

Education Management Agreement

This Education Management Agreement (the "**Agreement**") is executed as of this 18th day of June, 2016, by and between Concept Schools NFP ("**Concept**"), an Illinois non-profit corporation and Horizon Science Academy Dayton High ("**School**"), an Ohio non-profit corporation the School together with Concept, each a "Party" and collectively the "Parties".

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

WHEREAS, School has been granted a charter (the "**Charter**") to organize and operate a charter school, by the Buckeye Community Hope Foundation (the "**Sponsor**") pursuant to the State of Ohio Charter School Law, as amended (the "**Charter Schools Law**");

WHEREAS, School and the Buckeye Community Hope Foundation (the "**Sponsor**") entered into an Ohio Community School Contract dated as July 1, 2015 (the "**Charter Agreement**"), which sets forth certain terms and conditions of the Charter and which may be amended from time to time;

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

WHEREAS, Concept desires to provide management services to the School;

WHEREAS, Concept assigns a Superintendent (the "Superintendent") in order to oversee the school operations and ensure the successful implementation of the Concept model. The Superintendent is employed by Concept Schools and reports to both Concept Schools and the "School Board".

WHEREAS, the School and Concept now desire to enter into this Agreement to govern their relationship beginning by July 01, 2016 (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 commensurate 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 renegotiate or not renew this Agreement. Notwithstanding the foregoing, in no event shall the Term extend beyond the term of the Charter Agreement granted to the School, as such charter may be extended from time to time.

2. Responsibilities.

Concept assigns Superintendent to ensure the successful implementation of the Concept model. Superintendent oversees the school principal and major school business operations. Superintendent may represent the School Board in front of state departments of education, authorizers/sponsor, and any other parties. Superintendent shall report to the School Board and in regards to managerial duties shall report to Concept Schools. Superintendent shall always seek the best interest of the School in any case.

Provision of Services: Concept shall provide the services described herein (the "Services") to the School subject to the direction, oversight and policies of the School, and the requirements of the Charter Agreement and all Federal, State and Local Laws to the extent applicable to such Services. Regardless of the Services provided by Concept under this Agreement, the School remains responsible for the administration of the School. In this respect, Concept in no way serves as a joint or co-employer with the School. 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 the School may continue its operation.
- ii. Concept shall assist in the preparation of a projected budget for the academic year, in reasonable detail, on or before June 30 of each year in a format required by the Ohio Department of Education. The School must approve such budget before August 1st in order for Concept to manage it.
- iii. All school personnel ("the School Employees") shall be exclusively employed by the School. The School 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 the School Employees excluding the school principal and assistant principal (if any). The school principal and assistant principal will be assigned by mutual agreement of the Parties. The School is solely responsible for determining any salaries, fringe benefits, employment taxes and other employment related costs. Notwithstanding the foregoing, Concept will provide consultation and recommendations for advertising, interviewing, hiring and firing, transferring, discharging and/or disciplining employees, including international employees.
- iv. Concept shall monitor whether the School Employees meet all local, state, and federal regulations related to school personnel and any Federal, State or Local Laws for all School Employees.

- v. Concept shall make recommendations regarding staffing needs at the School, provide revisions to position descriptions, and provide sample employment contracts for all School Employees. The School remains responsible for determining what (if any) of these recommendations will apply to School Employees.
- vi. Concept shall monitor whether the School complies with all applicable federal and state laws and regulations, 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 the School 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 the School's compliance with all applicable state and local civil rights laws, and assess whether the School 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 School Law, the Charter Agreement, and all applicable federal and state laws and regulations, 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 the property of the School, that Concept has no rights in such records whatsoever, that it shall maintain such records on behalf of the School and may use such records only in connection with its duties under this Agreement, and that it will follow the School's instructions in connection with such records. Based on the foregoing, the School hereby designates employees of Concept as having a legitimate educational interest such that they are entitled to access to educational 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 this Agreement by employing an incumbent in the positions of the Superintendent and the Treasurer. The School 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 that would typically be assigned to such

positions. 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 will recommend a calendar for the academic year and shall ensure the following:
 - a) that the School opens in August and will continue until June,
 - b) that the academic year consist of a minimum 185 school days, provided that the number of school days will meet or exceed Ohio requirements, and
 - c) that the length of the school days at the School will meet or exceed Ohio requirements.

- xii.** Concept will recommend the size of the School and each class according to the School's Charter Agreement, facility and budget.

- xiii.** Concept will monitor enrollment to ensure that the School enrolls students in full compliance with the requirements of the Charter Agreement and the Charter School Law.

- xiv.** Each year Concept shall develop a student recruitment plan working with the Principal of the School. Any cost associated with such student recruitment shall be incurred by the School unless otherwise agreed by the Parties.

- xv.** Concept shall provide
 - a) a day long teachers' institute at the beginning of the year;
 - b) principal's professional development twice a year;
 - c) Summer Leadership Summit at the beginning of the year;
 - d) monthly Superintendent Leadership Seminars;
 - e) trainings in Concept's methods, curriculum, program, and technology for School Employees, including administrators, teachers and support staff through Concept's staff up to twice per year upon request;
 - f) any additional professional development services reasonably necessary or expedient for the successful implementation of the Concept model as agreed to in writing from time to time by Concept and the School. *

*Registration fees and additional costs may apply.

- xvi.** Concept shall provide the School 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 School Laws, 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 the School 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, and on measures of parent and student satisfaction.
- xx.** Concept shall provide educational performance data, and any information required or requested by the School Board, Sponsor, State, the Charter Agreement, and Charter School Laws.
- xxi.** Concept shall provide a Student Information System (ConceptSIS) that includes, but is not limited to, the following:
 - a) online student registration and data maintenance
 - b) student records and employee files management
 - c) student discipline management
 - d) student/staff/course schedules
 - e) the ability 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

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

xxii. Concept shall develop a variety of extra-curricular* activities which are critical components to a well-rounded educational experience that may include, but not limited to, the following:

- 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) College Pep Rally
- k) Teacher of the Year
- l) International Trips
- m) Concept Young Scholars Program

*Registration fees and additional costs may apply.

xxiii. Concept shall develop and coordinate Concept Young Scholars Program (CYSP), which is a multifaceted program, designed to prepare students to become future leaders in their communities. This program offers a more challenging curriculum and engaging activities such as advanced study programs in math, science, robotics, and preparation for Concept Academic Competitions, college trips, overnight events, and Congressional Award Program.

xxiv. Unless otherwise prohibited, Concept shall manage all the School financial operations, including but not limited to; payroll, HR services, purchasing, accounts payables, accounts receivables, grant management, development and monitoring of financial policies and procedures, bookkeeping, budget preparation and management, audit preparation and coordination, and reporting. Concept shall:

- a) Prepare and present all financial reports at the School Board meetings;
- b) Prepare annual budget in coordination with the school administration, which shall be approved by the School Board;
- c) Prepare an independently audited annual financial report, as required by the Charter School Law not later than any applicable deadline required by the State;
- d) Prepare and submit any other financial and operational reports relating to the School which may be required pursuant to the Charter Agreement and the Charter School 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.** Provide HR Support services such as benefit administration, employee surveys, revision of employment documents, performance evaluations, and coordination of public records requests.
- xxvi.** 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, the School 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, the School 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 the School for all expenses related to the hiring, training, and supervision of the compliance workers.
- xxvii.** Concept shall ensure that the School 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)
- xxviii.** Concept shall assist the School in identifying and applying for grants. Concept shall have the right to apply for and receive grant money on its own or together with the School, so long as such applications (i) are approved by the School 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 the School informed prior to any application's submission, at the level of detail that the School reasonably requests.
- xxix.** Concept shall provide guidance in community outreach activities to generate greater awareness and build credibility and positive reputation for the School.
- xxx.** Concept shall provide marketing services by designing school brochures, fliers, business cards, letterheads, envelopes, newsletters, program books, invitations and the School's Annual Report.

- xxxi. 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 the School, and (iv) provide technology support services as may be requested by the School.
- xxxii. Concept shall provide guidance for successful implementation of STEM focused programs such as robotics, GTT, PLTW engineering courses, etc.
- xxxiii. Concept shall assist (upon request) schools in recruiting hard to find subject area teachers such as Math, Science, Technology, Engineering and Foreign Language.
- xxxiv. Concept shall assist in coordinating the transition of high school graduates into college and provide continued support through the Concept Alumni Network (CAN) to the graduates as they embark on the next stages of their lives in college, careers and beyond.
- xxxv. The School shall be responsible for coordinating the cleaning, maintenance and operation of the School Facility. Concept shall make reasonable suggestions to the School regarding potential improvements to the School Facility.
- xxxvi. Concept shall also coordinate additional programs as may be mutually agreed upon by the Parties.

2. **Tax-Exempt Status.**

Concept acknowledges and agrees that this Agreement is intended to be consistent with the School'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 the School to lose its tax-exempt status and, if necessary, shall amend this Agreement in such a manner that will cause it to comply.

3. **Intellectual Property.**

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

4. **Real and Personal Property.**

Upon termination or expiration of this Agreement by either party for any reason, all real and personal property leased by Concept to the School will remain the real and personal property and leases of Concept, and all other personal property purchased by Concept with the funds provided to Concept by the School pursuant to Section 3314.0210 of the Revised Code will be the personal property of the School.

5. **Subcontracts.**

Subject to prior approval by the School Board, Concept may subcontract services provided to the School 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 Ohio Charter School Law or the Charter Agreement.

7. **Fees.**

In consideration of the Services to be provided to the School by Concept, the School 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 to be paid in monthly installments calculated on the funds received from the State.

8. **Termination by the School.**

The School may terminate this Agreement in the event Concept materially breaches this Agreement. A 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 the School;
- 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 involuntary petition has not been dismissed or withdrawn within ninety (90) days of the date of filing;
- e) Failure to take necessary actions in reasonable time in case the School does not meet academic goals as set forth in the Charter Agreement;

- f) Concept fails to meet any of the material terms as required by the Charter Agreement and causes the Charter Agreement to be revoked, terminated, suspended, or reconstituted; or causes the Charter Agreement to be put in jeopardy of suspension, revocation, termination, or reconstitution under the Charter Agreement; or
- g) Concept assigns this Agreement without the prior written consent of the School.

9. **Termination Notice.**

If any of the events set forth in Section 8 shall occur, in addition to any other notice required to be delivered under Section 8, the School may send to Concept written notice of its intention to terminate this Agreement, specifying the section(s) of this Agreement upon which the School is relying for the termination (a "Termination Notice"). This Agreement shall terminate thirty (30) days after the receipt of a Termination Notice by Concept or the end of the then current school year, whichever occurs later.

10. **Termination by Concept.**

Concept may terminate this Agreement in the event the School materially breaches this Agreement. A material breach, without limitation, shall include:

- a) The School 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) The School is liquidated or dissolved;
- c) The School files a voluntary petition under any federal or state bankruptcy statute;
- d) A third party files an involuntary petition against the School 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) The School 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 the School and any funding entity;
- f) The School assigns this Agreement without the prior written consent of Concept; or
- g) Termination of the Charter Agreement by the Sponsor.

11. **Termination Notice.** If any of the events set forth in Section 10 shall occur, in addition to any other notice required to be delivered under Section 10, Concept may send to the School written notice of its intention to terminate this Agreement, specifying the section(s) of this Agreement upon which Concept is relying for the termination (a "Termination Notice"). This Agreement shall terminate thirty (30) days after the receipt

of a Termination Notice by the School or the end of the then current school year, whichever occurs later.

12. **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 the School continues to pay Concept the management fee. Concept's obligations under this Agreement and other expertise shall not cease until the Termination Date. The School 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 the School's continuation of the academic year.

13. **Indemnification.**

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

14. **Insurance.**

Each party shall maintain general liability insurance in the amount of One Million Dollars (\$1,000,000.00) per occurrence (or such greater amount if required by the terms of the School's Charter Agreement or applicable law). On all policies of commercial general liability insurance carried by a Party, such Party shall name the other Party as additional insured. Anything in this Agreement to the contrary notwithstanding, each Party hereby waives and releases the other Party and the other Party's Directors, officers, successors, or assigns (collectively, the "Released Parties"), from any and all claims and right of recovery against any of the Released Parties, to the extent that any such claims or right of recovery is for any loss, damage, or liability that is covered by any insurance carried by the Party incurring such loss, damage, or liability, regardless of the cause of origin, including the negligence of the Released Parties. Each of the Parties hereby waives any right of subrogation that might otherwise arise out of any claims against the Released Parties. The Parties agree immediately to give their respective insurance companies which issued policies of insurance written notice of the terms of the mutual

waivers and releases contained in this Section, and have the insurance policies properly endorsed, if necessary, to prevent the invalidation of the insurance coverage by reason of the mutual waivers.

15. **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 the School'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 the School. The School at all times maintains the right to accept or reject Concept's recommendations.

16. **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.

17. **Headings.**

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

18. **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: Dr. Savas Kaya, Board President
Horizon Science Academy Dayton High

250 Shoup Mill Rd.
Dayton, OH 45415
Phone: (937) 281 1480
Fax: (937) 281 1481

With a copy to:

Attention: Becky Scheiman, Esq
Nicola Gudbranson & Cooper Llc
25 Prospect Ave E # 1400,
Cleveland, OH 44115
Phone: 216-621-7227
Fax: 216-621-3999

19. Severability.

In case any one or more of the provisions or parts of a provision contained in this Agreement shall, for any reason, be held to be invalid, illegal, or unenforceable in any respect in any jurisdiction, such invalidity, illegality, or unenforceability shall not affect any other provision or part of a provision of this Agreement in such jurisdiction, but this Agreement shall be reformed and construed in any such jurisdiction as if such invalid or illegal or unenforceable provision or part of a provision had never been contained herein and such provision or part shall be reformed so that it would be valid, legal, and enforceable to the maximum extent permitted in such jurisdiction.

20. 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.

21. **Governing Law.**

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

22. **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.

23. **Amendment.**

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

24. **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.

25. **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.

HORIZON SCIENCE ACADEMY

By: SAVAS KAYA  06/18/16

Its: BOARD PRESIDENT

CONCEPT SCHOOLS NFP

By: 

Its: Pres. 2nd & CEO