AGREEMENT NOT TO REQUEST RENEWAL OF CHARTER AND TO CLOSE AND DISSOLVE CHARTER SCHOOL

This Agreement Not To Request Renewal of Charter and To Close and Dissolve Charter School ("Agreement") is made and entered into as of _____, 2017, by and between THE SCHOOL DISTRICT OF THE CITY OF YORK (the "School District"), acting by and through its Board of School Directors (the "School Board"), located at 31 N. Pershing Avenue, York, Pennsylvania 17401, and the HELEN THACKSTON CHARTER SCHOOL, a Pennsylvania nonprofit corporation (the "Charter School"), acting through and by its Board of Trustees (the "Charter Board"), located at 625 East Philadelphia Street, York, Pennsylvania 17403.

Background

WHEREAS, the School Board granted a charter to the Charter School in 2009; and

WHEREAS, the School Board renewed the Charter in 2014 with conditions ("Charter"); and

WHEREAS, in June 2017, the School District's administration recommended to the School Board that the Charter School's Charter be revoked based on, *inter alia*, certain alleged academic, fiscal management, governance and operational grounds; and

WHEREAS, on June 21, 2017, the School Board approved a Resolution setting forth the reasons for which revocation proceedings have been noticed; and

WHEREAS, a revocation hearing before a hearing officer appointed by the School Board was scheduled to commence on October 13, 2017, and continue thereafter on scheduled and advertised dates; and

WHEREAS, the Charter School has agreed not to submit a renewal application or otherwise request renewal of its Charter which expires on June 30, 2019, and has agreed to close and to cease operations on or before June 30, 2019, and has agreed to other terms and conditions as set forth in this Agreement if the School Board agrees not to proceed with the revocation hearing; and

WHEREAS, the School Board has agreed to cancel the public hearing on the revocation of the Charter School's Charter if the Charter School agrees not to submit a renewal application or otherwise request renewal of its Charter, agrees to close and cease operations on or before June 30, 2019, and agrees to other terms and conditions as set forth in this Agreement.

NOW, THEREFORE, for and in consideration of the mutual covenants and agreements herein contained, the School District and the Charter School, intending to be legally bound, hereby agree as follows:

1. The Charter School: (i) agrees not to submit a renewal application or otherwise request renewal of its Charter which expires on June 30, 2019; (ii) agrees to surrender its Charter,

to close and to cease operations on or before June 30, 2019; (iii) agrees not to transfer the Charter to another charter operator or charter board during the remainder of the current Charter term; (iv) agrees that its Charter shall terminate as of June 30, 2019, and that the Charter School may not enroll students, receive payment for any student or operate as a charter school after that date; (v) agrees to commence the dissolution process of the Charter School on or before June 30, 2019 by the appointment of the manager of the dissolution process; and (vi) agrees to waive its rights to file any claim or commence any action in connection with the Charter or cessation of the Charter before the State Charter School Appeal Board, any court of competent jurisdiction court or other tribunal. The Charter School's agreement to surrender its Charter and cease operations on or before June 30, 2019, is absolute and is not subject to rescission due to any changed circumstances between now and the termination date, including but not limited to, improved academic performance.

2. For the 2018-2019 school year, the Charter School shall not enroll any 6th graders and shall only enroll students in grades 7-12. For the 2018-2019 school year, the Charter School shall not enroll more than 400 students who reside in the School District. Under no circumstances shall the Charter School request payment from the School District or the Commonwealth of Pennsylvania, either under 24 P.S. § 17-1725-A or through other means, for more students than permitted herein nor enroll students in different grades. If the Charter School acts in violation of this paragraph, the Charter School shall reimburse all of the School District's legal fees and costs resulting from said action, including, but not limited to, legal fees associated with demanding reimbursement and/or preparing and pursuing objections to subsidy withholding requests made by the Charter School. The Charter Board agrees that any such reimbursement may be withheld from any amounts otherwise due to the Charter School. The School District shall notify the Charter School if it feels that this paragraph has been violated in an effort to have the Charter School voluntarily withdraw its request for reimbursement and/or withholding before such fees and costs are incurred, unless circumstances do not permit such notice to be provided before fees or costs are incurred. The Charter School shall have three (3) days from the date of notice from the District to withdraw its request for reimbursement and/or withholding. <u>These changes shall constitute an amendment to Paragraph 5 of the Charter. All other provisions in the Charter remain in full force and effect.</u>

3. Upon the approval of this Agreement, the Charter School shall cease all recruiting efforts for new students, including but not limited to, advertising in any form and solicitation at community events or through other forums. The Charter School may continue to attend community events, but it may not solicit new students while attending those events. Further, the Charter School may continue to display its enrollment application on its website, and may continue to accept applications from interested students and/or families.

4. By November 1, 2017, the Charter School shall provide the School District's Superintendent with current copies of Pennsylvania State police criminal background checks, child abuse clearances, FBI background checks and Act 168 documentation for all 2017-2018 employees. Thereafter, the Charter School shall submit copies of said documents/information for all newly hired employees to the School District on March 1,

2018; June 1, 2018; September 1, 2018; December 1, 2018; March 1, 2019, and June 1, 2019.

5. By November 1, 2017, the Charter School shall provide evidence to the School District that all special education professional staff are properly certified in their areas of assignment. Such evidence shall include the name, position, area of responsibility, grade level served and TIMS number for purposes of verification. Thereafter, the Charter School shall submit copies of said information for all newly hired special education professional staff to the School District on March 1, 2018; June 1, 2018; September 1, 2018; December 1, 2018; March 1, 2019, and June 1, 2019.

6. By November 1, 2017, the Charter School shall submit a completed Statement of Financial Interest form for 2016 for Kayla Sanchez. The Charter School shall submit to the School District completed and timely 2017 Statements of Financial Interest for all public employees and public officials by no later than May 15, 2018. The Charter School shall submit to the School District completed and timely 2018 Statements of Financial Interest for all public employees and public officials by no later than May 15, 2019.

7. By November 1, 2017, the Charter School shall submit evidence to the School District that the tax claim pending for the property located at 620 Wallace Street has been fully paid and resolved.

8. By November 1, 2017, the Charter School shall submit documents supporting the payment of all employee and employer contributions and the payment of 5% interest to each employee enrolled in the 403(b) retirement plan during the 2015-2016 and 2016-2017 school years. By February 16, 2018, the Charter School shall provide the School District with an independent audit confirming such payments had been made.

9. If the Charter School remains open for the 2018-2019 school year, by January 30, 2019, the Charter School shall perform and share with the School District a mid-year reconciliation of student enrollment compared with payments received to determine what amounts may be owed by, or due to, the School District. An additional reconciliation shall be performed and shared by May 1, 2019, and also at the end of the 2018-2019 school year using final average daily membership.

10. By no later than January 31, 2018, the Charter School shall complete and approve at a public meeting each of the independent financial audits for the years ending June 30, 2014, June 30, 2015, and June 30, 2016. By no later than April 1, 2018, the Charter School shall complete and approve at a public meeting the independent financial audit for the year ending June 30, 2017. <u>Notwithstanding any other term or condition in this Agreement, if the Charter School fails to complete and approve any of the independent financial audits set forth in this paragraph by the deadlines set forth in this paragraph, the Charter School: (i) shall surrender its Charter and close and to cease operations on or before June 30, 2018; (ii) agrees that its Charter shall terminate as of June 30, 2018, and that the Charter School may not enroll students or operate as a charter school after June 30, 2018; (iii) agrees to commence the dissolution process of the Charter School on or</u>

before June 30, 2018 by the appointment of the manager of the dissolution process; (iv) agrees to waive its rights to file any claim or commence any action in connection with the Charter or cessation of the Charter before the State Charter School Appeal Board, any court of competent jurisdiction court or other tribunal; and (v) on or before May 1, 2018, agrees to notify the Charter School's parents/guardians/caregivers, staff and students that the Charter School Board of Trustees has decided that the Charter School will close by June 30, 2018.

11. No school district of residence shall have any obligation to pay the Charter School for services provided to any student for any time period after the applicable date of termination and surrender of the Charter as set forth in the terms and conditions of this Agreement. Under no circumstances shall the Charter School request payment from any school district or the Commonwealth of Pennsylvania, either under 24 P.S. § 17-1725-A or through other means for any services provided after the date of termination and surrender of the Charter as set forth in the terms and conditions of this Agreement. If the Charter School acts in violation of this paragraph, the Charter School shall reimburse all of the school district's legal fees and costs resulting from said action, including, but not limited to, legal fees associated with demanding reimbursement and/or preparing and pursuing objections to subsidy withholding requests made by the Charter School. The Charter Board agrees that any such reimbursement may be withheld from any amounts otherwise due to the Charter School. The School District shall notify the Charter School if it feels that this paragraph has been violated in an effort to have the Charter School voluntarily withdraw its request for reimbursement and/or withholding before such fees and costs are incurred, unless circumstances do not permit such notice to be provided before fees or costs are incurred. The Charter School shall have three (3) days from the date of notice from the School District to withdraw its request for reimbursement and/or withholding.

12. If the Charter School remains open during the 2018-2019 school year, on or before February 1, 2019, the Charter School shall notify the Charter School's parents/guardians/caregivers, staff and students that the Charter School Board of Trustees has decided that the Charter School will close by June 30, 2019. The Charter School shall provide electronic copies of these communications to the School District's Superintendent within three (3) business days after their dissemination.

13. Pursuant to 24 P.S. § 17-1729-A(j), the Charter School agrees to provide to each school district of residence complete copies of all student records, including copies of all available transcripts, grades, IEPs, disciplinary records, and health records ("Student Records") for all current and former students. For students who have graduated from the Charter School during its operation, the Charter School will ensure that the Student Records include a complete and final copy of the high school transcript indicating graduation. The Charter School will use its best efforts to provide Student Records for all current students within fifteen (15) days following the termination of the Charter. Student Records of former students shall be provided by August 31 following the termination of the Charter.

14. The School District agrees to provide per-pupil funding to the Charter School for students enrolled in the Charter School through June 30, 2019, or the date of the surrender of the Charter, whichever is earlier. The School District further agrees that any deductions from funding will be communicated to the Charter School in advance of the deduction and will be fully reconciled along with any final charter payments reconciliation for the Charter School.

15. During the remainder of the Charter term, the Charter School agrees to continue to provide an educational program and services to all enrolled students in compliance with all applicable federal, state and local laws, including without limitation, appropriate special education programs and English Language Learner services. On or before May 1, 2019, the Charter School shall notify each school district of residence about students who will need Extended School Year ("ESY") services during the summer 2019.

16. If the Charter School remains in operation for the 2018-2019 school year, the Charter School agrees to proceed with an orderly winding up and dissolution of the Charter School, to provide the School District with a written plan for winding up the operations of the Charter School, and to identify a person responsible for the winding up and the maintenance of required records by March 15, 2019.

17. The Charter School further agrees to use any charter school funds only for Charter School purposes during the remainder of its operations.

18. The Charter School agrees to return any School District property loaned to the Charter School within thirty (30) days of cessation of Charter School operations. A list of the property loaned to the Charter School by the School District will be attached hereto and marked as Exhibit A.

19. During the remainder of the Charter School's operations and through the dissolution process, the Charter School agrees to pay all employees, keep current on both the employee and employer contributions to the Public School Employees' Retirement System ("PSERS") and the Charter School's 403(b) plan, and pay all bills and obligations in a timely fashion as such bills and obligations come due, subject to continued per-pupil funding for enrolled students from the School District in accordance with the funding laws.

20. Upon approval of the Agreement by the Charter Board and the School Board, the Charter School shall take immediate steps to withdraw with prejudice the action pending before the York County Court of Common Pleas at Docket No. 2017-SU-002718.

21. The Charter School agrees to comply with the terms and conditions of this Agreement. If the Charter School fails to surrender and terminate its Charter pursuant to the requirements of this Agreement, or fails to meet any of the other terms and conditions set forth herein, the Charter School shall be in breach of this Agreement and shall be responsible for the School District's attorneys' fees, expenses and costs in pursuing litigation to enforce this Agreement, for reinstituting revocation proceedings or for pursuing other remedies in connection with the Charter School's actions. The Charter

School further agrees that if the Charter School fails to surrender its Charter and cease operations in accordance with this Agreement, such a failure constitutes irreparable injury to the School District that cannot be adequately compensated by monetary damages, and the School District will be entitled to equitable relief to enjoin the Charter School's failure to perform its duties under the Agreement.

22. The Charter School agrees and acknowledges that if it creates conditions which threaten the health and safety of the Charter School's students or staff, the School Board and the School District may take any action necessary to close the Charter School in accordance with the Charter School Law, 24 P.S. § 17-1729-A(g).

23. Notwithstanding any other provision of this Agreement, the Charter School agrees and acknowledges that if the Charter School is ejected from 625 East Philadelphia Street, York, Pennsylvania 17403, the Charter School: (i) shall surrender its Charter and close and cease operations no later than the official date of ejectment; (ii) agrees that its Charter shall terminate as of the official date of ejectment, and that the Charter School may not enroll students or operate as a charter school after the official date of ejectment; (iii) agrees to commence the dissolution process of the Charter School following the date of ejectment by the appointment of the manager of the dissolution process; and (iv) agrees to waive its rights to file any claim or commence any action in connection with the Charter or cessation of the Charter before the State Charter School Appeal Board, any court of competent jurisdiction court or other tribunal.

24. The Charter School agrees and acknowledges that the Board of Trustees of the Charter School has approved this Agreement including the aforementioned terms and conditions at a public meeting advertised in accordance with the Sunshine Act on or before October 18, 2017. A copy of the Board Resolution is attached hereto as Exhibit B.

25. This Agreement may be executed in counterparts, each of which shall be deemed an original and shall have full force and effect as an original, but all of which shall constitute one and the same instrument.

IN WITNESS WHEREOF, the undersigned have executed this Agreement the day and year first written above.

THE SCHOOL DISTRICT OF THE CITY OF YORK	ATTEST:
By: _____ President Board of School Directors	_____ Secretary Board of School Directors
HELEN THACKSTON CHARTER SCHOOL	ATTEST:
By: _____ Name: _____ President, Board of Trustees	By: _____ Name: _____ Secretary, Board of Trustees