

CONTRACT FOR COMMUNITY SCHOOL

This Contract for Community School (hereinafter referred to as "Contract") is entered into on this 20 day of May, 2014 by and between the Reynoldsburg City School District Board of Education (hereinafter referred to as "the Sponsor") and the Governing Authority of A+ Arts Academy (hereinafter referred to as "the Governing Authority").

WHEREAS, the Sponsor and the Governing Authority are parties to a Contract for Community School governing the establishment and operation of A+ Arts Academy (hereinafter referred to as "the School"), a start-up community school located within the Columbus City School District, Franklin County, Ohio; and

WHEREAS, the Contract for Community School expires on June 30, 2014; and

WHEREAS, the Sponsor and the Governing Authority desire to renew the Contract for Community School for a period of five (5) years and make certain amendments thereto; and

WHEREAS, pursuant to O.R.C. §3314.03(E) and §3314.07(A), the Sponsor and the Governing Authority are authorized to renew the Contract for Community School upon its expiration for a period of time determined by the Sponsor, but not ending earlier than the end of any school year, if the Sponsor finds that the School's compliance with applicable laws and contractual terms and progress in meeting academic goals have been satisfactory; and

WHEREAS, the Sponsor has determined that the School's compliance with all applicable laws and contractual terms, along with its progress meeting academic goals, have been satisfactory.

NOW THEREFORE, the Governing Authority and the Sponsor enter into this Contract with the following terms and conditions:

1. The School shall continue to operate as a start-up community school, subject to the terms of this Contract and all applicable laws and regulations.
2. The School shall continue to operate as non-profit, public benefit corporation established under O.R.C. Chapter 1702 and shall, at all times, maintain in good standing its status as a non-profit corporation.
3. The School shall initiate educational services to the minimum number of students required by this Contract no later than September 30th of each school year.
4. The School shall be nonsectarian in its programs, admissions policies, employment practices, and all other operations, and will not be operated by a sectarian school or religious institution.

5. Facilities

- a. The School shall be located within the boundaries of the Columbus City School District, Franklin County, Ohio, and shall be no more than fifty (50) miles from the location of the Sponsor. The School is currently located 1395 Fair Avenue, Columbus, Ohio. Any change in location must be approved by the Sponsor.
- b. All facilities used by the School shall meet every health and safety standard established by law for school buildings. Public health and safety officials may inspect the facilities of the School at any time and order the facilities closed if it is determined that the facilities are not in compliance with health and safety laws and regulations.
- c. The School shall not enter into a contract with a non-public school to use or rent any facility space at the non-public school for the provision of instructional services to the School's students.

6. Governing Authority

- a. The Governing Authority shall consist of at least five (5) individuals. No individual may be a member of the Governing Authority or operate the School if he/she owes the State of Ohio any money or is in a dispute over whether he/she owes the State of Ohio any money concerning the operation of a community school that has closed. No present or former member, or immediate relative of a present or former member, of the Governing Authority shall be an employee or consultant of the Sponsor, or shall be an owner, employee, or consultant of any non-profit or for-profit operator of a community school as defined in O.R.C. 3314.014, unless at least one (1) year has elapsed since the conclusion of the individual's membership. All Governing Authority members must pass a criminal background check. The Sponsor shall be promptly notified of any changes to the Governing Authority membership, and shall be provided with the names, addresses, and telephone numbers of all new members.
- b. The names, addresses, and telephone numbers of the current members of the Governing Authority are attached hereto as Attachment I. Governing Authority members shall hold office for a term of four (4) years. At every other annual meeting of the Governing Authority, the successors to the members whose terms expire in that year shall be elected to hold office for terms of four (4) years, so that approximately one-half (1/2) of the number of members shall be elected bi-annually. At each Governing Authority meeting for the election of new or successor Governing Authority members, each standing member shall be entitled to the number of votes equal to the number members to be elected. Members may only cast one (1) vote for each nominee. When voting, members shall consider a nominee's maturity, judgment, standing in the community, mental and physical health, and ability to benefit the School in the discharge of his or her

responsibilities as a Governing Authority member. The nominees receiving the greatest number of votes shall be elected as members of the Governing Authority.

- c. The policies, bylaws, and regulations pertaining to the Governing Authority are attached hereto as Attachment II and are incorporated herein as if fully rewritten.
 - d. The Governing Authority shall comply with the standards for financial reporting under O.R.C. 3301.07(B)(2).
 - e. The Governing Authority represents that the Governing Authority will disclose any actual or potential conflict between any member of the Governing Authority in his/her individual capacity and the School. To permit analysis of the existence of any actual or potential conflicts by the Sponsor, the Governing Authority shall submit to the Sponsor, on an annual basis, a completed Related Parties Disclosure Form.
 - f. The Governing Authority further represents that the Governing Authority will disclose any actual or potential conflicts, including, but not limited to, disclosure of any legal obligations such as employment or professional services contracts between any individual employed by or retained as a consultant by the Governing Authority and the School.
 - g. The Governing Authority agrees that any voting member of the Governing Authority will recuse him/herself and not participate in any decisions or deliberations involving any spouse, blood relative, or business associate who is an employee of the School, any employee of a management organization or a vendor that services the School, or any independent contractor servicing the School. Servicing the School is defined as any work that relates to the educational mission, operations, or governance of the School. The approved minutes of the Governing Authority will specifically evidence these recusals and reason therefore.
7. The current Superintendent of the School is Carolyn Berkley. The Governing Authority shall notify the Sponsor of any change in the Superintendent.
8. Fiscal Officer
- a. In accordance with O.R.C. 3314.011, the School shall have a designated Fiscal Officer. The Fiscal Officer shall be licensed under O.R.C. 3301.074.
 - b. The Fiscal Officer of the School shall be directly employed by the Governing Authority, and the Sponsor must approve the hiring of such individual in advance and may require that such individual be replaced at any time. Moreover, the Governing Authority shall be solely responsible for all employment obligations of such individual, including but not limited to responsibility for recruitment, promotion, payment of wages, pension, benefits, layoff, discipline, and

termination, and the Governing Authority shall comply with all applicable laws and regulations relating thereto.

- c. If required by the State Auditor, the Fiscal Officer shall execute a bond in an amount and with surety to be approved by the Governing Authority, payable to the State of Ohio, conditioned for the faithful performance of all of the Fiscal Officer's official duties.
- d. The Fiscal Officer shall perform the following functions:
 - i. Maintain custody of all funds received by the School;
 - ii. Maintain all accounts of the School;
 - iii. Maintain all financial records of the School and follow procedures for receiving and expending funds, which procedures shall include that the Fiscal Officer shall disburse money only upon receipt of a voucher signed by the Superintendent of the School or his/her designee;
 - iv. Assist the School in meeting all financial reporting requirements established by the State Auditor;
 - v. Invest funds of the School in the same manner as the funds of the Sponsor are invested, but the Fiscal Officer shall not commingle the School's funds with any funds of the Sponsor or any other community school;
 - vi. Serve as clerk for the Governing Authority and perform all duties associated with such position, including but not limited to taking and preparing minutes of meetings and providing the appropriate notices under the Ohio's open meeting (sunshine) law; and
 - vii. Annually report the School's EMIS data.
- e. The Sponsor and the Governing Authority shall jointly evaluate the performance of the Fiscal Officer on an annual basis.

9. Employment Provisions

- a. The Governing Authority may employ teachers and non-teaching employees pursuant to O.R.C. 3314.10 as necessary to carry out its mission and fulfill this Contract. Such employment shall be subject to O.R.C. Chapter 3307 or Chapter 3309 as applicable. However, no contract of employment shall extend beyond the duration of this Contract. The Governing Authority shall be deemed the "public employer" of any employees hired for purposes of O.R.C. Chapter 4117.

- b. Employees hired by the Governing Authority may organize and collectively bargain pursuant to O.R.C. Chapter 4117. However, no collective bargaining agreement shall extend beyond the duration of this Contract. The Governing Authority shall consider a bargaining unit containing teachers and non-teaching employees to be an appropriate unit notwithstanding O.R.C. '4117.06(D)(1).
- c. All teachers employed by the Governing Authority shall be licensed in accordance with O.R.C. 3319.22 through 3319.31. However, the Governing Authority may employ non-certificated persons to teach up to twelve (12) hours per week pursuant to O.R.C. 3319.301.
- d. The Governing Authority shall provide all full-time employees health insurance and other benefits. Such benefits are defined in detail in Attachment III, which is incorporated herein as if fully rewritten.
- e. The Sponsor shall adopt a policy in accordance with O.R.C. 3314.10(B) providing for a leave of absence of at least three (3) years to each teacher or non-teaching employee of the Reynoldsburg City School District who becomes employed by the Governing Authority. The Sponsor shall not be liable for any action of an individual while he/she is on such leave and employed by the Governing Authority.
- f. If the School is a recipient of moneys from a grant awarded under the federal Race to the Top Program, Division (A), Title XIV, Sections 14005 and 14006 of the American Recovery and Reinvestment Act of 2009, the Governing Authority shall pay teachers based upon performance in accordance with O.R.C. 3317.141 and shall comply with O.R.C. 3319.111 as if it were a school district.

10. Admission Standards

- a. Admission to the School shall be open to students who are qualified to enroll in grades kindergarten through eight residing within the Columbus City School District or any public school district adjacent thereto. Subject to the Sponsor's approval, the School may add grades nine through twelve in future years. Such admission standards may not be changed without the consent of the Sponsor.
- b. There shall be no discrimination in the admission of students on the basis of race, creed, color, handicapping condition, or sex. Upon the admission of a handicapped student, the School shall comply with all federal and state laws pertaining to the education of handicapped students. The School shall not limit admission to students on the basis of intellectual ability, measures of achievement or aptitude, or athletic ability.
- c. The School shall achieve a racial and ethnic balance reflective of the community it serves by advertising in diversified neighborhoods and in local newspapers reaching all cultures and races.

- d. The School shall admit the number of students that does not exceed the capacity of its programs, classes, grade levels, or facilities. If the number of applicants exceeds these capacity restrictions, students shall be admitted by lot from all those submitting applications, except preference shall be given to students that attended the School the previous school year and to students residing within the Reynoldsburg City School District and the Columbus City School District. Preference may also be given to siblings of students attending the School the previous school year.
- e. Notwithstanding the admissions procedures of this Contract, in the event that the racial composition of the School's enrollment is violative of a federal desegregation order, the Governing Authority shall take any and all corrective measures to comply with the desegregation order.
- f. Except as otherwise permitted under O.R.C. 3314.08(F), tuition in any form shall not be charged for the enrollment of any student. The School shall not solicit contributions either from any student eligible to enroll or enrolled in the School or from any parent or guardian of a student who is enrolled or intending to enroll in the School. Nothing in this section prohibits the imposition of reasonable class fees or the engagement of voluntary fund-raising activities, so long as the School notifies the Sponsor of such fees and activities.
- g. The Governing Authority shall adopt an admissions policy specifying the aforementioned standards.

11. Instructional Program and Educational Philosophy

- a. Each school year, the School shall provide learning opportunities to a minimum of twenty-five (25) students for a minimum of nine hundred twenty (920) hours per school year.
- b. Attached hereto as Attachment IV are the following: (a) the School's education program, including its mission, the characteristics of the students it expects to attract, the ages and grades of the students, and the focus of the curriculum; (b) the academic goals to be achieved by the School and the method of measurement that will be used to determine progress toward such goals; (c) the performance standards by which the success of the School will be evaluated by the Sponsor; and (d) the classroom-based and non-classroom-based learning opportunities that will be offered to students enrolled in the School. Attachment IV is incorporated herein as if fully rewritten. All of the standards, goals, programs, and opportunities specified in Attachment IV shall be followed and met by the School.

12. Special Education Services

- a. The School is solely responsible for providing free appropriate public education and developing individualized education programs for any student enrolled in the

School who is identified as handicapped. The School and/or the Governing Authority shall be responsible for all costs associated with providing such services.

- b. On or before September 1st of each year, the School shall provide the Sponsor with a plan for providing special education and related services to disabled students enrolled in the School. Within thirty (30) days after receiving said plan, the Sponsor shall certify the following to the Department of Education: (1) a statement of whether the plan is satisfactory to the Sponsor; (2) if the plan is not satisfactory, the Sponsor's assurance that it will promptly assist the School in developing a plan that is satisfactory to the Sponsor; (3) the Sponsor's assurance that it will monitor the implementation of the plan; and (4) the Sponsor's assurance that it will take any necessary corrective action to ensure that the plan is properly and fully implemented. The School's current special education plan is set forth in Attachment V, which is incorporated herein as if fully rewritten.
- c. The Sponsor or its administrators, employees, or agents have no responsibility for providing free appropriate public education or developing individualized education programs for handicapped students enrolled in the School, nor are they responsible for any costs related thereto.
- d. Notwithstanding the foregoing, the Governing Authority may contract with the governing authority of another community school, the board of education of a school district, the governing board of an educational service center (including the Sponsor), a county DD board, or the administrative authority of a non-public school for the provision of services for any disabled student enrolled in the School.

13. Attendance Requirements

- a. A student shall be automatically withdrawn from the School if he/she, without a legitimate excuse, fails to participate in one hundred five (105) consecutive hours of the learning opportunities offered to him/her.
- b. The School shall withdraw any student who, for two (2) consecutive school years, has failed to participate in the spring administration of any assessment prescribed under O.R.C. 3301.0710 or 3301.0712 for the student's grade level and was not excused from the assessment pursuant to O.R.C. 3301.0711(C)(1) or (3), regardless of whether a waiver was granted for the student under O.R.C. 3314.08(P)(3). The School shall report any such student's data verification code, as assigned pursuant to O.R.C. 3301.0714, to the Department of Education.
- c. The School shall adopt an attendance policy specifying the aforementioned requirements.

14. Transportation shall be provided to the School's students in accordance with O.R.C. 3314.09 and 3314.091.

15. Financial Provisions

- a. The School shall be subject to regular financial audits by the State Auditor. Said audits shall be conducted in accordance with O.R.C. 117.10.
- b. The School's financial records shall be maintained in the same manner as are the financial records of a public school district.
- c. All money received by the School and/or the Governing Authority during the term of this Contract shall be placed in the custody of Fiscal Officer.
- d. The fiscal year of the School shall be July 1st to June 30th.
- e. A representative of the Sponsor knowledgeable in school finance shall meet with the Governing Authority or its Fiscal Officer and review the financial records and enrollment records of the School at least once every month, and shall prepare written reports which shall be made available to the Department of Education upon request.
- f. A financial plan detailing the estimated school budget for each fiscal year of this Contract is attached hereto as Attachment VI and is incorporated herein as if fully rewritten. On or before June 30th of each year of this Contract, a revised school budget shall be submitted to the Sponsor.
- g. With the Sponsor's consent, the Governing Authority may borrow money only to pay necessary and actual expenses in anticipation of receiving payments as permitted by law. The Governing Authority may issue notes to evidence such a borrowing, which shall mature not later than the end of the fiscal year in which money is borrowed. The proceeds from the notes shall be used only for the purpose for which the anticipated receipts may be lawfully expended by the Governing Authority. Except as provided in this subparagraph of this Contract, the Governing Authority may not borrow money.

16. Statutory Compliance

- a. The School may not carry out any act or insure the performance of any function that is not in compliance with the United States Constitution, the Ohio Constitution, Federal law, Ohio law, or the terms of this Contract.
- b. The School shall comply with O.R.C. Sections 9.90, 9.91, 109.65, 121.22, 149.43, 2151.357, 2151.421, 2313.19, 3301.0710, 3301.0711, 3301.0712, 3301.0715, 3313.472, 3313.50, 3313.536, 3313.539, 3313.608, 3313.609, 3313.6012, 3313.6013, 3313.6014, 3313.6015, 3313.643, 3313.648, 3313.6411, 3313.66,

3313.661, 3313.662, 3313.666, 3313.667, 3313.67, 3313.671, 3313.672, 3313.673, 3313.69, 3313.71, 3313.716, 3313.718, 3313.719, 3313.80, 3313.814, 3313.816, 3313.817, 3313.86, 3313.96, 3319.073, 3319.321, 3319.39, 3319.391, 3319.41, 3321.01, 3321.041, 3321.13, 3321.14, 3321.17, 3321.18, 3321.19, 3321.191, 3327.10, 4111.17, 4113.52, and 5705.391 and O.R.C. Chapters 117, 1347, 2744, 3365, 3742, 4112, 4123, 4141, and 4167 as if it was a school district, and shall comply with O.R.C. 3301.0714 in the manner specified in O.R.C. 3314.17.

- c. The School shall comply with O.R.C. Chapter 102 and O.R.C. 2921.42.
 - d. The School shall comply with O.R.C. 3313.61, 3313.611, and 3313.614, except that for students who enter ninth grade for the first time before July 1, 2010, the requirement in O.R.C. 3313.61 and 3313.611 that a person must successfully complete the curriculum in any high school prior to receiving a high school diploma may be met by completing the curriculum adopted by the Governing Authority rather than the curriculum specified in O.R.C. Title 33 or any rules of the State Board of Education. Beginning with students who enter ninth grade for the first time on or after July 1, 2010, the requirement in O.R.C. 3313.61 and 3313.611 that a person must successfully complete the curriculum in any high school prior to receiving a high school diploma shall be met by completing the Ohio core curriculum prescribed in O.R.C. 3313.603(C), unless the person qualifies under O.R.C. 3313.603(D) or (F). The School shall comply with the plan for awarding high school credit based on demonstration of subject area competency, adopted by the State Board of Education under O.R.C. 3313.603(J).
 - e. The School shall comply with O.R.C. 3313.801 as if it were a school district.
 - f. The School shall comply with O.R.C. 3302.04 and 3302.041, except that any action required to be taken by a school district pursuant to those sections shall be taken by the Sponsor. However, the Sponsor shall not be required to take any action described in O.R.C. 3302.04(F).
17. The Sponsor shall perform the following duties:
- a. Immediately notify the Department of Education of the School's identifying information as required by O.A.C. 3301-102-06(A);
 - b. Attend training sessions as required by the Department of Education;
 - c. Prior to the School's opening for instruction, verify by a site visit whether the School complies with all legal and contractual requirements;
 - d. Monitor the School's compliance with all applicable laws and with the terms of this Contract;

- e. Conduct comprehensive site visits to the School as necessary, but at least twice annually while classes are in session, and make written reports of all information obtained during such site visits, which shall be provided to the Department of Education upon request;
 - f. Monitor and evaluate the academic and fiscal performance and the organization and operation of the School on at least an annual basis;
 - g. Submitted a written report of the evaluations conducted under subsections (d), (e), and (f) above to the parents of students enrolled in the School and to the Department of Education by November 30th of each year;
 - h. Provide technical assistance to the School in complying with all laws and terms of this Contract;
 - i. Comply with the financial reporting requirements as established by the Department of Education, and report the School's financial records in accordance with applicable accounting standards and as prescribed by law;
 - j. Notify the Department of Education within twenty-four (24) hours of the School's failure to comply with an applicable law or contract requirement, as well as any financial difficulties, if such failure to comply or financial difficulties occur and may result in the Sponsor's determination to declare the School to be on probationary status, to suspend the operations of the School, or terminate this Contract. In such circumstances, the Sponsor shall provide written notice to the Department of Education within thirty (30) days of the School's noncompliance or financial difficulties, specifying the exact nature of the problem and the plan for and status of any resolution;
 - k. Take steps to intervene in the School's operations to correct problems in The School's overall performance, declare the School to be on a probationary status pursuant to O.R.C. 3314.073, suspend the operation of the School pursuant to O.R.C. 3314.072, or terminate this Contract pursuant to O.R.C. 3314.07 as determined necessary by the Sponsor; and
 - l. Have in place a plan of action to be undertaken in the event the School experiences financial difficulties or closes prior to the end of a school year.
18. If at any time the Department of Education finds that the Sponsor is not in compliance or is no longer willing to comply with the terms of this Contract or with the Department's rules for sponsorship, the State Board of Education shall conduct a hearing on that matter. If after the hearing the State Board has confirmed the original finding, the Department may revoke the Sponsor's authorization to sponsor the School and assume said sponsorship until the earlier of the expiration of two (2) school years or until a new sponsor is secured by the Governing Authority.

19. Reporting Requirements

- a. Within four (4) months after the end of each school year, the Governing Authority shall submit to the Sponsor and to the parents of all students enrolled in the School a report detailing (a) its financial status and (b) the activities and progress in meeting its academic goals and performance standards.
- b. The Governing Authority shall collect and provide any data that the Legislative Office of Education Oversight requests in furtherance of any study or research that the General Assembly requires the Office to conduct.
- c. The Governing Authority shall report annually to the Sponsor and to the Department of Education the following:
 - i. The number of enrolled students in the School who are not receiving special education and related services pursuant to an individualized education program;
 - ii. The number of enrolled students who are receiving special education and related services pursuant to an individualized education program;
 - iii. The number of students reported under subsection (b) above receiving special education and related services pursuant to an individualized education program for a handicap described in O.R.C. 3317.013(A) through (F);
 - iv. The full-time equivalent number of students reported under subsections (a) and (b) above who are enrolled in career-technical education programs or classes described in O.R.C. 3317.014(A) to (E) that are provided by the School;
 - v. Twenty per cent (20%) of the number of students reported under subsections (a) and (b) above who are not reported under subsection (d) above but who are enrolled in career-technical education programs or classes described in O.R.C. 3317.014(A) to (E) at a joint vocational school district or another district in the career-technical planning district to which the school is assigned;
 - vi. The number of students reported under O.R.C. 3314.08(B)(2)(a) and (b) who are category one to three limited English proficient students described in O.R.C. 3317.016(A) through (C);
 - vii. The number of students reported under O.R.C. 3314.08(B)(2)(a) and (b) who are economically disadvantaged, as defined by the Department of Education. A student shall not be categorically excluded from the number

reported under O.R.C. 3314.08(B)(2)(g) based on anything other than family income.

- viii. For each student enrolled in the School, the school district that the student is entitled to attend pursuant to O.R.C. 3313.64 or 3313.165;
 - d. The Governing Authority shall not include in its report under Section 18(c) above any student for whom tuition is charged pursuant to O.R.C. 3314.08(F).
 - e. The School shall participate in the statewide education management information system established under O.R.C. 3301.0714. The Fiscal Officer shall be responsible for annually reporting the School's EMIS data.
 - f. The Governing Authority shall annually conduct an inventory of all assets of the School and their value, as of the date the inventory was conducted, and submit a copy of the inventory to the Sponsor by September 30th.
20. A policy regarding the suspension, expulsion, removal, and permanent exclusion of students specifying, among other things, the types of misconduct for which a student may be suspended, expelled, removed, or excluded, and the due process related thereto, shall be immediately adopted by the Governing Authority. Such policy and the practices pursuant thereto shall comply with the requirements of O.R.C. 3313.66, 3313.661, and 3313.662. Such policy and practices shall not infringe upon the rights of disabled students as provided by state and federal law.
21. The Governing Authority shall maintain insurance policies for the following types and amounts of coverage: commercial general liability insurance with limits of one million dollars (\$1,000,000) per occurrence and three million dollars (\$3,000,000) aggregate; automobile liability insurance of one million dollars (\$1,000,000); employee dishonesty insurance with limits of five hundred thousand dollars (\$500,000); and educators legal liability insurance (which shall include coverage of officers of the School) with limits of one million dollars (\$1,000,000) each claim and three million dollars (\$3,000,000) aggregate. The Governing Authority shall take all appropriate action to ensure that the Sponsor is listed as an additional named insured on each of these insurance policies. The Governing Authority, upon request of the Sponsor, shall provide evidence of such coverage and shall notify the Sponsor in writing at least thirty (30) days in advance of any material change to, or cancellation of, such coverage.
22. Indemnification
- a. The School and the Governing Authority shall indemnify and hold harmless the Sponsor and its administrators, employees, and agents from any and all claims, demands, actions, suits, causes of action, obligations, losses, costs, expenses, attorney's fees, damages, orders, and liabilities of whatever kind or nature of law, equity, or otherwise arising from any of the following:

- i. A failure of the School, the Governing Authority, and/or any of its officers, directors, administrators, employees, agents, or contractors to perform any duty, responsibility, or obligation imposed by law or this Contract; or
 - ii. An action or omission by the School, the Governing Authority, and/or any of its officers, directors, administrators, employees, agents, or contractors that results in injury, death, or loss to person or property, breach of contract, or violation of law.
 - b. This provision does not eliminate, limit, or reduce any other immunity or defense that the Sponsor or its administrators, employees, or agents may be entitled to under O.R.C. Chapter 2744 or any other applicable state or federal law.
 - c. If the Sponsor provides a leave of absence to an individual who is thereafter employed by the Governing Authority, the School and the Governing Authority shall indemnify and hold harmless the Sponsor and its administrators, employees, and agents from any liability arising out of any action or omission of that individual while he/she is on leave and employed by the Governing Authority.
- 23. The School or the Governing Authority, or any of its officers, directors, administrators, employees, agents, or contractors are not agents for the Sponsor or its administrators, employees, or agents, and therefore lack the express or implied authority to enter into any contractual relationship with third parties or incur any financial obligations on behalf of the Sponsor or its administrators, employees, or agents.
- 24. Suspension of the School's Operations
 - a. If at any time the conditions at the School do not comply with the health and safety standards established by law for school buildings, the Sponsor shall immediately suspend the operations of the School pursuant to O.R.C. 3314.072(D). If the Sponsor fails to take action to suspend the School's operations, the Department of Education may take such action.
 - b. The Sponsor may suspend the operations of the School if it has failed to meet student performance requirements or generally accepted standards of fiscal management, has violated any contract provision or applicable law, or has provided any other good cause for doing so. Prior to suspending the School's operations for such reasons, the Sponsor shall first issue to the Governing Authority written notice of its intent to suspend, which shall explain the reasons for the proposed suspension and shall provide the Governing Authority with five (5) days to submit to the Sponsor a proposal to remedy the conditions cited as the reasons for the suspension. The Sponsor shall promptly review any proposed remedy timely submitted by the Governing Authority and either approve or disapprove the remedy. If the Governing Authority fails to submit a proposed remedy, if the Sponsor disapproves the remedy proposed by the Governing

Authority, or if the Governing Authority fails to implement the remedy approved by the Sponsor, the Sponsor may suspend the operations of the School pursuant to O.R.C. 3314.072(D).

- c. The Department of Education possesses the authority to suspend the School's operations if it has evidence of conditions or violations of law that pose an imminent danger to the health and safety of students and employees and the Sponsor refuses to take such action.
- d. If the operations of the School are suspended, the Governing Authority shall not operate the School while said suspension is in effect. Any such suspension shall remain in effect until the Sponsor notifies the Governing Authority that it is no longer in effect.

25. Expiration, Nonrenewal, and Termination of Contract

- a. This Contract shall be for a term of five (5) years, beginning July 1, 2014 and ending June 30, 2019.
- b. In addition to any other rights of termination and nonrenewal provided by this Contract or state and federal law, the Sponsor may terminate or nonrenew this Contract for any of the following reasons:
 - i. Failure to meet student performance requirements;
 - ii. Failure to meet generally accepted standards of fiscal management;
 - iii. Failure to obtain adequate financing;
 - iv. Failure to satisfy expenses, debts, and encumbrances when such liabilities become due;
 - v. Failure to timely pay officers, directors, administrators, employees, agents, or contractors for services rendered;
 - vi. Insolvency;
 - vii. Violation of any provision of this Contract or applicable state or federal law;
 - viii. Other good cause.
- c. If the Sponsor desires to terminate or non-renew this Contract, it shall notify the Governing Authority, in writing, of the proposed action by February 1st of the year in which such action will be effective. The notice shall include the reasons for the proposed action in detail, the effective date of the termination or

nonrenewal, and a statement that the Governing Authority may, within fourteen (14) days of receiving the notice, request an informal hearing before the Sponsor. Such request shall be in writing. The informal hearing shall be held within fourteen (14) days of the receipt of the hearing request. Within fourteen (14) following the informal hearing, the Sponsor shall issue a written decision either affirming or rescinding the decision to terminate or nonrenew this Contract. A decision by the Sponsor to terminate this Contract may be appealed to the State Board of Education, whose decision shall be final.

- d. Not later than November 1st of the calendar year prior to expiration of the Contract, unless such date is waived by the Sponsor at its sole discretion, the Governing Authority shall provide to the Sponsor an application to renew this Contract (hereinafter referred to as "the Renewal Application"). The Renewal Application shall contain the following:
 - i. a report of the progress of the School in achieving the educational objectives set forth in the charter;
 - ii. a detailed financial statement disclosing the cost of administration, instruction, and other spending categories for the School that will allow a comparison of such costs to other schools, both public and private;
 - iii. copies of each of the Annual Reports of the School, including the Ohio Department of Education report cards for the School and the certified financial statements;
 - iv. evidence of parent and student satisfaction; and
 - v. such other material and information as is required by the Sponsor.

When considering Contract renewal, the Sponsor will examine the School's performance during the term of this Contract. The Sponsor will examine with particularity the School's fidelity to and performance against the requirements of Attachment IV (Education Plan). If the Governing Authority does not intend to renew this Contract, it shall notify the Sponsor in writing of that fact at least one hundred eighty (180) days prior to the Contract's expiration date.

- e. The Governing Authority's financial obligations under this Contract survive termination, nonrenewal, and expiration.
26. Rather than terminate this Contract or suspend the School's operations, the Sponsor may, after consulting with the Governing Authority, declare in written notice to the Governing Authority that the School is on probationary status for the remainder of the current school year if it has failed to meet student performance requirements or generally accepted standards of fiscal management, has violated any contract provision or applicable law, or has provided any other good cause for doing so. The notice shall specify the conditions

that warrant probationary status. The Sponsor may declare the School to be on probationary status only if it has received reasonable assurances that the Governing Authority can and will take actions necessary to remedy the conditions that have warranted such probationary status. The Sponsor shall monitor the actions taken by the Governing Authority to remedy such conditions, and may take over the operations of the School or may take steps to terminate this Contract or to suspend the operations of the School if the Sponsor finds that the Governing Authority is no longer able or willing to remedy those conditions.

27. In evaluating the performance of the School during the term of the Contract, the Sponsor shall consider the following factors:

a. Academic Performance.

i. The School shall be rated at least a "C" and will show marked progress towards a state rating of "B" and "A" as defined by the Ohio Department of Education, on the following report card performance measures:

Performance Measure
Annual measurable objectives
Performance index score
Extent to which performance indicators are met
Four and five year adjusted cohort graduation rate
Overall value added score (or other progress measure if adopted by the State Board of Education)
Value added scores
Progress in improving K-3 literacy
Overall letter grade
Gap closing
Achievement
Progress
Graduation
K-3 literacy
Prepared for success

ii. The School shall outperform the home district average – the district in which it is located – on all reading, mathematics, social studies and science portions of the state’s proficiency/achievement assessments.

iii. The School shall outperform the state school average on all reading, mathematics, social studies and science portions of the state’s proficiency/achievement assessments.

- iv. The School shall receive an overall composite score on the state's value-added measure that indicates that more than one year of progress has been achieved in both reading and mathematics. In the event there are amendments to, or a successor version of Ohio's growth measure (a.k.a. "Value Added"), the School will demonstrate results showing better than average performance on the amended or successor growth measure.
 - vi. The School shall develop and demonstrate that it has met school-specific goals that go beyond statutory minimum student performance requirements.
- b. Financial Viability.
- i. The School's total assets must exceed its total liabilities.
 - ii. The School must have at least two months of cash reserves to expenditures.
 - iii. Eighty percent (80%) of the School's invoices must be paid within a thirty (30) day period from issuance.
 - iv. The School must be auditable for each year of the term of this Contract.
 - v. The School must not be issued findings for recovering in any audit during the term of this Contract, from the Ohio Auditor of State.
 - vi. Any non-compliance, deficiencies, material weaknesses, or findings issued to the School by the auditor of state must be corrected in the School's audit for the year immediately following the year in which the citations were issued.
 - vii. Unless the maximum number of students has been reached, the School's overall enrollment must increase from the previous year, for each year of the term of this Contract.
 - viii. The School must have a waiting list of students, in at least some grades if not overall, who intend to enroll when space becomes available.
- c. Operational and Governance Viability.
- i. The Governing Authority must have a well-developed, comprehensive strategic plan, that is likely to result in an academically high performing, financially viable school long-term.
 - ii. The Governing Authority must adhere to, and make progress on, its strategic plan.

- iii. Governing Authority actions must be free of conflicts of interest, as evidenced by the School's audit and a review of board minutes.
 - iv. The Governing Authority must not have any matters referred to the Ohio Ethics Commission.
 - v. The School's submissions to the Sponsor must be at least ninety percent (90%) accurate and complete, for each year of the term of this Contract.
 - vi. The School's submissions to the Sponsor must be at least ninety percent (90%) on-time, for each year of the term of this Contract.
 - vii. Site visits must indicate compliance of at least ninety percent (90%), in each category reviewed, for each year of the term of this Contract.
28. In the event that this Contract is terminated or not renewed, the operations of the School as a community school shall cease, and the following requirements and procedures shall apply:
- a. Regarding the disposition of employees, if there is a collective bargaining agreement that applies, the terms of the collective bargaining agreement shall be followed. In the absence of a collective bargaining agreement, the employees shall be laid-off and their positions abolished. Expiring employee contracts shall be non-renewed.
 - b. To the extent permitted by O.R.C. Chapter 1702, the assets of the School shall be distributed first to the retirement funds of its employees, its employees, and private creditors who are owed compensation, and then any remaining funds shall be paid to the state treasury to the credit of the general revenue fund.
 - c. To the extent permitted by O.R.C. Chapter 1702, all computer hardware and software received from the former eTech Ohio Commission or the former Ohio SchoolNet Commission shall be turned over to the Ohio Department of Education.
 - d. If the assets of the School are insufficient to pay all persons or entities to whom compensation is owed, the prioritization of the distribution of assets to individual persons or entities shall be determined by decree of a court in accordance with O.R.C. Chapter 1702 and 3314.074. If monies do not remain available to pay off all of The School' or the Governing Authority's outstanding expenses, debts, and encumbrances, the Sponsor or its administrators, employees, or agents shall not be liable for such outstanding liabilities.

29. Any dispute between the Sponsor and the Governing Authority shall be placed in writing and resolved in the following manner:
 - a. The Governing Authority or the Sponsor shall provide written notice to the other party of their intent to initiate the dispute resolution process;
 - b. Members of the Governing Authority shall meet with representatives of the Sponsor;
 - c. The parties shall make a good faith effort to define the issues, clarify any miscommunications, and resolve all disputes;
 - d. All agreed upon terms and conditions shall be placed in writing and signed by both parties; and
 - e. In the event that the dispute remains unresolved after the exhaustion of the aforementioned dispute resolution process, the issue shall be submitted to binding arbitration if both parties agree to do so. The cost of the arbitration process shall be borne equally by both parties.
30. The Governing Authority shall timely comply with all reasonable requests of the Sponsor.
31. As consideration for sponsoring the School, the Governing Authority shall pay to the Sponsor a sponsorship fee equal to three percent (3%) of the total state foundation payment, based upon student enrollment, received by the School. The total state foundation payment is defined under the applicable regulations promulgated by the office of Community Schools of the Ohio Department of Education in accordance with applicable provisions of Ohio law. For purposes of calculating the sponsorship fee, the components of total state foundation payment are the state formula amount, disadvantaged pupil impact aid (DPIS), parity aid and special education. This does not include any payment to the Sponsor for reimbursement for services, supplies, or facility use. The Fiscal Officer shall transfer the sponsorship fee from the School's account to the Sponsor's general fund or another fund designated by the Sponsor on or before the 25th day of each month. Sponsorship Fees that remain unpaid for more than thirty (30) days after they become due will accrue interest as follows: 30-60 days: 4% on any outstanding principal balance; 61-90 days: 6% on any outstanding principal balance; 90+ days: 8% on any outstanding principal balance.
32. Unless authorized by this Contract or otherwise agreed to by the Sponsor or its designee, any contract entered into between the School and another party, except a properly executed collective bargaining agreement or employment contract, shall provide for the School's right to cancel, terminate, or non-renew such agreement on an annual basis. All such contracts shall pose no conflict of interest and, when required by law, be awarded through a competitive bidding process.

33. The Sponsor and the Governing Authority may enter into a separate agreement under which the Sponsor will provide services to the School. Services provided under such an agreement and the amount and manner in which the Governing Authority will pay for such services shall be mutually agreed to in writing between the Sponsor and the Governing Authority. No such agreement may extend beyond the duration of this Contract. Prior to entering into any such agreement, the Sponsor and the Governing Authority must adopt resolutions approving the agreement. All such agreements shall pose no conflict of interest and, when required by law, be awarded through a competitive bidding process.
34. Headings have no substantive meaning and are intended solely for the convenience of the parties.
35. This Contract and its terms shall not be assigned or delegated without the expressed written approval of the other party.
36. Any notice to one party by the other may be satisfied by personal delivery or delivery via certified mail to 1395 Fair Ave, Col. 43205 (in the case of the Sponsor) and to 7244 E Main, Reyn. 43068 (in the case of the Governing Authority).
37. This Contract may not be reformed, altered, or modified in any way by any practice or course of dealing, but may be modified or amended only by an instrument in writing duly executed by both parties.
37. Each article, paragraph, provision, term, and condition of this Contract, and any portions thereof, shall be considered severable. If, for any reason, any portion of this Contract is determined to be invalid or contrary to any applicable law, rule, or regulation, the remaining portions of this Contract shall be unimpaired, remain binding on the parties, and continue to be given full force and effect.

Executed this 20th day of May, 2014 in Reynoldsburg, Ohio.

GOVERNING AUTHORITY OF
A+ ARTS ACADEMY

REYNOLDSBURG CITY SCHOOL
DISTRICT BOARD OF EDUCATION

By: [Signature]
Governing Authority President

By: [Signature]
Board of Education President

By: Carolyn Buckley
Superintendent

By: [Signature]
Superintendent

By: [Signature]
Fiscal Officer

By: [Signature]
Treasurer