

Education Management Agreement

This Education Management Agreement (the "**Agreement**") is executed as of this ^{6th} day of *February, 2016*..., by and between Concept Schools NFP ("**Concept**"), an Illinois non-profit corporation and Gateway Science Academy of Saint Louis ("**GSA**"), a Missouri non-profit corporation.

WHEREAS, both Concept and GSA have qualified as tax-exempt organizations under Section 501(c) (3) of the Code;

WHEREAS, GSA has been granted a charter (the "**Charter**") to organize and operate a charter school (the "**School**"), by the Lindenwood University (the "Lindenwood University") pursuant to the State of Missouri Charter Schools Law, as amended (the "**Charter Schools Law**");

WHEREAS, GSA and the Lindenwood University (the "**Sponsor**") entered into a Grant of Charter and Charter School Agreement dated as.....(the "**Charter Agreement**"), which sets forth certain terms and conditions of the Charter and which may be amended from time to time;

WHEREAS, GSA is governed by a Board of Directors (the "**GSA Board**");

WHEREAS, GSA and Concept are mentioned as the "**Parties**"

WHEREAS, Concept desires to provide management services to GSA;

WHEREAS, GSA and Concept now desire to enter into this Agreement to govern their relationship beginning retroactively by July 01, 2015 (the "**Effective Date**");

NOW, THEREFORE, for and in consideration of the mutual undertakings in this Agreement, the parties hereby agree to the following terms and conditions:

1. Term.

- a. Initial Term: Unless terminated earlier in accordance with this Agreement, the term of this Agreement (the "**Term**") shall be effective on the Effective Date and continue until the end of the Charter Agreement.
- b. Extensions: This Agreement will automatically renew for additional, successive terms commensurately with the Charter Agreement unless one party notifies the other party on or before the April 1st prior to the expiration of the then-current term of its intention to not renew this Agreement. Notwithstanding the foregoing, in no event shall the Term extend beyond the term of the charter granted to GSA, as such charter may be extended from time to time.

2. Responsibilities.

Provision of Services: Concept shall provide the services described herein (the "Services") to GSA subject to the direction, oversight and policies of GSA, and the requirements of the Charter Agreement and the Charter Schools Law to the extent applicable to such Services. Regardless of the Services provided by Concept under this Agreement, GSA remains responsible and liable in all respects for the administration of its Charter School. In this respect, Concept in no way serves as a joint or co-employer with GSA. Concept has no obligation to provide any Service that is not specifically listed below, unless otherwise agreed upon by both parties.

- i. Concept shall provide consulting and liaison services with the Sponsor and other governmental and quasi-governmental offices and agencies to ensure that GSA may continue its operation.
- ii. Concept shall prepare and submit a recommended annual projected budget for the academic year, in reasonable detail, to GSA for the School on or before June 30 of each year. GSA must approve such budget before August 1st in order for Concept to manage it.
- iii. All school personnel ("GSA Employees") are exclusively employed by GSA. GSA retains the exclusive authority for making any employment-related decisions including but not limited to hiring, firing, promotion, work assignment, compensation, evaluation, discharge or other disciplinary decisions regarding GSA Employees excluding school principal and assistant principal (if any). The school principal and assistant principal will be assigned by mutual agreement of the parties. GSA is solely responsible for determining what (if any) salaries, fringe benefits, employment taxes and other employment related costs. Notwithstanding the foregoing, Concept will provide consultation and recommendation for advertising, interviewing, hiring and firing, transferring, discharging and/or disciplining employees, including international employees.
- iv. Concept shall monitor whether GSA Employees (collectively, the "School Employees") meet all local, state, and federal regulations related to school personnel and will complete a background check in accordance with the Charter Agreement and public school policies for all School Employees.
- v. Concept shall make recommendations regarding staffing needs at the School, revisions to position descriptions, and employment contracts for all School Employees. GSA remains solely and exclusively responsible for determining what (if any) of these recommendations will apply to School Employees.
- vi. Concept shall monitor whether GSA complies with all applicable federal and state laws, concerning School Employee welfare, safety and health, including, without limitation, the requirements of federal law for a drug free workplace.
- vii. Concept shall monitor whether GSA complies with all applicable federal and state laws and regulations concerning the maintenance and disclosure of employee records for School Employees.

- viii. Concept shall monitor GSA's compliance with all applicable state and local civil rights laws, and assess whether GSA may be illegally discriminating against any School Employee or applicant for employment on the basis of race, creed, color, sex, national origin, religion, ancestry, age, disability, marital status, citizenship, veteran status, or sexual orientation in its recruitment, selection, training, utilization, termination or other employment-related activities.
- ix. Except to the extent expressly waived by state authorities, Concept shall, and shall cause its officers and employees to, (A) comply with the Charter Schools Law, the Charter Agreement, and all applicable federal and state laws, concerning the maintenance and disclosure of student records, and (B) comply with the Family Educational Rights and Privacy Act, provided that Concept acknowledges that such records are property of GSA, that Concept has no rights in such records whatsoever, that it shall maintain such records on behalf of GSA and may use such records only in connection with its duties under this Agreement, and that it will follow GSA's instructions in connection with such records. Based on the foregoing, GSA hereby designates employees of Concept as having a legitimate educational interest such that they are entitled to access to education records under 20 U.S.C. §1232g, the Family Educational Rights and Privacy Act.
- x. Concept shall provide the coordination, communication, and leadership in order to ensure continuity, quality, effectiveness, and conformity with the terms of the contract by employing an incumbent in the positions of the Superintendent and the Treasurer. GSA acknowledges and agrees that, by entering into this contract, the Concept-employed Superintendent and Treasurer shall be assigned and empowered as the school Superintendent and the Treasurer with the authority to perform all School duties and responsibilities. Notwithstanding the foregoing, the Concept-employed Superintendent and Treasurer will have no authority or responsibility for making employment-related decisions for School Employees, including but not limited to hiring and firing, promotion, transfer, work assignment, compensation, discharge or discipline.
- xi. Concept recommends the calendar for the academic year and shall ensure the following:
 - a) that the School open in August and continue until June,
 - b) that the academic year consist of minimum 185 school days, provided that the number of school days must meet or exceed Missouri requirements, and
 - c) the length of school days at the School must meet or exceed Missouri requirements.
- xii. Concept recommends the size of each school and class according to the School's Charter Agreement, facility and budget.
- xiii. Concept monitor to ensure that GSA enrolls students in full compliance with the requirements of the Charter Agreement and the Charter Schools Law.
- xiv. Each year Concept shall develop a student recruitment plan working with the Principals of GSA. All the cost associated with such student recruitment shall be incurred by GSA.

xv. Concept shall

- a) help organize year-round mandatory meetings for School Employees as the Company determines to be reasonable and necessary
- b) coordinate staff development and teacher certification process
- c) coordinate ongoing teacher training with respect to technology*
- d) train employees, including School Principals, teachers and assistants through the services of the Company's professional and curriculum development staff*
- e) provide training in Company's methods, curriculum, program, and technology to all teaching personnel on a regular and continuous basis.
- f) organize professional development conferences and workshops*

*Registration fees and additional costs may apply.

xvi. Concept shall provide GSA and all of its students at the School with a complete educational program based on (A) the requirements of the Charter Agreement, and (B) the Charter Schools Law, except as may be further required by this Agreement.

xvii. Concept shall provide the management and administrative services necessary to implement its educational program at the School.

xviii. Concept shall be responsible for and accountable to GSA for the academic performance of students who attend the School, said performance to be measured in accordance with the requirements of the Charter Agreement and the Charter Schools Law, and Concept shall coordinate such testing as is required to permit the evaluations contemplated by each of the foregoing.

xix. Concept shall measure the success of the School based on absolute levels of student achievement in terms of test scores, and among other measures, on comparative measures against students in the local school district who have backgrounds and achievement levels similar to the School's students upon their enrollment at the School, and on measures of parent and student satisfaction.

xx. Concept shall provide educational performance data, the efficiency of the operations and any information required by the state, the Charter Agreement, and Charter Schools Law.

xxi. Concept shall provide Student Information System (ConceptSIS) that includes but not limited to

- a) online student registration and data maintenance
- b) student records and employee files management
- c) student discipline management
- d) student/staff/course schedules
- e) system to comply with requirements of regional and state reporting of student enrollment information
- f) attendance, grading, and log book
- g) assessment & data reporting
- h) e-forms (clock in/out, leave request, reimbursements, purchase request, etc.)

- i) curriculum and lesson planning tool
- j) employee evaluation tool

GSA acknowledges that in designating employees of Concept as school officials with a legitimate educational interest in GSA student records, Concept employees will have access to student records and employee files to perform necessary functions and for the same purposes as GSA employees.

xxii. Concept shall develop a variety of extra-curricular* activities which are critical components to a well-rounded educational experience:

- a) CONSEF – Concept Schools Science & Engineering Fair
- b) STEM Expo
- c) MathCON
- d) RoboCON
- e) Spelling Bee
- f) Spoken Word Competition
- g) Writing Contest
- h) Art Fair
- i) ACT Camp
- j) Teacher of the Year
- k) International Trips
- l) Concept Young Scholars Program

*Registration fees and additional costs may apply.

xxiii. Concept shall provide an Annual Report to GSA no later than October 30 of the following academic year.

xxiv. Concept shall manage all GSA financial operations, including but not limited to; payroll, purchasing, accounts payables, accounts receivables, grant management, development and monitoring of financial policies and procedures, book keeping, budget preparation and management, audit preparation and coordination, and reporting.

- a) Prepare and present all financial reports at the GSA Board meetings
- b) Prepare annual budget in coordination with the school administration which shall be approved by GSA Board.
- c) Prepare an independently audited annual financial report, as required by the Charter Schools Law not later than what is required by the State,
- d) Prepare and submit any other financial and other operational reports relating to the School which may be required pursuant to the Charter Agreement and the Charter Schools Law in accordance with the requirements thereof.
- e) Maintain all financial books and records
- f) Manage payroll functions in order to ensure efficient operation, as well as creation and maintenance of proper personnel records
- g) Develop purchasing policies and procedures and oversee all purchasing operations including administration of bidding process for major purchases and projects.

- h) Apply and manage all federal and state grants including preparation and filing of final expenditure reports.
- xxv.** Concept shall meet an agreed calendar of reporting dates relating to local, state, and federal compliance reporting. If Concept fails to meet a 90% benchmark in terms of either accuracy or timeliness in a fiscal quarter, GSA shall notify Concept in writing that such benchmark was not met. If Concept fails to meet the 90% benchmark in terms of either accuracy or timeliness in two consecutive fiscal quarters, GSA shall be entitled to hire the staff necessary to complete the compliance work for Concept for the next two fiscal quarters, and Concept shall reimburse GSA for all expenses related to the hiring, training, and supervision of these compliance workers.
- xxvi.** Concept shall ensure that GSA complies with all terms and conditions of any external source funding (e.g., federal and state funds designated for particular purposes such as Title I and special education)
- xxvii.** Concept shall assist GSA in identifying and applying for grants. Concept shall have the right to apply for and receive grant money on its own or together with GSA, so long as such applications (i) are approved by the GSA Board and (ii) the received funds are utilized for their intended purpose and in a manner consistent with the requirements of the grant. Concept must keep GSA informed prior to any application's submission, at the level of detail that GSA reasonably requests.
- xxviii.** Concept shall provide guidance in community outreach activities to generate greater awareness and build credibility and positive reputation for the School.
- xxix.** Concept shall provide marketing services by designing school brochures, fliers, business cards, letterheads, envelopes, newsletters, program books and invitations.
- xxx.** Concept shall (i) provide guidance for the technology plan on a regular basis, (ii) provide web design and hosting services, (iii) advise on the integration of new technology into GSA, and (iv) provide technology support services as may be requested by GSA.
- xxxi.** GSA shall be responsible for coordinating the cleaning, maintenance and operation of the School Facility. Concept shall make reasonable suggestions to GSA regarding potential improvements to the School Facility.
- xxxii.** Concept shall also coordinate additional programs as may be mutually agreed upon by the parties.

3. Tax-Exempt Status.

Concept acknowledges and agrees that this Agreement is intended to be consistent with GSA's status as a tax-exempt organization and both parties shall interpret this Agreement in such a manner so as to prevent this Agreement from causing GSA from losing its tax-exempt status and, if necessary, shall amend this Agreement in such a manner that will cause it to comply.

4. Intellectual Property.

Both parties acknowledge that they mutually own all proprietary rights to curriculum or educational materials that (i) are developed by GSA or (ii) are developed by Concept with funds from GSA. Concept and GSA understand that Concept's educational materials and teaching techniques and other documents used by or in GSA may be disclosed in accordance with applicable law and the legal opinion of legal counsel of GSA.

5. Subcontracts.

Subject to approval by the GSA Board, Concept may subcontract services provided to GSA except for the management, oversight, or implementation of the teaching and instructional program.

6. Authority.

Concept shall have authority and power necessary to undertake its responsibilities described in this Agreement except in the case(s) wherein such power may not be delegated by Missouri Charter Schools Law or the Charter Agreement.

7. Fees.

In consideration of the Services to be provided to GSA by Concept, GSA shall pay Concept a management fee. The management fee will be calculated on an annual basis and will be 10% of the school's total annual revenues.

8. Termination by GSA.

GSA may terminate this Agreement in the event Concept materially breaches this Agreement. Material breach, without limitation, shall include:

- a) Concept substantially breaches any of the material terms and conditions of this Agreement and fails to remedy such breach within sixty (60) days after receipt of written notice of such breach from GSA;
- b) Concept is liquidated or dissolved;
- c) Concept files a voluntary petition under any federal or state bankruptcy statute;
- d) A third party files an involuntary petition against Concept under any federal or state bankruptcy statute, which voluntary petition has not been dismissed or withdrawn within ninety (90) days of the date of filing;
- e) Concept fails to meet any of the material terms of the Charter; and
- f) Concept assigns this Agreement without the written consent of GSA.

9. Termination by Concept.

Concept may terminate this Agreement in the event GSA materially breaches this Agreement. Material breach, without limitation, shall include:

- a) GSA substantially breaches any of the material terms and conditions of this Agreement and fails to remedy such breach within sixty (60) days after receipt of written notice of such breach from Concept;
- b) GSA is liquidated or dissolved;
- c) GSA files a voluntary petition under any federal or state bankruptcy statute;
- d) A third party files an involuntary petition against GSA under any federal or state bankruptcy statute, which voluntary petition has not been dismissed or withdrawn within ninety (90) days of the date of filing;
- e) GSA fails to pay any fees due to Concept within sixty (60) days of receiving written notice that such fees are overdue, excluding overdue payments resulting from a payment dispute between GSA and any funding entity;
- f) GSA assigns this Agreement without the written consent of Concept; and
- g) Termination of the Charter by the Sponsor.

10. Duties upon Notice of Termination and Termination.

Unless otherwise agreed in writing by the parties, the parties agree to continue charter school operations through the end of the academic year (the "**Termination Date**"); provided that GSA continues to pay Concept the Management Fee. Concept's obligations under this Agreement and other expertise shall not cease until the Termination Date. GSA shall pay to Concept all outstanding payments on or before the Termination Date. In the event that this Agreement is terminated during an academic year, Concept shall not impede GSA's continuation of the academic year.

11. Indemnification.

Except as otherwise stated in this Agreement, GSA agrees to indemnify, defend and hold harmless Concept from any loss, cost, expense, obligation, liability, fee (including, but not limited to reasonable attorney fees) or other expenditures incurred by Concept as a result of any claims, actions or lawsuits brought against Concept as a result of the negligence, recklessness or intentional misconduct of GSA. Likewise, except as otherwise stated in this Agreement, Concept agrees to indemnify, defend and hold harmless GSA from any loss, cost, expense, obligation, liability, fee (including, but not limited to reasonable attorney fees) or other expenditures incurred by GSA as a result of any claims, actions or lawsuits brought against GSA as a result of the negligence, recklessness or intentional misconduct of Concept. This indemnification provision shall survive the termination of this Agreement.

12. Insurance.

GSA agrees to maintain workers compensation insurance, employment practices insurance, insurance against student claims, general commercial liability insurance, including personal injury and property damage, product liability insurance, umbrella/excess liability insurance and other insurance which is appropriate in the types of coverage and amounts in the industry in which Concept operates or as deemed necessary by the GSA Board. Proof of insurance must be available at time of signing this Agreement upon request by either parties or the Sponsor. GSA agrees that such insurance policies shall extend and apply to Concept.

13. Relationship of the Parties.

The parties hereto acknowledge that their relationship is that of an independent contractor. No employee of either party shall be deemed an employee of the other party. Nothing contained herein shall be construed to create a partnership, joint or co-employer relationship or joint venture between

the parties. This Agreement shall not be construed as an abdication of GSA's responsibilities and authority for making any and all employment-related decisions, policy setting, strategic planning, budgeting, the educational program and overall oversight monitoring and supervision of GSA. GSA at all times maintains the right to accept or reject Concept's recommendations.

14. No Third Party Beneficiaries.

This Agreement and the provisions hereof are for the exclusive benefit of the parties hereto and not for the benefit of any third person, nor shall this Agreement be deemed to confer or have conferred any rights, express or implied, upon any third person.

15. Headings.

Headings used herein are for reference only and are not intended, nor shall they be used, in interpreting this instrument.

16. Notices.

Any notices to be provided hereunder shall be in writing and given by personal service, mailing the same 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 Company, to:

Attention: Sedat Duman, CEO/President
Concept Schools, NFP
2250 East Devon Avenue, Des Plaines, IL 60018
Facsimile: (847) 671-2612

With a copy to:

Attn: James Powers
Clark Baird Smith LLP
6133 N. River Road, Suite 1120
Rosemont, Illinois 60018
Tel: 847-378-7707
Fax: 847-378-7077

If to the School, to:

Attention: Orville Goerger Jr, Board President
Gateway Science Academy
6576 Smiley Avenue
St. Louis, MO 63139
Phone: 314-932-7513
Fax: 314-932-7514

With a copy to:

Attention: Robert Bo Thomeszek
Thomeczek & Brink, LLC
1120 Olivette Executive Parkway
Suite 210
St. Louis, Missouri 63132
(314) 997-7733
(314) 997-4888 fax

17. Severability.

The invalidity or unenforceability of any provision or clause hereof shall in no way effect the validity or enforceability of any other clause or provision hereof.

18. 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.

19. Governing Law.

This Agreement shall be governed by and construed in accordance with the laws of the State of Missouri.

20. Assignment.

Neither party shall assign this Agreement without the written consent of the other party. This Agreement shall be binding upon and inure to the benefit of the parties hereto and their respective successors and permitted assigns.

21. Amendment.

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

22. 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.


23. Conflicting Provisions.

Any provisions that are contrary to or conflicting with the Charter shall be superseded by the terms and conditions of the Charter.

[Signature Page Follows]

IN WITNESS WHEREOF, the parties hereto have executed this Agreement as of the day and year first above written.

GATEWAY SCIENCE ACADEMY OF ST. LOUIS

By: 

Its: Board President 2-6-2016

CONCEPT SCHOOLS NFP

By: 

Its: President & CEO 2/11/2016