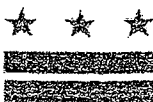


OFFICE OF THE STATE SUPERINTENDENT OF EDUCATION
OF THE DISTRICT OF COLUMBIA



GRANT AWARD NOTIFICATION
CONGRESSIONAL APPROPRIATIONS

March 21, 2010

Jack McCarthy
Managing Director
AppleTree Institute for Education Innovation
415 Michigan Avenue, NE, 3rd Floor
Washington, DC 20017

JK

Re: City Build Grant – RFA #GD0-CB5-09.

Dear Mr. McCarthy:

The Office of Public Charter School Financing and Support is pleased to inform you that AppleTree Institute for Education Innovation (the "Grantee") is hereby granted \$500,000 by the Office of the State Superintendent of Education (the "Grantor"). This award is made pursuant to the District of Columbia Fiscal Year 2008, Public Law – 110-161, in which the United States Congress appropriated Federal funds to the District of Columbia for the continuation of the City Build Charter School program to assist in creating neighborhood-based public charter schools in the District of Columbia.

The attached Grant Award Notification and Performance Agreement outline the Terms and Conditions and Timelines of these awarded grant dollars. Should you have any questions, please feel free to contact our office.

Sincerely,

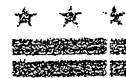
A handwritten signature in black ink, appearing to read "Stefan Huh", is written over a horizontal line.

Stefan Huh
Director, Office of Public Charter School Financing and Support

810 First Street, NE | 9th Floor | Washington, DC 20002
Phone: 202.727.6436 • Fax: 202.727.2019 • www.doe.dc.gov

Board of Zoning Adjustment
District of Columbia
CASE NO.18241
EXHIBIT NO.26B46

OFFICE OF THE STATE SUPERINTENDENT OF EDUCATION
OF THE DISTRICT OF COLUMBIA



GRANT AWARD NOTIFICATION
CONGRESSIONAL APPROPRIATIONS

1	Recipient: AppleTree Institute for Education Innovation
	Address: 415 Michigan Avenue, NE, 3 rd Floor Washington, DC 20017
	Contact: Jack McCarthy, Managing Director
	Phone: (202) 488-3990

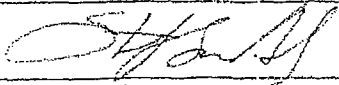
2	Statutory Fiscal Year 2008
	Authority: Appropriations Act, Public Law 110-161

3	OSSE Program Contact
	Name: Alfred DeSabato
	Address: 810 First Street NE, 9 th Floor Washington, DC 20002
	Phone: (202) 741-5943
	E-mail: alfred.desabato@dcr.gov

	Funding Amount
4	Original Award: \$500,000.00
	Adjustment / Amendment: 0
	Cumulative Award: \$500,000.00
5	OSSE Fiscal Information: N/A

	TIMELINESS
6	Award Period: November 1, 2009 through October 31, 2011
	First Date for Funding Obligations: November 1, 2009
	Last Date to Obligate Funds: October 31, 2011
	Last Date to Liquidate Funds: November 30, 2011

	TERMS AND CONDITIONS OF AWARD
7	1. This grant award is made subject to the terms and conditions of Fiscal Year 2008 Appropriations Act, Public Law 110-161. 2. This grant award is made subject to the terms of the approved application and budget submitted by the recipient. 3. Grantee must meet with Grantor to review project, financing timeline and spending plan (Attachment A) prior to submitting draw down requests. 4. Payment under this grant shall be made as a reimbursement. 5. Grantee must submit supporting documents for the costs incurred along with a Draw Down request form. 6. Disbursement of funds contingent upon OPCSFS' receipt of final: 1) sources and uses, 2) project budget and 3) financing timeline. 7. The grant recipient is responsible for complying with all reporting requirements, including quarterly narrative report; (please see Attachment B), quarterly financial reports (Attachment C – Quarterly Financial Reports) and a comprehensive final report (financial and narrative) within 15 days of the last day of the grant. 8. Conditions Precedent to Funding are outlined in detail in the Performance Agreement (Attachment E).

8	APPROVAL
	
	Stefan Hub, Director Office of Public Charter School Financing and Support
	3-17-2010 Date

OFFICE OF THE STATE SUPERINTENDENT OF EDUCATION
OF THE DISTRICT OF COLUMBIA



GRANT AWARD NOTIFICATION
CONGRESSIONAL APPROPRIATIONS

EXPLANATION OF BLOCKS ON THE GRANT AWARD NOTIFICATION		
Box 1 Recipient Information	Recipient Name:	The legal name of the entity to which the funds are awarded.
	Address:	The recipient's complete address. All communication from the OSSE will be sent to this address.
	Telephone Number:	The recipient's complete telephone number.
	Recipient Contact Person:	The recipient staff person responsible for administering the award. This person serves as the official point of contact on all matters related to the award.
Box 2 Statutory Authority	Statutory Authority:	The public law or statute number authorizing the grant.
Box 3 OSSE Program Contact	OSSE Program Contact:	The OSSE's official point of contact for all matters related to the award.
Box 4 Funding Amount	Original Award:	The amount of the original award. This is the total funding available before any amendment or adjustment is made.
	Adjustment/Amendment:	The amount of any adjustment or amendment made to the amount of the original award.
	Cumulative Award:	The current amount of the award. This is the total funding available after any amendment or adjustment is made.
Box 5 OSSE Fiscal Information	OSSE Fiscal Information:	[RESERVED]
Box 6 Timelines	Award period:	The complete length of time for which funds are being provided.
	First date for obligating:	Only costs that relate to transactions occurring on or after this date may be charged to the award.*
	Last date to obligate:	Only costs that relate to transactions occurring on or before this date may be charged to the award.*
	Last date to liquidate funds:	The last date to request payment from the OSSE.
* Transactions relating to payroll are considered to have occurred on the date the employee works. Transactions relating to the procurement of goods or services are considered to have occurred on the date a binding written commitment is executed. Transactions relating to travel are considered to have occurred on the date the travel is taken.		
Box 7 Terms and Conditions of Award	Terms and conditions:	Requirements of the award that are binding on the recipient.
Box 8 Approval	Authorized official:	The OSSE official authorized to award funds to the recipient, establish or change the terms and conditions of the award, and authorize modifications to the award.

**GRANTEE
LETTERHEAD**

[Name] Public Charter School
2009 City Build Grant
RFA #GD0-CB5-09

**ATTACHMENT B
Quarterly Narrative Report**

Quarter Ending Date: _____

Please respond in detail to the items listed below. Any additional information and/or documentation that will enhance the reviewing agents understanding of how the expenditure and/or program will further the objectives of the City Build Grant should also be included. Please remember to submit the entire narrative and financial quarterly report within 15 business days of the end of each District Government fiscal quarter by the following deadlines: October 21st, January 22nd, April 22nd, July 22nd and the final report due on October 31st, 2011.

The expenditure of \$ _____ for any and all costs identified in the Proposal for the City Build Grant Program.

Status

1. Percentage of Completion – Indicate where the project in regard to its percentage complete, include a list of all steps taken to date.
2. Dollars Leverage – Include a dollars amounts of final financing structure (as of closing).
3. AIA Draw Schedule – Include the most recent draw request (as of the Quarter Ending Date of this submission). Also; include a detailed explanation of any material changes made to the budget submitted with City Build Application.
4. Total square footage (completed, renovated and/or utilized as of the date of submission).
5. Total number of children impacted (as of the date of submission), include the number hours spent at school during a week and the total number of education hours per week that resulted from this project.
6. Total number of staff – Provide detail on the number of additional staff and/or the number of existing staff impacted by the project.
7. Comment on any challenges encountered since the start of the project.

By: Name

Title:

Date

AppleTree Capitol Hill Community Partnership

Budget Narrative

Acquisition: AppleTree Institute purchased the property on July 1, 2005 for \$1,500,000 with a donor note.

Soft Costs: AppleTree Institute has invested \$300,000 in architectural fees (\$), engineering studies (\$), Permits (\$), Project Management (\$), Environmental (\$), Insurance (\$), Legal (\$), Acquisition loan interest (\$), real estate taxes (\$), and other costs (\$).

Renovations: The project needs \$1,982,630 to complete the renovations under the Guaranteed Maximum Price Proposal provided by Chiaramonte Construction Company. A detailed budget, prepared by CCC, is attached.

Closing costs on the Qualified School Construction Bond financing: (Can M&T or Bill Liggins give us an estimate of what we can expect to budget?)

Other Sources of Funds:

Donor Note: \$1,500,000 which will (have to) be subordinated to the bond.

Equity: \$300,000 from AppleTree Institute

Bond Proceeds: \$1,486,973 (based on 75% LTV renovations only)

Financial gap filled by the proposed award:

Based on the limitations of the Qualified School Construction Bond financing uses the project needs \$500,000 to complete the budgeted renovations.

Assumption:

We have an additional Qualified School Construction Bond allocation, as well as a Qualified Zone Academy Bond allocation for our Douglas Knoll site. The Douglas Knoll site will enroll 72 children. Douglas Knoll received a City Build award in 2007. With the QSCB and the QZAB, we estimate that we will only need to finance \$700,000 to complete that project. Douglas Knoll should produce \$191,735 cash per year, which, through hour portfolio strategy, will provide coverage for Capitol Hill.