

CHARTER SCHOOL SERVICES AGREEMENT

This Charter School Services Agreement (“**Agreement**”) is effective as of July 1st, 2023 (the “**Effective Date**”) by and between Students Prepared to Succeed, a Charter Management Organization incorporated as a Minnesota nonprofit corporation (“**CMO**”), and Star of the North Academy, public charter school, district number 4224, a Minnesota nonprofit corporation and public charter school (“**School**”).

RECITALS

WHEREAS, School is a public charter school duly created under section Minnesota law and upon approval of the Minnesota Department of Education;

WHEREAS, School is incorporated as a Minnesota nonprofit corporation;

WHEREAS, School provides educational services to certain eligible pupils;

WHEREAS, School believes that its ability to provide exceptional educational instruction to enrolled pupils will be enhanced by contracting for certain services, including some or all of its management, administrative, curriculum and operational needs, while retaining the School Board’s independent authority and responsibilities;

WHEREAS, the CMO is a nonprofit charter management organization providing management, administration, educational leadership and operational services to schools that promote a school’s ability to provide exceptional educational instruction and enhanced learning and personal growth of students; and

WHEREAS, School and CMO desire to enter into this Agreement for operation and management services on the terms and conditions set forth herein.

DEFINITIONS

As used in this Agreement and solely for purposes of this Agreement, the following terms shall have the meanings ascribed below unless otherwise indicated.

1. “**Applicable Law**” means all state and federal laws applicable to Minnesota charter schools and any regulations implemented pursuant thereto, including without limitation, the Minnesota Charter School Act, Minnesota Statutes, chapter 124E.
2. “**MDE**” means the Minnesota Department of Education.
3. “**Authorizer**” means the School’s current authorizer.
4. “**Charter Agreement**” means the Charter School Authorizer Agreement between the School and the Authorizer.

5. **"School"** means the charter school identified above, and also means, where the context requires, the school buildings, locations, and sites where the Services are performed.
6. **"School Board"** means the Board of Directors of School.
7. **"Scope of Services"** means those professional services (i.e., the "Services," as defined in greater detail below) being provided by CMO as described on **Exhibit 1** attached to this Agreement.

EXHIBITS

The following exhibits are made part of and incorporated in this Agreement:

Schedule I – Scope of Services.

AGREEMENT

NOW, THEREFORE, in consideration of the mutual promises and covenants herein, School and CMO hereby agree as follows, with the intent to be legally bound thereby.

1. Relationship of the Parties.

- a. The School Board is solely and independently responsible for policy matters related to operating the School, including budgeting, curriculum programming, personnel, and operating procedures, as provided by Applicable Law. This Agreement shall be subordinate to such School Board responsibilities, and the parties shall at all times interpret and implement this Agreement subject to such responsibilities and Applicable Law.
- b. All employees of the School are employees of the School Board. Subject to the provisions herein, the School shall have the right, in its sole and absolute discretion, to hire any employee or contractor to perform services similar to, the same as, or related to the Services being provided by CMO. Without limiting the general nature of the foregoing, the School may, at its discretion, hire an employee to manage the Services being performed at the School.
- c. Parties assure that no charter school board member, employee, contractor, or agent of CMO or affiliated organization is a board member of the charter school or any other charger school.
- d. The relationship of the parties is that of an independent contractor. Nothing in this Agreement is intended nor shall be construed to create an employer/employee relationship, a joint venture relationship, or an agency relationship.
- e. Any existing services agreement between the parties is terminated upon execution of this Agreement, and replaced and superseded by this Agreement.

- f. The above definitions and recitals are incorporated into, and are included in the terms of, this Agreement.

2. External Review.

School will ensure that a copy of this Agreement is submitted to the Authorizer and any other third party, if required by Applicable Law, **and publicly posted for a minimum of 20 days** for review and comment prior to commencement of the Term.

3. Term.

The term of this Agreement shall begin on the Effective Date and will terminate on June 30th, 2027, unless terminated sooner, renewed or extended in accordance with this Agreement (the “**Term**”).

4. Early Termination.

- a. This Agreement may be terminated by a notice delivered by either party to the other before the end of the Term, as follows:
- i. School’s contract with the Authorizer is terminated, unless a new authorizer contract is executed within a commercially reasonable amount of time (90 – 120 days);
 - ii. Both parties consent in writing to the termination of this Agreement;
 - iii. Either party breaches or defaults under any material terms, covenants, or conditions of this Agreement;
 - iv. Either party breaches any of the material terms and conditions of the Charter Agreement;
 - v. Either party, their employees, agents or directors engages in fraudulent, criminal or grossly negligent conduct related to its performance of services of the kind(s) enumerated in or contemplated by this Agreement;
 - vi. Either party is liquidated or dissolved;
 - vii. A third party files an involuntary bankruptcy petition against either party, which has not been dismissed or withdrawn within ninety (90) days of filing;
 - viii. Either party files a voluntary bankruptcy petition;
- b. At CMO’s sole discretion, CMO may terminate this Agreement if School fails to pay CMO within thirty (30) days of receiving written notice that such fees are overdue, excluding payments resulting from a good faith payment dispute between the parties;

- c. No termination triggered by a breach or default under Section 4a.iii shall be effective until the breaching or defaulting party has been notified in writing of the specific breaches and the breaching or defaulting party fails to cure such breach within 30 days after receipt of written notice from the other party describing the alleged breach or default in reasonable detail.
- d. In the event of early termination, CMO shall provide reasonable Services to enable the School to transition the Services to others, as applicable.
- e. In the event of early termination, the School shall compensate CMO for all Services actually provided under the terms of this Agreement, pro-rated based on the actual Services provided.

5. CMO Responsibilities.

- a. CMO shall provide the services described on the attached Schedule I to School (“**Services**”) subject to the direction, oversight, governance, statutory obligations, policies and legal authority of the School Board, and the requirements of the Charter Agreement, any funding agreements entered into by the School, and Applicable Law.
- b. CMO shall perform the Services in a prompt, professional and businesslike manner, using its best skill and attention. All financial accounting by CMO shall be performed in accordance with Generally Accepted Accounting Principles and will satisfy the requirements of the Uniform Financial Accounting and Reporting System (“**UFARS**”) as adopted by MDE. All student accounting by CMO shall comply with the requirements of the Minnesota Automated Reporting Student System (“**MARSS**”). All staff licensing and assignment reporting will comply with the requirements of the Minnesota Staff Automated Reporting System (“**STARS**”).
- c. CMO shall have the authority and power necessary to undertake the Services, including implied powers in addition to any specific powers provided herein, subject to the Charter Agreement and Applicable Law
- d. In providing the Services, CMO shall at all times comply with all requirements, terms and conditions established by any State or Federal funding source. At all times, CMO shall provide data requested by the School Board to allow the School Board to determine whether CMO has complied with Applicable Law and the Charter Agreement.
- e. CMO shall implement current industry practices and procedures for the segregation of duties to mitigate risk of error, misuse of funds, or fraud.
- f. CMO shall not commingle any funds or other assets owned by School with any funds or assets of CMO or any other entity.

- i. Parties assure that all assets purchased on behalf of the charter school using public funds remain assets of the school.
- g. CMO shall maintain all data, books and records, financial and otherwise, pertaining to the Services or the School separate and discrete from data, books and records of other schools or entities.
- h. Upon reasonable notice and mutually convenient times, the School shall have the right to visit, examine, inspect and copy CMO's books and records pertaining to the Services and the School's funds and financial accounts.
- i. CMO acknowledges that by operation of this Agreement and the Services provided hereunder, CMO is subject to and must comply with the Minnesota Government Data Practices Act and the Family Education Rights and Privacy Act as if it were a government entity, but only with respect to the Services provided under this Agreement. The parties shall comply with the following data sharing protocols:
 - i. Authority. CMO is a contractor to whom School has outsourced institutional services and functions, and shall be considered a school official for the purposes of the disclosure of educational data pursuant to 20 U.S.C. §1232g, 34 C.F.R. §99.1(a)(1)(i)(B), and Minn. Stat. §13.32, subd. 3(e); and data sharing pursuant to Minn. Stat. §13.05, subds. 6 and 11.
 - ii. Scope. Data shall be disclosed by School, and accessed by CMO, only to the extent reasonable and necessary for CMO to perform the Services.
 - iii. Methods. The parties shall observe current industry standards and practices in the handling of data and to protect the data from unauthorized access. In the event of a data breach or suspected data breach, the party discovering the incident shall immediately notify the other party, and the parties shall thereafter immediately confer and determine an appropriate response action to prevent future data breaches and mitigate any existing data breaches.
 - iv. Compliance. CMO shall comply with School's data retention obligations, and Applicable Law with respect to the management of School's data.
- j. CMO will be mindful to any conflicts of interest that may arise under Applicable Law with respect to the School, the School Board, and CMO. Should CMO become aware of any such conflict of interest arising under Applicable Law, CMO assures that it shall promptly notify the School Board in writing, but in no event more than three (3) business days from learning of the conflict of interest. The

parties shall promptly take action to resolve the conflict in a manner consistent with Applicable Law.

- k. Any material changes to the Services in Schedule I require prior written consent from both School and CMO, which consent will not be unreasonably withheld.
- l. All employees or contractors of CMO that have direct, regular contact with students of the School are subject to a criminal background investigation in compliance with Applicable Law.
- m. In the event of the closure of the School during the Term, CMO shall provide reasonable assistance to the School within the scope of the Services and closure plan established between the School and Charter Authorizer. The balance of the current contract becomes null and void if the school closes during the term of the contract by action of the authorizer or the school's board.
- n. CMO shall maintain transparent financial records, and comply with all tax laws and regulations, including the annual filing of IRS Form 990, and CMO will give its complete and unequivocal cooperation (at CMO's sole cost) to any third-party that the School has hired, directed, or allowed to perform any number of audits at any reasonable time of CMO's Services or the School (including but not limited to payments to CMO and CMO's management or use of School funds) each of which audits shall paid for solely by the School.

6. Compensation

- A. General. The School Board retains the authority to review, validate, and approve all payments made to CMO under this Agreement.
- B. Costs and Management Fee. In consideration of the services performed under the terms of this contract, School shall compensate CMO for the Services as follows:
- C. Out of Pocket Costs. School will reimburse CMO for out-of-pocket expenses that School determines to be reasonable that are incurred by CMO in connection with the provision of the Services specified under this Agreement. By way of example only, and not as a limitation, out-of-pocket expenses include:
- D. Supplies. Items such as work-related supplies, equipment, tools and materials;
- E. Travel. Travel to and from locations other than the primary location at which the Services are provided, paid consistent with School's expense reimbursement policy for its own employees. Travel that is 25 miles or less from the primary work site is not reimbursable.
- F. Labor. Wages, salaries, bonuses and benefits paid to CMO employees and contractors providing the Services.

- G. Other. Other reimbursable expenses include operating and support team expenses, and other costs incurred by CMO in providing the Services to the School.
- H. Excluded items. School is not responsible to reimburse CMO for CMO's internal operating and overhead expenses (e.g., rent, utilities, office supplies, accounting and legal expenses, insurance).
- I. If requested by school, CMO will provide documentation of the out-of-pocket expenses sufficient to show the basis and need for, as well as the total amount of the expenses. The parties shall promptly meet and confer in order to seek resolution of any submitted expense which is the subject of a good faith dispute. Any expenses in excess of \$500 will be subject to prior written approval by School's Board Chair.
- J. School will pay on a scale based on total enrollment. The annual fee charged to the school will be spread out across twelve monthly payments. School will be billed based on the following schedule for every student above 90 enrolled:
- For the first 90 students enrolled, school will pay for actual cost of the staff and contractors provided by SPS to serve the school. This will fall within \$120,000 - \$140,000 annually plus payroll taxes and benefits calculated at 22%.
 - For students 91-190, school will pay one thousand dollars (\$1,000) per student, plus actual cost of the staff / contractors provided by CMO to School.
 - For students 191-290, school will pay five hundred dollars (\$500) per student.
 - For any student over 290 enrolled, school will pay two hundred fifty (\$250) per student.
- K. *Invoicing.* CMO shall invoice School for the Costs and the Fee on a prorated monthly basis during the school year, with each payment due thirty (30) days after issuance of the invoice. Each invoice shall provide an itemization of the Fee and Costs. Upon request of School, CMO shall provide supporting documentation. CMO is responsible for all CMO expenses and overhead incurred performing the Services except as expressly provided in this Agreement.

7. Independence and Responsibility of School.

- a. CMO has no authority to administer, manage, operate, maintain, or represent the School or any of its affairs whatsoever, except as expressly and specifically authorized and permitted under this Agreement.
- b. At all times, the School Board retains the authority to review, approve or reject decisions made by CMO, including awarding contracts, making expenditures and personnel decisions.
- c. The School Board is responsible for administration and supervision of any federal Charter School Program (CSP) grant.

- d. The School Board shall maintain independent oversight and fiduciary responsibility over the School budget at all times. All expenditures undertaken by CMO on behalf of the School and in connection with the Services shall comply with the budget approved by the School Board.
 - e. The School Board shall retain exclusive control of the school's financial account(s). All payments to the School from the State or other grant-making organizations shall be made to an account controlled by the School Board. Any and all financial books and records of the School held or managed by CMO shall be available for inspection, upon reasonable request and during normal business hours, by the School.
 - f. Unless (i) expressly stated otherwise in this Agreement or (ii) expressly agreed in writing by the School, all personal property purchased by CMO with School funds or by funds that have been reimbursed by School as Costs is the property of the School.
 - g. Intellectual property developed through performance of the Services shall be owned jointly and mutually by School and CMO, in equal proportions, except that intellectual property developed (i) solely with School resources, or (ii) by CMO exclusively at the School in connection with the Services, shall be the sole and exclusive property of School; and CMO hereby assigns to the School any and all right it may have, now or in the future, to all such property
 - h. In the event of a conflict between this Agreement and the Charter Agreement, the Charter Agreement shall control.
 - i. The dissolution of the School shall be governed solely by the terms of the Charter Agreement and Applicable Law.
 - j. The School Board shall select, retain and compensate all attorneys and auditors performing professional services on behalf of School, and such rights and authorities are expressly excluded from the Services.
8. **Annual Review and Evaluation.** On or before July 15 after the completion of the school year, the School Board may prepare a written report of the performance of CMO for such school year, and CMO will review the report in detail no later than twenty-one (21) days following receipt of the report. The purpose of this review shall be to consider improvements in the delivery and effective use of the Services and to determine whether any amendments to this Agreement and/or the Schedule of Services are mutually desired.
9. **Brand Sharing License.** If the Parties separately agree to pursue Brand Sharing, the terms of this paragraph shall apply.
- a. CMO at great effort and expense has developed a known and respected, unique and valuable identity and brand based upon CMO's vision, mission and distinctive

method of successfully delivering services to schools. CMO has created and owns a service mark or marks and logo representative of these efforts (collectively, "**Marks**").

- b. School desires to use the Marks on and in connection with the providing of educational services.
- c. Subject to the terms and conditions provided herein, CMO hereby grants and School hereby accepts a nonexclusive license to use and market services under and in connection with the Marks (License). The Marks shall be used by School only in connection with such educational services as are approved by CMO herein or from time to time. School shall have the right to use, and market educational services under and in connection with, the Marks only in the geographical areas served by School, and in connection with School's internet website and marketing materials.
- d. The license granted herein is effective contemporaneous with the Term of this Agreement, and shall terminate without further action upon termination of this Agreement.
- e. School shall pay royalties to CMO for the License as stated in the Compensation section of this Agreement.
- f. School shall have no right to grant sublicenses relating to the Marks.
- g. Subject to the license granted to School hereunder, all right, title and interest in and to the Marks are and at all times shall remain the sole and exclusive property of CMO.
- h. School shall utilize the Marks so as to protect and promote the goodwill of the Marks, and shall operate and maintain its school operations and perform services connected with the Mark using its best skill, attention and judgment.
- i. School shall display or use the Marks only in such form and manner as CMO may approve in writing. School shall also cause to appear on all materials used on or in connection with which the Marks are used, such legends, markings and notices requested by CMO and give appropriate notice of any trademark, service mark, tradename or other rights.
- j. CMO disclaims any representation or warranty that the Marks or the use thereof will be free from claims of infringement of the trademarks, service marks, tradenames or copyrights of any third party.
- k. School represents and warrants that it has all the necessary authority to enter into and perform its obligations under this License, and represents and warrants that the execution, delivery or performance of this License will not: (i) violate or cause

a default under any agreement by which it is bound; or (ii) result in the creation or imposition of any lien, charge or encumbrance on any of its assets or property or the Marks or any of them.

- I. School ensures that trademark, service mark, trade name and proprietary rights notices that are appropriate to adequately protect the Marks are conspicuously placed on all items used by School in connection with the Mark distributed by CMO. In the event that School suspects a third party of infringing the Marks, School shall promptly notify the CMO, and CMO may use reasonable efforts to enforce its rights in the Marks against such infringement.
- m. CMO shall have the right to terminate and revoke the License upon the occurrence of the following events:
 - i. School fails to pay on the due date any royalty required hereunder and such failure continues for 30 days after the date such payment is due;
 - ii. School fails to perform or observe any material covenant, condition or agreement to be performed or observed by School hereunder or breaches any representation or provision contained herein, and such failure or breach shall continue unremedied for a period of 30 days after written notice from CMO;
 - iii. The filing of any claim, lien, attachment of or execution upon a substantial portion of the assets of School which is not released, expunged or dismissed prior to the earlier of 30 days from such filing;
 - iv. A general assignment by School of its assets for the benefit of any creditor; or
 - v. The admission in writing by School of its inability to pay its debts or perform its obligations when due.
- n. School shall have the right to terminate the License in the event that CMO fails to perform or observe any material covenant, condition or agreement to be performed or observed by CMO hereunder or breaches any representation or provision contained herein, and such failure or breach continues unremedied for a period of 30 days after written notice from School.
- o. Any termination of the License shall not relieve School of its obligations to pay any royalty due or owing at the time of such termination and shall not impair any other accrued rights or remedies of either CMO or School. Upon termination of the License, School shall immediately cease and desist from using the Marks and all right, title and interest that School may have in the Marks shall vest in CMO immediately and automatically, without the need of further action. The right to

terminate this License shall be exercised by any party by giving the defaulting party prior written notice of its intention to terminate.

10. Independent Contractor.

- a. This Agreement is made solely for the purpose of School hiring CMO as an independent contractor. This Agreement does not create any principal/agent, employer/employee, joint venture, or partnership between the parties; and the parties are not authorized, except in accordance with the provision of this Agreement, to make any representation, agreement, or other commitment on behalf of the other.
- b. CMO will be responsible for its and its employees' income taxes, FICA, unemployment and other payroll taxes, insurance, sick leave, holidays, vacation, pension plan, training, expenses, etc. Subject to any restrictive covenants contained herein, which CMO agrees are reasonable and necessary to protect School's reputation and other business interests, CMO will remain free to work for the general public to provide other services or other work product.
- c. CMO (and its employees, agents, and contractors) will receive no School-sponsored benefits from the School, including, but not limited to, paid vacation, sick leave, medical insurance, and 401k participation. If CMO is reclassified by a state or federal agency or court as the School's employee, CMO will become a reclassified employee and will receive no benefits from the School, except those mandated by state or federal law, even if by the terms or the School's benefit plans or programs of the School in effect at the time of such reclassification, CMO would otherwise be eligible for such benefits.

11. Indemnity.

- a. CMO's Indemnity. Except to the extent caused in whole or in part by the breach of this Agreement by School or School Board or the negligence or intentional misconduct of School or School Board, or their directors, officers, members, agents, employees, contractors, or any other person or entity for whom they are legally responsible, CMO shall defend, indemnify and hold School / School Board and their directors, officers, employees, agents and representatives ("School's Representatives") harmless from and against any and all claims, demands, litigation, settlements, judgments, damages, liabilities, costs and expenses (including, without limitation, reasonable attorneys' fees) (individually or collectively, a "Claim" or "Claims") caused by any negligence or other fault of CMO, its directors, officers, members, agents, employees, contractors, or any other person or entity for whom CMO is legally responsible ("CMO's Representatives"). CMO's obligations hereunder shall survive the expiration or earlier termination of this Agreement for two (2) years, except that indemnification obligations for

intentional misconduct shall survive until expiration of the applicable statute of limitations.

- i. The CMO shall comply with all applicable federal and Minnesota data privacy laws by implementing appropriate administrative, physical, and technical safeguards to protect student and personnel data. In the event of a data breach caused by the CMO's actions or failure to act, the CMO shall notify the Charter School within 24 hours, provide full details, and bear all costs related to investigation, remediation, notification, and identity protection. The CMO shall indemnify and hold harmless the Charter School against all claims, losses, or liabilities arising from such breaches or noncompliance. The CMO shall only use data for authorized purposes, follow approved retention and destruction policies, and allow the Charter School to audit its data practices at any time.
- b. School Board's Indemnity. Except to the extent caused in whole or in part by the breach of this Agreement by CMO, or the negligence or intentional misconduct of CMO, or its directors, officers, agents, members, employees, contractors, or any other person or entity for whom it is legally responsible, School Board shall defend, indemnify and hold CMO and CMO's Representatives harmless from and against any and all Claims caused by the negligence or other fault of School / School Board or School's Representatives. School Board's obligations hereunder shall survive the expiration or earlier termination of this Agreement for two (2) years, except that indemnification obligations for intentional misconduct shall survive until expiration of the applicable statute of limitations.
- c. Indemnification Procedure. The Party seeking indemnification (the "Indemnified Party") shall promptly send reasonable Notice to the Party from whom indemnification is being sought (the "Indemnifying Party") of the Claim for which indemnification is sought; provided that failure to send such Notice to the Indemnifying Party shall not release the Indemnifying Party from its obligations to indemnify the Indemnified Party, subject to the qualification that each Indemnified Party has the obligation to take all available reasonable measures to mitigate its losses from any Claim for which it seeks to be indemnified by the Indemnifying Party. The Indemnified Party shall not make any admission as to liability or agree to any settlement of or compromise any claim without the prior written consent of the Indemnifying Party. The Indemnified Party shall, at the Indemnifying Party request and expense, give the Indemnifying Party all reasonable assistance in connection with those negotiations and litigation.

12. Warrants, Representations and Miscellany.

- a. Arms-Length Agreement. Each party represents that they have each entered into this Agreement without coercion or undue influence, and this Agreement was negotiated at arms-length. Each party has had an opportunity to be represented

by counsel of their choosing throughout all negotiations that have preceded the execution of this Agreement, and each has executed this Agreement with the advice of said counsel, and acknowledge that they have carefully examined this Agreement and fully understand and agree to each of its provisions

- i. The parties assure that the CMO provides no compensation or gifts to any charter school board member, staff member, or agent of the charter school;
- b. Authority. The parties each have the power and authority to enter into and perform this Agreement, and the execution and performance of this Agreement has been duly authorized by all appropriate and necessary action.
- c. Entire Agreement. This Agreement constitutes the entire understanding of the parties with respect to the subject matter of this Agreement and supersedes any and all prior understandings and agreements, written or oral, relating to the subject matter of this Agreement, the provisions of which may not be changed, waived, or canceled orally, but may be changed, waived, or canceled only by an instrument in writing signed by the parties. There are no undisclosed agreements or commitments between or among the parties regarding the matters subject to the terms of this Agreement.
- d. Severability. If any term or other provision of this Agreement is invalid, illegal, or incapable of being enforced by any rule of law or public policy, all other conditions and provisions of this Agreement shall nonetheless remain in full force and effect so long as the economic or legal substance of the transactions contemplated hereby is not affected in any manner materially adverse to any party. Upon such determination that any term or other provision is invalid, illegal or unenforceable in any respect, the parties shall negotiate in good faith to modify this Agreement to effect the original intent of the parties as closely as possible in a mutually acceptable manner to the end that transactions contemplated hereby are fulfilled to the fullest extent possible
- e. Conflicts of Interest. School and CMO are not aware of any conflicts of interest between their organizations and between their respective staffs, as defined by Applicable Law.
- f. Governing Law. This Agreement shall be governed in all respects, including without limitation validity, interpretation and effect, by the laws of the State of Minnesota.
- g. All Terms Binding. Each and every term and provision of this Agreement is contractual and binding and is not a mere recital.
- h. Non Waiver. The failure of any party to insist upon strict performance of any of the provisions of this Agreement or to exercise any of its rights under this Agreement shall not waive such rights and such party shall have the right to enforce such

rights at any time and take such action as may be lawful and authorized under this Agreement or Applicable Law.

- i. No Third Party Beneficiaries. The provisions of this Agreement are for the benefit of the parties only and are not for the benefit of any third party. No third party shall have the right to enforce the provisions of this Agreement.
- j. Subcontracting and Employees. CMO will keep the School reasonably informed and advised, from time to time and as the School may request, of all subcontractors performing the Services under this Agreement. CMO is not required to obtain the prior approval of the School before assigning any of its contractors or employees to perform Services directly for and at the School (so-called “direct-services”), but each such contractor or employee shall be subject to the reasonable approval of the School, as the School may reasonably exercise from time to time in accordance with acceptable human resource practices.
- k. Assignment. This Agreement may not be assigned by either School or CMO without the prior written consent of the other party.
- l. Dispute Resolution. *Dispute Resolution*. If a dispute arises out of this Agreement, or the breach thereof, the parties agree first to try in good faith to resolve the dispute by informal negotiation or mediation (without a mediator unless the parties agree otherwise) before resorting to formal alternative dispute resolution proceedings. Any dispute arising out of or related to this Agreement shall be resolved by means of arbitration. If the parties cannot agree upon an arbitrator, the selection of the arbitrator shall be made by lot by each party placing an equal number of potential arbitrators’ names in a hat not to exceed three each, and drawing one. The School Board Chair shall draw the name from the hat. The decision of the arbitrator shall be made in writing will be final and binding upon the parties hereto solely as to the matters presented to the arbitrator, and the parties will abide by and comply with such decision. Each party shall pay and be entirely responsible for their own costs and expenses incurred as a result of the conflict resolution procedures outlined above; provided however, that to the extent there are shared or mutual costs incurred during any of the above processes of conflict resolution (such as, for example and not by way of limitation, an arbitrator or mediator’s fee), such shared or mutual costs will be divided equally between the Parties. Notwithstanding the foregoing, claims of fraud or intentional misconduct, claims involving third parties, claims in which submitting such a claim to arbitration would be contrary to Applicable Law, the Charter Agreement, or clearly stated MDE policy, are not required to be submitted to binding arbitration, and shall be resolved by a court of competent jurisdiction within the State of Minnesota. If there is any question or dispute over whether a claim is required to be submitted to arbitration under this Agreement, such question or dispute of arbitrability will be decided by a court of competent jurisdiction, and not an arbitrator.

- m. **Execution.** This Agreement may be executed in counterparts, which together shall have the same force and effect as a single original executed by the parties. Electronic signatures shall have the same force and effect as original signatures. Each party agrees to take such steps and to execute such additional documents as may be reasonably necessary or proper to carry out and effectuate the terms and purpose of this Agreement.
- n. **Notice.** Any notice required or permitted by this Agreement shall be in writing and shall be deemed delivered (i) upon receipt, when delivered personally, by courier, by overnight delivery service, or by facsimile transmission if such transmission produces a confirmation of receipt, (ii) three days after being deposited in certified or registered mail with postage prepaid. Notices shall be delivered to each party's address or facsimile number as set forth below, or as subsequently modified by written notice in accordance with this section. Courtesy copies shall be delivered via email.

School	CMO
Board Chair Javed Mohamed 1562 Viking Blvd NE. East Bethel, MN 55011 952-239-1680 javedmma@yahoo.com	Board Chair Students Prepared to Succeed 724 Bielenberg Dr. # 50 Woodbury MN 55125 612-267-5562 info@SPScmo.org

- o. **School Insurance.** Throughout the Term, School shall maintain, at its sole cost and expense, commercial general liability insurance coverage with limits and terms it shall reasonably determine. All applicable policies shall be endorsed to include CMO as an additional insured, on a primary and noncontributing basis.
- p. **CMO Insurance.** Throughout the Term, CMO shall maintain workers' compensation insurance, employment practices insurance, insurance against student claims, commercial general liability insurance, including personal injury and property damage, product liability insurance, professional liability, umbrella/excess liability insurance and other insurance which is appropriate in the types of coverage and amounts in the industry in which CMO operates or as deemed necessary by the CMO Board. All third party liability policies shall be endorsed to include School as an additional insured. If the third party liability policies are not written on an occurrence basis, an endorsement for so-called "tail coverage" will be included that will allow a claim to be made under the policy at least two (2) years from the date the policy is terminated. Proof of insurance must be available upon request at the time of execution of this Agreement.

- q. Each Party Participated in Negotiating This Agreement. Each party, and their respective counsel of choice, cooperated and participated in the negotiation of this Agreement. Any and all drafts relating to this Agreement exchanged among the parties shall be deemed the work product of each and may not be construed against any of them by reason of its drafting or preparation. Any rule of law or any legal decision that would require interpretation of any ambiguities in this Agreement against any party that drafted or prepared it is of no application and is hereby expressly waived by, and any controversy over interpretations of this Agreement shall be decided without regards to events of drafting or preparation.
- r. Workforce Protection.
- i. Without the prior written consent of CMO, School shall not allow any current or former employee of CMO to perform services at or for the School for a period of (I) one (1) year from the termination of that employee's employment relationship with CMO, or (II) one year from the expiration of the school year (June 30) in which the employee worked for any period of time at the School, whichever is longer.
 - ii. Without the prior written consent of CMO, School shall not retain any contractor of CMO that provided services to School under the terms of this Agreement for a period (I) one (1) year from the termination of that contractor's relationship with CMO, or (II) one year from the expiration of the school year (June 30) in which the contractor worked for any period of time at the School, whichever is longer.
 - iii. Notwithstanding the provisions herein governing Workforce Protection, School may directly hire or contract with any persons or contractors who were employees of or contracted by School before they became employees or contractors of CMO.
 - iv. These Workforce Protection provisions shall survive the termination of this Agreement.

IN WITNESS WHEREOF, the parties have caused their duly authorized representatives to execute this Agreement as of the date below written.

STUDENTS PREPARING TO SUCCEED

Star of the North Academy

Name: Kurt Lieberman

Title: Board Chair

Date: _____

Name: Javed Muhammad

Title: Board Chair

Date: _____

Schedule I Scope of Services.

Relationship to Charter School Services Agreement

1. This Exhibit 1, "**Scope of Services**", is attached to that certain Charter School Services Agreement dated as of 07/01/2023 and entered into between Students Preparing to Succeed and Star of the North Academy (the "**Agreement**").
2. Unless stated otherwise, all capitalized terms in this Scope of Services have the meaning given them in the Agreement.
3. If the terms described in this Scope of Services are inconsistent with, in conflict with, or create an ambiguity between the terms contained in the Agreement or the term of this Scope of Services, the terms in the Agreement will control, and any inconsistencies or ambiguities will be resolved in favor of the Agreement, and not this Scope of Services.

General Management and Compliance

1. Each of the services listed in this schedule may be provided either by CMO employees, CMO contractors, School employees or School contractors. However, the supervision and management of these services shall be the responsibility of CMO.
2. CMO shall perform the Services in consultation with the School Board.
3. CMO will: (i) ensure communication between CMO and School as needed to keep the School Board informed of CMO's activities and performance; (ii) ensure compliance with Applicable Law and the provisions of the Charter School Contract with the Authorizer; (iii) comply with all provisions of the Agreement when providing the Services; and, (iv) ensure that all reporting required of School by Applicable Law, the Charter School Contract with the Authorizer, and with this Agreement, is completed according to Applicable Law and the relevant contracts.

Reporting Requirements

CMO will produce the following reports on behalf of the School Board:

1. On an annual basis, CMO shall prepare, publish and file an Annual Report that has been approved by the School Board and signed by the chair of the School Board, containing at least all information required by MDE consistent with §124E.10, subd.14 of the Charter School Act, which shall be done by the deadline set by MDE, and all other Applicable Law.
2. On an annual basis, CMO shall prepare, and file, a World's Best Workforce (WBWF) report containing all information required by MDE by the deadline set by MDE.
3. On a bi-annual basis, CMO shall prepare and file an enrollment report (MARSS upload) containing all information required by MDE by the deadlines set by MDE.
4. On a bi-annual basis, CMO shall prepare and file a staffing report (STAR upload) containing all information required by MDE by the deadlines set by MDE.

5. On a monthly basis, CMO shall prepare and file a food service report (CLICS upload) containing all information required by MDE.
6. On an annual basis, CMO shall prepare and present to the School Board a Students Academic performance report as measured by the MCA tests.
7. On an annual basis, CMO shall prepare and present to the School Board a Students Academic performance report as measured by the NWEA tests.
8. On a periodic basis, CMO shall prepare and present to the School Board a report detailing the grants that have been received by the School.
9. CMO will also timely alert the School Board of any event, crisis, or issue that may require School Board action or additional planning.
10. CMO staff will collaborate with the School Board and School staff to address further reporting required by Applicable Law.

Curriculum and Academic Support

1. CMO will select and implement the curriculum and the protocols for curriculum and student evaluation.
2. CMO will select, develop, and/or maintain a comprehensive curriculum designed specifically:
 - a. to enable the School's students to excel academically and meet standards of the MDE and Applicable Law; and
 - b. to expand and enhance the professional development of the School's Professional Employees which are intended to result in improved student learning.
3. CMO will manage contractual relations with all professional development programs and/or material providers.

Student Evaluation

CMO will determine the tools and methods to be used to evaluate student performance, provide those tools and methods to the School, set a schedule for the School's use of those tools and methods, and develop a format and set a schedule for the School to report on student achievement as measured by the evaluation tools and methods.

Recruitment and Retention of Professional Employees

1. CMO will be responsible for all programs related to recruiting, developing, evaluating and retaining all Principals, Assistant Principals, Instructional Leaders, Teachers and Educational Assistants ("Professional Employees") of the School.
2. CMO will work to expand access to greater diversity among the pool from which qualified candidates may be recruited.
3. CMO will provide the School with qualified candidates from whom the School shall hire its Professional Employees, and will manage the hiring process and provide orientation and training of new hires.
4. CMO will conduct comprehensive staff recruiting and retention activities designed to encourage high performing Professional Employees to continue their

employment with the School. Employment of any and all employees is subject to relevant Minnesota and Federal labor laws. The CMO, through the school administration, will provide guidance and assistance as needed.

5. CMO will determine the procedures and measurement methods for an "Evaluation Process" to be used to evaluate Professional Employee performance, provide the Evaluation Process to the School, and set a schedule for the School's use of the Evaluation Process. CMO will analyze the evaluations and other relevant data to evaluate the competence and performance of Professional Employees and provide a performance report and recommendation for retention or termination to the School Board at least annually.
6. The School Board retains authority for adoption of personnel evaluation policies and practices, and shall establish qualifications for all persons who hold administrative, supervisory, or instructional leadership roles.

Recruitment and Retention of Students

1. CMO select, implement, and maintain programs designed and intended for recruiting and retaining students.
2. CMO will conduct robust, comprehensive student recruiting and retention activities designed specifically to fill all available seats. This will include efforts to actively engage the parents of the students in the vision and activities of the School.

Financial Management

1. General. School will retain and directly pay for the services of a Financial Services Provider. CMO will provide support to School and the Financial Services Provider but shall not provide financial services.
2. Budgeting. CMO will help school board develop an annual budget for the School that reflects realistic expectations for revenues and expenses. Not later than June 30 of each year, the School Board will approve the annual budget. CMO will submit periodic budget amendments to School Board for review and approval as needed.
3. Accounting and Audit. CMO will provide support to the School and Financial Services Provider for annual independent audits of School's financial affairs by an auditor selected, retained and compensated by School Board. The School Board will review and approve the annual financial audit.
4. **Loans and Investments. CMO is strictly prohibited from making or receiving loans or investments to, from, or on behalf of the school.**
5. School Board Access. All financial books and records of the School shall be available for inspection by School Board at all reasonable times.

Purchasing

1. CMO will serve as the purchasing agent for School for all goods and services within the limitations of the budget approved by the School Board. CMO will make appropriate arrangements for the delivery to the School of the goods or services purchased by the School.
2. The School shall have full access to all purchase records and other financial decisions managed by CMO for inspection by the School.

Payroll & Benefits

CMO will manage the payroll and benefits programs for all Employees of the School, including all related record keeping functions.

Human Resources

CMO will manage all human resource functions, including compensation and benefits, worker's compensation, unemployment compensation, employee evaluations, and the creation and maintenance of an employee handbook.

Operations

CMO will select, implement, and manage all programs related to the non-educational operations of the School.

Development of Standardized Organizational Processes

CMO, in consultation with the School Board and School staff, shall develop, modify when and as needed, and maintain: a comprehensive set of standard operating procedures designed specifically to ensure timely and efficient completion of organizational processes such as budgeting, student evaluations, Professional Employee evaluations, promotions and discipline, School Board meetings, and necessary record keeping related to such processes.

Real Estate and Facilities Management

CMO will manage and negotiate all relations with landlord, possible real estate and facilities management related matters necessary to ensure that School has an appropriate physical plant in which to operate. This service includes CMO's oversight of custodian services, building repair, and maintenance needs provided by resources contracted by the School.

Transportation Services

CMO will assist the School in negotiating contract(s) with providers for adequate transportation services for the School's students. CMO will manage the transportation contract(s) relating to all issues related to student bus service including oversight of bus company performance; supervision and management of student discipline while on the bus; supervision and management of bus arrival and departure processes; management of bus route changes for new students and changes; management of field and special event trips; and management of parent issues and requests related to student transportation.

Information Technology

CMO will manage the acquisition and maintenance of such information technology necessary for the orderly and efficient operation of the School, including without limitation to fulfill the curriculum and student evaluation plans and School administrative functions.

Food Services

CMO will manage the food services provided to the students at the School.

Health and Safety Services

CMO will manage all Applicable Law health and safety requirements including compliance with Minn. Stat. § 121A.15, requiring proof of student immunizations.

External Relations

CMO will assist the School, as directed by the School Board, with the development and maintenance of relationships between the School and the community at large, and for the management and organization of all charitable fundraising activities with, among others, individuals, corporations, and foundations.

Branding

CMO will develop, maintain and promote a brand identity for the School and key messaging that will be used in connection with all materials related to the School.

Development

CMO will develop and pursue both short-term and long-term development activities to engage the philanthropic community in raising funds to be used to enhance the School's programs.

External Communications

CMO will conduct communication activities that will keep the community informed of the achievements and accomplishments of the School, its Professional Employees, and its students.

Volunteer and Community Partnerships

CMO will conduct activities to engage volunteers and the community in the work of the School.

Advocacy

CMO will apply commercially reasonable efforts to develop and pursue both short-term and long-term advocacy programs to advance the interests of School's students, and the communities it serves, especially in relation to the CMO community of schools.

