March 12, 2013

Mr. Larry Fuhrer, President/CEO
Northern Kane Educational Corp.
3831 McCoy Drive, Suite 109
Aurora, IL 60504

Dear Mr. Fuhrer:

Recently ISBE has received several inquiries regarding fees assessed by Cambridge Lakes Charter School as a condition of student enrollment. These inquiries relate to a recent Reuters report that Cambridge Lakes Charter School assesses an annual registration fee of $210 to $225 per student, and additionally requires families to invest in Northern Kane Educational Corporation or risk losing the student’s seat. See http://www.reuters.com/article/2013/02/15/us-usa-charters-parents-idUSBRE91E0HR20130215.

As you know, under the Charter Law charter schools may not charge tuition, except as otherwise provided in the School Code, but may charge reasonable fees for textbooks, instructional materials, and student activities. 105 ILCS 5/27A-5(g), 11(b). Whether a certain payment (1) looks more like a fee or tuition; and (2) if properly considered a fee, is reasonable must be determined on a case-by-case basis based on the unique facts. Accordingly, we request that you provide additional information regarding the requirement that families invest in Northern Kane Educational Corporation. Specifically, please respond to the following:

- Are families required to invest in Northern Kane Educational Corporation as a condition or enrolling their children in the Charter School or retaining a seat in the Charter School? If investment is mandatory rather than merely encouraged, what is the minimum payment amount required?

- If an investment is mandatory, does the Charter School have a fee waiver policy that is implemented with fidelity? Please provide supporting documentation.

- Are the funds paid to Northern Kane Educational Corporation by parents of students enrolled in the Cambridge Lakes Charter School used exclusively to support the operations of the Charter School or for other programs under Northern Kane Educational Corporation?
Please provide any additional information that supports compliance with Section 5/27A-5(g) and 11(b) of the Charter Law.

We appreciate your attention to this request, and ask that you provide a response within 5 business days.

Kind regards,

[Signature]

cc: Nicki Bazer