

*Middleburg Community Charter School  
First Amendment*

**FIRST AMENDMENT**  
**TO**  
**RENEWAL CHARTER SCHOOL AGREEMENT BETWEEN THE**  
**LOUDOUN COUNTY SCHOOL BOARD AND**  
**THE MIDDLEBURG COMMUNITY CHARTER SCHOOL**

THIS FIRST AMENDMENT ("First Amendment") to the Middleburg Community Charter School Renewal Charter School Agreement is entered into on the 31<sup>st</sup> day of October 2018 by and between the LOUDOUN COUNTY SCHOOL BOARD ("School Board" and also referred to as "Loudoun County Public Schools" and "LCPS"), a political subdivision of the Commonwealth of Virginia and body politic, having its principal place of business at 21000 Education Court, Ashburn, Virginia, 20148 and the MIDDLEBURG COMMUNITY CHARTER SCHOOL, a nonstock corporation, State Corporation Commission No. 773418-9, filed January 16, 2014, currently having its principal place of business at, 101 Madison Street, Middleburg, Virginia 20118 ("Charter School").

**RECITALS:**

WHEREAS, The School Board is the governing body of the Loudoun County School Division and is vested with the constitutional authority to supervise the schools in Loudoun County under Article VIII, Section 7, of the Constitution of the Commonwealth of Virginia; and

WHEREAS, the Virginia General Assembly has enacted Article 1.2 (Establishment of Charter Schools) of Chapter 13 of Title 22.1 of the Code of the Commonwealth of Virginia authorizing local school boards to initiate and establish charter schools; and

WHEREAS, the Charter School submitted an application to the Loudoun County School Board with a request that the application be initiated by the said School Board; and

WHEREAS, the School Board on the 10<sup>th</sup> day of September 2013 voted to initiate the application subject to final review and approval of the original charter school contract by the School Board; and

WHEREAS, on the 4<sup>th</sup> day of March, 2014, pursuant to the criteria set forth in the Code of Virginia Article 2.1 of Chapter 13 of Title 22.1, the regulations of the State Board of Education and the policies, regulations, policies and procedures of the School Board, the School Board, after receiving public comment with the requisite prior statutory notice, granted this charter for the establishment of the Middleburg Community Charter School in accordance with the terms of a contract, dated May 19, 2014; and

WHEREAS, the School Board granted a Renewal Charter School Agreement, dated April 24, 2017; and

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WHEREAS, the parties desire to enter into this First Amendment to the Renewal Charter School Agreement to change the administrative overhead, non-school based costs rate; and

NOW, THEREFORE, the parties hereto, intending to be bound by the terms and conditions set forth herein, and in consideration of the promises and mutual covenants and understandings of each of the parties, the parties covenant and agree as follows:

1. The above recitals are incorporated herein.
2. The terms and conditions of the said Renewal Charter School Agreement, dated April 24, 2017, unless otherwise changed, modified or deleted by this First Amendment, shall continue and remain in full force and effect.
3. This First Amendment shall not be construed as an accord and satisfaction or as any waiver of any debts, defaults, deficiencies, or violations of the Agreement and such debts, defaults, deficiencies or violations are hereby preserved.
4. Effective for the FY 2019 funding allocable to the Charter School beginning July 1, 2018, and for subsequent fiscal years, the parties agree that Paragraph 28.2 shall be deleted and replaced with the following new Paragraph 28.2:

“28.2 Funds. Subject to the terms of this agreement and the law, LCPS will remit funds subject to certain deductions calculated on an annualized basis as follows:

1. The annual budgeted average per pupil funding (PPF) for LCPS shall be determined by LCPS based upon the actual appropriated funding from the Board of Supervisors and reconciled (if needed) by the School Board.
2. The number of Charter School students to whom the annualized per pupil cost amount shall be applied shall be based on Average Daily Membership (ADM). ADM is determined twice per year - once in September and once in March in accordance State law and regulations.
3. LCPS will make three (3) annualized calculations per year to adjust actual Charter School funding to the ADM throughout the year: a July projected calculation of the September ADM count, an annualized calculation based on the actual September ADM count and a final annualized calculation based on the actual March ADM count in the following fashion:
  - a. As early in July as reasonably possible and subject to appropriated funds, LCPS will reasonably estimate the projected September ADM count and multiply that pupil count times the PPF budgeted average per pupil funding (PPF) for LCPS.

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- b. Thereafter, LCPS will calculate the Special Education and English Language Learners Services (ELL) components of that PPF and multiply those component by the projected September ADM.
- c. Next, the parties agree that the administrative fee shall be calculated at five percent (5%) of the gross budgeted average per pupil cost for the school year for the Charter School.
- d. Therefore, the resultant figure from Line A shall be reduced by the administrative fee rate in Line C.
- e. The Special Education and ELL Services funding in Line B shall be reduced by the administrative fee rate in Line C.
- f. Then, the resultant figure from Line D shall be further reduced by the resultant figures for Special Education and ELL Services from Line E.
- g. Next, the actual gross salary and the cost of all employer-paid fringe benefits, including, but not limited to, the employer contribution to the Virginia Retirement System and employee benefit plans, for LCPS employees assigned to the Charter School will be reasonably estimated for the school year
- h. The resultant annualized figure from Line F shall be further reduced by the annualized resultant figure from Line G to arrive at the funding which will be remitted to the Charter School in equal quarterly installments, subject to deductions for amounts owed by the Charter School to LCPS, paid to the Charter School at the first of each quarter, until the next re-calculation based upon the actual September ADM count.
- i. Once the actual September ADM count is received, the above process will be followed to recalculate the funding remitted quarterly to the Charter School. The new annualized calculation shall be to adjust the payment up or down to the current calculation in the future payments to be made. The process is repeated again after the March ADM count is received. If the March annualized recalculation would result in an overpayment to the Charter School for the current school year, then the Charter School shall be liable for the overpayment within 30 days of invoice and the overpayment, if it continues, will continue to be deducted into the following school year from funds owed, if the Charter School continues to operate. If the Charter School ceases to operate, then the overpayment shall continue to be a liability of the Charter School to the School Board.

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- j. Similarly, reconciliation of salary and employer-paid fringe benefits actual costs versus estimated costs may be periodically conducted on or after September 30 each year. Any costs owed by the Charter School following the last installment payment by LCPS for the school year shall be remitted directly to LCPS within 30 days of invoice. If the Charter School ceases to operate, any overpayment or unpaid cost amount shall continue to be a liability of the Charter School to the School Board. This does not in any way waive the School Board's option to declare a breach of contract and revoke the contract for default of payment."

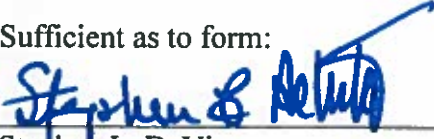
SO AGREED:

THE LOUDOUN COUNTY SCHOOL BOARD:

By   
Chair of the School Board

Date: 9/10/2018

Sufficient as to form:

  
Stephen L. DeVita  
Division Counsel

SO AGREED:

MIDDLEBURG COMMUNITY CHARTER SCHOOL, a Virginia non-stock, non-profit corporation, doing business as a public charter school in Loudoun County, Virginia:

By   
President

Middleburg Community Charter School

Date: 31 06 18