentation.
 - 6.2. Customer Employees.
 - 6.2.1. Authority Over Customer Employees. K12 shall have the authority to recommend people for Program positions listed below, including hiring, dismissal, discipline, and assistance with supervision, although both parties hereby agree that Customer shall make all final decisions about hiring, dismissal, and discipline for Customer employees providing services to the Program, subject to all Applicable Laws and agreements Customer has entered into. The personnel designated as Customer employees below shall be subject to the supervision of Customer with K12 providing evaluation input.
 - 6.2.1.1. Teachers. Subject to the provisions of Section 2.06, K12 will recruit, supervise and discipline teachers, including master and lead teachers, to assist in the delivery of the Educational Products and Administrative Services. Customer's teachers may work on a full- or part-time basis. Each teacher must be qualified in his or her grade levels and subjects, hold a valid teaching certificate issued by the State to the extent

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required under Applicable Law, and have applied for or undergone a criminal background check and unprofessional conduct check to the extent required under Applicable Law.

6.2.1.1.1. Teacher Discipline. Customer may hear appeals to disciplinary measures imposed by Customer's administration on its teachers, and Customer may also formulate and implement binding decisions on disciplinary matters relating to Customer's teachers. In the event that Customer and K12 agree in writing, consistent with Applicable Law, that K12 will employ the teachers directly, then K12 will be empowered to formulate and implement binding decisions on such disciplinary matters pertaining to said teachers.

6.2.1.1.2. Student:Teacher Ratios. K12 will determine, in consultation with Customer, the initial number and assignments of Customer teachers to students. Following the initial determination, K12 will have the ultimate authority, after consulting with Customer during the budget process, to determine an appropriate ratio of teachers to pupils for the Program, subject to the terms and conditions of the Charter and/or Applicable Law.

6.2.1.2. Student Support Staff. Customer shall employ Student Support Staff for the Program. Customer will be responsible for all costs associated with the employment of such staff (including, without limitation, salaries, benefits, travel and other Program related expenses). Student Support Staff is defined as any position that provides direct services to teachers, students and parents (which may include Special Education Coordinators, Registrar, Guidance Counselor, Nurse, Community Relations Coordinator, Truancy Officer, Related Services Coordinator, or similar positions). From time to time, K12 will recommend to Customer the addition or elimination of specific Student Support Staff positions for action by Customer, approval of which will not be unreasonably withheld. All Student Support Staff positions will be the sole responsibility of Customer. K12, in consultation with Customer, will recruit, set the terms of employment, hire, supervise, discipline and terminate Student Support Staff.

6.3. Determination of Employer Entity. K12, in consultation with Customer, will determine whether the personnel other than teachers who perform services at the Program shall be employees of K12 and make such recommendations to Customer. The parties anticipate that, except as otherwise required by Applicable Law or to the extent necessary for Customer to maintain its status as a tax-exempt organization under Section 501(c)(3) of the IRC, the HOS and other administrative personnel provided by K12 pursuant to this Agreement will be employed by K12. In the event that K12 determines that it is necessary or desirable that any of the K12 employees providing services under this Agreement become an employee of Customer because of a change in functional duties to a Student Support Staff position, K12 shall notify Customer of such determination in writing and upon the agreement of Customer, such K12 employee shall become an employee of Customer on substantially the same terms and conditions on which he or she was employed by K12 immediately prior to such change in employer; such change shall become effective on the date specified by K12 in such notice. In the event that at any time or from time to time K12 determines that it is necessary or desirable that any of Customer's employees become an employee of K12 because of change in the employee's functional duties to an administrative position, K12 shall notify Customer of such determination in writing and upon the agreement of Customer such Customer employee shall become an employee of K12 on substantially the same terms and conditions on which he or she was employed by Customer immediately prior to such change in employer; such change shall become effective on the date specified by K12 in such notice.

6.4. Background Investigations.

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- 6.4.1. K12 Employees. K12 will be responsible for arranging for criminal background checks to be conducted on its employees to the extent required under Applicable Law. Upon Customer's request, K12 will provide Customer with documentary evidence of its compliance, subject to any confidentiality requirements imposed by Applicable Law.
- 6.4.2. Customer Employees. Customer, with K12's oversight, will be responsible for arranging for criminal background checks to be conducted on Customer employees assigned to the Program, to the extent required under Applicable Law. Customer, under K12's oversight, will maintain the documentary evidence of the background checks of Customer employees at the Facility.
7. Conflict of Terms. In the event of a conflict, ambiguity, or inconsistency between the provisions in this Agreement, including the Terms and Conditions and any Exhibit to this Agreement, the provisions in this Agreement shall prevail, except to the extent that this Agreement expressly states that the Parties may provide a different provision in an exhibit, in which case, as to such exhibit only, the corresponding different provision shall prevail.
8. Definitions
- 8.1. Affiliates. For purposes of this Agreement, an "Affiliate" of K12 is an entity that controls, is controlled by, or under common control with, K12 and "control" means the possession, directly or indirectly, of the power to direct or cause the direction of the management policies of an entity, whether through the ownership of securities, by contract or otherwise.
- 8.2. Applicable Law. Applicable Law is defined herein as the State constitution, the State education laws and/or code, the Elementary and Secondary Education Act, the Individuals with Disabilities in Education Act, the South Carolina Charter Schools Act of 1996, other applicable federal, state or local statutes, ordinances and regulations, any amendments to or recodification of the aforementioned laws, and executive orders, case law and other rulings applicable to the State public charter schools.
- 8.3. Charter. The Charter is defined as the authorization provided to Customer by the Sponsor pursuant to Applicable Law, permitting Customer to operate a charter school.
- 8.4. Customer. Customer shall be the legal entity identified on page 1 of this Agreement and its governing authority.
- 8.5. Customer-Sponsor Agreement. The agreement between the Sponsor and Customer in which the Sponsor grants Customer the authority to operate the Program and to receive public funds.
- 8.6. Educational Program. Either a Distance Learning Educational Program, a Distance Learning with Supplemental Classroom-based Instruction Educational Program, or a Classroom-based Program, as designated on page 1 of this Agreement.
- 8.7. Facility. Customer's owned or leased administrative facility.
- 8.8. Fiscal Year. July 1 through June 30.
- 8.9. Qualified Revenues are all revenues and income received by Customer's Program from the following sources: Charter School Block Grant and other charter school state funding, Title I of the Elementary and Secondary Education Act of 1965, as amended (20 U.S.C. §6301 et seq., as amended) and other federal funding, and other income or revenue sources provided by law and obtained by Customer which are not specifically excluded herein and all contributions and grants received by Customer through public funds granted as a matter of right or practice to charter schools or through non-competitive grant processes, which are to assist in the improvement of the Facility, the implementation of the Educational Program, and/or day-to-day Customer operations.
- 8.10. Other Revenue Sources are all other funds paid to, earned by, or donated to Customer (as described in Section 5.05(a) below) other than Qualified Gross Revenues and Public Contributions and Grants.

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- 8.11. Program. School or program of a school, district, or state in which Customer will use the products and services being provided by K12 and identified on page 1 of Agreement.
- 8.12. Sponsor. The Sponsor, for purposes of this Agreement, is defined as the South Carolina Department of Education. The Sponsor has the authority to permit Customer to operate a public virtual charter school.
- 8.13. State. The state in which Customer's program is located and for which laws apply to the operations of Customer's program.
- 8.14. Student. A student enrolled in Customer's Program.
- 8.15. Surplus. Customer's total revenues for a Fiscal Year less Customer's total expenses (exclusive of any Performance Incentive Fees) for such Fiscal Year, as evidenced by Customer's audited financial statement for such Fiscal Year.

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Terms and Conditions of Product and Service Delivery

9 Payment of Product and Service Fees.

9.1 Invoicing and Payment of Fees. K12 will submit to Customer an invoice for the Products and Services delivered for the prior calendar month. For Service fees calculated as a percentage of Qualified Revenue, those fee will be calculated based upon the approved budget in effect for the applicable calendar month and will be billed for services rendered during the Term, even though Qualified Revenue may be received by Customer beyond the expiration of the Term.

9.2 Location of Payment. All payments made hereunder will be made to K12 or its applicable Affiliate, and at the address set forth above, or such other address provided by K12 in writing.

9.3 Payment Date and Interest. All fees, and where applicable, advances and debts, payable to K12 and its Affiliates are due within thirty (30) days from the invoice date. Customer agrees to pay interest at one and one quarter percent (1.25%) per month on amounts due and payable by Customer to K12 that are overdue.

9.3.1 Except as otherwise stated herein, K12 is not responsible or in any way liable for any taxes or third-party charges related to the activities, or the ownership or operation of the Program. Without limiting the foregoing, Customer agrees to pay any sales, value-added, or other similar taxes imposed by Applicable Law, except for taxes based on K12's income.

9.4 Year-End Adjustments. Within thirty (30) days after completion of the School's audited financial statements for each Fiscal Year, K12 will prepare and submit to the Governing Authority (i) a statement of the amount of any Performance Incentive Fee payable with respect to such Fiscal Year, including the calculation of such amount (which calculation will be based upon Customer's audited financial statements for such Fiscal Year) and (ii) a statement of the total amounts of the Administrative Services and Technology Services Fees or other Service fees set forth in the Service Price List (collectively "Service Fees") payable with respect to such Fiscal Year, including the calculation of such amounts (which calculations will be based upon Customer's audited financial statements for such Fiscal Year). If the total amount of the Service Fees calculated in accordance with the foregoing sentence exceeds the total amount invoiced by K12 pursuant to Section 9.1, then the excess amount will be payable to K12; if such total amount is less than the total amount invoiced by K12 pursuant to Section 9.1, then the shortfall amount will be payable to Customer. Payment of any Performance Incentive Fee, or excess Service Fees payable to K12 will be due thirty (30) days after the submission of the statement thereof. Reimbursement to Customer of any overpayment of Service Fees will be due thirty (30) days after the submission of the statement thereof, provided, that K12 may elect in its sole discretion to set-off the amount any such overpayment against any outstanding obligations of Customer to K12 or any Affiliate of K12.

9.5 Payment Out of Customer Funds Managed by K12 Only. In the event Customer chooses to have K12 manage the Program funds, K12 is specifically authorized to pay itself, subject to Customer's expenditure authorization policy, out of the Customer's funds managed by K12, the fees set forth in Section 4 of this Agreement in accordance with the provisions of Section 9.1.

9.6 Disputed Amounts. If Customer wishes to dispute any charge invoiced to Customer by K12 ("Disputed Amounts"), Customer must submit a good faith claim regarding the Disputed Amount with documentation as may reasonably be required to support the claim within ninety (90) days of receipt of the initial invoice sent by K12 regarding the Disputed Amount. If Customer does not submit a documented claim within ninety (90) days of receipt of the initial invoice sent by K12 regarding such Disputed Amount, notwithstanding anything in this Agreement to the contrary, Customer waives all rights to dispute such Disputed Amount and Customer waives all rights to file a claim thereafter of any kind relating to such Disputed Amount (and Customer also waives all rights to otherwise claim that it does not owe such Disputed Amount or to seek any credits or reimbursements or other amounts of any kind based upon or relating to such Disputed Amount).

10 Relationship of the Parties

10.1 Status of the Parties. K12 is not a division or any part of Customer. Customer is a body corporate authorized under State law and is not a division or a part of K12. The relationship between the parties was developed and entered into through arms-length negotiations and is based solely on the terms of this Agreement. K12 will operate as an independent contractor to Customer and will be responsible for delivering the Educational Products and Services required by this Agreement. Nothing herein will be construed to create a partnership or joint venture by or between Customer and K12. Neither party will be the agent of

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another except to the extent otherwise specifically provided by this Agreement where K12 is authorized to take action on behalf of Customer. Customer will in no case represent to third parties, and will whenever needed disclaim to such parties, any ability to bind K12 to any duty imposed by contract, other than this Agreement or as otherwise agreed in writing by K12. K12 will in no case represent to third parties, and will whenever needed disclaim to such parties, any ability to bind Customer to any duty imposed by contract, other than this Agreement or as otherwise agreed in writing by Customer.

10.2 No Related Parties or Common Control, Certain Permitted Participations. Except (i) as contemplated by this Agreement or any agreement between Customer and any Affiliate with respect to the provision of services described hereunder, K12 will not have any role or relationship with Customer that, in effect, substantially limits Customer's ability to exercise its rights, including termination rights, under this Agreement. None of Customer's voting power will be vested in K12 or its directors, trustees, members, managers, officers, shareholders, or employees, and none of the voting power of K12's board of directors or shareholders of K12 will be vested in Customer or its directors, trustees, members, managers, officers, shareholders, or employees. Each party agrees that it will not take any action that would cause Customer and K12 to be members of the same control group, as defined in Section 1.150 et seq. of the regulations under the Internal Revenue Code of 1986 as amended (or its successor) (the "IRC"), or related persons, as defined in Section 144(a)(3) of the IRC. Customer agrees to take such action as is necessary to permit employees or agents of K12 to have a nonvoting presence at Customer's meetings, including executive sessions, during the Term of this Agreement, provided that, the inclusion of employees or agents of K12 in executive sessions will be at Customer's discretion and is not inconsistent with Applicable Law.

11 Other Schools. The parties acknowledge that this arrangement is not exclusive and that K12 and its Affiliates will have the right to render similar services to other persons or entities including other public or private schools or institutions within and outside of the State ("Other Schools"). K12 LLC will maintain separate accounts for reimbursable expenses incurred on behalf of Customer and Other Schools, if any. All grants or donations received by Customer, or by K12 for the specific benefit of Customer, will be maintained in separate accounts and used solely for Customer.

12 Termination.

12.1 Events of Termination.

12.1.1 Termination for Breach. Either party may terminate this Agreement at any time with ninety (90) days' prior written notice to the other party for cause. Termination for cause may be used if a party breaches any material term or fails to fulfill any material condition, term, provision, representation, warranty, covenant or obligation contained in this Agreement and fails to cure within thirty (30) days after receiving written notification from terminating party. Upon termination of this Agreement pursuant to this Section 12.1.1 the non-breaching party shall be entitled to seek any remedies to which it shall be entitled at law or in equity.

12.1.2 Termination for Material Reduction in Qualified Revenue. Either party may terminate this Agreement in the event that there is a material reduction in Qualified Revenue below the amount for the prior Fiscal Year. Such termination shall be effective (A) immediately upon written notice by the terminating party to the other party, if notice or publication of such reduction is given prior to the commencement of the school year to which such reduction is applicable or (B) sixty (60) days following written notice by the terminating party to the other party, if notice or publication of such reduction is given during the school year to which such reduction is applicable.

12.1.3 Termination Upon Loss of Charter or Non-profit Status. This Agreement will terminate immediately upon the termination of the Charter, the Charter School Sponsor Agreement or a final determination by the Internal Revenue Service that the Charter School is not eligible for 501(c)(3) status.

12.1.4 Termination for Failure to Approve Budget. K12 may terminate this Agreement effective immediately upon written notice to Customer in the event that Customer does not approve a budget or modifications to a budget within sixty (60) days following the submission of a proposal therefore by K12.

12.1.5 Termination in the Event of Certain Changes in the Charter, the Customer-Sponsor Agreement or Customer Policies. K12 may terminate this Agreement effective immediately upon written notice to Customer in the event that the Charter or the Customer-Sponsor Agreement are amended or Customer or the Sponsor adopts or amends a policy, in each case without the prior written approval of K12, and the effect of such amendment or policy could reasonably be determined to require K12 to increase

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materially the level of services required to be provide hereunder or to increase materially the financial risk to K12 arising from its performance of its obligations hereunder.

12.1.6 Change in Applicable Law. If any change in Applicable Law that is enacted after the date hereof could reasonably be expected to have a material adverse effect on the ability of any party to carry out its obligations under this Agreement, such party, upon written notice to the other party (which notice may be given at any time following enactment of such change in Applicable Law, whether or not such change is effective on the date of such enactment or is effective at a later date), may request renegotiation of this Agreement. Such renegotiation will be undertaken in good faith. If the parties are unable to renegotiate and agree upon revised terms within one hundred twenty (120) days after such notice of renegotiation, then this Agreement will be terminated effective at the end of the school year in which such notice was given, unless earlier termination is necessary to protect the health, welfare, or safety of students.

12.2 Effect of Termination or Expiration.

12.2.1 Except as otherwise agreed by the parties in writing, termination does not relieve Customer of any obligations for payments outstanding to K12 as of the date of termination or other obligations that continue upon termination as provided in this Agreement.

12.2.2 In the event this Agreement terminates pursuant to this Section 12 or it expires pursuant to its terms, and unless otherwise agreed by the parties in writing, Customer shall owe K12 the Administrative Services Fee and Technology Services Fee associated with all Qualified Revenues received for students enrolled in the Program for the school year preceding the termination or expiration, as determined on an accrual basis in Customer's audited financial statement for the year in which this Agreement terminates or expires.

12.2.3 In the event this Agreement is terminated pursuant to this Section 12 prior to the end of a given Fiscal Year, the parties shall calculate the Performance Incentive Fee at the end of such Fiscal Year as if this Agreement had not been terminated. The parties shall then prorate those amounts to the date of termination of this Agreement, and Customer shall pay K12 the prorated amount.

12.2.4 Customer acknowledges and agrees that the subject matter of this Agreement is unique and that it would not be possible for K12 to resell the Products or the Services that are the subject of this Agreement. In view of the difficulty in estimating K12's damages incurred by Customer's failure to perform under the terms of this Agreement will damage K12 in an amount equal to the loss of the value of this Agreement, which the parties agree, for the purposes hereof, is fifty percent (50%) of the Educational Product and Service fees charged and chargeable in the Fiscal Year in which the Agreement is being terminated, within thirty (30) days following date of such termination, if the Agreement was terminable because of actions initiated by Customer.

13 Intellectual Property Rights

13.1 Program Name

13.1.1 Rights of Customer in Program Name. K12 acknowledges and agrees that, as between K12 and its Affiliates on the one hand and Customer on the other, Customer owns all intellectual property rights and interests in Program name identified in this Agreement (the "Program Name"). K12 further acknowledges and agrees that neither it nor any of its Affiliates has any intellectual property interest or claims in or to the Program Name.

13.1.2 Licenses of Program Name. Customer hereby grants K12 and each of its Affiliates a royalty-free, non-exclusive, non-transferable license, during the Term and for a period of ninety (90) days following the expiration or earlier termination of this Agreement, to use the Program Name in connection with Customer's operations as contemplated in this Agreement. Customer hereby grants K12 and each of its Affiliates a royalty-free, non-exclusive, non-transferable, perpetual license to use the Program Name in electronic and written marketing materials to promote the goods and services offered by K12 or any of its Affiliates.

13.1.3 Limitations on Use of Program Name by K12. K12 and its Affiliates will use the Program Name only as provided in this Agreement and will not alter it in any way, nor will K12 act or permit action in any way that would impair the rights of Customer in the Program Name. K12's authorized use will not create any right, title or interest in or to the Program Name on behalf of K12.

13.1.4 Joint Marketing. K12 may use the Program Name and Customer's name in a listing of new, representative or continuing customers in press releases, on its website, or in other marketing materials or dissemination of information. The parties may agree to cooperate in joint marketing activities

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or in issuing a joint press release at the request of either of them, subject to prior written consent and approval of the form and substance of both Customer and K12.

13.2 Intellectual Property of K12 And Affiliates.

13.2.1 Customer acknowledges and agrees that K12 has the right to sublicense from K12 Inc. to Customer certain intellectual property rights and interests in and to K12 and its Affiliate's intellectual property, including but not limited to trade secrets, know-how, proprietary data, documents and written materials in any format, artwork, graphics, charts, software, licenses, marketing materials, website design for K12 and its Affiliates, web site design for Customer and curricular materials and any and all customizations and derivative works thereof (collectively, "K12 Proprietary Materials"). Customer further acknowledges and agrees that it has no intellectual property interest or claims in the K12 Proprietary Materials, any customizations and derivative works thereof or any other materials created for use in connection with the K12 Proprietary Materials, and has no right to use the K12 Proprietary Materials unless expressly agreed to in writing by K12.

13.2.2 Sub-License of K12 Proprietary Materials. K12 hereby grants Customer a royalty-free, non-exclusive, non-transferable sub-license, during the Term and for a period of ninety (90) days following the expiration or earlier termination of this Agreement, to use and distribute the K12 Proprietary Materials in connection with Customer's Program operations as contemplated in this Agreement. Notwithstanding the foregoing, Customer hereby agrees not to: (i) modify or otherwise create, or permit third parties to modify or otherwise create, derivative works from or using the K12 Proprietary Materials, (ii) sublicense any rights under this Section 13.2.2 without the advance written approval of K12, which approval may be withheld by K12 in its sole discretion or (iii) frame any website owned by K12. Upon the termination of such license, Customer will cease use of the K12 Proprietary Materials, and Customer will return all K12 Proprietary Materials to K12 promptly, including those in the possession of Customer, any teachers and school employees participating in the Program, and students participating in the Program.

13.2.3 Rights of K12 in K12 Proprietary Marks. Customer acknowledges and agrees that, as between Customer and K12, K12 only has the right to sublicense certain intellectual property rights and interests in and to K12 Inc.'s trademarks, service marks, and trade names (including K12, K12 (& Design), trade names, trade dress, and the logo design(s) featured in Exhibit B (collectively, "K12 Proprietary Marks"). Customer further acknowledges and agrees that it has no intellectual property interest or claims in the K12 Proprietary Marks any customizations and derivative works thereof or any other materials created for use in connection with the K12 Proprietary Marks and has no right to use the K12 Proprietary Marks except as set forth in Section 13.2.4 or unless expressly agreed to in writing in advance by K12, which agreement K12 may withhold in its sole discretion.

13.2.4 Sub-License of K12 Proprietary Marks. K12 hereby grants Customer a royalty-free, non-exclusive, non-transferable sublicense, during the Term and for a period of ninety (90) days following the expiration or earlier termination of this Agreement, to use the K12 Proprietary Marks relating to the Program solely in connection with Customer's operations of Program as contemplated in this Agreement. Notwithstanding the foregoing, Customer will not be permitted to sublicense any rights under this Section 13.2.4 without the advance written approval of K12, which approval may be withheld by K12 in its sole discretion. Upon the termination of such license, Customer will cease use of the K12 Proprietary Marks.

13.2.5 Limitations on Use of K12 Proprietary Materials and K12 Proprietary Marks by Customer. Customer will use the K12 Proprietary Materials and the K12 Proprietary Marks only as provided in this Agreement. Notwithstanding Sections 13.2.2 and 13.2.4, Customer also will not alter the K12 Proprietary Materials and/or the K12 Proprietary Marks in any way, nor will Customer act or permit action in any way that would impair the rights of K12 in them. Customer's authorized use will not create any right, title, or interest in or to the K12 Proprietary Materials or the K12 Proprietary Marks any customizations and derivative works thereof or any other materials created for use in connection with the foregoing. K12 will have the right to monitor the quality of Customer's use of the K12 Proprietary Materials and the K12 Proprietary Marks, and Customer will notify K12 promptly in writing of any known infringement thereof and of any use of K12's Intellectual Property (including the K12 Proprietary Materials, and/or the K12 Proprietary Marks) by a non-party, other than set forth or contemplated by this Agreement, of which Customer becomes aware. K12 and Customer agree to reasonably assist each other in pursuing measures to prevent further use of K12's Intellectual Property by said non-party. Any references to or use of the K12 Proprietary Materials or the K12 Proprietary Marks by Customer will contain the appropriate trademark, copyright or other legal notice provided from time to time by K12 and will be subject to

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additional trademark usage standards developed by K12 and modified from time to time by K12 with advance notice in writing.

14 **Limitation on Liability:**

14.1 Except in connection with its indemnity obligations, either party shall not be liable for any indirect, consequential, exemplary, incidental, special, or punitive damages, including also lost funding, lost revenues, lost opportunity costs, or any other economic loss, of any type or nature or for events or circumstances beyond the parties' control, even if the party has been advised of the possibility of such damages.

14.1.1 K12's maximum liability and obligation to Customer and Customer's exclusive remedy for any cause whatsoever, regardless of the form of action, whether in contract or in tort, including negligence, relating to this Agreement shall be limited to the recovery of actual direct damages up to the amount of the amount of fees paid under this Agreement in the prior six (6) months. **NEITHER PARTY SHALL BE LIABLE FOR ANY SPECIAL, INCIDENTAL OR CONSEQUENTIAL DAMAGES, INCLUDING, WITHOUT LIMITATION, ANY LOST SAVINGS, LOST PROFITS, LOST SALES, BUSINESS INTERRUPTIONS, DELAY DAMAGES, DAMAGES FOR THIRD PARTY CLAIMS, LOST OR DESTROYED DATA, EVEN IF THAT PARTY HAS BEEN ADVISED OF THE POSSIBILITY OF SUCH DAMAGES.**

15 **Assignment.** Except as otherwise provided in this Agreement, neither party may assign or delegate any rights or obligations under this Agreement without the prior written consent of the other party. Except as prohibited by Applicable Law or the Charter, K12 may assign all of its rights and obligations under this Agreement to any person or entity that controls K12, is controlled by K12, or is under common control with K12 or to any successor in interest that acquires all or substantially all of the assets of K12. K12, upon notice to Customer, may delegate the performance of its duties hereunder to any person or entity but shall be responsible for the performance, in accordance with the terms of this Agreement, of any services performed by its delegates, except notice shall not be needed when K12 delegates its obligation to provide materials or special education services.

16 **Indemnity:** The party charged with indemnifying and/or defending under this Section 16 (the "Indemnifying Party") shall conduct the defense in any such third party action arising as described herein and the party claiming the benefits of this Section 16 (the "Indemnified Party") promises to cooperate with such defense, provided the Indemnifying Party reasonably consults with the Indemnified Party on any settlement (subject to the consent requirement in the last sentence of this paragraph). Notwithstanding the foregoing, the Indemnified Party may, at its own expense, assist in such defense if it so chooses, provided that the Indemnifying Party shall be entitled to control such defense and all negotiations relative to the settlement of any such claim. Any settlement that would admit any liability on the part of the Indemnified Party shall require such Indemnified Party's prior written consent.

16.1 **Indemnification of Customer.** K12 will indemnify, defend, and save and hold Customer and all of its employees, officers, directors, trustees, subcontractors, and agents, their respective successors and permitted assigns, harmless against any and all claims, demands, suits, or other forms of liability including without limitation costs and reasonable attorneys' fees (each a "Claim") that may arise out of, or by reason of, any (a) breach of any representation or warranty, covenant or agreement made or to be performed by K12 pursuant to this Agreement, (b) noncompliance by K12 with any Applicable Law in connection with Customer's operations, but excluding any Claims that arise from conduct undertaken in accordance with the Governing Authority's or Customer's instructions, procedures or written policies or in accordance with the Sponsor's written policies, except where such instructions arise from and are in accordance with specific advice or explicit recommendations formally provided by K12, and (c) act or omission of K12 or any of its employees, officers, directors, trustees, subcontractors or agents in connection with Customer's operations that results in injury, death, or loss to person or property except to the extent any Claims arise out of actions or omissions of Customer.

16.2 **Indemnification of K12.** Customer will indemnify, defend, and save and hold K12 and each other Affiliate of K12 and all of their respective employees, officers, directors, trustees, subcontractors, and agents, their respective successors and permitted assigns, harmless against any and all Claims that may arise out of, or by reason of, any (a) breach or any representation or warranty, covenant or agreement made or to be performed by Customer pursuant to this Agreement or the renewal charter, (b) noncompliance by Customer with any Applicable Law in connection with Customer's operations, and (c) act or omission of Customer or any of its employees, officers, directors, trustees, subcontractors or agents in connection with Customer's

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operations that results in injury, death, or loss to person or property except to the extent any Claims arise out of actions or omissions of K12.

16.3 Indemnification Procedures

16.3.1 Notice Requirement. Each Indemnified Party must give written notice to the other party of the existence of a Claim promptly after such Indemnified Party first receives notice of the existence of the potential Claim, provided that such Indemnified Party will not be foreclosed from seeking indemnification hereunder by any failure to provide such prompt notice except and only to the extent the actually incurs an incremental expense or otherwise has been materially prejudiced as a result of such delay.

16.3.2 Defense and Settlement of Claims. Each Indemnified Party seeking indemnification hereunder will permit the Indemnifying Party (at the expense of the Indemnifying Party) to assume the defense of such Claim, provided, that (i) counsel for the Indemnifying Party who will conduct the defense of such Claim must be reasonably satisfactory to such Indemnified Party and (ii) such Indemnified Party may participate in such defense at such Indemnified Party's expense. Except with the prior written consent of the Indemnified Party seeking indemnification hereunder, the Indemnifying Party, in the defense of any Claim, will not consent to entry of any judgment or enter into any settlement. In the event that any Indemnified Party seeking indemnification hereunder has been advised by counsel for the Indemnifying Party that such Indemnified Party may have available to it one or more defenses or counterclaims that are different from or in addition to one or more of those that may be available to the Indemnifying Party in respect of such Claim and, in such counsel's reasonable opinion, such counsel could not assert such defenses or counterclaims without creating a conflict of interest, such Indemnified Party will have the right to take over and assume control over the defense of such claim at the sole cost of the Indemnifying Party, provided that if such Indemnified Party does so take over and assume control, such Indemnified Party will not settle such claim without the written consent of the Indemnifying Party. In the event that the Indemnifying Party does not accept the defense of any matter as above provided, the Indemnified Party seeking indemnification hereunder will have the right to defend against such Claim, provided that such Indemnified Party will not settle such Claim without the written consent of the Indemnifying Party. In any event, any Indemnified Party seeking indemnification hereunder and the Indemnifying Party will cooperate in the defense of any claim subject to this Section 16.

17 Insurance Coverage

17.1 Liability Coverage. Customer will initiate and maintain for a period of two (2) years after the expiration or termination of this Agreement, at its own expense, comprehensive general liability insurance, including product liability, contractual liability (applicable to the indemnification obligations of Customer set forth in Section 9.02, and advertising injury insurance, with reputable and financially secure insurance carriers to cover the operations of Customer, for not less than \$5,000,000 (combined single limit for bodily injury and property damage per occurrence and in the aggregate). Such insurance will include K12 and its Affiliates and their respective trustees, directors, officers, employees, contractors and agents as additional insureds within thirty (30) days after the date of this Agreement. Such insurance will be written to cover claims incurred, discovered, manifested, or made during or after the Term.

17.2 Evidence of Insurance. Customer will furnish a certificate of insurance evidencing such coverage to K12 within thirty (30) days after the date of this Agreement. Thereafter, Customer will provide thirty (30) days' advance written notice to K12 of any cancellation or material adverse change to such insurance.

17.3 Insurance Coverage No Limitation on K12's Rights. Customer's insurance will be primary coverage and any insurance K12 may purchase shall be excess and non-contributory. The minimum amounts of insurance coverage required herein will not be construed to impose any limitation on Customer's indemnification obligations under Section 16.2.

17.4 Workers' Compensation Insurance. Each of Customer and K12 will initiate and maintain workers' compensation insurance for its respective employees working at or for Customer, as required by Applicable Law.

17.5 Cooperation. All parties will comply with any information or reporting requirements required by the other party's insurer(s), to the extent reasonably practicable.

18 REPRESENTATIONS AND WARRANTIES

18.1 Representations and Warranties of K12. K12 hereby represents and warrants to Customer:

18.1.1 Organization and Good Standing. K12 is a limited liability company duly organized, validly existing, and in good standing under the laws of the State of Delaware and is a wholly owned subsidiary of K12 Management Inc.

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18.1.2 Power and Authority, Authorization, Binding and Enforceable Agreement. K12 has full limited liability company power and authority to execute and deliver this Agreement and to perform its obligations hereunder. This Agreement has been duly authorized and executed by K12 and constitutes the valid and legally binding obligation of K12, enforceable against K12 in accordance with its terms, except as such enforceability may be limited by bankruptcy, insolvency, reorganization, moratorium, fraudulent conveyance, and other laws of general applicability relating to or affecting creditors' rights and by general principles of equity.

18.1.3 K12 warrants that the Services will be performed in an professional and workmanlike manner in accordance with commercially reasonable industry standards, and deliverables, if any, will materially comply with the agreed upon functional specification set forth in the applicable Exhibit A, if used in a manner consistent with the conditions for which it was designed. **THE FOREGOING WARRANTY IS IN LIEU OF ALL OTHER WARRANTIES, EXPRESS, IMPLIED, STATUTORY OR OTHERWISE, INCLUDING, BUT NOT LIMITED TO, ANY IMPLIED WARRANTIES OF MERCHANTABILITY OR FITNESS FOR A PARTICULAR PURPOSE.**

18.1.4 The foregoing warranty shall not apply to defects or non-conformities: (a) resulting from software, hardware or interfacing not supplied by K12, its Affiliates or authorized contractors; (b) resulting from inadequate or improper maintenance, modification or usage by Customer or Student; or (c) where there has been improper site preparation or site environment by Customer or Student. In addition, the foregoing warranty shall not apply to requirements not expressly included in this Agreement.

18.2 Representations and Warranties of Customer. Customer hereby represents and warrants to K12:

18.2.1 Organization and Good Standing. Customer is a non-profit corporation duly organized, validly existing, and in good standing under the laws of the State.

18.2.2 Power and Authority, Authorization, Binding and Enforceable Agreement. Customer has full power and authority to execute and deliver this Agreement and to perform its obligations hereunder. This Agreement has been duly authorized and executed by Customer and constitutes the valid and legally binding obligation of Customer, enforceable against Customer in accordance with its terms and conditions, except as such enforceability may be limited by bankruptcy, insolvency, reorganization, moratorium, fraudulent conveyance, and other laws of general applicability relating to or affecting creditors' rights and by general principles of equity.

18.2.3 Authority Under Applicable Law. Customer has the authority under Applicable Law to (i) contract with a private entity to perform the Educational Services, Administrative Services and/or Technological Services and all other programs and services under this Agreement, (ii) to execute, deliver, and perform this Agreement and (iii) to incur the obligations provided for under this Agreement.

18.2.4 Non-Contravention. There does not exist, and the execution and delivery of this Agreement by Customer and the performance by Customer of its obligations hereunder will not constitute, under the Charter, the Customer-Sponsor Agreement or any other agreement, contract, note, lease, license, or other instrument to which Customer is party or by which it or any of its properties or assets is bound, any violation, breach or event of default or event or condition that, after notice or lapse of time or both, would constitute a violation, breach event of default there under by Customer or, to the knowledge of Customer, any other party thereto. Customer has delivered to K12 a true and complete copy of each of the Charter and the Customer-Sponsor Agreement.

18.2.5 Compliance of Educational Program with Applicable Law. The Educational Program will comply with, and Customer will ensure that it will continue to comply with, Applicable Law.

18.2.6 Provision of Authority to K12. Customer has provided and will provide K12 with all authority and power necessary and proper for K12 to undertake its responsibilities, duties, and obligations provided for in this Agreement.

18.2.7 Effectiveness and Enforceability of the Charter and the Customer-Sponsor Agreement. Each of the Charter and the Customer-Sponsor Agreement is in full force and effect and constitutes a valid and binding obligation of each party thereto, enforceable in accordance with its terms except as such enforceability may be limited by bankruptcy, insolvency, reorganization, moratorium, fraudulent conveyance, and other laws of general applicability relating to or affecting creditors' rights and by general principles of equity.

18.2.8 Certain Provisions of the Charter. The Charter authorizes Customer to operate and receive the federal, state and local education funds identified in this Agreement, as well as other revenues, and otherwise vests Customer with all powers necessary and desirable for carrying out the Educational Program and other activities contemplated in this Agreement.

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18.2.9 Renewal of the Charter. Customer will use best efforts to renew the Charter upon its expiration.

18.3 Mutual Warranties. Each party warrants to the other that there are no pending actions, claims, suits, or proceedings, to its knowledge, threatened against it, which if adversely determined, would have a material adverse effect on its ability to perform its obligations under this Agreement.

19 MISCELLANEOUS

19.1 Coordination; Exercise of Approval or Consent Rights.

19.1.1 Coordination and Consultation. The parties will coordinate the performance of their respective activities hereunder and will establish such procedures as they shall mutually agree to be effective for achieving the purposes of this Agreement and allowing each of them to perform its obligations and exercise its rights under this Agreement. Without limiting the generality of the foregoing, K12's legal counsel and Customer's legal counsel will consult from time to time with respect to the requirements of Applicable Law, the Charter, the Customer-Sponsor Agreement and Customer's and the Sponsor's policies as they relate to Customer's operations of the Program.

19.1.2 Approval or Consent Rights. In performing services and its other obligations under this Agreement, or in exercising its rights under this Agreement, including granting or withholding any consents or approvals or making any requests of the other party, each party must act reasonably (including as to the timing of its actions) except to the extent that this Agreement provides that it may act as it determines "in its sole judgment" or "its sole discretion," or words to that effect, in the applicable provision. Whenever it is provided in this Agreement that the parties will or may agree as to a certain matter, each party will have the right to agree or disagree in its sole discretion following good faith discussions.

19.2 Non-solicitation: Each party agrees that during this Agreement and for a period ending twelve (12) months after the termination of this Agreement for any reason, unless mutually agreed by the parties, one party will not directly solicit, recruit for employment, offer employment to, offer subcontracting opportunities to, or otherwise use the services of any consultant or employees of the other party or their related companies if that consultant or employee or former consultant or employee had been assigned to or worked under this Agreement.

19.2.1 In the event of such unpermitted use or engagement by a party or its related company of such consultant or employee whether directly or indirectly, in contravention of the clause immediately above, the other party, at its option, may seek equitable relief against such actions or seek receipt of a sum equivalent to twenty-five percent (25%) of that employee's base starting salary.

19.2.2 For the avoidance of doubt, newspaper, periodical or Internet-based listings of employment opportunities by a party shall not be considered direct or indirect solicitation of an employee of the other party.

19.3 Remedies.

19.3.1 Dispute Resolution Procedure. The parties agree that they will attempt in good faith to settle any and all disputes arising out of, under or in connection with this Agreement, including without limitation the validity, interpretation, performance and breach hereof, first at the account manager level. If the dispute is not resolved after five (5) business days at that level, then the parties shall escalate the effort to resolve to the lead managers for both parties. If the dispute is not resolved after five (5) business days from the time of escalation to that level, then the parties shall escalate the effort to resolve to the general manager for the Customer and the SVP of School Management for K12. If the dispute is not resolved after further five (5) business days from the time of escalation to that level, then the parties shall escalate the effort to resolve to the board president for the Customer and the CEO for K12 who shall have five (5) days to resolve the matter. The dispute resolution procedures described herein will be deemed complete upon the earlier to occur of the following: (i) the parties mutually agree in writing to discontinue the dispute resolution procedures; and (ii) the relevant dispute is not resolved within the time periods provided under herein.

19.3.2 Mediation and Arbitration. If the parties are unable to resolve the dispute pursuant to Section 19.3.1, the parties agree that they will attempt in good faith to settle any and all disputes through a process of mediation in Fairfax County, Virginia under the supervision of a mutually agreed upon mediator. In the event that mediation fails to settle such a dispute, the parties hereby agree to proceed to arbitration in Fairfax County, Virginia pursuant to the then existing rules of the American Arbitration Association. Except as may be required by law, neither a party nor an arbitrator may disclose the existence, content, or results of any arbitration hereunder without the prior written consent of both parties. Judgment upon the

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award rendered may be entered by the Circuit Court of Fairfax County, Virginia. In the event of arbitration, the non-prevailing party will be responsible to pay all costs of arbitration, the prevailing party's reasonable attorney's fees, costs and other disbursements, plus legal interest on the award. Each party will bear its own costs and expenses associated with the dispute resolution procedures set forth in this Section 19.3, except that the parties will share equally any fees payable to a professional mediator and/or arbitrator.

19.3.3 Injunctive Relief. Notwithstanding the foregoing, either party may, upon determination at its sole discretion that the delay occasioned by the above procedure would cause it to suffer irreparable harm and/or the full extent of the party's damages may be impossible to ascertain and/or, monetary damages will not be an adequate remedy, the party may seek immediate judicial relief as available in law or equity, and the initiation of any judicial proceeding will suspend the dispute resolution procedures set forth in this Section 19.3. The party will be entitled to enforce this Agreement by an injunction or other equitable relief without the necessity of posting bond or security, in addition to its right to seek monetary damages or any other remedy. The decision of a party not to seek judicial relief during the pendency of the above described dispute resolution procedures will not create any inference respecting the presence or absence of irreparable harm.

19.4 Jurisdiction and Venue. Each party: (a) irrevocably and unconditionally consents and submits to the jurisdiction of the state and federal courts located in the State of South Carolina for purposes of any action, suit or proceeding arising out of or relating to this Agreement; (b) agrees that service of any process, summons, notice or document by U.S. registered mail to the address set forth opposite the name of such party at the end of this Agreement shall be effective service of process for any such action, suit or proceeding brought against such party; (c) irrevocably and unconditionally waives any objection to the laying of venue of any action, suit or proceeding arising out of or relating to this Agreement in any state or federal court located in the State of South Carolina, and (d) irrevocably and unconditionally waives the right to plead or claim, and irrevocably and unconditionally agrees not to plead or claim, that any action, suit or proceeding arising out of or relating to this Agreement that is brought in any state or federal court located in the State of South Carolina has been brought in an inconvenient forum.

19.5 Force Majeure. Notwithstanding any other sections of this Agreement, no party will be liable for any delay in performance or inability to perform due to acts of God or due to war, riot, terrorism, civil war, embargo, fire, flood, explosion, sabotage, accident, labor strike, internet outage or other acts beyond its reasonable control and unrelated to its fault or negligence.

19.6 Governing Law. The laws of the State of South Carolina without regard to its conflict of laws provisions will govern this Agreement, its construction, and the determination of any rights, duties, and remedies of the parties arising out of or relating to this Agreement.

19.7 Entire Agreement. This Agreement, including the Addendum and the Exhibits hereto (all of which constitute part of this Agreement), constitutes the entire agreement of the parties with respect to the subject matter hereof, and supersedes all previous oral and written, and all contemporaneous oral, negotiations, commitments, agreements and understandings relating hereto

19.8 Counterparts, Facsimile Transmissions. This Agreement may be executed in counterparts, each of which will be deemed an original, but both of which will constitute one and the same instrument. Each party may rely on facsimile signature pages as if such facsimile pages were originals.

19.9 Official Notices. All notices and other communications required by the terms of this Agreement will be in writing and sent to the parties hereto at the addresses set forth below (and such addresses may be changed upon proper notice to such addressees). Notice may be given by: (i) certified or registered mail, postage prepaid, return receipt requested, (ii) reputable overnight carrier, postage prepaid, (iii) facsimile (with confirmation of transmission by sender's facsimile machine), or (iv) personal delivery (with written receipt confirming such delivery). Notice will be deemed to have been given (i) two days after mailing as described in clauses (i) and (ii) of the foregoing sentence, (ii) on the date of personal delivery or (iii) on the date of transmission of a facsimile if on a business day during normal business hours (or, if not, the next succeeding business day). Electronic mail does not constitute official notice under this Agreement. The addresses of the parties are:

For K12 SOUTH CAROLINA LLC:
 President
 K12 SOUTH CAROLINA L.L.C.
 2300 Corporate Park Drive, Suite 200
 Herndon, VA 20171

With Copy To:
 General Counsel
 K12 SOUTH CAROLINA L.L.C.
 2300 Corporate Park Drive, Suite 200
 Herndon, VA 20171

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Fax: (703) 483-7330

Fax: (703) 483-7496

For Customer:
[complete]

With Copy To:
[complete]

19.10 Assignment. Except as otherwise provided in this Agreement, neither party may assign or delegate any rights or obligations under this Agreement without the prior written consent of the other party. Except as prohibited by Applicable Law or the Charter, K12 may assign all of its rights and obligations under this Agreement to any person or entity that controls K12, is controlled by K12, or is under common control with K12 or to any successor in interest that acquires all or substantially all of the assets of K12. K12 may delegate the performance of its duties hereunder to any person or entity but shall be responsible for the performance, in accordance with the terms of this Agreement, of any services performed by its delegees.

19.11 Audit. Upon 45 days written notice, K12 may audit Customer's use of the Products. Customer agrees to cooperate with K12's audit and provide reasonable assistance and access to information. Customer agrees to pay within 30 days of written notification any fees applicable to Customer's use of the Products in excess of the license rights. If Customer does not pay, K12 can end Customer's technical support, licenses and/or this Agreement. Customer agrees that K12 shall not be responsible for any of Customer's costs incurred in cooperating with the audit.

19.12 Amendment. This Agreement will not be altered, amended, modified, or supplemented except in a written document executed by the parties.

19.13 Waiver. No waiver of any provision of this Agreement will be effective unless in writing, nor will such waiver constitute a waiver of any other provision of this Agreement, nor will such waiver constitute a continuing waiver unless otherwise expressly stated.

19.14 Interpretation. The parties hereto acknowledge and agree that both (a) the rule of construction to the effect that any ambiguities are resolved against the drafting party and (b) the terms and provisions of this Agreement, will be construed fairly as to all parties hereto and not in favor of or against a party, regardless of which party was generally responsible for the preparation of this Agreement.

19.15 Severability. The parties intend that each provision hereof constitute a separate agreement between them. Accordingly, the provisions hereof are severable and in the event that any provision of this Agreement shall be deemed invalid or unenforceable in any respect by a court of competent jurisdiction, the remaining provisions hereof will not be affected, but will, subject to the discretion of such court, remain in full force and effect, and any invalid or unenforceable provision will be deemed, without further action on the part of the parties, amended and limited to the extent necessary to render the same valid and enforceable and reflect the intent of the parties. To the extent that any of the services to be provided by K12 are found to be overbroad or an invalid delegation of authority by Customer, such services will be construed to be limited to the extent necessary to make the services valid and binding.

19.16 Successors and Assigns. This Agreement will be binding upon, and inure to the benefit of, the parties and their respective successors and permitted assigns.

19.17 No Third-Party Rights. This Agreement is made for the sole benefit of Customer and K12 and their respective successors and permitted assigns. Except as set forth in Articles VIII and IX and except for each Affiliate of K12, which shall be a third party beneficiary of this Agreement, nothing in this Agreement will create or be deemed to create a relationship between the parties to this Agreement, or any of them, and any third person, including a relationship in the nature of a third-party beneficiary or fiduciary.

19.18 Survival of Termination. All representations, warranties, and indemnities made in this Agreement will survive termination of this Agreement as will the provisions of Section 7.03, Article VIII and this Article XII.

19.19 Headings and Captions. The headings and captions appearing in this Agreement have been included only for convenience and shall not affect or be taken into account in the interpretation of this Agreement.

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Exhibit A
Curriculum and Services

Educational and Related Products: During the Term, K12 and its Affiliates will provide or cause to be provided to Customer, its Students and its personnel the following educational products (the "Educational Products"):

1. Online School: For each school year during the Term, (i) K12® Curriculum (a/k/a Online School or OLS) for grades kindergarten through eighth, in each case in Language Arts, Math, Science, and History, and, if required by Applicable Law Art and/or Music; (ii) K12® Curriculum (a/k/a Online School or OLS) for such additional grades for which K12 generally offers curriculum to its customers; and (iii) any third party curriculum K12 generally offers its customers, in each case for such courses required by Applicable Law.
2. Instructional Tools. Such instructional tools and supplies, including without limitation textbooks and multi-media teaching tools, as K12 determines in its discretion to be necessary to deliver the Educational Program (defined below).
3. Computers. Such computers, monitors, software and other hardware as K12 determines in its discretion to be necessary to deliver the Educational Program.

Administrative Services: During the Term, K12 and its Affiliates will provide or cause to be provided to Customer the administrative services (the "Administrative Services") set forth below. K12 will provide the Administrative Services at Customer's Facility and from K12's offices in Herndon, Virginia and elsewhere, as deemed necessary in K12's discretion.

1. Educational Program Consulting. Propose educational goals, curriculum, methods of pupil assessment, admissions policy, student recruitment policy, school calendar, school day schedule, and age and grade range of pupils to be enrolled in Customer's Program (the "Educational Program"), as identified on Page 1 of this Agreement. K12's recommendations for the Educational Program will be consistent with Applicable Law and the Charter.
2. Personnel Management. Management of all personnel providing Educational Products, Administrative Services, and Technology Services. Management of all of Customer's Program employees including recruiting; hiring recommendations; reference, certification and background checks; securing of payroll services; negotiation, securing and management of health, retirement and other benefits. Work with Customer to develop human resources policies, bonus plans, and strategic plans for staffing, development, and growth. Provide teacher performance evaluation models to Customer and advise Customer on effective ways to measure teacher performance in a virtual setting.
3. Facility Management. Identify location of Customer's Facility, negotiate lease and leasehold improvements and manage Facility. The performance of K12's Administrative Services will be based out of this Facility, with support from K12's corporate location in Virginia and or other locations as necessary. The Facility shall also serve as the principal office for all of Customer's personnel assigned to the Program.
4. Business Administration. Administration of all business aspects and day-to-day management of the Program. These services shall include:
 - a. Consultation, and services as liaison for Customer with the Sponsor, and other governmental offices and agencies;
 - b. Consultation and advice regarding special education programs, processes, support services and reimbursements;
 - c. Consistent with other provisions of the Agreement, provide school administrative staff as appropriate;

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- d. Work with Customer's counsel, if any, on legal matters affecting the Program;
 - e. Preparation of forms, operations manuals, handbooks, guides, and policies and procedures as necessary or required by the Charter or Sponsor;
 - f. Consultation with respect to, and monitoring and oversight of, state reporting systems;
 - g. Assist Customer in identifying and applying for grants and other funding opportunities;
 - h. Assist with the administration of federal entitlement programs (e.g., Title I, I.D.E.A.);
 - i. Arrange contracts with school districts, education services centers, and professional service providers for special education, testing and other support services on Customer's behalf;
 - j. Establish and implement policies and procedures to maintain proper internal controls; and
 - k. Provision of such other administrative and consulting services as agreed in writing by the parties from time to time.
5. Budgeting and Financial Reporting.
- a. Preparation of a proposed annual budget for the Program, including projected revenues, expenses and capital expenditures. The parties agree that the last budget approved by Customer prior to the effective date of this Agreement will serve as the approved annual budget of the Program for the next Fiscal Year. The proposed budget for subsequent years will be submitted by K12 to Customer on or before May 31st preceding the start of the applicable school year covered by such proposed budget. On or about October 31 of each school year during the Term, K12 will submit to Customer any proposed modifications to the annual budget for that school year to take into account the actual student enrollment for such school year and other changes in key assumptions. K12 shall also submit to Customer from time to time any other proposed modifications to the annual budget as K12 shall deem to be necessary or desirable, to be acted upon by Customer consistent with Applicable Law and this Agreement.
 - b. Provide to Customer on a periodic basis, detailed statements of all revenues received, from whatever source by the Program, and detailed statements of all direct expenditures for services rendered to the Program.
 - c. Provide to Customer all financial reports required under Applicable Law and by the Sponsor.
 - d. Subject to any confidentiality obligations imposed on K12 by third parties, provide to Customer such other information either required by the Sponsor to be made available to Customer or the Sponsor requested by Customer, in each case within a reasonable time following such written request therefore, and in all cases consistent with Applicable Law.
 - e. Prepare and file required non-profit filings, including form 990 tax returns. Notwithstanding the foregoing, K12 will not be responsible for filing Customer's form 1023, but will work with Customer's counsel and/or accountant to prepare the application for tax-exempt status, as necessary.
6. Financial Management.
- a. In accordance with Customer's expenditure authorization policy, K12 will, within commercially reasonable periods of time or as required by any agreement governing same, make payment for all School Expenses, out of the Program funds managed by K12.
 - b. All Program funds will be maintained in an account(s) belonging to Customer over which designated representatives of K12 will have signature authority as approved by Customer. Customer will immediately transfer to such account(s) all funds and or other revenues received by the Program from any source, including but not limited to per pupil payments or reimbursements received from the local school district, state, and/or any other source, as well as any and all contributions received by the Program.
 - c. Assist in obtaining financing for the Program's day-to-day operations on Customer's behalf, if required; perform necessary accounting functions and set up third-party accounting, reporting and planning software.

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- d. Assist and coordinate in any third-party audit(s) of the Program.
7. **Maintenance of Financial and Student Records.**
 - a. K12 will maintain and keep the records and books of the Program at the Facility. K12 may maintain electronic or paper copies of records and provide other services elsewhere, unless prohibited by Applicable Law. Customer recognizes and agrees that for purposes of the Family Educational Rights and Privacy Act and the State open records act, K12 has a legitimate educational interest for purposes of Customer disclosing to K12 the Student's educational records.
 - b. K12 will maintain accurate financial records pertaining to the operation of the Program and will retain all such records for a period of seven (7) years (or longer if required by Applicable Law) from the close of the Fiscal Year to which such books, accounts, and records relate.
 - c. K12 will maintain accurate student records pertaining to students enrolled in the Program in the manner required by Applicable Law, and retain such records on behalf of Customer at the Facility until this Agreement is terminated, at which time such records will be retained by and become the sole responsibility of Customer.
 - d. Ensure accessibility of Program records to Customer, its independent auditor and the State for completion of audits required by Applicable Law or by the Charter. The parties understand that all financial, educational and other records, regardless of source of origin, are the property of Customer. The parties agree to maintain, retain, disclose, and withhold Program records as may be required and in the manner required by Applicable Law.
8. **Pupil Recruitment.** Recruitment of students, including creation, design and preparation of recruitment materials and advertisements; assist with demand creation for the Program and its information sessions and other events via mail, e-mail, newspapers, magazines, journals, radio, television, community forums, town hall meetings, and other forms of communication and outreach on Customer's behalf; develop community outreach strategy and connect with local organizations. Design school recruitment materials, letterhead, business cards, and logos to create school identity.
9. **Admissions.** Implementation of the Program's admissions policy, including management of the application and enrollment process; creation, design and publication of Program's applications and enrollment packages; and communicating with potential students and their families and assisting families through the enrollment process; conduct random lottery if required.
10. **Family Services.** Plan and arrange school orientation sessions; represent the Program at conferences and other events. Field and respond to incoming calls, letters, faxes, and e-mails about the Program, its curriculum, the application/enrollment process, instructional materials, etc. Conduct focus groups, surveys, interviews, observation sessions, and/or user testing on the OLS to obtain feedback on how to improve the Program and curriculum. Create "feedback buttons" on lessons so that Students, their parents, and teachers may submit comments and suggestions; respond to suggestions and implement improvements where K12 deems them to be valuable. Conduct exit interviews with those Students and their parents who withdraw in order to learn more about how to improve the program for Students. Create and distribute a parent manual and/or student handbook which includes a starting kit for logging onto the OLS. Assist with the design and implementation of parent orientation sessions.
11. **Student Discipline.** Provide necessary information and cooperate with Customer on the handling of all student disciplinary matters, including without limitation attendance and truancy matters. K12 will recommend policy and procedures for Customer adoption consistent with Applicable Law.
12. **Annual Reports to Sponsor.** Assist Customer with the creation, design, and arrangement for publication and dissemination of an annual report regarding the Program.
13. **Teacher Training and Professional Development.** Create teacher training materials for new and

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returning teachers. Administer a discussion board or other tool to permit Program teachers to post questions or receive feedback on any topics relating to the role of a virtual school teacher and get answers/feedback from K12 personnel and/or teachers at other programs using the K12 curriculum. Produce, design, and disseminate a teacher training manual to all the Program's teachers, and an administrator manual for all the Program's administrators, as needed. Design and deliver comprehensive teacher training on the Program's curriculum, technological systems, policies and procedures, and more. Design and deliver orientation sessions with the school administration, including curriculum, technological systems, policies and procedures, and more. Support teachers as they connect with Students and their parents via email and phone. Work with the Program's administration to address the continuing professional development needs of the staff as required by Applicable Law.

Topics covered in teacher training may include:

What is K12?: Learn the K12 Philosophy and explore the relationship between K12 and your school. Get a close up look at a day in the life of a virtual schooling family.

The K12 Curriculum: Hear an overview of each the courses in the K12 curriculum from K12's own course creators. Use Quicknotes, K12's own "cheat sheet" to navigate through K12 courses.

The Job of Virtual Teachers: Compare the job of virtual teaching to traditional classroom teaching. Examine the roles of virtual teachers as partners and resources for virtual schooling families. Working with adults will be discussed.

The Virtual School Community: Discuss strategies for connecting students and families in your school including community building tools, parent training workshops, outings for students and families, and student activities such as clubs.

The Online School: Spend time getting to know the parts of a K12 lesson in each of the curricular areas.

Measuring Student Progress: Student progress begins with appropriate placement in the K12 curriculum. Explore K12 placement tests and the role of the teacher and parents in determining student placement. Practice using tools to measure, document, and report student progress and identify "red flag" students. Student learning plans and procedures for recommending promotion will be discussed.

Communication in the Virtual School: The key trait for a virtual teacher's success is excellent communication skills. Role play a parent conference call and practice communicating effectively through email. Discuss how to deal with sensitive information in teacher-family interactions.

Working at a Distance: A virtual workplace has its challenges. Learn strategies for feeling connected, not disconnected and valuable tips and tricks for managing the job. Benefit from experienced teachers in the virtual field!

Standardized Testing: Procedures for scheduling and conducting standardized testing will be discussed. Examine K12 resources for standardized testing including test prep courses and view practice items from your state Department of Education (if available).

14. *Sponsor Policies and Charter Renewal*. Assist Customer in complying with all applicable Sponsor policies as reasonably interpreted to apply to the Program. Assist Customer with drafting the Programs Charter renewal application, including working with Customer to develop any necessary budgetary and curriculum information. Present and defend Customer's Charter renewal application before the Sponsor/Agency.
15. *Instructional Property Management*. Prepare and submit to Customer proposed policies and procedures regarding the responsible use of computer equipment and other instructional property. Arrange for the distribution and re-shipment or return (as necessary) of computers, printers and instructional materials for families, administrators, and teachers.
16. *Public and Governmental Relations*. Conduct public and governmental relations on the behalf of the Program with the community, the media and relevant governmental offices and agencies.

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including drafting and distribution of Program press releases.

17. Additional Administrative Services. Any other services as agreed to in writing by the parties from time to time.

Technology Services: During the Term, K12 and its Affiliates will provide or cause to be provided to Customer the technology services (the "Technology Services") described below. K12 will provide the Technology Services at Customer's Facility (defined below) and from K12's offices, as deemed necessary and in K12's discretion.

1. 24-7 monitoring of production services, i.e., SAMS, OLS and VHS;
2. Monitor and analyze system data, to fix production issues as they may arise;
3. Generate reports on pupil academic performance, attendance and progress;
4. Seek and secure competitive pricing and centralized purchase discounts for computers, monitors, printers, software and other peripherals for the Charter School;
5. Train school staff, and parents and students, as deemed appropriate and necessary, on technology systems;
6. Develop, design, publish, and maintain the Charter School's interactive web site;
7. Install and maintain the Charter School's computer and telephone network;
8. Generate reports e.g., omnibus report, demographic reports, etc.;
9. Develop community tools on the Charter School web site and K12 platform (including password protected threaded discussion and message boards, moderation functionality, directories, etc.);
10. Determine hardware configurations (including software and operating systems) for the school's technology needs;
11. Provide onsite and telephone support for the Charter School administration in troubleshooting system errors, and telephone support for students;
12. Propose for Governing Authority adoption policies and procedures regarding the responsible use of computer equipment and other school property;
13. Support teachers and customer care associates in answering technology-related questions from students, parents, teachers, and administrators;
14. Install software to generate master image of computer configurations for teachers, administrators, and students in order to standardize the user experience and lower costs and turn-around time for implementation and trouble shooting;
15. Ensure electronic security of student records (through the use of encryption, firewalls, etc.)
16. Provide a Web-filtering device to ensure that students do not have access to inappropriate materials on the Internet
17. Prepare for, supervise, and implement all system roll-overs at the end of each academic year;
18. Work with the school's Business Manger to send invoices to the appropriate state, local, and federal entities and contractors
19. Assist with local, state, and federal reporting requirements
20. Assist the school for audits related to attendance and other subjects
21. Design and implement inventory management systems with the school's distribution and hardware vendors, as well as reclamation programs, as needed
22. Support and design the school's accounting system as it connects with all other systems
23. Provide online enrollment, registration and placement services
24. Provide school email accounts for school employees
25. Provide customer care and technology support services on OLS, computer and software issues
26. Oversee changes to the Charter School web site to maintain quality assurance and make sure that there are not "version control" problems
27. Coordinate security, creative, and content issues pertaining to the web site
28. Coordinate Web hosting contracts and relationships with vendors across South Carolina, as needed

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- 29. Handle troubleshooting issues for the school's web site and send issues to the appropriate person or division for resolution**
- 30. Additional Technology Services. Any other services as agreed to in writing by the parties from time to time.**

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**Exhibit B
K12 Proprietary Marks**

[INSERT LOGOS]

Appendix I
Certificate of Incorporation, Articles of Incorporation, and By Laws

CHECKED TO BE A TRUE AND CORRECT COPY AS TAKEN FROM AND COMPARED WITH THE ORIGINAL ON FILE IN THIS OFFICE

NOV 15 2007

STATE OF SOUTH CAROLINA
SECRETARY OF STATE
NONPROFIT CORPORATION
ARTICLES OF INCORPORATION

~~STATE OF SOUTH CAROLINA
SECRETARY OF STATE~~

Pursuant to Section 33-31-202 of the South Carolina Code of Laws, as amended, the undersigned corporation submits the following information

1. The name of the nonprofit corporation is: South Carolina Virtual Charter School
2. The initial registered office of the nonprofit corporation is: 4916 Crosscreek Lane, Greenville, South Carolina 29615.

The name of the registered agent of the nonprofit corporation at that office is:

Dr. Kathleen Brady

3. Check "a," "b," or "c" whichever is applicable. Check only one box.

a. The nonprofit corporation is a public benefit corporation.

b. The nonprofit corporation is a religious corporation.

c. The nonprofit corporation is a mutual benefit corporation.

4. Check "a" or "b," whichever is applicable.

a. This corporation will have members.

b. This corporation will not have members.

5. The address of the principal office of the nonprofit corporation is: 4916 Crosscreek Lane, Greenville, South Carolina 29615.

6. If this nonprofit corporation is either a public benefit or religious corporation (when box "a" or "b" of paragraph 3 is checked), complete either "a" or "b," whichever is applicable to describe how the remaining assets of the corporation will be distributed upon dissolution of the corporation.

a. Upon dissolution of the corporation, assets shall be distributed for one or more exempt purposes within the meaning of section 501(c)(3) of the Internal Revenue Code, or the corresponding section of any future Federal tax code, or to a state or local government, for a public purpose. Any such asset not so disposed of shall be disposed of the Court of Common Pleas of the county in which the principal office of the corporation is then located, exclusively for such purposes or to such organization or organizations, as said court shall determine, which are organized and operated exclusively for such purposes.

b. Upon dissolution of the corporation, consistent with the law, the remaining assets of the corporation shall be distributed to the assets shall be distributed for one or more exempt purposes within the meaning of section 501(c)(3) of the Internal Revenue Code, or the corresponding section of any future Federal tax code, or shall be distributed to the federal government, or to a state or local government, for a public purpose. More specifically, in accordance with South Carolina Code Section 59-49-120, upon the dissolution of the corporation or upon its ceasing to exist as a charter school, the Board of Directors of the corporation, after paying or making provisions for the payment of all liabilities of the corporation, shall dispose of all of the assets so that no assets inure to the benefit of any

South Carolina Virtual Charter School
Name of the Corporation

private person. All remaining assets become property of the sponsor school district to be used for public purposes.

7. If the corporation is a mutual benefit corporation (when box "c" is checked), complete either "a" or "b," whichever is applicable, to describe how the (remaining) assets of the corporation will be distributed upon dissolution of the corporation.

a. Upon dissolution of the mutual benefit corporation, the (remaining) assets shall be distributed to its members, or if it has no members, to those persons to whom the corporation holds itself out as benefiting or serving.

b. Upon dissolution of the mutual benefit corporation, the (remaining) assets, consistent with the law, shall be distributed to:

8. The optional provisions which the nonprofit corporation elects to include in the articles of incorporation are as follows (See 33-51-202(c) of the 1976 South Carolina Code of Laws, as amended, the applicable comments thereto, and the instructions to this form)

Said organization is organized exclusively for charitable, religious, educational, and scientific purposes, including, for such purposes, the making of distributions to organizations that qualify as exempt organizations under section 501(c)(3) of the Internal Revenue Code, or corresponding section of any future federal tax code. Such purposes include the purpose of organizing a charter school pursuant to the South Carolina Charter Schools Act of 1996.

No part of the net earnings of the organization shall inure to the benefit of, or be distributable to its members, trustees, officers, or other private persons, except that the organization shall be authorized and empowered to pay reasonable compensation for services rendered and to make payments and distributions in furtherance of the purposes set forth in the purpose clause hereof. No substantial part of the activities of the organization shall be the carrying on of propaganda, or otherwise attempting to influence legislation, and the organization shall not participate in, or intervene in (including the publishing or distribution of statements) any political campaign on behalf of any candidate for public office. Notwithstanding any other provision of this document, the organization shall not carry on any other activities not permitted to be carried on (a) by an organization exempt from federal income tax under section 501(c)(3) of the Internal Revenue Code, or corresponding section of any future federal tax code, or (b) by an organization, contributions to which are deductible under section 170(c)(2) of the Internal Revenue Code, or corresponding section of any future federal tax code.

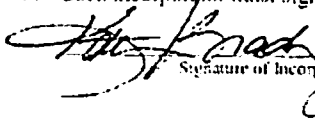
The articles of incorporation may be amended or restated by the Board of Directors of the corporation without the approval of the members, unless a nonwaivable provision of the South Carolina Nonprofit Corporation Act requires member approval.

9. The name and address of each incorporator is as follows (only one is required):

Dr. Kathleen Brady 4916 Crosscreek Lane, Greenville, South Carolina 29615
Name Address Zip Code

10. Each original director of the nonprofit corporation must sign the articles, but only if the directors are named in these articles:

11. Each incorporator must sign the articles.


Signature of Incorporator

FILING INSTRUCTIONS

1. Two copies of this form, the original and either a duplicate original or a conformed copy, must be filed
2. If space in this form is insufficient, please attach additional sheets containing a reference to the appropriate paragraph in this form, or prepare this using a computer disk, which will allow for expansion of space in this form.
3. This form must be accompanied by the filing fee of \$25.00 payable to the Secretary of State.

Return to: Secretary of State
 Post Office Box 11350
 Columbia, SC 29211

4. If this organization is a Homeowners Association or a Political Association it must also be accompanied by the First Annual Report of Corporations and an additional \$25.00 fee is required.

NOTE

THE FILING OF THIS DOCUMENT DOES NOT, IN AND OF ITSELF, PROVIDE AN EXCLUSIVE RIGHT TO USE THIS CORPORATE NAME OR IN CONNECTION WITH ANY PRODUCT OR SERVICE. USE OF A NAME AS A TRADEMARK OR SERVICE MARK WILL REQUIRE FURTHER CLEARANCE AND REGISTRATION AND BE AFFECTED BY PRIOR USE OF THE MARK. FOR MORE INFORMATION, CONTACT THE TRADEMARKS DIVISION OF THE SECRETARY OF STATE'S OFFICE AT (803) 734-1725

The State of South Carolina



Office of Secretary of State Mark Hammond

Certificate of Incorporation, Nonprofit Corporation

I, Mark Hammond, Secretary of State of South Carolina Heroby certify that:

SOUTH CAROLINA VIRTUAL CHARTER SCHOOL,
a nonprofit corporation duly organized under the laws of the State of South Carolina on November 15th, 2007, and having a perpetual duration unless otherwise indicated below, has as of the date hereof filed a Declaration and Petition for Incorporation of a nonprofit corporation for Religious, Educational, Social, Fraternal, Charitable, or other eleemosynary purpose.

Now, therefore, I Mark Hammond, Secretary of State, by virtue of the authority in me vested by Chapter 31, Title 33, Code of 1976 and Acts amendatory thereto, do hereby declare the organization to be a body politic and corporate, with all the rights, powers, privileges and immunities, and subject to all the limitations and liabilities, conferred by Chapter 31, Title 33, Code of 1976 and Acts amendatory thereto.

Given under my Hand and the Great Seal of the State of South Carolina this 15th day of November, 2007.

Mark Hammond
Mark Hammond, Secretary of State

Note: This certificate does not constitute representation concerning fees or taxes owed by the Corporation to the South Carolina Tax Commission or whether the Corporation has filed the appropriate tax returns or has any tax liabilities. It is the responsibility of each filer of this Certificate to seek a full and complete analysis of the entity's tax obligations and possible liabilities from the Tax Commission.

SOUTH CAROLINA VIRTUAL CHARTER SCHOOL

**ACTION TAKEN BY WRITTEN CONSENT
OF THE SOLE INCORPORATOR**

The undersigned, being the sole Incorporator of South Carolina Virtual Charter School, a South Carolina nonprofit corporation (the "Corporation"), hereby adopts the following resolutions relating to the incorporation of the Corporation.

WHEREAS, the Articles of Incorporation have been duly filed with the Secretary of State of South Carolina,

NOW, THEREFORE, BE IT RESOLVED, that the Articles of Incorporation, as filed with the South Carolina Secretary of State, are hereby approved and shall be filed in the corporate Minute Book.

WHEREAS, a "charter committee," as that term is defined in the South Carolina Charter Schools Act of 1996, will act as the governing body of the Corporation through the charter application process and until the first election of a board of directors by the members is held,

NOW, THEREFORE, BE IT RESOLVED, Pursuant to Section 33-31-205(a)(2) of the Code of Laws of South Carolina, 1976, the following persons are appointed as the Initial Board of Directors of the Corporation, and shall be the "charter committee" of the Corporation, to serve as such until the first election of directors by the members is held:

- (1) Dr. Kathleen Brady
- (2) Deborah Dingler
- (3) Richard T. Gianni
- (4) Clara Heinsohn
- (5) Alison Miller
- (6) Victoria Dixon-Mokeba
- (7) Dr. Richard A. NeSmith
- (8) Lorilyn Smith
- (9) Tonya Whitehead

The above resolutions were adopted by the sole Incorporator of the Corporation, and such Incorporator has consented to this action by signing her name below. These resolutions shall be effective as of the beginning of the Corporation.

Date: _____

Dr. Kathleen Brady
Incorporator

SOUTH CAROLINA VIRTUAL CHARTER SCHOOL

BYLAWS

[December 2007]

ARTICLE I – NAME AND OFFICES

Section 1. Name of Corporation. The name of the Corporation shall be as specified in its Articles of Incorporation, to wit: South Carolina Virtual Charter School (hereinafter referred to as the “Corporation” or the “School”).

Section 2. Address of Corporation. The location and address of the registered office of the Corporation shall be that address as is kept on file with the South Carolina Secretary of State.

ARTICLE II – NATURE OF CORPORATION

Section 1. Non-Profit. The Corporation is a non-profit organization incorporated under the South Carolina Nonprofit Corporation Act of 1994 [Chapter 31, Title 33, S.C. Code (the “Nonprofit Act”)]. The Corporation is an independent and autonomous organization.

Section 2. Purposes. The purposes for which the Corporation is to be formed is to organize a charter school pursuant to South Carolina Code Ann. § 59-40-10 et seq., the South Carolina Charter Schools Act of 1996, as amended, and as set forth in the Articles of Incorporation.

Section 3. Limitations and Restrictions.

- (a) **Income and Distributions:** No part of the assets, income, or net earnings of the Corporation shall be distributable to or shall inure to the benefit of its Members, Trustees, Directors, Officers, or any Shareholder or private individual, but reasonable expenses may be reimbursed and reasonable compensation may be paid for services rendered to enable the Corporation to provide the functions for which it has been organized.
- (b) **Dissolution:** Dissolution and distribution of assets shall be carried out in accordance with the Articles of Incorporation.
- (c) **Scope of Activity:** Notwithstanding any other provision herein, the Corporation shall not carry on any other activities not permitted to be carried on by (a) a corporation exempt from federal income tax under Section 501 (c)(3) of the Internal Revenue Code of 1986, as amended, or the corresponding provision of any future United States Internal Revenue Law, or (b) by an organization, contributions to which are deductible under section

170 (c)(2) of the Internal Revenue Code, or corresponding section of any future federal tax code.

- (d) **Prohibited Transactions:** No substantial part of the activities of the organization shall be the carrying on of propaganda, or otherwise attempting to influence legislation, and the organization shall not participate in, or intervene in (including the publishing or distribution of statements) any political campaign on behalf of any candidate for public office.

Section 4. Non-Discrimination. The Corporation shall be non-sectarian, non-religious and non-discriminatory, hiring staff and accepting students without discrimination as to race, color, religion, national origin, sex, marital status, sexual orientation, educational affiliation, handicap status, or age, and shall comply with all applicable laws and regulations relating thereto including those specifications regarding admission as to racial composition pursuant to any applicable provision of the South Carolina Charter Schools Act.

Section 5. Enrollment. Subject to total enrollment limitations, enrollment in the School shall be open to any child in accordance with the South Carolina Charter Schools Act and interpreted case law.

ARTICLE III – MEMBERS

Section 1. Members. The members of the Corporation shall consist of all parents or guardians of students enrolled in the School and all School employees (hereinafter “Members”).

Section 2. Annual Meetings. The initial annual meeting of the Members shall take place at a date and time selected by the charter committee (as that term is defined in South Carolina Code Ann. § 59-40-40 (7)) after school operations begin, at which time the election of the Board of Directors of the School will take place. All Members shall be entitled to participate in the election of the Board of Directors pursuant to South Carolina Code Ann. § 59-40-50 (B)(9). Subsequent annual meetings will take place at such times and places as shall be specified in the respective notices of such meetings.

Section 3. Proxies. A Member entitled to vote may vote in person or by proxy executed in writing by the Member or by his attorney-in-fact. A proxy shall not be valid after eleven months from the date of its execution unless a longer period is expressly stated in it.

Section 4. Quorum. The presence, in person or by proxy, of 20% or more of the members shall constitute a quorum at meetings of members.

Section 5. Action by Written Consent. Whenever by any provision of law the vote of the Members at a meeting thereof is required or permitted to be taken in connection with any corporate action, the meeting and vote of Members may be dispensed with if Members holding eighty (80%) percent of the voting power consent to the action in writing and written notice of such member approval is delivered to the Members (if any) who did not consent to such action. If written notice is required, Member approval is effective ten (10) days after such written notice is given.

ARTICLE IV – BOARD OF DIRECTORS

Section 1. Management. Pursuant to South Carolina Code Ann. § 59-40-40 (7), the charter committee will act as the governing body of the School through the charter application process and until the first election of a board of directors by the Members is held. Once an election is held and the charter committee is dissolved, the Board of Directors (hereinafter also referred to as the “Board”) shall be the governing body of the School. The business and affairs of the Corporation shall be managed by the Board.

Section 2. Responsibilities. The Board’s responsibilities include, but shall not be limited to, the following:

- a. Ensure compliance with all of the requirements for a charter school as provided by the South Carolina Charter Schools Act;
- b. Make every effort to maintain a positive working relationship with the school district which issued the School’s charter;
- c. Comply with all Federal and South Carolina laws;
- d. Develop strategic plans for the School;
- e. Adopt and approve the annual budget of the School;
- f. Assist in fund raising activities for the School;
- g. Validate all major contracts with the School by giving and recording formal approval;
- h. Evaluate the School’s compliance with the academic accountability plan;
- i. Employ and evaluate the administrator of the School;
- j. Employ and contract with teachers and non-teaching employees as recommended by the school administrator;
- k. Ensure that all personnel undergo background checks and fingerprinting prior to hiring;
- l. Contract for all other services for the School;
- m. Develop pay scales, performance criteria; and discharge policies;
- n. Approve operating procedures for the School;
- o. Ensure that the curriculum fulfills the mission statement of the School;
- p. Hear appeals for teacher dismissals and student expulsions;
- q. Build and maintain a parent, educator, and community partnership;
- r. Ensure that the School will adhere to the same health, safety, civil rights and disability rights as required by the school district which issued the School’s charter; and
- s. Oversee and assure financial health of the School.

Section 3. Composition and Election. The School will recruit as Board members those persons who qualify under the South Carolina Charter Schools Act and demonstrate commitment to the School’s mission. All prospective and current Board Members will be required to undergo a background check before they officially may serve. Pursuant to South Carolina Code Ann. § 59-40-50 (B)(9), a person who has been convicted of a felony must not be elected to a board of directors.

The Board shall consist of seven (7) Directors. The Directors shall be elected annually by the parents or guardians of students enrolled in the School and the employees of the School. All Members shall be eligible to participate in the election of the Board. There shall be one vote allowed for each enrolled student; parents and guardians within each family will determine who will cast that vote. All other non-parent, non-guardian members shall have one vote each. Directors shall be elected by a plurality of the votes cast. Eligible voters will vote on the entire Board. The Board will be elected at large. The Board shall not include employees of the School. In case of a tie, the Board may appoint an interim director to fill the vacancy until the time that the tie is broken by a special election.

The administrator of the School will serve as an ex-officio member of the Board with no voting privileges.

The one year term for each member of the Board shall begin on October 1 and expire on September 30. Elections shall be held and results posted by September 30 for the current school year.

Section 4. Annual and Regular Meetings. The initial annual meeting of the Board shall be held as outlined in Article III, Section 3 above. In addition, the Board shall also meet monthly at least eleven (11) times each year. Meetings of the Board shall be general meetings and open for the transaction of business within the powers of the Board without special notice of such business except in any case where special notice is required by law or the Bylaws. All meetings are open to the public.

Section 5. Place and Time of Meetings. All meetings of the Board, including the annual meeting, shall be held at such places within or without the State of South Carolina and at such times that shall be specified in the respective notices of such meetings or waivers thereof.

Section 6. Notice of Meetings. Notices of meetings of the Board shall be posted in the School and provided to the public in accordance with the requirements of the Freedom of Information Act. Public notice shall, however, not be required in the case of Emergency Meetings or a conference as defined in the Freedom of Information Act.

Notice to all Directors of all regular meetings shall be delivered by electronic mail (e-mail) at least one (1) week prior to the scheduled meeting. Notice of all special meetings shall be delivered as soon as possible before the special meeting convenes but in no event not less than twenty-four (24) hours before the meeting convenes. Such notice shall state the time, place and date, where the meeting is to be held, and for special meetings, in addition, the purpose or purposes for which the meeting is called. Notwithstanding the above, notice of all meetings shall be delivered by regular, first class mail, postage prepaid, to any Director who makes such request in writing to the Secretary of the Corporation at least 30 days before the next regularly scheduled or special meeting. If mailed, such notice shall be directed to each Director entitled to notice at his/her address as it appears on the books or records of the Corporation.

Section 7. Special and Emergency Meetings. Special meetings of the Board shall be called at any time by the Secretary upon the written request delivered to the Secretary by mail or electronic mail (e-mail) of either the Chairperson or three (3) members of the Board upon twenty-four (24) hour notice posted and delivered to all Directors and local news media.

Meetings shall be held at the place stated in the notice and shall be open to the public. Emergency meetings may be called at the discretion of the Chairperson and may be held without notice.

Section 8. Open Meetings and Administrative Records. All official actions and all deliberations undertaken by a quorum of the Board shall take place at a meeting open to the public, as provided in the Freedom of Information Act, except in cases where executive sessions are authorized pursuant to the Freedom of Information Act.

Section 9. Quorum and Voting. In all meetings of the Board, the presence of a majority of the Directors shall be necessary and sufficient to constitute a quorum. Unless otherwise provided by law or by the Bylaws, the act of a majority of the Directors present shall be the act of the Board. In the absence of a quorum, no business shall be transacted except to take measures to obtain a quorum, fix a time to adjourn, or to take a recess. All decisions of the Board will be taken by vote.

Section 10. Resignation and Removal of Directors. Any Director may resign at any time during the elected year of service. Any Director may be removed at any time with cause at any meeting of the Board by the affirmative vote of a majority of all the Directors then in office if notice of intention to act upon such matters shall have been given in the notice calling such meeting; provided, however, that such removal shall not be effective unless the requirements of South Carolina Code Ann. § 59-40-75 are met.

Section 11. Vacancies. In the event any vacancy occurs on the Board, by death, resignation or otherwise, the vacancy will be filled within 45 days in accordance with the election procedures as outlined in the South Carolina Charter Schools Act. At all times, the Board shall consist of not less than seven (7) Board Members. And in order to maintain that number, the current Board shall meet to appoint an interim Director to serve until an election can be held to choose a replacement.

Section 12. Compensation and Expenses. Directors shall serve without compensation but may be reimbursed for expenses incurred when acting at the request of and on behalf of the Board.

Section 13. Qualifications of the Board of Directors. Directors shall meet all qualification requirements of the South Carolina Charter Schools Act.

Section 14. Informal Action by Directors. Action taken without a meeting will be deemed action of the Board if all members of the Board execute a written consent thereto, and the consent is filed with the corporate records of the Corporation.

ARTICLE V – OFFICERS

Option # 1 -- **Section 1. Number of Officers.** The officers of the Corporation shall be a President, one or more Vice Presidents, a Secretary, and a Treasurer. The officers shall perform such duties as usually pertain to the offices which they hold or as may be assigned to them by the Board of Directors. The President shall be the Chairperson of the Board of Directors. **[If Option # 1 is chosen, then Section 4 shall be deleted].**

Option # 2 -- **Section 1. Number of Officers.** The officers of the Corporation shall be a President, one or more Vice Presidents, a Secretary, and a Treasurer. The officers shall perform such duties as are described in the Bylaws or as may be assigned to them by the Board of Directors. The President shall be the Chairperson of the Board of Directors.

Section 2. Election of Officers. The President, Vice President, Secretary, and Treasurer shall be elected annually by the Board of Directors at the designated annual meeting of the Board. Officers shall be elected by a plurality of the votes cast by the Directors and may succeed themselves. Each person elected as an officer shall continue in office until the next annual meeting after his/her election or until his/her successor shall have been duly elected and qualified, or until his/her earlier death or resignation in accordance with the Bylaws. Vacancies of officers caused by death, resignation, or decrease in the number of officers may be filled at a special meeting called for that purpose or at any regular meeting. Voting to fill officer vacancies shall be by a majority vote of the Board in the case of one vacancy and by a plurality of the votes cast in the case of more than one vacancy.

Section 3. Additional Officers and Agents. The Board, at any meeting, may, by resolution, appoint such additional officers and such agents and determine their term of office and compensation, if any, as it may deem advisable. The Board may delegate to any officer or committee the power to appoint such subordinate officers, agents, or employees and to determine their terms of office and compensation, if any.

Section 4. Duties. The officers selected above shall have the following duties:

(a) **President.** The President shall perform the following duties:

1. Preside at all meetings;
2. Subject to the control of the Board of Directors, supervise and control the management of the Corporation in accordance with the Bylaws and Articles of Incorporation;
3. Serve as Chairperson of the Board;
4. Appoint all committee chairs;
5. Serve as an ex-officio member of each committee;
6. Present a report of the Corporation for the preceding year at the annual meeting; and
7. Call Special Meetings in accordance with the Bylaws.

(b) **Vice-President.** The Vice-President shall perform the following duties:

1. All duties of the President in the absence of the President or in the event the President becomes incapacitated;
2. Any duties appropriate to the position of Vice-President and as specified by vote of the Board of Directors; and
3. Serve as parliamentarian at all Board meetings.

(c) **Secretary.** The Secretary shall perform the following duties:

1. Keep minutes of all meetings, including a roll of those in attendance and maintain a file thereof;
2. Notify the Board of Directors of all special meetings;
3. Keep a record of committee chairs and committee members;
4. Maintain a file of all minutes and other corporate records at a location specified by the Board of Directors; and
5. Maintain current contact information on all Directors and shall distribute this information to each Director as often as needed.

(d) **Treasurer.** The Treasurer shall perform the following duties:

1. Oversee the receipt of all monies due and donations to the Organization and the deposit of these in the bank checking account established by the Board of Directors;
2. Supervise the payment from corporation funds of all amounts due for the purchase of goods or services for the operation or activities of the corporation;
3. Report monthly in writing to the Board of Directors details of the financial condition of the Corporation, and such other information as may be requested;
4. Transfer or oversee the transfer, from time to time, amounts to and from the checking account, and a reserve fund, when established, but make no withdrawals from the reserve fund in excess of Five Hundred Dollars (\$500.00) without prior approval of the Board;
5. Make certain that all funds of the Corporation not otherwise employed shall be deposited, from time to time, to the credit of the Corporation in such banks, trust companies or other depositories as the Board may, from time to time, select or as may be selected by any officer or employee of the Corporation to whom such power may, from time to time, be delegated by the Board. And for the purpose of such deposit, any officer or any employee to whom such power may be delegated by the Board may endorse, assign, and deliver checks, drafts and other orders for the payment of money which was payable to the order of the Corporation.
6. Invest the reserve fund in interest-bearing obligations of a bank, federal savings and loan association or the United States Treasury or such other investments as may be determined by the Board of Directors;

7. Allow, upon request by any member or Director, the Corporation's books to be examined during regular business hours at the physical location of the School, or at any regular or special meeting of the Board of Directors;
8. Allow checks to be drawn on the Corporation's checking accounts and savings accounts, when signed by properly authorized officers or employees as designated by the Board of Directors and the Treasurer;
9. Maintain accurate financial records concerning the operation of the Corporation;
10. Maintain all Corporation financial documents and records in a safe place and in such a manner as shall be directed by the Board of Directors;
11. Submit the annual budget for the Corporation to the Board of Directors;
12. Work in conjunction with the staff in preparation of grant proposals and any other fund-seeking activity;
13. Supervise the collection of information for and the preparation of tax filings for the Corporation.

ARTICLE VI – COMMITTEES

Section 1. General. The Board may from time to time create one or more Committees of the Board as described below (the "Committees"). Committees may be of any size and composition, provided, however, each Committee will include at least two Directors. The Board will specify each Committee's authority, and no action may be taken by a Committee without prior authorization by the Board. Committees may not be authorized to approve or recommend extraordinary corporate acts, appoint or remove Directors or members of Committees, adopt, amend or repeal the Corporation's Articles of Incorporation or Bylaws, or otherwise act in contravention of the Nonprofit Act, specifically South Carolina Code Ann. § 33-31-825. Unless the Board shall provide otherwise, each Committee shall enact rules and regulations for its governance.

Section 2. Standing Committees. By resolution adopted by a majority of the Directors in office, the Board may designate one or more Standing Committees as described below or as otherwise designated by the Board.

- (a) **Finance Committee.** The Finance Committee will supervise and review the overall financial health of the Corporation and investigate and pursue the yearly funding for the Corporation, including additional funding for the Corporation to include awards, grants or gifts in coordination with the Development Committee. The Finance Committee will contract for the annual audit of the Corporation as required by law.
- (b) **Long Range Planning Committee.** The Long Range Planning Committee shall set long term goals and objectives for the Corporation. This Committee shall review the progress of the Corporation and recommend plans for the future and report at the annual meeting.

- (c) **Personnel Committee.** The Personnel Committee shall oversee the development and revision of personnel policies and grievance procedures for approval of the Board as well the guidelines for the performance review of the administrator. The Committee shall be responsible for reviewing job descriptions, vacation and leave policies, establishing salary structure, annually reviewing staff salaries with the administrator, and reviewing benefits packages. The Committee shall hear written grievances that have gone through the established grievance channels and make recommendations to the Board for action.
- (d) **Education Committee.** The Education Committee shall work with the administrator to ensure that the curriculum of the School is meeting the School's stated mission. The Committee shall review any major curricular changes and make recommendations to the Board.
- (e) **Volunteer.** The Volunteer Committee shall encourage, collect, and coordinate the volunteer activities for the School.
- (f) **Public Relations.** The Public Relations Committee shall fulfill the role of communicating with parents and the community about the activities and needs of the School.
- (g) **Fundraising.** The Fundraising Committee shall search out, cultivate, and organize activities and grants to raise monies for the School.

Section 2. Ad Hoc Committees. The Board may from time to time, by resolution, constitute such Ad Hoc Committees with such functions, powers and duties as the Board deems necessary or appropriate.

Section 3. Chairpersons. The President shall appoint chairpersons for each Committee. The Committee appointments will take place within thirty (30) days after the President assumes his or her responsibilities, and the Secretary shall immediately notify each such chairperson of his or her appointment. A Director shall be appointed to serve as chair of a each Committee.

ARTICLE VII – INDEMNIFICATION

Section 1. General. The Corporation shall indemnify each officer, Director, employee and representative ("Indemnitee") from the expenses and risks as set forth below if such Indemnitee has acted in good faith or in a manner which he or she reasonably believed to be in or not opposed to the best interests of the Corporation and with respect to criminal action proceeding had no reasonable cause to believe his or her conduct was unlawful. An Indemnitee shall not be considered to be acting in good faith if he/she has knowledge concerning the matter in question that would cause his/her reliance to be unwarranted or, absent breach of fiduciary duty, lack of good faith or self-damaging actions taken as a member or any failure to take any action shall be presumed to be in the best interests of the Corporation.

Section 2. Expenses. An Indemnitee shall be indemnified against all expenses (including attorney's fees), judgments, fines and amounts paid in settlement actually and reasonably incurred by the Indemnitee in connection with any threatened, pending or completed

action, suit or proceeding whether civil, criminal, administrative or investigative (other than an action by or in the right of the Corporation) by reason of the fact that the Indemnitee is or was a representative, officer or Director of the Corporation, or is or was serving at the request of the Corporation as a representative of another corporation, partnership, joint venture, trust or other enterprise.

ARTICLE VIII – MISCELLANEOUS PROVISIONS

Section 1. Finances. All financial accounts in any financial institution shall be held in the name of the Corporation with authority in those authorized officers as designated by the Board and the Treasurer.

Section 2. Fiscal Year and Audit. The fiscal year of the Corporation shall begin on July 1 and end on June 30 each year. The Corporation shall be required periodically and no less than once a year to employ a certified public accountant to audit the accounts of the Corporation and to provide such audits as are required pursuant to the South Carolina Charter Schools Act.

Section 3. Execution of Contracts. The Board may authorize any officer, employee or agent, in the name of and on behalf of the Corporation, to enter into any contract or execute and deliver any instrument, and such authority may be general or confined to specific instances. Unless so authorized by these Bylaws or by the Board, no officer, employee, or agent shall have any power to bind the Corporation by any contract or engagement or to pledge its credit or to render it liable pecuniarily for any purpose or in any amount.

Section 4. Forms of Records. When consistent with good business practices, any records of the Corporation may be maintained in other than written form if such other form is capable of reasonable preservation and conversion into written form within a reasonable time.

Section 5. Corporate Records. The Corporation shall keep as permanent written records a copy of the minutes of all meetings of its members and Board of Directors, a record of all actions taken by the members or Directors without a meeting, and a record of all actions taken by committees of the Board of Directors. The Corporation shall maintain appropriate accounting records. The Corporation or its agent shall maintain a record of the name and address, in alphabetical order, of each member. The Corporation shall keep a copy of the records at its principal office.

Section 6. Family Education Rights and Privacy Act. The School and the Corporation will adhere to the Family Education Rights and Privacy Act by respecting the purpose of privacy regulations which include

- (a) assuring consumer control over student information,
- (b) setting boundaries on the use and disclosure of student records, and
- (c) establishing appropriate safeguards to protect privacy of student information.

Section 7. Bylaw Amendments. Bylaws will be reviewed at least once every three years and shall be documented as to the date of review. New Bylaws, or amendments hereto,

may be adopted, amended or repealed by a majority vote of the entire Board of Directors at a meeting if prior written notice of the proposed change has been given to the Board. Any amendments to the Bylaws which are inconsistent with the South Carolina Charter Schools Act or would result in the Corporation's loss of its ability to claim non-profit status under either the Internal Revenue Code or the South Carolina Nonprofit Corporation Act, shall be null and void.

Section 8. Conflicts of Interest. Conflict of interest transactions, as defined in the South Carolina Nonprofit Corporation Act, South Carolina Code Ann. § 33-31-831, are voidable as therein described. In addition to all other remedies, effects or liability provided by law, any Director not disclosing any conflict of interest transaction (as above described) in advance to the Board will be removed from the Board forthwith and in accordance with South Carolina Code Ann. § 59-40-75. The Board of Directors may adopt policies, procedures and guidelines in connection with the avoidance of conflicts of interest, including those which may violate proscriptions against private inurement, impermissible private benefit and/or excess benefit.

Section 9. Severability. If any provision of these Bylaws or the application thereof to any person or circumstances shall be held invalid or unenforceable to any extent by a court of competent jurisdiction, such provision shall be complied with or enforced to the greatest extent permitted by law as determined by such court, and the remainder of these Bylaws and the application of such provision to other persons or circumstances shall not be affected thereby and shall continue to be complied with and enforced to the greatest extent permitted by law.

Appendix J
SCPCSD Desegregation Letter

Appendix K Documentation of Insurability & Estimate of Cost of Insurance

Insurance Coverage for South Carolina Virtual Charter School

Broker of Record – Arthur J. Gallagher Insurance Brokers of California

We are pleased to advise our intention to provide insurance services for the South Carolina Virtual Charter School. Our division specializes in Public Entity and Scholastic risks, specifically school districts and charter schools throughout the country. We are licensed to work in South Carolina as required by law. We typically obtain coverage from such major carriers as Philadelphia Insurance, The Hartford, Zurich, ACE, AIG, and Travelers.

Based on our experience with charter schools, we can secure insurance as required by Charter School Law in South Carolina. On behalf of the South Carolina Virtual Charter School, the following coverage will be secured to meet and exceed all requirements.

As requested, all required additional insured's and loss payees can be added upon review to these policies. We will only place this charter school with at least an "A" rated insurance carrier as determined by AM Best rating guidelines.

Based on our experience with a school of this size, we expect as an indication for this package policy with the above levels of insurance to cost approximately \$20,000. (subject to underwriting approval of exposures)

Please let me know if you have any questions, (949) 349-9871.

Tom Boobar, MS, MBA, REHS, CSP
Area Vice President
Arthur J. Gallagher Insurance
Brokers of California, Inc.

Insurance Coverage for South Carolina Virtual Charter School

<u>Coverage</u>	Limit
General Liability	\$1,000,000 occurrence \$2,000,000 aggregate
Workers Compensation	Statutory Limits pursuant to South Carolina laws
Employee Benefits Liability	\$1,000,000
Automobile Liability including underinsured and uninsured	\$1,000,000
Excess Liability above primary program	\$10,000,000
Employment Practices Liability	\$1,000,000
Educators Legal Liability	\$1,000,000
School Board Errors & Omissions (Directors & Officers)	\$1,000,000
Sexual Misconduct Liability	\$1,000,000 \$3,000,000 aggregate
Crime / Fidelity Coverage (Bonds)	\$100,000
Property Coverage	Blanket Limits as needed by School, on an all risk of direct physical basis