

**BEFORE THE STATEWIDE VIRTUAL CHARTER SCHOOL BOARD  
STATE OF OKLAHOMA**

In re

TERMINATION OF CHARTER CONTRACT WITH  
COMMUNITY STRATEGIES, INC., GOVERNING  
BOARD FOR EPIC ONE-ON-ONE CHARTER SCHOOL

**FILED & RECEIVED**

OCT 13 2020

**STATEWIDE VIRTUAL  
CHARTER SCHOOL BOARD**

**NOTICE OF INTENT TO TERMINATE CHARTER CONTRACT**

This document serves as notice that the Statewide Virtual Charter School Board ("SVCSB"), by and through Marie Schuble, Assistant Attorney General, brings this action to terminate the Charter Contract between the SVCSB and Community Strategies, Inc., the Governing Board for Epic One-on-One Virtual Charter School, in accordance with 70 O.S. § 3-137 and the rules and regulations of the SVCSB.

**AUTHORITY**

Pursuant to Oklahoma statute, 70 O.S. § 3-145.3, the SVCSB has authority to provide oversight for the operations of the statewide virtual charter schools in this state, including the revocation of approved statewide virtual charter school contracts. Pursuant to 70 O.S. § 3-137(F), A sponsor may terminate a contract during the term of the contract for failure to meet the requirements for student performance contained in the contract, failure to meet the standards of fiscal management, violations of the law or other good cause.

Pursuant to the administrative rules of the SVCSB, OAC 777:10-3-3(f) states that at any time during the term of the contract, the SVCSB may terminate the contract on one or more of the following grounds:

- a) Failure to meet the requirements for student performance set forth in the terms of the contract;
- b) Failure to meet the standards of fiscal management set forth in the terms of the contract;
- c) Violations of applicable state, federal, tribal, or local laws, statutes, and/or regulations;
- d) Other good cause as established by the Board, which may include, but shall not be limited to:
  - i) Failure by the governing body of the charter school, its charter school administrators, charter school personnel, and/or charter school contractors to meet reporting deadlines necessary for compliance with state or federal statutes or regulations;
  - ii) Failure by the governing body of the charter school, its charter school administrators, charter school personnel, and/or charter school contractors to accurately report student enrollment counts;
  - iii) Failure by the governing body of the charter school, its charter school administrators, charter school personnel, and/or charter school contractors to accurately report and/or classify student accountability data;
  - iv) Identification and/or designation of the charter school by the State Board of Education as consistently in need of improvement in accordance with subsection (g)(6) of Section 1003 of Title I of the Elementary and Secondary Education Act of 1965 (ESEA), pursuant to 70 O.S. § 1210.544;
  - v) Any material breach of the terms set forth in the contract for sponsorship; and

- vi) Any action or failure to act by the governing body of the charter school, its charter school administrators, charter school personnel, and/or charter school contractors that presents or results in an immediate and serious danger to the health, safety, and welfare of its students.

Charter Contract Term 3.1 states that the Charter School is authorized by the Sponsor to operate a statewide virtual charter school in accordance with the terms and conditions set forth in this contract and the Oklahoma Charter Schools Act, as well as any applicable statutes or regulations pertaining to charter schools, including but not limited to all rules and regulations of the Statewide Virtual Charter School Board, codified in Title 777 of the Oklahoma Administrative Code. **Any act by the Charter School or its governing board that is inconsistent with the terms of this contract or the Oklahoma Charter Schools Act or any applicable statutes or regulations pertaining to charter schools is hereby deemed a material violation of this contract and shall constitute good cause for termination of the charter contract and revocation of the charter.** (Emphasis added).

#### **ALLEGED FACTS & CONTRACT TERM / STATUTE VIOLATIONS**

1. Community Strategies, Inc. is the governing board for Epic One-on-One Charter School, which is a statewide virtual charter school.
2. From December 1, 2013 through April 2018, Community Strategies, Inc. was subject to a charter contract that was originally with Graham-Dustin Public Schools. That contract was assumed by the Statewide Virtual Charter School Board effective July 1, 2014, according to 70 O.S. § 3-145.5(B).

3. On April 18, 2018, the Charter Contract between the SVCSB and Community Strategies, Inc. for Epic One-on-One Charter School was renewed for the term beginning July 1, 2018 through June 30, 2024.
4. The Charter Contract sets forth the terms of the relationship between the Sponsor (SVCSB) and the governing board of Epic One-on-One Charter School (Community Strategies, Inc.) regarding operation of the school.
5. Community Strategies, Inc. is also the governing school board for Epic Blended Charter School, which is a separate school district with a separate sponsor. Community Strategies, Inc. has a separate Charter Contract with separate charter contract terms that governs the operation of Epic Blended Charter School.
6. Governor Stitt tasked the State Auditor and Inspector with conducting an investigative audit of Epic Charter Schools and all related entities.
7. On October 1, 2020, the State Auditor and Inspector issued Part One of its Investigative Audit Report of Epic Charter Schools, which included Epic One-on-One and Community Strategies, Inc., as well as other entities identified in the Audit Report.
8. The investigative audit conducted by the State Auditor and Inspector revealed facts and findings that violate the terms of the Epic One-on-One Charter Contract, Oklahoma law and the State Constitution.
9. **Charter Contract Term 7.9 states that the Charter School agrees that any federal, state or local public funds disbursed to the Charter School shall be used solely and exclusively for the benefit of the Charter School.**
10. In violation of Charter Contract Term 7.9, Community Strategies, Inc. and Epic One-on-One did not use the public funds allocated to Epic One-on-One solely for the

benefit of Epic One-on-One. Instead, One-on-One resources were shared with other entities in violation of the contract.

11. Epic One-on-One and Epic Blended are operated together, sharing costs for payroll, services, and resources, even though they are two distinct school districts with different sponsors and different charter contracts.

12. Epic One-on-One has an agreement for Epic Blended to pay Epic One-on-One for shared resources and assets.

13. Epic One-on-One processes payroll for both Epic One-on-One and Epic Blended. Employees for both entities are paid through Epic One-on-One's account at Bank of Oklahoma (\*7583).

14. Epic One-on-One invoiced Epic Blended for shared services and shared payroll.

a. In FY2019, Epic Blended paid Epic One-on-One \$22 million for shared services.

- i. 8/31/2018 - \$4,500,000.00
- ii. 11/30/2018 - \$1,500,000.00
- iii. 6/30/2019 - \$6,000,000.00
- iv. 7/31/2019 - \$4,000,000.00
- v. 8/30/2019 - \$6,000,000.00

15. In violation of Charter Contract Term 7.9, Epic One-on-One employees, paid with Oklahoma tax dollars, did work on behalf of Epic's charter school operation in the State of California. Epic One-on-One invoiced Epic's California charter school for One-on-One employees based on a percentage of the One-on-One employees' salaries.

a. FY 2017 invoice #2017-01 dated June 19, 2017, in the amount of \$32,620.03.

- b. FY 2018 invoice #2018-01 dated April 11, 2018, in the amount of \$47,119.18.
  - c. FY 2019 invoice #2019-01 dated July 20, 2019, in the amount of \$50,000.00.
  - d. FY 2020 invoice #2020-01 dated August 31, 2019, in the amount of \$10,163.26.
  - e. April 30, 2020 invoice#NGE2020-10 in the amount of \$4,919.33.
  - f. May 31, 2020 invoice#NGE2020-11 in the amount of \$4,921.37.
  - g. June 30, 2020 invoice#NGE2020-12 in the amount of \$4,926.83.
16. Payment for services Epic One-on-One employees provided to Epic Charter School in California were not made until after the State Auditor and Inspector issued subpoenas for proof of payment.
17. The invoices for Oklahoma employees providing services to Epic Charter School in California only included dollar amounts based percentages of the employees' salaries, not including benefits, leaving the benefits to be fully paid by Epic One-on-One for rendering services in another state.
18. In one instance, an Epic One-on-One employee was identified by Epic One-on-One as the full-time Epic California Controller, but her salary was only invoiced for a small percentage.
19. In violation of Charter Contract Term 7.9, Epic One-on-One employees provided administrative services to a separate school district, Panola Public Schools. Epic One-on-One invoiced Panola Public Schools for Epic One-on-One employees based on a percentage of the One-on-One employees' salaries.
- a. August 31, 2018 invoice#2018-01 in the amount of \$13,946.46.
  - b. July 31, 2019 invoice#2019-01 in the amount of \$10,765.71.
  - c. July 31, 2019 invoice#Panola2020-01 in the amount of \$560.62.

- d. August 31, 2019 invoice#Panola2020-02 in the amount of \$740.24.
- e. September 30, 2019 invoice#Panola2020-03 in the amount of \$551.34.
- f. October 31, 2019 invoice#Panola2020-04 in the amount of \$596.46.
- g. November 30, 2019 invoice#Panola2020-05 in the amount of \$551.00.
- h. December 31, 2019 invoice#Panola2020-06 in the amount of \$1,959.54.
- i. January 31, 2020 invoice#Panola2020-07 in the amount of \$567.23.
- j. February 29, 2020 invoice#Panola2020-08 in the amount of \$555.39.
- k. March 31, 2020 invoice#Panola2020-09 in the amount of \$557.28.
- l. April 30, 2020 invoice#Panola2020-10 in the amount of \$555.55.
- m. May 31, 2020 invoice#Panola2020-11 in the amount of \$555.55.
- n. June 30, 2020 invoice#Panola2020-12 in the amount of \$556.29.

20. Services were provided to Panola Public Schools from August 2018 until at least June 2020, yet payments for those services provided to another school district were not made until after the State Auditor and Inspector issued subpoenas.

21. The invoiced amounts to Panola Public Schools only included percentages of the employees' salaries, not including benefits, leaving the benefits to be fully paid by Epic One-on-One for rendering services to another school district.

22. In violation of Charter Contract Term 7.9, Epic One-on-One employees provided instruction for Pawhuska Public Schools during the 2018-2019 and 2019-2020 school years.

- a. March 31, 2019 invoice#2019-1 in the amount of \$10,000.00 for foreign language instruction for 2018 – 2019 school year.

b. October 22, 2019 invoice#2020-01 in the amount of \$1,111.11 for foreign language instruction for 2019 – 2020 school year.

23. Payments for both invoices to Pawhuska were not made until April 12, 2020 and April 13, 2020.

24. The invoiced amounts to Pawhuska Public Schools only included percentages of the employees' salaries, not including benefits, leaving the benefits to be fully paid by Epic One-on-One for rendering services to another school district.

25. In violation of Charter Contract Term 7.9, there are twelve (12) public employees working for Epic One-on-One that are paid with public school dollars, receiving state benefits and retirement, who are doing work for a private entity. Community Strategies, Inc., has a management contract with a private for-profit company, Epic Youth Services ("EYS"), which states that EYS shall manage the Learning Fund for Epic One-on-One students. However, the State Auditor and Inspector's audit revealed that Epic One-on-One employees were actually managing the Learning Fund for the private company. One-on-One employees are State of Oklahoma employees, paid with school funds, not paid by the management company. This is also a violation of Art. 10, § 15 of the Oklahoma Constitution.

26. In violation of Charter Contract Term 7.9, Epic One-on-One funds are being used to pay the management company for a program that benefits another school district- Epic Blended. According to Josh Brock, only students enrolled in Epic Blended are included in the child nutrition program, however Epic One-on-One is being charged for Food Service Management on the monthly EYS management fee invoices.



27. Charter Contract Term 7.10 states that the Charter School shall not commingle state funds disbursed to the Charter School with the funds of any other person or entity. The Charter School shall maintain separate and distinct accounting, auditing, budgeting, reporting, and record-keeping systems for the management and operation of the Charter School.

28. In violation of Charter Contract Term 7.10, public funds from Epic One-on-One and Epic Blended are commingled together in one account (BOK \*3440) to administer Learning Funds for both separate school districts. For example:

- a. On 12/31/2019, a payment for \$300,000 (check #570) was made from Epic One-on-One's account (\*7583) to the Learning Fund account (\*3440).
- b. On 12/31/2019, a payment for \$669,800 (check #1063) was made from Epic Blended's account (\*1265) to the Learning Fund account (\*3440).

29. In violation of Charter Contract Term 7.10, public funds from Epic One-on-One and Epic Blended are commingled together to meet the monetary needs of the schools. Josh Brock, CFO, stated that if Epic One-on-One needs cash-flow, then he transfers the money from the Epic Blended account. Brock is the CFO for both schools and the management company. As shown below, \$3.3 million dollars was loaned via direct bank transfer from Blended to One-on-One and then from One-on-One back to Blended. These transactions were made without purchase orders, invoices, or board approval.

- a. On December 10, 2018, \$2 million was transferred from Epic Blended's bank account (\*1265) to Epic One-on-One's bank account (\*7583).
- b. On January 1, 2019, \$1.3 million was transferred from Epic Blended's bank account (\*1265) to Epic One-on-One's bank account (\*7583).

c. On January 25, 2019, \$ 2 million was transferred from Epic One-on-One's bank account (\*7583) to Epic Blended's bank account (\*1265).

d. On February 6, 2019, \$1.3 million was transferred from Epic One-on-One's bank account (\*7583) to Epic Blended's bank account (\*1265).

30. In violation of Charter Contract Term 7.10, and as shown above in paragraph 13 and 14, the payroll for both Epic One-on-One and Epic Blended are combined and run through Epic One-on-One instead of maintaining separate and distinct accounting, auditing, budgeting, reporting, and record-keeping systems for Epic One-on-One as required by the Charter Contract.

31. **Charter Contract Term 7.14.1 states that the Charter School shall be subject to requests for audit by the State Auditor's Office, and shall cooperate fully in all aspects of any request made pursuant to such audits.**

32. The State Auditor and Inspector reported that the lack of cooperation by Community Strategies, Inc. and Epic Charter Schools, including Epic One-on-One, was unprecedented.

33. In violation of Charter Contract Term 7.14.1, Community Strategies, Inc. and Epic One-on-One were not responsive to requests made by the State Auditor and Inspector's office pursuant to the investigative audit called for by the Governor. This is evidenced by the requirement of issuing subpoenas to obtain documents. Even with issued subpoenas, Epic did not fully comply with the subpoenas both in responses and in timeliness.

34. In violation of Charter Contract Term 7.14.1, Community Strategies, Inc. and Epic One-on-One opposed unannounced visits by the Auditors working on the audit, which is typical practice during a special investigative audit.

35. **Charter Contract Term 8.8 states that the governing body of the Charter School shall be responsible for the policies and operating decisions of the Charter School.**

36. 70 OS § 18-116(D) states that school districts receiving State Aid shall not spend any of these funds except by regularly issued warrants. The warrants shall be issued against properly approved encumbrances in the manner provided by law. All encumbrances shall be approved by the board of education of the school district at a regular meeting or a special meeting called for that purpose...

37. In violation of Charter Contract Term 8.8 and 70 O.S. § 18-116, Community Strategies, Inc. governing board has not reviewed individual purchase orders, the Board gets a report of transactions through an encumbrance register and approves transactions after the fact as part of a consent agenda.

38. As shown above in paragraph 28, \$3.3 million dollars was loaned via direct bank transfer from Blended to One-on-One and then repaid from One-on-One back to Blended. These transactions were made without purchase orders, invoices, or board approval by Community Strategies, Inc.

39. **Pursuant to Art. 10, § 15 of the Oklahoma Constitution, the public funds disbursed to a Charter School shall not be given, pledged or loaned to any individual, company, corporation, or association.**

40. **Additionally, 70 O.S § 18-104(A) states that the funds apportioned and disbursed to the several school districts of the state shall be for the purpose of aiding each school district receiving the same to finance its school budget for each fiscal year.**

41. In violation of Art. 10, § 15 of the Oklahoma Constitution and 70 O.S. § 18-104(A), on August 25, 2015, Josh Brock, CFO for all Epic-related entities, in his role as encumbrance clerk for Community Strategies, Inc., sent a letter to the California Superintendent of Schools, pledging the state funds in Community Strategies, Inc.'s bank account to obtain \$500,000 in capital to fund Epic's Charter School venture in the State of California.

42. In violation of Art. 10, § 15 of the Oklahoma Constitution and 70 O.S. § 18-104(A), \$203,000 in Oklahoma State Aid that was allocated to Epic One-on-One Charter School and placed in the school's Learning Fund, which is dedicated to provide educational services to Oklahoma children, was transferred to Epic's California Charter School in the State of California.

- a. On 9/23/2016, \$68,000 of Oklahoma money was wired to Next Generation Education (the California Epic Charter School).
- b. On 2/22/2017, \$50,000 of Oklahoma money was wired to Next Generation Education (the California Epic Charter School).
- c. On 1/31/2018, \$50,000 of Oklahoma money was wired to Next Generation Education (the California Epic Charter School).
- d. On 2/20/2018, \$35,000 of Oklahoma money was wired to Next Generation Education (the California Epic Charter School).

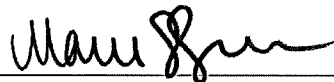
#### **ADMINISTRATIVE HEARING**

Community Strategies, Inc. may request an opportunity to be heard before the SVCSB to present evidence in opposition to the proposed termination by delivering a written request to the Secretary of the Board within fourteen (14) calendar days of receipt of this notice.

The request must include a response to the factual and legal grounds for termination; and a summary of the evidence that will be submitted in support of the response. See OAC 777:10-3-3(f). If such request is made timely, Community Strategies, Inc. will be given the opportunity for hearing in a proceeding conducted pursuant to OAC 777:1-1-9.

Final action on the proposed termination will take place at a meeting of the SVCSB to be scheduled Wednesday, January 20, 2021, 9:30am. Location is to be determined based on location availability, and Community Strategies, Inc. will be properly noticed.

STATEWIDE VIRTUAL CHARTER  
SCHOOL BOARD



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Oklahoma City, OK 73105  
405.521.3921  
Marie.Schuble@oag.ok.gov

**CERTIFICATE OF SERVICE**

On or about of the date the Board voted on the foregoing document, a true and correct copy was sent via certified mail, return receipt requested to the following:

Douglas R. Scott, Chairman  
Community Strategies, Inc.  
Epic Charter Schools  
4101 NW 122<sup>nd</sup> Street  
Oklahoma City, OK 73120  
*Board Chairman for Community Strategies, Inc.*

Bill Hickman  
Hickman Law Group  
330 W. Gray Street, Suite 170  
Norman, OK 73069  
*Attorney for Community Strategies, Inc.*



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Marie Schuble

## CONTRACT FOR CHARTER SCHOOL SPONSORSHIP

This Contract between the Oklahoma Statewide Virtual Charter School Board and Community Strategies, Inc., the governing authority of the Epic Charter Schools ("Charter School"), shall set forth the terms and conditions of the sponsorship of the Charter School and shall constitute the Charter of Epic Charter Schools.

### 1. RECITALS

1.1 **WHEREAS** the Oklahoma State Legislature has enacted the Oklahoma Charter Schools Act set forth in **70 O.S. §3-130** *et seq.*; and,

1.2 **WHEREAS** the provisions of the Oklahoma Charter Schools Act apply to all virtual charter schools formed and operated in the State of Oklahoma; and,

1.3 **WHEREAS** the Statewide Virtual Charter School Board, a state agency established under **70 O.S §3-145.1** has the sole authority to authorize and sponsor statewide virtual charter schools in this state; and,

1.4 **WHEREAS** Community Strategies, Inc., is the governing authority of the Epic Charter Schools, and its principal place of business is 4101 NW 122<sup>nd</sup> Street, Oklahoma City, Oklahoma; and,

1.5 **WHEREAS** the Charter School submitted an application for renewal of sponsorship to the Board on August 23, 2017; and,

1.6 **WHEREAS** the Charter School's authorization application was assumed at a regular meeting of the Board on April 8, 2014 and effective July 1, 2014, in accordance with the requirements of the Charter Schools Act; and,

1.7 In consideration of the foregoing, the Parties enter into this charter contract pursuant to the terms and conditions set forth herein. All attachments and recitals to this contract are incorporated by reference and made a part of this charter contract.

### 2. DEFINITIONS

2.1 "Applicable law" means all federal and state statutes and rules and regulations applicable to virtual charter schools organized under the Oklahoma Charter Schools Act.

2.2 "Average daily attendance" (ADA) and "average daily membership" (ADM) shall have the meanings set forth in **70 O.S. §18-107**.

2.3 "Board" or "Sponsor" or "Authorizer" means the Statewide Virtual Charter School Board.

2.4 “Charter Contract” means this contract executed between the Board and the governing authority of the Charter School.

2.5 “Extracurricular activity” means any student activity, club, organization, meeting or event offered by the Charter School that is attended by students and unrelated to the Charter School’s curriculum-based program of instruction set forth in Section 4 of this contract.

2.6 “Financial records” means all documents in any form relating to the funds of the Charter School, including, but not limited to, all public funds disbursed to the Charter School pursuant to state or federal law.

2.7 “Full academic year” shall have the meaning set forth at OAC 210:10-13-2(e).

2.8 “Homeschool” or “home school” or “home-school” means a privately funded educational program of instruction that is: (1) provided to the child in the child’s home or legal residence in lieu of public school compulsory attendance; (2) the curriculum of instruction is determined by the parent/legal guardian of the child; and (3) the instruction is primarily led by the child’s parent/legal guardian or other private person designated by the parent/legal guardian of the child.

2.9 “Private school” means a school sponsored by a private organization or private individuals rather than by the government.

2.10 “Public funds” mean all local, state or federal funds that are disbursed to the Charter School.

### 3. GENERAL PROVISIONS

3.1 **Authority.** The Charter School is authorized by the Sponsor to operate a statewide virtual charter school in accordance with the terms and conditions set forth in this contract and the Oklahoma Charter Schools Act, as well as any applicable statutes or regulations pertaining to charter schools, including but not limited to all rules and regulations of the Statewide Virtual Charter School Board, codified in Title 777 of the Oklahoma Administrative Code. Any act by the Charter School or its governing board that is inconsistent with the terms of this contract or the Oklahoma Charter Schools Act or any applicable statutes or regulations pertaining to charter schools is hereby deemed a material violation of this contract and shall constitute good cause for termination of this charter contract and revocation of the charter. See 70 O.S. §3-135(A)(5).

3.2 **Term of the contract.** This contract shall commence on July 1, 2018, and automatically terminate on June 30, 2024. The contract may be renewed upon application of the Charter School in accordance with the Charter School Act and Statewide Virtual Charter School Board rules and regulations.

3.3 **Operation.** The Charter School agrees that it will begin operations on or before July 1, 2018.



#### 4. CHARTER SCHOOL PROGRAM OF INSTRUCTION

**4.1 Description of the program of instruction.** The Charter School is authorized to implement the program of instruction, curriculum and other services as specified in the Application, unless otherwise modified by this charter contract. See 70 O.S. §3-135(A)(1).

**4.1.1 Grade Levels.** Pursuant to 70 O.S. §3-136(A)(3), the Charter School will provide a comprehensive program of instruction for grades Pre-Kindergarten through 12<sup>th</sup> grade.

**4.1.2. Change to program of instruction.** Pursuant to 70 O.S. §3-136(C), any material change to the program of instruction, curriculum and other services specified in the Application or this charter contract requires Sponsor approval prior to the change.

**4.2 Graduation requirements.** The Charter School will comply with the graduation requirements set forth in 70 O.S. §11-103.6.

**4.3 Textbooks, curriculum materials and equipment.** The Charter School shall provide all enrolled students with sufficient textbooks, workbooks, materials, equipment and/or technological aids necessary to ensure delivery of the Charter School's program of instruction during every school year of operation during the term of this contract.

**4.3.1 Equipment necessary for special education and students with disabilities.** In addition to the materials provided to students in accordance with the provisions of Section 4.3, the Charter School shall provide any additional equipment or technological aids to students with disabilities as necessary to ensure equal access to the Charter School's program of instruction in accordance with the student's IEP or Section 504 plan.

**4.4 Extracurricular activities.** Nothing in this contract shall obligate the Sponsor to provide funding of extracurricular activities to the Charter School unless explicitly required by statute or regulation. The provisions of Section 8.9.1 of this contract prohibiting the Charter School from charging tuition and/or fees shall not preclude the Charter School from recovering the reasonable costs of extracurricular activities or special events offered pursuant to the provisions of this Section from participating students or their parents/legal guardians, provided that under no circumstance may the Charter School recover an amount in excess of the cost of the activity or event. Further, a student's income shall not be used as a basis for determining eligibility of a student to participate in extracurricular activities.

#### 5. CHARTER SCHOOL OPERATIONS

**5.1 Transportation.** The Charter School acknowledges that as a statewide virtual charter school, daily transportation of students to and from a school site is not required. However, the Charter School may provide transportation to students as necessary for limited circumstances (e.g., transportation of students to secure testing sites), provided that the Charter School shall not be eligible to receive transportation supplemental funds set forth the state aid

formula set forth in 70 O.S. §18-200.1, unless funding is available and otherwise permitted by state law and disbursement is approved by the Sponsor.

**5.2 Facilities.** The Charter School acknowledges the Charter School must maintain a public school administration facility and the Sponsor is under no obligation to provide facilities, furniture, or other equipment to the Charter School unless and until the parties enter into an agreement to do so.

**5.2.1 Inventory.** No later than July 1<sup>st</sup> of each year of operation, the Charter School shall provide the Sponsor with an itemized inventory of all real and personal property leased or purchased with public funds.

**5.2.2 Lease agreements.** The Charter School shall provide the Sponsor with copies of all agreements and/or contracts governing lease and/or purchase of real property by the Charter School.

## **6. CHARTER SCHOOL MANAGEMENT AND ADMINISTRATION**

**6.1 Administration.** The Chief Administrative Officer of the Charter School is the Superintendent. The duties of the Chief Administrative Officer shall include management and administration of the Charter School.

**6.2 Code of Ethics.** The Charter School governing authority shall develop and approve a Code of Ethics and a Conflict of Interest policy.

## **7. FUNDING, MANAGEMENT, AND REPORTING**

**7.1 Management.** In accordance with the provisions of 70 O.S. §3-136(A)(6), the Charter School shall comply with the same state and federal statutes and regulations relating to reporting requirements, financial audits, audit procedures, and audit requirements applicable to Oklahoma public school districts unless otherwise expressly exempted by statute or regulation. In addition, the Charter School agrees to meet any additional requirements set forth herein deemed necessary by the Sponsor to ensure proper oversight and management of the Charter School's use of public funds. Such compliance requirements include, but are not limited to the following provisions:

**7.2 Fiscal year.** The Charter School shall operate on a fiscal year basis. The Charter School's fiscal year shall begin July 1<sup>st</sup> and end on June 30<sup>th</sup> of the following calendar year.

**7.3 Indebtedness.** The Charter School shall abide by the "pay as you go" fiscal year restrictions applicable to school districts and other political subdivisions set forth under Art. 10 § 26 of the Oklahoma Constitution.

**7.4 No authority to bind Sponsor.** The terms of this contract shall not be construed as either express or implied authority of the Charter School to extend the faith and credit of the Sponsor or contractually bind the Sponsor to any third person or entity. The Charter School agrees and acknowledges that the Sponsor's financial obligations to the Charter School are limited to pass through distribution of state funding as authorized by law.

**7.5 Assets of the Charter School.** Pursuant to **Art. 10 §15** of the Oklahoma Constitution, the Charter School shall not apply, hold, credit or extend credit, transfer, or otherwise make use of public funds for any purpose other than operation of the Charter School.

**7.5.1 Transfer or sale of real property.** No real property obtained by the Charter School with public funds shall be sold, alienated, transferred or otherwise disposed of without prior written consent of the Sponsor.

**7.5.2 Prohibition against encumbrance.** The Charter School shall not alienate, pledge, or otherwise encumber this Charter, public funds, or assets of the Charter School procured with public funds for the benefit of any individual, or entity, including creditors.

**7.6 Reporting requirement.** The Charter School shall provide access to all finance records as requested by the Sponsor.

**7.7 Calculation of state aid.** Pursuant to **70 O.S. §3-135(A)(12)**, state aid funding shall be calculated and disbursed in accordance with the provisions of the Oklahoma Charter Schools Act, accompanying statutes and regulations of the Sponsor, the Oklahoma State Department of Education, the Oklahoma State Board of Education, and the terms of this contract. Calculation of state aid shall be determined by the Oklahoma State Department of Education in accordance with the provisions of the Oklahoma Charter Schools Act and accompanying Department regulations pertaining to calculation of weighted average daily membership, average daily attendance, and other applicable student counts. The Charter School agrees that it shall maintain accurate and up-to-date records of student attendance and enrollment for all student grade levels and pupil categories and immediately report any changes as necessary to ensure accurate calculation of state aid in accordance with the requirements and deadlines set forth by **70 O.S. §18-200.1** and accompanying regulations. The Charter School shall also be eligible to receive any other federal, state, or local revenues allowed by law.

**7.8 Disbursement of state aid.** The Sponsor shall disperse the state aid allocation and any other state-appropriated revenue generated by enrolled students of the Charter School, less three percent (3%) of the total foundational state aid allocation as a fee payable to the Sponsor for administrative services rendered by the Sponsor. The Charter School agrees that in the event the Charter School fails to comply with the provisions of state or federal statutes or regulations, the Sponsor may withhold funds until compliance is achieved as allowed by law.



**7.8.1 Oversight fees.** The Sponsor shall cease collection of the fee described in 7.8, beginning the month after the Sponsor's operating account, funded by the fee, accumulates to a sum greater than 120% of the current Fiscal Year Budget. Collection of the fees by the Sponsor shall resume the month after the Sponsor's operating account balance is below the 120% threshold for the remaining Fiscal Year budget, or an action by the board to resume collection has been passed in open public meeting.

**7.9 Use of public funds.** The Charter School agrees that any federal, state or local public funds disbursed to the Charter School shall be used solely and exclusively for the benefit of the Charter School. Detailed records shall be kept by the Charter School of all expenditures of public funds. In addition, records shall be kept of all expenditures of public funds by any entity associated or affiliated with the Charter School. These records shall be made available upon request by the Sponsor.

**7.10 Commingling prohibited.** The Charter School shall not commingle state funds disbursed to the Charter School with the funds of any other person or entity. The Charter School shall maintain separate and distinct accounting, auditing, budgeting, reporting, and record-keeping systems for the management and operation of the Charter School.

**7.11 Fundraising.** Subject to limitations set forth by conflict of interest statutes and regulations applicable to the Charter School and its governing body, the Charter School may accept private donations, provided, however, that private donations shall in no way be used either directly or indirectly to affect enrollment decisions or otherwise subvert the Charter School's policies and procedures pertaining to admission and enrollment.

**7.12 Prohibition of funding home-schooled students or private school students.** Pursuant to 70 O.S. §3-136(A)(9), under no circumstances shall the Charter School and/or its program of instruction offered in accordance with this contract be used to provide or otherwise supplement instruction of home-schooled students or students enrolled in private schools, or used as a method of generating revenue for students who are being home-schooled or are enrolled in private schools.

**7.12.1 Part-time enrollment.** The Charter School shall implement and enforce policies and procedures prohibiting enrollment of students on a part time basis unless otherwise expressly required by state law for the sole purpose of providing remediation pursuant to the provisions of Achieving Classroom Excellence Act in 70 O.S. §1210.524 and/or the Reading Sufficiency Act in 70 O.S. §1210.508A, *et seq.*

**7.13 Reporting.** Pursuant to 70 O.S. §3-136(A)(6) and (A)(18), the Charter School shall use the Oklahoma Cost Accounting System to report financial transactions to the Oklahoma State Department of Education and/or the Sponsor, and shall fully comply with all provisions of state law regarding school finance.

**7.13.1 Quarterly financial statement.** In addition to the reporting requirements set forth by state law, regulations of the Oklahoma State Department of Education, and regulations of the Sponsor, the Charter School shall provide the Sponsor with a quarterly financial statement that includes an itemized report of all income and expenses of the Charter School. The financial statement shall include a verification signed by the Charter School's treasurer substantially following the form provided below:

"I hereby certify under penalty of perjury under the laws of the State of Oklahoma and the United States of America that the foregoing is true and correct to the best of my knowledge as of this \_\_\_\_ day of [MONTH], [YEAR]."

**7.14 Annual audit.** Pursuant to 70 O.S. §3-135(A)(4), the Charter School shall ensure that an annual audit is conducted of the financial operations of the Charter School in accordance with the requirements of the Oklahoma Public School Audit law in 70 O.S. §22-103 and accompanying regulations. Any expense of the audit shall be borne by the Charter School. The Sponsor may require the Charter School to present the audit at a regular or special meeting of the Board.

**7.14.1** The Charter School shall be subject to requests for audit by the State Auditor's Office, and shall cooperate fully in all aspects of any request made pursuant to such audits.

**7.15 Recordkeeping.** The Charter School shall maintain all financial records necessary to demonstrate compliance with the provisions of this contract and to conduct the annual financial audits required by the Oklahoma Public School Audit law. All records pertaining to finances and accounting of Charter School funds shall be maintained for a least five (5) years from the ending date of the latest fiscal year(s) to which the record relates. The Sponsor shall have access to all financial records pertaining to the school.

**7.16 Access to records.** The Sponsor shall have access to all records of the Charter School. The Charter School shall provide any requested access to the Sponsor upon request.

## 8. COMPLIANCE WITH THE OKLAHOMA CHARTER SCHOOLS ACT

**8.1 General.** Pursuant to 70 O.S. §3-136(A)(1), the Charter School agrees to comply with all federal, state and local statutes and regulations relating to health, safety, civil rights and insurance.

**8.2 Prohibition of religious affiliation.** Pursuant to 70 O.S. §3-136(A)(2), except as permitted by applicable law, the Charter School shall be nonsectarian in its programs, admission policies, employment practices, and all other operations.

**8.3 Accountability and assessment.** Pursuant to 70 O.S. §3-135(A)(12), the Charter School shall comply with all federal and state statutes and regulations pertaining to accountability and assessment of its students, including, but not limited to the following:

**8.3.1** The Charter School shall participate in all state testing required by the Oklahoma School Testing Program Act and accompanying Oklahoma State Department of Education regulations, including, but not limited to, testing required by the Reading Sufficiency Act in **70 O.S. §1210.508C**. The Charter School shall ensure that the number and/or percentages of students assessed meet the requirements of state and federal law and regulations. The Charter School shall provide the Sponsor with the district, school and grade level results of state assessments as provided by the Oklahoma State Department of Education. In addition, the Charter School should monitor student progress through the local assessment plan outlined in the Charter School's application. Student data shall be provided at the request of the Sponsor.

**8.3.2** The Charter School shall comply with all requirements for timely reporting of student test results to which Oklahoma public school districts are bound, including, but not limited to the provisions of **70 O.S. §1210.545**.

**8.3.3** The Charter School shall timely provide all necessary accountability and assessment data to the Oklahoma State Department of Education's Office of Accountability and Assessment as requested and in accordance with the deadlines established by the Oklahoma State Department of Education.

**8.4 Performance Framework.** Pursuant to **70 O.S. §3-135(A)(8), (A)(11), and (C)**, the Performance Framework set forth in **OAC 777:10-3-4** will be used to assess the Charter School's ability to operate in the areas of academic, financial and organizational capacities.

**8.4.1 Goals.** The Charter School will submit up to three (3) data-driven goals to be included in the Performance Framework. The goals are expected to be substantial goals for the term of the contract and agreed upon by both the Sponsor and the Charter School prior to the implementation of the contract.

**8.4.2 Board data submission.** The Charter School agrees to participate in the Sponsor's data collection program for submitting school data as required by **OAC 777:10-3-4**, and submit all requested documentation by the required due dates.

**8.5 Plan of improvement.** In the event that the Charter School fails to meet the criteria set forth in the Performance Framework during any school year during the term of this contract, the Charter School shall submit to the Sponsor a plan of improvement to be implemented during the following school year. The plan of improvement shall be incorporated into the terms of this contract, and the Charter School shall implement the plan of improvement for any school years remaining during the terms of the contract, provided that approval of a plan of improvement shall not be construed as a waiver of any rights of the parties to terminate or not renew the contract.

**8.6 Students with disabilities.** Pursuant to **70 O.S. §3-136(A)(7)**, the Charter School shall comply with all federal and state laws relating to the education of children with disabilities in the same manner as an Oklahoma public school district, including but not limited to the Individuals with Disabilities Education Act (IDEA) in **20 U.S.C. §1400**, Section 504 of the

Rehabilitation Act of 1973 in 20 U.S.C. §703, Title II of the Americans with Disabilities Act, and Policies and Procedures of the Oklahoma State Department of Education for Special Education in Oklahoma.

**8.7 English language learners.** The Charter School shall comply with all federal and state laws pertaining to the education of students identified as Limited English Proficient and/or English Language Learners, including, but not limited to, ensuring equal access to the Charter School's program of instruction and related educational services in accordance with Title VI of the Civil Rights Act of 1964 and accompanying regulations.

**8.8 Governing body.** Pursuant to 70 O.S. §3-136(A)(8), the governing body of the Charter School shall be responsible for the policies and operational decisions of the Charter School.

**8.8.1 Residence.** Pursuant to 70 O.S. §3-135(A)(3), a majority of the governing board members shall be residents of the State of Oklahoma.

**8.8.2 Meetings.** Pursuant to 70 O.S. §3-135(A)(3), the governing body shall meet no less than quarterly in a public meeting, in a location within the State of Oklahoma.

**8.8.3 Notification of changes.** The Charter School shall notify the Sponsor of any changes in the governing body within five (5) business days of the date of resignation or appointment. The Charter School shall also keep the Sponsor apprised of the officers of the governing body, and any changes thereto within five (5) business days of the election, appointment or resignation.

**8.8.4 Conflicts of interest.** Pursuant to 70 O.S. §3-136(A)(17), the governing body of the Charter School shall be subject to the same conflicts of interest requirements as members of local public school district school boards in the State of Oklahoma, including but not limited to the provisions of 70 O.S. §5-113 and 70 O.S. §5-124.

**8.8.5 Confidentiality of student records.** The Charter School shall comply with all provisions of federal and state law pertaining to parent/legal guardian access to student records and privacy of student records and student data, including but not limited to compliance with all provisions of the Family Education Rights and Privacy Act of 1974 (FERPA) and the Individuals with Disabilities Education Act (IDEA).

**8.9 Admission, attendance, and enrollment.** Pursuant to 70 O.S. §3-135(A)(2), the Charter School shall ensure that no student shall be denied admission to the Charter School on the basis of race, color, national origin, sex, sexual orientation, gender identity, gender expression, disability, age, proficiency in the English language, religious preference or lack thereof, income, aptitude or academic ability.

**8.9.1 Tuition and fees.** Pursuant to **70 O.S. §3-135(A)(9)**, the Charter School shall be as equally free and open to all students as traditional public school. Pursuant to **70 O.S. §3-136(A)(10)**, the Charter School agrees that students and/or parents/legal guardians of students shall not be charged tuition or fees. The prohibition against charging tuition or fees applies to any attempt by the school, the governing body of the school, or employees or contractors of the school, directly or indirectly, to recover costs of offering curriculum based programs of instruction and related services to students.

**8.9.2 Admission by lottery.** In the event the Charter School is required to implement a lottery selection process due to a limitation in enrollment capacity, the Charter School shall provide the Sponsor with an opportunity to have a representative present to monitor and/or observe the lottery proceedings. The Charter School shall provide the Sponsor with notification of the date, time, and location of the lottery no later than five (5) business days prior to the date of the lottery or any related meetings. If a lottery results in generation of a waiting list for enrollment, the Charter School shall provide the Sponsor with a copy no later than five (5) business days after the date of the lottery or any related meeting.

**8.9.3 Verification of residency.** The Charter School agrees that enrollment in the Charter School shall be open to any student who is considered a resident of the State of Oklahoma and who is eligible by age or grade to enroll in the Charter School's program of instruction. The Charter School shall not enroll any student who is not a legal resident of the State of Oklahoma, and shall ensure that verification of residency, enrollment of students, and admission of students is conducted in accordance with the policies and procedures of the Charter School. Such policies and procedures shall include a requirement that the parent/legal guardian of a prospective student sign, in either electronic or handwritten fashion, a form verifying the student's legal address and the accuracy of the information provided in the enrollment application. The form shall also include an acknowledgment that the student is being enrolled in a public school.

**8.9.4 Student support.** During each school year of operation, the Charter School shall have a teacher assigned to each student to provide meaningful student interaction and timely and frequent feedback that is highly individualized and detailed to achieve continued student progress. In addition to the classroom teacher, support services required for student success in online education (i.e., tutors, mentors, and technical assistance) will be provided.

**8.9.5 Student attendance.** The Charter School shall establish a system of accurate logging and recording of student participation in instruction as necessary to monitor and report compliance with the compulsory student attendance provisions of **Article 13, §4** of the Oklahoma Constitution, **70 O.S. §3-145.8**, **70 O.S. §10-105**, and Oklahoma State Department of Education regulations.

**8.9.5.1 Attendance officer.** The Charter School agrees that it will designate an attendance officer as necessary to ensure the Charter School's compliance with all compulsory attendance laws and ensure accurate



recording, maintenance, and reporting of student attendance as required by Oklahoma law.

**8.9.6 State records system.** The Charter School agrees to participate in the state student records system as required by **70 O.S. §3-160.**

**8.10 School year.** Pursuant to **70 O.S. §3-136(A)(11)**, the Charter School shall provide instruction each school year for a least the number of school date or hours required by Oklahoma law, **70 O.S. §1-109** and **1-111(A)**. In the event an emergency, such as severe weather, interferes with the delivery of the program of instruction, student attendance, cancellation of school programs or activities, the instruction shall be conducted in accordance with the Charter School's emergency policies and procedures.

**8.11 Student conduct and discipline.** Pursuant to **70 O.S. §3-136(A)(12)**, the Charter School shall comply with the student suspension requirements set forth in **70 O.S. §24-101.3**, and in accordance with the Charter School's student conduct, discipline, and due process policies and procedures.

**8.12 Employees.** The Charter School shall ensure that employment of the Charter School's personnel is conducted in accordance with all state and federal statutes pertaining to labor and employment, unemployment compensation and worker's compensation, and withholding and reporting of employee wages. In addition, the Charter School shall ensure that employment is conducted in accordance with the Charter School's personnel policies and procedures.

**8.12.1 Oklahoma Teachers' Retirement System.** Pursuant to **70 O.S. §3-136(A)(14)**, if the Charter School elects to participate in the Oklahoma Teachers' Retirement System (OTRS), the Charter School agrees that it will fully comply with all statutes and regulations governing the OTRS.

**8.12.2 Employment contracts.** The Charter School's contracts for services with teachers and school personnel shall comply with the requirements of **70 O.S. §3-135(B)**. On or before August 1<sup>st</sup> of the fiscal year, the Charter School agrees to provide the Sponsor documentation of all compensation (salaries, hourly wages, benefit compensation, bonuses, etc.) paid to each and every employee of the Charter School, including the Chief Administrative Officer/Superintendent.

**8.12.3 Disclosures.** Upon contracting with any teacher or other personnel, the governing body of the Charter School shall, in writing, disclose employment rights of the employees in the event the Charter School closes or is not renewed.

**8.12.4 Instructional personnel.** The Charter School agrees that all individuals employed to teach students shall hold a valid teaching certificate issued or recognized by the State Board of Education or other qualifying credentials as allowed by the Oklahoma Charter School Act.

**8.12.5 Background checks.** The Charter School shall comply with provisions of state law pertaining to background checks of school district employees.

**8.13 Open Meeting Act and Open Records Act.** Pursuant to 70 O.S. §3-136(A)(16), the Charter School and its governing body shall comply with all provisions of the Oklahoma Open Meeting Act at 25 O.S. §301 *et seq.* and the Oklahoma Open Records Act a 51 O.S. §24A.1 *et seq.*

**8.14 Contracts.** Pursuant to 70 O.S. §3-136(D), the Charter School may enter into contracts, sue and be sued.

**8.15 Disposition of property.** Pursuant to 70 O.S. §3-136(F), within sixty (60) days of the date of school closure, or upon failure of the Charter School to continue operations, all real and personal property, obtained by the Charter School with public funds shall revert to the State of Oklahoma, and the Charter School shall ensure execution of any title documents necessary to ensure legal title of such property is transferred to the State. The Sponsor shall not be responsible for any of the Charter School's non-payable warrants, certificates of indebtedness, or financial obligations related to the operation of the Charter School.

**8.16 Inspection.** The Charter School agrees to permit inspections of the Charter School by the Sponsor and Oklahoma State Department of Education as necessary to ensure compliance with the provision of this contract and applicable state and federal law and regulations. Further, the Charter School agrees to respond to requests for documentation by the Sponsor to ensure compliance with the provision of this contract and applicable state and federal law and regulation.

## 9. ASSUMPTION OF LIABILITY

**9.1 Liability.** Pursuant to 70 O.S. §3-135(A)(6), the Charter School and the Sponsor agree that neither party agrees to indemnify or hold harmless the other party with regard to any loss, damage, or claims arising out of this contract or the operation of the Charter School, unless expressly provided elsewhere in this contract or as expressly stated by state or federal law.

**9.2 Insurance.** Pursuant to 70 O.S. §3-136(A)(13), the Charter School shall be considered an Oklahoma public school district for purposes of the Oklahoma Governmental Tort Claims Act.

**9.2.1 Verification of insurance.** Prior to commencing operations of the Charter School for the school years set forth in this contract and on an annual basis thereafter, the Charter School shall provide the Sponsor with copies of certificates of insurance proving that the Charter School maintains public liability insurance equal to or greater than the limits of liability required in the Oklahoma Governmental Tort Claims Act in 51 O.S. §151. In addition, the Charter School shall provide the Sponsor with copies of certificates of insurance and any other documentation required by the Sponsor with copies of certificates of insurance and any other documentation required by the Sponsor, proving that the Charter School maintains sufficient property and casualty

insurance to cover the value of all property of the Charter School purchased using state, federal or local funds. The Board or Oklahoma State Department of Education may not disburse state aid funds to the Charter School unless and until compliance with the requirements of this Section have been met.

## **10. MODIFICATION, RENEWAL, AND TERMINATION**

**10.1 Modification/Amendment of contract for sponsorship.** All modifications or amendments to the Charter School contract shall require valid written approval by a majority of both the governing body of the Charter School and of the Sponsor. The modification or amendment shall be documented in writing and include the minutes of the board meetings in which the modification or amendment was approved. Failure by the parties to agree on modified or amended terms shall not constitute a basis for invoking rights to dispute resolution, arbitration, or mediation as set forth under the Oklahoma Charter School Act.

**10.2 Renewal of contract.** Renewal of this contract shall be conducted in accordance with the provisions of 70 O.S. §3-137 and the accompanying regulations of the Board in effect as of the date of receipt of the Charter School's application.

**10.3 Termination of the contract.** Termination of this contract shall be conducted in accordance with the provisions of 70 O.S. §3-137 and the accompanying regulations of the Board in effect as of the date of the Sponsor's notification of intent to terminate is received by the Charter School. All costs resulting from any termination of this contract shall be the sole responsibility of the Charter School.

**10.4 Prohibition of assignment.** The Charter School's obligations under this contract may not be assigned, delegated, subcontracted, transferred to, or assumed by any other person or entity, provided that the Charter School may contract with individuals or entities for services necessary to assist the Charter School in fulfilling its obligations under this contract.

## **11. MISCELLANEOUS**

**11.1 Superseding law.** In the event of any conflict between the terms of this contract and provisions of state or federal statutes or regulations applicable to charter schools and in effect at any time during the term of this contract, the terms of this contract shall be deemed superseded by the conflicting statutes or regulations.

**11.2 Entire agreement.** The parties agree that this contract, including all attachments and terms and provisions incorporated by reference, contains the entire agreement between the parties. All prior representations, understandings, and discussions between the parties are merged into, superseded by, and cancelled by this contract.

**11.2.1 Construction.** This contract has been prepared jointly by the parties and shall not be construed more or less favorably with respect to either party.

**11.3 Choice of law.** This contract shall be interpreted and construed in accordance with the laws of the State of Oklahoma, without giving effect to any rule or provision governing choice of law or conflict of laws that would otherwise result in application of the laws of any jurisdiction other than the State of Oklahoma to govern the dispute.

**11.4 Jurisdiction and venue.** Any claims arising from the terms and provisions of this contract shall only be brought in the District Court of Oklahoma County, Oklahoma, or the United States District Court for the Western District of Oklahoma, provided, however, that this provision shall not be interpreted as a waiver of any or all rights of sovereign immunity to which the Board or individual members of the Board may be entitled to exercise.

**11.5 Severability.** In the event a court of competent jurisdiction issues a determination declaring any term or provision of this contract to be void, invalid, and/or unenforceable, the remaining terms and provisions of this contract shall remain in full force and effect.

**11.6 No waiver of breach.** The parties agree that neither express nor implied consent to any breach of any terms, warranties, or covenants of this contract shall waive any succeeding or other breach.

**11.7 Duty to notify.** In the event the Charter School and/or its governing body sues or is named by any individual or entity as a party in a suit or administrative proceeding in any jurisdiction, the Charter School agrees to notify the Sponsor and provide the Sponsor with a copy of the complaint, petition, or other instrument initiating the suit or proceeding within five (5) business days of the date of service upon the Charter School or its governing body. In addition, the Charter School agrees to timely provide the Sponsor with any information concerning the suit or proceeding as may be requested by the Sponsor and as allowed by law.

**11.8 Notice.** All notices required by the provisions of this contract shall be delivered to the address of record for the party. The parties shall be notified of any change in address of record of the other party within five (5) business days of the date of the change in address. The address of record for the parties shall be as follows:

**Notice to the Charter School:** Epic Charter Schools  
4101 NW 122<sup>nd</sup> Street  
Oklahoma City, Oklahoma 73120

**Notice to the Sponsor:** Statewide Virtual Charter School Board  
2500 North Lincoln, Suite 4-37  
Oklahoma City, Oklahoma 73105

**11.9 Incorporation.** The Charter School's Application for Sponsorship and accompanying documents approved by the Board on September 12, 2017, are hereby incorporated by reference. In the event of a conflict between the terms of this contract and the approved terms in the Charter School's Reapplication for Sponsorship, the terms of this contract shall supersede.

**12. WARRANTIES AND COVENANTS**

**12.1** The Charter School warrants that it has not entered into an employment contract with any teacher or other personnel prior to the execution of this contract except as otherwise disclosed to the Sponsor.

**12.2** The Charter School warrants that it is not affiliated with a nonpublic sectarian school or religious institution.

**12.3** The Charter School warrants that it is not chartered for the purpose of offering a curriculum for deaf or blind students that is the same or similar to the curriculum being provided by or for the education of deaf or blind students that are being served by the Oklahoma School for the Blind or the Oklahoma School for the Deaf.

**12.4** The Charter School warrants that it shall not be used by the governing body or any other entity as a method of generating revenue for students who are being home schooled or in private school and are not being educated by the Charter School.

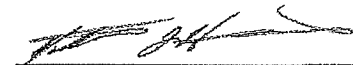
**12.5** The Charter School warrants that it has not nor will not make any attempt to levy taxes or issue bonds except as may be allowed by law.

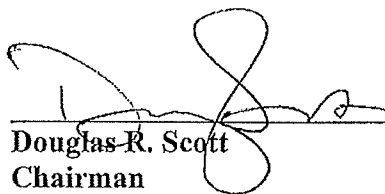
**12.6** The Charter School warrants that there is no current, pending, threatened, or anticipated litigation as of the date of the execution of the contract that could reasonably be foreseen to limit or otherwise adversely impact the operations of the Charter School and/or the governing body of the Charter School or the ability of the parties to discharge their duties under this contract.

**12.7** The individual(s) signing this contract on behalf of the Charter School warrant and represent that they are authorized to execute this instrument on behalf of the Charter School.

**Sponsor**

**School**

  
\_\_\_\_\_  
**Matthew L. Hamrick**  
**Chairman**  
**Statewide Virtual Charter School Board**

  
\_\_\_\_\_  
**Douglas R. Scott**  
**Chairman**  
**Epic Charter Schools**

4/10/18  
\_\_\_\_\_  
Date

4/18/2018  
\_\_\_\_\_  
Date

