

## GRANT AWARD AGREEMENT

From: CHARTER FUND, INC., a Delaware nonprofit non-stock corporation, doing business as Charter School Growth Fund (“Grantor”)

To: REDLANDS CHRISTIAN MIGRANT ASSOCIATION INC., a Florida nonprofit corporation (“Grantee”)

Grantee Tax I.D.# 59-1221966

Grantee Tax Status: PC - Public Charity

Grant No. RCMA-F3-NATL-SC-2021-3Q

Deal Type: Scale

Dated: January 5, 2022

Grant Amount: ONE MILLION TWO HUNDRED SEVENTY FIVE THOUSAND DOLLARS (\$1,275,000.00)

This *Grant Award Agreement* (“Agreement”), upon execution on behalf of Grantee in the spaces provided for signature, will evidence Grantee’s agreement with and commitment to Grantor as follows:

### **I. GRANTEE’S LEGAL STATUS:**

This grant is specifically conditioned upon Grantee’s status as an eligible grantee of Grantor in accordance with this paragraph. Grantee warrants and represents that it is a duly incorporated nonprofit corporation and a tax-exempt organization under Section 501(c)(3) of the Internal Revenue Code of 1986, as amended (the “Code”), and is not a private foundation as defined in Section 509(a) of the Code or an organization described in Section 170(c)(1) or Section 511(a)(2)(B) of the Code. Grantee has provided Grantor with a copy of IRS determination letter(s) evidencing its status as an eligible grantee and Grantee warrants and represents that such determination letter(s) are currently in full force and effect and has not been materially modified. Grantee will notify Grantor immediately of any actual or proposed change in federal and/or state tax status, including any substantial or material change in sources of support for any taxable year affected by this grant, within the meaning of Section 1.170A-9 of the Treasury Regulations. Grantee warrants and represents that this grant shall not change Grantee’s status as described above under the Code.

### **II. PURPOSE OF AWARD:**

The purpose of this grant is for the general support of Grantee in providing funding for Grantee’s management organization that supports all of the charter schools operated by the Grantee in carrying out its charitable tax-exempt purposes (the “Project”). This Grant Award Agreement summarizes the terms and conditions pursuant to which the Grantor has awarded this grant to Grantee.

### **III. AMOUNT OF AWARD:**

The grant award is to be paid according to the schedule on Exhibit A attached hereto and is expressly subject to the Conditions of Award set forth herein. The grant award is contingent on Grantee's compliance with each and every condition and provision in this Grant Award Agreement, including, but not limited to, the accomplishment of each and all of the specific Milestones (as defined below) set forth in Exhibit B hereto within the specific time periods described therein.

### **IV. CONDITIONS OF AWARD:**

Grantee agrees that the grant award is subject to the following conditions:

#### **A. Accomplishment of Milestones.**

The grant award is expressly contingent upon Grantee meeting the Milestone requirements ("Milestones") as set forth in Exhibit B and within the specific time periods described therein. The determination of whether any such Milestone(s) has been met is to be determined by the Grantor in its sole and absolute discretion.

#### **B. Grant Announcements and Public Reports; Identification of the Grantor; Letterhead and Logo.**

Grantee is being funded by the Grantor and Grantee may not make any statement or otherwise imply to the media, the general public or any other donor or investor that Grantee, its operations, or its participation in this Project is supported by any of Grantor's investors, unless Grantee has directly received funds from such investor.

Use of the Grantor letterhead or logo is prohibited without prior written consent from the Grantor. Grantee shall list the Grantor as a general supporting organization in its Annual Report (if any).

#### **C. Use of Grant Funds; No Earmarking.**

This award is not "earmarked" within the meaning of Treasury Regulations Section 53.4945-2(a)(5)(i), and grant funds, including any income earned on those funds, may not be spent domestically or internationally (a) for any purpose other than that for which the grant is made; (b) to carry on propaganda or otherwise attempt to influence legislation within the meaning of Section 4945(e) of the Code; (c) to influence the outcome of any specific public election or to carry on, directly or indirectly, any voter registration drive; (d) without the Grantor's prior written approval, to make a grant to any individual for travel, study, or similar purpose, or to make a grant to any other organization; (e) for any purpose other than charitable, scientific, literary or educational purposes; or (f) to support activities outside the United States, including travel to or from the United States.

There exists no agreement, oral or written, whereby the Grantor may cause the Grantee to carry on propaganda, or otherwise attempt to influence legislation, to engage in any activity to influence the outcome of any specific public election, or to carry on directly or

indirectly, any voter registration drive, to engage in any activity other than charitable activities specified in Section 170(c)(2)(B) of the Code, to make grants to individuals or organizations that would violate Section 4945(d)(3) or (4) of the Code, or whereby the Grantor may select the recipient to which the Grantee shall devote the award.

If domestic air travel is required to carry out the purposes of the Project, Grantee must purchase a coach, economy class, or other comparable ticket. Unless approved in writing by the Grantor, the grant funds shall not be used to purchase private, business class, or first class air travel.

D. Return of Funds.

1. Unused Funds. Any grant funds, or any income earned on the grant funds not spent or committed for the purposes of the Project must be promptly returned to the Grantor.
2. Unauthorized Use. Grantee shall promptly return any unexpended funds to the Grantor if the Grantor reasonably determines that the Grantee has not performed in accordance with this Grant Award Agreement.
3. Loss of Eligible Status. Grantee shall promptly return to the Grantor any unexpended grant award funds if Grantee loses its status as an eligible Grantee as described in Section I above.

E. Bank Account.

Grantee may commingle the grant award with the general account or other accounts of the Grantee for uses consistent with its status as an organization exempt from income tax under the Code

F. Grant Payments Contingent Upon Reporting.

In addition to all other requirements and conditions stated herein, all grant payments will be made contingent upon the timely receipt of the written reports described below. Failure to comply with these reporting requirements may result in reduced or forfeited installments.

1. Audited Financial Statements. As soon as available, but in no event later than the date specified in Exhibit A for each year beginning in the year of the first disbursement by Grantor and for each year following all specified time periods described in Exhibit B, Grantee shall furnish to Grantor a balance sheet as of the end of such fiscal year, and the related statements of income and expenses and changes in financial position of Grantee, which shall be in reasonable detail, and shall be certified by independent certified public accountants selected by Grantee, and shall be accompanied by an opinion of such independent certified public accountants, which opinion shall state that such financial statements fairly present the financial position of Grantee for the period then ended and have been prepared in accordance with generally-accepted accounting principles consistently applied, and that

the examination by such accountants has been made in accordance with generally-accepted auditing standards and accordingly included such tests of the accounting records and such other auditing procedures as were considered necessary in the circumstances.

2. Preliminary Financial Budget. Grantee must submit a preliminary financial budget for the following fiscal year which shall be in reasonable detail and in the form in which such statements are furnished to Grantee's Board of Directors by the date specified in Exhibit A for each year beginning in the year of the first disbursement by Grantor and for each year following all specified time periods described in Exhibit B.
3. Annual Reports. The Annual Report guidelines are attached to this Grant Award Agreement as Exhibit C and are due on the date specified in Exhibit A each year beginning in the year of the first disbursement by Grantor and for each year following all specified time periods described in Exhibit B. Grantee has provided or will provide any student data and/or student information ("Student Data") to Grantor in compliance with all requirements of the Family Educational Rights and Privacy Act (FERPA) (20 U.S.C. § 1232g; 34 CFR Part 99) and in compliance with any additional restrictions on the use of Student Data as may be imposed under federal, state and local laws applicable to Grantee. Grantee undertakes and agrees to defend, indemnify and hold harmless Grantor and any of its boards, officers, funders, agents, employees, assigns, and successors in interest from and against all suits and causes of action, claims, losses, demands and expenses including, but not limited to, attorney's fees and cost of litigation, damage or liability of any nature whatsoever, arising in any manner by reason of the negligent acts, errors, omissions or willful misconduct incident to the provision of Student Data by the Grantee.
4. Annual Officer's Certification. The Annual Officer's Certification is attached to this Grant Award Agreement as Exhibit D and is due by the date specified in Exhibit A each year beginning in the year of the first disbursement by Grantor and for each year following all specified time periods described in Exhibit B.
5. Board Communications; Board Meetings. Notwithstanding whether a representative or nominee of Grantor is serving on Grantee's Board of Directors, Grantee shall provide copies of any and all notices and agendas distributed by Grantee with respect to each regular or special meeting of Grantee's Board of Directors. Grantee shall also provide the same timely written and oral communications as are provided to any of Grantee's Board Members. Copies of all materials shall be sent to the Grantor.

Notwithstanding whether a representative or nominee of Grantor is serving on Grantee's Board of Directors, Grantee hereby authorizes the designee of Grantor (each, an "Observer") to attend regular or special meetings of

Grantee's Board of Directors, with the exception of closed sessions of such regular or special meetings, in person or telephonically, at the election of Grantor and whether or not such meetings are open or otherwise closed to the general public; provided, however, that the Observer shall have no right to vote or take any other action at such meetings.

Reports should be submitted electronically to the Grantor to the attention of Grant Administrator, [grantadmin@chartergrowthfund.org](mailto:grantadmin@chartergrowthfund.org).

G. Records.

1. Record Maintenance and Inspection. Grantee agrees to maintain adequate records for the Project to enable the Grantor to easily determine how the grant funds were expended. Grantee also agrees to make Grantee's books and records available for inspection by the Grantor or its designee at reasonable times upon reasonable prior notice to Grantee and permit Grantor to monitor and conduct an evaluation of operations under this grant, which may include a visit by Grantor personnel or designee to observe Grantee's organization, a discussion of the Project with Grantee's staff, and a review of financial and other records connected with this grant and the Project.
2. Record Retention. Grantee agrees to retain records of its expenditures under the grant, as well as copies of the reports submitted to the Grantor, for at least four years after completion of the use of the grant funds.

H. Indemnification.

Grantee undertakes and agrees to defend, indemnify and hold harmless the Grantor and all granting foundations to the Grantor (collectively the "Foundations"), and any of the Foundations' boards, officers, agents, employees, assigns, and successors in interest from and against all suits and causes of action, claims, losses, demands and expenses, including, but not limited to, attorney's fees and cost of litigation, damage or liability of any nature whatsoever, arising in any manner by reason of the negligent acts, errors, omissions or willful misconduct incident to any acts or omissions by Grantee related to the Project.

I. Licensing and Credentials.

The Grantee hereby agrees to maintain, in full force and effect, all required governmental or professional licenses and credentials for itself, its facilities, and for its employees and all other persons engaged in work in conjunction with this award, including but not limited to, its charter.

J. No Further Obligations by the Grantor; Changes.

Except as expressly provided in this Grant Award Agreement, Grantee understands and agrees that the Grantor has no obligation to provide other or additional support or grants to the Grantee. Any changes, additions or deletions to the terms and conditions of this Grant Award Agreement must be made in writing and must be approved by Grantor.

K. Right to Cancel and/or Deny Funding.

Until the grant funds have been received by the Grantee, the grant award made hereunder may be terminated and cancelled by the Grantor without cause at any time, in its sole discretion and without any recourse on the part of the Grantee.

L. Entire Agreement.

This Grant Award Agreement constitutes and is intended to constitute the entire agreement of the parties concerning the subject matter hereof. No covenants, agreements, representations or warranties of any kind whatsoever have been made by any party hereto, except as specifically set forth herein. All prior and contemporaneous discussions and negotiations with respect to the subject matter hereof are superseded by this Grant Award Agreement. This Grant Award Agreement may be executed in counterparts, each of which shall constitute an original, but all of which, when taken together, shall constitute only one agreement.

M. Nontransferability; Independent Contractor.

This grant is not transferable. Nothing in this Grant Award Agreement should be construed so as to make Grantee as a joint venturer, partner, employee, agent or legal representative of the Grantor for any purpose whatsoever.

N. Payment of Funds to Related Parties of the Grantor.

No part of these grant funds shall be paid to any director, officer, or employee (or their family members) of the Grantor for any purpose.

O. Governing Law.

This Grant Award Agreement shall be governed by and construed in accordance with the laws of the State of Colorado.

P. Meaning of Certain Terms.

The term "earmarked" with respect to a grant means that the grant is given pursuant to an agreement, oral or written, that the grant will be used for specific purposes.

Q. Affirmative Action and Non-Discrimination.

Grantee recognizes that government contractors are subject to various federal laws, executive orders and regulations regarding equal opportunity and affirmative action that may also be applicable to subcontractors. Grantee, therefore, agrees that any and all applicable equal opportunity and affirmative action clauses shall be incorporated herein as may be required by federal laws, executive orders, and regulations.

The Grantee hereby agrees, warrants, and assures that no person shall be excluded from participation in, be denied benefits of or be otherwise subjected to discrimination in the performance of this Agreement or in the employment practices of the Grantee on the grounds of disability, age, race, color, religion, sex, national origin, or any other classification protected by Federal or state law. The Grantee shall, upon request, show proof of such nondiscrimination and shall post in conspicuous places, available to all employees and applicants, notices of nondiscrimination and instructions that complaints may be filed with the United States Department of Education and the state department of education for the state in which Grantee is located.

R. Notice.

Any notice or communication required or desired to be given hereunder by either of the parties to the other shall be in writing and delivered by hand or mailed by first class mail or by nationally-recognized overnight courier, postage prepaid (notices shall be deemed given three days after being duly mailed, or one day after being sent by overnight courier), addressed to the party at its address appearing below:

If to the Grantee, to the address specified in Exhibit A:

If to Grantor, to:

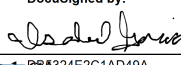
CHARTER FUND, INC.  
10901 West 120<sup>th</sup> Avenue, Suite 450  
Broomfield, Colorado 80021  
Attention: Legal Department  
Phone: (303) 217-8090

*[Remainder of page intentionally left blank]*

**V. ACCEPTANCE OF GRANT AWARD AGREEMENT:**

The Grantor reserves the right to withhold or suspend payments of grant funds if the Grantee fails to comply strictly with any of the terms and conditions of this Grant Award Agreement. This Grant Award Agreement supersedes any and all prior written or oral agreements or understandings with respect to the subject matter hereof. If this Grant Award Agreement correctly sets forth your understanding and acceptance of the arrangements made regarding this grant, please countersign and return to the Grantor.

Accepted on behalf of REDLANDS CHRISTIAN MIGRANT ASSOCIATION INC., a Florida nonprofit corporation:

DocuSigned by:  
  
E83324E2C1AD49A...  
\_\_\_\_\_  
Authorized Signature

Isabel Garcia  
\_\_\_\_\_  
Printed Name

Executive Director  
\_\_\_\_\_  
Title

1/10/2022  
\_\_\_\_\_  
Date

Agreed to and Acknowledged on behalf of CHARTER FUND, INC., a Delaware nonprofit non-stock corporation, doing business as Charter School Growth Fund, by:

DocuSigned by:  
  
E4CDZCC0B7D548A...  
\_\_\_\_\_  
Authorized Signature

Kevin Hall  
\_\_\_\_\_  
Printed Name

Chief Executive Officer  
\_\_\_\_\_  
Title

1/6/2022  
\_\_\_\_\_  
Date

DS  
KL

DS  
DF



**EXHIBIT A**

Installment Schedule, Reporting Deadlines, and Contact Information

**I. Installment schedule referenced in Section III**

- a. \$300,000.00 payable on or around January 14, 2022 contingent upon receipt of this signed Agreement.
- b. \$225,000.00 payable on or around December 15, 2022 contingent upon successful completion of Grantor's annual review.
- c. \$250,000.00 payable on or around December 15, 2023 contingent upon successful completion of Grantor's annual review.
- d. \$350,000.00 payable on or around December 20, 2024 contingent upon successful completion of Grantor's annual review.
- e. \$150,000.00 payable on or around December 19, 2025 contingent upon successful completion of Grantor's annual review.

**II. Reporting deadlines referenced in IV(F)**

- |                                   |                        |
|-----------------------------------|------------------------|
| a. Audited Financial Statements   | Due By:<br>November 30 |
| b. Preliminary Financial Budget   | June 30                |
| c. Annual Reports                 | October 1              |
| d. Annual Officer's Certification | October 1              |
| e. Board Communications           | Upon distribution      |

**III. Contact information referenced in Section IV(R)**

- a. Name: Isabel Garcia
- b. Organization: Redlands Christian Migrant Association, Inc.
- c. Address: 402 W. Main St
- d. City, State, Zip Code: Immokalee, FL 34142
- e. Phone: 239-658-3560

**EXHIBIT B**

Milestones

[See Document Attached Hereto]

**Milestones RCMA**

DS  
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Background: Q3, 2021 Scale Investment

**Investment Structure**

**Approximate Disbursement Timing<sup>1</sup>**

	Upon Signed Agreement	Dec-22	Dec-23	Dec-24	Dec-25
CSGF Grants	\$300,000	\$225,000	\$250,000	\$350,000	\$150,000
<b>Total</b>	<b>\$300,000</b>	<b>\$225,000</b>	<b>\$250,000</b>	<b>\$350,000</b>	<b>\$150,000</b>

**Milestones**

<b>Academic</b>	<b>FY 2018-2019 (Baseline)</b>	<b>FY 2021-2022</b>	<b>FY 2022-2023</b>	<b>FY 2023-2024</b>	<b>FY 2024-2025</b>	<b>FY 2025-2026</b>	<b>FY 2026-2027</b>	
<i>State Test</i>								
% of schools outperforming the District in Math	100%	100%	100%	66%	50%	75%	60%	
% of schools outperforming the District in ELA	0%	50%	50%	66%	50%	75%	60%	
% of schools outperforming the State in Math	100%	100%	100%	66%	50%	75%	60%	
% of schools outperforming the State in ELA	0%	50%	50%	66%	50%	75%	60%	
<i>Learning Gains</i>								
% of schools outperforming the District in Math	100%	100%	100%	66%	50%	75%	60%	
% of schools outperforming the District in ELA	0%	50%	50%	66%	50%	75%	60%	
% of schools outperforming the State in Math	100%	100%	100%	66%	50%	75%	60%	
% of schools outperforming the State in ELA	0%	50%	50%	66%	50%	75%	60%	
<i>College Readiness</i>								
Average SAT Score (juniors) <sup>(2)(3)</sup>	N/A	N/A	N/A	N/A	N/A	N/A	N/A	
Average SAT Score (seniors) <sup>(2)(3)</sup>	N/A	N/A	N/A	N/A	N/A	N/A	N/A	
% of SAT test takers who earn score above College Ready Benchmark (seniors only) <sup>(3)</sup>	N/A	N/A	N/A	N/A	N/A	N/A	N/A	
<i>College Matriculation &amp; Completion -- report on most recent Fall data</i>								
% of high school graduates matriculating to college this Fall (4-year post-secondary program)	N/A	N/A	N/A	N/A	N/A	N/A	N/A	
% of high school graduates enrolled in college by cohort (4-year post-secondary program) <sup>(4)</sup>								
% of high school graduates graduated from college by cohort (4-year post-secondary program) <sup>(4)</sup>								
<b>Financial Sustainability</b>								
	<b>FY 2019-2020 (Baseline)</b>	<b>FY 2021-2022</b>	<b>FY 2022-2023</b>	<b>FY 2023-2024</b>	<b>FY 2024-2025</b>	<b>FY 2025-2026</b>	<b>FY 2026-2027</b>	
Network Net Income Pre-Philanthropy per Student <sup>(5)</sup>	\$528	(\$913)	(\$1,175)	(\$863)	(\$1,189)	(\$1,326)	(\$1,200)	
% of Fully Enrolled Schools with Net Income Pre Private Philanthropy > \$0	100%	100%	100%	100%	100%	100%	100%	
Days of Cash Reserve <sup>(6)</sup>	88	45	45	45	45	45	45	
% Variance from Board Budget <sup>(7)</sup>	>-5%	>-5%	>-5%	>-5%	>-5%	>-5%	>-5%	
Auditor's Report	Unqualified	Unqualified	Unqualified	Unqualified	Unqualified	Unqualified	Unqualified	
<b>Growth</b>								
	<b>FY 2020-2021 (Baseline)</b>	<b>FY 2021-2022</b>	<b>FY 2022-2023</b>	<b>FY 2023-2024</b>	<b>FY 2024-2025</b>	<b>FY 2025-2026</b>	<b>FY 2026-2027</b>	<b>To Be Created</b>
Student Enrollment <sup>(8)</sup>	612	651	688	774	899	986	1,072	460
Seats <sup>(9)</sup>	612	720	720	1,080	1,440	1,440	1,800	1,188
# schools in operation	2	2	2	3	4	4	5	3
Fall-to-fall student retention rate (excluding movers)	90%	90%	90%	90%	90%	90%	90%	
<b>Other</b>								
<i>Talent Data</i>								
	<b>FY 2018-2019 (Baseline)</b>	<b>FY 2021-2022</b>	<b>FY 2022-2023</b>	<b>FY 2023-2024</b>	<b>FY 2024-2025</b>	<b>FY 2025-2026</b>	<b>FY 2026-2027</b>	
Teacher Retention (fall-to-fall), total % including mid-year departures	95%	90%	90%	90%	90%	90%	90%	
<i>Discipline Data</i>								
	<b>FY 2018-2019 (Baseline)</b>	<b>FY 2021-2022</b>	<b>FY 2022-2023</b>	<b>FY 2023-2024</b>	<b>FY 2024-2025</b>	<b>FY 2025-2026</b>	<b>FY 2026-2027</b>	
% of Students Expelled								
% of Students Suspended								
% of Suspended Students (excluding movers) who Returned in Following Fall								

**Notes**

- Disbursements are based on school opening schedule and are subject to change.
- For each student, use the best scores that a student achieved on any administration that school year (do not mix and match subject scores from different test administrations).
- The college ready benchmark for the ACT is 21 and the SAT is 1010 (combined)
- Represents percentage of high school graduates who have graduated with a bachelor's degree within 6 years (or, where noted, are currently enrolled in college)
- Network net income before private philanthropy / total k-12 students enrolled
- Days of Cash Defined: (Unrestricted Cash+ Highly Liquid Investments + Available or Unused lines of credit)/ (Annual Network Operating Expenses)/ 365)
- [Actual Net Income - Budget Net Income] / [Budget Expenses]\*100%
- Figures reported to the state for funding purposes in the fall
- Enrollment planned for all existing schools at a capacity

## **EXHIBIT C**

### **Annual Report Guidelines**

***Instructions:*** On or around the date specified in Exhibit A, Grantor/Lender will request that Grantee/Borrower submit its Annual Report via Grantor's/Lender's Annual Collection Website. Please submit your data via the website.

***Your annual report consists of the following components:***

#### **I. Data Submissions**

Using the Annual Collection Website and associated templates, please submit the following:

- A. Academic achievement data, including, but not limited to: norm referenced test data, ACT/SAT data, matriculation data, graduation rate, college persistence, etc. as applicable;
- B. Demographic and staffing data;
- C. Annual approved budget;
- D. Annual audited financial statements with actuals for the network, central office, and school levels;
- E. Milestone performance; and
- F. Any other information to be collected as agreed upon by Grantor/Lender and Grantee/Borrower.

#### **II. Other information**

Any other information relating to the reporting period that you think Grantor/Lender should be aware of, including notable successes, unforeseen challenges, or changes to future plans.

**EXHIBIT D**

Officer's Certificate

[See Document Attached Hereto]

Officer's Certificate

To: [LEGAL NAME OF RECIPIENT] ("Recipient"), [a/an] [STATE] non-profit corporation

Tax I.D.#: [RECIPIENT EIN]

Grant and/or Loan No(s): [CSGF DEAL NUMBER]

Date(s) of Agreement: [DATE]

In consideration of all disbursements made by [CSGF LEGAL ENTITY], [CSGF LEGAL ENTITY TYPE], [d/b/a, if applicable], ("Grantor and/or Lender") to the Recipient in accordance with the terms of the Grant and/or Loan Agreements ("Agreement" or "Agreements"), entered into between the Recipient and the Grantor and/or Lender, the Recipient hereby makes the following certifications:

1. Eligible Recipient. The Recipient is an eligible funding recipient of the Grantor and/or Lender in accordance with this paragraph. The Recipient warrants and represents that it is a tax exempt organization under Section 501(c)(3) of the Internal Revenue Code of 1986, as amended (the "Code"), and is not a private foundation as defined in Section 509(a) of the Code. The Recipient warrants and represents that this funding shall not change the Recipient's status under Section 509(a) of the Code.
2. Charter Status. The Recipient, or an affiliate of the recipient, has a charter ("Charter") to operate charter school(s) and has no reason to believe that it is not in compliance with all terms and conditions of the Charter, and remains in good standing with the organization that granted the Charter. The Recipient has not received any communications from its chartering organization that state (explicitly or implicitly) that the chartering organization is considering or has begun any process to revoke the Charter or change the terms of the Charter. If the Charter is scheduled to expire within the next 12 months, the Recipient has reasonable cause to believe that the Charter will be renewed, and is not aware of any written or oral communications with the chartering organization that indicate that the Charter will not be renewed.
3. Earmarking. The Recipient and the Grantor and/or Lender acknowledge that funds from all disbursements paid in accordance with the Agreements are not "earmarked" within the meaning of Treasury Regulations Section 53.4945-2(a)(5)(i), to be used (a) in any attempt to influence legislation within the meaning of Section 4945(e) of the Code or (b) to engage in any other activity, directly or indirectly, that would result in the imposition of an excise tax on the Grantor and/or Lender pursuant to Chapter 42 of Subtitle A of Title 26 of the United States Code if engaged in by the Grantor and/or Lender itself. There exists no agreement, oral or written, whereby the Grantor and/or Lender may cause the Recipient to carry on propaganda, or otherwise attempt to influence legislation, to engage in any activity to influence the outcome of any specific public election, or to carry on directly or indirectly, any voter registration drive, to engage in any activity other than charitable activities specified in Section 170(c)(2)(B) of the Code, to make grants to individuals or organizations that would violate Section 4945(d)(3) or (4) of the Code, or whereby the Grantor and/or Lender may select the recipient to which the Recipient shall devote the annual disbursement.
4. Valid Corporation. The Recipient is duly formed, validly existing, and remains in good standing under the laws of the state in which it is incorporated.
5. Litigation. There is no action, suit, or proceeding pending or threatened (including, but not limited to, any letters addressed to the Recipient or its counsel within the previous 12 months) before any court or governmental or administrative body or agency, nor is there any basis for any such action, that may reasonably be expected to result in a material adverse change in the activities, operations, assets, properties, or condition, financial or otherwise, of the Recipient, or to impair the ability of the Recipient to perform its obligations under the Agreements. The Recipient is not in violation of or alleged to be in violation of any judgment, writ, injunction, decree, rule, or regulation of any court or

any governmental or administrative body or agency. Should there be or arise an event or instance in which the above passage is not correct, the Recipient will in its reasonable discretion disclose all such events and attach a summary with all pertinent information to the Officer's Certificate.

- 6. Compliance with Government Regulation. The Recipient has obtained all necessary licenses, approvals, and authorizations from all appropriate governmental agencies including but not limited to a charter to operate charter schools, and is in compliance with all laws, rules, regulations, orders, writs, injunctions, or decrees, the violation of which would have a material adverse effect on the activities, operations, assets, properties, or condition, financial or otherwise, of the Recipient, or on the ability of the Recipient to perform its obligations under the Agreements.
- 7. Financial Condition. There has been no material adverse change in the Recipient’s financial condition since the dates of the Recipient’s most recent unaudited annual financial statements, which have heretofore been provided by the Recipient to the Grantor and/or Lender. Such financial statements are complete and correct and fairly present (a) the financial position of the Recipient as of their respective dates and (b) the results of the Recipient’s operations for the respective periods then ended, all in accordance with generally-accepted accounting principles consistently applied. The Recipient has not received any communications (written or oral) from its auditors, accountants or bookkeepers of any real or perceived irregularities in the Recipient’s financial practices.
- 8. Ongoing and Annual Reporting. The Recipient certifies that the data provided as part of the Grantor and/or Lender’s ongoing and annual review is true, accurate and complete based upon a reasonable effort by the Recipient to collect and review the data prior to submission to Grantor and/or Lender.
- 9. Taxes. The Recipient has filed all tax and information returns required to be filed by the Recipient in any jurisdiction, and has paid all taxes, assessments, fees, or other governmental charges which have become due and payable.
- 10. Disqualified Persons. Neither the Recipient, nor any director, officer, or employee of the Recipient, is a “disqualified person” with respect to the Lender within the meaning of Section 4946(a) of the Code.

The certifications herein do not affect, replace, or cancel any agreements, certifications, warranties or representations previously made by the Recipient.

CERTIFIED ON BEHALF OF:

Recipient: [LEGAL NAME OF RECIPIENT], [a/an] [STATE] non-profit corporation

\_\_\_\_\_  
Authorized Signature

\_\_\_\_\_  
Date:

Typed Name: \_\_\_\_\_

Title: \_\_\_\_\_