

SPONSORSHIP CONTRACT
FOR A COMMUNITY SCHOOL
BETWEEN
CLEVELAND MUNICIPAL SCHOOL DISTRICT
AND VILLAGE PREPARATORY SCHOOL WILLARD

This Sponsorship Contract, made effective as of 12:01 a.m. on July 1, 2016, is by and between the Board of Education of the Cleveland Municipal School District, ("CMSD"), a political subdivision of the State of Ohio and the governing authority of a community school called Village Preparatory School Willard, established as a non-profit and public benefit corporation under Ohio law, and whose corporate charter number is 015722 ("Governing Authority").

WHEREAS, the Governing Authority, pursuant to Chapter 3314 of the Ohio Revised Code, desires to continue operation of start-up community school (the "School") located in the Cleveland Municipal School District, Cuyahoga County, Ohio; and

WHEREAS, the CMSD is authorized to sponsor community schools under Chapter 3314 of the Ohio Revised Code; and

WHEREAS, the parties have previously entered into a start-up sponsorship contract for the term commencing July 1, 2016, and ending June 30, 2021; and

NOW THEREFORE, the parties enter into this Sponsorship Contract with the following terms and conditions:

A. START UP OF A COMMUNITY SCHOOL. The Governing Authority and the CMSD agree that the Governing Authority may operate a community school as permitted by law, subject to applicable federal law, the law of the State of Ohio, and the terms of this Contract.

B. COMMUNITY SCHOOL OBLIGATIONS. The Governing Authority, for itself and on behalf of the Community School, covenants and agrees as follows:

1. The Community School is established and operated as a non-profit corporation and a public benefit corporation under Chapter 1702 of the Revised Code. The School shall maintain in good standing its status as a non-profit corporation.

In accordance with Chapter 3314 of the Revised Code, the School is a public school independent of the CMSD or any other district, independently operated and governed in its day-to-day activities, business practices, and policies.

2. The School's current Articles of Incorporation, Appointment of Statutory Agent, Code of Regulations, and Taxpayer Employer ID Number are on file with the CMSD. Should any of these documents be modified or created subsequent to this Contract being executed, the School must submit the same to the Sponsor in a timely manner for the Sponsor's review for consistency with federal and state law and the provisions of this Contract.

3. The School will comply with 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, 3301.0729, 3301.948, 3313.472, 3313.50, 3313.536, 3313.539, 3313.5310, 3313.608, 3313.609, 3313.6012, 3313.6013, 3313.6014, 3313.6015, 3313.6020, 3313.643, 3313.6411, 3313.648, 3313.66, 3313.661, 3313.662, 3313.666, 3313.667, 3313.668, 3313.67, 3313.671, 3313.672, 3313.673, 3313.69, 3313.71, 3313.716, 3313.718, 3313.719, 3313.7112, 3313.721, 3313.80, 3313.814, 3313.816, 3313.817, 3313.86, 3313.89, 3313.96, 3319.073, 3319.321, 3319.39, 3319.391, 3319.41, 3319.46, 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 Chapters 117, 1347, 2744, 3307, 3309, 3314, 3365., 3742., 4112., 4123., 4141., and 4167. of the Revised Code as if it were a school district and will comply with section 3301.0714 of the Revised Code in the manner specified in section 3314.17 of the Revised Code. Unless prohibited by the United States Constitution, the Ohio Constitution, or other controlling law, the School will comply with these sections and chapters of the Ohio Revised Code now in effect and as hereafter amended. Certain laws listed above which are not specified therein as mandatory are permissive, unless otherwise specifically required under this Contract. Laws listed above which are mandatory are also mandatory under this Contract.
4. The School shall comply with Chapter 102 and sections 2921.42, 2921.43 and 2921.44 of the Ohio Revised Code.
5. In accordance with Ohio Revised Code §3314.03 (A) (11) (f), the Governing Authority will comply with sections 3313.61, 3313.611, and 3313.614 of the Revised Code, except that for students who enter ninth grade for the first time before July 1, 2010, the requirement in sections 3313.61 and 3313.611 of the Revised Code 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 a Governing Authority of the community school rather than the curriculum specified in Title XXXIII of the Revised Code or any rules of the Ohio Board of Education. Beginning with students who enter ninth grade for the first time on or after July 1, 2010, the requirement in sections 3313.61 and 3313.611 of the Revised Code that a person must successfully complete the curriculum of a high school prior to receiving a high school diploma shall be met by completing the Ohio Core Curriculum prescribed in division (C) of section 3313.603 of the Revised Code, unless the person qualifies under division (D) or (F) of that section. The School shall comply with the plan for awarding high school credit based on demonstration of subject area competency, adopted by the Ohio Board of Education under division (J) of section 3313.603 of the Revised Code.

The Governing Authority agrees to comply with the Community School's calendar and schedule as provided annually to the CMSD, as may be modified mutually between the parties if necessary.

6. **SCHOOL ANNUAL REPORT.** In accordance with Section 3314.03 (A) (11) (g), the Governing Authority will submit within four months after the end of each school year a report of its activities and progress in meeting the goals and standards and its

financial status to the CMSD and the parents of all students enrolled in the School.

7. The Governing Authority shall send its monthly financials, including a statement of financial position, statement of activities, and cash flow statement, to the CMSD, and it shall send annual reports as to enrollment, staff and teacher turnover, expulsions, and suspensions, if requested by the CMSD, and shall respond timely under the circumstance to the CMSD's reasonable inquiries regarding such information or other matters the CMSD reasonably deems important in relation to its duties.
8. The Governing Authority shall also report annually in writing to the CMSD financial data as required by Auditor of State, and, if applicable, data regarding the structure and operations of the management company (if any) that directly pertains to the school's operation.
9. **SITE VISITS.** The Governing Authority shall permit the CMSD to conduct site visits as determined reasonably necessary by the CMSD. When appropriate, the CMSD shall make reasonable efforts to provide prior notice of such visits and to not disrupt testing or the educational process or programming of the School. Such site visits may include any activities reasonably related to fulfillment of the Sponsor's oversight responsibilities including, but not limited to, inspection of the facilities; inspection of records maintained by the School; interviews and observations of the principal and staff; and observations of classroom instruction.

The Governing Authority, School, and the CMSD agree and state that pursuant to 20 U.S.C. Section 1232g, the Family Educational Rights and Privacy Act ("FERPA") and 34 CFR Part 99, the CMSD is an authorized representative of a state educational authority and that the School is permitted to disclose to the CMSD personally identifiable information from an education record of a student without parental consent (or student consent where applicable) and that the CMSD is authorized by federal, state, and local law to conduct audits, compliance evaluations, and enforcement activities of federal and state supported education programs. Accordingly, the School agrees to grant to CMSD's employees full and complete access as defined hereinafter to "education records" as defined by FERPA and all documents, records, reports, databases, and other information made available to or maintained by the School that are applicable to the CMSD's responsibilities under Ohio law. Such information shall include, but is not limited to the Education Management Information System. Access includes the ability to inspect electronic documents at the School, and the School shall enable the CMSD to have remote self-service access in read-only format. The CMSD shall be responsible for any costs or adverse consequence(s) resulting from an accidental or other deletion, release, or alteration of information or data systems or records of the Community School or of the Ohio Department of Education as a result of such access. The CMSD agrees to comply with FERPA and the State privacy laws, rules, and regulations and shall destroy the educational records when no longer needed for the purposes accessed.

10. The CMSD shall monitor the performance and legal compliance of the School. To carry out its monitoring duties, it may utilize a compliance management system and may require the School to designate a contact person for the compliance management system.

11. The School, unless it is an internet- or computer-based community school, will comply with section 3313.801 of the Revised Code as if it were a school district.
12. Arrangements for providing health and other benefits to employees shall be made by the School.
13. **FINANCIAL PLAN.** A financial plan detailing an estimated school budget for each year of the period of the contract and specifying the total estimated per pupil expenditure amount for each such year shall be provided to the CMSD. The plan shall specify for each year the base formula amount that will be used for purposes of funding calculations under section 3314.08 of the Revised Code. The School shall supply an updated five-year financial plan and budget at least annually to the CMSD for review. The initial five-year budget appears in **ATTACHMENT 1**.
14. **FINANCIAL RECORDS.** Financial reports will be submitted monthly in the form and format requested by the CMSD and at a minimum shall include a statement of financial position, a statement of activities, and a cash flow statement. The School's financial records will be maintained pursuant to any applicable rules that may be adopted by the Auditor of the State of Ohio and are to be maintained in the same manner as are financial records of school districts. Audits shall be conducted in accordance with Section 117.10 of the Ohio Revised Code. The School shall meet the requirements and follow the procedures for program and financial audits established from time to time by the Auditor of the State of Ohio and the Ohio Department of Education.
15. **FISCAL OFFICER.** The School shall have a designated and appropriately bonded fiscal officer and shall maintain internal financial controls in accordance with Section 3314.03 of the Ohio Revised Code. If the fiscal officer changes, the Governing Authority must notify the CMSD in writing. Prior to assuming the duties of fiscal officer, and, before entering upon duties as fiscal officer of the school, the fiscal officer shall execute a bond in an amount and with surety to be approved by the Governing Authority of the School, payable to the state, conditioned for the faithful performance of all the official duties required of the fiscal officer, if so required by the Auditor of State. Any such bond shall be deposited with the Governing Authority of the School, and a copy thereof, certified by the Governing Authority, shall be filed with the county fiscal officer. Prior to assuming the duties of fiscal officer, the fiscal officer designated under this section shall be licensed under section 3301.074 of the Revised Code. The fiscal officer must be employed by or engaged under a contract with the governing authority of the community school, except as otherwise permitted by law and approved annually by both the CMSD and Governing Authority.
16. **DEBT.** The School may borrow money to pay any necessary and actual expenses of the School in anticipation of receipt of any portion of the payments to be received by the School pursuant to the Ohio Revised Code Section 3314.08(C). The proceeds from the notes shall be used only for the purposes for which the anticipated receipts may be lawfully expended by the School. The School shall notify the CMSD of any borrowing greater than fifteen percent of its projected annual budget.

- 17. FISCAL YEAR.** The fiscal year for the School shall be July 1 to June 30.
- 18. LAWFUL PURPOSE.** The Governing Authority may carry out any act and ensure the performance of any function that is in compliance with the Ohio Constitution, this chapter, other statutes applicable to community schools, and the contract entered into under this chapter establishing the school.
- 19. LOCATION AND FACILITY.** The School will be located at the following address: 9401 Willard Ave., Cleveland, OH 44102. If the location has been or will be leased, the lease shall not be signed unless in accordance with the budget approved by the CMSD. If the location has been or will be purchased by the School, the contract of sale and related documents shall not be signed unless in accordance with the budget approved by the CMSD. After leasing or purchase, a copy of the lease or conveyance documents, and all subsequent amendments, modifications or renewals thereof shall immediately be provided to the CMSD. Any facility used for or by the School shall meet all health and safety standards established by law for Ohio community school buildings. In the event that the School desires to change its location, the new location shall be subject to approval of CMSD, which approval shall not be unreasonably withheld and based on factors mutually agreed to between the parties.

Pursuant to Section 3314.03 of the Revised Code, the CMSD must have a detailed description of each facility used for instructional purposes; the annual costs associated with leasing each facility that are paid by or on behalf of the school; the annual mortgage principal and interest payments that are paid by the school; and the name of the lender or landlord, identified as such, and the lender or landlord's relationship to the operator, if any. This information is included in **ATTACHMENT 2**.

- 20.** The School shall have in writing the requirements and procedures regarding the disposition of employees of the school in the event the contract is terminated or not renewed pursuant to section 3314.07 of the Revised Code.
- 21.** The School recognizes that the Ohio Department of Education may take over the sponsorship of the school in accordance with the provisions of division (C) of section 3314.015 of the Revised Code.
- 22.** The School recognizes the CMSD's authority to assume the operation of the school under the conditions specified in division (B) of section 3314.073 of the Revised Code, subject to the notice and due process provisions in Chapter 3314 of the Ohio Revised Code. The school shall have a reasonable time under the circumstances to cure the condition(s) before any suspension, termination, or takeover of operations by the CMSD.
- 23.** The School recognizes both of the following:

- a. The authority of public health and safety officials to inspect the facilities of the school and to order the facilities closed if those officials find that the facilities are not in compliance with health and safety laws and regulations; and,
- b. The authority of the Ohio Department of Education to suspend the operation of the school under section 3314.072 of the Revised Code if the Department has evidence of conditions or violations of law at the school that pose an imminent danger to the health and safety of the school's students and employees and the CMSD refuses to take such action.

27. LEARNING OPPORTUNITIES. The School is authorized to provide learning opportunities in grades kindergarten through eight to a minimum of 25 students for a minimum of 920 hours per school year. A description of the learning opportunities that will be offered to students including both classroom-based and non-classroom-based learning opportunities that is in compliance with criteria for student participation established by the Ohio Department of Education under division (H)(2) of section 3314.08 of the Revised Code is stated in this contract and in the educational plan provided in **ATTACHMENT 3**. If the school uses a blended learning model, as defined in section 3301.079 of the Revised Code, additional information about the model is provided in **ATTACHMENT 5**.

28. The School shall be nonsectarian in its programs, admission policies, employment practices, and all other operations, and will not be operated by a sectarian school or religious institution.

29 The School will comply with Sections 3302.04 and 3302.041 of the Ohio Revised Code, except that any action required to be taken by a school district pursuant to that section shall be taken by the sponsor of the school. However, the CMSD shall not be required to take any action described in division (F) of Section 3302.04.

30. The School will open for operation not later than the thirtieth day of September each school year, unless the mission of the school as specified under division (A)(2) of O.R.C. 3314.03 is solely to serve dropouts. In its initial year of operation, if the school fails to open by the thirtieth day of September, or within one year after the adoption of the contract pursuant to division (D) of O.R.C. section 3314.02 of the Revised Code if the mission of the school is solely to serve dropouts, the contract shall be void.

31. MANAGEMENT BY THIRD PARTIES. Under Ohio law, the Governing Authority may contract with a third-party management organization for management or operation of the school. The Governing Authority shall provide the CMSD with a copy of any contract (“management agreement”) it enters into with an operator (“management company”) without delay upon execution. Acceptance of copies of the management agreement by the CMSD shall not be deemed an approval or opinion regarding the legality of any such terms under Ohio law and is not binding upon the CMSD. If the Governing Authority changes any material term of a management agreement, it shall provide the CMSD with notice of the terms of any management

agreement as modified by the proposed changes promptly after execution of such changes.

- a. The Governing Authority shall adhere to the ethics, fiscal, and legal laws regarding its relationship with the operator and shall not agree to any terms in the agreement violating any ethical, fiscal, or legal laws, rules, and regulations.
- b. The management agreement shall include criteria to be used for early termination of the contract.
- c. The Governing Authority shall annually evaluate the management company's performance. The Governing Authority shall consider, but is not limited to, the management company's performance with academics and fiscal operations, if such service is provided under the agreement. The Governing Authority shall provide the CMSD with the evaluation.
- d. The management company shall keep accurate records as to which entity owns all community school facilities and property including, but not limited to, equipment, furniture, fixtures, instructional materials and supplies, computers, printers, and other digital devices purchased by the governing authority or management company.
- e. If the management company provides services of any kind to the School in excess of twenty percent (20 percent) of the School's gross annual revenues, including a la carte services as well as any operational fees, then the management company must provide a detailed accounting of the nature and costs of the services it provides to the School, pursuant to Audit Bulletin 2004-009. This information shall be summarized in the footnotes of the financial statements of the School and shall be subject to audit during the course of the regular financial audit of the School. This information must also be sufficient to permit the School's treasurer to comply with duties as described in section 14 of this contract, with respect to transactions undertaken by the management company on behalf of the School.
- f. The management agreement must provide that all moneys loaned to the school by the management company, including facility loans or cash flow assistance, must be accounted for, documented, and bear interest at a fair market rate.
- g. The management agreement must provide that if the sponsorship is terminated for cause based on academic or fiscal performance, the School shall be able to terminate the management agreement.
- h. If the School takes action in good faith and later finds it is non-compliant, such action shall not constitute a breach.

32. COMPREHENSIVE SCHOOL PLAN. The Governing Authority shall submit a "Comprehensive Plan" to the CMSD, which shall contain the following: the process by which the Governing Authority will be selected in the future the Code of Regulations process can satisfy this requirement; the management and administration of the school; the instructional program and educational philosophy of the School; and internal

financial controls. If the School is a currently existing public school or educational service center, the Comprehensive Plan must include alternative arrangements for current public school students who choose not to attend the converted school and for teachers who choose not to teach in the school or building after conversion. The Governing Authority is required to adhere to and comply with the Comprehensive Plan and shall ensure any contractor engaged to perform any related services understands and complies with its requirements. The Governing Authority shall not change the Comprehensive Plan without the agreement of the CMSD, which consent shall not be unreasonably withheld.

33. GOVERNANCE. No person shall serve on the Governing Authority or operate the Community School under contract with the Governing Authority so long as 1) the person owes the state any money or is in a dispute over whether the person owes the state any money concerning the operation of a community school that has closed; or 2) the person would otherwise be subject to division (B) of section 3319.31 of the Revised Code, with respect to refusal, limitation, or revocation of a license to teach, if the person were a licensed educator; or 3) the person has pleaded guilty to or has been convicted of theft in office under section 2921.41 of the Revised Code, or has pleaded guilty to or has been convicted of a substantially similar offense in another state.

The Governing Authority, which shall be responsible for carrying out the provisions of the contract, shall consist of no fewer than five members, and no person shall serve on the governing authorities of more than five start-up community schools at the same time, unless otherwise permitted by law.

Each Governing Authority member must annually file a disclosure statement in accordance with Section 3314.02 of the Revised Code.

In accordance with section 3314.037 of the Revised Code, each governing authority member shall complete training in public records and open meetings at least once per school year.

If the governing authority contracts with an attorney, accountant, or entity specializing in audits, the attorney, accountant, or entity shall be independent from the operator with which the school has contracted.

The Governing Authority shall provide, upon request, the name and address of each member to the Sponsor and to the Ohio Department of Education. The Governing Authority shall make available at a publicly accessible area in its office and on the school's website the following information:

- a. A list of the current names of the Governing Authority's members and officers;
- b. Contact information for the Governing Authority (email address for school business and school contact phone number for Governing Authority); and
- c. The schedule including location of Governing Board meetings for the school year.

33. The Governing Authority shall notify the CMSD in writing within 30 days of any changes in members of the Governing Authority, including notice of new members' names, qualifications, biographical information, addresses, and phone numbers. If it becomes required in order for school employees to participate in the state retirement systems, and, if the School wishes for its staff to participate in the state retirement systems, the CMSD shall pre-approve Governing Authority members in writing, as a governmental entity appointment may be necessary for the School to have its teachers and staff participate in the State Retirement Systems in the future, and such pre-approval shall not be unreasonably withheld. Any lack of pre-approval shall not be based on age, gender, race, disability, national origin, sexual orientation, or political affiliation. A representative of the CMSD and a representative of the School shall confer on any desired lack of approval before any determination.

34. EDUCATIONAL PLAN. The educational program of the School, including the School's mission, the characteristics of the students the School is expected to attract, the ages and grades of those students, and the focus of the curriculum are attached as **ATTACHMENT 3** and incorporated by this reference.

The mission, ages and grades of students, the focus, and the characteristics of students the school is expected to attract will not be materially changed without prior written notice to CMSD and a thirty (30) day opportunity for the CMSD to comment or object. All other categories may be modified without prior notice to CMSD in the ordinary course of business.

35. ACCOUNTABILITY PLAN. ATTACHMENT 4 includes performance standards by which the CMSD will evaluate the school, including academic goals to be achieved and the method for determining progress, which includes the statewide achievement assessments. The accountability plan includes the intervention policy that describes the general conditions that may trigger intervention by the CMSD and the types of intervention. The parties agree to amend the organizational and financial frameworks of this Accountability Plan by September 30, 2017.

36. TIMELY ADMINISTRATION OF ASSESSMENTS. The School shall timely administer the assessments that shall include statewide achievement tests and other assessments required by law. The Governing Authority shall comply with any changes in state assessment tools.

37. PAYMENT. Pursuant to the Ohio Revised Code 3314.03, the Governing Authority and School shall pay to the CMSD the amount of one and a half (1.5) percent of the total amount of payments for operating expenses that the School receives from the State of Ohio for grades Kindergarten and above, in consideration for the monitoring and oversight of the CMSD pursuant to this Contract. Such payments shall be made on or before the 15th of the following months for the previous 3 months: January, April, July and October.

38. ADMISSION. CMSD must have the current admissions policy for the school on

file. The admission procedures shall comply with Section 3314.06 and, if applicable, Section 3314.061 of the Revised Code. The policy shall do one of the following: a) Prohibit the enrollment of students who reside outside the district in which the school is located; b) Permit the enrollment of students who reside in districts adjacent to the district in which the school is located; or c) permit the enrollment of students who reside in any other district in the state.

The school shall submit the policy annually to the CMSD or verify that the CMSD has the current policy on file.

The policy and procedures must be followed and may not be changed without the written consent of the CMSD, which consent shall not be unreasonably withheld. At a minimum, the admission procedures at all times must specify that the School will not discriminate in its admission of students to the School on the basis of sex, race, religion, color, national origin, handicap, intellectual ability, athletic ability or measurement of achievement aptitude. Pursuant to Ohio Revised Code 3314.06, the School may limit admission to students who have obtained a certain grade level or are within a certain age group, or who meet a definition of at-risk that the parties to this Contract agree upon.

39. ADMISSION PREFERENCES. The Governing Authority shall provide a preference in admission to returning students and siblings of returning students. The Governing Authority shall also permit, at a minimum, the enrollment of students who reside in the Cleveland Municipal School District, and, if the School has an Open Enrollment Policy, it must give priority to students residing in the Cleveland Municipal School District, subject to exceptions provided for by Ohio and Federal law. The School does not select students on any basis other than random lottery, which will be held in the event that the number of applicants at the end of the Early Enrollment period exceeds the capacity of the school's program, classes, or facilities, pursuant to section 3314.06 of the Revised Code. The School is open and accessible to all students regardless of race, color, national origin, creed, gender, athletic performance, special need, sexual orientation, proficiency in English, physical or mental disability, or academic achievement. Upon admission of any handicapped student, the School will comply with all federal and state laws regarding the education of handicapped students, per section 3314.06 of the Revised Code.

40. RACIAL AND ETHNIC BALANCE. The Governing Authority shall annually assess and compare the School's racial and ethnic student demographic data with the community it serves and determine whether there is an acceptable balance between the two. If there is not an acceptable balance, the Governing Authority shall prepare a plan of action to make all reasonable efforts to bring both into balance.

40. ATTENDANCE POLICY AND PROCEDURES. The Governing Authority will adopt an attendance policy that includes dismissal procedures and procedures for automatically withdrawing a student from the school if the student, without a legitimate excuse, fails to participate in one hundred and five consecutive hours of the learning

opportunities afforded to the student, or as otherwise required by law. The policy and procedures shall be submitted annually to the CMSD according to instructions and is incorporated into this Contract. The attendance and participating policies must be available for public inspection and shall be made available to the department of education, auditor of state, and CMSD to the extent permitted under and in accordance with the "Family Educational Rights and Privacy Act of 1974," 88 Stat. 571, 20 U.S.C. 1232g, as amended, and any regulations promulgated under that act, and section 3319.321 of the Revised Code.

41. EMPLOYEES. Although the Governing Authority may employ or contract for teachers and non-teaching employees necessary to carry out its mission and fulfill this contract, no employment contract shall extend beyond termination of this Contract.

a. The School shall hire only licensed and Highly Qualified Teachers as defined by the State of Ohio, (provided however, this is subject to the changes in law under the Every Student Succeeds Act), except that non-certificated persons may teach up to twelve hours per week pursuant to section 3319.30, and section 3319.261 of the Revised Code, and, provided however, that the School may use long term substitutes in accordance with their permits, and, except for teachers in a Montessori school that operates a program as described in section 3319.261, provided that the teachers meet the alterative resident educator license requirements described therein.

b. Charter School Neutrality Statement. The Cleveland Municipal School District understands and confirms its commitment to meet its obligation under ORC Chapters 3314 and 4117 with respect to community schools and the rights of employees in those schools to seek to join together for purposes of collective bargaining. As well, CMSD recognizes the right of the Cleveland Teachers Union as a labor organization to seek to organize and represent, for purposes of collective bargaining, teachers and paraprofessionals employed by community schools located within the boundaries of the District. CMSD agrees that it will not place nor attempt to place restrictions of the employees or sponsors or governing authorities of any community school with respect to whether the employees of such community school should join or not join CTU or any labor organization.

c. If the school is a recipient of moneys from a grant awarded under the Federal Race to the Top program, Division (A), Title XIV, Section 14005 and 14006 of the "America Recovery and Reinvestment Act of 2009," Pub. L. No 111-5, 123 Stat. 115, the school will pay teachers based upon performance in accordance with section 3317.141 and will comply with section 3319.111 of the Revised Code as if it were a school district.

42. General liability, errors and omissions, directors and officers, and other customary insurance coverage (a school policy) at all times will be maintained by the Governing Authority for the School, for itself and its employees, in amounts not less than one million dollars (\$1,000,000) per occurrence and two million dollars (\$2,000,000) in the aggregate. The insurance coverage shall be not only for the School and the Governing Authority and its employees but also for the CMSD and its Board, officers, and employees as additional

insured in their role as a sponsor. NOTE: being named as Certificate Holder does not constitute being an additional insured, and additional insured is required unless not commercially and reasonably available. The insurance coverage must be occurrence coverage rather than claims so long as commercially and reasonably available. The Governing Authority shall provide evidence of such coverage and the insurer shall notify the CMSD in writing at least thirty (30) days in advance of any material adverse change to, or cancellation of, such coverage.

43. If the CMSD provides a leave of absence to a person who is thereafter employed by the School, the Governing Authority and the School shall defend, indemnify and hold harmless the CMSD and its Board members, Superintendents, employees, and agents from liability arising out of any action or omission of that person while that person is on such leave or employed by the Governing Authority. Nothing in this subsection, however, obligates the CMSD to provide such a leave of absence.

44. CONTRACT REVIEW. The Governing Authority or representatives authorized by it shall meet with the CMSD at least once yearly before the end of the School's fiscal year to review the terms and provisions of this Contract, at a time and place acceptable to both parties.

45. BACKGROUND CHECKS. All background checks (FBI or BCI&I fingerprint information) of teachers, staff, or the Governing Authority must be conducted by a contractor in compliance with section 3319.31 of the Revised Code.

C. SEPARATE AGREEMENTS, FEES, HOLD HARMLESS, FACILITY USE.

- a. To the extent permitted by law, the CMSD and the Governing Authority may enter into one or more separate agreement(s) under which the CMSD 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 in a separate writing between the Governing Authority and the CMSD. No such agreement may extend beyond the termination date of this Contract: Any such agreement will be executed subsequent to the adoption of identical resolutions of the CMSD and the Governing Authority approving such an agreement.
- b. The CMSD shall provide technical assistance to the community school in complying with laws applicable to the school and terms of the contract.
- c. Other than as required by law, the CMSD shall have no obligations to the School or the parents by way of this Contract and the Governing Authority hereby indemnifies, defends, and holds the CMSD harmless from claims, demands, causes of action, threatened actions, losses, damages, or costs related to the operations or acts, or omissions of the School.
- d. If the school is located in any facility of the CMSD, the parties agree to negotiate by separate agreement their rights and responsibilities regarding the use of that facility.
- e. The Governing Authority shall cooperate with and supply all of the needed

information for the CMSD duties, pursuant to Section C, below, of this Contract.

D. SPONSORSHIP DUTIES.

1. ASSURANCES. The CMSD annually shall provide the following assurances in writing to the Ohio Department of Education not later than ten business days prior to the opening of the school:

- a. That a current copy of the contract between the CMSD and the Governing Authority of the school entered into under section 3314.03 of the Revised Code has been filed with the state office of community schools established under section 3314.11 of the Revised Code and that any subsequent modifications to that contract will be filed with the office;
- b. That the school has submitted to the CMSD a plan for providing special education and related services to students with disabilities and has demonstrated the capacity to provide those services in accordance with Chapter 3323. of the Revised Code and federal law;
- c. That the school has a plan and procedures for administering the achievement and diagnostic assessments prescribed by sections 3301.0710, 3301.0712, and 3301.0715 of the Revised Code;
- d. That school personnel have the necessary training, knowledge, and resources to properly use and submit information to all databases maintained by the department for the collection of education data, including the education management information system established under section 3301.0714 of the Revised Code in accordance with methods and timelines established under section 3314.17 of the Revised Code;
- e. That all required information about the school has been submitted to the Ohio education directory system or any successor system;
- f. That the school will enroll at least the minimum number of students required by division (A)(11)(a) of section 3314.03 of the Revised Code in the school year for which the assurances are provided;
- g. That all classroom teachers are licensed in accordance with sections 3319.22 to 3319.31 of the Revised Code, except for non-certificated persons engaged to teach up to twelve hours per week pursuant to section 3319.301 of the Revised Code, and, except for teachers in a Montessori school that operates a program as described in section 3319.261, provided that the teachers meet the alternative resident educator license requirements described therein.
- h. That the school's fiscal officer is in compliance with section 3314.011 of the Revised Code;

- i. That the school has complied with sections 3319.39 and 3319.391 of the Revised Code with respect to all employees and that the school has conducted a criminal records check of each of its Governing Authority members;
- j. That the school holds all of the following:
 - (1) Proof of property ownership or a lease for the facilities used by the school;
 - (2) A certificate of occupancy;
 - (3) Liability insurance for the school, as required by division (A)(11)(b) of section 3314.03 of the Revised Code, that the sponsor considers sufficient to indemnify the school's facilities, staff, and Governing Authority against risk;
 - (4) A satisfactory health and safety inspection;
 - (5) A satisfactory fire inspection; and
 - (6) A valid food permit, if applicable.
- k. That the CMSD has conducted a pre-opening site visit to the school for the school year for which the assurances are provided; and,
- l. That the school has designated a date it will open for the school year for which the assurances are provided that is in compliance with division (A)(25) of section 3314.03 of the Revised Code; and,
- m. That the School has met all of the CMSD's requirements for opening.
- n. If a school operates using the blended learning model, as defined in section 3301.079 of the Revised Code, the school must provide the following information to the sponsor (see Attachment 5): an indication of what blended learning model or models will be used; a description of how student instructional needs will be determined and documented; the method to be used for determining competency, granting credit, and promoting students to a higher grade level; the school's attendance requirements, including how the school will document participation in learning opportunities; a statement describing how private student data will be protected; and a description of the professional development activities that will be offered to teachers.

2. OTHER SPONSOR DUTIES. The CMSD shall also perform the following:

- a. Monitor the School's compliance with all laws applicable to the school and with the terms of the contract.
- b. Monitor and evaluate the academic and fiscal performance and the organization and operation of the School on at least an annual basis.
- c. Report on an annual basis the results of the evaluation conducted regarding the academic and fiscal performance and the organization and operation of the School to the Ohio Department of Education and to the parents of students enrolled in the School.

- d. Provide technical assistance to the School in complying with laws applicable to the school and terms of the contract.
- e. Take steps to intervene in the School's operation to correct problems in the School's overall performance, declare the school to be on probationary status pursuant to section 3314.073 of the Revised Code, suspend the operation of the School pursuant to section 3314.072 of the Revised Code, or terminate the contract of the School pursuant to section 3314.07 of the Revised Code as determined necessary by the sponsor in accordance with this Contract.
- f. 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.
- g. Have a representative of the CMSD review the financial records of the School monthly or after every regularly scheduled Governing Authority meeting, if not monthly.
- h. Make best efforts to notify the School upon receipt of communications with third parties concerning complaints about the School or the Governing Authority.
- i. Communicate with the auditor of state regarding an audit of the school or condition of financial and enrollment records of the school and maintain a presence at any and all meetings with the Auditor of State.
- j. Provide technical assistance programs specifically designed to meet the needs of the School
- k. The CMSD updates contract language when appropriate to ensure consistence with changes in law.

E. COMBINING AND NOTING DATA ON STATE REPORT CARD

The Cleveland Municipal School District Board of Education intends to exercise elections to 1) have data regarding the academic performance of students enrolled in the Community School combined with comparable data from the School District schools for the purpose of calculating the performance of the District as a whole on the District's State Report Card for each school year during the term of this Contract; and 2) have the number of students attending the Community School noted separately on the Cleveland Municipal School District's State Report Card for each school year during the term of this Contract. The Governing Board approves both of the School District's elections concerning combining and noting data on the School District' State Report Card for each school year during the term of this Contract, pursuant to Ohio Revised Code Section 3302.03(C)(6)(c).

At all times, the School shall be entitled to its own separate state report card under state law, and nothing in this section E shall operate to prevent the School from such right.

F. OTHER PROVISIONS.

- 1. ENDING OF COMMUNITY SCHOOL.** In accordance with 3314.074, if the School permanently closes and ceases its operation as a community school, the assets of that school

shall be distributed first to the retirement funds of employees of the school, employees of the school, and private creditors who are owed compensation, and then any remaining funds shall be paid to the department of education for redistribution to the school districts in which the students who were enrolled in the school at the time it ceased operation were entitled to attend school under section 3313.64 or 3313.65 of the Revised Code. Regarding employees, if there is a collective bargaining agreement that applies, the layoff or other provisions of the collective bargaining agreement shall be followed. In the absence of a collective bargaining agreement, the School may elect to treat employees as laid-off or their positions abolished. Expiring employee contracts may be non-renewed or terminated.

2. TUITION. Tuition may only be charged for out-of-state students in accordance with section 3314.08 (F) of the Revised Code.

3. SPECIAL EDUCATION. The School shall abide by all legal requirements under the federal Individuals with Disabilities in Education Act, as amended from time to time, and all State implementing law, rules and regulations, as amended from time to time.

4. DISPUTE RESOLUTION. Provisions establishing procedures for resolving disputes or differences of opinion between the CMSD and the Governing Authority of the School are as follows:

All disputes arising out of or in connection with this Contract shall first be addressed at a meeting between a designated representative of the CMSD and a designated representative of the Governing Authority. If those parties cannot finally resolve the dispute, the matter shall be submitted to the Director of the Ohio Department of Education Office of Quality School Choice or his/her designee for mediation. The parties will make every attempt to fully and finally resolve such disputes through mediation and shall equally split all fees or costs of any third party mediator.

5. RENEWAL/NON-RENEW.

- a. The Governing Authority shall undergo a high-stakes review prior to contract renewal or at least every five years. The renewal process shall be conducted in accordance with CMSD's renewal policy and application process, which are available on its website. Renewal is subject to the CMSD's reasonable determination that the Governing Authority has complied with applicable law and terms of the contract and that the school's progress in meeting the academic, organizational, and financial goals prescribed in Attachment 4 of the Contract have been satisfactory.
- b. The CMSD may choose to non-renew this Contract at its expiration date for any of the following reasons:

- (1) Failure to meet student performance requirements;
- (2) Failure to meet generally accepted standards of fiscal management;
- (3) Material violation of any provision of this Contract or applicable state or federal law; and
- (4) Other good cause.

Not less than the fifteenth day of January in the year in which the Sponsor intends to non-renew the School's contract, the Sponsor shall notify the School of the proposed action in writing. 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 School may, within fourteen (14) calendar days of receiving the notice, request in writing an informal hearing before the CMSD. A decision by the CMSD to terminate this Contract may be appealed only to the State Board of Education. The decision of the State Board of Education shall be final.

- c. If the School does not intend to renew a contract with the CMSD, the School shall notify the Sponsor in writing of its intent to not renew at least 180 days prior to the expiration of the contract, or otherwise in compliance with Ohio law. The School may also terminate this Contract upon at least one hundred eighty (180) days prior written notice to the CMSD to be effective on any June 30 of any year provided, however, that this annual right of the School to terminate the contract shall only be effective if or after the current CEO of the CMSD is no longer serving the District in that capacity.

7. TERMINATION.

- a. The CMSD may choose to terminate for any of the following reasons:
 - (1) Failure to meet student performance requirements as stated in the contract (Attachment 4);
 - (2) Failure to meet generally accepted standards of fiscal management;
 - (3) Material violation of any provision of this Contract or applicable state or federal law; and
 - (4) Other good cause.

Additionally, if the CMSD has suspended the operation of this Charter under R.C. 3314.072, the CMSD may choose to terminate this Charter prior to its expiration.

- b. Unless the CMSD has suspended operations of the school in accordance with Section 3314.07 of the Revised Code, a termination shall be effective only at the conclusion of the instructional year. A probation and an intent to suspend, with all applicable requirements for suspension in accordance with Chapter 3314, shall precede any termination.
- c. The CMSD shall notify the Governing Authority of the termination in writing. 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 School may, within fourteen (14) calendar days of receiving the notice, request in writing an informal hearing before the Sponsor. A decision by the CMSD to terminate this Contract may be appealed only to the State Board of Education. The decision of the State Board of Education shall be final.

- 8. ASSIGNMENTS AND MODIFICATIONS.** This Contract and its terms shall not be assigned or delegated without the written approval of the other party. No

modifications to this Contract shall be valid and binding unless signed by both the CMSD and the Governing Authority and attached to this Contract.

9. ON FILE WITH ODE. This contract shall be filed with the Ohio Department of Education.

10. NOTICE. Any notice to one party by the other shall be satisfied upon receipt, and delivered by personal delivery to the person being addressed or by certified mail, return receipt requested, to the following persons and addresses:

CMSD:
Stephanie Klupinski,
Executive Director, Charter Schools
1111 Superior Ave. East, Suite 1700
Cleveland, OH 44114

GOVERNING AUTHORITY:
With a copy to
Chief Operating Officer,
Breakthrough Charter Schools
Cleveland, OH 44114

11. Should any term, clause or provision of this contract be deemed invalid or unenforceable by a court of competent jurisdiction, all remaining terms, clauses and provisions shall remain valid and enforceable and in full force and effect, and the invalid or unenforceable provision shall be stricken and replaced with a provision as near as possible to the parties' original intent.

12. Multiple signature pages shall be construed as one and facsimile signatures shall be construed as originals. Each party shall attach its Board Resolution of Approval to this Agreement.

13. ENTIRE AGREEMENT. This instrument, including all attachments or amendments, constitutes the entire Agreement of the Parties with respect to its subject matter, superseding all prior understandings, agreements or communications, whether oral or written.

Multiple signature pages shall be construed as one and facsimile signatures shall be construed as originals. Each party shall attach its Board Resolution of Approval to this document.

In Witness Whereof, the parties have freely and voluntarily set their hands: