

## MANAGEMENT AGREEMENT

THIS MANAGEMENT AGREEMENT (“Agreement”) is entered into effective as of July 1, 2024 (the “Effective Date”), by and between LS Columbus North, LLC, a Nevada limited liability company (the “Operator”) and North Woods Career Prep High School, an Ohio not-for-profit corporation (the “Corporation”), which is governed by its Board of Directors, acting as a governing authority pursuant to Chapter 3314 of the Ohio Revised Code (the “Board”).

### WITNESSETH:

WHEREAS, the Corporation is organized as an Ohio nonprofit corporation and public benefit corporation under Chapter 1702 of the Ohio Revised Code and the Corporation has entered into a renewal Community School Contract dated July 1, 2023 (in its current form, the “School Contract”) with St. Aloysius (the “Sponsor”), pursuant to which the Corporation is authorized to operate a community school under Chapter 3314 of the Ohio Revised Code (the “School”);

WHEREAS, the Operator has developed an educational model that it uses to manage and operate a unique group of schools currently called “Career Prep High Schools,” as more fully described in Appendix A attached hereto and incorporated herein by reference (together with any future improvements, alterations or refinements thereto, the “Model”);

WHEREAS, the Corporation desires the Operator to provide the requisite management, educational, and other consulting services necessary to operate the School in accordance with the School Contract; and

WHEREAS, the Operator desires to provide the aforementioned services and other expertise referenced herein.

NOW, THEREFORE, in consideration of their mutual promises and covenants, and intending to be legally bound hereby, the parties hereto agree as follows:

**1. Recitals; Defined Terms.** The foregoing recitals are hereby adopted and made a part of this Agreement as if fully restated herein. Capitalized terms used but not defined in the body of this Agreement shall have the meanings given in Appendix B attached hereto and made a part hereof by reference.

**2. Term.** This Agreement shall have an initial term of six (6) years commencing on July 1, 2024, and ending on June 30, 2030 unless sooner terminated as provided for herein. This Agreement shall automatically renew for two additional, five (5) year terms unless one party notifies the other party on or before the February 1 immediately prior to the expiration of the then-current term of its intention to not renew this Agreement. In the event that the School Contract is terminated or not renewed for any reason and no similar contract is obtained from the Sponsor or another authorized sponsor, this Agreement shall terminate in accordance with the terms herein at the completion of the then-current School Year.

**3. The School Contract; Fiscal Officer.** The Corporation shall be responsible for its

own corporate governance and operation in accordance with applicable law. In order to assist the Corporation in carrying out the terms of the School Contract, the Corporation hereby contracts with the Operator to provide the Model and any and all functions, equipment, supplies, facilities, services and labor relating to the provision of education, management and day-to-day operation of the School as provided for herein.

The Operator shall be responsible and accountable to the Board for the administration, operation and performance of the School in accordance with the School Contract; however, the Corporation's accounting, financial reporting and audit functions will be performed by the Fiscal Officer, who, as required by law, shall be employed by or engaged under a contract with the Corporation at the Corporation's own expense.

**4. Annual Budget.** The Board, with the assistance of the Fiscal Officer, shall develop an annual budget by October 31 of each School Year in accordance with the format promulgated by the Ohio Department of Education. Prior to October 31 of each School Year, the Board shall adopt the annual budget for that School Year. The Operator shall provide information regarding current FTEs and general financial information within a reasonable period of time after a request by Board and/or the Fiscal Officer so that the annual budget may be developed. The Board shall be the sole entity responsible for the adoption of the annual budget, but the Board shall adopt such budget with the assistance of the Fiscal Officer.

**5. Management Services.** The Corporation contracts with the Operator, to the extent permitted by law, to provide the functions outlined below relating to the provision of educational services and the operation of the School. The Operator at Operator's expense will provide the School the following services:

(a) **Objectives for Academic Progress.** The Operator shall operate the school in a manner consistent with the academic progress provisions of the School Contract and shall report information regarding such progress to the Board at Board meetings and at other times as reasonably requested by the Board.

(b) **Curriculum Development.**

(i) The Operator shall provide and select all curricula. Any change in vision, mission, philosophy, goals, focus of the curriculum and objectives methods that would constitute a material change in the School Contract must be submitted to the Board in order for the Board to request a modification to the School Contract. The Operator shall provide, at the Operator's expense, a curriculum that is aligned with the state standards applicable to the School and as provided in the School Contract, and shall monitor and continuously assess the curriculum and standardized testing procedures.

(ii) The Operator shall evaluate and assess the School's accountability system on an annual basis. The Operator may from time to time redefine, modify and/or replace curriculum models and testing procedures with notice to the Board and the Sponsor, with approval of the Board and the Sponsor of any material

changes which would require Sponsor approval under the School Contract.

(iii) The Operator shall annually identify its gifted education and special education plans to the Board consistent with the provisions of the School Contract and shall report to the Board at regular meetings and seek approval of the Board and Sponsor of any material changes or modifications to the School-wide programs.

**(c) Staffing of School Level Positions and Professional Development.**

(i) The Operator shall at Operator's expense employ teachers and staff sufficient in number to operate the Model and in accordance with the student-teacher ratio as stated in the School Contract. The School Administrator and teachers are employees of the Operator, and the Operator shall make all decisions regarding hiring, terminating, staffing, compensation, training, and professional development. However, the Corporation may at its discretion appoint a Director or a Board Committee to work with the Operator in the hiring process for the selection of the School Administrator, including being present during interviews, provided that the Corporation respects the Operator's timelines and participates in a timely fashion.

(ii) In order to continue to fulfill its duties under this Agreement, the Operator shall hire and place an interim School Administrator to serve during the process of hiring a School Administrator, with immediate notice to the Corporation. The Operator shall undertake its best efforts with time being of the essence to conduct a search for a School Administrator.

(iii) The Operator may remove the School Administrator for any reason or no reason in its sole discretion, provided that any successor School Administrator shall also be selected pursuant to this Section. Within 24 hours of such removal, the Operator shall notify the Board and the Sponsor.

(iv) The Operator shall establish and maintain on a continuous basis teacher development programs to define teacher qualifications and performance requirements as the Operator deems appropriate, but always in compliance with the School Contract. The Operator shall similarly implement a professional development program aimed at improving the effectiveness of each teacher's ability to help students' learning, in general.

(v) The Operator shall coordinate ongoing teacher training with respect to technology, and shall provide training in its methods, curriculum, and programs on a regular and continuous basis.

(vi) Non-instructional personnel shall receive such training as the Operator determines to be reasonably necessary from time to time.

**(d) School Facility and Facility Management.**

(i) The Operator will provide at Operator's expense a facility for the School. The Operator intends for the School to initially be located at 1900 E. Dublin-Granville Road, #200, Columbus, Ohio 43229, or such other facility as shall be agreed to by the Board (the "School Facility"). During the term of this Agreement, the School Facility shall be used only to carry out the terms and conditions of the School Contract for educational purposes not inconsistent with the School Contract, and other uses that do not violate the School Contract, do not conflict with applicable laws, and do not conflict or interfere with the operation of the School or the safety and security of the School and its students. Nothing herein shall grant the Corporation any rights to the facility as subtenant, licensee, or otherwise and the Corporation specifically disclaims any such interest.

(ii) In the event Operator acquires or holds title to real property and Operator desires to lease the real property to Corporation, Operator shall first obtain confirmation via an independent professional in the real estate field that at the time the lease was agreed to, the lease was commercially reasonable. This confirmation shall be exhibited by an addendum to the underlying lease.

(iii) The Operator shall be responsible at Operator's expense for adequate maintenance, custodial and security services for the School Facility.

(iv) The Operator shall be responsible at Operator's expense for making reasonable improvements to the School Facility as needed for the School's operation, safety, health and welfare of the School's students. All upkeep and improvements shall be made in accordance with applicable law and reasonable Sponsor mandates. All improvements shall be made in a timely and reasonable manner. Any improvements funded through grant or other financial assistance shall be titled to the Corporation provided that any such improvements which are real property or fixtures shall become property of the owner of the School Facility upon expiration or termination of the applicable lease for the School Facility.

(v) Upon the recommendation of the Operator and subject to prior approval by the Board, which approval shall not be unreasonably withheld, the Operator may increase or decrease the size of the School Facility, or move the School Facility to another location, by leasing or purchasing a suitable facility for the School's operations as defined in the School Contract.

(vi) In the event the School Facility or any portion thereof is determined to be or becomes unsafe or otherwise unsuitable for the School's operations to the extent that use thereof must cease immediately, the Operator may relocate some or all of the School operations to another suitable location on a temporary or permanent basis, as required by the circumstances, without first obtaining the Board's approval under (v) above. The Operator shall notify the Board and the Sponsor immediately in the event of any such relocation and shall, in a timely fashion, provide the Board and the Sponsor with reasonable proof that the alternate

location is a suitable facility for the School's operations as defined in the School Contract.

(vii) The Operator shall report at Board meetings any changes in the location, physical facility layout and capital improvements of the School Facility.

**(e) Equipment, Technology, and Operational Support Services.**

(i) The Corporation shall make all furniture, computers, equipment, and other personal property currently owned or hereafter acquired by it for use in the operation of the School available to the Operator throughout the term hereof for continued use in the operation of the School. The Operator shall negotiate the terms of the purchase or lease of any additional furniture, computers, software, equipment, and other personal property necessary for the operation of the School.

(ii) The Operator shall with Operator Funds (as defined in Section 6(b) below) purchase or lease all furniture, computers, software, and other personal property necessary for the operation of the School and not provided by the Corporation pursuant to (i) above, and from the time of the purchase or lease and at all times thereafter shall manage and maintain the equipment in proper working order. The foregoing shall not limit the Operator's ability to sell, scrap or dispose of its own equipment that is obsolete, unneeded, excessive, broken or inoperable as determined by the Operator in its reasonable discretion.

(iii) The Operator shall provide to the Board upon request access to the Operator's supply sources (including supply sources of affiliates of the Operator) to obtain centralized purchasing discounts for the School where applicable.

**(f) Management and Management Consulting.** It is the responsibility of the Operator to perform as follows:

(i) Perform all functions pertaining to school operations and day-to-day management of the School, including, without limitation, ensuring compliance with applicable website requirements and providing required materials and reports to applicable governing bodies (i.e., Ohio Department of Education, Ohio Auditor of State, etc.) as set forth in the Ohio Revised Code, and in accordance with the School Contract.

(ii) Provide the Model, curriculum and program development as described in this Agreement and the School Contract.

(iii) Perform other consulting and liaison services with governmental and quasi-governmental offices and agencies as needed in the day-to-day operations of the School or as required by the School Contract;

(iv) Perform advisory services regarding special education and special

needs students, programs, processes and reimbursements through the Operator's Special Education Department;

(v) Provide all data information management services, testing, and testing analysis required by law and provide the same to the Sponsor and the Board as reasonably requested;

(vi) Draft operations manuals, forms (including teacher contracts, applications, enrollment and similar forms), and management procedures; and

(vii) Comply with the terms of the current School Contract and any modifications thereto which are required by applicable federal, state or local law or otherwise approved by the Operator. The Operator will comply with any renewal of the School Contract to the extent the same contains the same provisions as the current School Contract and such other provisions as are then required by applicable federal, state or local law.

**(g) Student Recruitment.** The Operator shall be responsible for the recruitment and enrollment of students in accordance with the Operator's general recruitment and admission policies, and subject to any minimum enrollment levels set forth in the School Contract. Students shall be recruited and selected in accordance with the procedures set forth in the School Contract and in compliance with all applicable federal, state and local laws.

**(h) School Level Policies.** The Operator shall propose and the Board shall adopt reasonable policies applicable to School operations, which shall be consistent with this Agreement. Neither party may unilaterally adopt or impose any rules, regulations or procedures, or amend or supplement any of the foregoing without the prior written approval of the other party, except any changes with federal, state or local laws pertaining to the operations the School or any Contract modifications

**(i) Authority.** The Operator shall have the authority and power necessary to undertake its responsibilities described in this Agreement.

**(j) Subcontractors.** The Operator reserves the right to subcontract services it undertakes to provide hereunder without obtaining Board approval; provided, however, that Board approval shall be required in the event the aggregate annual cost of any category of services listed at Section 10(a) so subcontracted exceeds 50% of the Continuing Fee. The Operator shall be solely responsible for all costs, expenses, and fees associated with such subcontractors.

## **6. Purchases with Corporation Funds, Continuing Fees, or Operator Funds.**

**(a) Purchases with Corporation Funds.** Any property purchased by the Corporation or the Operator during the term of this Agreement with State Grant Funds or any other Corporation Funds shall be property of the Corporation. Upon termination of this



Agreement, any property acquired with State Grant Funds or other Corporation Funds during the term of this Agreement shall be and remain the property of the Corporation.

**(b) Purchases with Continuing Fees.** Any property purchased by the Operator during the term of this Agreement with Continuing Fees it receives from the Corporation shall, in accordance with the provisions of Section 3314.0210 of the Ohio Revised Code, be property of the Corporation; provided, however, that any such property purchased after the repeal or amendment of Section 3314.0210 of the Ohio Revised Code shall be the property of the Operator and shall be tagged as such so long as such property purchased does not conflict with any other applicable laws. Upon termination of this Agreement, any property acquired by the Operator with Continuing Fees it receives from the Corporation during the term of this Agreement and prior to any repeal of Section 3314.0210 of the Ohio Revised Code shall be and remain the property of the Corporation.

**(c) Purchases with Operator Funds.** Any property previously or hereafter purchased by the Operator with funds other than Corporation Funds ("Operator Funds") shall be owned as follows:

(i) Any property purchased by the Operator with its own funds prior to the effective date of Section 3314.0210 of the Ohio Revised Code shall be the sole property of the Operator, and has been or will be tagged as such.

(ii) Any property purchased by the Operator with funds other than Continuing Fees it receives from the Corporation or State Grant Funds, whether such funds be loan proceeds, proceeds of the sale of other property, advances from affiliates, accumulated earnings from prior periods or funds from other sources, shall be property of the Operator and shall be tagged as such.

**(d) Tagging.** All material non-consumable property used in the School shall be tagged to indicate ownership as follows:

(i) In accordance with School policy, the Operator shall permanently mark or tag with a number any property owned by the Corporation and keep an inventory of said property. Such inventory shall be made available to the Board annually upon reasonable request.

(i) Likewise, the Operator shall permanently mark or tag with a number any property owned by the Operator and keep an inventory of said property.

**(e) Permanent Closure.** Upon the permanent closure of the School and the ending of operations by the School and Corporation hereunder, any property that was acquired by the Operator with Continuing Fees it receives from the Corporation or State Grant Funds during the term of this Agreement shall be distributed in accordance with Section 3314.074 of the Ohio Revised Code.

## **7. Insurance.**

(a) **The Operator.** The Operator shall, at its expense, maintain commercial general liability insurance and other insurance required by the School Contract, except that the Corporation shall maintain directors' and officers' liability insurance in accordance with Section 7(b) herein. The limits of the Operator's primary and umbrella insurance policies shall at all times meet or exceed the requirements set forth in the School Contract. The Operator's policies shall name the Corporation and the other parties mentioned in the School Contract as insureds, or as additional insureds on an Operator policy. All such policies of insurance shall (i) be issued by responsible companies of recognized standing authorized to do business in the State, (ii) be written in standard form, and (iii) provide that the policies shall not be cancelable except upon (30) days written notice to the Corporation. Upon the Corporation's request, the Operator shall deliver to the Corporation a copy of such policies, certificate of insurance coverage, or other written confirmation acceptable to Corporation, together with evidence that the insurance premiums have been paid.

(b) **The Corporation.** The Board shall be responsible for paying its directors' and officers' liability insurance with Corporate Funds.

## 8. Fees.

(a) **Continuing Fee.** The Corporation shall pay the Operator a monthly management, consulting and operation fee (the "Continuing Fee") based upon the number of FTEs upon which the Qualified Gross Revenues received for that month were calculated. The Continuing Fee payable by the Corporation each month will be equal to ninety-four percent (94%) of the Qualified Gross Revenues received for each such month. The Continuing Fee shall be paid within five (5) business days of the Corporation's receipt of any Qualified Gross Revenues for each month via electronic funds transfer. At the end of the term, the total Continuing Fees paid to the Operator during the term shall be subject to an annual reconciliation based upon actual FTEs enrollment and actual revenue Qualified Gross Revenues received (including the final month of the term, even though the payment may be made beyond expiration of the term).

In the event that the revenue remaining after the payment of the Continuing Fee would be insufficient to pay the monthly School Expenses, the School's duly appointed Fiscal Officer shall, after paying the Sponsor Fee, pay the School Expenses first before paying the Continuing Fee and shall enter upon the School's books a Continuing Fee Payable for any portion of the Continuing Fee that has not been paid by the School. The Fiscal Officer shall use good faith and reasonable efforts to periodically (but no later than the end of the Fiscal Year) apply School Revenues to reduce the Continuing Fee Payable to zero. At the end of the fiscal year, the balance of any Continuing Fee Payable incurred during the Fiscal Year shall be forgiven by operation of this Agreement.



Should the Corporation by way of FTE review or other review by the State of Ohio or designee thereof be determined to owe back Qualified Gross Revenues, the Operator agrees to contribute the Operators percentage thereof.

**(b) Supplemental Revenues.** Supplemental Revenues shall be paid to the Operator in full within five (5) business days of receipt of the Supplemental Revenues by the Corporation provided that documentation is submitted with each invoice.

**(c) Payment of Costs.** Except as otherwise provided in this Agreement, the Operator shall pay all costs incurred in providing the Model at the School. Such costs shall include, but shall not be limited to, compensation of all personnel, curriculum materials, textbooks, library books, computer and other equipment (excluding Corporation-titled property as described in Section 6(a)), software, supplies, building payments, maintenance, and capital improvements required in providing the Model.

**(d) Grants.** The Operator may apply in the name of the School for available grants that will (i) provide additional funding to the School, (ii) aid the Corporation in fulfilling the terms of the School Contract, and/or (iii) provide additional services and programs to the students. The Operator will seek prior approval of the Board by submitting a grant application to the Board for its approval. The Board shall not unreasonably withhold or delay approval of any grant application, and shall be deemed to have approved any grant application submitted by the Operator in the absence of specific written objections given to the Operator within ten (10) business days after submission. Grant funds, like other Supplemental Revenues, shall be payable to the Operator as provided in Section 8(b) above.

**(e) Automatic Transfer of Funds.** The Board and Fiscal Officer shall cooperate with the Operator to set up necessary accounts, authorizations, and procedures so that the Corporation can automatically transfer grant funds and other Supplemental Revenues when the funds are available in the Corporation's accounts. This Section 8 shall survive the expiration or termination of this Agreement until all payments earned prior to the date of such expiration or termination are paid in full.

**(f) Board Obligations.**

(i) The Board shall be responsible for paying from Corporation Funds (a) its fees to its Sponsor, (b) legal fees and other expenses for Board representation and general corporate matters, (c) the costs of its insurance under Section 7(b) above, (c) any legal, fiscal officer, audit, insurance, tax, consulting fees for the School, and other professional fees, and (iv) other expenses approved by the Board. The Board shall also use Corporation Funds to pay the costs and fees of any annual, special, or independent audits of the School required or conducted by the Auditor of the State of Ohio. The Corporation shall be solely responsible for the purchase

and operation of equipment the Board deems necessary or appropriate for Board operations that are separate from the day-to-day operation of the School.

(ii) The members of the Board and the Fiscal Officer shall complete annual training on public records and open meetings laws at no expense to the Operator.

(iii) During the time this Agreement is in effect, the Operator may, in its sole discretion, pay any properly incurred Corporation expense under the following terms and conditions: (a) a reasonable estimate of the expense is submitted to the Operator by the Corporation and is approved by the Operator, in writing, prior to the expense being incurred; (b) the Corporation has not received funding from any source for the operation of the School sufficient to pay such expense; and (c) the Corporation will reimburse the Operator, in whole or in part, when the Corporation receives sufficient revenue to pay the expense, even if the revenue is received after the termination of this Agreement.

(A) Any payment made under this subsection shall be treated as an advance by the Operator against future Corporation Funds and shall be evidenced by a promissory note, security agreement, and UCC financing statements acceptable to the Operator and the Corporation. Should the Operator ever advance or loan the School money, the Operator shall document all expenses and items associated with these advances or loans and shall work with the School's fiscal officer to report such to the Board. Any interest charged on these advances or any other moneys loaned to the School by the Operator shall bear interest at a fair market rate.

(B) In no event shall such promissory note allow for recourse against individual Board members, School officials, or any other third party.

(iv) The Board shall not appoint or retain any individual as its Fiscal Officer unless such individual has submitted to and satisfactorily completed a criminal records check in accordance with section 3319.39 of the Ohio Revised Code.

## **9. Personnel, Training, Compensation, and Additional Programs.**

(a) **School Level Personnel.** As provided in Section 5(c), all personnel necessary to implement the Model shall be employed by the Operator and provided for the operation of the School at Operator's expense. The Operator shall have the responsibility and authority to determine staffing levels and salaries, and to select, evaluate, assign, discipline, transfer and terminate personnel, consistent with the School Contract, state and federal law, and other provisions herein, including but not limited to Section 5(c) of this Agreement.

**(b) School Administrator.** The Corporation may appoint a director or a board committee to work with the Operator in the hiring process for the selection of the School Administrator in accordance with Section 5(c). Notwithstanding, the Operator has final approval and authority to hire, discipline or terminate the School Administrator. The Operator and the School Administrator shall enter into an employment contract. The employment contract shall articulate the duties and compensation of the School Administrator, both of which shall be determined by the Operator in its sole reasonable discretion.

**(c) Teachers.** Prior to the commencement of the first School Year under this Agreement, and from time to time thereafter, the Operator shall determine the number of teachers and the applicable grade levels and subjects required for the operation of the School. The Operator shall employ teachers who meet all applicable legal requirements and are qualified to teach the grade levels and subjects required, as required by law and the School Contract. The curriculum taught by the teachers shall be the curriculum developed pursuant to Section 5(b) of this Agreement. Teachers may work at the School on a full- or part-time basis, at the discretion of the Operator.

**(d) Support Staff.** Prior to the commencement of the first School Year under this Agreement, and from time to time thereafter, the Operator shall determine the number and functions of support staff who are qualified in the required areas, as required for operation of the School and by Ohio law. Support staff may work at the School on a full- or part-time basis, at the discretion of the Operator.

**(e) Training.** The Operator shall provide at its expense training in its Model to all teaching personnel on a regular and continuous basis. Non-instructional personnel shall receive such training as the Operator determines is reasonable and necessary under the circumstances. In addition to the foregoing, the chief administrative officer, other administrative employees of the Operator, and all other individuals performing supervisory or administrative services for the school shall complete annual training on state public records and open meetings laws, any expense for which shall be borne by the Operator.

**(f) Salary and Benefits.** For employees the Operator provides to the School, the Operator assumes full responsibility and liability for benefits, salaries, worker's compensation, unemployment compensation, and liability insurance.

**(g) Additional Programs.** The services provided by the Operator and the Corporation under this Agreement consist of the educational program provided during the School Year for the age and grade level of students as set forth in the School Contract. The days of operation within a School Year, including the hours of operation for a school day, as well as age and grade levels, may change from time to time, as determined by the Operator in its sole discretion. The Corporation and the Operator may mutually agree to provide additional programs. The foregoing shall not prohibit the Operator from offering other educational services at the School Facility outside of school hours, provided they do not interfere with the operation of the School.

**10. Accounting.** Operator shall provide an annual accounting of the following, including the nature and costs of the goods and services it provides to the School:

(a) The accounting shall include the following categories of expenses for each designation as set forth below in Section 10(b):

- (i) Aggregate salaries and wages;
- (ii) Aggregate employee benefits;
- (iii) Professional and technical services;
- (iv) Property services;
- (v) Utilities;
- (vi) Contracted craft or trade services;
- (vii) Tuition paid to other districts;
- (viii) Transportation;
- (ix) Other purchased services;
- (x) Supplies;
- (xi) Land;
- (xii) Buildings;
- (xiii) Improvements other than buildings;
- (xiv) Equipment;
- (xv) All other capital outlay;
- (xvi) Principal;
- (xvii) Interest;
- (xviii) Judgment; and
- (xix) Other direct and indirect costs.

(b) The expenses set forth in Section 10(a) shall be disaggregated according to the following designations, as applicable:

- (i) Regular instruction;
- (ii) Special instruction;
- (iii) Vocational instruction;
- (iv) Other instruction;
- (v) Support services; and
- (vi) Non-instructional activities.

The accounting shall be ongoing, and shall be updated as the foregoing goods and services are provided by the Operator. The accounting shall be included in the financial statements of the Corporation. The Operator agrees to cooperate with the Corporation's independent auditor in audit matters related to the Corporation.

**11. Representations and Warranties of the Corporation.** The Board covenants that it will require the following representation of its members through its Conflict of Interest Disclosure statement and upon learning that any of the following cease to be true will remove any Board member for whom such is not true:

(a) No member of the Board owes the State of Ohio any money or is in a dispute over whether he or she owes the state of Ohio any money concerning the operation of a community school that has closed;

(b) No member of the Board is subject to division (B) of section 3319.31 of the Ohio Revised Code with respect to refusal, limitation, or revocation of a license to teach or would be subject to such section if he or she were a licensed educator;

(c) No member of the Board has pleaded guilty to or been convicted of theft in office under section 2921.41 of the Ohio Revised Code, or has pleaded guilty to or been convicted of a substantially similar offense in another state;

(d) Each member of the Board, has submitted to and satisfactorily completed a criminal records check in accordance with section 3319.39 of the Ohio Revised Code;

(e) No member of the Board is simultaneously serving on the governing authority of more than five (5) start-up community schools, including the one herein;

(f) No present or former member of the Board, or immediate relative of a present or former member of the Board, is an owner, employee, or consultant of the Sponsor or the Operator; provided, however, the foregoing shall not include those former members whose membership concluded at least one (1) year prior to such activity;

(g) If at any time the School is sponsored by a school district or educational service center, no present or former member, or immediate relative of a present or former member, of the Board shall (i) be an officer of such district board or service center governing board, unless at least one year has elapsed since the conclusion of the person's membership on the governing authority; (ii) serve as an employee of, or a consultant for, the department, division, or section of such sponsoring district or service center that is directly responsible for sponsoring community schools, or have supervisory authority over such a department, division, or section, unless at least one year has elapsed since the conclusion of the person's membership on the Board.

(h) If at any time the School is sponsored by a school district or educational service center, no member of the Board shall be an employee of the school district or educational service center sponsoring the School;

(i) Each member of the Board 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 (a) the sponsor or operator of the School; (b) a school district or educational service center that has contracted with the School; an (c) a vendor that is or has engaged in business with the School; and

(j) No member of the Board is a member of a school district board of education.

**12. Termination by the Corporation.** The Corporation may, at its option, terminate

this Agreement upon the occurrence of any of the following events; however, the termination will take effect no earlier than the end of the current School Year in which the event occurred:

(a) The School Contract is not renewed by the Sponsor and no similar contract is obtained with the Sponsor or any other authorized sponsor;

(b) The Operator materially fails to comply with a specific and essential material requirement of this Agreement, and does not cure the failure within 30 days of its receipt of written notice from the Corporation; provided, however, that if the failure cannot be reasonably cured within 30 days, the Operator shall promptly undertake and continue efforts to cure the failure within a reasonable time. Notwithstanding the foregoing, in the event that a failure creates an imminent danger to the life of students, parents or others, it must be cured immediately upon written notice from the Corporation.

(c) The Operator files for bankruptcy or has a bankruptcy suit filed against it that is not dismissed within ninety (90) days; is insolvent; ceases its operations; or admits in writing its inability to pay its debts when they become due or appoints a receiver for the benefit of its creditors;

(d) The Operator fails to maintain the insurance coverage required herein;

(e) The Operator assigns or attempts to assign this Agreement other than as allowed under Section 26 of this Agreement;

(f) The parties mutually agree in writing to terminate the Agreement; or

(g) If the Operator fails to meet any material student performance or fiscal requirements specified in the School Contract for any School Year starting on or after July 1, 2023, provided that the Corporation gives notice of such termination not later than January 1 of the then current School Year, and has failed to cure such failure within thirty (30) days following written notice; provided, however, that if the failure cannot be reasonably cured within 30 days, the Operator shall promptly undertake and continue efforts to cure the failure within a reasonable time. Despite Operator's continued efforts to cure, if the School's Sponsor has recommended that the School change its educational model and/or operator the School shall have the right to terminate as provided under this subsection (g).

**13. Termination by the Operator.** The Operator may, at its option, terminate this Agreement upon the occurrence of any of the following events:

(a) The Corporation fails to make any payment of money due to the Operator hereunder within five (5) days of when due;

(b) A School Year results in operating deficits, provided that any notice of termination delivered to the Corporation after the first day of the School Year shall not be effective until the end of that School Year;



(c) The Corporation is in material default under any other condition, term or provision of either this Agreement or the School Contract, and the default remains uncured for the period of thirty (30) days from the time that the Corporation receives written notice of the default; provided, however, that if the default cannot be reasonably cured within 30 days, the Corporation shall promptly undertake or continue efforts to cure the material default within a reasonable time;

(d) Any adverse and material change in local, state or federal funding for the Corporation's students, provided that any notice of termination delivered to the Corporation based upon an adverse and material change in funding shall be effective when the funding change goes into effect or such later date as designated by the Operator; or

(e) Any Operator facility that is instrumental to the implementation of the Model or the day-to-day operations of the School is inaccessible so that, in the Operator's reasonable discretion, providing maintenance or continuing School operations would be unfeasible, uneconomical or impractical, provided that notice of termination is delivered by the Operator to the Corporation within sixty (60) days after the occurrence of the event(s) giving rise to this right of termination.

In the event that the Corporation or the Operator elects to terminate this Agreement for any of these reasons, the parties shall continue to perform their respective obligations hereunder, notwithstanding such notice of termination, until the end of the then-current School Year.

**14. Duties Upon Termination.** Upon termination of this Agreement for any reason whatsoever, the Corporation shall immediately pay to the Operator and/or any of the Operator's affiliates any money owing to that person or entity. Furthermore, the Corporation shall return to the Operator all material owned by the Operator pursuant to this Agreement and law.

(a) The Operator shall assist the Corporation in the transition of management and operations, including, but not limited to: (i) the orderly transition of all student records and the delivery of Corporation-owned equipment and material (if any) to the Corporation, (ii) sending notices to students as reasonably requested by the Corporation at the Corporation's cost, and (iii) at the Corporation's option and cost, delivering student records directly to the students.

(b) This Section 14 shall survive any expiration or termination of this Agreement.

(c) Upon the closing of the School, permanently or otherwise, the Fiscal Officer shall deliver all financial and enrollment records to the School's sponsor within thirty (30) days of the School's closure.

**15. License.** The Operator developed and owns certain intellectual property and other proprietary rights in and to the Model, the Protected Materials, as defined in Section 16 below, and also holds a limited term license to use the "Career Prep " and "Career Prep High School" trade

names (the “Names”) (as described in more detail in Section 20 below) in connection with the operation of the School through June 30, 2029. The Operator hereby grants the Corporation, and the Corporation accepts, a limited, non-transferable, non-exclusive and revocable license to use the Model and the Protected Materials, and, through June 30, 2029, a limited, non-transferable, nonexclusive and revocable sublicense to use the Names, in connection with the School.

(a) At such time as this Agreement is terminated or otherwise expires, the license rights granted herein shall automatically terminate and the Corporation shall: (i) immediately cease using the Names, the Protected Materials and the Model; (ii) if the Corporation chooses to continue doing business it shall immediately change its corporate name to some name other than the Names, which new name shall not consist in any variation or manner of the word or words “Career Prep,” used alone or in any combination; and (iii) notify the Sponsor, the Department of Education and any other oversight entity of the name change including, but not limited to, the Secretary of State.

(b) This Section 15 shall survive any expiration or termination of this Agreement.

**16. Proprietary Rights.** The copyrights and other intellectual property rights for all methods, documents, curricula and materials developed by the Operator during the course of operating the School (collectively, the “Protected Materials”) shall constitute the sole and exclusive property of the Operator, and the Corporation, the School and the Board shall not have any right to any of the same either as a “work made for hire” (as such are defined under the U.S. and international copyright laws) or otherwise. The Operator shall exclusively own all United States and international copyrights, trademarks, patents and all other intellectual property rights in the Protected Materials. The Protected Materials may not be used by the Corporation, the School or the Board for any purpose, other than strictly within the scope of the license granted under Section 15 above, without the prior written consent of the Operator.

(a) Immediately upon termination of this Agreement or the Operator’s earlier request, the Corporation, the School and the Board shall deliver all originals and copies of the Protected Materials (regardless of the media on which they are stored) to the Operator, and shall delete the Protected Materials from all databases and other storage media maintained by the Corporation, the School and the Board.

(b) This Section 16 shall survive any expiration or termination of this Agreement.

**17. Relationship of the Parties.** The parties acknowledge that their relationship is that of independent contractors. No employee, consultant or compensated individual of either party shall be deemed an employee, consultant, or compensated individual of the other party. Nothing contained herein is intended to create or shall be construed as creating a partnership or joint venture between the parties.

**18. Confidentiality and Non-Disclosure.** Without the prior written consent of the other party, neither party will at any time use for its own benefit or purposes or for the benefit or

purposes of any other person, corporation or business organization, entity or enterprise, or disclose in any manner to any person, corporation or business organization, entity or enterprise any trade secret, information, data, know-how or knowledge (including but not limited to curricula information, financial information, marketing information, cost information, vendor information, research, marketing plans, educational concepts and employee information) belonging to, or relating to the affairs of a party to this Agreement (“Protected Party”) or that the other party received through its association with the Protected Party, whether received prior to the date hereof or hereafter (collectively, “Confidential Information”), unless: (a) the party can show that such information, data or knowledge was known to it prior to the time its association with the Protected Party began, (b) it can show that any such information, data or knowledge has become generally available to the public otherwise than by a breach of this Agreement by the party, or (c) is subsequently disclosed to the party by a third person or entity which is not prohibited from disclosing same by a contractual, fiduciary or other legal obligation to the Protected Party. Any agreements the parties have entered into or may hereafter enter into also constitute Confidential Information. Notwithstanding anything to the contrary, the financial, educational, and student records pertaining to the Corporation are property of the Corporation.

Nothing herein shall be deemed to prohibit the parties from disclosing any Confidential Information which a party becomes legally compelled to disclose. Without limiting the generality of the foregoing, in the event that a party becomes legally compelled (by oral questions, interrogatories, requests for information or documents, subpoena, investigative demand or similar process) to disclose any of the Confidential Information, the party covenants to use its best efforts to provide the Protected Party with prompt written notice (not less than forty-eight (48) hours) so that the Protected Party may seek a protective order or other appropriate remedy and/or waive compliance with the provisions of this Agreement. In the event that such protective order or other remedy is not obtained, or that the Protected Party waives compliance with the provisions of this Agreement, the party covenants to furnish only that portion of the Confidential Information which the party is legally required to disclose and will exercise its best efforts to obtain reliable assurance that confidential treatment will be accorded the Confidential Information. This Section 18 shall survive any expiration or termination of this Agreement.

**19. Non-Solicitation.** The Corporation agrees that, commencing on the date of this Agreement and continuing for two (2) years after the expiration or termination of this Agreement, neither it nor any of its affiliates, contractors or operators will directly or indirectly solicit or actively seek to hire any employee of the Operator, or solicit any person employed by the Operator to terminate his or her relationship with the Operator.

(a) This Section 19 shall survive any expiration or termination of this Agreement.

(b) The period of time set forth in this Section will be extended by the amount of time that the School engages in activity in violation of this Agreement and while the Operator seeks enforcement of this Agreement.

The Corporation shall inform any operator or other contractor with which it hereafter contracts of the restrictions of this Section 19, but shall have no liability for any violation of this Section 19 by

any operator or other contractor so informed.

**20. Limited Third Party Beneficiaries.** The Corporation acknowledges that (a) the Operator's right to use the Names is subject to a limited term license granted by a third party licensor (the "Trademark Licensor"), (b) at least some of the rights in and to the components of the Model and some of the Confidential Information referenced in Section 18 above belong to one or more affiliates of the Operator (collectively, "Operator Affiliates"); (c) some of the Protected Materials referenced in Section 16 above may be developed by one or more Operator Affiliates; and (d) some of the employees used in providing the Model may be employed by one or more Operator Affiliates.

(i) Accordingly, the Operator Affiliates shall benefit from Sections 15, 16, 17, 18 and 19 of this Agreement, and the Corporation acknowledges that any Operator Affiliate injured or affected by a breach of these sections by the Corporation may enforce this Agreement against the Corporation.

(ii) Whenever the term "Operator" is used in Sections 15, 16, 17, 18, 19 and 21 of this Agreement, it shall be deemed to refer to the Operator and all Operator Affiliates collectively.

(iii) The Trademark Licensor shall benefit from Section 15 of this Agreement, and the Corporation acknowledges that if the Trademark Licensor is injured or affected by a breach of that section by the Corporation, it may enforce this Agreement against the Corporation.

(iv) Subject to this Section 20, this Agreement and the provisions hereof are for the exclusive benefit of the parties and their affiliates and not for the benefit of any third person. This Agreement shall not, except as set forth in this Section 20, be deemed to confer any rights, express or implied, upon any other third person.

(v) This Section 20 shall survive any expiration or termination of this Agreement.

## **21. Injunctive Relief / Dispute Resolution.**

**(a) Injunctive Relief.** The Corporation acknowledges that the covenants set forth in Sections 15, 16, 17, 18 and 19 above are reasonable and necessary to protect the Operator and its business. If the Corporation violates any of those provisions, the Operator shall, in addition to any other remedies available to it, be entitled to an injunction by any competent court of equity enjoining and restraining the School from continuance of such activity.

### **(b) Arbitration.**

(i) Except as otherwise provided in this Section 21, any controversy or claim arising out of or relating to this Agreement, or the breach thereof, shall be

settled by arbitration administered by the American Arbitration Association (“AAA”) under its Commercial Arbitration Rules. The award or decision of the arbitrators shall be in writing and shall be final and binding upon the parties, and judgment on the award rendered by the arbitrators may be entered in any court having jurisdiction thereof. Any Party to this Agreement, or third-party beneficiary identified in Section 20, may initiate arbitration by filing with the AAA a Demand for Arbitration, the administrative filing fee, and a copy of this Agreement.

(ii) The arbitration panel shall consist of three (3) arbitrators, selected as follows: within fourteen (14) days after the commencement of arbitration, the Corporation and Operator shall each select one (1) person to act as an arbitrator, and the two (2) selected shall select a third arbitrator within ten (10) days of their appointment. All arbitrators shall have experience with and knowledge of Ohio community schools. If the arbitrators selected by the parties are unable or fail to agree upon the third arbitrator, the third arbitrator shall be selected by the American Arbitration Association. Prior to the commencement of hearings, each of the arbitrators appointed shall provide an oath or undertaking of impartiality.

(iii) Consistent with the expedited nature of arbitration, and upon the written request of the other party, each party will promptly provide the other with all documents relevant to the issues raised by any claim or counterclaim. Any dispute regarding discovery, including the relevance or scope thereof, shall be resolved by the arbitrators, whose determination shall be conclusive. All discovery shall be completed within sixty (60) days of the appointment of the third arbitrator, except that, upon the request of a party, the arbitrators may extend the time for discovery and allow depositions of up to three (3) witnesses per party if they deem such discovery relevant and appropriate. Depositions shall be held within thirty (30) days of the arbitrators’ decision allowing the depositions. Additional depositions may be scheduled only with the permission of the arbitrators and for good cause shown.

(iv) Each party shall bear its own costs and expenses and shall pay an equal share of the arbitrators’ fees and the administrative fees of arbitration.

(v) Notwithstanding anything herein to the contrary, claims for money due, for services rendered, costs, grants funds and/or expenses due, may at either party’s option be brought separately in a court of competent jurisdiction or pursued in arbitration as set forth above. In the event a party pursues claims for money due in court, all other disputes herein shall be subject to binding arbitration. Actions for money due may be brought without terminating this Agreement.

(vi) The language of the arbitration shall be English and the place of arbitration shall be Akron, Ohio. This Section 21 shall survive any expiration or termination of this Agreement.

**22. Notices.** Any notices to be provided hereunder shall be provided to the Sponsor

within 10 days and shall be given in writing by personal service, mailing by United States certified mail, return receipt requested, and postage prepaid, facsimile (provided a copy is sent by one of the other permitted methods of notice), or a nationally recognized overnight carrier, addressed as follows:

If to the Operator, to: LS Columbus, North, LLC  
1462 Brittain Road  
Akron, Ohio 44310  
Attn.: James Blair  
Email: [jim.blair@fusion-ed.com](mailto:jim.blair@fusion-ed.com)

With a copy to: Adam Schira  
180 E. Broad Street  
Suite 3400  
Columbus, Ohio 43215  
[aschira@dickinson-wright.com](mailto:aschira@dickinson-wright.com)

If to the Corporation, to: North Woods Career Prep High School  
1900 E. Dublin-Granville Road #200  
Columbus, Ohio 43229  
Attn: Board President

With a copy to: Amy E. Goodson, Esq.  
288 South Munroe Road  
Tallmadge, Ohio 44278  
[amy@amygoodsonlaw.com](mailto:amy@amygoodsonlaw.com)

**23. Severability.** The invalidity or unenforceability of any provision or clause hereof shall in no way affect the validity or enforceability of any other clause or provision hereof.

**24. Waiver and Delay.** No waiver or delay of any provision of this Agreement at any time will be deemed a waiver of any other provision of this Agreement at such time or will be deemed a waiver of such provision at any other time.

**25. Governing Law, Venue and Jurisdiction.** This Agreement shall be governed by and construed in accordance with the laws of the State of Ohio. Venue is proper in the County in which the School is situated, and each party hereby submits to the jurisdiction of any Ohio State or federal court sitting in such County.

**26. Assignment; Binding Agreement.** Neither party shall assign this Agreement without the written consent of the other party, which consent shall not be unreasonably withheld or delayed. This Agreement shall be binding upon and inure to the benefit of the parties hereto and their respective successors and permitted assigns.

**27. Independent Activity.** All of the parties to this Agreement understand that



Operator's business is to operate and manage charter schools throughout the State. As such, the parties agree that Operator and its affiliates may operate other charter schools in multiple states including the State of Ohio.

**28. Representations and Warranties of the Operator.** The Operator hereby represents and warrants to the School as follows:

(a) The Operator is duly organized, validly existing, and in good standing under the laws of the State of Nevada and has the authority to carry on its business as now being conducted and the authority to execute, deliver, and perform this Agreement.

(b) The Operator has taken all actions necessary to authorize the execution, delivery, and performance of this Agreement. This Agreement is a valid and binding obligation of the Operator enforceable against it in accordance with its terms, except as may be limited by federal and state laws affecting the rights of creditors generally, and except as may be limited by legal or equitable remedies.

(c) The Operator has made, obtained, and performed all registrations, filings, approvals, authorizations, consents, licenses, or examinations required by any government or governmental authority, domestic or foreign, in order to execute, deliver and perform its obligations under this Agreement.

(d) The Operator has the financial ability to perform all of its duties and obligations under this Agreement, including maintaining the appropriate staffing levels at the School.

(e) The Operator has not been issued a finding for recovery by the Auditor of the State nor has any employee of the Operator working at the School been issued a finding for recovery.

**29. Indemnification of the Parties.** The Parties shall indemnify and hold harmless each other and their respective members, directors, employees, officers and affiliates from any and all claims, demands, actions, suits, causes of action, obligations, losses, costs, expenses, attorney fees, damages, judgments, orders, and liabilities of whatever kind or nature in law, equity or otherwise, arising from any of the following:

(a) A failure of the Party or any of its officers, trustees, directors, or employees to perform any duty, responsibility or obligation imposed by law or by this Agreement or the School Contract; and

(b) An action or omission by the Party or any of its officers, trustees, directors, employees, successors, 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 or federal).

**30. Force Majeure.** In the event that the Operator shall be delayed, hindered in, or

prevented from the performance of any act required hereunder by reason of fire or other casualty, acts of God, strike, lockout, labor trouble, inability to procure services or materials, failure of power, restrictive governmental laws or regulations, riots, insurrection, war or other reason of a like nature not the fault of the Operator, then such performance shall be excused for the period of the delay, and the period for performance shall be extended for a period equivalent to the period of the delay. The provisions of this Section shall not operate to excuse the Corporation from prompt payment of any amounts required by the terms of this Agreement.

**31. Amendment.** This Agreement may not be modified or amended except by a writing signed by each party hereto.

**32. Counterparts.** This Agreement may be executed in several counterparts, with each counterpart deemed to be an original document and with all counterparts deemed to be one and the same instrument.

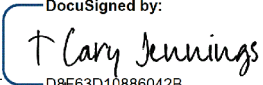
**33. Captions.** Section captions are used herein for references only and are not intended, nor shall they be used, in interpreting this instrument.

**34. Integration / Entire Agreement.** This Agreement (together with the documents referred to herein) contains the entire agreement between the parties and supersedes all prior agreements between the parties, if any, written or oral, with respect to the subject matter hereof.

[REMAINDER OF PAGE INTENTIONALLY LEFT BLANK –  
SIGNATURE PAGE FOLLOWS]

IN WITNESS WHEREOF, the parties hereto have set their hands by and through their duly authorized officers as of the date first above written.

CORPORATION:  
NORTH WOODS CAREER PREP HIGH  
SCHOOL

By:  \_\_\_\_\_  
Its: DocuSigned by: D8F63D10886042B...  
Board  
President

OPERATOR:  
LS COLUMBUS NORTH, LLC

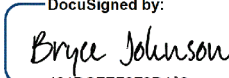
By: \_\_\_\_\_  
Its: \_\_\_\_\_

IN WITNESS WHEREOF, the parties hereto have set their hands by and through their duly authorized officers as of the date first above written.

CORPORATION:  
NORTH WOODS CAREER PREP HIGH  
SCHOOL

By: \_\_\_\_\_  
Its: \_\_\_\_\_

OPERATOR:  
LS COLUMBUS NORTH, LLC

DocuSigned by:  
Bryce Johnson  
By:  \_\_\_\_\_  
Its: ~~R. Bryce Johnson, Chief Operating Officer~~ \_\_\_\_\_

## APPENDIX A

### Description of the Model

## APPENDIX B

### Defined Terms

“Agreement” has the meaning given in the recitals.

“Arbitration Panel” has the meaning given in Section 21.

“Board” has the meaning given in the recitals.

“Confidential Information” has the meaning given in Section 18.

“Continuing Fee” has the meaning given in Section 8(a).

“Corporation” has the meaning given in the recitals.

“Corporation Funds” shall mean the Corporation’s share of Qualified Gross Revenues, plus all amounts received by the Corporation that are not considered Qualified Gross Revenues or Supplemental Revenues.

“Fiscal Officer” means the Corporation’s designated fiscal officer as described in Section 3314.011 of the Ohio Revised Code.

“Model” has the meaning given in the recitals.

“Names” has the meaning given in Section 15.

“Operator” has the meaning given in the recitals.

“Operator Affiliates” has the meaning given in Section 20.

“Party” shall mean either the Corporation or the Operator, and “Parties” shall mean the Corporation and the Operator.

“Protected Materials” has the meaning given in Section 16.

“Protected Party” has the meaning given in Section 18.

“Qualified Gross Revenues” shall mean all revenue received by the Corporation, other than State Grant Funds from the State or any political subdivision, county, agency, department, or bureau of the State pursuant to the Constitution of the State of Ohio, the Ohio Revised Code, the Ohio Administrative Code, and/or any other state or local law, whether on a per-student basis or otherwise, including without limitation and for example only, casino and school facility funding. Qualified Gross Revenues do not include student fees, charitable contributions, PTA/PTO income, and/or Supplemental Revenues. Qualified Gross revenues shall not include any amounts contributed to the Corporation by its Sponsor provided such contribution does not impose any



obligation on the Operator.

“School” has the meaning given in the recitals.

“School Contract” has the meaning given in the recitals.

“School Year” shall mean the period commencing on July 1 of each year and ending on the following June 30. The School Year shall also be the Corporation’s fiscal year.

“Sponsor” has the meaning given in the recitals.

“State Grant Funds” shall mean grants received by the Corporation from the State of Ohio. State Grant Funds do not include any other source of aid or any other grants, including funds received from private sources, local municipalities or the federal government.

“Supplemental Revenues” shall mean all amounts received under Federal Title Programs and such other federal, state, and local government funding designated to compensate the School for or assist the School in the education of its students, and other miscellaneous revenue received, including but not limited to lunch program revenues and grants from any person or organization other than the federal, state or local government.