

IX.D.

**CONNECTICUT STATE BOARD OF EDUCATION
Hartford**

TO BE PROPOSED:

June 17, 2020

RESOLVED, That the State Board of Education, pursuant to Section 10-66tt of the Connecticut General Statutes, approves the contract for whole school management services between Capital Prep Harbor School, Inc. and Capital Preparatory Schools Incorporated and directs the Commissioner to take the necessary action.

Approved by a vote of _____, this seventeenth day of June, Two Thousand Twenty.

Signed: _____
Dr. Miguel A. Cardona, Secretary
State Board of Education

CONNECTICUT STATE BOARD OF EDUCATION
Hartford

TO: State Board of Education

FROM: Dr. Miguel A. Cardona, Commissioner of Education

DATE: June 17, 2020

SUBJECT: Approval of Proposed Contract for Whole School Management Services Between Capital Prep Harbor School, Inc. and Capital Preparatory Schools Incorporated

Executive Summary

Introduction and Parties

Capital Prep Harbor School, Inc. (Capital Prep) seeks State Board of Education (SBE) approval of its proposed contract for whole school management services with Capital Preparatory Schools Incorporated (CPS), a not-for-profit charter management organization (CMO). Capital Prep is a state charter school located in Bridgeport serving students in Grades K-12. Capital Prep's 2019-20 audited student enrollment was 760 students. CPS was established in 2011.

Pursuant to Section 10-66tt(c), the governing council of a state or local charter school is required to submit any contract for whole school management services between such governing council and a CMO to the SBE for review and approval.

Capital Prep's charter is effective through June 30, 2020. The SBE will act on the extension of Capital Prep's charter on June 3, 2020. The duration of the proposed contract for whole school management services will be contemporaneous with the duration of the charter approval. In 2016, the SBE approved a contract for whole school management services between Capital Prep and CPS. This 2016 contract amended a 2015 contract between the parties and brought the contract into compliance with C.G.S. Section 10-66tt which became effective after the 2015 contract was executed. The contract proposed here is substantially the same as the contract approved by the SBE in 2016. We understand that the parties inadvertently did not formally execute the contract approved by the SBE in 2016.

The Statutory Framework and the Review Process

C.G.S. Section 10-66tt, in addition to requiring SBE approval of contracts for whole school management services, sets certain standards for such contracts. For example, Section 10-66tt provides that the governing council of a state or local charter school shall not enter into a contract that: is contrary to state or federal law; entails a financial or other conflict of interest;

amends, alters, or modifies any provision of the charter; has the effect of reducing the governing council's responsibility for the operation of the charter school; or hinders the governing council in exercising effective supervision of the charter school.

Section 10-66tt also requires that a contract for whole school management services include, but need not be limited to, the following:

1. the roles and responsibilities of the governing council of the charter school and the charter management organization, including all services to be provided under the contract;
2. the performance measures, mechanisms and consequences by which the governing council will hold the charter management organization accountable for performance;
3. the compensation to be paid to the charter management organization, including all fees, bonuses and what such compensation includes or requires;
4. financial reporting requirements and provisions for the governing council's financial oversight;
5. a choice of law provision that states that Connecticut state law shall be the controlling law for the contract;
6. a statement that the governing council of the charter school and the charter management organization shall ensure compliance with the provisions of Section 10-66uu; and
7. any such information required by the Commissioner of Education to ensure compliance with the provisions of this chapter.

C.G.S. Section 10-66uu, in turn, establishes important transparency requirements. First, it requires that each contract for whole school management services shall provide that the governing council of the charter school is entitled to receive a copy of all records and files related to the administration of the charter school, including the compensation paid to the CMO and any expenditures of compensation by the CMO. Second, it establishes that such records and files are subject to Connecticut's Freedom of information Act once they are received by the governing council.

As noted above, a substantially similar contract for whole school management services was approved by the SBE in 2016, but this contract was reviewed again at this time by the Connecticut State Department of Education (CSDE) legal office, the charter school office, and the office of internal audit to determine continued compliance with Connecticut General Statutes Section 10-66tt and Section 10-66uu and other requirements.

In addition, in accordance with Section 10-66tt(c)(2), CSDE solicited the views of the Bridgeport school district on the contract for whole school management services. The CSDE did not receive a response.

It is CSDE's assessment is that the Capital Prep/CPS contract for whole school management services complies with the requirements of Sections 10-66tt and 10-66uu.

Recommendation

CSDE recommends that the SBE approve the contract for whole school management services between Capital Prep and CPS.

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Turnaround Office

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Division of Legal and Governmental Affairs

Reviewed by: Jessa Mirtle
Director of Legal Affairs

Educational Services Agreement

between

CAPITAL PREPARATORY SCHOOLS INCORPORATED

and

CAPITAL PREP HARBOR SCHOOL, INC.

FIRST RENEWAL EDUCATIONAL SERVICES AGREEMENT

THIS FIRST RENEWAL EDUCATIONAL SERVICES AGREEMENT (the “ESA” or the “Agreement”) is made and entered into as of this ___ day of ___, 2020 (the “Effective Date”) by and between Capital Preparatory Schools Incorporated (“CPS”), a Connecticut non-stock corporation, and Capital Prep Harbor School, Inc. (the “School”), a Connecticut non-stock corporation. Together, CPS and the School shall be referred to herein as the “Parties” and each separately a “Party.”

WHEREAS, CPS is a charter management organization as defined in Connecticut General Statutes (“C.G.S.”) Section 10-66aa(4) and possesses the qualifications, experience, and expertise necessary to effectively provide whole school management services (the “Services”) as more specifically and fully set forth herein and as generally defined in C.G.S. Section 10- 66aa(5);

WHEREAS, the School, led by its Board of Directors known as the Governing Council (the “Board”), first received approval of its application (“Charter Application”) to operate a charter school (the “Charter”) in the State of Connecticut (the “State”) from the Connecticut State Board of Education (the “Authorizer”) on April 2, 2014 pursuant to Section 10a-66bb of the Connecticut General Statutes;

WHEREAS, the School and CPS entered into that certain educational services agreement dated as of May 19, 2015 (the “Original Agreement”), which is set to expire along with the School’s Charter on June 30, 2020;

WHEREAS, the School received a renewal of its Charter from the Authorizer on [May] ___, 2020 for a term of [five (5)] years and has entered into a charter contract (the “Charter Contract”) with the Authorizer which sets forth certain terms and conditions applicable to the operation of the School;

WHEREAS, the School and CPS wish to renew the Original Agreement;

WHEREAS, it is the Parties’ intention to continue their relationship based on trust, common educational objectives, and clear accountability, through which the parties will work together to deliver an exceptional education program (the “CPS School Model”) and experience to the students enrolled at the School; and

WHEREAS, the Parties wish to define their relationship and set forth the terms and conditions of their respective rights and responsibilities to each other;

NOW, THEREFORE, in consideration of the recitals and the mutual covenants, representations, warranties, conditions, and agreements hereinafter expressed and for such other

good and valuable consideration, the receipt and sufficiency of which is hereby acknowledged, the Parties agree as follows:

1. **TERM AND RENEWAL.** This Agreement shall be effective as of the Effective Date and shall continue through June 30, 202[5] (the “Term”) unless terminated prior to such date in accordance with Section 11 below. The Parties may elect to renew this Agreement. The Parties agree to give notice of their intent to renew or not to renew this Agreement at least six (6) months prior to the expiration of the Term and should both parties desire to renew this Agreement, they shall work diligently to negotiate such agreement contemporaneously with submitting an application to renew the School’s Charter. Notwithstanding the foregoing, the Term shall not extend beyond the term of the Charter.

2 **REPRESENTATIONS AND WARRANTIES.**

a. Representations and Warranties of CPS. CPS represents and warrants as follows:

- i. Organization and Tax-Exempt Status. CPS is a non-stock corporation duly organized under the laws of Connecticut, with the purpose and legal ability to contract to provide educational management services. CPS shall notify the School in writing of any change in its corporate status, or if it enters into a receivership, becomes the subject of a voluntary or involuntary bankruptcy proceeding or makes an assignment for the benefit of creditors. This notification shall be made as far in advance of any such change as is reasonably practicable.
- ii. Authority. CPS possesses the requisite power and authority to execute and deliver this Agreement, to perform its obligations hereunder and to otherwise consummate the transactions contemplated hereby. This Agreement constitutes the valid and binding obligations of CPS, enforceable against CPS in accordance with its terms. CPS has tax-exempt status under Section 501(c)(3) of the Internal Revenue Code and shall at all times maintain tax-exempt status.
- iii. Litigation. There is no suit, claim, action, or proceeding now pending or, to the best of CPS’ knowledge, threatened, to which CPS is a party or which may result in any judgment, order, decree, liability, award or other determination which will or may reasonably be expected to have an adverse effect upon the School or prevent or hamper the consummation of the agreements contemplated by this Agreement. No judgment, order, decree or award has been entered against CPS.

- iv. Conduct of CPS. CPS's Services (defined below) provided under this Agreement shall comply with the Charter and all applicable laws and regulations.
 - v. Background Checks. CPS agrees that prior to (i) hiring an applicant for a position at CPS that will work with the School or on matters relating to the School or (ii) appointing or electing a director to its board of directors, submit to a records check of the Department of Children and Families child abuse and neglect registry, established pursuant to Section 17a-101k of the C.G.S., and to state and national criminal history records checks (to the extent legally permissible) before such applicant or potential board member is hired, appointed or elected, as applicable, with such criminal history records checks conducted in accordance with Section 29-17a of the C.,G.S.
- b. Representations and Warranties of the School. The School represents and warrants as follows:
- i. Organization and Tax-Exempt Status. The School is a non-stock corporation duly organized under the laws of Connecticut, and shall at all times throughout the Term remain, a charter school in good standing with the Authorizer, and possesses the legal ability to operate a charter school and contract for the educational services contemplated in this Agreement. The School has received its tax-exempt status under Section 501(c)(3) of the Internal Revenue Code and shall at all times maintain its tax-exempt status.
 - ii. Authority. The School possesses the requisite power and authority to execute and deliver this Agreement and to perform its obligations hereunder and to consummate the agreements contemplated hereby. This Agreement constitutes a valid and binding obligation of the School, enforceable against the School in accordance with its terms.
 - iii. Litigation. There is no suit, claim, action, or proceeding now pending or, to the best of the Board's knowledge, threatened, to which the School is a party or which may result in any judgment, order, decree, liability, award or other determination which will or may reasonably be expected to have an adverse effect upon the School or prevent or hamper the consummation of the agreements contemplated by this Agreement. No judgment, order, decree or award has been entered against the School.

- iv. Full Disclosure. No representation or warranty of the School herein and no statement, information or certificate furnished or to be furnished by the School pursuant hereto or in connection with this Agreement contains any untrue statement of material fact or omits a material fact necessary in order to make the statements contained herein not misleading or on which CPS would reasonably need to rely to perform its obligations under this ESA.
- v. Background Checks. The Board agrees that prior to (i) hiring any applicant for a position in the School, (ii) hiring any contractor doing business with the School who performs a service involving direct student contact, or (iii) appointing or electing a director to its Board, the School shall submit to a records check of the Department of Children and Families child abuse and neglect registry, established pursuant to section 17a-101k of the C.G.S., and to state and national criminal history records checks (to the extent legally permissible) before such applicant or potential board member is hired, appointed or elected, as applicable, or such contractor begins to perform such service. The criminal history records checks shall be conducted in accordance with Section 29-17a of the C.G.S.

3. **CONDUCT OF THE SCHOOL AND THE BOARD.** The School has materially complied, and at all times during the Term shall materially comply with all local, State, and federal laws and regulations that are applicable to the School, which include, but are not limited to, the Internal Revenue Code, the Family Educational Rights and Privacy Act (“FERPA”), Connecticut Education Law and regulations including the Connecticut Charter School Law and implementing regulations, the Connecticut Revised Nonstock Corporations Act, Connecticut Freedom of Information Act, as well as its By-Laws and other such policies and procedures as the Board may adopt. The School has maintained and will maintain adequate records of the activities and decisions of the School to ensure and document compliance with all such laws and regulations. The School agrees to provide CPS with copies of all such records and to allow CPS, at CPS’s discretion, to assist with the preparation and retention of such records to ensure that, among other things, CPS may perform all Services and duties set forth in this Agreement. The School is authorized to organize and operate the School and is vested by the Authorizer with all powers necessary to operate a charter school in Connecticut. Except as so delegated to CPS herein (unless such delegation is prohibited by applicable law), the Board shall at all times retain all authority, rights and responsibilities under the Charter, including without limitation the legal and oversight authority with respect to financial oversight of the operations of the School.

4. **DELEGATION OF RESPONSIBILITY.**

- a. General. The School hereby authorizes CPS to undertake on its behalf the functions specified in this Agreement in regards to the business, administrative and academic services of the School, it being understood that, at all times, CPS shall remain accountable and subject to the oversight of the School (and the Authorizer and other State authorities, if applicable) and the Board shall retain the ultimate rights and duties of oversight of the School pursuant to the Charter and applicable law. The School further authorizes CPS to take such reasonable actions that may not be expressly set forth in this Agreement, but which shall be implied as necessary in CPS's judgment to properly and efficiently provide services to the School, provided such actions are consistent with the Charter, applicable laws and the annual School budget approved by the Board. Furthermore, the School hereby designates employees of CPS, to the extent permitted by law, as agents of the School having a legitimate educational interest such that they are entitled to access to education records under FERPA- 20 U.S.C. § 5 1232g. CPS, its officers and employees shall comply with FERPA at all times, and CPS shall ensure that only its employees, agents and representatives that require access to education records covered by FERPA for the purposes of performing the Services have access to such records.
- b. Right to Subcontract. Except to the extent prohibited by law or this Agreement, CPS may subcontract any function or service it is obligated to provide hereunder, provided that no such subcontract shall relieve or discharge CPS from any obligation or liability under this Agreement except as set forth in the Charter or as approved by the Board. If CPS subcontracts for any function or service it is obligated to provide pursuant to this Agreement, CPS will include in its contract with the subcontractor a requirement that the subcontractor will provide to the School and CPS, upon request, a copy of any records and files maintained by the subcontractor relating to the subcontractor's services to or for the benefit of the School.
- c. Authorizer Authority. Nothing in this Agreement shall be construed in any way to limit the authority of the Authorizer, including, but not limited to, the authority of the Authorizer to take and enforce actions pursuant to the Connecticut Charter School Law.

5. DUTIES AND OBLIGATIONS

- a. Duties and Obligations of CPS. Throughout the Term of this Agreement, CPS shall provide the following educational and operational services (the "Services")

in consultation and communication with the Board and/or the School Leadership Team (defined as the Principal, Assistant Principal(s) and Director of Operations):

i. Education and Instruction-Related Services.

1. Support the School in its development and implementation of the educational programs and programs of instruction, as such programs are described in the Charter Application, by adapting the CPS School Model and recommending to the Board and the School's Leadership Team policies and procedures relating to student admissions, student records, student discipline, school year and school day requirements, special education, student testing, extracurricular and co-curricular activities and programs, and affiliation with other groups, clubs or associations.
2. Report on the educational progress of each student at the School by analyzing the results of interim assessments and diagnostic tests developed and administered by the School as part of the School's student performance evaluation system.
3. Support the School in its development and implementation of a comprehensive program design for college and career readiness and social emotional growth.
4. Select and assist the School with acquiring instructional and curricular materials, equipment and supplies, which shall be acquired at the expense of the School and shall remain property of the School.

ii. Business Operations.

1. Assist the Board in conducting a school evaluation within two (2) years of the effective date of this Agreement and every two (2) years thereafter. The evaluation will be designed as a school inspection by a team of Board members, CPS staff, School personnel and outside evaluators. The team will observe classes and other school operations, analyze a wide variety of data, review student work samples, meet with a sampling of parents, students and teachers, and engage in other activities designed to obtain a detailed picture of school and student success.

2. Support the business administration of the School, including consulting with the School on the School's preparation and maintenance of the operating procedures of the School.
3. Assist with the identification, selection and contracting with providers of services required by and for the direct benefit of the School, which shall include but not necessarily be limited to, transportation, auditing, legal, payroll, custodial and food services, and which services shall be paid for in accordance with the School's budget at the School's sole cost and expense.
4. Assist with the acquisition of materials, supplies, and equipment for use at the School. Materials, supplies and equipment purchased for the School shall become and remain the property of the School; lease arrangements shall be separately documented. Materials, supplies and equipment shall be paid for in accordance with the School's budget at the School's sole cost and expense.
5. Assist with contracts, at the School's sole cost and expense, for any other services or the acquisition of any other supplies or equipment which CPS and the Board deem necessary or reasonable to the attainment of the educational goals of the School.
6. Market and advocate for the School, which includes the development of marketing materials, which materials shall be paid for in accordance with the School's budget at the School's sole cost and expense.
7. Devise a fundraising strategy with the Board and conduct fundraising activities on behalf of the School and other charter schools which CPS manages, including, but not limited to, applying for federal, state and local grants. Monies raised from CPS's fundraising activities specifically for the School or otherwise directed for the use of the School by a donor or grant agreement shall be given to or used for the benefit of the School. Unrestricted funds derived from general CPS fundraising activities shall be used or distributed as CPS deems appropriate, in its sole discretion, including but not limited to use for the benefit of, or distribution among, the charter schools that CPS manages.

8. Design and implement (along with the School's Leadership Team), student recruitment and enrollment materials, applications, procedures and systems, including the processing of student applications, all of which shall be paid for in accordance with the School's budget at the School's sole cost and expense.
9. Assist the School in preparing reports required to be submitted to the Authorizer or any other governmental authority, including any annual reports and any charter renewal application to be submitted to the Authorizer.
10. Support the School's compliance with all legal requirements, and all such conditions as may be imposed by the Authorizer or any other governmental authority.
11. Facilitate the School's purchase and procurement of information technology ("IT") equipment and services, which IT equipment and services shall be paid for in accordance with the School's budget at the School's sole cost and expense, including but not limited to:
 - i. wireless/broadband capabilities for the School;
 - ii. telephone service;
 - iii. all hardware associated with telephone and wireless/broadband technology;
 - iv. access to CPS's shared server;
 - v. laptop computers for teachers; and
 - vi. computers for administrators.

In addition, CPS shall provide technology-related services to the School, including, troubleshooting and website and network design. CPS shall also complete the E-Rate application on the School's behalf.

12. Identify a facility for use by the School, in consultation with the Board, and arrange and supervise any necessary major improvements or repairs to such facility consistent with the School's budget at the School's sole cost and expense. CPS will

provide assistance to negotiate the business terms of a lease, license or purchase transaction to secure such site, including any financing arrangement necessary to lease, license or purchase the site. The School shall be solely responsible for costs and expenses associated with such transaction. CPS shall not be liable under any lease or other document pertaining to such facility without its prior written consent.

13. Arrange for the subcontracting with third parties for after-school programs (at the School's sole cost and expense) which CPS and the Board deems reasonable, and which services shall be paid for in accordance with the School's budget.
14. Periodically provide students, parents, faculty members and other School stakeholders with written information or materials regarding the School's programming and provide any such information at the request of the Board or its designee.
15. Provide to the Board reports on the education, operational and financial performance of the School in the form of oral and summary reports at monthly Board meetings, as well as comprehensive quarterly written reports in a form mutually agreed upon by the Parties. Additionally, CPS shall provide other such reports as may be reasonably required by the Board or third parties from time to time.

iii. Human Resources and Employment.

1. Lead the recruitment of the School's Principal (who shall be responsible for the day-to-day academic program of the School and leading the administrative, instructional and student support staff). The Principal shall report to the Board.
2. Assist the Principal in the development of a School Leadership Team by recruiting and recommending for hire the Director of Operations and Assistant Principal(s) (together, the "School Leadership Team"), who shall be responsible for the day-to-day operations of the School. The Principal shall have responsibility and authority for the supervision, discipline, retention, transfer and termination of the Assistant Principal(s) and Director of Operations.

3. Lead the recruitment and screening efforts of teachers, administrators and other personnel for the School. Specifically, CPS will work to build a pool of qualified applicants through advertising, networking and other methods. CPS will conduct preliminary screens of candidates and will forward the resumes of promising candidates to the Principal. The Principal, through a delegation of authority provided to him or her by the Board, shall have the final authority to select, hire and retain such teachers, administrators and other personnel.
 4. Provide general human resources support including assisting the Principal and School Leadership Team with the selection and training of the administrative staff of the School, determining staff needs, recommending the adoption of procedures for the hiring, supervision, discipline and termination of personnel and other personnel policies and administrative procedures applicable to the staff, assisting the Board and School Leadership Team in setting compensation levels of the School's staff, and supporting the School in its development and training of administrative staff and consult with the School in the establishment of procedures for hiring substitute staff.
 5. Assist the Board in selecting appropriate benefits plans for employees of the School and also arrange for the administration of employee benefits for such employees.
 6. The Parties acknowledge and agree that the Principal, School Leadership Team, teachers, administrative and other staff of the School shall be employees of the School and not of CPS.
- iv. Budgeting, Financial Services and Reports.
1. Facilitate the School's purchase and procurement of financial management software and systems (e.g., Quickbooks), which software and systems shall be paid for in accordance with the School's budget at the School's sole cost and expense.
 2. On or before May 15th of each year during the Term the School, with the assistance of CPS, shall prepare an initial draft of the School budget for review with the Principal and Chief Operating Officer with the draft budget being submitted to the Board for final

review and approval prior to the next fiscal year. The budget shall contain reasonable detail as requested by the Board and shall include projected expenses and costs reasonably associated with operating the School including, but not limited to: the projected cost of services and education programs provided to the School; leasehold and other lease or purchase costs incurred for the School facility (if applicable); maintenance and repairs to the School facility and capital improvements (if applicable); personnel salaries and benefits expenses; payroll processing expenses; supplies and furnishings necessary to operate the School; all taxes of any kind that may be assessed or imposed; insurance premiums and deductible payments; utilities; food service expenses, professional and legal fees; school development and start-up expenses, including costs of audits, Board expenses, and any other costs and expenses connected to the operation of the School.

3. Provide any financial contracting services as the School shall request, such as invoicing, receiving and processing funds in accordance with the School's applicable policies, assisting with the processing of the School's payroll and working with the School's staff to review documentation submitted in support of employee vouchers for reimbursable expenses.
4. Prepare and provide other necessary financial statements and reports to the Board as may be required by the Charter or applicable law and regulations, provided CPS is given reasonable advance notice. Such reports may include:
 - a. Within thirty (30) days after the end of each calendar month, unaudited financial statements for the calendar month most recently ended;
 - b. Within sixty (60) days after the close of each fiscal quarter, unaudited financial statements of the School for the fiscal quarter most recently ended;
 - c. At the request of the Board, but at a minimum, for each meeting of the Board's Finance and Audit Committee meeting a financial statement that provides a comparison of budget to actual revenues and expenditures, with an explanation of significant variances;

- d. CPS shall also cooperate with the auditors retained by the Board to prepare annual audited financial statements of the School. CPS shall coordinate its work and the work of the auditors so as to allow for the delivery of such audited statements within 120 days after the close of each fiscal year; and
 - e. Assist the School with launching its operations.
- v. Other Charter Schools. The School acknowledges that CPS may enter into similar educational services agreements with other charter schools. In the event that CPS advances an expense for a common project (e.g. advertising an enrollment drive) on behalf of more than one school which CPS manages, CPS shall ensure that it properly invoices the School (and each other school) for only its direct proportional share of any such expense, ensuring that the School shall not in any way assume any part of an expense attributable to another school.
- b. Duties and Obligations of the School. Throughout the Term of this Agreement, the School shall perform the following services in consultation and communication with the Board and CPS:
- i. Education and Instruction-Related Services.
 - 1. Develop and implement the educational programs and programs of instruction, as such programs are described in the School's Charter Application.
 - 2. Develop and administer interim assessments and diagnostic tests designed to measure the progress of each student at the School with the assistance of CPS.
 - 3. Oversee and manage school quality with the support of CPS, including participating in an evaluation of the School within two (2) years of the effective date of this Agreement and every two (2) years thereafter.
 - ii. Business Operations.
 - 1. Support CPS in its fundraising, marketing, recruitment and advocacy efforts taken on by CPS for the direct benefit of the

School by taking any action reasonably requested by CPS, including hosting open houses, devising a fundraising strategy in conjunction with CPS and supplying CPS with information necessary for CPS to conduct such efforts on the School's behalf.

2. Arrange and supervise any minor improvements or repairs to the School's facility consistent with the School budget at the School's sole cost and expense.
3. After consulting with CPS and the School Leadership Team, the Board shall create and adopt policies of the School, which shall be consistent with the Charter and applicable law.
4. In accordance with the Charter and the requirements of this Agreement, the Board shall work diligently to approve the annual budget within thirty (30) days of submission of the proposed budget by CPS to the Board in accordance with this Agreement.
5. The Board shall do, or cause to be done, all things necessary to ensure that all legal requirements, and all such conditions as may be imposed by the Authorizer or other governmental authority, are fully complied with at all times. If the Board shall at any time receive notice from any public authority or other person that the School is or may be in violation of the Charter or any applicable law or regulation the Board shall immediately notify CPS of the alleged violation and shall thereafter work diligently with CPS to investigate such alleged violation, determine whether such alleged violation in fact exists, promptly respond to the complaining party and to correct any violation found to exist.
6. The Board, with consultation from CPS, the Principal and the School Leadership Team, as needed, shall establish a procedure for the receipt and timely review of complaint or grievances by any parent, community individual or institution.
7. The Board shall be responsible for conducting an annual performance evaluation of the Principal.

iii. Human Resources and Employment.

1. Interview principal candidates and select and hire a Principal from the group of qualified candidates presented to the School by CPS.

2. Interview teacher and other staff candidates and select and hire teachers and other staff from the group of qualified candidates presented to the School by CPS.
 3. Design, implement and monitor professional development activities for the School's instructional personnel.
 4. Develop and deliver ongoing teacher and support staff training, including in areas such as college and career readiness and socio-emotional growth.
 5. Maintain responsibility for administrative tasks associated with the School's employee benefit plans.
 6. Maintain personnel records for employees in accordance with applicable law.
- iv. Budget, Financial Services and Reports.
1. Arrange and pay for an annual audit of the School to be conducted in compliance with applicable law and regulations, and showing the manner in which funds are spent at the School. The annual audit shall be performed by a certified public accountant selected and approved by the Board.
 2. The School shall arrange and pay for its own legal services.
 3. The School shall arrange funding and payment of salaries, fringe benefits and payroll taxes for all individuals employed by the School. All such payments shall be made on a timely basis, in accordance with all applicable laws and regulations, including all tax requirements.
- v. Providing Information & Documentation. The Board and the School Leadership Team shall furnish CPS with all information, documents and records necessary for CPS to fully and effectively provide its Services and support and otherwise carry out its duties under this Agreement.
- vi. Tax Status. In accordance with the Charter and applicable law, the Board shall take all steps required to obtain and maintain the School's status as a tax-exempt organization under federal and State law such that contributions to the School are deductible to the donor for federal income

tax purposes. In the event of arbitration, the Board and CPS shall agree that, notwithstanding any claims for relief each may seek from the other, it will require that any relief granted be consistent with maintaining the School's tax-exempt status. The Board may seek to establish a separate tax-exempt organization such as a "friends of" organization to conduct fund raising activities and receive tax-deductible contributions in support of the School. CPS shall provide such assistance as the Parties reasonably agree to be necessary to support the formation of such organization but CPS shall not be responsible for costs incurred in connection with such formation.

- vii. Annual Performance Review. The Board shall develop an annual charter management evaluation program to be conducted by the School under the oversight of the Board. The evaluation will be designed to evaluate the performance of CPS and its fulfillment of its obligations outlined in this Agreement. The School will conduct such evaluation no later than August 1st of each year or as otherwise directed by the Board, and in the course of such evaluation the School will analyze a wide variety of data, review CPS work samples, meet with a sampling of staff, and engage in other activities designed to obtain a detailed picture of CPS's performance. The results of such evaluation shall be presented to the Board by the Principal of the School and shall be used by the School's Board of Trustees in determining whether to renew this Agreement. A term sheet setting forth the performance evaluation measures and timelines related to evaluating CPS is attached hereto as Exhibit A.

- c. Additional Services. CPS may, but is not obligated to, provide additional services to the School upon request. CPS and the School agree to negotiate in good faith additional compensation for such additional services. The proposed budget prepared by CPS each year for review and approval by the Board shall contain details regarding the costs and expenses related to any such requested additional services. Such additional services may include, but are not limited to, special education management, tutoring program support and facilities management. CPS may perform functions off-site, except as prohibited by applicable law. CPS may utilize web-based systems to provide support and counsel to the School. CPS will bill the School for additional services by an invoice which details each additional service, the amount billed for each additional service, and the basis for the amount billed, i.e., hourly rate, or other basis for determining the amount billed. Such invoices will be available for review by representatives of the State Board of Education.

- d. Compliance with Connecticut General Statutes Section 10-66uu. The Board and CPS shall ensure compliance with Connecticut General Statutes Section 10-66uu effective July 1, 2015.
- e. Students with Special Needs. The School recognizes its obligation to provide an appropriate education to all students enrolled in the School, regardless of special need, in accordance with the requirements of the Individuals with Disabilities Education Act (IDEA) and Section 504 of the Rehabilitation Act of 1973. As required by law, the School shall be open to individuals with handicapping conditions and other special needs. CPS may, on behalf of the School, subcontract, as necessary and appropriate, to a municipal, public or private contractor or otherwise for the provision of special education services, subject to approval by the School, which approval shall not be unreasonably withheld. Any cost, fee or expense associated with such subcontract shall be paid by the School.

6. **FEES.** In consideration for the Services provided by CPS to the School, CPS shall be paid a management fee equal to ten percent (10%) of Gross Revenues (the "Management Fee"). For the avoidance of doubt, all Gross Revenues received by the School that are earmarked for a particular purpose (e.g. Special Education Funding) shall be used by the School solely for such purpose. The amount of such earmarked Gross Revenues shall be used solely for the purpose of calculating the amount of the Service Fee. By way of example, if the total Gross Revenues received by the School for a particular month is \$50,000, of which \$10,000 is Special Education Funding, the amount of the Service Fee owed by the School to CPS would be \$5,000 (i.e., 10% of \$50,000). However, the School would have access to, and the right to utilize, the entire \$10,000 in Special Education Funding it received solely for the School's special education needs. For purposes of this section the following definitions shall apply:

- a. "E-Rate Funding" means the funding and discounts provided to the School under the Schools and Libraries Program of the Universal Service Fund, administered by the Universal Services Administration Company under the direction of the Federal Communications Commission.
- b. "Gross Revenues" shall mean an amount equal to the sum of (i) the average number of students enrolled during such School year multiplied by the Approved Per Pupil Operating Expense, plus (ii) Title Funds, plus (iii) E-Rate Funding, plus (iv) Special Education Funding plus (v) all other public funding from a Public Source, excluding in-kind contributions (e.g. transportation services), start-up funding (e.g. Federal Public Charter School Planning and Implementation Grant) and funding for competitive grants.

- c. “Public Source” means any federal, State or local government, or political subdivision thereof, or any federal, State or local authority, agency or commission.
- d. “Special Education Funding” means the funding provided by any Public Source to the School for full-time and part-time special education services, including, but not limited to, funds granted to the School pursuant to the Individual with Disability Education Act of 2004, as amended, and funds received from the State of Connecticut for students whose individual education programs mandate special education services for more than twenty (20%) of the day.
- e. “Title Funds” means the funding granted to the School by the federal government pursuant to the Elementary and Secondary Education Act of 1965, as amended.

The Management Fee shall be payable in four (4) quarterly installments, beginning with July 1, 2020 (and each July 1st thereafter) and thereafter due on October 1st, January 1st and April 1st of each year during the Term. In the event that receipt of revenue by the School is delayed for reasons beyond the control of the School, the School shall make such payment no later than thirty (30) days after it receives a scheduled disbursement.

7. **PROPRIETARY WORKS.** The School acknowledges that CPS owns and shall own all existing, and hereafter created, copyrights and other intellectual property rights with respect to all works of authorship, inventions and work product including, instructional materials, training materials, curriculum and lesson plans, and any other materials, teaching methodologies, school management methodologies, and all improvements, modifications, and derivative works thereof that are created, invented or developed by (i) CPS, its employees, agents or subcontractors, or (ii) an individual employed or retained by the School within the scope of such employment or retention utilizing ideas or products developed by CPS (collectively, the “Proprietary Works”). CPS hereby grants the School, solely as may reasonably be required in connection with the performance of this Agreement, a non-exclusive, non-sublicensable, non-transferable, royalty- free license to use Proprietary Works as necessary or desirable to operate the School during the Term of this Agreement. The School shall cause all persons who create, invent or develop Proprietary Works for the School to assign to CPS in writing their intellectual property rights in such works. Upon CPS’s reasonable request, the School will provide CPS with a copy of all Proprietary Works. This Section 7 shall survive termination of this Agreement.

8. **USE OF NAME.** CPS hereby grants the School, solely as may reasonably be required in connection with the performance of this Agreement, a non-exclusive, non-sublicensable, non-transferable, royalty-free license to use the names and trademarks “Capital Prep” and “Capital Preparatory Schools” and any logos provided to the School by CPS (the “Trademarks”) in connection with the operation of the School and all promotional activities in connection

therewith, subject to the following conditions. The School agrees that it will (i) not use or register any domain name containing “Capital Prep” or “Capital Preparatory Schools”; (ii) cooperate to use any website, social, wireless, mobile or other media network or application provided by CPS for the School’s use; (iii) not set up its own official site, page or venue in any social media or user-generated content media (including Facebook, Twitter and Youtube) without prior written consent of CPS; (iv) use the Trademarks in compliance with all reasonable notices and guidelines provided by CPS; or (v) use the Trademarks in a dignified manner in accordance with reputable trademark practices. The School shall acquire no rights in the Trademarks, and all goodwill of the Trademarks shall inure to the benefit of and remain with CPS. CPS shall have pre-approval rights for each form and manner of public display of the Trademarks. The School agrees to use the Trademarks only in connection with high-quality educational services reflecting favorably on the reputation and goodwill of CPS and, at CPS’s request, to provide CPS with representative samples of materials used by the school bearing the Trademarks. If CPS objects to any such materials for not properly using the Trademarks or for not being of sufficient quality, the School will promptly make all appropriate corrections. Should this Agreement be terminated or not renewed for any reason, the School shall, as soon as practicable but not later than the end of the school year in which this Agreement may be terminated or not renewed, petition to the Authorizer to revise its Charter to formally change the name of the School to remove any reference to CPS and diligently follow such petition through to its completion. Upon the effectiveness of such revision and removal, the School will cease all further use of the Trademarks and return all materials promptly to CPS. Notwithstanding the foregoing, the School shall have the right to continue to use the School colors and shark mascot after the School’s name is formally changed in accordance with this Section and CPS shall transfer any intellectual property rights regarding the same to the School after such name change. This Section 8 shall survive the termination of this Agreement.

9. INDEMNIFICATION

- a. Indemnification. The School and CPS do hereby agree that each Party shall be solely responsible for each Party’s own acts and omissions as well as the acts and omissions of each Party’s own board of directors or trustees, partners, officers, employees, agents, and representatives. Each Party to this Agreement (acting as Indemnitor) does hereby indemnify and hold harmless the other, and its respective board of directors or trustees, partners, officers, employees, agents, representatives, and attorneys (acting as Indemnified Persons), from and against any and all claims, actions, damages, liabilities, penalties, fines, expenses, losses or awards (“Claim”), plus reasonable attorneys’ fees and expenses incurred in connection with Claims and/or enforcement of this Agreement, which arise out of (i) the negligence of the Indemnitor, (ii) any action taken or not taken by the Indemnitor or (iii) any noncompliance or breach by the Indemnitor of any of the terms, conditions, warranties, representations, or

- undertakings contained in or made pursuant to this Agreement. Such indemnification may be achieved by the purchase of general liability and property insurance policies, in accordance with Article 10 or by such other means as the parties may mutually agree.
- b. Notice and Defense. The Party to be indemnified (Indemnitee) shall give the Party from whom indemnification is sought (Indemnitor) prompt written notice of any Claim for which indemnification is sought. Failure to give notice shall not affect the Indemnitor's duty or obligations under this Agreement except to the extent the Indemnitor is prejudiced thereby. The Indemnitor may undertake the defense of any third party claim by representatives chosen by it. If the Indemnitor undertakes the defense of a Claim, then the Indemnitor shall be deemed to accept that it has an indemnification obligation under this Section 9 with respect to such Claim, unless it shall in writing reserve the right to contest its obligation to provide indemnity with respect to such third party claim. The Indemnitee shall make available to the Indemnitor or its representatives all records and other materials required by them and in the possession or under the control of the Indemnitee, for the use of the Indemnitor and its representatives in defending any such Claim, and shall in other respects give reasonable cooperation in such defense. If there is a reasonable probability that a Claim may materially and adversely affect the Indemnitee other than as a result of money damages or other money payments, (i) the Indemnitee shall have the right to defend, compromise or settle such Claim and (ii) the Indemnitor shall not, without the written consent of the Indemnitee, settle or compromise any Claim which does not include as an unconditional term thereof the giving by the claimant to the Indemnitee a release from all liability in respect of such Claim.
- c. Failure to Defend. If the Indemnitor, within thirty (30) days after notice of any such Claim, fails to dispute the obligation of the Indemnitee with respect to such Claim or fails to defend such Claim actively and in good faith, then the Indemnitee will (upon written notice to the Indemnitor) have the right to undertake the defense, compromise or settlement of such Claim or consent to the entry of a judgment with respect to such Claim, on behalf of and for the account and risk of the Indemnitor, and the Indemnitor shall thereafter have no right to challenge the Indemnitee's defense, compromise, settlement or consent to judgment therein.

10. INSURANCE

- a. Insurance Coverage. At all times during the Term of this Agreement, the School shall at a minimum maintain at its sole cost and expense in full force and effect insurance coverage, as reasonably requested by CPS, substantially similar to other

charter schools operating in the State of Connecticut. The School shall also maintain such workers compensation and disability insurance as required by State law and school leaders/errors and omissions insurance. CPS shall maintain at its sole cost and expense such insurance as it shall reasonably deem necessary under this Agreement, including general liability insurance of \$1 million per occurrence/\$2 million aggregate, an umbrella policy, directors and officers liability insurance, employment practices liability insurance, automobile insurance and workers compensation and disability insurance as required by State law. Each Party shall name the other as an additional insured on their commercial general liability, automobile liability and crime insurance policies and the School shall name CPS as an additional insured on its employment practices liability insurance policy and school leaders/errors and omissions insurance policy.

- b. Subcontractors. CPS shall require that its subcontractors, if any, shall maintain insurance commercially standard insurance policies (including but not limited to general liability, automotive, directors and officers, workers compensation and disability insurance) and that such subcontractors name CPS and the School as additional insureds (except on workers compensation and disability policies, which is not permitted by law).
- c. Contractors. The School shall require that its contractors, if any, shall name CPS and the School as additional insureds under their respective commercial general liability and automobile liability insurance policies for personal injury and property damage.
- d. Notice of Change. The insurance policies maintained by each Party pursuant to this Agreement shall be endorsed to state that coverage shall not be suspended, voided, cancelled, or reduced, in coverage or limits, except after thirty (30) days prior written notice to CPS and the School. The Parties shall furnish one another certified copies of the insurance policies or Certificates of Insurance that demonstrate compliance with this Agreement. Each Party shall comply with any information or reporting requirements required by the other Party's insurer(s), to the extent reasonably practicable.

11. TERMINATION

- a. Termination by School. The School may terminate this Agreement for cause prior to the end of the Term for any of the reasons set forth in subparagraphs (i) and (ii) below:
 - i. if CPS materially breaches any of the material terms and conditions of this Agreement and fails to remedy such breach within 90 days after receipt of

written notice of such breach from the School, unless such breach is incapable of being reasonably cured within 90 days in which case this Agreement may be terminated if CPS fails to initiate and continue a cure for such breach within 90 days after receipt of such written notice; or

- ii. if there occurs an enactment, repeal, promulgation or withdrawal of any federal, State, or local law, regulation, or court or administrative decision or order which, after exhausting all possible appeals, results in a final judgment or finding that this Agreement or the operation of the School in conformity with this Agreement, would violate the School's responsibilities, duties or obligations under the State or federal constitutions, statutes, laws, rules or regulations.

- b. Termination by CPS. CPS may terminate this Agreement for cause prior to the end of the Term for any of the reasons set forth in subparagraphs (i), (ii), (iii) or (iv) below:

- i. If the School fails to pay when due any monetary obligation of the School as required by the provisions of this Agreement, and such obligation remains unpaid for a period of thirty (30) days after receiving written notice of the delinquent payment from CPS; or
- ii. If the School materially breaches any of the material non-monetary provisions of this Agreement and fails to remedy such breach within 90 days after receipt of written notice of such breach from CPS, unless such breach is incapable of being cured within 90 days in which case this Agreement may be terminated if the School fails to initiate and continue a cure for such breach within 90 days after receipt of such written notice; or
- iii. enactment, repeal, promulgation or withdrawal of any federal, state, or local law, regulation, or court or administrative decision or order which has a material adverse effect on CPS's ability to provide Services to the School in accordance with its budget, this Agreement or the CPS School Model or if the Authorizer revokes the School's Charter.

- c. Termination Upon Agreement of the Parties. This Agreement may be terminated upon written agreement of the Parties; provided, however, that each Party shall use its good faith best efforts to avoid a termination of this Agreement that becomes effective during the school year because of the disruption of such termination to the educational program and the students. Therefore, in the event this Agreement is terminated by either Party prior to the end of the Term, absent

unusual circumstances, the termination will not become effective until the end of the school year.

d. Procedures upon Expiration or Termination. Upon expiration or termination of this Agreement for any reason, the Parties agree to cooperate in good faith and use their best efforts to complete a prompt and orderly separation, it being the intention of both Parties that the School shall remain open and operating in its normal course in the event of such expiration or termination of this Agreement, in accordance with the following rights and obligations of the Parties:

- i. The School shall pay CPS any previously unpaid portion of the Management Fee for services performed by CPS until the time of termination, and (b) CPS shall pay to the School any outstanding money raised specifically for the School.
- ii. The School shall have the right to use CPS's Proprietary Works, as defined under Section 7 hereof, then currently in use by the School (including but not limited to the Trademarks), until the last day of the then current school year.
- iii. CPS shall provide the Board with all copies and originals of all student records, financial reports, employee records, and other School data in CPS's possession and not currently in the possession by the Board.
- iv. CPS shall provide the School with reasonable educational and operational transition assistance for a period of sixty (60) days after the termination of this Agreement, provided that the School shall pay to CPS all fees, expenses and other costs of CPS consultants and agents who may, from time to time, upon mutual agreement of the parties, provide assistance to the School or its students.

CPS acknowledges that pursuant to its Charter Contract, if the School were to elect to seek to cease operations, the School must provide the Authorizer with sixty (60) days advance notice and cooperate with the Authorizer with respect to the School's closure. In such event, CPS would, consistent with this Section 11(d), provide such assistance as the School may reasonably require in connection with such closure.

12. **Dispute Resolution.** As a condition precedent to any other legal recourse (unless such legal recourse seeks injunctive relief in which case the Parties may file a claim in the federal or state courts in Connecticut with subject matter and personal jurisdiction over the dispute and

parties, respectively), the resolution of disputes that arise under this Agreement shall be submitted to arbitration. Prior to submitting a dispute to arbitration, an initial meeting to resolve the dispute shall be conducted by the parties at a meeting to be held at the School's offices within fourteen (14) working days of a written request, which request shall specify in reasonable detail the nature of the dispute to be resolved at such meeting. The meeting shall be attended by representatives of the Parties and any other person that may be affected in any material respect by the resolution of such disputes. Such representatives shall have authority to settle the dispute and shall attempt in good faith to resolve the dispute. Should the parties be unable to informally resolve a dispute, the Parties agree to submit any dispute to arbitration before the American Arbitration Association (the "AAA") with hearings to be held in Stamford, CT and to be adjudicated in accordance with AAA's procedures for expedited arbitration depending on the size of the dispute or otherwise permitted by the AAA's rules.

13. MISCELANEOUS PROVISIONS

- a. No Partnership. This Agreement does not constitute, and shall not be construed as constituting, a partnership or joint venture between the Parties. No agent, employee, or servant of CPS shall be deemed to be the employee, agent or servant of the School except as expressly acknowledged in writing by CPS.
- b. Force Majeure. Neither Party shall be liable if the performance of any part or all of this contract is prevented, delayed, hindered or otherwise made impracticable or impossible by reason of any strike, flood, riot, fire, explosion, war, act of God, sabotage, accident or any other casualty or cause beyond either Party's control, and which cannot be overcome by reasonable diligence and without unusual expense.
- c. Notices. All communications and notices relating to this Agreement are to be delivered in writing, with confirmation of delivery, to the following address or to such other address as either Party may designate from time to time.

- i. If to the School, to:

Capital Prep Harbor School, Inc.
461 Mill Hill Avenue
Bridgeport, CT 06610

And

Capital Prep Harbor School, Inc.
777 Main Street
Bridgeport, CT 06604

ii. If to CPS to:

Capital Preparatory Schools Incorporated
777 Main Street
Bridgeport, CT 06604

With a copy to:

Cohen Schneider Law, P.C.
275 Madison Avenue, Suite 1905
New York, NY 10016
Attn: Cliff S. Schneider, Esq.

- d. Governing Law. The rights and remedies of either Party under this Agreement shall be cumulative and in addition to any other rights given to either Party by law and the exercise of any rights or remedy shall not impair either Party's right to any other remedy. This Agreement shall be governed by and construed and enforced in accordance with the internal laws of the State of Connecticut (other than the provisions thereof relating to conflicts of law).
- e. Enforceability and Validity of Certain Provisions. If any provisions of this Agreement shall be held, or deemed to be, or shall, in fact, be inoperative or unenforceable as applied in any particular situation, such circumstances shall not have the effect of rendering any other provisions herein contained invalid, inoperative, or unenforceable to any extent whatsoever. The invalidity of any one or more phrases, sentences, clauses, or paragraphs herein contained shall not affect the remaining portions of this Agreement or any part hereof. Any amendment to this Agreement shall be in writing and signed by the parties, subject to the prior approval of the Authorizer.
- f. Section Headings. The headings in this Agreement are for the convenience of the parties only, and shall have no effect on the construction or interpretation of this Agreement and are not part of this Agreement.
- g. Conflict with Charter; Incorporation of Terms and Conditions required by the State. To the extent there are any conflicts between the terms of the Charter and the terms of this ESA, the terms of the Charter shall control. As required by the Charter Agreement, the terms and conditions set forth in Exhibit B attached hereto shall be incorporated by reference into this ESA.

- h. Entire Agreement. This Agreement shall not be changed, modified, or amended nor shall a waiver of its terms or conditions be deemed effective except by writing signed by both Parties. This Agreement constitutes the entire agreement between the Parties with respect to the subject matter hereof and supersedes all other prior agreement, understandings, statements, representations, and warranties, oral or written, express or implied, between the parties hereto and their respective affiliates, representatives, and agents in respect of the subject matter hereof.
- i. Waiver. The failure of either Party hereto to insist upon or to enforce its rights shall not constitute a waiver thereof, and nothing shall constitute a waiver of such Party's right to insist upon strict compliance with the provisions hereof. No delay in exercising any right, power, or remedy created hereunder shall operate as a waiver thereof, nor shall any single or partial exercise of any right, power, or remedy by any such Party preclude any other or further exercise thereof or the exercise of any other right, power, or remedy. No waiver by any Party hereto to any breach of or default in any term or condition of this Agreement shall constitute a waiver of or assent to any succeeding breach of or default in the same or any other term or condition hereof.
- j. Succession. The covenants and agreements contained herein shall be binding upon, and inure to the benefit of, the heirs, legal representatives, successors, and permitted assigns of the respective parties hereto.
- k. Assignment. This Agreement may not be assigned by either Party without the prior written consent of the other Party. Both Parties acknowledge that an assignment of this Agreement by either Party may constitute a material change to the Charter and may require approval by the Authorizer.
- l. Form of Execution. This Agreement may be executed by facsimile and in any number of counterparts, each of which shall be an original, but all of which shall together constitute one and the same instrument.
- m. Further Actions. Each Party hereto shall, at all times, cooperate in taking such actions and doing or causing to be done all things necessary, proper, or advisable or reasonably requested by the other Party hereto effect the intent and purpose of this Agreement and implement the transactions contemplated hereby.
- n. Survival. The provisions of Sections 6, 7, 8, 11, this Section 12, and any other sections or exhibits to this Agreement that by their nature extend beyond the expiration or termination of this Agreement shall survive any expiration or termination of this Agreement; *provided* that any provisions that is stated to

extend for a specific period of time shall survive only for such specified period of time.

- o. Specific Performance. In addition to all of the remedies otherwise available to CPS, including, but not limited to, recovery of damages and reasonable attorneys' fees incurred in the enforcement of Sections 7 and 8, CPS shall have the right to injunctive relief to restrain and enjoin any actual or threatened breach of the provisions of Sections 7 or 8. All of CPS's remedies for breach of Sections 7 and 8 shall be cumulative and the pursuant of one remedy shall not be deemed to exclude any other remedies. The School acknowledges and agrees that CPS's rights under Sections 7 and 8 are special and unique and that CPS would not adequately be compensated by money damages if the event of a violation of Sections 7 or 8 by the School.
- p. Connecticut Freedom of Information Act. The Board shall be entitled to receive a copy of all records and files related to the administration of the School, including, the compensation paid to CPS and any expenditures of such compensation. Such records and files are subject to the Connecticut Freedom of Information Act and may be disclosed by such Board in accordance with the Connecticut Freedom of Information Act, except that the Board may redact such records and files to remove personally identifiable information of a contributor of a bona fide and lawful contribution pursuant to a written request from such contributor.

[SIGNATURES ON THE FOLLOWING PAGE]

In witness whereof, the Parties have caused this Agreement to be signed and delivered by their duly authorized representatives on the date first written above.

**CAPITAL PREPARATORY SCHOOLS
INCORPORATED**

By: _____
Name:
Title:

CAPITAL PREP HARBOR SCHOOL, INC.

By: _____
Name:
Title:

EVALUATION TERMS FOR CAPITAL PREPARATORY SCHOOLS INCORPORATED

<u>Criterion</u>	<u>Rating</u>	<u>Frequency of Evaluation</u>	<u>Comments</u>
<p>Education and Instruction Related Services</p> <ul style="list-style-type: none"> • Supporting educational program and instruction • Supporting implementation and development of policies and procedures • Analyzing and reporting on results of assessments and diagnostics tests • Supporting School in development and implementation of program design for college and career readiness and socio-emotional growth • Assisting School with acquisition of instructional and curricular materials, equipment and supplies 	<p>___ Exceeds expectations ___ Satisfactory ___ Needs improvement ___ Unsatisfactory</p>	Annual	
<p>Business Operations</p> <ul style="list-style-type: none"> • Assisting with preparation and maintenance of the operating procedures of the School • Assisting with governance matters • Assisting with process of identifying, selecting and contracting with School service providers (audit, legal, payroll, custodial, etc.) • Facilitating the School’s purchase and procurement of information technology equipment and services 	<p>___ Exceeds expectations ___ Satisfactory ___ Needs improvement ___ Unsatisfactory</p>	Annual	
<p>Marketing and Fundraising</p> <ul style="list-style-type: none"> • Developing marketing materials for School • Devising a fundraising strategy with School’s Board • Conducting fundraising activities on behalf of School • Assisting School with grant compliance obligations • Assisting School with the design and implementation of student recruitment and enrollment materials, applications, procedures 	<p>___ Exceeds expectations ___ Satisfactory ___ Needs improvement ___ Unsatisfactory</p>	Annual	

EVALUATION TERMS FOR CAPITAL PREPARATORY SCHOOLS INCORPORATED

<p>Financial Reports</p> <ul style="list-style-type: none"> • Preparing financial statements and reports required by law • Providing monthly unaudited financial statements • Providing quarterly unaudited financial statement • Providing monthly budget to actual reports • Cooperating with School's independent auditors 	<p>___ Exceeds expectations ___ Satisfactory ___ Needs improvement ___ Unsatisfactory</p>	<p>Annual</p>	
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<u>Rating</u>	<u>Rating Description</u>
Exceeds Expectations	CMO exceeds the expectations of School by providing an excellent level of service, e.g., producing reports ahead of schedule, anticipating problems and responding immediately to urgent requests, working extraordinarily flexible hours to meet the school organization's needs, or providing supplementary detail or support "beyond the call of duty". CMO consistently advances School's mission.
Satisfactory	CMO consistently meets all performance expectations in timeliness, accuracy, responsiveness, efficiency, and integrity. In the rare event of failing to meet expectations, CMO acknowledges the deficiency and takes clear and decisive action to address it.
Needs Improvement	CMO has occasionally failed to meet School's expectations, or has made a material error but otherwise has performed satisfactorily. In response to such failure, CMO is slow to respond or challenges the facts rather than focusing on solving the problem proactively.
Unsatisfactory	CMO consistently fails to meet School's expectations, is inflexible when urgent or ad hoc requests are made, does not respond quickly to calls or emails, subverts the School's mission by its actions and behaviors, and does not embody the values of the School.

General Comments and Feedback:

Exhibit B

Terms and Conditions

AUDIT AND INSPECTION OF PLANTS, PLACES OF BUSINESS AND RECORDS:

- A. The State and its agents, including, but not limited to, the Connecticut Auditors of Public Accounts, Attorney General, and State's Attorney and their respective agents, or where applicable, federal agencies, may, at reasonable hours, inspect and examine all of the parts of the School's and each of its Contractor Parties,' including a Charter Management Organization (CMO), plants and places of business which, in any way, are related to, or involved in, the performance of this Agreement. The Charter Board shall comply with federal and state single audit standards as applicable.
- B. The Charter Board shall maintain, and shall require each of its Contractors Parties' including a CMO, if applicable, to maintain accurate and complete Records. The Charter Board shall make all of its and the Contractor Parties', including a CMO if applicable, Records available at all reasonable hours for audit and inspection by the State and its agents.
- C. The State shall make all requests for any audit or inspection in writing and shall provide the Charter Board with at least twenty-four (24) hours' notice prior to the requested audit and inspection date. If the State suspects fraud or other abuse, or in the event of an emergency, the State is not obligated to provide any prior notice.
- D. The Contractor will pay for all costs and expenses of any audit and inspection which reveals information that, in the sole determination of the State, is sufficient to constitute a breach by the Contractor under this Contract. The Contractor will remit full payment to the State for such audit or inspection no later than thirty (30) days after receiving an invoice from the State.
- E. The Charter Board shall keep and preserve or cause to be kept and preserved all of its and Contractor Parties' Records until three (3) years after the latter of (i) final payment under this Agreement, or (ii) the expiration or earlier termination of this Agreement, as the same may be modified for any reason. The State may request an audit or inspection at any time during this period. If any Claim or audit is started before the expiration of this period, the Charter Board shall retain or cause to be retained all Records until all Claims or audit findings have been resolved.
- F. The Charter Board shall cooperate fully with the State and its agents in connection with an audit or inspection. Following any audit or inspection, the State may conduct and the Charter Board shall cooperate with an exit conference.
- G. The Charter Board must incorporate this entire Section verbatim into any contract or other agreement it enters into with any Contractor Party.

NONDISCRIMINATION

A. The Contractor agrees and warrants that in the performance of the Contract such Contractor will not discriminate or permit discrimination against any person or group of persons on the grounds of race, color, religious creed, age, marital status, national origin, ancestry, sex, gender identity or expression, status as a veteran, intellectual disability, mental disability or physical disability, including, but not limited to, blindness, unless it is shown by such Contractor that such disability prevents performance of the work involved, in any manner prohibited by the laws of the United States or of the State of Connecticut; and the Contractor further agrees to take affirmative action to ensure that applicants with job-related qualifications are employed and that employees are treated when employed without regard to their race, color, religious creed, age, marital status, national origin, ancestry, sex, gender identity or expression, status as a veteran, intellectual disability, mental disability or physical disability, including, but not limited to, blindness, unless it is shown by the Contractor that such disability prevents performance of the work involved; (2) the Contractor agrees, in all solicitations or advertisements for employees placed by or on behalf of the Contractor, to state that it is an “affirmative action-equal opportunity employer” in accordance with regulations adopted by the Commission; (3) the Contractor agrees to provide each labor union or representative of workers with which the Contractor has a collective bargaining Agreement or other contract or understanding and each vendor with which the Contractor has a contract or understanding, a notice to be provided by the Commission, advising the labor union or workers’ representative of the Contractor's commitments under this section and to post copies of the notice in conspicuous places available to employees and applicants for employment; (4) the Contractor agrees to comply with each provision of this Section and C.G.S. §§ 46a-68e and 46a-68f and with each regulation or relevant order issued by said Commission pursuant to C.G.S. §§ 46a-56, 46a-68e and 46a-68f; and (5) the Contractor agrees to provide the Commission on Human Rights and Opportunities with such information requested by the Commission, and permit access to pertinent books, records and accounts, concerning the employment practices and procedures of the Contractor as relate to the provisions of this Section and C.G.S. § 46a-56. If the contract is a public works contract, municipal public works contract or contract for a quasi-public agency project, the Contractor agrees and warrants that he or she will make good faith efforts to employ minority business enterprises as subcontractors and suppliers of materials on such public works or quasi-public agency projects.

B. The Contractor agrees and warrants that in the performance of the Contract such Contractor will not discriminate or permit discrimination against any person or group of persons on the grounds of sexual orientation, in any manner prohibited by the laws of the United States or the State of Connecticut, and that employees are treated when employed without regard to their sexual orientation; (2) the Contractor agrees to provide each labor union or representative of workers with which such Contractor has a collective bargaining Agreement or other contract or understanding and each vendor with which such Contractor has a contract or understanding, a notice to be provided by the Commission on Human Rights and Opportunities advising the labor union or workers' representative of the Contractor's commitments under this section, and to post

copies of the notice in conspicuous places available to employees and applicants for employment; (3) the Contractor agrees to comply with each provision of this section and with each regulation or relevant order issued by said Commission pursuant to C.G.S. § 46a-56; and (4) the Contractor agrees to provide the Commission on Human Rights and Opportunities with such information requested by the Commission, and permit access to pertinent books, records and accounts, concerning the employment practices and procedures of the Contractor which relate to the provisions of this Section and C.G.S. § 46a-56.