

**The Community School Contract entered into by the
Governing Authority of [_____] and the
Thomas B. Fordham Foundation**

Dated as of [_____]

COMMUNITY SCHOOL CONTRACT

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For

[_____]

This Community School Contract (the "Contract") is entered into pursuant to the provisions of Chapter 3314 of the Ohio Revised Code effective [_____] by and between the Thomas B. Fordham Foundation (hereinafter the "SPONSOR") and the [_____] Governing Authority (hereinafter the "GOVERNING AUTHORITY") of [_____] located at [_____] (hereinafter the "Community School").

The names and business addresses of the individuals who currently make up the GOVERNING AUTHORITY of the Community School, which is responsible for carrying out the provisions of this Contract, are attached hereto as Exhibit 7.

Article I. Purpose

The purpose of this Contract is to ensure that the Community School provides a high-quality education to its students and contributes significantly to Ohio’s effort to provide quality education options to needy children via a strong community-school program.

This Contract authorizes the continued operation of the Community School pursuant to Chapter 3314 of the Ohio Revised Code (the "Code"). Such school shall be a public school, independent of the [_____] Public School District and is part of the state education program. Pursuant to Ohio Revised Code Section 3314.01, the Community School may sue and be sued, acquire facilities as needed, and contract for services necessary for the operation of the school. The GOVERNING AUTHORITY of the Community School may carry out any act and ensure the performance of any function that is in compliance with the Ohio Constitution, Ohio Revised Code Chapter 3314, other statutes applicable to community schools and the terms of this Contract. The Community School is educating children in grade or age equivalent grade levels K-8.

In approving this Contract, the SPONSOR voluntarily exercises powers given to it to sponsor community schools. Nothing in this Contract shall be deemed to be any waiver of the SPONSOR’S autonomy or powers.

The Community School may not use the name of the SPONSOR or any assumed name, trademark, division or affiliation of the SPONSOR in any of the Community School’s or the GOVERNING AUTHORITY promotional advertising, contracts, or other materials without the SPONSOR’S prior written consent, except that the Community School or the GOVERNING AUTHORITY may include the following statement in such materials, “[_____] is sponsored by the Thomas B. Fordham Foundation”.

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Article II. Term

The term of this Contract shall be for a period of [__] year(s) commencing [_____] and ending June 30, 2011 (the "Term"); provided, however, the SPONSOR or GOVERNING AUTHORITY may terminate this Contract prior to its term, pursuant to Article X of this Contract. This Contract may be renewed by the parties hereto in accordance with the requirements of Section 3314.03(E) of the Code. This Contract is not valid and binding until executed by both parties.

In the event the GOVERNING AUTHORITY desires to renew this Contract, the GOVERNING AUTHORITY shall provide to the SPONSOR an application to renew this Contract no later than [_____] in the calendar year prior to expiration of this Contract, unless such date is waived by the SPONSOR at its sole discretion (the "Renewal Application"). The Renewal Application shall contain:

1. a report of the progress of the Community School in achieving the educational objectives set forth in the charter;
2. a detailed financial statement disclosing the cost of administration, instruction, and other spending categories for the Community School that will allow a comparison of such costs to other schools, both public and private;
3. copies of each of the Annual Reports of the Community School, including the Ohio Department of Education report cards for the Community School and the certified financial statements;
4. evidence of parent and student satisfaction; and
5. such other material and information as is required by the SPONSOR.

When considering Contract renewal, the Sponsor will examine the Community School's performance during the term of this Contract and the previous contract for sponsorship between the Thomas B. Fordham Foundation and the GOVERNING AUTHORITY of [_____] effective [_____] including but not limited to fidelity to this Contract and all Exhibits. The Sponsor will examine with particularity the Community School's fidelity to Exhibit 1 (Education Plan) and the school's performance against the requirements of Exhibit 4 (Academic Performance Plan).

The renewal or non-renewal of this Contract between the SPONSOR and GOVERNING AUTHORITY shall be subject to Ohio Revised Code §3314.07. The SPONSOR shall provide to the GOVERNING AUTHORITY a decision on the Renewal Application within one hundred eighty (180) days after receipt of such Renewal Application but under no circumstances later than ninety (90) days prior to the expiration date of this Contract. In the event that renewal is not approved, then the parties to this Contract shall fulfill their respective obligations hereunder to the end of the term pursuant to Articles II and XI of this Contract. Notwithstanding any obligations pursuant to Article X, once the GOVERNING AUTHORITY has received notice of a non-renewal decision, the GOVERNING AUTHORITY is free to contact other sponsors

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within the state. In the event that the Renewal Application is granted, the SPONSOR may enter into a proposed contract with the GOVERNING AUTHORITY. Nothing herein shall obligate the SPONSOR to approve a Renewal Application.

If the Community School does not intend to renew this Contract with the SPONSOR, the Community School shall notify the SPONSOR in writing of that fact at least one hundred eighty (180) days prior to the expiration of this Contract pursuant to Article X of this Contract. The Community School may enter into a Contract with a new SPONSOR in accordance with Ohio Revised Code §3314.03 upon the expiration of this Contract.

Article III. Responsibilities of the GOVERNING AUTHORITY

The GOVERNING AUTHORITY agrees to comply with provisions established under Chapter 3314 of the Ohio Revised Code applicable to community schools. Pursuant to Section 3314.02 all members of the Governing Authority must be eligible to serve in such capacity. In accordance with Section 3314.03 of the Code, the Community School agrees that it will remain in good standing as a non-profit, public benefit corporation pursuant to Chapter 1702 of the Revised Code for the entire term of this Contract.

The Community School shall be located within the [_____] public school district.

In accordance with Section 3314.05(A) of the Code, the GOVERNING AUTHORITY agrees that any facility used for a community school shall meet all health and safety standards established by law for school buildings and agrees to remain compliant with all health and safety standards established by law for school buildings for the entire term of this Contract. The GOVERNING AUTHORITY agrees, in the event the Community School wishes to change locations and/or facilities, to acquire a new Letter of Approval pursuant to Article VII of this Contract.

The GOVERNING AUTHORITY agrees that it shall notify the SPONSOR immediately as to any of the following: any material change in the availability or condition of the physical plant, such as through flood, fire, or other unanticipated circumstance; any allegation that the GOVERNING AUTHORITY or the lessor has breached any lease, deed or other land use agreement concerning the physical plant; any proposal to move the Community School from its current location specified in this Contract to another location or from its current facility to another.

The GOVERNING AUTHORITY represents that its Commercial General Liability policy expressly covers Corporal Punishment Liability and Athletic Participation Medical Liability. In addition to any existing insurance policies, the GOVERNING AUTHORITY agrees to negotiate in good faith with SPONSOR to determine the types and amounts of other insurance policies that it shall acquire and maintain in place. At a minimum, however, the GOVERNING AUTHORITY agrees to maintain insurance policies for the following types and amounts of coverage: commercial general liability insurance with limits of at least one million dollars (\$1,000,000) per occurrence and two million dollars (\$2,000,000) aggregate; automobile liability insurance of at least one million dollars (\$1,000,000); employee dishonesty insurance with limits

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of at least five hundred thousand dollars (\$500,000); and educators legal liability insurance (which shall include coverage of trustees and officers of the Community School) with limits of at least one million dollars (\$1,000,000) each claim and two million dollars (\$2,000,000) aggregate. The GOVERNING AUTHORITY agrees to take all appropriate action to ensure that the SPONSOR is listed as an additional named insured on each of these insurance policies.

No later than fifteen (15) days following the date of this Contract, the GOVERNING AUTHORITY shall provide the SPONSOR with certificates of insurance or other satisfactory proof evidencing coverage in the types and amounts agreed to. All such insurance policies shall contain a provision requiring notice to the SPONSOR, at least thirty (30) days in advance, of any material change, non-renewal, or termination, to the attention of President, The Thomas B. Fordham Foundation, 1016 16th Street, NW, 8th Floor, Washington, D.C. 20036 or such other address designated by the SPONSOR with copies to Thomas B. Fordham Foundation, 400 East Fifth Street, Suite C, Dayton, OH 45402, Attn: Director of Community School Sponsorship and to Thomas A. Holton/Charles Y. Kidwell, Porter, Wright, Morris & Arthur LLP, Suite 1600, One South Main Street, Dayton, Ohio 45402-2028.

To the fullest extent permitted by law, the GOVERNING AUTHORITY and Community School shall indemnify, defend and hold harmless the SPONSOR and any successor entity thereto and their respective members, officers, directors, trustees, employees, agents, affiliates and representatives, past and present, (collectively "the Sponsor Indemnitees"), from and against any and all liabilities, losses, penalties, damages and expenses, including costs and attorney fees arising out of all claims, liens, demands, suits, liabilities, injuries (personal or bodily), of every kind, nature and character arising or resulting from or occasioned by or in connection with (i) the possession, occupancy or use of the property by the Community School, GOVERNING AUTHORITY and its faculty, students, patrons, employees, guests or agents; or (ii) any act or omission to act, whether negligent, willful, wrongful or otherwise by the GOVERNING AUTHORITY, Community School, its faculty, officers, students, patrons, employees, guests or agents; or (iii) a violation of any law, statute, code, ordinance or regulation by the GOVERNING AUTHORITY, Community School, its faculty, officers, students, patrons, employees, subcontractors guests or agents and/or any breach, default, violation or non-performance by the GOVERNING AUTHORITY, Community School of any term, covenant, condition, duty or obligation provided in this Contract.

These indemnification, defense and hold harmless obligations shall survive the termination of this Contract for a period of five years. Notwithstanding the expiration, termination or nonrenewal of this Contract, the GOVERNING AUTHORITY and Community School agree that the insurance coverage requirements under this Article and the duty to indemnify described herein, shall continue in force and effect with respect to any claim, action, expense (including attorney fees), damage or liability arising out of, connected with, or resulting from the operation of the Community School by the GOVERNING AUTHORITY for a period of five years after termination of this Contract. Any indemnified parties shall have the right, at its own expense, to participate in the defense of any suit without relieving the indemnifying party of any of its obligations hereunder.

The GOVERNING AUTHORITY shall request a Bureau of Criminal Identification and Investigation ("BCI&I") criminal records check for each newly elected and/or appointed

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GOVERNING AUTHORITY member. If any member fails to pass the criminal records check, their appointment to the GOVERNING AUTHORITY shall be void. The results of each criminal records check for the GOVERNING AUTHORITY members shall be provided to the SPONSOR upon request.

In accordance with Section 3319.39 of the Code, the GOVERNING AUTHORITY shall request a BCI&I criminal records check with respect to teachers and any applicant who has applied to the Community School for employment in any position involving the care, custody, or control of a child. Any such applicants shall not be hired until the GOVERNING AUTHORITY receives a favorable criminal records check for that applicant from BCI&I.

Upon request of the SPONSOR, the GOVERNING AUTHORITY shall provide proof of occupancy, fire inspection, health and safety inspection, lease or purchase verification, liability insurance, BCI&I records checks of all staff, and valid teaching certification of staff. Proof of occupancy shall be satisfied by the GOVERNING AUTHORITY providing to the SPONSOR any permanent, interim or temporary certificate of occupancy issued by the government agency having jurisdiction over the same. Proof of teacher certification shall be satisfied by the GOVERNING AUTHORITY providing to the SPONSOR any temporary or permanent teaching certificate/license issued by the Ohio Department of Education.

In accordance with Ohio Revised Code Section 3314.03(A)(10), the GOVERNING AUTHORITY agrees to hire classroom teachers who are licensed in accordance with Sections 3319.22 to 3319.31 of the Ohio Revised Code and may employ other persons as are necessary to carry out and fulfill its mission pursuant to Section 3314.01(B) of the Ohio Revised Code. In accordance with applicable provisions of Ohio law, the GOVERNING AUTHORITY hereby represents that all individuals who teach in the Community School during the term of this Contract shall: (i) hold a license to teach in a public school in Ohio under Sections 3319.22 to 3319.31 of the Ohio Revised Code; or (ii) be in the process of obtaining a license to teach in a public school in Ohio under the conditional or alternative path to licensure set forth under Ohio law. The GOVERNING AUTHORITY represents that any individual teaching at the Community School under this option shall complete the conditional or alternative path to licensure not later than two (2) years after beginning to teach at the Community School. The Community School may engage non-certified persons to teach up to twelve (12) hours per week pursuant to Section 3319.301 of the Ohio Revised Code. The requirement of certification or licensure may be fulfilled by obtaining either a teaching certificate/license or temporary teaching certificate/license issued by the Ohio Department of Education.

In accordance with applicable provisions of Ohio law, the GOVERNING AUTHORITY represents that any individual who provides a service other than teaching to students at the Community School, and for which a license is required under Ohio law, shall have the appropriate license to provide the service in Ohio.

In accordance with Ohio Revised Code Section 3314.03(A)(6), the GOVERNING AUTHORITY agrees to adopt an attendance policy that includes a procedure for automatically withdrawing a student from the school if the student, without a legitimate excuse, fails to participate in one hundred five (105) consecutive hours of the learning opportunities offered to

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the student. Such policy shall provide for withdrawing the student by the end of the thirtieth (30th) day after the student has failed to participate. In accordance with Ohio Revised Code Section 3314.03(A)(11)(a), the Community 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.

In accordance with Ohio Revised Code Section 3314.03(A)(11)(c), the Community 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.

In accordance with Ohio Revised Code Section 3314.03(A)(11)(d), the GOVERNING AUTHORITY shall comply with Sections 9.90, 9.91, 109.65, 121.22, 149.43, 149.433, 2151.357, 2151.358, 2151.421, 2313.18, 3301.0710, 3301.0711, 3301.0712, 3301.0715, 3301.56, 3302.041, 3313.472, 3313.50, 3313.536, 3313.608, 3313.6012, 3313.6013, 3313.6014, 3313.6015, 3313.643, 3313.648, 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, 3313.86, 3313.96, 3319.073, 3319.313, 3319.314, 3319.315, 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, 3737.73, 4111.17, 4113.52 and 5705.391 and Chapters 117, 1347, 2744, 3365, 3742, 4112, 4123, 4141, and 4167 of the Ohio Revised Code as if it were a school district and comply with Section 3301.0714 of the Revised Code in the manner specified in Section 3314.17 of the Revised Code.

In accordance with Ohio Revised Code Section 3314.03(A)(11)(e), the GOVERNING AUTHORITY shall comply with Chapter 102 and Section 2921.42 of the Ohio Revised Code.

In accordance with Ohio Revised Code Section 3314.03(A)(11)(h), the GOVERNING AUTHORITY shall comply with Section 3313.801, as if it were a school district.

In accordance with the Ohio Revised Code section 3314.03(25), the school will open for operation not later than September 30.

The GOVERNING AUTHORITY represents that the school director, principal or the superintendent of the Community School is a non-voting member of the Governing Authority.

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 Community School.

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 Community School.

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The Community School and GOVERNING AUTHORITY will comply with Section 3302.04 of the Code to the extent possible, except any action required to be taken by a school district pursuant thereto shall be taken by the SPONSOR, provided, however, the SPONSOR is not required to take action under Section 3302.04(F) of the Code.

The Community School represents that, to its knowledge, its name does not violate or infringe upon the intellectual property rights of any third party.

As consideration for the sponsorship of the Community School by the SPONSOR, the GOVERNING AUTHORITY or, as directed, the Community School will pay a [__]% ([__] percent) sponsorship fee (the "Sponsorship Fee") to the SPONSOR, on or before the 10th day of the month for the term of this Contract. The Sponsorship Fee shall be the specified percentage of the total state foundation payment, based upon student enrollment, received by the Community 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 this Contract and calculation of the sponsorship fee payable by the GOVERNING AUTHORITY to the SPONSOR pursuant to this article of this Contract, the components of total state foundation payment are the state formula amount, disadvantaged pupil impact aid (DPIA), parity aid and special education.

If the Community School is rated "Effective" or "Excellent" *and* meets Adequate Yearly Progress requirements, *and* did not have findings for recovery issued against the school, its GOVERNING BOARD, employees or treasurer for the most recently released audit(s) or such finding for recovery issued are deemed in Sponsor's discretion to be de minimus, unwarranted or unrelated to the Community School *and* the school was 80% or more in compliance as per documentation required in AOIS and on site visits, the Community school will receive a rebate according to the following schedule:

Enrollment	Rebate/Effective	Rebate/Excellent
50-249	\$2,500	\$5,000
250-499	\$5,000	\$7,500
500+	\$7,500	\$10,000

If the audit of the Community School for the most recent school year has not been released by the Auditor of State, within 365 days of commencement of said audit, award of any rebate is solely within the discretion of the SPONSOR.

The Community School and the GOVERNING AUTHORITY agree to cooperate with and assist the SPONSOR or its designee in providing the access, information, and data the SPONSOR requires at the SPONSOR'S sole discretion. The Community School and the GOVERNING AUTHORITY understand and agree that the SPONSOR may contract with a third party, who will be a third party beneficiary of this Contract, to perform the SPONSOR'S oversight functions pursuant to this Contract.

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The Community School may solicit and receive contributions and donations as permitted by law. No solicitation shall indicate that a contribution to the Community School is for the benefit of the SPONSOR.

A. Educational Plan:

The GOVERNING AUTHORITY agrees to comply with the policies and provisions described in the educational plan ("Educational Plan") of the Community School, including but not limited to the school's mission; the ages and grades of students; the characteristics of the students the Community School expects to attract; the focus of the curriculum and academic calendar and instructional schedule for a typical school day.

In accordance with Section 3314.03(A)(23) of the Code, the GOVERNING AUTHORITY agrees to set forth in Exhibit 1 a description of both classroom-based and non-classroom based learning opportunities in compliance with the criteria set forth in Section 3314.08(L)(2) of the Code. The GOVERNING AUTHORITY represents that the Educational Plan attached hereto as Exhibit 1, and incorporated by reference as if fully written herein, will lead to attainment of the state and federal law requirements for school performance and the achievement and academic goals specified in Exhibit 4.

B. Financial Plan:

In accordance with Section 3314.03(A)(15), the GOVERNING AUTHORITY agrees to comply with the financial plan ("Financial Plan") of the Community School, which details an estimated school budget for each year of the period of this Contract, specifies the total estimated per pupil expenditure amount for each such year, and describes the financial policies, procedures and internal financial controls of the Community School. The GOVERNING AUTHORITY shall calculate and report the estimated per pupil expenditure amount that will be used for purposes of funding calculations under Section 3314.08 of the Ohio Revised Code. This base formula amount for any year shall not exceed the dollar formula amount defined under Section 3317.02 of the Ohio Revised Code. The GOVERNING AUTHORITY'S financial plan may also specify, for any year, a percentage figure to be used for reducing the per pupil amount of disadvantaged pupil impact aid the Community School is to receive that year under Section 3314.08 of the Ohio Revised Code. Said Financial Plan is attached hereto as Exhibit 2, and is incorporated by reference as if fully written herein.

In accordance with Section 3314.03(A)(8), the GOVERNING AUTHORITY shall require financial records of the Community School to be maintained in the same manner as are financial records of school districts, pursuant to rules of the Auditor of State, and the audits shall be conducted in accordance with Section 117.10 of the Ohio Revised Code. The GOVERNING AUTHORITY agrees to comply with the requirements for financial audits by the Auditor of the State.

In accordance with Section 3314.011 of the Code, the GOVERNING AUTHORITY shall have a designated fiscal officer for the Community School who meets all of the requirements set forth in Section 3314.011.

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The GOVERNING AUTHORITY shall provide the SPONSOR with financial reports every month. Financial reports will be submitted in the form and format requested by the SPONSOR and, at a minimum, shall include cashflow and income statements and balance sheet information. The GOVERNING AUTHORITY will allow the SPONSOR to monitor the School's operations at the request of the SPONSOR.

The Community School will undergo an annual audit performed by state auditor's office or a certified public accountant and provide a copy of the audit and management letter to the SPONSOR within ten (10) days of receipt of the audit by the school. The GOVERNING AUTHORITY will provide copies of any audits and management letters, upon request, to any other state agency or office that requests a copy of the audit. The GOVERNING AUTHORITY will submit copies of all state issued audits and management letters to SPONSOR within 2 (two) business days of receipt of the same by the GOVERNING AUTHORITY.

The GOVERNING AUTHORITY will conduct an inventory of all school assets and their value, as of the date the inventory was conducted, and submit a copy of the inventory to SPONSOR by September 30.

The GOVERNING AUTHORITY will submit an annual IRS form 990, and provide a copy to the SPONSOR.

The GOVERNING AUTHORITY will submit to the SPONSOR, by the dates set forth in Ohio Administrative Code section 3301-92-04, the same Five Year Budget Forecasts that are required to be submitted to the board of education pursuant to that section.

C. Governance and Administrative Plan:

The GOVERNING AUTHORITY agrees to comply with the policies and procedures for the management and administration of the Community School as set forth in the governance and administrative plan ("Governance and Administrative Plan"), which is attached hereto as Exhibit 3, and incorporated by reference as if fully written herein.

The GOVERNING AUTHORITY agrees that it will be comprised of at least five (5) voting members, and that a quorum of the board will consist of the requisite number of members specified by the GOVERNING AUTHORITY'S Code of Regulations, Bylaws or the Ohio Revised Code. The GOVERNING AUTHORITY agrees that it will not have less than ten (10) regularly scheduled and periodic monthly meetings per year, absent extenuating or extraordinary circumstances, and that voting members will attend scheduled meetings, participate and be engaged as a member of the Governing Authority each year. Additionally, the GOVERNING AUTHORITY agrees to comply with the procedures by which the members of the GOVERNING AUTHORITY of the Community School will be selected in the future as set forth in the Governance and Administrative Plan, which is attached hereto as Exhibit 3, and incorporated by reference as if fully written herein. Failure to maintain at least five (5) voting members on a regular basis may result in SPONSOR taking action under Section D (Accountability) of Article III (Responsibilities of the Governing Authority), Article VIII

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(Probationary Status), Article IX (Suspension of Operation) or Article X (Expiration/Termination of Contract) of this Contract.

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.

The GOVERNING AUTHORITY agrees to provide notices to students, parents, employees and the general public indicating that all of the Community School's educational programs are available to its students without regard to race, creed, color, national origin, sex or disability. Further, the Community School shall provide a non-discrimination notice in all newsletters, annual reports, admissions materials, handbooks, application forms and promotional materials other than radio advertisements.

In accordance with Section 3314.03(A)(12), the GOVERNING AUTHORITY agrees to make arrangements for providing health and other benefits to employees as set forth in the Governance and Administrative Plan, which is attached hereto as Exhibit 3, and incorporated by reference as if fully written herein.

The GOVERNING AUTHORITY agrees to comply with the admission procedures as set forth in Section 3314.06 of the Ohio Revised Code. In accordance with Section 3314.03(A)(19) of the Code, the GOVERNING AUTHORITY agrees to adopt an enrollment policy regarding the admission of students who reside outside the district in which to Community School is located. The policy shall comply with the admissions procedures as specified in Section 3314.06 of the Ohio Revised Code.

In accordance with Section 3314.03(A)(7) of the Code, the GOVERNING AUTHORITY agrees to comply with the portion of its Governance and Administrative Plan, attached hereto as Exhibit 3 and incorporated by reference as if fully written herein, which sets forth the ways by which the Community School will achieve racial and ethnic balance reflective of the community it serves.

In accordance with Section 3314.03(A)(6) of the Code, the GOVERNING AUTHORITY agrees to comply with the dismissal procedures as set forth in the Governance and Administrative plan, which is attached hereto as Exhibit 3, and incorporated by reference as if fully written herein.

In accordance with Section 3314.03(A)(16) of the Code, the GOVERNING AUTHORITY agrees to comply with the requirements and procedures regarding the disposition of employees of the Community School in the event this Contract is terminated or not renewed pursuant to Section 3314.07 of the Code, as set forth in the Governance and Administrative Plan, which is attached hereto as Exhibit 3, and incorporated by reference as if fully written herein.

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In accordance with Section 3314.10 of the Code, the GOVERNING AUTHORITY agrees that the employment of teachers and non-teaching personnel by the Community School shall be as set forth in the Governance and Administrative Plan, which is attached hereto as Exhibit 3, and incorporated by reference as if fully written herein, and said employment shall be subject to either Chapter 3307 or Chapter 3309 of the Ohio Revised Code, whichever is applicable, and the Community School shall carry out all of the duties of an employer specified therein.

The GOVERNING AUTHORITY agrees to participate in the sponsorship information management system (AOIS) developed by the SPONSOR, including but not limited to: (i) the participation of Community School staff in all required training, and (ii) timely response to all information requests related to the sponsorship information management system.

The GOVERNING AUTHORITY agrees to report to the SPONSOR, by August 1, any updates to the composition of the board. This report shall include the names, addresses (including electronic mail), and phone numbers of the GOVERNING AUTHORITY members, as well as the identified officers and meeting schedule of the GOVERNING AUTHORITY.

The GOVERNING AUTHORITY agrees to notify the SPONSOR in writing within seven (7) business days that an existing GOVERNING AUTHORITY member resigns or a new GOVERNING AUTHORITY member is appointed.

D. Accountability Plan:

The GOVERNING AUTHORITY agrees to assess student achievement of academic goals using the methods of measurement identified in the Academic Performance Plan (“Academic Performance Plan”), which is attached hereto as Exhibit 4, and incorporated by reference as if fully written herein. Such methods shall include the administration of Ohio's proficiency tests, achievement tests, diagnostic assessments, or any other statutory testing established for Ohio's students. The SPONSOR and GOVERNING AUTHORITY further agree to comply with any and all statutory amendments regarding student achievement and testing governing community school students as if such amendments were specifically set forth in this Contract.

The GOVERNING AUTHORITY agrees to comply with all requirements of the federal No Child Left Behind Act (“NCLB”), and any amendments or reauthorization thereof, including but not limited to highly qualified teacher, public school choice and supplemental education services requirements, and corrective action and restructuring mandates. The GOVERNING AUTHORITY will provide SPONSOR with a written description of all actions it has taken to comply with applicable NCLB requirements by October 31.

In accordance with Section 3314.03(A)(11)(g) of the Code, the GOVERNING AUTHORITY shall submit to the SPONSOR, to the parents of all students enrolled in the Community School, within four months after the end of each school year a report (an annual report) of its activities and progress in meeting the goals and standards for each of the following:

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- The mission statement of the Community School
- Academic performance goals and requirements, as contained in Exhibit 4; and
- Financial status, including cashflow statements, income statements, balance sheet information, and independent and state fiscal audit results; and
- General school information and statistics, including but not limited to, grade levels served, total enrollment, enrollment by grade, student demographics (specifically disaggregated for sub-groups by percentage, including number economically disadvantaged, race/ethnicity, gender and students with disabilities), total teachers, number of teachers by grade and subject, teacher demographics (specifically disaggregated for sub-groups by race/ethnicity and gender), extracurricular activities offered, community partnerships (specifically, a list of partner organizations and a description of the services and/or goods they provide to the school), school contact information (including address, website and telephone), and list of governing authority members and their titles (e.g., chairperson, secretary); and
- A written description of all actions the Community School has taken to comply with applicable No Child Left Behind (NCLB) requirements by October 31.

The GOVERNING AUTHORITY acknowledges that timely reporting of data and timely response to requests from oversight bodies, including but not limited to the SPONSOR, Ohio Auditor of State and Ohio Department of Education are of paramount importance.

Article IV. Responsibilities of the SPONSOR

Pursuant to Section 3314.015(B) of the Code, the SPONSOR shall perform its obligations under this Contract consistent with its obligations under its written agreement with the Ohio Department of Education as well as Section 3314.03(D) of the Code; specifically, the SPONSOR shall: (1) monitor the community school's compliance with all laws applicable to the school and with the terms of this Contract; (2) monitor and evaluate the academic and fiscal performance and the organization and operation of the community school on an annual basis; (3) report, by November 30, the results of the evaluation conducted under division (D)(2) of this section to the department of education and to the parents of students enrolled in the community school; (4) provide technical assistance to the community school in complying with laws applicable to the school and terms of this Contract; (5) take steps to intervene in the school's operation, to the extent reasonable and within available resources, 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 this Contract pursuant to section 3314.07 of the Revised Code as determined necessary by the sponsor; and, (6) have in place a plan of action to be undertaken in the event the community school experiences financial difficulties or closes prior to the end of a school year.

The Sponsor agrees to comply with the standards by which the success of the Community School will be evaluated, as set forth in Exhibit 4, which is attached hereto, and incorporated by reference as if fully written herein. The duties of the SPONSOR shall be in accordance with the written agreement between the SPONSOR and the Ohio Department of Education.

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The SPONSOR will not require the GOVERNING AUTHORITY and/or Community School to purchase, contract to purchase or use any supplemental services (treasury services, financial management services, etc.) offered by the SPONSOR or any affiliate of the SPONSOR.

The SPONSOR shall request a Bureau of Criminal Identification and Investigation (“BC&I”) criminal records check for full time employees of SPONSOR who will be on-site at the Community School. Any employee or agent who fails to pass the criminal records check shall not be permitted on-site at the Community School.

To the fullest extent permitted by law, the SPONSOR shall indemnify, defend and hold harmless the Community School and any successor entity thereto and its respective GOVERNING AUTHORITY, members, officers, directors, trustees, employees, agents, affiliates and representatives, past and present, (collectively “the Community School Indemnitees”), from and against any and all liabilities, losses, penalties, damages and expenses, including costs and attorneys’ fees arising out of all claims, liens, demands, suits, liabilities, injuries (personal or bodily), of every kind, nature and character arising or resulting from or occasioned by or in connection with (i) any act or omission to act, whether negligent, willful, wrongful or otherwise by the SPONSOR, its officers, employees, subcontractors, guests or agents; or (ii) a violation of any law, statute, code, ordinance or regulation by the SPONSOR, its officers, employees, subcontractors, guests or agents and/or any breach, default, violation or non-performance by the SPONSOR of any term, covenant, condition, duty or obligation provided in this Contract or the State Contract (excluding any such claim for indemnification derived from a previous breach, default, violation or nonperformance by the Community School or GOVERNING AUTHORITY of any law, statute, code, ordinance, regulation, or any term, covenant, condition, duty or obligation required to be performed by law or this Contract).

These indemnification, defense and hold harmless obligations shall survive the termination of this Contract for a period of five years. Any of the Community School Indemnitees shall have the right, at its own expense, to participate in the defense of any suit without relieving the SPONSOR of any of its obligations hereunder.

Article V. Compliance with the Americans with Disabilities Act and Section 504 of the Rehabilitation Act of 1973 and the Individuals with Disabilities Education Improvement Act of 2004

The GOVERNING AUTHORITY shall comply with all the provisions set forth in the Americans with Disabilities Act, and shall not exclude a qualified individual with a disability by reason of such disability, from participation in any programs or activities of the Community School, or subject such qualified individual to discrimination by the Community School.

The GOVERNING AUTHORITY shall ensure that all facilities meet the requirements of the Americans with Disabilities Act and that all education programs are accessible to individuals with a disability.

The GOVERNING AUTHORITY shall comply with all of the provisions set forth in Section 504 of the Rehabilitation Act of 1973 and shall not exclude a qualified handicapped

COMMUNITY SCHOOL CONTRACT

person, on the basis of such handicap, from participation in any programs or activities of the Community School and shall provide free appropriate public education to such qualified handicapped person.

The GOVERNING AUTHORITY shall comply with all of the provisions set forth in the Individuals with Disabilities Education Improvement Act of 2004 (IDEA) and failure to so comply may result in probation, suspension or termination under this Contract.

Notwithstanding the foregoing, nothing in this Article is, or shall be construed to be, a waiver of any exceptions, exclusions or other rights that the GOVERNING AUTHORITY may have or may avail itself of under the Americans with Disabilities Act, the Rehabilitation Act of 1973 or any other applicable state or federal law.

Article VI. Site Visits

The GOVERNING AUTHORITY agrees to permit the SPONSOR to conduct site visits as determined necessary by the SPONSOR.

Article VII. Letter of Approval to Operate

Should the GOVERNING AUTHORITY elect to move the Community School to a new location, the GOVERNING AUTHORITY agrees that it shall neither commence school operations nor begin classes for students in the new location until it has received a letter of approval to operate ("Letter of Approval") issued by the SPONSOR, the requirements of which are attached hereto as Exhibit 5, and incorporated by reference as if fully written herein, and any other health and safety certificates or documentation required by the appropriate governmental agency. The SPONSOR shall issue to the GOVERNING AUTHORITY a Letter of Approval within seven (7) business days after receipt of the required documentation. If the GOVERNING AUTHORITY receives no response from the SPONSOR within fourteen (14) business days after receipt of all the required documentation, the GOVERNING AUTHORITY shall be authorized to begin classes.

Once classes begin, the Community School may continue to hold classes for students until such time that its Certificate of Occupancy or Temporary Certificate of Occupancy and/or any other required health and safety certificate is revoked by a governmental agency due to violations of health and safety standards, or until such time as school operations are suspended pursuant to this Contract and Ohio law, or this Contract otherwise terminates or expires pursuant to the provisions herein.

The parties to this Contract understand and agree that the provisions of Article VII of this Contract do not restrict or alter the SPONSOR'S authority to suspend the operation of the Community School in accordance with Article IX of this Contract and Ohio law.

COMMUNITY SCHOOL CONTRACT

Article VIII. Probationary Status

In lieu of termination of this Contract or suspension of the operation of a Community School, the SPONSOR may, after consultation with the GOVERNING AUTHORITY of a Community School under its sponsorship, declare in written notice to the GOVERNING AUTHORITY that the Community School is in a probationary status for the following reasons:

1. The GOVERNING AUTHORITY'S failure to ensure that the Community School delivers the Education Plan specified pursuant to Exhibit 1 of this Contract to all students enrolled in the Community School;
2. The GOVERNING AUTHORITY'S failure to ensure that the Community School meets the student performance requirements specified in Exhibit 4 of this Contract and achievement or academic requirements specified in Exhibit 4 of this Contract;
3. The GOVERNING AUTHORITY'S failure to meet generally accepted standards of fiscal management;
4. The GOVERNING AUTHORITY has violated any provisions of this Contract or applicable state or federal law; or
5. Other good cause.

The notice shall specify the conditions that warrant probationary status. Upon receipt of this notice, the GOVERNING AUTHORITY shall submit in writing reasonable assurances to the satisfaction of the SPONSOR, within ten (10) business days of receipt of the SPONSOR'S notice of the Community School being placed on probation, that the GOVERNING AUTHORITY can and will take actions necessary to remedy the conditions that have warranted such probationary status pursuant to this Article. Upon review by the SPONSOR of the assurances, if the assurances provided by the GOVERNING AUTHORITY are not sufficient this Contract may be terminated or operations of the school may be suspended pursuant to Article IX of this Contract.

If the SPONSOR approves the written proposed remedy submitted by the GOVERNING AUTHORITY, then the Community School shall remain on probationary status and the SPONSOR shall monitor the actions taken by the GOVERNING AUTHORITY to remedy the conditions that have warranted probationary status as specified by the SPONSOR and, if the SPONSOR at any time finds that the GOVERNING AUTHORITY is no longer able or willing to remedy those conditions to the satisfaction of the SPONSOR, the SPONSOR may take further action under Section 3314.073, including taking over the operation of the Community School, or suspending the operation of the Community School.

Except in cases determined by the Sponsor, in its discretion, to be of such an extreme nature so as to require immediate remedy (e.g., financial insolvency or severe education programmatic inadequacy of the Community School) a Community School placed on probation pursuant to Article VIII of this Contract may remain in operation on probation for the remainder of the school year in which the notice of probation was received by the GOVERNING

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AUTHORITY, unless or until the Community School closes and ceases to operate for ten (10) consecutive business days during the period of probation for reasons other than closures scheduled on the academic calendar or force majeure events.

If such status is declared, the probationary status shall not extend beyond the end of the current school year. The probationary status under this Article VIII and the suspension of operation of the Community School under Article IX are separate and distinct actions available to the SPONSOR under this Contract. Nothing herein shall preclude the SPONSOR from taking action under Article IX for suspension of operation of the Community School during the pendency of any probationary status or period for such imposed on the Community School under Article VIII.

Notwithstanding the foregoing, before taking action under Articles VIII or IX the SPONSOR shall endeavor through reasonable efforts to inform, in the form of a warning, the GOVERNING AUTHORITY and Community School of areas of noncompliance that may warrant probationary status. The SPONSOR shall not have an affirmative legal obligation to provide a warning in lieu of action under Articles VIII or IX but does hereby agree to provide such as an additional form of corrective action where, in the SPONSOR'S sole discretion, circumstances so warrant.

Article IX. Suspension of Operation

If SPONSOR suspends the operation of the Community School pursuant to the procedures set forth in this Article IX, the GOVERNING AUTHORITY shall not operate the Community School while the suspension is in effect.

Upon the GOVERNING AUTHORITY'S receipt of the notice of suspension, the GOVERNING AUTHORITY shall immediately notify the employees of the Community School and the parents of the students enrolled in the Community School of the suspension and the reasons for the suspension, and shall cease all school operations on the next business day. Any such suspension shall remain in effect until the SPONSOR notifies the GOVERNING AUTHORITY that it is no longer in effect.

A. Health and Safety

1. If at any time the conditions at the Community School do not comply with health and safety standards established by law for school buildings, the SPONSOR may immediately suspend the operation of the Community School by sending a written notice of suspension to the GOVERNING AUTHORITY. If the SPONSOR fails to take such action, the Ohio Department of Education may take such action.
2. If at any time public health and safety officials inspect the facilities of the Community School, such officials have the authority to order the facilities closed for noncompliance.
3. If at any time the SPONSOR determines that conditions at the Community School do not comply with health and safety standards established by law for school buildings and pose

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an imminent danger to the health and safety of the school's students and employees, the SPONSOR shall immediately suspend the operation of the Community School by sending a written notice of suspension to the GOVERNING AUTHORITY.

4. If the SPONSOR determines to suspend the operation of the Community School pursuant to the terms of this Contract and the provisions of Ohio law, the SPONSOR shall send written notice to the GOVERNING AUTHORITY stating that the operation of the Community School is immediately suspended, and explaining the specific reasons for the suspension. The notice shall state that the GOVERNING AUTHORITY has five (5) business days to submit to the SPONSOR a written proposed remedy to the conditions cited as reasons for the suspension or face potential termination of this Contract.
5. If the SPONSOR approves and accepts the written proposed remedy submitted by the GOVERNING AUTHORITY, then the Community School may reopen following notification by the SPONSOR that such suspension is no longer in effect.

B. Other

The SPONSOR may also suspend the operation of the Community School for the following reasons:

1. The GOVERNING AUTHORITY'S failure to ensure that the Community School delivers the Education Plan specified pursuant to Exhibit 1 of this Contract to all students enrolled in the Community School;
2. The GOVERNING AUTHORITY'S failure to ensure that the Community School meets the student performance requirements specified in Exhibit 4 of this Contract and achievement or academic requirements specified in Exhibit 4 of this Contract;
3. The GOVERNING AUTHORITY'S failure to meet generally accepted standards of fiscal management;
4. The GOVERNING AUTHORITY has violated any provisions of this Contract or applicable state or federal law; or
5. Other good cause.

Prior to suspension for one or more of the five reasons set forth in paragraphs (B)(1) through (B)(5) above, the SPONSOR must first issue to the GOVERNING AUTHORITY written notice of the SPONSOR'S intent to suspend the operation of this Contract. Such notice shall explain the reasons for the SPONSOR'S intent to suspend operation of this Contract and shall provide the GOVERNING AUTHORITY with five (5) business days to submit to the SPONSOR a written proposal to remedy the conditions cited as reasons for the suspension. The SPONSOR shall promptly review any proposed remedy timely submitted by the GOVERNING AUTHORITY and either approve or disapprove the proposed remedy.

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If the SPONSOR disapproves the remedy proposed by the GOVERNING AUTHORITY, or if the GOVERNING AUTHORITY fails to submit a proposed written remedy in the manner prescribed by the SPONSOR, or if the GOVERNING AUTHORITY fails to implement the remedy as approved by the SPONSOR, the SPONSOR may suspend the operation of the Community School.

If the SPONSOR determines to suspend the operation of the Community School pursuant to the terms of this Contract and the provisions of Ohio law, the SPONSOR shall send written notice to the GOVERNING AUTHORITY stating that the operation of the Community School is immediately suspended, and explaining the specific reasons for the suspension. The notice shall state that the GOVERNING AUTHORITY has five (5) business days to submit to the SPONSOR a written proposed remedy to the conditions cited as reasons for the suspension or face potential termination of this Contract.

Upon the GOVERNING AUTHORITY'S receipt of the notice of suspension, the GOVERNING AUTHORITY shall (i) designate a representative of the GOVERNING AUTHORITY who shall retain responsibility for the security of and access to all Community School records, including student records, during the suspension; (ii) provide the means and capability to access Community School records, including student records, to the SPONSOR'S representative, as designated in writing, and (iii) fully cooperate with the SPONSOR'S designated representative, who shall have unrestricted and equal access to Community School records, including student records during the suspension period. During the suspension period, the SPONSOR'S designated representative shall have access to and may remove Community School records, including student records, if, in the sole discretion of the SPONSOR, the representative of the Governing Authority fails to timely provide such records, following a legitimate request, or for any reason if the Community School remains under suspension and is not fully operational for a period of ten (10) weekdays.

C. Termination Resulting from the Suspension of School Operations

In accordance with Article X of this Contract and Ohio law, the SPONSOR may choose to terminate this Contract prior to its expiration if the SPONSOR has suspended the operation of this Contract.

Article X. Expiration/Termination of Contract

The expiration of this Contract between the SPONSOR and the GOVERNING AUTHORITY shall be the date provided above, provided, however, the GOVERNING AUTHORITY may terminate this Contract upon one hundred eighty (180) days written notice to the Sponsor of its intent to enter into a community school contract with a successor sponsor approved to be a sponsor of community schools by the Ohio Department of Education. If the SPONSOR decides to terminate this Contract prior to its expiration, then at least ninety (90) days prior to the termination of this Contract the SPONSOR shall notify the GOVERNING AUTHORITY in writing of its intent to terminate this Contract pursuant to Ohio Revised Code

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Section 3314.07. The SPONSOR may choose to terminate this Contract prior to its expiration for any of the following reasons:

1. The GOVERNING AUTHORITY'S failure to ensure that the Community School delivers the Education Plan specified pursuant to Exhibit 1 of this Contract to all students enrolled in the Community School;
2. The GOVERNING AUTHORITY'S failure to ensure that the Community School meets the student performance requirements specified in Exhibit 4 of this Contract and achievement or academic requirements specified in Exhibit 4 of this Contract;
3. The GOVERNING AUTHORITY'S failure to meet generally accepted standards of fiscal management;
4. The GOVERNING AUTHORITY has violated any provisions of this Contract or applicable state or federal law;
5. The Community School is insolvent or is bankrupt;
6. The Community School has insufficient enrollment to successfully operate a community school, or the Community School has lost more than fifty percent (50%) of its student enrollment from the previous school year;
7. The Community School defaults in any of the terms, conditions, promises or representations contained in or incorporated into this Contract or any other agreement entered into between the SPONSOR and the Community School or GOVERNING AUTHORITY;
8. The Community School's applicant(s), directors, officers or employees have provided false or misleading information or documentation to the SPONSOR in connection with the SPONSOR'S issuance of this Contract or other legally binding document executed by the parties to this Contract, or the Community School's reporting requirements under this Contract or applicable law;
9. The SPONSOR discovers grossly negligent, fraudulent or criminal conduct by the Community School's applicant(s), directors, officers, employees or agents in relation to their performance under this Contract; or
10. Other good cause.

The notice shall include the reason for the proposed termination of the Community School 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 seventy (70) days of the receipt of a request for the hearing. Following the informal hearing, the SPONSOR shall issue a written decision either affirming or rescinding the

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decision to terminate this Contract. The expiration, termination, or non-renewal of this Contract between the SPONSOR and GOVERNING AUTHORITY shall be subject to Ohio Revised Code §3314.07.

The termination of this Contract shall be effective upon the occurrence of the later of the following events:

1. Ninety (90) days following the date the SPONSOR notifies the GOVERNING AUTHORITY of its decision to terminate this Contract;
2. If an informal hearing is requested, and as a result of the informal hearing the SPONSOR affirms its decision to terminate this Contract, the effective date of the termination specified in the notice of termination, or if the SPONSOR'S decision is appealed to the State Board of Education (the "State Board"), and the State Board affirms that decision, the date established in the resolution of the State Board affirming the Sponsor's decision.

If the SPONSOR learns that the Community School may receive a designation of "unauditable" from the Ohio Auditor of State, the Community School shall be subject to probationary status, suspension of operations, termination or nonrenewal of this Contract.

Article XI. Contract Termination Contingencies

If the Community School (i) permanently closes and ceases its operation or (ii) closes and ceases to operate, the Community School shall comply with Section 3314.074 of the Revised Code and proceed according to the contract termination contingencies set forth in the Governance and Administration Plan, Exhibit 3, which is attached hereto, and incorporated by reference as if fully written herein.

The GOVERNING AUTHORITY represents that its governing documents provide that, upon dissolution, (i) all remaining assets, except funds received from the Ohio Department of Education, shall be used for nonprofit educational purposes, and (ii) remaining funds received from the Ohio Department of Education shall be returned to the Ohio Department of Education.

All property personally and/or individually owned by the trained and licensed teachers or staff employed by the Community School, shall be exempt from distribution of property and shall remain the property of the individual teachers and staff. Such property includes, but is not limited to, albums, curriculum manuals, personal mementos and other materials or apparatus that have been personally financed by teachers or staff.

Upon the GOVERNING AUTHORITY'S receipt of written notice of termination, and throughout the period of Community School operation between the notice of termination and school closure, if any, the GOVERNING AUTHORITY shall (i) comply with school closing procedures required by law imposed by or upon the Ohio Department of Education and SPONSOR and perform all obligations necessary thereto, (ii) designate a representative of the GOVERNING AUTHORITY who shall retain responsibility for the security of and access to all

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Community School records, including student records, (iii) provide the means and capability to access Community School records, including student records, to the SPONSOR'S representative, as designated in writing, and (iv) fully cooperate with the SPONSOR'S designated representative, who shall have unrestricted and equal access to Community School records, including student records during the period prior to the closure of the Community School. Upon termination and closure, the GOVERNING AUTHORITY shall secure all Community School records, including student records, in the possession of the Community School and shall grant to the SPONSOR access to records requested by the SPONSOR. The SPONSOR may take possession of such records, and upon taking possession of such records shall thereafter fulfill any and all statutory and contractual duties concerning the Community School records, including the student records which are within the SPONSOR'S possession; provided that in performing the Governing Authority's statutory or contractual duties, the Sponsor shall comply with Section 3314.015(E), and any procedural guidances published by the Ohio Department of Education, which correspond thereto. In accordance with Section 3314.44, the GOVERNING AUTHORITY shall take all reasonable steps necessary to collect and assemble in an orderly manner the educational records of each student who is or has been enrolled in the school so that those records may be transmitted within seven (7) business days of the school closing to the student's school district of residence.

The GOVERNING AUTHORITY further recognizes the authority of the Ohio Department of Education to take over sponsorship of the Community School in accordance with Section 3314.015(C) of the Code.

Article XII. Governing Law

This Contract shall be governed and interpreted according to the laws of the State of Ohio. This Contract is subject to any and all future changes, amendments or additions to the statutes, rules and procedures applicable to community schools. The SPONSOR and the GOVERNING AUTHORITY hereby agree to comply with any such change as if it were specifically set forth herein. Any such change shall supersede any term within this Contract that conflicts with the statutory change.

Article XIII. Limitation on Liability/Disclaimer of Liability/Covenant Against Suit

The SPONSOR of the Community School and the officers, directors or employees of the SPONSOR shall be afforded the protections against liability under Code § 3314.07(E) and (F) or any other statutory immunity granted to SPONSOR, now or hereafter.

The parties expressly acknowledge that the Community School is not operating as the agent or under the direction and control of the SPONSOR except as required by law or this Contract and that the SPONSOR assumes no liability for any loss or injury from: (i) the acts and omissions of the Community School, its directors, trustees, officers, agents, subcontractors, independent contractors, representatives or employees; (ii) the use and occupancy of the building or buildings occupied by the Community School or any matter in connection with the condition of such building or buildings; or (iii) any debt or contractual obligation incurred by the

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Community School. The GOVERNING AUTHORITY acknowledges that it is without authority to and will not extend the faith and credit of the SPONSOR to any third party.

The SPONSOR does not assume any liability with respect to any director, trustee, employee, agent, parent, guardian, student, subcontractor or independent contractor of the GOVERNING AUTHORITY, and no such person shall have the right or standing to bring suit against the SPONSOR or any of its trustees, directors, employees, agents, subcontractor or independent contractors as a result of the issuing, overseeing, suspending, terminating or revoking of this Contract.

Article XIV. Assignment

Neither this Contract nor any rights, duties or obligations described herein shall be assigned by either party hereto, without the prior written consent of both parties, which consent shall not be unreasonably withheld, and upon such terms and conditions as the parties may agree. Any assignment without the prior written consent of both parties is void. Notwithstanding the foregoing, the Governing Authority shall have the authority to subcontract its obligations under this Contract to third parties for the management and daily operations of the Community School.

Article XV. Amendments or Modifications

This Contract, and all exhibits hereto, constitute the entire agreement of the parties and may be modified or amended, provided that any such modification is in writing and signed by both parties. The exhibits may be modified by the GOVERNING AUTHORITY and SPONSOR in the interim, pending subsequent approval of all exhibits by the parties. All interim changes and modifications must be necessary for the effective and efficient operation of the Community School and consistent with the purposes and terms of this Contract. Any changes or modifications of this Contract other than as provided herein shall be made and agreed to in writing by the SPONSOR and the GOVERNING AUTHORITY. It is further agreed that any amendments or additions to the laws, rules or regulations cited herein or which are applicable to the operation of a community school will result in a correlative modification of this Contract, without the necessity of a written amendment signed by the parties.

Article XVI. Severability

If any provision of this Contract, or any covenant, obligation or agreement contained herein, is determined by a court of competent jurisdiction to be invalid, unenforceable, and/or contrary to applicable statutory or regulatory provisions under law, such determination shall not affect any other provision, covenant, obligation or agreement, each of which shall be construed and enforced as if such invalid or unenforceable provision were not contained herein.

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Article XVII. No Child Left Behind

To the extent applicable to community schools, the Community School will be subject to the federal rules and regulations for publicly funded schools, as outlined in the No Child Left Behind Act of 2001 and its associated regulations.

Article XVIII. Dispute Resolution Procedure

In accordance with the Ohio Revised Code Section 3314.03(A)(18), disputes involving the GOVERNING AUTHORITY of the Community School and the SPONSOR regarding this Contract shall be placed in writing and resolved in the following manner:

- a. Members of the GOVERNING AUTHORITY shall meet with representatives of the SPONSOR;
- b. Members of the GOVERNING AUTHORITY and the SPONSOR will make a good faith effort to define the issues, clarify any miscommunications and resolve contractual differences;
- c. All agreed terms shall be placed in writing and signed by both parties;
- d. The GOVERNING AUTHORITY or the SPONSOR may initiate this process by providing written notice to the other party of their intent to initiate the dispute resolution process.

In the event the representatives are unable to resolve such disputes on their own accord, then the representatives may engage in nonbinding mediation, using a trained, experienced mediator selected by mutual agreement of the representatives of the SPONSOR, and the representatives of the GOVERNING AUTHORITY. In addition to the foregoing, the parties may also engage in a process of notifications relating to noncompliance or corrective actions through the use of written notice, warnings, and other remedial action prior to the Community School being subject to probationary status, suspension of operations, termination or nonrenewal of this Contract. Notwithstanding the foregoing, nothing herein is intended to supersede or modify the procedures set forth under Article VIII for Probationary Status, Article IX for Suspension of Operation or Article X for Expiration/Termination of Contract.

Article XIX. Discrimination Policy

In carrying out this Contract, the GOVERNING AUTHORITY shall not discriminate against any employee or any applicant for employment based upon race, color, religion, national origin, sex, age or disability.

Article XX. Entire Agreement

The SPONSOR and the GOVERNING AUTHORITY hereby agree that this Contract, including all exhibits and attachments hereto, constitutes the entire agreement and understanding

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of the parties and supersedes all prior agreements and understandings, whether oral or written, with respect to the operation of Community School. No course of prior dealing between the parties shall supplement or explain any terms used in this Contract.

Article XXI. Notice

All notices required or permitted by this Contract shall be in writing and shall be either personally delivered or sent by nationally recognized overnight courier, or by registered or certified U.S. mail, postage prepaid, addressed as set forth below (except that a party may from time to time give notice changing the address for this purpose). A notice shall be effective on the date delivered.

To Governing Authority:

Governing Authority
[_____]
[_____]

Copies to:

[_____]
[_____]
[_____]
[_____]

If to Sponsor:

The Thomas B. Fordham Foundation
Attn: Chester E. Finn, Jr.
1016 16th Street, N.W.
8th Floor
Washington, D.C. 20036

Copies to:

The Thomas B. Fordham Foundation
Attn: Director of Community School Sponsorship
400 E. Fifth Street
Suite C
Dayton, OH 45402

Porter, Wright, Morris & Arthur LLP
Attn: Thomas A. Holton/Charles Y. Kidwell, Jr.
One South Main Street, Suite 1600
Dayton, Ohio 45402-2028

COMMUNITY SCHOOL CONTRACT

Article XXII. Non-Waiver

Except as provided herein, no term or provision of this Contract shall be deemed waived and no breach or default shall be deemed excused, unless such waiver or consent shall be in writing and signed by the party claimed to have waived or consented. No consent by any party to, or waiver of, a breach or default by the other, whether expressed or implied, shall constitute consent to, waiver of, or excuse for any different or subsequent breach or default.

Article XXIII. Force Majeure

If any circumstances occur which are beyond the control of the parties, which delay or render impossible the obligations of one or both of the parties, the parties' obligations to perform such services shall be postponed for an equivalent period of time or shall be canceled, if such performance has been rendered impossible by such circumstances.

Article XXIV. No Third Party Rights

This Contract is made for the sole benefit of the GOVERNING AUTHORITY, the Community School and the SPONSOR. Except as otherwise expressly provided, nothing in this Contract shall create or be deemed to create a relationship between the parties hereto, or either of them, and any third person, including a relationship in the nature of a third party beneficiary or fiduciary.

Article XXV. Non-Agency

The Community School and GOVERNING AUTHORITY, as one party, and the SPONSOR as the second party shall at all times hereunder be separate and independent parties whose relationship and actions are subject to the applicable provisions of this Contract and Ohio law. Nothing shall be construed or implied to create an agency, partnership, joint venture or any other relationship between the parties except one of sponsorship pursuant to this Contract in accordance with Ohio law and neither party shall (i) have any authority, right or entitlement, express or implied to make any commitments, obligation or contracts, or (ii) incur any liabilities, charges or expenses for or in the name of the other party, except as specifically permitted in this Contract.

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Article XXVI. Statement of Assurances for Start-Up Schools

The Community School represents that it has completed a statement of assurances as required as a recipient of funding from the Ohio Public Charter Schools Program. A copy of the executed completed statement of assurances is included as Exhibit 6 of this Contract, Statement of Assurances for Start-up Schools.

**ON BEHALF OF THE
THOMAS B. FORDHAM FOUNDATION**

BY: _____
[_____]

DATE: _____

THE GOVERNING AUTHORITY OF

BY: _____
Governing Board Representative

DATE: _____

DAYTON/632956 v.02

COMMUNITY SCHOOL CONTRACT