

**SUCCESSOR COMMUNITY SCHOOL
SPONSORSHIP CONTRACT**

This Successor Community School Sponsorship Contract (hereinafter referred to as "Contract") is entered into on this 11th day of May, 2018 by and between the Governing Board of the North Central Ohio Educational Service Center (hereinafter referred to as "Sponsor") and the Governing Authority of Imagine Leadership Academy (hereinafter referred to as "Governing Authority" or "School"). The Sponsor and the Governing Authority shall hereinafter be collectively be referred to as "Parties."

WHEREAS, the Sponsor and the Governing Authority previously entered into a Community School Sponsorship Contract in accordance with R.C. 3314.03 for the establishment and operation of Imagine Leadership Academy (hereinafter referred to as "School"); and

WHEREAS, said agreement expires on June 30, 2018, and the Parties desire to renew said agreement upon its expiration in accordance with the terms and conditions set forth below; and

WHEREAS, as required by R.C. 3314.03(E), the Sponsor finds that the School's compliance with the applicable laws and the terms of said agreement, and the School's progress in meeting the academic goals prescribed in said agreement, have been satisfactory.

NOW THEREFORE, the Governing Authority and the Sponsor enter into this Contract pursuant to the following terms and conditions. All Attachments and Recitals to this Contract are incorporated by reference and made a part of this Contract.

ARTICLE I
Type of Community School

- 1.1 **Conversion Community School.** The School shall, at all times, continue to be established and operated as a conversion Ohio public community school subject to the laws of the State of Ohio and the terms of this Contract.
- 1.2 **Non-Profit Corporation.** The School shall, at all times, continue to be established and operated as an Ohio non-profit corporation under R.C. Chapter 1702. The School shall maintain in good standing its status as a non-profit corporation. The School shall hold all rights to the name of the School and any trade names or fictitious names.
- 1.3. **Public Benefit Corporation.** The School shall, at all times, continue to be established and operated as an Ohio public benefit corporation under R.C. 1702.01(P).
- 1.4 **Tax Exempt Status.** The School shall qualify as a federal tax exempt entity under Section 501(c)(3) of the Internal Revenue Code. Should the School apply for and obtain such tax exempt status, a copy of its federal tax exempt status determination letter must be forwarded to the Sponsor. Any change in tax status of the School must be reported in

writing to the Sponsor within five (5) business days after notice to the School, with a copy of any documentation and official/governmental notices or letters.

- 1.5 **Corporate Documents.** Attached as Attachment 1.5 are the Certificate of Incorporation, Articles of Incorporation, Appointment of Statutory Agent, Employer ID Number, Code of Regulations, IRS Determination Letter (if any), and Mission Statement and Organizational Chart of the School. Any changes or updates in any of these documents must be reported in writing to the Sponsor within five (5) business days of the effective date of such changes, along with a copy of all documentation and filings.
- 1.6 **Prior Status.** The School was not a non-public chartered or non-chartered school in existence on January 1, 1997. This representation is material, and if in error, the Sponsor may terminate this Contract.
- 1.7 **Independence of School.** The School is a separate, independent, and autonomous legal entity and is not an agent or instrumentality of the Sponsor.
- 1.8 **Sponsor.** The Sponsor shall carry out the responsibilities established by law, including:
 - (a) Monitor the School's compliance with the laws applicable to the School and with the terms of this Contract.
 - (b) Monitor and evaluate the academic and fiscal performance and the organization and the operation of the School on at least an annual basis.
 - (c) Provide technical assistance to the School in complying with this Contract and with applicable laws.
 - (d) Take steps to intervene in the School's operation at Sponsor's discretion to correct problems in the School's overall performance, declare the School to be on probationary status pursuant to R.C. 3314.073, suspend operation of the School pursuant to R.C. 3314.072, or terminate or non-renew this Contract pursuant to R.C. 3314.07, as determined necessary by the Sponsor.
 - (e) Establish a plan of action to be undertaken if the School experiences financial difficulties or closes before the end of the school year. Such plan or requirements for such plan shall be set out by the Sponsor as and when financial difficulties arise in a customized tailored manner to address the source of difficulties.
 - (f) Other activities designed to specifically benefit the School.
 - (g) Report on an annual basis the results of the evaluation conducted under division 1.8(b) above, to the Ohio Department of Education and to the parents of students enrolled in the community school.

- (h) Review the financial and enrollment records of the School at least once per month with the Governing Authority or the School's Fiscal Officer and provide a written report regarding the review within ten (10) days of the review.
- (i) Annually submit by the 15th day of August a report to the Ohio Department of Education and to the Governing Authority describing the amount and type of expenditures made to provide monitoring, oversight, and technical assistance to the School. Said report shall be in the format and manner prescribed by the Ohio Department of Education and include the following types of expenditures made to provide monitoring, oversight, and technical assistance to the School:
 - i. Employee salaries, wages, benefits, and other compensation;
 - ii. All purchased or contracted services;
 - iii. Materials and supplies;
 - iv. Equipment, furniture, and fixtures;
 - v. Facilities; and
 - vi. Other expenditures.
- (j) Annually verify that a finding for recovery has not been issued by the Ohio Auditor of State against any member of the Governing Authority, and employee of the School, or any operator of the School.
- (k) Perform such other duties as set forth in the agreement entered into with the Ohio Department of Education pursuant to R.C. 3314.015(B).

ARTICLE II
Governing Authority/Administration

2.1 Governing Authority Members.

- 2.1.1 The Governing Authority must contain at least five members (hereinafter referred to as "Directors"). Attached as Attachment 2.1 are the names of the current Directors, the email addresses used by the Directors for School business, and a description of the process by which the Directors shall be selected in the future.
- 2.1.2 No Director shall serve on the governing authority of more than four other community schools in the State of Ohio.
- 2.1.3 The School shall provide the Sponsor in writing with the names, home or work addresses, home or work telephone numbers, and email addresses for each Director. The Sponsor shall be promptly notified of any changes pertaining to the Directors,

including (a) resigning Directors' names; (b) new Directors' names, home or work addresses, home or work telephone numbers, and email addresses; and (c) changes to current Directors' names, home or work addresses, email addresses, and home or work telephone numbers, within three (3) business days of such change.

- 2.1.4 The School shall post on its website the name of each Director and shall provide, upon request, the name and address of each Director to the Sponsor and to the Ohio Department of Education.
- 2.1.5 No individual shall be a Director if he/she: (1) owes the State any money or is in a dispute over whether he/she owes the State any money concerning the operation of a community school that has closed; (2) is subject to R.C. 3319.31(B) with respect to refusal, limitation, or revocation of a license to teach, if he/she were a licensed educator; (3) has pleaded guilty to or been convicted of theft in office under R.C. 2921.41 or has pleaded guilty to or been convicted of a substantially similar offense in another state; or (4) is an employee of the Sponsor.
- 2.1.6 No individual shall be a Director unless and until he/she has submitted to a criminal records check in the manner prescribed by R.C. 3319.39.
- 2.1.7 No present or former Director, or immediate relative of a present or former Director, shall be an officer of the Sponsor, serve as an employee of or a consultant for the Sponsor, or have supervisory authority over the Sponsor unless at least one year has elapsed since the conclusion of the individual's membership on the Governing Authority.
- 2.1.8 Each Director shall annually file a disclosure statement setting forth the names of any immediate relatives or business associates employed by any of the following within the previous three years: (1) the Sponsor; (2) an operator of the School; (3) a school district or educational service center that has contracted with the School; and/or (4) a vendor that is or has engaged in business with the School.

2.2 **Training Requirements.**

- 2.2.1 All new Directors are required to attend board training as mutually agreed upon by the Sponsor and the School. Existing Directors are encouraged to participate in board training on an annual basis to remain current regarding their responsibilities as a member of the Governing Authority. The Sponsor reserves the right to require additional training of any Director at the Sponsor's reasonable discretion.
- 2.2.2 The School's administrators, or their appropriate designees, shall participate in training provided by the Sponsor, the Ohio Department of Education, the Governing Authority's legal counsel, or the approved or affiliated organizations of any of the preceding entities. To the extent required by law, the Directors and the School's Fiscal Officer, Chief Administrative Officer and other administrative employees, and all individuals performing supervisory or administrative services

for the School, shall complete training on an annual basis on Ohio's public records and open meetings laws.

2.2.3 The Sponsor may provide technical assistance and training to the School and its staff at such times and to the extent that the Sponsor deems appropriate or as the then current law requires. The Governing Authority and the School's administrators have an obligation to attend training and receive technical assistance at the direction of the Sponsor.

2.3 **Governing Authority Meetings.** The Sponsor shall have adequate prior written notice of all regular and special Governing Authority meetings, and shall be provided with a copy of all agendas, packets, handouts, and minutes of all meetings of the Governing Authority and its committees. The Sponsor must receive a hard copy notice and telephone call invitation to all special meetings of the Governing Authority at least twenty-four (24) hours prior to such meeting and to all emergency meetings of the Governing Authority as soon as scheduled. A Sponsor representative shall be permitted to attend all executive sessions of the Governing Authority unless the executive session involves a legal dispute with the Sponsor, is necessary for the preservation of the attorney-client privilege, or as otherwise agreed to by the Parties.

2.4 **Chief Administrative Officer.** The Governing Authority shall employ or contract for an individual to serve as the School's Chief Administrative Officer. Any change in the identity and/or role of the Chief Administrative Officer shall be reported to the Sponsor within five (5) business days. Also, that individual's recently completed criminal background check and resume shall be sent to the Sponsor.

2.5 **Cooperation with Sponsor Oversight.** The Governing Authority and School administration shall cooperate fully with the Sponsor in all activities as required by laws, rules, regulations, and this Contract for oversight of the School. This includes, but is not limited to:

- (a) Annual file update per checklist as set out by the Sponsor.
- (b) Preliminary site visit and certification of letter of assurances at least ten (10) days prior to the first day of school and at all times thereafter as determined necessary by the Sponsor.
- (c) Monthly reviews of financials and enrollment records.
- (d) High stakes review, as determined necessary by the Sponsor.
- (e) Other appropriate and reasonable requests for information from the Sponsor, the Ohio Department of Education, or other applicable governmental agencies.
- (f) Timely submit all required data into the Sponsor's document management system, or as otherwise reasonably requested by the Sponsor.

- (g) Maintain daily attendance sheets signed by the applicable classroom teachers or by the Chief Administrative Officer of the School.
 - (h) Maintain high school drop-out recovery status (if applicable) and comply with all current and future rules, regulations and assessments associated with such status.
- 2.6 **Sponsor Access to Student Records.** The School and the Sponsor agree and state that, pursuant the Family Educational Rights and Privacy Act (“FERPA”), the Sponsor is an authorized representative of a local educational authority and that the School is permitted to disclose to the Sponsor personally identifiable information from an education record of a student without parental consent (or student consent, where applicable), and that the Sponsor is authorized by state law to conduct oversight, compliance evaluations, and assess activities of federal and state supported education programs. Accordingly, the School agrees to grant to the Sponsor’s employees full and complete access to necessary education records as defined by FERPA, and all documents, records, reports, databases, and other information made available to or maintained by the School and its agents that are reportable to the Ohio Department of Education and its agencies, the School Options Enrollment System, and the Education Management Information System (EMIS).
- 2.7 **Comprehensive Plan.** In accordance with R.C. 3314.03(B), the School shall submit to the Sponsor a comprehensive plan for the School which shall specify: (a) the process by which the Governing Authority will be selected in the future; (b) the management and administration of the School; (c) if the School is a currently existing public school, alternative arrangements for current public school students who choose not to attend the School and for teachers who choose not to teach in the School after conversion; (d) the instructional program and educational philosophy of the School; and (e) internal financial controls. When submitting such plan, the School shall also submit copies of all policies and procedures regarding internal financial controls adopted by the Governing Authority.

ARTICLE III
Operations

- 3.1 **Student Transportation.** The School’s plan for transportation of students is provided in Attachment 3.1. The Governing Authority shall assure that transportation of students is provided in accordance with all laws, rules, and regulations, including to and from career technical programs.
- 3.2 **Management by Third Parties.** Any agreement between the Governing Authority and a management company/operator for the management or operation of the School shall be approved in advance by the Sponsor and shall be attached as Attachment 3.2. Any changes in said agreement shall require prior written approval of the Sponsor and incorporation as Attachment 3.2, which shall not be unreasonably withheld and which shall not interfere with the Governing Authority’s ultimate decision in contracting. The Governing Authority shall take the Sponsor’s concerns into consideration and, if it disagrees, shall support its decision to the Sponsor or further negotiate the management agreement. If the

management company/operator receives more than twenty percent (20%) of the School's gross annual revenues, then the management company/operator must provide a detailed accounting of the nature and costs of the services it provides to the School consistent with Ohio law. The Sponsor may require the School to enter into an agreement with another management company/operator if the Sponsor determines, in its reasonable discretion, that such a change is necessary due to the mismanagement, governance, or performance of the current management company/operator. Any agreement between the Governing Authority and a management company/operator must allow the Governing Authority to have its own legal counsel, paid for by the revenues of the School, should the School and management company/operator be adverse to each other with any particular matter.

3.3 **Non-Sectarian.** The School shall be nonsectarian in its programs, admission policies, employment practices, and all other operations, and will not be operated by a sectarian school or religious institution.

3.4 **Technology Plan.** The School must have a state-approved technology plan within sixty (60) days of execution of this Contract and complete the filing procedures for E-tech Ohio or any successor thereof on or before the next applicable deadlines if the School is using E-tech funds. All technology plans must be updated and submitted as required by law, rule, or regulation.

3.5 **Disposition of Assets.** In the event that this Contract is terminated or is not renewed and not reassigned to another authorized sponsor, or if the School ceases operation, the following requirements and procedures regarding the Governing Authority and the School shall apply:

3.5.1 After paying or adequately providing for the payment of all known obligations of the School, the Governing Authority shall distribute the remainder of the assets as follows:

(a) Assets held upon condition requiring return, transfer, or conveyance, which condition shall have occurred by reason of the dissolution or otherwise, shall be disposed of in accordance with such requirements.

(b) Assets held by the School in trust for specified purposes shall be disposed of in accordance with the terms of the trust, and the remaining assets not held in trust shall be disposed of in a manner to carry out the purposes stated in the School's Articles of Incorporation.

(c) In the event and to the extent that, and in the judgment of the Directors, it is not feasible to apply the assets provided in clauses (a) and (b) above, the assets shall be disposed of in accordance with R.C. 3314.074 and the closing procedures adopted by the Ohio Department of Education.

3.5.2 In applying the principles stated above, adherence to R.C. 3314.074(A) and (B) should be respected to the fullest extent not in conflict with the above.

- 3.5.3 The School shall comply with the closing procedures mandated by the Ohio Department of Education on Attachment 3.5.3, which may be revised by the Ohio Department of Education during the term of this Contract.
- 3.6 **Commencement of School Operations.** The School shall open for operation not later than September 30th of each school year, unless the mission of the School is solely to serve dropouts or the Sponsor's rating permits the School to be opened at a later date.
- 3.7 **Policies and Surveys.** The School shall provide the Sponsor with copies of or access to all policies, handbooks, and surveys measuring student and parent satisfaction with the operation of the School.
- 3.8 **Independent Professional Services.** If the School contracts with an attorney, accountant, or entity specializing in audits, the attorney, accountant, or entity shall be independent from any management company/operator with which the School has contracted.
- 3.9 **EMIS.** The School shall participate in the statewide education management information system established under R.C. 3301.0714. All provisions of such statute and the rules adopted under such statute apply to the School as if it were a school district, except as modified for community schools under R.C. 3314.17(B). The School shall also comply with R.C. 3301.0723(C). The School's Fiscal Officer shall be responsible for annually reporting the School's data under R.C. 3301.0714. The School shall not acquire, change, or update its student administration software package to manage and report data required to be reported to the Ohio Department of Education unless it converts to a student software package that is certified by the Ohio Department of Education.

ARTICLE IV **Compliance With Laws**

- 4.1 **Compliance with Laws.**
- 4.1.1 The School shall comply with Sections 9.90, 9.91, 109.65, 121.22, 149.43, 2151.357, 2151.421, 2313.19, 3301.0710, 3301.0711, 3301.0712, 3301.0714 (as stated in 3314.17), 3301.0715, 3301.0729, 3301.948, 3313.472, 3313.50, 3313.536, 3313.539, 3313.5310, 3313.608, 3313.609, 3313.6012, 3313.6013, 3313.6014, 3313.6015, 3313.6020, 3313.643, 3313.648, 3313.6411, 3313.66, 3313.661, 3313.662, 3313.666, 3313.667, 3313.668, 3313.67, 3313.671, 3313.672, 3313.673, 3313.69, 3313.71, 3313.716, 3313.718, 3313.719, 3313.7112, 3313.721, 3313.80, 3313.801, 3313.814, 3313.816, 3313.817, 3313.86, 3313.89, 3313.96, 3319.073, 3319.321, 3319.39, 3319.391, 3319.41, 3319.46, 3321.01, 3321.041, 3321.13, 3321.14, 3321.17, 3321.18, 3321.19, 3321.191, 3327.10, 4111.17, 4113.52, and 5705.391 and Chapters 117., 1347., 1702., 2744., 3307, 3309, 3314., 3365., 3742., 4112., 4123., 4141., and 4167. of the Ohio Revised Code as if it was a school district. Unless prohibited by the United States Constitution, the Ohio Constitution, or other controlling law, the School will comply with these sections and chapters

of the Ohio Revised Code now in effect and as hereafter amended. Certain laws listed above which are not specified therein as mandatory, are permissive, unless otherwise specifically required under this Contract. Laws listed above which are mandatory, are also mandatory under this Contract.

- 4.1.2 The School shall comply with R.C. Chapter 102 and R.C. 2921.42. The School must have a conflict of interest policy, attached as Attachment 4.1.
 - 4.1.3 The School shall comply with R.C. 3302.04 and 3302.041, except that any action required by a school district under those sections shall be taken by Sponsor. The Sponsor, however, shall not be required to take any action under R.C. 3302.04(F).
 - 4.1.4 The School shall comply with R.C. 3313.614, and with R.C. 3313.61 and 3313.611 as qualified by R.C. 3314.03(A)(11)(f).
 - 4.1.5 If the School is the recipient of moneys from a grant awarded under the federal race to the top program, Division (A), Title XIV, Sections 14005 and 14006 of the "American Recovery and Reinvestment Act of 2009," Pub. L. No. 111-5, 123 Stat. 115, the School will pay teachers based upon performance in accordance with R.C. 3317.141 and will comply with R.C. 3319.111 as if it were a school district.
 - 4.1.6 If the School operates a preschool program that is licensed by the Ohio Department of Education under R.C. 3301.52 to 3301.59, the School shall comply with R.C. 3301.50 to 3301.59 and the minimum standards for preschool programs prescribed in rules adopted by the State Board of Education of Ohio under R.C. 3301.53.
 - 4.1.7 The School shall comply with R.C. 3313.6021 and 3313.6023 as if it were a school district.
- 4.2 **Compliance with Other Laws.** The School and the Governing Authority may carry out any act or insure the performance of any function that is in compliance with the United States Constitution, the Ohio Constitution, Federal law, Ohio law, or this Contract. The School is not exempt from federal laws, rules, and regulations, or Ohio laws granting rights to parents. The School specifically acknowledges that federal laws, rules, and regulations apply to its operation, including but not limited to those having to do with federal grants.
- 4.3 **Regular Review of Compliance.** The Governing Authority agrees to meet with the Sponsor two (2) times per school year or less at the Sponsor's request to review the terms and requirements of this Contract to ensure consistency with changes in state and federal law and shall reserve at least a twenty (20) minutes at a Governing Authority meeting for that purpose. The Governing Authority or representatives thereof further agree to meet with the Sponsor annually to discuss progress the Sponsor is making on its strategic goals.

ARTICLE V **Facilities**

- 5.1 **Location of Facility.** The School shall be located in a building operated by the Sponsor. Attached as Attachment 5.1 is a description of the facilities to be used by the School and includes: (a) a detailed description of each facility used for instructional purposes; (b) the annual costs associated with leasing each facility that are paid by or on behalf of the School; (c) the annual mortgage principal and interest payments that are paid by the School; and (d) the name of the lender or landlord, identified as such, and the lender's or landlord's relationship to the School's management company/operator, if any. The School shall not enter into a contract with a nonpublic school to use or rent any facility space at the nonpublic school for the provision of instructional services to students enrolled in the School.
- 5.2 **Use of Facility.** The facility will not be changed and the number of square feet used will not be reduced without prior consent of the Sponsor, which shall not be unreasonably withheld. Any lease payments must be consistent with the budgets given to and approved by the Sponsor. In any change of facility, the Sponsor, at its sole discretion, but without obligation to do so, may request maps, plans, revised budgets showing adequate service of the debt and reserves for maintenance or repairs, and/or attorney, accountant or financial consultant assurances or opinions regarding structure, financing, or otherwise. The Sponsor may object to location of a proposed facility based on a business reason or an otherwise reasonable basis, but is not obligated to control or direct the marketing or facilities decisions of the School. The Sponsor shall not be liable for the debts, obligations, or business of the School, but may request any information the Sponsor deems necessary to assess adequate planning for facilities.
- 5.3 **Compliance with Health and Safety Standards.** Any facility used for or by the School shall meet all health and safety standards established by law for community school buildings. The School shall certify all Sponsor assurances required by law, rule, or regulation to be sent to the Ohio Department of Education, or, after any walk-through or site visit. Facilities will be maintained in a clean, healthy manner to the satisfaction of the Sponsor and/or as indicated by proper authorities. Copies of all current permits, inspections, and/or certificates must be filed with the Sponsor. The School must keep all permits, inspections, and/or certifications current and compliant.

A Certificate of Occupancy must be provided to the Sponsor prior to occupancy. Proof of occupancy shall be satisfied by the Governing Authority providing to the Sponsor any permanent, interim, or temporary certificate of occupancy issued by the government agency having jurisdiction over the same.

ARTICLE VI **Educational Program**

- 6.1 **Number of Students.** The School will provide learning opportunities to a minimum of twenty-five (25) students for a minimum of nine hundred twenty (920) hours per school year or in accordance with any applicable changes of law. The School may serve grades kindergarten through eight. The School may enroll students who fall below the established age range pursuant to its enrollment and/or acceleration policies. The number of students

enrolled in the School shall not exceed the limit prescribed by statute. The number of students and staff attending the School at any one time shall not exceed the number allowed by the occupancy permit. An involuntary and material decrease in enrollment may be a sole good cause for nonrenewal, suspension, or termination of this Contract at the discretion of the Sponsor, provided, however, that the decrease renders the School not to be able to pay its debts as they come due. A material decrease in enrollment for purposes of this 6.1 shall be an unplanned decrease not pre-approved by the Sponsor of (a) below twenty-five (25) students, or (b) thirty percent (30%) or greater decrease from the average enrollment figures of the prior four or more school operating (open for students) months.

6.2 **Continuing Operation.** The School agrees to continue operation by teaching the minimum number of students permitted by law. Time is of the essence in continuing operation. Failure to continue operation without interruption is grounds for termination of this Contract except in the case of interruption on the basis of force majeure, such as war, famine, strike, stoppage of work due to casualty, or the like. Only upon written notification to the Sponsor can the School calendar be materially changed. A material change shall be defined as any change of one week or more, either consecutively or cumulatively.

6.3 **Curriculum.**

6.3.1 For purposes of this Contract, on Attachment 6.3, the focus, mission, philosophy, goals, and objectives of the curriculum shall be separated from the methods used to achieve those goals and all classroom and non-classroom based learning opportunities. Any change in methods must be reported to the Sponsor. However, changes in the focus, mission, philosophy, goals, and objectives may not be changed without prior written notice to the Sponsor containing justification and sound reasoning, and prior approval of the Sponsor. Attachment 6.3 must also show how the School's curriculum is aligned with Ohio Content Standards.

6.3.2 The Sponsor specifically authorizes "learning opportunities" to include educational opportunities provided by the School during suspension or expulsion of the School's students, if provided for by the School's own policies. Learning opportunities shall also include any opportunities provided for in a credit flex or college credit plus program of the School or as described on Attachment 6.3. The Sponsor also permits the School to operate using a blended learning model, as the term is defined in R.C. 3301.079, provided Attachment 6.3 includes:

- (a) A description of what blended learning models will be used;
- (b) A description of how student instructional needs will be determined and documented;
- (c) The method to be used for determining competency, granting credit, and promoting students to a higher grade level;
- (d) The School's attendance requirements; and

(e) A statement describing how student progress will be monitored.

- 6.4 **Achievement Tests, Value-Added Assessments, Other Assessments and Standards.** The performance standards/requirements and assessments shall include statewide proficiency or achievement tests and any other standards and/or assessments required by law or recommended by the Sponsor, including but not limited to those set forth in Attachment 6.4. All assessments must be timely and properly administered, met, and reported. The School shall also be evaluated based upon state standards. State standards shall be met by the School and may be changed from time to time by the Ohio Department of Education. In addition to the required testing, the School must assess and keep benchmarks acceptable to the Sponsor of all students in order to provide guidance for the Sponsor to review yearly progress. Such assessments and intended benchmarking are identified in Attachment 6.4. No assessment tools may be changed without notification to the Sponsor, which shall contain the justification for the change. The School specifically acknowledges the closure provisions of R.C. 3314.35. If the School is ranked in the lowest ten percent (10%) of all public school buildings according to performance index score, the School shall require each classroom teacher currently teaching in a core subject area to demonstrate expertise by examination.
- 6.5 **Racial and Ethnic Balance.** The School will attempt to achieve and attempt to continue, as the case may be, racial and ethnic balance reflective of the community it serves by doing each of the items recited in Attachment 6.5. Notwithstanding the admissions procedures of the School, in the event that the racial composition of the enrollment of the School is violative of a federal desegregation order, the School shall take any and all corrective measures to comply with a desegregation order.
- 6.6 **Tuition.** Subject only to any applicable exception pursuant to R.C. 3314.06 or 3314.26, tuition in any form shall not be charged for the enrollment of any student. Nothing in this section prevents reasonable activity or class fees as allowed by law, or the School's engaging in voluntary fund-raising activities or the School's ability to otherwise charge tuition or fees if expressly allowed by applicable statute.
- 6.7 **Suspension and Expulsion Policies.** A policy regarding suspension, expulsion, removal, and permanent exclusion of a student that specifies, among other things, the types of misconduct for which a student may be suspended, expelled, or removed, and the due process related thereto, is included in Attachment 6.7. Said policy and practices shall comply with the requirements of R.C. 3313.66, 3313.661, and 3313.662 and shall not infringe upon the rights of students with disabilities as provided by state and federal law.
- 6.8 **Assuring Adequate Yearly Progress.** The School shall develop a plan of intervention for all students not found proficient or not making adequate yearly progress, and shall make it available to the Sponsor for review.
- 6.9 **Disabled Students.** During admission and enrollment of any disabled student, the School shall comply with federal and state laws regarding the education of students with

disabilities. The School shall provide related services in accordance with applicable laws or may contract for related services if it provides documentation to the Sponsor identifying the providers, the plan to provide related services, and the provider's qualification, experience, and reputation.

- 6.10 **School Closure.** The School agrees to remain open for students to attend until the end of the school year in which it is determined that the School must close. The programs provided to students in the final year of the School must continue without interruption or reduction unless program changes are preapproved in writing by the Sponsor. The Sponsor may, at its sole discretion, operate the School in the event the Governing Authority fails to continue until the end of the approved school year or is otherwise suspended or terminated, provided, however, the Sponsor may suspend the operations or terminate this Contract as otherwise indicated by law.
- 6.11 **High School Diplomas.** Prior to graduation, the School shall send its list of intended graduates to the Sponsor. The Sponsor shall be invited to all graduation ceremonies. The School shall comply with the requirements of the Ohio core curriculum and/or allowable waivers thereof. If the School is a high school awarding a diploma, the School shall comply with R.C. 3313.61, 3313.611, and 3313.614 except that, by completing the curriculum adopted by the Governing Authority, the student will be deemed to have met the requirement that a person must successfully complete the curriculum specified in R.C. Title 33. Provided, however, beginning with students who enter ninth grade for the first time on or after July 1, 2010, the requirement in R.C. 3313.61 and 3313.611 that a person must successfully complete the curriculum of a high school prior to receiving a high school diploma shall be met by completing the Ohio core curriculum prescribed in R.C. 3313.603(C), unless the person qualifies under R.C. 3313.603(D) or (F). The School shall comply with the plan for awarding high school credit based on demonstration of subject area competency, and beginning with the 2017-2018 school year, with the updated plan that permits students enrolled in seventh and eighth grade to meet curriculum requirements based on subject area competency adopted by the State Board of Education of Ohio under R.C. 3313.603(J)(1) and (2). Beginning with the 2018-2019 school year, the School shall comply with the framework for granting units of high school credit to students who demonstrate subject area competency through work-based learning experiences, internships, or cooperative education developed by the Ohio Department of Education under R.C. 3313.603(J)(3).
- 6.12 **Admissions Policy.** The School shall adhere to admissions and enrollment policies and procedures of the School attached as Attachment 6.12. Said admissions and enrollment policies and procedures shall be available for public inspection and may not be changed without the prior written consent of the Sponsor. At a minimum, the admission policies and procedures must:
- (a) Specify that the school will not discriminate in its admission of students to the school on the basis of race, creed, religion, color, national origin, handicap, intellectual ability, athletic ability, or measurement of achievement or aptitude;

- (b) Be open to any individual entitled to attend school in the State of Ohio pursuant to R.C. 3313.64, except that admission to the School may be limited to: (i) students who have obtained a specific grade level or are within a specific age group; (ii) students who meet a definition of “at-risk” that the parties to this Contract agree upon and/or; (iii) residents of a specific geographic area that the parties to this Contract agree upon;
- (c) Specify that if the number of applicants meeting admission criteria exceeds the capacity of the School’s programs, classes, grade levels, or facilities, students shall be admitted by lot from all eligible applicants, except preference shall be given to students attending the School the previous year and may be given to eligible siblings of such students and to students who are the children of full-time staff members employed by the School, provided the total number of students receiving this preference is less than five percent (5%) of the School’s total enrollment; and
- (d) Require that the School shall adopt a policy regarding the admission of students residing outside the school district in which the School is located in compliance with the admission procedures specified in R.C. 3314.06 and 3314.061. Said policy shall: (i) prohibit enrollment of students who reside outside the school district in which the School is located; (2) permit the enrollment of students who reside in school districts adjacent to the school district in which the School is located; or (3) permit the enrollment of students who reside in any school district in Ohio. The School’s admission policy is included in Attachment 6.12. If the School admits out-of-state students, it shall adopt a policy and tuition schedule as decided by the Governing Authority on an annual basis.

6.13 **Attendance, Participation, and Truancy.** Attachment 6.12 includes the School’s attendance, truancy, and participation policies, as well as procedures for automatic withdrawal if a student fails to participate in one hundred five (105) consecutive hours of learning opportunities without a legitimate excuse. Said policies shall be available for public inspection. The School’s attendance and participation records shall be made available to the Ohio Department of Education, Auditor of State, and the Sponsor to the extent permitted under and in accordance with the Family Educational Rights and Privacy Act of 1974 and R.C. 3319.321.

6.14 **STEM Designation.** The School does not plan on seeking designation as a STEM school equivalent under R.C 3326.032. Should the School decide to seek a STEM designation, it shall notify the Sponsor and enter into a modification of this Contract.

ARTICLE VII **Reporting**

7.1 **Annual Report.** The Governing Authority shall submit within four (4) months after the end of each school year to the Sponsor and to the parents of all students enrolled in the School, or any other statutorily required parties, its financial status, and the annual report of its activities and progress in meeting the goals and standards of this Contract.

7.2 Reports to Sponsor.

- 7.2.1 The Governing Authority shall report to the Sponsor the following on or before the day set by statute, rule, or regulation, or, by the Sponsor, all information or documents required under applicable law, including but not limited to:
- (a) That information required under R.C. 3314.08(B)(2)(a)-(i);
 - (b) The number of student suspensions and expulsions;
 - (c) The number of students withdrawn and the reasons for withdrawal;
 - (d) Annually, or at the request of the Sponsor, any event, occurrence, or circumstance that could reasonably have a material adverse effect on the operations, properties (both real or personal), assets, condition (financial or otherwise), enrollment, prospects, or reputation of the School, including, but not limited to, breach, claimed default, or violation of any covenant or term of any loan or contract with a third party; failure to maintain in good standing its non-profit corporate charter or its tax exempt status, if applicable; failure to comply with any conditions of permits, licenses, certificates, or other regulatory or similar obligations; lawsuits, actions, investigations, arbitrations, or mediations; and the Governing Authority's position, cure, or plan of action;
 - (e) All items required to be reported in this Contract, or by the Ohio Department of Education, including but not limited to, those listed on Attachment 7.2;
 - (f) All financials, budgets, assets, liabilities, or similar information and enrollment records (required monthly);
 - (g) Staff and teacher turnover;
 - (h) Any structure, governance, or operational information reasonably necessary and required by this Contract;
 - (i) Annually written verification that public records and open meetings law training was completed by the Directors, the School's Fiscal Officer, the School's Chief Administrative Officer, other administrative employees of the School, and all individuals performing supervisory or administrative services for the School under a contract with a management company/operator of the School; and
 - (j) Annually, each instance under which a student who is enrolled in that community school resides in a children's residential center as defined under R.C. 5103.05. Said report shall also be submitted to the Ohio Department

of Education and to the Ohio Auditor of State.

7.2.2 By the fifteenth (15th) day of each month, the School's Fiscal Officer shall submit to the Sponsor the following information for the previous month's financial activity:

- (a) Cash Fund Report – a listing of all funds used showing the month's and year's activity and balances.
- (b) Revenue Summary – a listing of all revenue received for the month and for the year.
- (c) Statement of Net Position or Balance Sheet – statement showing assets, liabilities and net assets, in balance sheet form.
- (d) Statement of Revenues, Expenses and Changes in Net Position or Income Statement – Statement showing monthly and year-to-date Revenue and Expenses comparative to corresponding budgeted amounts.
- (e) Check Register – a listing of all checks for the month.
- (f) Cash Reconciliation – a book to bank reconciliation of all cash accounts with copies of bank statements.
- (g) Aged Accounts Payable Detail – a listing of all outstanding accounts payable aged in 30 day increments.
- (h) Enrollment Records – in the form of monthly FTEs.
- (i) Copy of the monthly State Community School Statement of Settlement Report, and Detail Funding Report.

7.2.3 The School will be notified in writing if a deadline is not met and/or if reports submitted do not contain all of the data required. If the Sponsor does not receive the correct data within a reasonable amount of time under the circumstances, the School may be placed on probation until all required information is received

7.3 **Site Visits.** The Sponsor shall be allowed to observe the School in operation at site visits at the Sponsor's request and shall be allowed access for such site visits or other impromptu visits as the Sponsor deems advisable or necessary, provided such visits do not disrupt the educational process, duties of the staff, testing, or School programming.

ARTICLE VIII
Employees

- 8.1 **Employment of Teachers.** At least one (1) full-time classroom teacher or two (2) part-time classroom teachers each working more than twelve (12) hours per week must be employed by the School. The full-time classroom teachers and part-time classroom teachers teaching more than twelve (12) hours per week shall be certified or licensed in accordance with R.C. 3319.22 to 3319.31 or other applicable laws. Upon employment, the School shall forward teacher qualifications to the Sponsor. The School may employ non-certificated persons to teach up to twelve (12) hours per week pursuant to R.C. 3319.301. Prior to the first day of school, the School shall provide the Sponsor with proof of Ohio certification for a sufficient number of teachers, as well as the credentials and background checks for all staff of the School.
- 8.2 **Dismissal of Employees.** Subject to 11.2 below, the Governing Authority may employ administrators, teachers, and non-teaching employees necessary to carry out its mission and fulfill this Contract, so long as no contract of employment extends beyond the term of this Contract. The dismissal procedures for staff and the plan for disposition of employees if this Contract is terminated are set out on Attachment 8.2.
- 8.3 **Employee Benefits.** Health, medical, and other benefits provided by the School shall be set out in Attachment 8.2. Attachment 8.2 may be amended by the School from time to time, provided however all such amendments shall be provided to the Sponsor in writing within five (5) business days of amendment or change. In the event certain employees have bargained collectively pursuant to R.C. Chapter 4117, the collective bargaining agreement supersedes Attachment 8.2 to the extent that the collective bargaining agreement provides for health and other benefits. Any collective bargaining agreement shall not, under any circumstances, be a part of this Contract.
- 8.4 **Criminal Background Check.** The Governing Authority must request that the superintendent of the Bureau of Criminal Identification & Investigation and the Federal Bureau of Investigation conduct a criminal background records check for any applicant who has applied to the School for employment, in any position, as a person responsible for the care, custody, and control of a child, including those who may be in unsupervised contact with a child. The School shall obtain written consent from such persons in order to give such background checks to the Sponsor. In the alternative, if consent cannot be obtained, the School may either (a) provide an attorney opinion letter or (b) provide an affidavit from the Governing Authority stating that the checks are either (1) clean, or (2) reviewed and approved by legal counsel. An applicant may be employed conditionally until the criminal records check is completed and the results of the criminal records check are received. If the results of the criminal records check indicate that the applicant does not qualify for employment, the applicant shall be released from employment. The School shall follow all required reporting of misconduct to the State Superintendent of Public Instruction. All volunteers must be notified that the School may require a background check of the volunteer at any time, at the School's request.

ARTICLE IX
Finance

- 9.1 **Financial Records.** The School's financial records will be maintained in the same manner as are financial records of school districts, pursuant to rules of the Auditor of the State, and audits shall be conducted in accordance with R.C. 117.10.
- 9.2 **Fiscal Officer.**
- 9.2.1 The Governing Authority shall employ or contract with an individual to serve as the School's Fiscal Officer. Any change in the identity and/or role of the Fiscal Officer shall be pre-approved by the Sponsor. Also, that individual's recently completed criminal background check and resume shall be sent to the Sponsor.
- 9.2.2 Notwithstanding the foregoing, the Governing Authority may adopt a resolution waiving the requirement that the School is the party responsible to employ or contract with the Fiscal Officer, so long as the Sponsor also approves the resolution. The Sponsor may approve the resolution at its discretion. The resolution shall be valid for one (1) year. A new resolution shall be adopted for each year that the School wishes to waive this requirement.
- 9.2.3 The Fiscal Officer shall be obligated to assist in all closing procedures and Ohio Department of Education closing requirements listed on Attachment 3.5.3 and to participate in any final audit if the School closes and/or this Contract is non-renewed, suspended, terminated, or closed by operation of law.
- 9.3 **Fiscal Licensure and Training.** The Fiscal Officer shall be licensed as a school treasurer by the State Board of Education of Ohio before becoming the School's Fiscal Officer. The licensure is attached as Attachment 9.3. The Fiscal Officer shall complete annual training on public records and open meetings law.
- 9.4 **Fiscal Bond.** The Fiscal Officer shall execute a bond in an amount of no less than \$25,000, payable to the State of Ohio, conditioned on the faithful performance of all of the official duties required of the Fiscal Officer. The bond shall be issued by a surety or bonding company authorized to do business in the State of Ohio and approved by the Sponsor. The bond shall be paid by and approved by the School. The bond shall be deposited with Sponsor and a copy thereof, certified by the Sponsor, shall be filed by the School with the County Auditor. A copy of the Fiscal Officer's bond is contained in Attachment 9.4. Any updates or changes to the bond must be reported to the Sponsor within five (5) business days of learning of such change.
- 9.5 **Financial Plan and Annual Budget.**
- 9.5.1 A financial plan detailing the School's estimated budget for each fiscal year of this Contract and specifying the total estimated per pupil expenditure amount for each year is attached as Attachment 9.5. The budget must detail estimated revenues and

expenses. Revenues include the base formula amount that will be used for purpose of funding calculations under R.C. 3314.08. Should the Sponsor reasonably request further breakdown of revenue or expenses, or line items for expenses or revenue not projected, the School agrees to revise or comply with such requests.

- 9.5.2 Each year of this Contract, on or before October 31st, the Governing Authority shall adopt a budget using the format and following the guidelines prescribed by the Ohio Department of Education that includes all required information provided for in R.C. 3314.032. The Sponsor shall assess the yearly budget to ensure the School maintains financial viability. Should the Sponsor reasonably request further breakdown of revenue or expenses, or line items for expenses or revenue not projected, the School agrees to comply with such requests. Should the School be managed by a management company/operator, the Governing Authority must procure from such management company/operator sufficient data, at the Sponsor's discretion, to allow the Sponsor to review revenue and expenses as required or permitted by law.
- 9.5.3 The Sponsor shall communicate with the Ohio Auditor of State regarding an audit of the School or the condition of financial and enrollment records of the School, and shall maintain a presence at any and all meetings with the Ohio Auditor of State regardless of whether the Sponsor has entered into an agreement with another entity to perform all or part of the Sponsor's oversight duties.
- 9.5.4 The Governing Authority shall comply with the standards for financial reporting adopted under R.C. 3301.07(B)(2).
- 9.5.5 A representative of the Sponsor shall meet with the Governing Authority and/or the School's Fiscal Officer and shall review the financial and enrollment records of the School at least every month, as required by R.C. 3314.023. Not later than ten (10) days after each review, the Sponsor shall provide the Governing Authority and the School's Fiscal Officer with a written report regarding the review. Copies of those financial and enrollment records shall be furnished to the Sponsor, the Directors, the School's Fiscal Officer, and, if applicable, the School's operator on a monthly basis.
- 9.6 **Borrowing Money.** The School may borrow money to pay necessary and actual expenses of the School in anticipation of receipt of any portion of the payments to be received by the School. The School may issue notes to evidence such a borrowing. A copy of all notes must be provided to the Sponsor within five (5) business days of signing. The proceeds from the notes shall be used only for the purpose for which the anticipated receipts may be lawfully expended by the School. The School may borrow money for a term not to exceed fifteen (15) years for the purpose of acquiring facilities. Any and all moneys loaned to the School by any management company/operator, including facilities loans or cash flow assistance, shall be accounted for, documented, and bear interest at a fair market rate.

- 9.7 **Payment to Sponsor for Oversight.** As consideration for the Sponsor sponsoring the School, the Governing Authority shall pay to the Sponsor a sponsorship fee equal to three percent (3%) of the total state foundation payment, based upon student enrollment, received by the School. The total state foundation payment is defined under the applicable regulations promulgated by the Ohio Department of Education in accordance with applicable provisions of Ohio law. For purposes of calculating the sponsorship fee, payments to the Sponsor for services, supplies, staff, or facilities provided to the School shall not be included. The School's Fiscal Officer shall transfer the sponsorship fee from the School's account to the Sponsor's general fund or another fund designated by the Sponsor on a monthly basis. In the event that the Ohio Department of Education subsequently determines that the School received an overpayment of state foundation funds, the sponsorship fee shall be adjusted accordingly, in which case the Sponsor shall promptly refund the School the amount of the sponsorship fee overpayment. Likewise, in the event that the Ohio Department of Education subsequently determines that the School received an underpayment of state foundation funds, the sponsorship fee shall be adjusted accordingly, in which case the Governing Authority shall promptly pay the Sponsor the amount of the sponsorship fee underpayment.
- 9.8 **Federal Grants.** The School must report to the Sponsor the sources of funds used to acquire property and equipment used at the School, clearly delineated and tracking those acquired with federal funds, and shall report to Sponsor the disposition of assets acquired with federal funds with an explanation as to how disposed, which shall be in accordance with the applicable laws and grant rules. The School also acknowledges that certain federal grants, including but not limited to, the federal food programs, may require bidding processes not otherwise required under state law.
- 9.9 **Fiscal Year.** The fiscal year for the School shall be July 1 to June 30.

ARTICLE X **Insurance/Indemnification**

- 10.1 **Liability Insurance.** Comprehensive general liability insurance at all times will be maintained by the Governing Authority in amounts not less than one million dollars (\$1,000,000) per occurrence and three million dollars (\$3,000,000) in the aggregate, plus an excess or umbrella policy extending coverage as broad as primary coverage in an amount no less than five million dollars (\$5,000,000). The insurance coverage shall be not only for the School, the Governing Authority, and the School's officers, directors, employees, and agents, but also for the Sponsor and its Governing Board, officers, directors, employees, and agents as additional insureds. The Governing Authority shall also maintain directors and officers liability/errors and omissions coverage in the amount of one million dollars (\$1,000,000) per occurrence. The insurance coverage must be occurrence coverage rather than claims-made coverage. The Governing Authority must obtain policies that notify the Sponsor in writing at least thirty (30) days in advance of any material adverse change to, or cancellation of, such coverage, and shall provide evidence of the same as Attachment 10.1. The School must provide copies of all comprehensive general liability, real or personal property, directors and officers liability insurance, proof of workers'

compensation payments and unemployment compensation payments, and notice of lapse of any such coverage to the Sponsor within five (5) business days of request and within five (5) business days of any change or notice to the School by the applicable insurance entity.

- 10.2 **Indemnification.** The Governing Authority and the School shall defend, indemnify, save and hold harmless the Sponsor and its Governing Board, officers, directors, employees, and agents from any and all claims, debts, actions, causes of actions, proceedings, judgments, mitigation costs, fees, liabilities, obligations, damages, losses, costs, or expenses (including, without limitation, reasonable attorneys', expert, accounting, auditors or other professionals' fees, and court costs) of whatever kind or nature in law, equity or otherwise (hereinafter collectively referred to as "Liabilities") arising from any of the following:
- (a) A failure of the Governing Authority and/or the School or any of its officers, directors, employees, agents, or contractors to perform any duty or obligation imposed by law or this Contract;
 - (b) An action or omission by the Governing Authority and/or the School or any of its officers, directors, employees, agents, or contractors that results in injury, death, or loss to person or property, breach of contract, or violation of statutory law or common law (state and federal); and
 - (c) Any sum that the Sponsor may pay or become obligated to pay on account of: (i) any inaccuracy or breach of any representation under this Contract; (ii) any breach or any failure of the School to duly perform, comply with, or observe any term, provision, covenant, agreement, obligation, or condition under law, this Contract, or any agreement connected in any way to this Contract; or (iii) Liabilities to lenders, vendors, the State of Ohio, receivers, parents, students, their heirs or representatives, the Governing Authority, or to third parties in any way related to the School or its operations or in any way related to closure of the School or the non-renewal, termination, or suspension of this Contract.
- 10.3 **Indemnification if Employee Leave of Absence.** If the Sponsor provides a leave of absence to an employee who is thereafter employed by the School, the Governing Authority and the School shall indemnify and hold harmless the Sponsor and its Governing Board, officers, directors, employees, agents, and contractors from liability arising out of any action or omission of that person while that person is on such leave and employed by the Governing Authority.
- 10.4 **Survival.** All provisions of Article X, Section 10.2 shall survive the expiration, termination, nonrenewal, or suspension of this Contract.

ARTICLE XI
General Provisions

- 11.1 **Contract Authorization.** Before executing this Contract, the Governing Authority must pass a resolution in a properly noticed and held public meeting, authorizing execution of this Contract and authorizing one or more individuals to execute this Contract for and on behalf of the party, with full authority to bind the party.
- 11.2 **Termination and Cancellation of Contracts.** Except as otherwise permitted by this Contract or by the Sponsor, contracts entered into by the School with third parties shall provide for the School's right to terminate upon failure of the School to remain in operation.
- 11.3 **General Acknowledgements.** The School specifically recognizes and acknowledges the following:
- (a) The Sponsor's authority to assume operation of the School under R.C. 3314.073(B).
 - (b) The authority of public health and safety officials to inspect and order School facilities closed if not in compliance with health and safety laws and regulations in accordance with R.C. 3314.03(A)(22)(a).
 - (c) The authority of the Ohio Department of Education to suspend the operations of the School under R.C. 3314.072 if the it has evidence of conditions or violations of law at the School that pose an imminent danger to the health and safety of the School's students and employees.
 - (d) The Sponsor may take steps to intervene in, correct, declare probationary status of, suspend, terminate, or non-renew the status of the School, and correct problems in the School's performance.
 - (e) The Ohio Department of Education may take over sponsorship of the School in accordance with R.C. 3314.015(C).
 - (f) The mandate of permanent closure under R.C. 3314.35, under the circumstances enumerated therein.
 - (g) The Auditor of State may deem the School "unauditable" and direct the stoppage of funding for the School, and the Sponsor's right to terminate this Contract or take over operations in such a situation.
 - (h) The Ohio Department of Education has set out its guidance for closing procedures (See Attachment 3.5.3) and that the School hereby authorizes the Sponsor to take all such actions required therein if the School or the Governing Authority does not do so in a manner acceptable to the Sponsor.

- (i) The Sponsor and the School are each granted immunity to the extent allowed under R.C. Chapter 2744.
- 11.4 **Dispute Resolution.** The Sponsor and the School agree to informal mediation of any dispute not otherwise governed by legal or administrative procedures pursuant to this Contract or the law. Such mediation shall be non-binding and the Parties, if failing to agree on a mediator, shall obtain a list of three (3) mediators from the bar association in or closest to the county in which the Sponsor is located, and each eliminate one (1), using the one (1) mediator left after eliminations. All mediation will take place in the county in which the Sponsor is located, and all costs of the mediator shall be split equally between the Parties.
- 11.5 **Contract Term.** This Contract shall be for a term of five (5) years, commencing on July 1, 2018 and ending on June 30, 2023.
- 11.6 **Renewal of Contract.** Renewal of this Contract in the future is subject to the Sponsor's determination that the School has satisfactorily complied with the applicable laws and this Contract, that the School's progress in meeting the academic goals stated in this Contract is satisfactory, and that the School is fiscally and organizationally viable. The School shall submit an application for renewal. The Sponsor's decision regarding Renewal shall be evidence based and communicated in writing with written explanations of the reasons for the decision. The Sponsor shall utilize the rubric in Attachment 11.6 when determining whether to renew the Contract and the number of years of such renewal
- 11.7 **Non-Renewal of Contract.**
- 11.7.1 The Sponsor may choose not to renew this Contract at its expiration date for any of the following reasons: (a) failure to meet student performance requirements stated in this Contract; (b) failure to meet generally accepted standards of fiscal management; (c) violation of any provision of this Contract or applicable state or federal law; or (d) other good cause.
- 11.7.2 By January 15th of the year in which the Sponsor intends to not renew the Contract, the Sponsor shall notify the School of the proposed action in writing. The notice shall include the reasons for the proposed action in detail, the effective date of the non-renewal, and a statement that the School may, within fourteen (14) days of receiving the notice, request, in writing, an informal hearing before the Sponsor. The informal hearing shall be held within fourteen (14) days of the receipt of a request for the hearing. Within fourteen (14) days of the informal hearing, the Sponsor shall issue a written decision either affirming or rescinding the decision to not renew this Contract consistent with the requirements of R.C. Chapter 3314.
- 11.7.3 If the School does not intend to renew this Contract with the Sponsor, the School shall notify the Sponsor in writing of that fact at least one hundred eighty (180) days prior to the Contract's expiration. In such a case, the School may enter into a Contract with a new sponsor in accordance with R.C. 3314.03 upon the expiration

of this Contract or, at the sole but reasonable discretion of the Sponsor, by an assignment of this Contract before its expiration date.

11.8 **Probation.** The Sponsor may, in lieu of suspension or termination, declare in writing that the School is in a probationary status, provided the Sponsor first provides the Governing Authority with written notice of the conditions that warrant probation and, after consulting with the Governing Authority or authorized parties thereof, receives satisfactory written assurances from the Governing Authority of the actions that the School will take in order to remedy said conditions. Such probationary status shall not extend beyond the then current school year. The Sponsor may proceed to suspension, or termination, or take over the operations of the School if the Sponsor finds at any time that the Governing Authority is no longer able or willing to remedy the conditions to the satisfaction of the Sponsor. The Sponsor may suspend in lieu of probation at any time pursuant to 11.9 below.

11.9 **Suspension of School Operations.** The Sponsor may suspend the operations of the School for any of the following reasons: (a) failure to meet student performance requirements stated in this Contract; (b) failure to meet generally accepted standards of fiscal management; (c) violation of any provision of this Contract or applicable state or federal law; or (d) other good cause, provided the Sponsor first provides the Governing Authority with written notice of its intent to suspend explaining the reasons therefor and the Governing Authority fails to provide the Sponsor with a proposed remedy within five (5) business days of receiving said notice, provides the Sponsor with a proposed remedy that is not approved by the Sponsor, or fails to implement a remedy that is approved by the Sponsor. Once the School is suspended, it must cease operations on the next business day and immediately send notice to all School employees and parents stating that the School is suspended and the reasons therefore. At all times during suspension, the School remains subject to nonrenewal or termination proceedings in accordance with the law. The Sponsor agrees to comply with all laws, rules, and regulations as to the procedures required for suspension.

11.10 **Termination of Contract.**

11.10.1 The Sponsor may terminate this Contract for any of the following reasons: (a) failure to meet student performance requirements stated in this Contract; (b) failure to meet generally accepted standards of fiscal management; (c) violation of any provision of this Contract or applicable state or federal law; or (d) other good cause (a) failure to meet student performance requirements stated in this Contract, (b) failure to meet generally accepted standards of fiscal management, (c) violation of any provision of this Contract or applicable state or federal law, or (d) other good cause. Additionally, if the Sponsor has suspended the operations of the School pursuant to R.C. 3314.072, the Sponsor may choose to terminate this Contract prior to its expiration. The Sponsor agrees to comply with all laws, rules, and regulations as to the procedures required for termination.

11.10.2 By January 15th of the year the Sponsor intends to terminate, the Sponsor shall notify the School of the proposed action in writing. The notice shall include the

reasons for the proposed action in detail, the effective date of the termination, and a statement that the School may, within fourteen (14) days of receiving the notice, request, in writing, an informal hearing before the Sponsor. The informal hearing shall be held within fourteen (14) days of the receipt of a request for the hearing. Within fourteen (14) days of the informal hearing, the Sponsor shall issue a written decision either affirming or rescinding the decision to terminate this Contract. If this Contract is terminated, the School must close permanently at the end of the current school year or on a date specified in the notification of termination, and the School shall not enter into a contract with any other sponsor.

- 11.11 **Compliance with Requests of Sponsor.** The School shall timely comply with all reasonable requests of the Sponsor, and allow the Sponsor to monitor the School's operations. Failure to do so is grounds for nonrenewal, suspension, and/or termination of this Contract. Timeliness is defined as compliance with the express provisions of this Contract, an answer in writing within ten (10) business days (unless a shorter time is otherwise required pursuant to this Contract), and adequate assurances of cure or actual cure within a reasonable period of time acceptable to Sponsor.
- 11.12 **Headings.** Headings are for the convenience of the parties only. Headings have no substantive meaning.
- 11.13 **Assignments/No Third Party Beneficiaries.** This Contract and any part hereof shall not be assigned or delegated without the express written approval of Sponsor. This Contract shall inure to the benefit of, and shall be binding upon, the School, the Sponsor, and their respective permitted successors or assigns; subject, however, to the following specific provision hereof: This Contract shall not inure to the benefit of anyone other than as provided for in the immediately preceding sentence and no third person or party shall have any rights hereunder, whether by agency or as a third-party beneficiary or otherwise.
- 11.14 **Notice.** Any notice to one Party by the other shall be in writing and effective upon receipt, and may be satisfied by personal delivery or by any other means by which receipt can be documented, to: in the case of the Sponsor, the Superintendent at the last known business address of the Sponsor; in the case of the Governing Authority, a Director or the Chief Administrative Officer of the School and the last known business address of the School. Should the School be abandoned or not have in place any Director or administrator, the Sponsor may give notice to the last known address of the last known attorney for the Governing Authority.
- 11.15 **Severability.** Should any term, clause, or provision of this Contract be deemed invalid or unenforceable by a court of competent jurisdiction, all remaining terms, clauses, and provisions shall remain valid and enforceable and in full force and effect, and the invalid or unenforceable provision shall be stricken or replaced with a provision as near as possible to the original intent.
- 11.16 **Changes or Modifications.** This Contract constitutes the entire agreement among the Parties and any changes or modifications of this Contract shall be made and agreed to in

writing, authorized, and executed by the Parties. Notifications required by this Contract shall not be considered changes or modifications of this Contract.

- 11.17 **Attachments.** All Attachments to this Contract are attached hereto and incorporated by reference into the Contract. Resolutions of the Sponsor's Governing Board and of the Governing Authority approving this Contract shall also be attached to this Contract in **Attachment 11.17.**

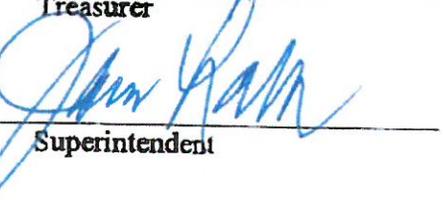
The Remainder of This Page Left Intentionally Blank – Signature Page Follows

IN WITNESS WHEREOF, the parties hereto have executed and delivered this Contract as of the date first written above.

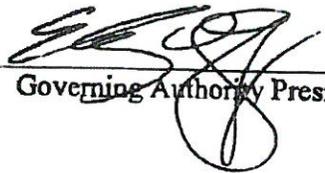
Governing Board of the North Central
Ohio Educational Service Center:

By: 
Governing Board President

By: 
Treasurer

By: 
Superintendent

Governing Authority of Imagine
Leadership Academy:

By: 
Governing Authority President