

APRIL HART
2529 CANTERBURY ROAD
CLEVELAND HTS, OHIO 44118
(216) 965-1284
Hartlaw1@sbcglobal.net

Novemeber 1, 2016

Via Certified Mail and Electronic Transmission

John Stack-President
Marcus May-CEO
Cambridge Education Group, LLC
481 N Cleveland-Massillon Rd.
Akron, OH 44333

Maria L. Markakis
5 East Main Street
Hudson, Ohio 44236
330-650-6610
330-650-1185

RE: Invictus Termination of Renewal Management Agreement

Dear Mr. May and Mr. Stack:

This letter is to inform that on November 1, 2016 the Governing Authority of Invictus High School took action to terminate its 2015 Renewal Management Agreement between Cambridge Education Group, a Florida limited liability company authorized to do business in Ohio (the "Company") and the Board of Directors (the "Board") for Invictus High School, Inc.

It has come to attention of the Board that Cambridge and/or Marcus May its owner has intentionally deceived the Governing Authority regarding its relationships and financial arrangements that exist between (including but not limited to) the following companies: Newpoint Education Partners, LLC; Epiphany Management, LLC; Midwest Education Partners, LLC ; School Warehouse; Newpoint Enterprises, LLC and School Financial Services.

Several assurances have been requested and received in writing that no such conflicts exists between, Cambridge, Marcus May and third party-related vendors. However, new evidence in the criminal case between the *State of Florida and Newpoint Management, LLC.*, alleges a state of specific financial transactions involving school vendors that also do business with Invictus High School.

For this reason, the Board has voted to immediately void its contract with Cambridge.

Accordingly, Cambridge Education Group administrative employees are prohibited from operating and/or managing all aspects of the day to day operations of Invictus High School's at the following locations: 3120 Euclid Avenue, 3969 Lee Rd and 7071 West 130th Street campuses.

In order to provide minimal disruption to the School's operation, please note the most immediate circumstances surrounding the termination:

1) Staff Salaries, Health Insurance and other services: Please note that the Board of Directors will directly hire the school Principals; honor all Company staff contracts and pay health insurance for the School's direct staff. Further, the Board and will continue relationships with those vendors needed for the direct operation of the school through June 30, 2016. Further, Principal Dean Manke and Joe Palmer will be notified by the School and requested continue operation until such time as the Board and Its Sponsor approve a new EMO.

2) Property purchased: Pursuant to the Ohio Revised Code Section 3314.0210: "Any and all purchases furniture, computers, software, equipment, or other personal property for use in the operation of SCHOOL with state funds that were paid to the COMPANY by the community school as payment for services rendered, is property of that school."

In addition to the law, the Company has stipulated under the Management Agreement as follows: "COMPANY AND SCHOOL HEREBY STIPULATE that the SCHOOL entity owns all community school facilities and property including, but not limited to: equipment, furniture, fixtures, instructional materials and supplies, computers, printers, and other digital devices purchased by the governing authority or operator.

3) Board Access to Building: We ask that all building keys be turned over to the Board President Curtis Orr no later than the close of business on November 2, 2016.

4) Attorney and Fiscal Officer- All questions are to be directed to my attention or to Mr. Brian Adams as the School's fiscal officer.

5) Full Cooperation- We expect minimal disruption to the school and it student during this termination process. A failure to abide by these expectation may result in a lawsuit being filed against you and possibly criminal sanctions for fraudulent conveyances.

6) New Security has been secured for the School to ensure that this process does not disrupt school operation.

Sincerely,

April Hart, Esq.
Board Counsel

cc: Invictus Board Of Director's
Dave Cash- Charter School Specialist



Invictus High School
BOARD OF DIRECTOR'S SPECIAL MEETING MINUTES

3969 Lee Rd. Cleveland, Ohio 44128

Tuesday
November 1, 2016
4:30pm

Meeting Called to Order 440pm

Board Members in Attendance:

Antoine Williams
Brenda J. Dixon
Alyvia Frazier
Curtis Orr
Ashleigh King
Deidre Cummings
Antoinette Warner

Guest in Attendance:

April Hart- Legal Counsel
Paulette Hare-Cambridge
Mansell Baker- Legal Assistant
John Stack- Cambridge President

Welcome and Formal Commencement of Meeting by the Board President.

Public Comment- No public comment given.

Review of Agenda and Proposed Resolutions

The Board reserves the right to amend the Agenda throughout the meeting. The following amendments were made to the November 1, 2016 agenda.

1. Discussion on the City Architectural Contract for Invictus West Campus
2. Discussion on the IT Contract for cabling
3. Resolution for the Cambridge Lease Guarantee

Motion to approve agenda with amendments by: Member Brenda Dixon. Second: Member Deidre Cummings.
All in Favor. All. Motion Carried.

16-72 RESOLVED: The Board of Directors approves the special meeting agenda of November 1, 2016 with amendments.

Standard Business

Old Business:

City Architectural Cabling Contract (Invictus West Campus)

Ms. Hart stated that there was a \$20,000.00 set aside for the build out and fees. The Board entered into discussion to resolve the outstanding invoices.

Motion to approve invoice payment to City Architectural in the amount \$10,838.00.

Motion to approve payment to City Architectural Group for the construction at Invictus High Schools' West Campus in the amount of \$10,838.00 by: Member Deidre Cumming. Second: Antoine Williams.

All in Favor. ALL. Motion Carried.

16-73 RESOLVE: The Board of Directors authorizes payment to City Architectural for the construction at Invictus High Schools' West Campus in the amount of \$10,838.00.

EMG IT Contract-

Cambridge stated that it cost \$48,000 for IT for 2 schools and \$36,000.00 for Marketing Services East and Downtown Campuses.

The Board paid \$20,000.00; cabling Contract \$48,000.00 for IT and set up.

IT Contract for Downtown and East Campuses totaled \$48,000.00.

John stated that he bided these services out and that he received responses from those who either did not meet the scope or did not wish to provide services. He also stated he will continue to look for vendors.

Board Counsel request that CEG inform the Board on the actual amount for the total contract. The West location will be included in the new cost. The request was made to email the Board President the RFP for EMG Contract for an additional school (West).

Motion for an Amendment to the Management Agreement 24,000 for each Invictus Campus by: Member Antoine Williams. Second: Member Antoinette Warner.

All in Favor. ALL. Motion Carried

16-74 RESOLVED: The Board of Directors authorizes an Amendment to the Management Agreement in the amount of \$24,000.00 for each Invictus High School Campus.

Motion to approve EMG Marketing and Information Technology services in the amount not to exceed \$24,000.00 for term beginning September 30, 2016 through June 30, 2017 by: Member Antoine Williams. Second: Member Antoinette Warner.

All in Favor. ALL. Motion Carried

16-75 RESOLVED: The Board of Directors authorizes payment for EMG Marketing and Information Technology services in the amount not to exceed \$24,000.00 for term beginning September 30, 2016 through June 30, 2017.

Motion to Amend the Marketing Agreement in the amount not exceed \$54,000 for a term commencing September 30, 2016 through June 30, 2017 by: Member Antoine Williams. Second: Member Ashleigh King.

All in Favor. ALL. Motion Carried.

16-76 RESOLVED: The Board of Directors approves the EMG Marketing Agreement not exceed the amount of \$54,000 for a term commencing September 30, 2016 through June 30, 2017.

Outstanding Invoices CDW Government

Per Board Counsel- There are 20 plus invoices that are outstanding to CDW per fiscal office for ordering cabling and what appears to be upgrades to electrical, including parts and labor at the West location.

Per the Board President, the Finance Committee will review the invoices for the CDW outstanding payments.

Building Lease Guarantee (Euclid Campus)

Board Counsel provided past actions and requested clarity as to how the Board wanted to proceed. John Stack stated that this is required by the landlord. He also stated that the Board could fire the management company, or the school could close and CEG would be responsible for still paying the building. Mr. Stack also stated that CEG would in exchange for 2%. He stated that the guarantee remains. Cambridge President John Stack will contact the landlord to request that the Lease Guarantee be removed so that the Board does not have to pay additional monies. He asked for clarity as to why the lease doesn't have an end date. Ms. Hart states resolution does not read with an end date. Ms. Hart also stated that she recalls that the Board authorized the Treasurer to pay \$54,000 and doesn't understand why we are still trying to pay the lease guarantee after being in the building and paying rent for 6 years. Ms. Hart will follow up with Brian Adams. Mr. Stack will contact the landlord to get the lease removed.

Motion to clarify Resolution 16-40 by: Member Deidre Cummings. Second: Member Antoine Williams.

All in Favor. ALL. Motion Carried.

16-77 RESOLVED: The Board of Directors authorizes clarity amendment to resolution 16-40.

New Business:

None

Executive Session:

Motion to go into executive session to discuss personnel matters.

In: 5:45pm

Out: 6:25pm

Roll Call: Curtis Orr, Brenda Dixon, Antoine Williams, Ashleigh King, Antoinette Warner, Alyvia Frazier, Deidre Cummings. (All members present voted yes)

All in Favor. ALL. Motion Carried.

RETURNED TO REGULAR MEETING AT 6:25pm: Explanation by the Board Counsel as to the reason for the executive session was made. Ms. Hart stated that the reason for the executive session was to discuss employee matters pertaining to Joe Palmer the Director of the West Campus and discoveries of conflicts of interest and general issues with Cambridge Education Group.

Cambridge Management Contract

The Board entertained a motion to TERMINATE the Management Contract with Cambridge Education Group (Newpoint) effective immediately on November 1, 2016.

Motion to terminate the management contract with Cambridge Education Group (Newpoint) by:

Member Antoine Williams. Second: Member Ashleigh King.

All in Favor. ALL. Motion Carried.

16-78 RESOLVED: The Invictus High School Board of Directors authorizes the **termination** of the Management Contract with Cambridge Education Group (Newpoint) effective immediately on November 1, 2016.

The Board further directs the Board Counsel April Hart to issue the notice to Cambridge Education Group.

Resolution retaining Invictus High School employees as direct employees of the Board of Directors

Motion to authorize the Board to secure Invictus High Schools' payroll, health benefits, as they are direct employees Board of Directors effective November 2, 2016 until that employee's earliest separation.

Motion to approve by: Member Antoine Williams. Second. Member Ashleigh King.

All in Favor. ALL. Motion Carried.

16-79 RESOLVED: The Board of Directors agrees to secure Invictus High Schools' payroll, health benefits, as they are direct employees Board of Directors effective November 2, 2016 or until that employee's earliest separation.

Resolution placing additional security at all Invictus campuses effective November 2, 2016

Authorized by Board of Directors to secure the campuses of Invictus High School with police security officers at November 2 through November 4th at 730am.

Motion to authorize additional Security onsite to secure all Invictus High School buildings by:

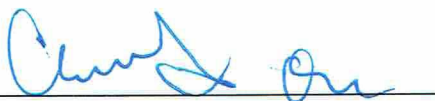
Member Antoine Williams. Second: Member Antoinette Warner.

All in Favor. ALL. Motion Carried.

16-80 RESOLVED: The Board of Directors authorizes additional Security onsite to secure all Invictus High School campuses commencing November 2nd through November 4th.

Adjournment at 6:30pm

All in Favor. ALL. Motion to adjourn carried.



Board Secretary (Attest)