IN THE CIRCUIT COURT OF THE TWELFTH JUDICIAL CIRCUIT
IN AND FOR SARASOTA COUNTY, FLORIDA
SOUTH COUNTY (VENICE) DIVISION

IMAGINE SCHOOLS NON-PROFIT, INC.,
a Virginia nonprofit corporation,

Plaintiff,

v.

CASE NO.: 2013-CA-1517NC
DIVISION NO.:_____

JUSTIN H. MATTHEWS, and
IMAGINE SCHOOL AT NORTH PORT, INC.,
a Florida nonprofit corporation

Defendants.

_____/

VERIFIED COMPLAINT

Comes now, Plaintiff, IMAGINE SCHOOLS NON-PROFIT, INC., a Virginia nonprofit corporation, authorized to do business in the State of Florida, ("ISNP" or "Plaintiff"), by and through its undersigned counsel, and files this Verified Complaint pursuant to Fla. Stat. §§ 542.335 and 688.001, *et. seq.*, Fla. Stat. § 617.0304, and Fla. R. Civ. P. 1.610.

PARTIES

1. Plaintiff Imagine Schools Non-Profit, Inc. ("Plaintiff" or "ISNP") is a Virginia nonprofit corporation, authorized to do business in the State of Florida, which provides educational services to charter schools throughout the United States.

2. Defendant Imagine School at North Port, Inc., ("Defendant" or "North Port") is a Florida nonprofit corporation, having as its primary purpose operation of a charter school known as the Imagine School at North Port ("Charter School") located at 1000 Innovation Avenue, North Port, Florida 34289.

3. ISNP is the sole member of Defendant North Port, within the meaning of Section 617.0601, Florida Statutes (2012), and Defendant North Port is its subsidiary.

4. Defendant Justin H. Matthews ("Defendant Matthews") is an individual who once was, or may still remain, an employee of Plaintiff ISNP and was the principal of the Charter School.

NATURE OF ACTION

5. This action is for injunctive relief, damages and other appropriate relief brought by ISNP against Defendant Matthews, an employee of ISNP now purporting to work for a new school or entity that, in reality, does not legally exist, but is attempting to replace the Charter School.

6. Additionally, this is a claim against Matthews for breach of his employment agreements with Plaintiff ISNP.

7. Furthermore, this is a cause of action against Matthews for damages and equitable relief by Plaintiff ISNP for tortious interference. Specifically, this includes tortious interference with advantageous business relationships between ISNP and students and their parents at the Charter School, between ISNP and the teachers and other staff it employs at the Charter School and between Plaintiff ISNP and Defendant North Port.

8. This is also a cause of action against Defendant Matthews and Defendant North Port for damages and equitable relief by Plaintiff ISNP for defamation with respect to disparaging comments Defendant Matthews and Defendant North Port Governing Board members have made about ISNP to students and parents associated with the Charter School, ISNP employees, the School Board of Sarasota County and members of the public.

9. This is also a cause of action against Defendant Matthews for breach of his fiduciary duties to Plaintiff ISNP, as principal of the Charter School, by working in conflict and in competition against ISNP while still an employee of ISNP, and attempting to establish a rival, competing school on the same grounds and in the same space as the Charter School, without legal authority to do so.

10. This is also a cause of action against Defendant North Port for specific performance to require Defendant North Port to comply with the dispute resolution provisions required by the Affiliate Agreement between the parties, effective March 21, 2011, as Amended and Restated, effective July 1, 2011, which sets forth certain services to be provided to Defendant North Port by Plaintiff ISNP, certain rights and responsibilities of both parties and requires the Charter School to be identified and operated as an Imagine school. The Affiliate Agreement also provides for the Charter School personnel to be ISNP employees and makes no provision for Defendant North Port to employ any Charter School personnel. A copy of the Affiliate Agreement is attached hereto as **EXHIBIT 1**.

11. This is also a cause of action against Defendant North Port by Plaintiff ISNP to enjoin Defendant ISNP's ultra vires acts in contravention of its Articles of Incorporation and Bylaws, pursuant to Section 617.0304, Florida Statutes (2012). Copies of Defendant North Port's Articles of Incorporation and Bylaws are attached hereto as **EXHIBITS 2 AND 3.**

12. All conditions precedent to this action have occurred or have been waived.

JURISDICTION AND VENUE

13. This Court has jurisdiction over the subject matter of this dispute because the amount in controversy exceeds $15,000.

14. Venue is appropriate in Sarasota County, Florida, as Defendants are located, work or reside in Sarasota County.

ALLEGATIONS

15. ISNP is in the highly competitive business of providing education to interested students and to their families, grades K-12, through the innovative methods and programs established in its unique charter school curriculum.

16. ISNP expends significant time and resources developing its student base, attending to students' and their families' needs, creating and implementing teaching and educational strategies, and employee training.

17. ISNP's product developments and plans, business plans, sales and marketing strategies, and student information are confidential and proprietary and not known to ISNP's competitors.

18. In order to maintain a competitive advantage, ISNP makes reasonable efforts to maintain the secrecy of its confidential and/or trade secret information by, among other things entering into restrictive covenants with appropriate employees that restrict certain competitive activities.

19. In or about 2008, as a condition of employment with ISNP as principal of the Charter School, ISNP entered into an at will employment agreement ("Employment Agreement" – **EXHIBIT 4**) with Matthews that included signing a separate Confidentiality, Ownership and Non-Competition Agreement. ("Non-Compete Agreement"). An unsigned version of the Non-Compete Agreement, signed by all of the school principals of the more than 60 charter schools owned and/or operated by ISNP is attached hereto as **EXHIBIT 5**. The Agreement contained various restrictive covenants, among other terms and conditions, governing Defendant

Matthews' employment relationship with ISNP. In consideration for executing this Agreement, ISNP provided Defendant Matthews with employment and compensation for said employment. A true and accurate copy of Defendant Matthew's executed Non-Competition Agreement will be provided upon recovery of the Agreement by ISNP.

20. The Agreements executed by Defendant Matthews expressly restrict his use and disclosure of Imagine's confidential information, and prohibit the solicitation of any students at ISNP schools, their parents, or employees of ISNP that exist during Matthews' employment with ISNP.

21. The Agreements executed by Defendant Matthews also prohibit Matthews from engaging in certain competitive activity while employed by ISNP and for a period of one (1) from the date of his termination from employment.

22. During Defendant Matthews employment, ISNP provided specialized training to Matthews on educational methods and techniques, student and parent development, addressing students' development, unique product information, and business planning.

23. In the principal's position, Defendant Matthews had contact with students at the Charter School and their parents, as well as their teachers, and had access to other information regarding students' needs; had access to employee contracts and knowledge of the terms of those agreements; access to ISNP's development and expansion plans, and other proprietary information.

24. As school principal, Defendant Matthews had virtually unlimited access to ISNP's confidential business information, including supplier and vendor information, product costs, negotiation strategies, and other proprietary information.

25. On or about February 15, 2013, Defendant Matthews abruptly abandoned his duties and responsibilities as principal of the Charter School and led Defendant North Port's Board of Directors in an attempted coup of the Charter School. Defendant North Port's Governing Board asserted it had unilaterally cancelled its contractual ties and fiduciary obligations to ISNP, formed a new school, usurped the school's students, and faculty, and staff, without prior warning or explanation.

26. Operation of the Charter School is authorized through a Charter Contract ("Charter Contract") between Defendant North Port and the School Board of Sarasota County ("Sarasota School Board"). The Charter Contract requires that the Charter School be operated in accordance with the Articles of Incorporation, Bylaws, and in the name of Imagine School at North Port. The Charter Contract also specifies that the Charter School personnel will be employees of Plaintiff ISNP, consistent with the proposal for the Charter School submitted by Defendant North Port.

27. On or about February 16, 2013 through February 18, 2013, Defendant Matthews endeavored to communicate with the students, their families and the staff of the Charter School, attempting to explain his illegal, improper and misguided efforts to take over the Charter School. He stated that the Charter School would become "Sarasota Preparatory School."

28. "Sarasota Preparatory School" is not a legal entity. Two corporations with this same name were involuntarily dissolved in 1978 and 1999, respectively. **COMPOSITE EXHIBIT 6**. Upon review of the online records of the Department of State, Division of Corporations, there also does not appear to be any legal entity registered with the fictitious name of "Sarasota Preparatory School."

29. As a result of Defendants' improper and illegal conduct, ISNP has been irreparably harmed, and will continue to be irreparably harmed if Matthews' misconduct is not immediately enjoined.

30. As a result of Defendants' improper and illegal conduct, ISNP has suffered damages, and will continue to suffer damages unless Defendants' conduct is enjoined. ISNP has no other adequate remedy at law to forestall the damages and irreparable harm it is suffering due to Defendants' misconduct, absent injunctive relief.

COUNT I – BREACH OF CONTRACT/NON-COMPETITION

PROVISION BY DEFENDANT JUSTIN MATTHEWS

31. Imagine incorporates the preceding paragraphs No. 1 through 4, 6 and 13 through 30, as if fully stated herein.

32. Defendant Matthews entered into a valid and enforceable, at will Employment Agreement, in which he agreed to abide by separate obligations of confidentiality, ownership of proprietary school information and non-competition, for good and valuable consideration. Defendant Matthews entered into a valid non-competition covenant in his Non-Competition Agreement with ISNP for good and valuable consideration, whereby he agreed not to engage in competitive activity for one (1) year after his employment with ISNP terminated.

33. Defendant Matthews entered into a valid and enforceable Non-Competition Agreement, for good and valuable consideration, whereby he agreed not to engage in competitive activity during his employment with Imagine and for one (1) year after his employment terminated with ISNP.

34. The non-competition provisions in Defendant Matthew's Employment Agreement and his Non-Competition Agreement are reasonable and no greater than necessary under the

circumstances to protect ISNP's legitimate interests in its confidential information, including student and families' information, the specialized training provided to Matthews and ISNP's goodwill.

35. The non-competition provisions in Defendant Matthews' Agreements do not impose an undue hardship on Matthews, because, among other things, they do not prohibit the Defendant from obtaining viable employment and merely protects ISNP's legitimate interest in protecting its goodwill and clients.

36. The non-competition provisions in Defendant Matthews' Agreements are not injurious to the public interest, because, among other things, the provisions are reasonable limitations on the public's right to choose.

37. Defendant Matthews' employment with what he purports to be the Sarasota Preparatory Academy, an entity that does not legally exist and has no charter to operate legally in Florida, in any event constitutes a breach of the non-competition provisions of Defendant's Non-Competition Agreement and Employment Agreement.

38. Because ISNP is without an adequate remedy at law for Defendant Matthews' breach, Defendant Matthews should be preliminarily and permanently enjoined from employment with the so-called Sarasota Preparatory Academy. ISNP should also be awarded any damages as a result of Defendant Matthews' breach, together with attorney's fees, costs and such other relief as the Court may deem just and proper.

COUNT II – BREACH OF CONTRACT – CONFIDENTIALITY

PROVISION BY DEFENDANT JUSTIN MATTHEWS

39. Plaintiff ISNP incorporates the preceding paragraphs No. 1 through 4, 6 and 13 through 30, as if fully stated herein.

40. Defendant Matthews entered into a valid confidentiality covenant in his Employment Agreement and in his Non-Competition Agreement with Plaintiff ISNP for good and valuable consideration, whereby he agreed not to use or disclose Plaintiff ISNP's confidential information.

41. Defendant Matthews' confidentiality provisions are reasonable and no greater than necessary to protect Plaintiff ISNP's legitimate interest in maintaining the secrecy of its confidential information, including, but not limited to, student and parents' information, teaching methods and practices, student motivational methods and practices, test preparation and test taking techniques, and other proprietary information.

42. By virtue of Defendant Matthews' employment with the so-called Sarasota Preparatory School, it is virtually inevitable that he will utilize and/or disclose ISNP's confidential information in violation of his confidentiality obligations owed to ISNP.

43. The confidentiality and non-disclosure provisions in Defendant Matthews' Agreements do not impose an undue hardship on the Defendant, because, among other things, they merely protect Plaintiff ISNP's legitimate interest in protecting its goodwill, confidential information, and client relationships with its students and their parents.

44. The confidentiality and non-disclosure provisions in Defendant Matthews' Agreements are not injurious to the public interest, because, among other things, the provisions are reasonable limitations on the Defendants' ability to utilize hard sought confidential information and prohibit the disclosure of such information for the benefit of another business.

45. Because Plaintiff ISNP is without an adequate remedy at law for Defendant Matthews' breach of the confidentiality provision in his Agreements, Defendant Matthews should be preliminarily and permanently enjoined from utilizing and/or disclosing Plaintiff

ISNP's confidential information. Plaintiff ISNP should also be awarded any damages resulting from Defendant Matthews' breach, together with attorney fees, costs and such other relief as the Court may deem just and proper.

COUNT III – BREACH OF CONTRACT – NON-SOLICITATION PROVISION BY DEFENDANT JUSTIN MATTHEWS

46. Plaintiff ISNP incorporates the preceding Paragraphs No. 1 through 4, 6 and 13 through 30, as if fully stated herein.

47. Defendant Matthews entered into a valid non-solicitation covenant in his Employment and Non-Competition Agreements with ISNP for good and valuable consideration, whereby he agreed not to solicit students at the Charter School or their parents, or employees of ISNP that existed during his employment with Imagine.

48. The non-solicitation provision in Defendant Matthews' Employment and Non-Competition Agreements is reasonable and is no greater than necessary to protect ISNP's legitimate interest in maintaining the hard sought and well developed relationships ISNP has with its students, their parents, and ISNP employees.

49. The non-solicitation provision in Defendant Matthews' Employment and Non-Competition Agreements does not impose an undue hardship on the Defendant, because, among other things, it does not prohibit the Defendant from obtaining viable employment and merely protects ISNP's legitimate interest in protecting its goodwill and clients, such as its students and their parents.

50. The non-solicitation provision in Defendant Matthews' Employment and Non-Competition Agreements is not injurious to the public interest, because, among other things, the provision is a reasonable limitation on the public's right to choose.

51. As evidenced by Defendant Matthews' actions since becoming employed by the so-called Sarasota Preparatory School, including his e-mails and other correspondence to students, their parents and to staff, it is clear Defendant Matthews has improperly solicited clients of ISNP and employees of ISNP to become so-called Sarasota Preparatory School clients and employees, in violation of his non-solicitation obligations owed to ISNP.

COUNT IV - TORTIOUS INTERFERENCE WITH A CONTRACTUAL RELATIONSHIP BY DEFENDANT JUSTIN MATTHEWS

52. Imagine incorporates the preceding paragraphs No. 1 through 4, 7 and 13 through 30, inclusive, as if fully stated herein.

53. On or about February 15, 2013, Imagine learned that Defendant Justin Matthews had orchestrated and engineered a vote by the Board of Directors Defendant North Port to attempt to sever its relationship with ISNP and to somehow usurp the control, management, operation, licensure and legal standing of the Charter School as a new entity, the so-called Sarasota Preparatory School.

54. On or about February 16, 2013, Imagine learned that Defendant Matthews had begun to solicit the support and acquiescence of the ISNP employees assigned to the Charter School, asserting that the so-called Sarasota Preparatory School had somehow, magically, replaced ISNP and that the employees were now able to become employees of the so-called Sarasota Preparatory School.

55. The so-called Sarasota Preparatory School is not a legal entity in the state of Florida, not properly or legally incorporated in the state of Florida, not authorized to conduct business in the state of Florida, and not properly chartered as a Charter School as that term is defined by State law, either in the State of Florida or in Sarasota County, Florida.

56. Nonetheless, Defendant Matthews' communication with the employees of ISNP, attempting to assert they now were or could somehow magically become employees of the so-called Sarasota Preparatory School, constitutes a tortious interference by Defendant Matthews with the existing contractual relationships between ISNP and each of its current staff members, including but not limited to teachers, coaches, counselors, aides, teaching assistants, food service, before and after school child care workers, medical staff, custodians and any other employee of ISNP. This tortious interference has continued unabated despite ISNP's written reminder to the Governing Board of Defendant North Port in correspondence dated February 18, 2013, that neither the board nor Defendant Matthews had any authority, right or permission to solicit the students of the Charter School to open another school. A photocopy of the cease and desist letter is attached hereto as EXHIBIT 7.

57. Defendant Matthews's tortious interference with ISNP's contractual business relationships with its employees has damaged ISNP, for which ISNP is entitled to both injunctive and monetary relief, as well as recovery of its attorneys' fees and costs incurred in enforcing the contractual agreements.

COUNT V – DEFAMATION

58. ISNP incorporates the preceding paragraphs, No. 1 through 4, 8 and 13 through 30, inclusive, as if fully stated herein.

59. Shortly after the vote by Defendant North Port to precipitously sever its relationship with Plaintiff ISNP, its parent corporation, ISNP learned that Defendant Matthews and the Governing Board members of Defendant North Port have failed to take reasonable care and have made false and defamatory statements, without privilege, about ISNP to the students and their families at the Charter School, as well as to ISNP's employees.

60. Defendant Matthews and Defendant North Port's Governing Board members made the knowingly false and defamatory statements in order to damage ISNP's reputation with the Charter School students and their parents, in order to facilitate soliciting the students and their parents and the ISNP employees on behalf of Matthew's purported replacement school, the so-called Sarasota Preparatory School.

61. Defendant Matthews and Defendant North Port's Governing Board members acted with malice, and ISNP's reputation has been damaged as a result of the defamatory statements made by Defendant Matthews and Defendant North Port's Governing Board members, and is entitled to injunctive relief, damages, and attorney's fees and costs.

COUNT VI – BREACH OF FIDUCIARY DUTY

BY DEFENDANT JUSTIN MATTHEWS

62. ISNP incorporates the preceding Paragraphs Nos. 1 through 4, 9 and 13 through 30, as if fully stated herein.

63. Defendant Matthews, as the principal of the Charter School and an ISNP employee owed a common law fiduciary duty to ISNP, similar if not identical to the duties of any officer, director or manager of any business, to perform to his utmost ability and to act fully and totally in the best interests of his employer, ISNP, in order to properly fulfill his obligations to ISNP.

64. However, Matthews instead acted on behalf of and in the interests of the so-called Sarasota Preparatory School, an obvious competitor to ISNP, even while still a full-time and fully compensated employee of ISNP.

65. Matthews, by soliciting ISNP's employees to work for the so-called Sarasota Preparatory School, by soliciting the students and parents of the Charter School to transfer their students and allegiance to the so-called Sarasota Preparatory School, by working for the so-

called Sarasota Preparatory School in blatant competition with ISNP, by sharing ISNP's confidential and proprietary business information with the so-called Sarasota Preparatory School, Defendant Matthews breached his common law fiduciary duties and obligations to ISNP.

66. Defendant Matthews' breach of his fiduciary duties and obligations to ISNP, by working instead on behalf of the competing, so-called Sarasota Preparatory School, has damaged Imagine, for which ISNP is entitled to injunctive relief, damages, attorneys' fees and costs

COUNT VII

SPECIFIC PERFORMANCE AGAINST DEFENDANT NORTH PORT

67. ISNP incorporates Paragraphs 1 through 4, 10 and 13 through 30 as if fully stated herein.

68. Paragraph 16 of the Affiliate Agreement provides:

> **GOVERNING LAW, CONFLICT RESOLUTION, VENUE, AND JURISDICTION.** This Agreement shall be construed and interpreted under and enforced in accordance with the laws of the State of Florida. All parties recognize that conflicts or disputes may occasionally arise. If any dispute cannot be resolved in private meetings, the parties agree, as an alternative to litigation, to enter mediation and, if mediation is unsuccessful, legally binding arbitration in accordance with the rules of the American Arbitration Association as set forth in www.adr.org. The parties agree that venue shall be in the county where the Charter School is located, and hereby waive any and all objections to the laying of venue in such county. The parties further agree that any arbitration award may be entered in any court having jurisdiction over the subject matter or parties. **The parties understand that these methods shall be the sole remedy for any controversy or claim arising out of this Agreement or the subject matter hereof, and expressly waive their right to file a lawsuit or claim against one another for such disputes, except to enforce an arbitration decision. This provision shall survive termination of this Agreement.**
> (emphasis supplied)

69. Paragraph 16 of the Affiliate Agreement sets forth "the sole remedy for any controversy or claim arising out of th[e] [Affiliate] Agreement."

70. Defendant North Port has refused to comply with this provision by unilaterally severing the Affiliate Agreement due to alleged breach or default thereof without following the procedures expressly set forth in Paragraph 16 or providing any prior notice to Plaintiff ISNP.

71. Plaintiff ISNP stands ready, willing and able to enter into direct negotiation, mediation and arbitration as set forth in Paragraph 16.

72. Plaintiff ISNP has no adequate remedy at law pursuant to which it can force defendant to honor its obligations under the Affiliate Agreement, nor will monetary damages make Plaintiff ISNP whole.

COUNT VIII

ULTRA VIRES ACTS BY DEFENDANT NORTH PORT

73. ISNP realleges and incorporates the allegations set forth in Paragraphs 1 through 4 and 12 through 30 as if fully stated herein.

74. Article I of the Articles of Incorporation provide that the name of the corporation shall be "Imagine School at North Port, Inc."

75. Article VI of the Articles of Incorporation provide that Plaintiff ISNP is the sole member, and that Plaintiff ISNP "shall have the exclusive right to approve any amendment to these Articles of Incorporation or the Corporation's bylaws."

76. Article 1.1 of the Bylaws provides that the "name of the Corporation [North Port] shall be Imagine School at North Port, Inc."

77. Article 3.1 of the Bylaws provides that the sole member of North Port shall be ISNP.

78. Article 3.3 of the Bylaws provides that the "sole member shall have the exclusive right to approve any amendments to the Articles of Incorporation or the Corporation's Bylaws."

Similarly, Article XII of the Bylaws provides that the "Bylaws may be amended from time to time only by a written instrument approved by the Member and the Corporation and executed by the Member and the Corporation."

79. Defendant North Port has also placed its property lease in jeopardy by its actions. Defendant North Port's two leases for the charter school facility provide that Defendant North Port will be in default if ISNP is no longer the sole member of Defendant North Port. Defendant North Port's actions to sever its relationship with ISNP put it in default on its leases. Copies of the two leases are attached as COMPOSITE EXHIBITS 8 and 9.[1]

80. A corporation must act in accordance with its articles of incorporation and duly adopted bylaws. Word of Life Ministry, Inc. v. Miller, 778 So. 2d 360, 363 (Fla. 1st DCA 2001).

81. "[A]n act is said to be 'ultra vires' if it affects the rights of parties without whose consent it may not be done, or when the corporation is not authorized to perform it for the specific purposes or in the particular manner involved, notwithstanding it may come within the scope of its general powers." Knowles v. Magic City Grocery, 197 So. 843, 844 (Fla. 1940).

82. In a member's proceeding under Section 617.0304(2)(a), Florida Statutes, to enjoin an unauthorized corporate act, a Court may enjoin or set aside the act, if equitable.

83. Defendant North Port has sought to unilaterally remove its sole member and parent company, change its name and otherwise effectively amend its Articles of Incorporation and Bylaws, without consent of Plaintiff ISNP.

84. Defendant North Port's actions are in direct violation of its Articles of Incorporation and Bylaws. Accordingly, such actions are clearly outside of its authority and ultra vires.

[1] The two leases referenced herein were assigned to Defendant North Port, from Imagine – Sarasota County, LLC, effective July 1, 2011. Copies of the assignments are attached to the leases in Composite Exhibits 7 and 8.

85. Plaintiff ISNP has and will suffer damages as a direct result of Defendant North Port's ultra vires acts.

PRAYER FOR RELIEF

WHEREFORE, based on the foregoing, Plaintiff ISNP respectfully requests this Court enter one or more orders granting the following relief:

A. The entry of a preliminary and permanent injunction enjoining Defendant Matthews from working for the so-called Sarasota Preparatory School, Defendant North Port, or otherwise breaching the non-competition provisions of his Agreements with Imagine, for a period of one (1) year;

B. The entry of a preliminary and permanent injunction enjoining Defendant Matthews from utilizing and/or disclosing ISNP's confidential information;

C. The entry of a preliminary and permanent injunction enjoining Defendant Matthews from soliciting students at the Charter School, their parents, or ISNP's employees to work in competition against ISNP for the so-called Sarasota Preparatory School or any other public or private school, for a period of one (1) year.

D. The entry of a preliminary and permanent injunction enjoining Defendant Matthews from tortuously interfering with ISNP's contractual business relationships with its teachers and other staff.

E. The entry of a preliminary and permanent injunction enjoining Defendant Matthews from tortuously interfering with Imagine;s advantageous business relationships with Defendant North Port.

F. The entry of a preliminary and permanent injunction enjoining Defendant Matthews and Defendant North Port from publishing or making false and defamatory statements to third parties about ISNP.

G. The entry of a preliminary and permanent injunction enjoining Defendant Matthews from breaching his common law fiduciary duty of loyalty to ISNP.

H. The entry of a judgment for monetary damages against Defendant Matthews for Matthews' breach of the terms of his Agreements with ISNP;

I. The entry of a judgment for monetary damages against Defendant Matthews for his tortious interference with the contractual and advantageous business relationships of ISNP with its employees and with Defendant North Port.

J. The entry of a judgment for monetary damages against Defendant Matthews for his false and defamatory statements to third parties about ISNP.

K. The entry of a judgment for monetary damages against Defendant Matthews for his breach of his common law fiduciary duties of good faith and loyalty to ISNP.

L. An award of costs and attorney's fees incurred in seeking enforcement of the terms of the Non-Competition Agreements;

M. The entry of a preliminary and permanent injunction requiring Defendant North Port to fully execute, in good faith, its duties and obligations pursuant to Paragraph 16 of the Affiliate Agreement;

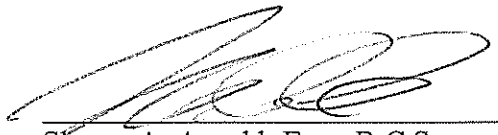
N. The entry of a preliminary and permanent injunction to (1) enjoin Defendant North Port from violating its Articles of Incorporation and Bylaws and from removing ISNP as its member, changing its corporate name, or otherwise attempting to amend its Articles of

Incorpration and Bylaws, without the consent of Plaintiff ISNP; and (2) set aside any such acts that have already occurred; and

O. An award of such other relief that this honorable Court may deem just and proper.

DATED this 19th day of February, 2013.

Respectfully submitted,



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VERIFICATION

I, ROD SASSE, have reviewed the foregoing and acknowledge that the matters raised are true and correct, and that irreparable harm and damage will result if the relief requested herein is not granted.

DATED this 14th day of February, 2013.

Rod Sasse, Executive Vice President

Imagine Schools Non-Profit, Inc.

STATE FLORIDA

COUNTY OF SARASOTA

SWORN TO AND SUBSCRIBED before me this

8th day of February, 2013.

Stacey Schwab

Notary Public (signature)

Stacey Schwab

Notary Public (printed name)

STACEY SCHWAB
NOTARY PUBLIC
STATE OF FLORIDA
Comm# EE148913
Expires 11/27/2015

My Commission expires: _____

Who is: ✓ Personally Known; OR _____ Produced _____ form of Identification

Exhibit 1

AMENDED AND RESTATED **AFFILIATE AGREEMENT**

This Amended and Restated Affiliate Agreement ("Amended Agreement") is entered into effective July 1, 2011, by and between Imagine School at North Port, Inc., a Florida non-profit corporation, d/b/a Imagine School at North Port, (hereinafter referred to as the "Charter School"), and its sole member, Imagine Schools Non-Profit, Inc., a Virginia non-profit corporation (hereinafter referred to as "Imagine").

WITNESSETH:

WHEREAS, the Charter School is authorized to operate a K-12 charter school in Sarasota County, Florida (the "Charter"); and

WHEREAS, the Charter School and Imagine Schools previously entered into an Affiliate Agreement, effective March 21, 2011, which applied only to the Charter School's operation of high school grades; and

WHEREAS, the Charter School and Imagine Schools desire to replace the Affiliate Agreement in its entirety with the Amended Agreement to reflect the Charter School's authorization to operate a K-12 charter school; and

WHEREAS, Imagine Schools is a national family of public charter school campuses ("Imagine Schools") that empowers educators in partnership with parents to prepare students for lives of leadership, accomplishment and character; and

WHEREAS, the Charter School desires to establish itself as an Imagine School and operate in accordance with the purposes, standards, ideals, and spirit of Imagine Schools, including without limitation adherence to Imagine's Six Measures of Excellence; and

WHEREAS, Imagine provides to each Imagine School organizational and operational support to help the school (i) achieve high levels of excellence in serving its charter school community, and (ii) fulfill its mission of helping parents and guardians educate children by creating learning communities of achievement and hope, all with greater efficiency and effectiveness; and

WHEREAS, the parties mutually desire to affirm the terms and conditions upon which they will collaborate to meet the needs of the Charter School community.

NOW, THEREFORE, the parties hereto, for and in consideration of the mutual covenants and conditions herein contained, agree as follows:

1. **CHARTER SCHOOL COMMITMENT**. The Charter School hereby expressly accepts and affirms its adoption of the Imagine Schools mission of helping parents and guardians educate children in learning communities of achievement and hope. The Charter School further agrees to:

(a) Publicly identify itself as an "Imagine School" and to conduct its educational program and operations in conformity with the standards and ideals established by Imagine, including Imagine's Shared Values of Integrity, Justice and Fun.
(b) Create a school culture that emphasizes not only academic achievement, but also positive character development as critical aspects of a successful learning environment.
(c) Annually measure and report its performance on each of Imagine's Six Measures of Excellence.
(d) Collaborate with Imagine to design and implement strategies for attaining excellence in the areas of Shared Values, Academic Achievement, Character Education, Parent Satisfaction, and Economic Sustainability.
(e) Administer annual fall and spring standardized tests to measure same student learning gains.
(f) Administer annual surveys to parents, staff and students to measure stakeholder satisfaction and Charter School adherence to Shared Values.
(g) Create a collaborative work environment, including encouraging Charter School staff to seek advice from Imagine leaders and other Imagine Schools and share best practices with other Imagine Schools
(h) Adhere to the personnel and operating policies of Imagine and consult with Imagine in developing its own policies and procedures, all in accordance with the terms and conditions of the Charter and all applicable laws, rules and regulations.
(i) Contribute to the cost of providing the Imagine services and benefits realized by the Charter School and as set forth in this Agreement, all designed to help the Charter School achieve high levels of excellence in serving its various stakeholders.
(j) Cooperate with Imagine in furnishing all information and submitting all forms and reports required in connection with the Charter and/or Imagine's provision of the support services and benefits set forth in this Agreement, including providing timely notice of all Charter School Board of Directors meetings.

2. **IMAGINE COMMITMENT**. Imagine will provide to the Charter School development and operational support in accordance with and in furtherance of the Imagine Shared Values and Measures of Excellence adopted by the Charter School and the terms and conditions of the Charter. Services and benefits provided to Imagine Schools, include without limitation:

(a) **Charter Development**. Imagine assists its schools with all aspects of the charter application, contracting, and renewal process.
(b) **Educational Program Development and Implementation**. Imagine makes available instructional staff to implement the educational program at each Imagine School. Imagine provides curriculum development and support services, as requested. Imagine provides a proprietary K-8 curriculum, including a proprietary character education curriculum for grades 5-12, which may be used by Imagine Schools. Imagine assists with coordination of school-wide scope and sequence in core content areas, development of pacing guides and student action plans, and curriculum alignment to state standards, as needed. Imagine also provides expertise and guidance in connection with national accreditation processes.
(c) **Assessment Services**. Imagine assists in coordinating administration and interpretation of

standardized student assessments administered each fall and spring to measure same-student learning gains. Imagine also assists with administration and interpretation of results of all state and district assessments. Imagine consults with instructional leaders, as appropriate, to develop instructional goals and objectives based on assessment results.

(d) **Personnel Resources**: Imagine provides a nationwide system for staff recruitment, including coordination and development of the Imagine Schools Growing Our Leaders Program, and salary and benefits administration, including administration of the Imagine retirement plan.

(e) **Professional Development**. Imagine assists in coordinating professional development opportunities for charter school staff, including an annual New Principals' Boot Camp and an annual National Forum and Celebration.

(f) **Sharing Best Practices**. Imagine facilitates the sharing of best practices among Imagine Schools regionally and nationally through administrator meetings and conference calls, regional and national task forces, newsletters, a web-based intranet, School of Excellence Program Reviews, an annual New Principals' Boot Camp, and an annual National Forum and Celebration.

(g) **General Administration**. Imagine provides administrative expertise in all areas of charter school operations, including assistance, as needed, with procurement and financing of contract equipment and other contract services, conduct of school site needs assessments, development of school-wide and region-wide performance plans, and development of operating guidelines, policies and procedures.

(h) **Financial Administration**. Imagine provides support and assistance, as needed, in developing the annual charter school budget, selecting and working with an independent auditing firm, and preparing periodic financial reports required by the charter sponsor or other organizations. Imagine provides access to financial accounting software products tailored to meet the needs of Imagine Schools and technical assistance in connection with the accounting software and other financial reporting questions. Imagine assists with the design and implementation of appropriate internal accounting controls.

(i) **Facilities Development**. Imagine assists with identification, procurement, development, and equipping of suitable facilities for operation of the charter school. Imagine provides guidance and support, as requested, with respect to facilities maintenance and repairs.

(j) **Technology Support**. Imagine provides IT consultation services as requested, including assisting with the development of individual Imagine school websites and providing links from the national Imagine website to individual Imagine schools sites. Imagine maintains a web-based intranet and e-mail capabilities to enable communication among Imagine Schools personnel throughout the nation, and coordinates use of and assistance with technology data systems for management of student data.

(k) **Marketing and Public Relations**. Imagine provides assistance, as requested, with development of enrollment and marketing plans and materials. Imagine also provides consultation and support in the areas of crisis management and stakeholder communications.

(l) **Compliance Support**. Imagine provides guidance and support in completing all reports required by the charter sponsor and such other local, state and federal authorities as may have jurisdiction over the charter school.

(m) **Risk Management**. Imagine assists in all aspects of insurance program procurement and administration, including national pooled product bidding to attain cost savings, claims

management and monitoring, and acting as a liaison as requested with the carrier.

(n) **Contingency Support**. Imagine provides working capital advances to Imagine Schools needing short-term financial assistance. Imagine Schools are also eligible to participate in the Imagine Loss Mitigation Program, which provides a financial safety net and debt relief for Imagine Schools that may experience periods of significant financial hardship.

In connection with delivering the aforementioned services and benefits, Imagine will furnish to the Charter School all of the necessary school site staff, including without limitation such administrative, instructional and non-instructional school site staff as may be required by the Charter School to sustain the operations of the Charter School (collectively, the "Loaned Employees"). Loaned Employees may be assigned to work at the Charter School site on a full or part-time basis. If on a part-time basis, the Loaned Employees may also be assigned to work at other Imagine Schools. Loaned Employees, in collaboration with Imagine's regional and national managerial and support staff, shall be responsible for the administration and supervision of the personnel, materials, equipment, and facilities necessary for the provision of educational services to students, and the management, operation and maintenance of the Charter School in accordance with Imagine's Six Measures of Excellence, the parties shared mission of helping parents and guardians educate children in learning communities of achievement and hope, and the Charter School's educational goals, curriculum, methods of pupil assessment, admission policy and criteria, school calendar and school day schedule, age and grade range of pupils to be enrolled, all as determined by and adopted by the Board of Directors of the Charter School and included in the Charter and such policies and procedures as may be duly adopted by the Charter School's Board of Director. The Charter School shall have the right to pre-approve the school Principal furnished by Imagine, and may request that Imagine replace the Principal if his or her performance is deficient or below expectations. The Principal, with the assistance and advice of Imagine regional and/or national support staff and in particular the Imagine Regional Director or Executive Vice President assigned to work with the Charter School, shall select, supervise and discipline other school site staff. The number and configuration of staff members assigned to the Charter School shall be consistent with the staffing levels approved by the Charter School Board of Directors in the Charter School budget and sufficient to meet the programmatic requirements set forth in the Charter. All decisions made by Imagine, and any discretion exercised by Imagine, in its decisions regarding staffing levels and its selection, evaluation, assignment, discipline, and transfer of personnel, shall be consistent with state and federal law, and consistent with the parameters adopted and included within the Charter and this Agreement.

3. **CONTINGENCY SUPPORT AND LOSS MITIGATION**. Each Imagine School is expected to function in an economically sustainable manner. But, at times, unforeseen problems may result in financial hardship. For example, a shift in demographics of a school's parent/student population resulting in lower enrollment, state charter school funding challenges, or issues/delays may cause financial difficulties. The Imagine Loss Mitigation Program is a voluntary debt relief program designed to ensure that each participating Imagine School is given the best opportunity to survive these challenges by providing a financial safety net that helps the school avoid incurring debt amounts so substantial that they may result in school closure or risk to the charter authorization. The Charter School does not elect to participate in the Imagine Loss Mitigation

Program. In the event the Charter School's cash flow, for any reason, is insufficient to pay such operating expenses of the Charter School as may then be due and owing, the Charter School may request operating capital advances from Imagine to pay for operating expenses of the Charter School ("Operating Capital Advances"). During the fiscal year in which an Operating Capital Advance is made, on the first date that funds become available to the Charter School, which funds are not otherwise reserved under the Charter School budget, Imagine shall be automatically reimbursed for any outstanding Operating Capital Advances attributable to the then current fiscal year. Such Operating Capital Advances as remain outstanding as of the first day of the fiscal year immediately succeeding the fiscal year in which the Operating Capital Advances are made shall accrue interest until paid in full at a rate per annum equal to the Prime Rate (as defined below) compounded monthly ("Interest"). As used herein, the "Prime Rate" shall mean the rate of interest reported by the Wall Street Journal, Money Rates Section as the "Prime Rate" on the last day of the month immediately preceding the month in which the applicable Operating Capital Advances are made and adjusted on the first day of each Fiscal Year to the Prime Rate reported on May 31 of the immediately preceding Fiscal Year. Interest shall be calculated monthly on the basis of the outstanding balance as of the last day of the immediately preceding month. At the request of Imagine, the Charter School shall execute a promissory note in form acceptable to Imagine and the Charter School. Pursuant to § 1002.33(14), Florida Statutes, Operating Capital Advances are not obligations of the State of Florida or the School District of Sarasota County, but are obligations of the Charter School and are payable solely from Charter School revenues. Neither the School District of Sarasota County, Florida nor the State of Florida shall be liable for repayment of Operating Capital Advances or any accrued interest.

4. **PAYMENT.** Imagine shall be entitled to payment as follows:

(a) **Direct Expenses**. The Charter School shall reimburse Imagine for the costs and expenses incurred by Imagine in connection with such Loaned Employees as may be assigned to the Charter School and the performance by said Loaned Employees of the responsibilities set forth herein (the "Direct Expenses"). The parties hereby agree that Direct Expenses, including, without limitation, wages, salaries, employee benefits, bonuses, taxes and overtime payments, may be paid directly by the Charter School or may be reimbursed to Imagine if first paid by Imagine. Direct Expenses shall not include the salary and benefits costs and expenses incurred by Imagine in connection with its regional and national managerial and support staff

(b) **Indirect Cost Allocation**. As is the case with most schools, be they public, private or charter schools, that benefit from economies of scale in the provision of centralized administrative and financial support services, the Charter School in addition to the Direct Expenses identified in Section 4(a) above shall benefit from general development, management, and operational support as described in Section 2 above. In consideration thereof, each Imagine School agrees to bear its fair share of the cost to Imagine of providing said support services and benefits. Historically, the cost of providing these centralized support services has approximated twelve percent (12%) of the per-pupil funding provided by state and local governments during each fiscal year (the "Indirect Cost Allocation"). The

parties agree that the Charter School shall pay to Imagine, on a monthly basis, the Indirect Cost Allocation, which amount shall be determined in accordance with the budget approved by the Charter School's Board of Directors. In the event that the actual per-pupil funding provided by state and local governments for the immediately preceding fiscal year as reflected in the Charter School's annual audit reflects a shortfall of Indirect Cost Allocation, the amount of such shortfall shall be immediately paid to Imagine. Any overpayment of the Indirect Cost Allocation for the immediately preceding fiscal year shall be applied first to re-payment of any operating capital advances made by Imagine to the Charter School and next to the Indirect Cost Allocation due for the then current fiscal year

(c) **Contingency Support Repayment**. The Charter School shall repay Operating Capital Advances, whether or not incorporated in a promissory note, upon the terms and conditions set forth in Section 3 above or such different or additional terms and conditions as may be hereafter included in a promissory note executed by Imagine and the Charter School.

(d) **Annual Review.** The payments required by this Agreement are subject to annual review by the Charter School, and any changes to the payments required by this Agreement will be negotiated by the parties and may be amended upon mutual agreement by the parties.

5. **TERM**. This Agreement shall be effective as of the Effective Date and, provided Imagine remains the sole member of the Charter School, shall continue until termination or expiration of the Charter, including any extensions or renewals thereof.

6. **INTELLECTUAL PROPERTY**. Imagine shall own all copyright and other proprietary rights to all instructional materials, training materials, curriculum and lesson plans, and any other materials developed by Imagine, its employees, agents or subcontractors, or by any individual working for or supervised by Imagine which is developed during the routine performance of the individual's duties. Imagine shall have the sole and exclusive right to license such materials for use by other Imagine Schools, school districts or customers. The Charter School shall own all proprietary rights to curriculum or educational materials that are developed at the express direction of the Charter School's Board of Directors with funds specifically dedicated by the Board of Directors for the development of such curriculum or materials. Nothing in this Section shall be construed to grant the Charter School proprietary rights over curriculum or educational materials that are part of the general curriculum development of Imagine not directly paid for by the Charter School with designated funds.

7. **INDEMNIFICATION.**

(a) **By the Charter School**. The Charter School agrees that it shall indemnify and hold Imagine, and each of Imagine's subsidiaries and affiliates, harmless from and against any and all claims, liabilities, damages, losses, costs and expenses (including attorney's fees and expenses) of whatsoever nature or kind arising out of, caused by, resulting from or in any way connected with: (i) the employment or termination of any Loaned Employee who is

assigned to the Charter School site, (ii) any material breach of this Agreement , by the Charter School, or (iii) any negligent or intentional act or omission committed by the Charter School in the performance of its obligations hereunder. The indemnification obligations of the Charter School hereunder may be achieved by the purchase of appropriate insurance policies.

(b) **By Imagine**. Imagine agrees that it shall indemnify and hold the Charter School harmless from and against any and all claims, liabilities, damages, losses, costs and expenses (including attorney's fees and expenses) of whatsoever nature or kind arising out of, caused by, resulting from or in any way connected with: (i) any material breach of this Agreement by Imagine, or (ii) any negligent or intentional act or omission committed by Imagine in the performance by Imagine of its obligations hereunder. The indemnification obligations of Imagine hereunder may be achieved by the purchase of appropriate insurance policies.

8. **SUBCONTRACTS**. Imagine may subcontract any and all aspects of the support services it provides; however Imagine shall be responsible for the management of all subcontractors in the performance of their work and shall remain individually responsible for the performance of any subcontractors it engages to perform such support services on its behalf.

9. **AGENCY**. The Charter School designates the employees of Imagine, including without limitation the Loaned Employees, as agents of the Charter School having a legitimate educational interest for the sole purpose of obtaining access to educational records under 20 U.S.C. § 1232g, the Family Rights and Privacy Act. Nothing in this Agreement or in any other document, shall be interpreted or construed as making the Charter School the agent or representative of Imagine, nor does the Charter School have any authority to commit or bind Imagine, except as may be specifically authorized by appropriate action of Imagine.

10. **ASSIGNMENT**. This Agreement shall inure to the benefit of and shall be binding upon the respective successors and assigns of the parties hereto, but neither this Agreement nor any rights, duties or obligations created hereunder may be sold, assigned, transferred or conveyed by either party without the prior written consent of the other party.

11. **FORCE MAJEURE**. Notwithstanding any other sections of this Agreement, neither party shall be liable for any delay in performance or inability to perform due to acts of God or due to war, riot, embargo, fire, explosion, sabotage, flood, accident, labor strike, or other acts beyond its reasonable control.

12. **NO WAIVER**. No waiver of any breach or breaches of any provision, covenant or condition of this Agreement shall be construed to be a waiver of any preceding or succeeding breach of such provision, covenant or condition, or of any other provision, covenant or condition.

13. **NOTICES**. All notices, demands or communications of any kind which may be required or desired to be served, given or made by the Charter School upon or to Imagine under

the terms of or in connection with this Agreement, shall be sufficiently served, given or made (as an alternative to personal service upon Imagine) if sent by registered United States mail, Return Receipt Requested, addressed to:

Imagine Schools Non-Profit, Inc.
1005 North Glebe Road, Suite 610
Arlington, VA 22201
Attn: General Counsel

(or to such other address as may hereafter from time to time be designated for this purpose by Imagine to the Charter School in writing). All notices, demands or communications of any kind which may be required or desired to be served, given or made by Imagine upon or to the Charter School, under the terms of or in connection with this Agreement, shall be sufficiently served, given or made (as an alternative to personal service upon the Charter School) if sent by registered United States Mail, Return Receipt Requested, addressed to:

Imagine School at North Port, Inc.
Attn.: Barbara McKeathon, President or Current President
1000 Innovation Ave.
North Port, FL 34289

14. **ENTIRE AGREEMENT.** This Agreement reflects the entire agreement among the parties relating to the subject matter hereof and may not be varied or amended except by an instrument in writing executed subsequent to the execution of this Agreement and signed on behalf of Imagine and the Charter School by persons respectively duly authorized.

15. **NO MERGER OR PARTNERSHIP.** This Agreement does not constitute a merger or consolidation. Imagine and the Charter School remain solely responsible and liable for its respective claims, debts, obligations, and liabilities. Except to the limited extent delegated herein or expressly provided for in other agreements, neither entity hereby succeeds to the rights, interests, powers, privileges, assets or liabilities of the other. The relationship between the parties hereto shall be solely as set forth herein and neither party shall be deemed to be an employee, agent, partner, or joint venture of the other. Neither Imagine nor the Charter School shall become bound by any representation, act, or omission of the other not expressly provided for in this Agreement.

16. **GOVERNING LAW, CONFLICT RESOLUTION, VENUE, AND JURISDICTION.** This Agreement shall be construed and interpreted under and enforced in accordance with the laws of the State of Florida. All parties recognize that conflicts or disputes may occasionally arise. If any dispute cannot be resolved in private meetings, the parties agree, as an alternative to litigation, to enter mediation and, if mediation is unsuccessful, legally binding arbitration in accordance with the rules of the American Arbitration Association as set forth in www.adr.org. The parties agree that venue shall be in the county where the Charter School is located, and hereby waive any and all objections to the laying of venue in such county. The parties further agree that any arbitration award may be entered in any court having jurisdiction over the subject matter or parties. The parties understand that these methods shall be the sole remedy for any controversy or claim arising out of this Agreement or the subject matter hereof, and expressly waive

their right to file a lawsuit or claim against one another for such disputes, except to enforce an arbitration decision. This provision shall survive termination of this Agreement.

17. **ATTORNEYS' FEES.** In the event any action shall be brought by either party hereto against the other to recover any sum, or on account of the breach of any provision, covenant or condition herein contained, the prevailing party in said action shall be paid by the other party a reasonable sum as fees for the attorneys of said prevailing party in said action to be assessed and fixed by the court wherein such action shall be brought.

18. **HEADINGS.** The headings contained in this Agreement are for convenience of reference only, and shall not limit or otherwise affect in any way the meaning or interpretation of this Agreement.

19. **SEVERABILITY.** If any part of this Agreement or any other agreement entered into pursuant hereto is contrary to, prohibited by or deemed invalid under applicable law or regulation, such provision shall be inapplicable and deemed omitted to the extent so contrary, prohibited or invalid, but the remainder hereof shall not be invalidated thereby and shall be given full force and effect so far as possible.

20. **COUNTERPARTS.** This Agreement may be executed in any number of counterparts, each of which shall be deemed an original, and all of which together shall constitute one and the same instrument.

THIS AGREEMENT CONTAINS A BINDING ARBITRATION PROVISION WHICH MAY BE ENFORCED BY THE PARTIES.

IN WITNESS WHEREOF, the parties herein have set their hands and seals,effective July 1, 2011.

IMAGINE SCHOOL AT
NORTH PORT, INC., d/b/a
IMAGINE SCHOOL
AT NORTH PORT

Barbara McHeath
By: President
Its: _____

IMAGINE SCHOOLS NON-PROFIT, INC.

By: Barry J. Sharp
Its: Treasurer

Exhibit 2

ARTICLES OF INCORPORATION

OF

IMAGINE SCHOOL AT NORTH PORT, INC.

(A Florida Not-For-Profit Corporation)

The undersigned, the Incorporator of the IMAGINE SCHOOL AT NORTH PORT, INC., hereby files this, the Articles of Incorporation of IMAGINE SCHOOL AT NORTH PORT, INC., as a non-profit corporation under Chapter 617, *Florida Statutes*:

Article I
NAME

The name of this corporation shall be IMAGINE SCHOOL AT NORTH PORT, INC. (hereinafter called the "Corporation").

Article II
PRINCIPAL OFFICE AND MAILING ADDRESS

The address of the principal office and the mailing address of the Corporation is 9275 49TH Avenue East, Palmetto, FL 34221.

Article III
PURPOSE

The Corporation is organized exclusively for educational and charitable purposes, including, for such purposes, the making of distributions to organizations that qualify as exempt organizations under Section 501(c)(3) of the Internal Revenue Code, or the corresponding section of any future tax code. Specifically, the Corporation is organized for the purpose of operating one or more public charter schools in the State of Florida, and to undertake such activities as may further the general purposes described herein.

Article IV
BOARD OF DIRECTORS

A. Powers. The affairs of the Corporation shall be managed under the direction of, the Board of Directors. The Board of Directors shall have all the powers necessary or appropriate for the administration of the affairs of the Corporation.

B. Number. The affairs of this Corporation shall be conducted by a Board of Directors, the number of which shall be determined from time to time in accordance with the Bylaws, but shall never be less than three (3) Directors. Notwithstanding the maximum number of directors permitted under the Bylaws, it is the declared intention of the Corporation, that the

number of Directors be no larger than minimally necessary in order to properly carry on the activities of the Corporation.

C. Election; Removal; Resignation. The manner of election, removal and resignation of Directors shall be regulated by the Bylaws.

D. Names and Addresses of Initial Directors. The initial directors shall be:

Name	Address
Stephen Hudek	1775 Dooley Avenue, North Port, FL 34286
Victor Rebmann	1230 Creek Nine Drive, North Port, FL 34291
Barbara McKeathon	3523 Billingham Lane, North Port, FL 34288
Robert Vanderhyde	715 Via Formia, Punta Gorda, FL 33950

Article V
INITIAL REGISTERED OFFICE AND AGENT

The name of the registered agent of the Corporation is Corporation Service Company, a Delaware Corporation, whose address is 1201 Hays Street, Tallahassee, FL 32301.

Article VI
MEMBERSHIP

The sole member of the Corporation shall be Imagine Schools Non-Profit, Inc., a Virginia non-profit corporation (the "Member"). Notwithstanding any other provision herein, the Member shall have the exclusive right to approve any amendments to these Articles of Incorporation or the Corporation's bylaws, and such other rights as may be set forth in the Corporation's bylaws.

Article VII
INCORPORATOR

The name and street address of the incorporator of the Corporation is Melissa Gross-Arnold, Esq., 245 Riverside Ave., Suite 150, Jacksonville, FL 32202.

Article VIII
DURATION

This Corporation shall exist perpetually.

Article IX
DISSOLUTION

Upon dissolution of this Corporation, all properties and assets remaining after payment, or provision for payment, of all debts and liabilities of the Corporation, including disposition of assets pursuant to any applicable charter contract or law applying to charter schools, shall be distributed to a nonprofit fund, foundation, or corporation that is organized exclusively for charitable purposes, pursuant to Section 501(c)(3) of the Internal Revenue Code, or the corresponding provision in any future tax code.

Article X
LIMITATIONS

No part of the net earnings of the Corporation shall inure to the benefit of, or be distributable to, its officers, members, trustees, or other private persons, except that the Corporation shall be authorized and empowered to pay reasonable compensation for services rendered by its member or others and to confer benefits on its member in accordance with the Corporations' purposes set forth in Article III herein. No substantial part of the activities of the corporation shall be the carrying on of propaganda, or otherwise attempting to influence legislation, and the corporation shall not participate in, or intervene in (including the publishing or distribution of statements) any political campaign on behalf of or in opposition to any candidate for public office. Notwithstanding any other provision of these articles, the corporation shall not carry on any other activities not permitted to be carried on (a) by a corporation exempt from federal income tax under section 501(c)(3) of the Internal Revenue Code, or the corresponding section of any future federal tax code, or (b) by a corporation, contributions to which are deductible under section 170(c)(2) of the Internal Revenue Code, or the corresponding section of any future federal tax code.

IN WITNESSS WHEREOF, the undersigned Incorporator has executed these Articles of Incorporation on the 14th day of JULY, 2010.

Melissa Gross-Arnold, Esq.
Its: Incorporator

ACCEPTANCE BY REGISTERED AGENT

Having been named to accept service of process for the above stated corporation, at the place designated in the above Articles of Incorporation of Imagine School at North Port, Inc., I am familiar with and accept the appointment as registered agent and agree to act in this capacity.

CORPORATION SERVICE COMPANY

By: Elizabeth R. Konieczny

Date: 7-11-10

Exhibit 3

BYLAWS
OF
IMAGINE SCHOOL AT NORTH PORT, INC.

ARTICLE I
General

1.1 Name. The name of the Corporation shall be Imagine School at North Port, Inc., a not-for-profit Florida corporation and shall be hereinafter referred to as the "Corporation."

1.2. Address. The Corporation shall have its principal place of business located at 9275 49TH Avenue East, Palmetto, FL 34221, and may have such other places of business as the Board of Directors may designate from time to time.

1.3. Registered Agent. The Corporation's agent for service of process shall be Corporation Service Company, a Delaware corporation, or such other qualified person or entity as the Board of Directors may designate.

ARTICLE II
Purpose of the Corporation

2.1. Purpose. The general purposes for which the Corporation is organized are as follows:

a) To provide charitable and educational services through the operation of one or more charter schools within the State of Florida.

b) To act consistent with all applicable statutes, ordinances, rules and regulations affecting the actions of the Corporation and to do all other things otherwise permitted by law.

c) To do such other and further things as are incidental to the foregoing or necessary or desirable in order to accomplish the foregoing.

d) To carry out any business, occupation, undertaking, enterprise, and exercise any power or authority which may be done by a private corporation organized and existing under and by virtue of Chapter 617, Florida Statutes, as may be amended, it being the intention that this corporation may conduct and transact any business lawfully authorized and not prohibited by Chapter 617, Florida Statutes, as may be amended.

e) To engage in any fundraising activities necessary to promulgate the purposes of the Corporation.

2.2 Dedication of Assets. The Corporation's assets are irrevocably dedicated to its public benefit purposes. No part of the net earnings, properties, or assets of the Corporation, on dissolution or otherwise, shall inure to the benefit of any private person or individual, or to any Director or Officer of the Corporation. Upon dissolution of this Corporation, all properties and assets remaining after payment, or provision for payment, of all debts and liabilities of the Corporation, including disposition of assets pursuant to any applicable charter contract or law applying to charter schools, shall be distributed to a nonprofit fund, foundation, or corporation that is organized exclusively for charitable purposes, pursuant to Section 501(c)(3) of the Internal Revenue Code, or the corresponding provision in any future tax code.

ARTICLE III
Membership

3.1. Sole Member. The sole member of the Corporation shall be Imagine Schools Non-Profit, Inc., a Virginia non-profit corporation (the "Member").

3.2. Associates. Nothing in this Article shall be construed as limiting the right of the Corporation to refer to persons associated with it as "members" or "associates" even though such persons are not members of the Corporation within the meaning of Section 617.0601, Florida Statutes, and no such reference shall make anyone a member within the meaning of Section 617.0601, Florida Statutes, including honorary or donor members. Such individuals may originate and take part in the discussion of any subject that may properly come before any meeting of the Board, but may not vote. The Corporation may confer by amendment of its Articles of Incorporation or these Bylaws some or all of the rights of a member, as set forth in the Florida Not For Profit Corporation Act, upon any person who does not have the right to vote for the election of directors, on a disposition of all or substantially all of the Corporation's assets, on the merger or dissolution of the Corporation, or on changes to its Articles of Incorporation or Bylaws, but no such person shall be a member within the meaning of Section 617.0601, Florida Statutes. The Board may also, in its discretion, without establishing membership, establish an advisory committee or honorary board or such other auxiliary groups as it deems appropriate to advise and support the Corporation.

3.3 Rights of Sole Member. The sole member shall have the exclusive right to approve any amendments to the Articles of Incorporation or the Corporation's Bylaws, to appoint members of the Board of Directors, to vote on the disposition of all or substantially all of the Corporation's assets, to vote on any merger and its principal terms and any amendment of those terms, and to vote on any election to dissolve the Corporation, and as otherwise required under the Florida Not For Profit Corporation Act and/or set forth in these Bylaws.

ARTICLE IV
Seal

The seal of this Corporation shall have inscribed on it the name of this Corporation, the year of its organization, and the words "Corporate Seal, State of Florida."

ARTICLE V
The Board of Directors

5.1. General Powers. Except as provided in the Articles of Incorporation, and as otherwise provided in these Bylaws, the direction and management of the affairs of the Corporation shall be vested in a Board of Directors.

5.2. Number and Appointment. The business and affairs of the Corporation shall be managed by a Board of Directors of not less than three (3) nor more than five (5) members. All directors shall be appointed by the Member. The Member shall appoint and fill vacancies for two (2) of the Board members (the "Open Criteria Directors") on the basis of any criteria it deems relevant to the selection of Directors, consistent with the Corporation's mission. The Member shall appoint and fill vacancies for three (3) other Board members (the "Community Criteria Directors") on the basis of any criteria it deems relevant to the selection of Directors consistent with the Corporation's mission; provided, however, that particular consideration will be given to individuals whom the Member considers to be well representative of the charter school community served by the Corporation. After the appointment of the initial Board by the Member, the Board shall elect new Directors to fill any Governing Board vacancies in accordance with the provisions of this Section 5.2, subject to the approval of the Member, which approval shall not be unreasonably withheld. The Member may remove a Director at any time if in the reasonably judgment of the Member: (i) a Director has acted inconsistent with the mission,

purposes, standards, ideals, and spirit of Imagine Schools, including without limitation adherence to the Imagine Schools' Six Measures of Excellence, as set forth in Section 1 of the Affiliate Agreement between the Corporation and the Member, as may hereafter be amended or restated, and (ii) to the extent required to maintain the tax-exempt status of the Corporation. The Member shall inform the Secretary in writing of all such appointments and removals. The appointment or removal shall be effective only upon receipt of this written communication. This Corporation shall not be bound by such appointments and removals unless the person signing the written communication has been properly authorized by the Member. Each Director shall serve until his successor shall be duly appointed and qualified by the Member, or until an earlier resignation, removal, or other termination of services of any Director, or death.

5.3. Terms of Directors. The initial Board of Directors shall be divided into three (3) classes of approximately equal size, with the term of each Director ending in each of the next three (3) consecutive years so that the offices of approximately one-third of the total number of Directors shall become vacant each year. Thereafter, the term of a Director shall be for three (3) years, unless the Director is sooner removed by or as a result of the earliest to occur of: (1) operation of law; (2) an order or decree of any court of competent jurisdiction; (3) voluntary resignation, or (4) removal by the Member. An individual who has served a term as Director may not be eligible for another term until one (1) year has passed following the last day of the individual's preceding term as Director.

5.4 Powers of the Board of Directors. The Board of Directors shall have power:

a) To call meeting of the Board of Directors.
b) In anticipation of or during an emergency, if a majority of the Board of Directors cannot readily be assembled because of some catastrophic event, then any number of the Directors shall have the power and authority to do and perform all acts and functions, permitted for an organization described in §627.0303, Florida Statutes, as amended, or subsequent legislation not inconsistent with these Bylaws, the Articles of Incorporation, or the laws of the State of Florida.
c) To authorize and cause the Corporation to enter into contracts for the day-to-day operations of the Corporation and the discharge of its responsibilities and obligations.
d) To exercise for the Corporation all powers, duties and authority vested in or delegated to the Corporation.

5.5. Duties of the Board of Directors. It shall be the duty of the Board of Directors:

a) To cause to be kept a complete record of all its actions and corporate affairs.
b) To supervise all officers, agents, and employees of the Corporation and to see that their duties are properly performed.

5.6. Vacancies. If a vacancy should occur in the Board of Directors, the Member shall appoint an individual to serve on the Board for the remainder of the vacating Director's three-year term consistent with the criteria utilized by the Member to appoint the vacating Director, as described in Section 5.2.

5.8 Resignation and Removal. Any Director may resign at any time by giving written notice to the Corporation, the Board of Directors, or its chairperson. The resignation of any Director shall take effect when the notice is delivered unless the notice specifies a later effective date, in which event the pending vacancy may be filled as set forth herein before the effective date provided that the successor does not take office until the effective date. Any Director may be removed by the Member at any time if in the reasonably judgment of the Member: (i) a

Director has acted inconsistent with the mission, purposes, standards, ideals, and spirit of Imagine Schools, including without limitation adherence to the Imagine Schools' Six Measures of Excellence, as set forth in Section 1 of the Affiliate Agreement between the Corporation and the Member, as may hereafter be amended or restated, and (ii) to the extent required to maintain the tax-exempt status of the Corporation. The Member shall inform the Secretary in writing of all such appointments and removals. The Board may also vote for the removal of a Director by a two-thirds majority of the Directors then in office and present at any regular or special meeting of the Board, subject to the approval of the Member.

5.9. Compensation. Directors shall not receive salary for their services as Directors. A Director may be reimbursed for authorized expenses if such expenses are approved by the Board at their direction.

ARTICLE VI
Meetings of the Board

6.1. Place of Meetings; Attendance. The meetings of the Board of Directors will be held at a location so designated by a majority of the Board. Meetings may be held telephonically, or such other electronic means as may be designated by the Board of Directors, as permitted by Florida law. In such event, participation by any Director in such telephonic or electronic meeting shall constitute attendance.

6.2. Time of Regular Meeting; Notice. The Board of Directors shall determine, at the annual meeting, the dates and times the Board will meet throughout the year. Notice of such meetings shall be distributed to the Board and Members of the Corporation. This notice may be given either personally, or by sending a copy of the notice through the United State Mail, by facsimile or other electronic means.

6.3. Special Meetings. Special Meetings of the Board of Directors may be called at any time by the Chairman of the Board or by any two Directors.

6.4. Notice of Special or Emergency Meetings. Written notice of each special meeting, setting forth the time and place of the meeting shall be given to each Director at least ten (10) days before the meeting. This notice may be given either personally, or by sending a copy of the notice through the United State Mail, by facsimile or other electronic means. Notice of emergency meeting shall be given to each Director in a manner and in a time period that is reasonable under the circumstances.

6.5. Voting and Quorum. Except as otherwise provided below, a majority of the Directors in office shall be necessary to constitute a quorum for the transaction of business; provided, however, that whenever a vacancy occurs for any reason in the Board of Directors, a quorum shall consist of a majority of the remaining Directors until the vacancy has been filled. If a quorum is present, the acts of a majority of the Directors in attendance shall be the acts of the Board. Each Director shall have one (1) vote. If a quorum is not present, no business shall be conducted at the meeting. Any Director not present at a meeting may vote on any matter by general or specific proxy or by power of attorney directed to another Director present or by specific instructions in writing. Except for the appointment of the school principal, the approval of the school budget, the selection and financing of the school facility, and removal of a Director, all of which shall require a quorum of two-thirds of the Board of Directors, a quorum for the transaction of any particular business at a meeting of the Board shall be a majority of the

Directors then in office. Any less number may: (1) set a time to adjourn, (2) adjourn, (3) recess, or (4) take measures to obtain a quorum.

6.6. Action Without a Meeting. Unless prohibited by Florida law or contractual provision binding the Corporation, any action required or permitted to be taken at a meeting of the Board of Directors or a committee thereof may be taken without a meeting if a consent in writing, stating the action so taken, is signed by a majority of the directors or of the members of the committee, as the case may be. A consent signed under this section shall have the effect of a meeting vote and may be described as such in any document.

6.7. Attendance. Any member of the Board unable to attend a meeting of the Board shall notify the Secretary and state the reason for his or her absence, though a Director may assign by written proxy pursuant to Section 6.5 of this Article another Director to substitute for him or her at meetings. If a Director is absent from two (2) meetings in a fiscal year, he or she may be removed by a two-thirds vote of the Board.

6.8 Meetings by Means of Conference Telephone Call or Similar Electronic Equipment. Members of the Board of Dirctors or a committee thereof may participate in a meeting of the Board or such committee by means of a conference telephone call or similar communications equipment if all persons participating in the meeting can hear each other at the same time, and provided that such action is permitted by Florida law. In such event, participation by such means constitutes presence in person at a meeting.

6. 9. Open Meetings. So long as the Corporation's contract for operation of a public charter school remains in effect, to the extent required by such laws, rules and regulations as govern the operation of such public charter school; all meetings of the Board of Directors will be noticed and conducted in accordance with the Sunshine Act (Section 286.011, Florida Statutes).

6.10. Presumption of Assent. A Director who is present at a meeting of the Board when Corporate action is taken is deemed to have assented to the action taken unless (1) the Director objects at the beginning of the meeting, or promptly upon his or her arrival, to holding it or transacting specified business at the meeting or (2) the Director votes against, or abstains from, the action taken. The Secretary or any other officer performing the Secretary's duties shall maintain accurate records of all votes of the Board of Directors.

6.11. No Duty to Consult. Except as otherwise provided herein, the Directors shall have no duty or obligation to consult with or seek the advice of the Member in connection with the conduct of the business of the Corporation.

6.12. Committees of the Board of Directors. The Board of Directors, by resolution adopted by a majority of the full Board, may designate from among its members an executive committee and one or more other committees each of which, to the extent provided in the resolution, shall have and may exercise all the authority of the Board of Directors, except as prohibited by the Florida Statutes, Chapter 617. Each committee shall consist of two (2) or more Directors. The Board of Directors, by resolution adopted in accordance with this article, may designate one or more Directors as alternate members of any committee, who may act in the place and stead of any absent committee member(s) at any meeting of the committee.

6.13. Advisory Committees. Advisory committees not having and exercising the managerial authority of the Board of Directors may be established by resolution duly adopted by the Board. Membership of such committees shall not be limited to the Directors of the Corporation. Members of such committees shall be appointed by a majority vote of the Board. Any member of such committee may be removed by the Board when, in the judgment of the Board, the interests of the Corporation would be served best by such removal.

6.14. Nomination Committee. The Board of Directors shall appoint a nominating committee to recommend to the Member candidates to fill any vacancies on the Board of Directors. The nominating committee shall provide the Member with a copy of the slate of candidates at least thirty (30) days prior to the expiration of the term of one or more Directors or within thirty (30) days of the resignation or removal of one or more Directors. Notwithstanding this provision, the Member may, in its discretion, and subject to the criteria set forth in Article V, appoint one or more persons not included in the slate of nominees presented by the Board.

ARTICLE VII
Officers, Agents and Employees

7.1. Officers. The executive officers of the Corporation shall be elected by the Board of Directors and may consist of a President, Vice-President, Secretary, Treasurer or other officers, assistant officers or agents that the Board of Directors from time to time may deem necessary. **Any two or more offices may be held by the same person.**

7.2. Other Officers, Employees and Agents. Each and every other officer, employee, and agent of the Corporation shall possess, and may exercise, such power and authority, and shall perform such duties, as may from time to time be assigned to him or her by the Board of Directors, the officer appointing him or her, and such officer or officers who may from time to time be designated by the Board to exercise supervisory authority.

7.3. Election and Term of Office. The Officers of the Corporation shall be elected by the Board of Directors annually at the first meeting of the Board held in each fiscal year. If the election of Officers shall not be held at such meeting, such election shall be the first order of business at the next regular meeting of the Board. Each Officer shall hold office until his successor shall have been duly elected or until an earlier resignation, death or removal in the manner herein provided.

7.4. Removal. Any officer of the Corporation may be removed with or without cause, at any time, by a majority vote of the Board or by the Member

7.5. Resignation. Any officer of the Corporation may resign from his or her respective office or position by delivering notice to the Corporation. The resignation is effective when delivered unless the notice specifies a later effective date. If a resignation is made effective at a later date and the Corporation accepts the future effective date, the Board of Directors may fill the pending vacancy before the effective date if the Board provides that the successor does not take officer until the effective date.

7.6. Vacancies. When a vacancy occurs in one of the executive offices by death, resignation or otherwise, it shall be filled by the Board of Directors. The officer so selected shall hold office until his successor is duly elected and qualified, or until an earlier resignation, death or removal in the manner herein provided.

7.7. Compensation. Directors who serve as officers shall not receive any compensation for their services. Officers who are not also Directors may be compensated in accordance with the budget approved by the Board of Directors.

7.8. President. The President shall be the Chairman of the Board of Directors, shall be the chief executive officer of the Corporation, and shall have general supervision and control of the business of the Corporation. He/she shall preside at all meetings of Directors, Committees of the Board of Directors on which he/she may serve, and discharge the duties of a presiding officer. At each annual meeting of the Board of Directors, the President or the President's designee shall report on the business of the Corporation for the preceding fiscal year; and shall

perform whatever other duties of the Board of Directors may from time to time prescribe, and as are incident to the offices of President and Chief Executive Officer.

7.9. Vice-President. The Vice-President shall be the Vice-Chairman of the Board of Directors. The Vice-President shall, in the absence or disability or inability of the President, perform the duties and exercise the powers of the President. He/she also shall perform whatever duties and have whatever powers the Board of Directors may from time to time assign him/her. In the event the President refuses to act, the Vice-President may act for him/her at the direction of the Board of Directors.

7.10. Secretary. The Secretary shall keep the minutes of the meetings of the Board of Directors in one or more books provided for that purpose; see that all notices are duly given in accordance with the provisions of these Bylaws or as required b law; be custodian of the corporate records and of the seal of the Corporation; and keep a register of the address of each Member of the Corporation. In addition, the Secretary shall possess, and may exercise, such power and authority, and shall perform such duties, as may from time to time be assigned to him or her by the Board of Directors and as are incident to the office of Secretary.

7.11. Treasurer. The Treasurer shall have custody of corporate funds. He/she shall keep or be responsible for full and accurate accounts of receipts and disbursements, an accurate and full account of all assets and liabilities, and shall deposit all corporate monies and other valuable effects in the name and to the credit of the Corporation in a depository or depositories designated by the Board of Directors. He/she shall disburse the funds of the Corporation and shall render to the President or the Board of Directors, whenever they may require it, an account of his/her transactions as Treasurer and of the financial condition of the Corporation. In addition, the Treasurer shall possess, and may exercise such power and authority, and shall perform such duties, as may from time to time be assigned to her/him by the Board of Directors and as are incident to the office of Treasurer.

7.12. Designation of Duties. Whenever an officer is absent or whenever, for any reason, the Board of Directors may deem it desirable and as permitted by Florida law, the Board may delegate the powers and duties of an officer to any other officer or officers or to any Director or Directors or agent.

ARTICLE VIII
Books, Records and Reports

8.1 Books and Records. In compliance with Section 617.1601, Florida Statutes, as amended, or any successor thereto, the Corporation shall keep as permanent records correct and complete books and records of accounts and shall keep minutes of the proceedings of the Board of Directors and committees having any authority of the Board of Directors. All books and records of the Corporation shall be kept in written form or in another form capable of conversion into written form within a reasonable period of time.

8.2 Annual Reports. The Corporation shall file with the Department of State of the State of Florida a sworn annual report on such forms and containing such information as the Department of State may prescribe.

8.3 Inspection Rights. The Member and every Director shall have the right at any reasonable time to inspect the Corporation's books, records, documents of every kind, and physical properties, as permitted by Florida and federal law.

ARTICLE IX
Contracts, Deposits, Checks and Contributions

9.1 Contracts. Except as otherwise provided in these Bylaws, the Board of Directors may authorize any Officer or agent to enter into any contract or execute and deliver any instrument in the name and on behalf of the Corporation, and such may be general or confined to a specific instance. Unless so authorized by the Board of Directors, no officer, employee, agent or representative shall have the power or authority to bind the Corporation by any contract or engagement, or to pledge its credit, or render it liable pecuniarily for any purpose or to any amount.

9.2 Deposits. All funds of the Corporation shall be deposited from time to time to the credit of the Corporation in such banks, trust companies or other depositories of, invested from time to time for and on behalf of the Corporation, as the Board of Directors may elect.

9.3 Checks, Drafts, Orders of Payment. All checks, drafts, or orders for the payment of money, notes, or other evidences of indebtedness issued in the name of the Corporation shall be signed by such officers or officers, agent or agents of the Corporation and in such manner as the Board of Directors from time to time shall determine by resolution. In the absence of such determination, such instruments shall require the signatures of both the President and the Treasurer of the Corporation.

9.4 Contributions. The Board of Directors may accept on behalf of the Corporation any contribution, gift, bequest, or devise of any property whatsoever, for the purposes of the Corporation.

ARTICLE X
Fiscal Year

The fiscal year of the Corporation shall commence on July 1 of each year and end on June 30 of the following year.

ARTICLE XI
Indemnification

The Corporation shall indemnify and advance expenses on behalf of its Directors and Officers to the fullest extent permitted under Section 617.0831, Florida Statutes, as amended, or any successor thereto. Said indemnification shall extend to any and all liabilities of the Directors and Officers arising from their relationships with the Corporation in any and all capabilities. By resolution duly adopted, the Board of Directors may authorize the Corporation to (i) indemnify any or all of its employees and agents who are not Directors to any extent that the Board of Directors may determine, up to and including the fullest extent permitted under Section 617.0831, Florida Statutes, as amended, or any successor thereto, and/or (ii) provide insurance coverage to any or all of its directors, officers, employees and agents against any or all risks or liabilities that such persons may incur by virtue of their relationship with the Corporation.

ARTICLE XII
Bylaws-Amendments; Effective Date

12.1 Bylaw Amendments. These Bylaws may be amended from time to time only by a written instrument approved by the Member and the Corporation and executed by the Member and the Corporation.

12.2 Bylaws Effective. These Bylaws shall not be effective until approved by the Member.

The foregoing Bylaws of Imagine School at North Port, Inc., were adopted and approved this 7th day of 2010 July, by a majority vote of a quorum of the Board of Directors.

Stephen Hudek
Secretary
Printed Name: Stephen Hudek

Approved by the Member, Imagine Schools Non-Profit, Inc., this 7th day of July, 2010.

Its CEO
Printed Name: Dominic W. Burke

Exhibit 4

Imagine Schools

October 31, 2012

Justin Matthews
262 Salisbury Street
Port Charlotte, FL 33954

Dear Mr. Matthews,

Imagine Schools is pleased to extend an offer of at-will employment to you for the position of Principal. This letter outlines the general terms and conditions of your employment.

Position: Principal

Location: Imagine School at North Port/West Florida Region

Start Date: Retroactive to July 1, 2012

Status: Full Time

Salary: You will be paid on a bi-weekly basis, or according to the regular payroll schedule. Should you remain employed for one year, your salary for that year will total $97,850 for **Principal position.** You will receive a pro-rata share of the stated salary on a bi-weekly basis, or according to the regular payroll schedule, so long as you remain employed. *Should you accept the position, you will be exempt from the Fair Labor Standards Act, and therefore you are not eligible for overtime pay.*

Benefits: Benefits will be provided to you in accordance with company policy. These benefits are subject to modification at the discretion of the Company. Should you accept employment, you will be provided with additional information relevant to the benefits for which you are eligible based on full- or part-time employment status.

Policies: Your acceptance of employment means that you agree to abide by the Company's current policies and guidelines and any subsequent modifications. The policies and guidelines do not create a contract and nothing in this offer letter should be construed to the contrary.

Introductory Period: Employees are on an introductory period during their first 90 days of employment. During this period, you will be able to determine if your new job is suitable for you, and the Company will have an opportunity to evaluate your work performance. The introductory period does not guarantee employment for any length of time during the introductory period or thereafter.

Employment Status: Your employment is "at-will" which means it is for no definite period of time and may, regardless of the date of payment of your wages and salary, be terminated by either you or the Company, with or without cause, at any time. The at-will employment relationship may be changed only in writing to the contrary signed by both you and the Company.

Pre-Employment Screening: This offer of employment is contingent upon Employee successfully completing all requirements in accordance with the Company's pre-employment screening policy and applicable law, including but not limited to criminal background checks, pre-employment drug screening, reference checks and validation of appropriate academic credentials. Employee agrees additional screening may be conducted after employment commences at the discretion of Employer.

Evaluation: You shall receive an annual evaluation completed by your supervisor.

Confidentiality/Ownership of Work Product/Non-Competition: As a condition of your employment, you will be required to sign an agreement acknowledging the confidentiality of Company information, specifying the Company as the owner of your work product related to the business and created during your employment, and prohibiting you from competing with the Company in a specific manner and for a specific period of time. The Company may elect, at its sole discretion, to provide you with additional compensation related to the production of work product that the Company is able to resell multiple times.

Completion of Mandatory Forms: This offer is contingent upon successful completion of mandatory forms, including but not limited to the I-9 form and the W-2 form, as well as any other forms required by the Company. All Company paperwork must be submitted by you within three (3) days of your effective date. *A copy of any necessary credentials or certificates must be on file upon acceptance of this offer.*

No Violation of Other Agreements: Your acceptance of this agreement represents and warrants to the Company that your employment with this Company and the performance of your duties hereunder will not violate or breach any agreement with a former Employer, client, or any other person.

Confidentiality of Terms of Offer: The terms and conditions of this Offer are confidential and shall not be revealed to any other party without prior written permission.

Please indicate your agreement and acceptance of this offer, the enclosures, and all terms and conditions described of each document by your signature. This offer of employment supersedes all other offers of employment made by Imagine Schools or any of its subsidiaries.

We look forward to working with you.

Sincerely,

Chris Watson
Regional Director

I understand that I am an employee at-will and my employment can be terminated at any time.

AGREED: _____
Justin Mathews

Date: 10/5/12

Exhibit 5

Confidentiality, Ownership and Non-Competition Agreement

This Agreement (the "Agreement") is made and entered into on the ____ day of _____, 20__ by and between **Imagine Schools, Inc.** or any of its subsidiaries or successors ("Employer") and _____, ("Employee").

In consideration of Employee's employment by Employer, the parties agree as follows:

Confidentiality. Employee agrees not to disclose, either during the time he/she is employed by Employer or following the termination of his/her employment hereunder, to any person, firm, corporation, subsidiary, or other entity, or use for Employee's own benefit, whether or not for monetary gain, any confidential information ("Confidential Information") concerning the conduct or the business affairs of Employer, including, without limitation, trade secrets, know-how, inventions, curricula, customer and supplier lists, business plans, operational records, pricing policies, referral sources or organizations, marketing and sales plans, financial information, names, addresses, positions, salaries and other terms of employment of other employees of Employer. Employee acknowledges that all records, data, communications and other property of Employer entrusted or loaned to Employee or prepared by Employee during the term of this Agreement (including, but not limited to, any inventions, data, creations or other work product) are Employer's property and Employee agrees to return any material so loaned to or so prepared by Employee or Employer immediately upon termination of employment. For the purposes of this Agreement, Confidential Information does not include information that is or becomes part of the public domain, other than through Employee's action or inaction.

Ownership of Work Product. As it relates to the business of Employer, Employer shall own, and Employee hereby transfers and assigns to Employer (to the extent proprietary), all rights of, in and to any material and/or ideas and all results and proceeds of employee's services to Employer, or conceived of or produced during Employee's employment, including but not limited to, any inventions, data, creations, copyrighted materials (which are works-made-for-hire), software programs or other work product (collectively, "Work Product"). Employee will execute and deliver to Employer such assignments, certificates of authorship or other instruments as Employer may require from time-to-time to evidence ownership of such Work Product.

Non-Competition Covenant. During Employee's employment, Employee shall not engage in as a principal, agent, trustee, employee or stockholder or through the agency of any person, corporation, partnership, association or agent or agency, in any business in competition with the business conducted by the Employer or any of its affiliates at the time. During such period, Employee further agrees that he/she will not, either directly or indirectly, through any person, firm association, or corporation with which he/she is now or may hereafter become associated, cause or induce any present or future employee of the Employer or any of its affiliates to leave the employ of the Employer or any such affiliate to accept employment with Employee or with such person, association or corporation. Notwithstanding the above, Employee shall not be precluded from owning up to 5% of the outstanding capital stock of a competing business whose stock is traded on a national securities exchange or over the counter.

Non-Solicitation. During Employee's employment and for one (1) year thereafter, Employee shall not, directly or indirectly, individually or on behalf of any other person or entity, do any of the following:

1. Call upon, solicit, or attempt to solicit Customers with whom Employee had material contact to transfer their patronage from Employer to any other business, firm or entity engaged in activities which are directly or indirectly competitive with those conducted by Employer;
2. Aid or agree to aid any competitor, Customer or supplier of Employer in any attempt to hire any employee of Employer; or

3. Induce or attempt to influence any person or business entity who is or was a Customer or supplier of Employer with whom Employee had material contact to transact business with a competitor of Employer or cease to do business, in whole or in part, with Employer. "Material contact" is agreed to exist between Employee and each customer or supplier: (i) with whom the Employee dealt; (ii) whose dealings with Company were coordinated or supervised by Employee; or (iii) about whom Employee obtained confidential information in the ordinary course of business as a result of such Employee's association with Company.

Law. The validity and construction of this Agreement shall be determined according to the laws of the Commonwealth of Virginia.

Definition of "Customer". For the purposes of this Agreement, "Customer" means any individual or entity (including, without limitation, any school, educational board, or educational institution, Employee, or Employee consulting group) to whom Employer directly or indirectly provides, either currently or at any time during Employee's employment, any management services (without regard as to whom is billed for such services). "Customer" shall also include any individual or entity actively solicited by Employer during Employee's employment.

Injunctive Relief. Employee acknowledges and agrees that any breach of this Agreement could be expected to cause irreparable harm and injury to Employer's goodwill and competitive position and that the remedy at law for any breach of the provisions in this Agreement shall be inadequate. Accordingly, Employee covenants and agrees that Employer shall, in addition to other rights or remedies which it may have, be entitled to such equitable and temporary or permanent injunctive relief to restrain Employee from any violation of such provisions. Such right to obtain equitable and injunctive relief may be exercised, at the option of Employer, concurrently with, prior to, after or in lieu of, the exercise of any other rights or remedies Employer may have as a result of such breach or threatened breach. The pursuit of one of such remedies at any time shall not be deemed an election of remedy or waiver of the right to pursue any of the other of such remedies.

Severability. The invalidity of any term or terms of this Agreement shall not affect any other term of this Agreement, which shall remain in full force and effect.

Employee	Imagine Schools, Inc.
Print: _____	Print: _____
Sign: _____	Sign: _____
Date: _____	Date: _____

Exhibit 6

FLORIDA DEPARTMENT OF STATE
DIVISION OF CORPORATIONS

Detail by Entity Name

Florida Non Profit Corporation

SARASOTA PREPARATORY SCHOOL, INC.

Filing Information

Document Number	739307
FEI/EIN Number	000000000
Date Filed	06/09/1977
State	FL
Status	INACTIVE
Last Event	INVOLUNTARILY DISSOLVED
Event Date Filed	12/05/1978
Event Effective Date	NONE

Principal Address

216 SOUTH DUVAL STREET
SUITE 208
TALLAHASSEE FL 32301

Mailing Address

216 SOUTH DUVAL STREET
SUITE 208
TALLAHASSEE FL 32301

Registered Agent Name & Address

PARKER, PEGGY
216 SOUTH DUVAL STREET
SUITE 208
TALLAHASSEE FL 32301

Officer/Director Detail

Name & Address

Title PD

SCHWARTZ, EDWARD
4049 SHELL ROAD
SARASOTA FL

Title VD

KEMBLE, FRANK
1900 RICHMOND
VICTORIA, BRIT.COLUM

Title ST

SCHWARTZ, CHRISTINE C.
4049 SHELL ROAD

SATASOTA FL

Title D

SCHWARTZ, CHRISTINE C.
4049 SHELL ROAD
SATASOTA FL

Annual Reports

No Annual Reports Filed

Document Images

No images are available for this filing.

Note: This is not official record. See documents if question or conflict.

Previous on List Next on List Return To List Entity Name Search
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FLORIDA DEPARTMENT OF STATE
DIVISION OF CORPORATIONS

Detail by Entity Name

Florida Non Profit Corporation

SARASOTA PREPARATORY SCHOOL, INC.

Filing Information

Document Number	N98000007159
FEI/EIN Number	NONE
Date Filed	12/21/1998
State	FL
Status	INACTIVE
Last Event	ADMIN DISSOLUTION FOR ANNUAL REPORT
Event Date Filed	09/24/1999
Event Effective Date	NONE

Principal Address

601 LOTUS LANE
SARASOTA FL 34242

Mailing Address

601 LOTUS LANE
SARASOTA FL 34242

Registered Agent Name & Address

HAUSER, THOMAS M
601 LOTUS LANE
SARASOTA FL 34242

Officer/Director Detail

Name & Address

NONE

Annual Reports

No Annual Reports Filed

Document Images

12/21/1998 -- Domestic Non-Profit | View image in PDF format

Note: This is not official record. See documents if question or conflict.

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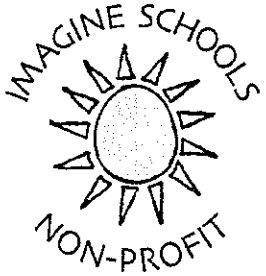
State of Florida, Department of State

Exhibit 7



VIA E-MAIL AND REGISTERED MAIL,
RETURN RECEIPT REQUESTED

February 18, 2013

Board of Directors
Imagine School at North Port, Inc.
1000 Innovation Avenue
North Port, FL 34289
Attn: Barbara McKeathon

Gentlemen/Ladies,

It has come to our attention that on Friday, February 15, 2013, the Board of Directors of Imagine School at North Port, Inc. ("Imagine North Port") resolved to sever its affiliation with Imagine Schools Non-Profit, Inc. ("Imagine Schools"). This action is in direct conflict with the provisions of Imagine North Port's Bylaws and the Affiliate Agreement between Imagine North Port and Imagine Schools. Imagine Schools is the sole member of Imagine North Port and the Board of Directors of Imagine North Port is required by the Imagine North Port governing documents to act consistent with the mission, purposes, standards, ideals and spirit of Imagine Schools, including without limitation adherence to the Six Measures of Excellence, as set forth in Section 1 of the Affiliate Agreement. The Board of Directors of Imagine North Port cannot without the consent of Imagine Schools operate as other than an Imagine school. Additionally, the Imagine North Port Charter Contract requires the Governing Board to adhere to its Bylaws. As such, we regard the action taken by the Board on Friday to be invalid and likely to cause injury to the mission and purpose of Imagine North Port and its parent organization Imagine Schools.

Further, the Affiliate Agreement and Imagine North Port Charter Contract provide for the Board to first seek to negotiate and resolve any disputes regarding the Affiliate Agreement through discussion. In fact, the Affiliate Agreement expressly requires direct negotiation, followed by mediation and arbitration as the sole remedy for disputes and claims under said Agreement. The Board has taken precipitous action without following these procedures. In addition, Mr. Matthews has acted over the last few days to change the school website, contact parents, meet with senior staff, and to otherwise operate as if the Affiliate Agreement is canceled and Imagine North Port is no longer an Imagine school. These actions are in direct conflict with the Imagine North Port Bylaws, the Affiliate Agreement and the Charter Contract. We hereby demand that the Board refrain, and instruct Mr. Justin Matthews to refrain, from making any further statements to any person or entity, including without limitation Imagine Schools staff working at the school, students, parents and other stakeholders, regarding severance from Imagine Schools until such time as the parties have had an opportunity to fully discuss any dispute the Board may have in accordance with the conflict resolution provisions of the Affiliate Agreement. To that end, please instruct Mr. Matthews to cancel the staff meeting he has scheduled for Tuesday morning and to cease and desist from identifying the school by any name other than "Imagine School at North Port".

1005 North Glebe Road, Suite 610 • Arlington, VA 22201
703·682·5600 • Fax 703·682·5601

Imagine Schools will continue to provide the supports, services and operating structures that it provides to every campus within the Imagine family. This includes the provision of all staff necessary to operate the school. Mr. Matthews has not properly submitted a resignation from his position as principal to Imagine Schools, but we understand that to be his intent by his actions. In order to avoid miscommunication and growing confusion and uncertainty among school stakeholders, we have reached out to Mr. Matthews several times over the past few days in an effort to communicate our intent to place Mr. Matthews on administrative leave until we can resolve the dispute between Imagine North Port and its parent Imagine Schools. Unfortunately, Mr. Matthews has been unwilling to speak with his Imagine Schools supervisors and has instead directed them to speak to you and your counsel. As it appears by his communications that Mr. Matthews is no longer responsive to Imagine Schools as his employer, in order to avoid miscommunication and growing confusion and uncertainty among school stakeholders, please instruct Mr. Matthews not to report to work until we can resolve the issues before us.

It is our sincere desire to avoid the need to exercise Imagine Schools' legal rights and remedies pursuant to the Bylaws of Imagine North Port and applicable law. We believe we can resolve this situation amicably for the sake of the students and staff. We request that a meeting with an authorized representative of the Board and Board legal counsel be convened immediately so that the parties may discuss the Board's concerns and appropriate next steps. Please contact Mr. Rod Sasse at Rod.Sasse@imagienschools.com or (305) 804-8058 or Melissa Gross-Arnold, Esq. at melissa@arnoldlawfirmllc.com or (904) 731-3800 to schedule such a meeting.

Sincerely,

Isabel Berio
General Counsel

Cc: Salvatore G. Scro, Esq. (via e-mail)
Corey Smith, Esq. (via e-mail)
Justin Matthews (via e-mail)

1005 North Glebe Road, Suite 610 • Arlington, VA 22201
703·682·5600 • Fax 703·682·5601

Exhibit 8

SUBLEASE AGREEMENT

THIS SUBLEASE is entered into as of the 25 of July, 2008 by and between Schoolhouse Finance, LLC, a Virginia limited liability company (hereinafter referred to as "Sublandlord") and Imagine – Sarasota County, LLC, a Florida limited liability company (hereinafter referred to as "Subtenant").

RECITALS:

Sublandlord is the tenant under a lease (the "Lease") between Sublandlord and Toledo Blade Design Center, L.L.C. (the "Prime Landlord"), dated as of January 1, 2008, of real property, located at 1000 Innovation Avenue, North Port, Florida (the "Premises"). The boundaries and location of said Premises are more particularly described in the Lease attached hereto as Exhibit "A" and incorporated herein by reference.

Subtenant desires to sublease from Sublandlord, and Sublandlord desires to lease to Subtenant, the Premises on the terms and conditions contained herein.

NOW, THEREFORE, in consideration of the terms, covenants, conditions and agreements contained herein, the parties hereto agree as follows:

1. Premises. Sublandlord hereby subleases to Subtenant, and Subtenant subleases from Sublandlord, the Premises. Subtenant shall be subject to all of the terms and condition contained in the Lease, except the rental provisions thereof, as if Subtenant were the tenant thereunder. In addition, in no event shall Subtenant have the right to receive any payments due from Prime Landlord under the Lease. To the extent not inconsistent with this Sublease, the terms of the Lease are hereby incorporated into this Sublease by reference. Sublandlord shall have all of the rights of Prime Landlord under the Lease. The foregoing shall not be construed to create a direct relationship between Subtenant and Prime Landlord.

2. Term. The initial term of this Sublease shall be for the period beginning on August 1, 2008 (the "Commencement Date") and ending on July 31, 2018 (the "Term"). Notwithstanding any provision herein to the contrary, this Sublease shall automatically terminate upon the expiration or termination of the Lease for any reason. In no event shall Subtenant have the right to exercise any options to extend the term of the Lease that may be available to Sublandlord under the Lease.

3. Base Rent.

(a) Subtenant shall pay to Sublandlord base rent in the amount of Thirty Nine Thousand Six Hundred and No/100 Dollars ($39,600.00) per month ("Base Rent") for the first twelve (12) months of the Sublease Term. As of the thirteenth (13th) month of the Sublease Term, the Base Rent shall increase to Sixty One Thousand Two Hundred and No/100 Dollars ($61,200.00) per month. Commencing January 1, 2012 and on January 1 of each year thereafter, the Base Rent shall increase by the greater of (i) two and a half percent (2.5%) over the Base Rent for the immediately preceding month, or (ii) the change in the Base Student Allocation, (the "BSA") for the previous school year, as defined by the Florida Department of Education and

determined by the Florida Legislature in its General Appropriations Act (provided, however, that the application of such a change in the BSA to the Base Rent shall not result in more than a five percent (5%) increase in the Base Rent from the immediately preceding Lease Year).

(b) Base Rent shall be payable in advance, without demand, offset or deduction, on the first (1st) day of each month during the Term. A partial month's payment shall be due on the Commencement Date if the Commencement Date is other than the first day of a month. Any installment of rent or any other charge or money obligation herein required to be paid by Tenant which is not paid within five (5) days of its due date shall bear a late charge of five percent (5%) and Landlord may treat any such charge or money obligation as additional rent hereunder.

(c) Subtenant shall be responsible for the direct payment of all charges for utilities and other services to the extent, and only to the extent, such payments are not already paid for by Prime Landlord under the terms of the Lease. In no event shall Sublandlord be responsible or liable for any failure to furnish any services to be provided by Prime Landlord under the Lease or otherwise by anyone other than Sublandlord, except as may directly result from the negligent or intentional acts or omissions of Sublandlord.

4. Additional Rent. Subtenant shall pay to Sublandlord additional rent ("Additional Rent") as follows:

(a) Operating Charges/Common Expenses. Subtenant shall reimburse Sublandlord for any and all Operating Charges and/or Common Expenses (as those terms are defined in the Lease) paid by Sublandlord to Prime Landlord pursuant to Article 7 of the Lease.

(b) Real Estate Taxes. The Property and/or the Premises as used for school purposes may be exempted from the payment of real property taxes and assessments that may otherwise be assessed or levied pursuant to state and/or local law. Sublandlord agrees to promptly cooperate with Subtenant in connection with any application or process seeking such exemption; it being recognized that Sublandlord will cause Prime Landlord to make application for any such exemption after consultation with Subtenant as it may relate to the Premises. Notwithstanding the foregoing, in the event the Property is not deemed exempt from the payment of real property taxes and assessments, Subtenant shall reimburse Sublandlord for any and all real property taxes and assessments (special or otherwise) paid by Sublandlord to Prime Landlord pursuant to the Lease.

(c) Personal Property and Other Taxes. Subtenant shall reimburse Sublandlord for any and all personal property and such other taxes of any kind (except income taxes) paid by Sublandlord pursuant to the Lease. Subtenant shall be solely responsible for payment of any personal property taxes on Subtenant's personal property in the Premises and in no event shall Sublandlord be required to make

payment thereon. In the event any sales taxes or other taxes are imposed by any governmental authority upon rent and other charges due hereunder, Subtenant shall reimburse Sublandlord upon demand for all such charges.

(d) Insurance Premiums. Subtenant shall reimburse Sublandlord for any and all insurance premiums paid by Sublandlord pursuant to the Lease.

(e) Sales Tax. Subtenant shall reimburse Sublandlord for any sales tax paid by Sublandlord to Prime Landlord pursuant to the Prime Sublease. In the event any additional sales taxes or other taxes are imposed by any governmental authority upon rent and other charges due hereunder, Subtenant shall reimburse Sublandlord upon demand for all such charges.

5. Assumption Agreement and Covenants. Except as set forth in Section 1 above, Subtenant hereby assumes and shall faithfully and promptly make all payments and perform all obligations and duties imposed on Sublandlord as Subtenant under the Lease including, without limitation, any obligations to maintain and repair the Premises, to make payments or contributions for taxes, special assessments, insurance and any other payments required to be made by Sublandlord; not to commit or suffer waste; not to use the Premises for any unlawful purposes; and, at the termination of this Sublease, to surrender the Premises in good condition, reasonable wear and tear excepted and in the condition required by the Lease. Any and all payments required under the Lease and this Sublease to be made by Subtenant as aforementioned shall be made in a timely manner directly to Sublandlord.

6. Use: Compliance with law.

(a) The Premises shall be continuously occupied and used by Subtenant only for purposes permitted by the Lease and for no other purpose.

(b) Subtenant shall obey, observe and promptly comply with all rules, regulations, ordinances and laws which shall be applicable, now or at any time during the Term, to the Premises and shall promptly comply with all orders, rules, rulings and directives of any governmental authority or agency having jurisdiction of the Premises. Subtenant shall not store, use, discharge or dispose of any hazardous or toxic substances, pollutants, contaminants or any other substances regulated by any state or federal statute (collectively "Contaminants") on the Premises. Subtenant shall be solely response for the costs of removing or cleaning any Contaminants found on the Premises and caused by Subtenant.

7. Maintenance and Security by Subtenant. Except for the repairs and maintenance that Prime Landlord is obligated to make under the Lease, Subtenant, at Subtenant's sole expense, shall promptly perform all maintenance and make all repairs and replacements in and to the Premises as are necessary or desirable to keep the Premises in good condition and repair, in a clean, safe and tenantable condition, and otherwise in accordance with all laws and the requirements of the Lease. Without limiting the generality of the foregoing, Subtenant, at its sole expense, shall maintain in safe and sanitary condition and shall make all repairs and replacements

to: (a) any pipes, lines, ducts, wires or conduits serving exclusively the Premises; (b) any heating, air conditioning, electrical, ventilating or plumbing equipment serving exclusively the Premises; (c) all fixtures, furnishings, and all glass, window panes and doors; and (d) any other mechanical systems serving exclusively the Premises (including any special fire equipment, telecommunications and computer equipment and kitchen equipment) located in, or exclusively serving, the Premises. Subtenant shall be responsible, at Subtenant's sole expense, for providing all janitorial and cleaning services and for maintaining the Premises in a clean, orderly and sanitary condition free of insects, rodents, vermin and other pests. Sublandlord reserves the right to establish a regular inspection and maintenance program for all equipment maintained by Subtenant and to provide all necessary or appropriate maintenance and repairs at Subtenant's expense. Subtenant, at its expense, shall install and maintain such fire extinguishers and other fire protection devices as may be required from time to time by any agency having jurisdiction thereof and/or the underwriters insuring the Premises. Subtenant shall not cause or permit any damage, waste or injury to any part of the Premises. All injury, breakage and damage to the Premises caused by any act or omission of Subtenant or any invitee of Subtenant, shall be repaired by and at Subtenant's expense, except that Sublandlord shall have the right, but not the obligation, at Sublandlord's option, to make any such repair and to charge Subtenant for all costs and expenses incurred in connection therewith, which Subtenant shall remit to Sublandlord within five (5) days of Sublandlord's written demand to Subtenant therefor.

8. Default. The occurrence of any one or more of the following events shall constitute a material default and breach of this Sublease by Subtenant:

(a) The failure by Subtenant to pay amounts due Sublandlord hereunder, at the time the same shall become due and payable;

(b) The vacating or abandonment of the Premises by Subtenant;

(c) The failure by Subtenant to observe or perform any of the covenants, conditions or provisions of this Sublease to be observed or performed by Subtenant, other than described in subparagraph (b) above, where such failure shall continue for a period of ten (10) days after written notice thereof from Sublandlord to Subtenant;

(d) The making by Sublandlord of any general arrangement or assignment for the benefit of creditors:

(e) If Subtenant becomes a "debtor" as defined in the United States Bankruptcy Code or any successor statute thereto (unless, in the case of a petition filed against Subtenant, the same is dismissed within 30 days);

(f) The appointment of a trustee or receiver to take possession of substantially all of Subtenant's assets located at the Premises or of Subtenant's interest in this Sublease, where possession is not restored to Subtenant within 30 days; or

(g) The attachment, execution or other judicial seizure of substantially all of Subtenant's assets located at the Premises or of Subtenant's interest in this Sublease, where such seizure is not discharged within 30 days;

(h) The discovery by Sublandlord that any financial statement given to Sublandlord by Subtenant, any assignee of Subtenant, any sub-subtenant of Subtenant, or any successor in interest of Subtenant was materially false.

(i) The assignment, sale, transfer or other disposition of fifty percent (50%) or more of Imagine Schools Non-Profit, Inc.'s ownership interest in Subtenant.

9. Remedies Upon Default. In the event of any default or breach by Subtenant, Sublandlord may at any time thereafter, with or without notice or demand:

(a) Terminate Subtenant's right to possession of the Premises by any lawful means, in which case this Sublease shall terminate and Subtenant shall immediately surrender possession of the Premises to Sublandlord. In such event Sublandlord shall be entitled to recover from Subtenant all damages incurred by Sublandlord by reason of Subtenant's default including, but not limited to, the cost of recovering possession of the Premises, expenses of reletting including renovation and alteration of the Premises, reasonable attorneys' fees, and any real estate commission paid; and the difference at the time of termination between the amount by which the unpaid rent for the balance of the term after the time of such termination exceeds the fair market rental for the same period, reduced to present value by applying a 6% discount factor;

(b) Maintain Subtenant's right to possession in which case this Sublease shall continue in effect whether or not Subtenant shall have abandoned the Premises. In such event, Sublandlord shall be entitled to enforce all of Sublandlord's rights and remedies under this Sublease, including the right to recover the rent and other charges as they become due hereunder;

(c) Terminate Subtenant's right of possession, but not this Sublease, whereupon Sublandlord may attempt to relet the Premises for Subtenant's account; in which case Subtenant shall remain liable to Sublandlord for the amount, if any, by which the rental and other charges required to be paid hereunder exceeds the net amount actually received by Sublandlord from any such reletting (after deducting from the rental received from the new tenant any amounts paid by Sublandlord in obtaining the new sublease including all real estate commissions, concessions, renovation costs and other costs). Such amounts owed by Subtenant shall be paid to Sublandlord from time to time upon demand;

(d) Pursue any other remedy now or hereafter available to Sublandlord at law or equity.

10. Subtenant Indemnity: Waiver of Subordination. Except to the extent arising from the gross negligence or willful misconduct of Sublandlord, Subtenant shall defend, indemnify and hold Sublandlord harmless from any and all damages, costs, losses and expenses (including reasonable attorneys' fees) resulting in any way from Subtenant's occupancy and/or use of the Premises or the surrounding area, or the breach of any obligation of Subtenant as set out in the Sublease. Subtenant shall keep in full force and effect a policy or policies of:

(a) Commercial general liability insurance for bodily injury, property damage (including loss of use of property) and personal injury in or about the Premises, and shall be adequately covered under reasonable limits of liability of not less than $1,000,000 per occurrence and $2,000,000 annual aggregate.

(b) Worker's compensation insurance (including employees' liability insurance) in the statutory amount covering all employees of Subtenant employed or performing services at the Premises, in order to provide the statutory benefits required by the State of Florida.

(c) Automobile liability insurance, including but not limited to, passenger liability, on all owned, non-owned, and hired vehicles used in connection with the Premises, with a combined single limit per occurrence of not less than $1,000,000 per vehicle for injuries or death of one or more persons or loss or damage to property.

(d) Personal property insurance covering the personal property on the Premises in an amount not less than 100% of the full replacement cost, without deduction for depreciation, providing protection against events protected under all risk coverage, as well as against sprinkler damage, vandalism, and malicious mischief. Any proceeds from such personal property insurance shall be used for the repair or replacement of the property damaged or destroyed, unless this Sublease is terminated under an applicable provision herein.

Subtenant shall name Sublandlord and Prime Landlord as additional insureds for all such insurance, except worker's compensation insurance, and such policies shall be primary and non-contributory, and shall contain a provision that such policies shall not be canceled except after thirty (30) days written advance notice to both Sublandlord and Prime Landlord. Subtenant shall furnish Sublandlord with certificates that all such insurance is in effect. The amount and coverage of such insurance shall not limit Sublandlord's liability nor relieve Sublandlord of any other obligation under this Lease.

11. Assignment and Subletting. Subtenant shall not assign its interest in the Sublease voluntarily or by operation of law and shall not sublet or license all or any portion of the Premises without the prior written consent of Sublandlord (and Prime Landlord if such consent is required by the Lease). Sublandlord's consent or approval may be granted or withheld in Sublandlord's sole discretion. Any purported or attempted assignment or subletting, without

Sublandlord's prior written consent, shall be null and void. Any permitted assignee or sub-subtenant of Subtenant shall expressly assume Subtenant's liabilities and obligations under this Sublease. No assignment, subleasing or licensing shall release Subtenant from any of its obligations hereunder. Subtenant shall not mortgage or otherwise encumber its leasehold interest hereunder. Subtenant shall not mortgage or otherwise encumber its leasehold interest hereunder without the prior written consent of Sublandlord. This Sublease shall not be construed as an assignment of Sublandlord's interest in the Lease, and Subtenant shall not negotiate, modify or amend the Lease.

12. Inspection; Alterations. Subtenant has inspected the Premises, and is satisfied that the same is acceptable to Subtenant for all of its purposes and uses, and accepts the same and any included trade fixtures and equipment in "AS IS" condition, without any warranties, representations or obligations on Sublandlord's part to make any additional repairs, replacements, alterations, additions, installations or improvements whatsoever. Subtenant shall not expand or make or install any additions, renovations, alterations, improvements or changes in or to the Premises, or any part thereof without Sublandlord's prior written consent. Any permitted work shall be performed in a good and workmanlike manner at the sole expense of Subtenant. Subtenant shall not permit, create, incur or impose or cause or suffer others to permit, create, incur or impose any lien or other obligation against the Premises or any interest therein by reason of any work upon the Premises, and Subtenant shall indemnify and hold Sublandlord harmless of and from any and all claims or demands by any contractor, subcontractor, materialman, laborer or any other third person against the Premises, Subtenant's interest in the Premises or any interest therein relating to or arising because of any work conducted by or at the request of Subtenant. As between Sublandlord and Subtenant, any improvements or additions upon the Premises at the expiration of this Sublease shall be deemed a part of the Premises.

13. Loss or Damage to Property. All personal property and other equipment and items of any kind belonging to Subtenant located in or about the Premises, shall be there at the sole risk of Subtenant, and in no event shall Sublandlord have any liability for any loss, damage or theft thereof from any cause whatsoever except to the extent such loss, damage or diminution in value is caused by the breach, negligence or fault of Sublandlord.

14. Termination. Notwithstanding anything contained herein to the contrary, the existence of this Sublease is dependent and conditioned upon the existence of the Lease, and in the event of the cancellation or termination of the Lease or the Operating Agreement for any reason, this Sublease shall thereupon be terminated without the need for further action and without liability to Sublandlord. If Subtenant in not in default under the terms and conditions hereof, any such termination shall be without liability between Sublandlord and Subtenant, except for such liability therefor accruing or as otherwise provided herein; however, if Subtenant is in default, the provisions hereof including those of default shall control as to Subtenant's liability.

15. Sublandlord's Obligations. Sublandlord shall have no duty to perform any obligations of Prime Landlord under the Lease and shall under no circumstances be responsible for or liable to Subtenant for any default, failure or delay on the part of Prime Landlord in the performance of any obligations under the Lease. No such default of Prime Landlord shall affect

this Sublease or waive or defer the performance of any of Subtenant's obligations hereunder; provided, however, that in the event of such default or failure, Sublandlord agrees, upon notice from Subtenant, and at Subtenant's expense, to make demand upon Prime Landlord to perform its obligations under the Lease.

16. Eminent Domain. If all or any part of the Premises shall be taken or condemned by any competent authority, then, and in that event, upon the election of the Subtenant of Sublandlord, the Sublease shall terminate without any liability of either party. Subtenant waives its right to claim any award or compensation thereof by virtue of said condemnation for any reason whatsoever and all proceeds of condemnation shall belong solely to Sublandlord or Prime Landlord, as applicable pursuant to the terms of the Lease.

17. Costs and Expenses. Subtenant shall pay all costs and expenses, including reasonable attorneys' fees, that may be incurred by Sublandlord in enforcing the provisions of this Sublease or in enforcing Prime Landlord's obligations under the Lease if requested to do so by Subtenant. In the event any amounts due from Subtenant hereunder are not paid when due, such amounts shall bear interest from and after the date thereof to the date of payment at an annual rate of eighteen percent (18%) or the highest rate permitted by law, whichever is less.

18. Surrender Conditions. By not later than the expiration or any termination of this Sublease, Subtenant will surrender to Sublandlord possession of the Premises, with all personal property owned by Subtenant removed from the Premises, and with the Premises in good condition, appearance and repair, reasonable wear and tear excepted, broom clean, and free of subleases and occupants.

19. Notices. Any notice, demand, request, consent, approval or communication that either party desires or is required to give to the other party or any other person hereunder shall be in writing and shall be deemed to be properly served if (i) sent by certified mail with return receipt requested, (ii) sent by receipted overnight delivery service, or (iii) personally delivered to the address set forth below. The effective date of any such notice shall be three (3) business days after the date which is stamped by the United States Post Office on the envelope enclosing same, the date of the receipt for the overnight delivery or the date on which personal delivery is made, whichever is applicable. Any notice sent by Subtenant to Prime Landlord shall also be sent concurrently to Sublandlord. Until changed by written notice from the appropriate party to the other, the addresses of the parties are as follows:

Sublandlord:

Schoolhouse Finance, LLC
1005 North Glebe Road, Suite 610
Arlington, VA 22201
Attn: Dennis W. Bakke
Tel: (703) 527-2600
Fax: (703) 527-0038

Subtenant:

Imagine School at North Port
1000 Innovation Ave
North Port, FL 34289
Attn: Justin Matthews
Tel: 941-426-2050
Fax: 941-423-8252

With copy to:

_____
_____
_____
Attn:
Tel:
Fax:

20. Accord and Satisfaction. No payment by Subtenant or receipt by Sublandlord of a lesser amount than the full amount of any payments to be made by Subtenant hereunder shall be deemed to be other than on account of the earliest stipulated unpaid installment thereof, and no endorsement or statement on any check or letter accompanying any check or payment shall be deemed to be an accord and satisfaction, and Sublandlord may accept such check or payment without prejudice of Sublandlord's right to recover the full amount due hereunder or pursue any other remedy available to Sublandlord.

21. Entire Agreement; Consent. This Sublease constitutes the entire agreement and understanding of the parties with respect to the matters contained in this Sublease and supersedes all other agreements between and representations by the parties with respect to such matters. No changes, amendments or modifications of this Sublease shall be effective or enforceable unless made in writing and executed by the parties hereto. Whenever Sublandlord's consent is required by the terms of this Sublease, Prime Landlord's consent shall also be obtained if so required by the terms of the Lease. The consent by Sublandlord to any act by Subtenant requiring Sublandlord's consent shall not waive or render unnecessary Sublandlord's consent to any subsequent similar act by Subtenant. This Sublease shall be construed under the laws of the State of Florida without resort to its conflicts of laws rules.

22. Severability. If any term or provision hereof, or any portion thereof, or the application thereof to any person(s) or circumstances shall, to any extent, be held by a court of competent jurisdiction to be invalid or unenforceable, then the remainder of this Sublease, or the application of such term or provision to persons or circumstances other than those as to which it is so judicially held to be invalid or unenforceable, shall not be affected thereby, and each term and provision of this Sublease shall be valid and be enforceable to the fullest extent permitted by law.

23. Multiple Originals. This Sublease is executed simultaneously in multiple originals, each of which shall be deemed an original, without the production of the other such originals.

24. Entry by Sublandlord. Sublandlord and its representatives shall have the right upon reasonable prior notice, at all reasonable times during Subtenant's operating hours, to enter upon the Premises for the purposes of examining and inspecting the same; provided, however, this section shall not be construed as imposing any obligation upon Sublandlord to inspect the Premises.

25. Non-Waiver. Any assent, expressed or implied, by Sublandlord to any breach of any covenant or condition herein contained shall not be construed as an assent or waiver of any such covenant or condition generally or of any subsequent breach thereof.

26. Relationship of Parties. Nothing contained herein shall be deemed or construed to create a joint venture of partnership relationship between Sublandlord and Subtenant.

27. Interpretation. This Sublease shall be interpreted in a fair and impartial manner without regard to such factors as the party that drafted this Sublease or the relative bargaining power of the parties.

28. Counterparts. This Sublease may be executed in any number of counterparts, each of which shall be deemed to be an original, but all of which together shall constitute one and the same instrument.

IN WITNESS WHEREOF, Sublandlord and Subtenant have agreed to the foregoing Sublease in its entirety as of the day and year first set forth above, and have executed the same on the day and year first set forth above.

"SUBLANDLORD"

SCHOOLHOUSE FINANCE, LLC, a Virginia limited liability company

By: _____
Name: _____
Title: _____

"SUBTENANT"

IMAGINE – SARASOTA COUNTY LLC, a Florida limited liability corporation

By: _____
Name: Michael A. Forbes

Title: President

ASSIGNMENT OF
SUBLEASE AGREEMENT
(1000 Innovation Ave., North Port, FL 34289)

THIS ASSIGNMENT OF SUBLEASE AGREEMENT ("Sublease Assignment") is entered into by and between Imagine-Sarasota County, LLC, a Florida limited liability company, and Imagine School at North Port, Inc., a Florida nonprofit corporation, effective July 1, 2011.

WHEREAS, Imagine-Sarasota County, LLC, entered into a Sublease Agreement with Schoolhouse Finance, LLC, a Virginia limited liability company ("SHF"), on July 25, 2008 ("Sublease Agreement"), to sublease certain property located at 1000 Innovation Ave., North Port, FL 34289 ("Leased Premises"), and a copy of said Sublease Agreement is attached hereto as Exhibit 1; and

WHEREAS, SHF is the tenant under a lease between SHF and Toledo Blade Design Center, L.L.C. ("Primary Landlord"), which was subsequently amended in February 2008, on November 3, 2008 and on June 15, 2011 (collectively referred to herein as the "Lease"); and

WHEREAS, Imagine-Sarasota County, LLC, was authorized by a charter contract ("Charter Contract") to operate a charter school ("Charter School") at the Leased Premises; and

WHEREAS, on June 7, 2011, Imagine-Sarasota County, LLC, with the consent and approval of the School Board of Sarasota County, assigned the Charter Contract to Imagine School at North Port, Inc., effective July 1, 2011; and

WHEREAS, Imagine-Sarasota County, LLC, will no longer be operating the Charter School as of July 1, 2011; and therefore, it desires to assign its rights and obligations in the Sublease Agreement to Imagine School at North Port, Inc.; and

WHEREAS, pursuant to Paragraph 11 of the Sublease Agreement, said Sublease Agreement may be assigned with the consent of SHF; and

WHEREAS, the Lease does not require the Primary Landlord's consent to this Sublease Assignment.

NOW, THEREFORE, for and in consideration of the mutual covenants and premises contained herein, the receipt and sufficient of which are hereby acknowledged, the parties hereby agree as follows:

1. The Effective Date of this Sublease Assignment is July 1, 2011.

2. As of the Effective Date, Imagine-Sarasota County, LLC, assigns, and Imagine School at North Port, Inc., hereby assumes, all of Imagine-Sarasota County, LLC's rights, responsibilities and obligations under the Sublease Agreement.

3. As of the Effective Date, Imagine School at North Port, Inc., agrees to indemnify and hold harmless Imagine-Sarasota County LLC, from and against any and all claims, demands causes of actions, judgments, and liabilities which may be asserted or recovered against Imagine-Sarasota County, LLC, arising out of, or relating or pertaining to, the Sublease Agreement, including attorneys' fees and costs incident thereto.

4. By its signature below, SHF, consents to this Sublease Assignment pursuant to Paragraph 11 of the Sublease Agreement.

IN WITNESS WHEREOF, the parties have caused this Sublease Assignment to be executed, effective July 1, 2011.

IMAGINE-SARASOTA COUNTY, LLC, a Florida limited liability company

BY: Barbara McKeathon
Barbara McKeathon, Chair

IMAGINE SCHOOL AT NORTH PORT, INC., a Florida nonprofit corporation

BY: Barbara McKeathon
Barbara McKeathon, Chair

SCHOOLHOUSE FINANCE, LLC, a Virginia limited liability company

BY:
NAME: Barry J. Sharp
TITLE: President

BYLAWS
OF
IMAGINE SCHOOL AT NORTH PORT, INC.

ARTICLE I
General

1.1 Name. The name of the Corporation shall be Imagine School at North Port, Inc., a not-for-profit Florida corporation and shall be hereinafter referred to as the "Corporation."

1.2. Address. The Corporation shall have its principal place of business located at 9275 49TH Avenue East, Palmetto, FL 34221, and may have such other places of business as the Board of Directors may designate from time to time.

1.3. Registered Agent. The Corporation's agent for service of process shall be Corporation Service Company, a Delaware corporation, or such other qualified person or entity as the Board of Directors may designate.

ARTICLE II
Purpose of the Corporation

2.1. Purpose. The general purposes for which the Corporation is organized are as follows:

a) To provide charitable and educational services through the operation of one or more charter schools within the State of Florida.

b) To act consistent with all applicable statutes, ordinances, rules and regulations affecting the actions of the Corporation and to do all other things otherwise permitted by law.

c) To do such other and further things as are incidental to the foregoing or necessary or desirable in order to accomplish the foregoing.

d) To carry out any business, occupation, undertaking, enterprise, and exercise any power or authority which may be done by a private corporation organized and existing under and by virtue of Chapter 617, Florida Statutes, as may be amended, it being the intention that this corporation may conduct and transact any business lawfully authorized and not prohibited by Chapter 617, Florida Statutes, as may be amended.

e) To engage in any fundraising activities necessary to promulgate the purposes of the Corporation.

2.2 Dedication of Assets. The Corporation's assets are irrevocably dedicated to its public benefit purposes. No part of the net earnings, properties, or assets of the Corporation, on dissolution or otherwise, shall inure to the benefit of any private person or individual, or to any Director or Officer of the Corporation. Upon dissolution of this Corporation, all properties and assets remaining after payment, or provision for payment, of all debts and liabilities of the Corporation, including disposition of assets pursuant to any applicable charter contract or law applying to charter schools, shall be distributed to a nonprofit fund, foundation, or corporation that is organized exclusively for charitable purposes, pursuant to Section 501(c)(3) of the Internal Revenue Code, or the corresponding provision in any future tax code.

ARTICLE III
Membership

3.1. Sole Member. The sole member of the Corporation shall be Imagine Schools Non-Profit, Inc., a Virginia non-profit corporation (the "Member").

3.2. Associates. Nothing in this Article shall be construed as limiting the right of the Corporation to refer to persons associated with it as "members" or "associates" even though such persons are not members of the Corporation within the meaning of Section 617.0601, Florida Statutes, and no such reference shall make anyone a member within the meaning of Section 617.0601, Florida Statutes, including honorary or donor members. Such individuals may originate and take part in the discussion of any subject that may properly come before any meeting of the Board, but may not vote. The Corporation may confer by amendment of its Articles of Incorporation or these Bylaws some or all of the rights of a member, as set forth in the Florida Not For Profit Corporation Act, upon any person who does not have the right to vote for the election of directors, on a disposition of all or substantially all of the Corporation's assets, on the merger or dissolution of the Corporation, or on changes to its Articles of Incorporation or Bylaws, but no such person shall be a member within the meaning of Section 617.0601, Florida Statutes. The Board may also, in its discretion, without establishing membership, establish an advisory committee or honorary board or such other auxiliary groups as it deems appropriate to advise and support the Corporation.

3.3 Rights of Sole Member. The sole member shall have the exclusive right to approve any amendments to the Articles of Incorporation or the Corporation's Bylaws, to appoint members of the Board of Directors, to vote on the disposition of all or substantially all of the Corporation's assets, to vote on any merger and its principal terms and any amendment of those terms, and to vote on any election to dissolve the Corporation, and as otherwise required under the Florida Not For Profit Corporation Act and/or set forth in these Bylaws.

ARTICLE IV
Seal

The seal of this Corporation shall have inscribed on it the name of this Corporation, the year of its organization, and the words "Corporate Seal, State of Florida."

ARTICLE V
The Board of Directors

5.1. General Powers. Except as provided in the Articles of Incorporation, and as otherwise provided in these Bylaws, the direction and management of the affairs of the Corporation shall be vested in a Board of Directors.

5.2. Number and Appointment. The business and affairs of the Corporation shall be managed by a Board of Directors of not less than three (3) nor more than five (5) members. All directors shall be appointed by the Member. The Member shall appoint and fill vacancies for two (2) of the Board members (the "Open Criteria Directors") on the basis of any criteria it deems relevant to the selection of Directors, consistent with the Corporation's mission. The Member shall appoint and fill vacancies for three (3) other Board members (the "Community Criteria Directors") on the basis of any criteria it deems relevant to the selection of Directors consistent with the Corporation's mission; provided, however, that particular consideration will be given to individuals whom the Member considers to be well representative of the charter school community served by the Corporation. After the appointment of the initial Board by the Member, the Board shall elect new Directors to fill any Governing Board vacancies in accordance with the provisions of this Section 5.2, subject to the approval of the Member, which approval shall not be unreasonably withheld. The Member may remove a Director at any time if in the reasonably judgment of the Member: (i) a Director has acted inconsistent with the mission,

purposes, standards, ideals, and spirit of Imagine Schools, including without limitation adherence to the Imagine Schools' Six Measures of Excellence, as set forth in Section 1 of the Affiliate Agreement between the Corporation and the Member, as may hereafter be amended or restated, and (ii) to the extent required to maintain the tax-exempt status of the Corporation. The Member shall inform the Secretary in writing of all such appointments and removals. The appointment or removal shall be effective only upon receipt of this written communication. This Corporation shall not be bound by such appointments and removals unless the person signing the written communication has been properly authorized by the Member. Each Director shall serve until his successor shall be duly appointed and qualified by the Member, or until an earlier resignation, removal, or other termination of services of any Director, or death.

5.3. Terms of Directors. The initial Board of Directors shall be divided into three (3) classes of approximately equal size, with the term of each Director ending in each of the next three (3) consecutive years so that the offices of approximately one-third of the total number of Directors shall become vacant each year. Thereafter, the term of a Director shall be for three (3) years, unless the Director is sooner removed by or as a result of the earliest to occur of: (1) operation of law; (2) an order or decree of any court of competent jurisdiction; (3) voluntary resignation, or (4) removal by the Member. An individual who has served a term as Director may not be eligible for another term until one (1) year has passed following the last day of the individual's preceding term as Director.

5.4 Powers of the Board of Directors. The Board of Directors shall have power:

a) To call meeting of the Board of Directors.
b) In anticipation of or during an emergency, if a majority of the Board of Directors cannot readily be assembled because of some catastrophic event, then any number of the Directors shall have the power and authority to do and perform all acts and functions, permitted for an organization described in §627.0303, Florida Statutes, as amended, or subsequent legislation not inconsistent with these Bylaws, the Articles of Incorporation, or the laws of the State of Florida.
c) To authorize and cause the Corporation to enter into contracts for the day-to-day operations of the Corporation and the discharge of its responsibilities and obligations.
d) To exercise for the Corporation all powers, duties and authority vested in or delegated to the Corporation.

5.5. Duties of the Board of Directors. It shall be the duty of the Board of Directors:

a) To cause to be kept a complete record of all its actions and corporate affairs.
b) To supervise all officers, agents, and employees of the Corporation and to see that their duties are properly performed.

5.6. Vacancies. If a vacancy should occur in the Board of Directors, the Member shall appoint an individual to serve on the Board for the remainder of the vacating Director's three-year term consistent with the criteria utilized by the Member to appoint the vacating Director, as described in Section 5.2.

5.8 Resignation and Removal. Any Director may resign at any time by giving written notice to the Corporation, the Board of Directors, or its chairperson. The resignation of any Director shall take effect when the notice is delivered unless the notice specifies a later effective date, in which event the pending vacancy may be filled as set forth herein before the effective date provided that the successor does not take office until the effective date. Any Director may be removed by the Member at any time if in the reasonably judgment of the Member: (i) a

Director has acted inconsistent with the mission, purposes, standards, ideals, and spirit of Imagine Schools, including without limitation adherence to the Imagine Schools' Six Measures of Excellence, as set forth in Section 1 of the Affiliate Agreement between the Corporation and the Member, as may hereafter be amended or restated, and (ii) to the extent required to maintain the tax-exempt status of the Corporation. The Member shall inform the Secretary in writing of all such appointments and removals. The Board may also vote for the removal of a Director by a two-thirds majority of the Directors then in office and present at any regular or special meeting of the Board, subject to the approval of the Member.

5.9. Compensation. Directors shall not receive salary for their services as Directors. A Director may be reimbursed for authorized expenses if such expenses are approved by the Board at their direction.

ARTICLE VI
Meetings of the Board

6.1. Place of Meetings; Attendance. The meetings of the Board of Directors will be held at a location so designated by a majority of the Board. Meetings may be held telephonically, or such other electronic means as may be designated by the Board of Directors, as permitted by Florida law. In such event, participation by any Director in such telephonic or electronic meeting shall constitute attendance.

6.2. Time of Regular Meeting; Notice. The Board of Directors shall determine, at the annual meeting, the dates and times the Board will meet throughout the year. Notice of such meetings shall be distributed to the Board and Members of the Corporation. This notice may be given either personally, or by sending a copy of the notice through the United State Mail, by facsimile or other electronic means.

6.3. Special Meetings. Special Meetings of the Board of Directors may be called at any time by the Chairman of the Board or by any two Directors.

6.4. Notice of Special or Emergency Meetings. Written notice of each special meeting, setting forth the time and place of the meeting shall be given to each Director at least ten (10) days before the meeting. This notice may be given either personally, or by sending a copy of the notice through the United State Mail, by facsimile or other electronic means. Notice of emergency meeting shall be given to each Director in a manner and in a time period that is reasonable under the circumstances.

6.5. Voting and Quorum. Except as otherwise provided below, a majority of the Directors in office shall be necessary to constitute a quorum for the transaction of business; provided, however, that whenever a vacancy occurs for any reason in the Board of Directors, a quorum shall consist of a majority of the remaining Directors until the vacancy has been filled. If a quorum is present, the acts of a majority of the Directors in attendance shall be the acts of the Board. Each Director shall have one (1) vote. If a quorum is not present, no business shall be conducted at the meeting. Any Director not present at a meeting may vote on any matter by general or specific proxy or by power of attorney directed to another Director present or by specific instructions in writing. Except for the appointment of the school principal, the approval of the school budget, the selection and financing of the school facility, and removal of a Director, all of which shall require a quorum of two-thirds of the Board of Directors, a quorum for the transaction of any particular business at a meeting of the Board shall be a majority of the

Directors then in office. Any less number may: (1) set a time to adjourn, (2) adjourn, (3) recess, or (4) take measures to obtain a quorum.

6.6. Action Without a Meeting. Unless prohibited by Florida law or contractual provision binding the Corporation, any action required or permitted to be taken at a meeting of the Board of Directors or a committee thereof may be taken without a meeting if a consent in writing, stating the action so taken, is signed by a majority of the directors or of the members of the committee, as the case may be. A consent signed under this section shall have the effect of a meeting vote and may be described as such in any document.

6.7. Attendance. Any member of the Board unable to attend a meeting of the Board shall notify the Secretary and state the reason for his or her absence, though a Director may assign by written proxy pursuant to Section 6.5 of this Article another Director to substitute for him or her at meetings. If a Director is absent from two (2) meetings in a fiscal year, he or she may be removed by a two-thirds vote of the Board.

6.8 Meetings by Means of Conference Telephone Call or Similar Electronic Equipment. Members of the Board of Directors or a committee thereof may participate in a meeting of the Board or such committee by means of a conference telephone call or similar communications equipment if all persons participating in the meeting can hear each other at the same time, and provided that such action is permitted by Florida law. In such event, participation by such means constitutes presence in person at a meeting.

6. 9. Open Meetings. So long as the Corporation's contract for operation of a public charter school remains in effect, to the extent required by such laws, rules and regulations as govern the operation of such public charter school; all meetings of the Board of Directors will be noticed and conducted in accordance with the Sunshine Act (Section 286.011, Florida Statutes).

6.10. Presumption of Assent. A Director who is present at a meeting of the Board when Corporate action is taken is deemed to have assented to the action taken unless (1) the Director objects at the beginning of the meeting, or promptly upon his or her arrival, to holding it or transacting specified business at the meeting or (2) the Director votes against, or abstains from, the action taken. The Secretary or any other officer performing the Secretary's duties shall maintain accurate records of all votes of the Board of Directors.

6.11. No Duty to Consult. Except as otherwise provided herein, the Directors shall have no duty or obligation to consult with or seek the advice of the Member in connection with the conduct of the business of the Corporation.

6.12. Committees of the Board of Directors. The Board of Directors, by resolution adopted by a majority of the full Board, may designate from among its members an executive committee and one or more other committees each of which, to the extent provided in the resolution, shall have and may exercise all the authority of the Board of Directors, except as prohibited by the Florida Statutes, Chapter 617. Each committee shall consist of two (2) or more Directors. The Board of Directors, by resolution adopted in accordance with this article, may designate one or more Directors as alternate members of any committee, who may act in the place and stead of any absent committee member(s) at any meeting of the committee.

6.13. Advisory Committees. Advisory committees not having and exercising the managerial authority of the Board of Directors may be established by resolution duly adopted by the Board. Membership of such committees shall not be limited to the Directors of the Corporation. Members of such committees shall be appointed by a majority vote of the Board. Any member of such committee may be removed by the Board when, in the judgment of the Board, the interests of the Corporation would be served best by such removal.

6.14. Nomination Committee. The Board of Directors shall appoint a nominating committee to recommend to the Member candidates to fill any vacancies on the Board of Directors. The nominating committee shall provide the Member with a copy of the slate of candidates at least thirty (30) days prior to the expiration of the term of one or more Directors or within thirty (30) days of the resignation or removal of one or more Directors. Notwithstanding this provision, the Member may, in its discretion, and subject to the criteria set forth in Article V, appoint one or more persons not included in the slate of nominees presented by the Board.

ARTICLE VII
Officers, Agents and Employees

7.1. Officers. The executive officers of the Corporation shall be elected by the Board of Directors and may consist of a President, Vice-President, Secretary, Treasurer or other officers, assistant officers or agents that the Board of Directors from time to time may deem necessary. **Any two or more offices may be held by the same person.**

7.2. Other Officers, Employees and Agents. Each and every other officer, employee, and agent of the Corporation shall possess, and may exercise, such power and authority, and shall perform such duties, as may from time to time be assigned to him or her by the Board of Directors, the officer appointing him or her, and such officer or officers who may from time to time be designated by the Board to exercise supervisory authority.

7.3. Election and Term of Office. The Officers of the Corporation shall be elected by the Board of Directors annually at the first meeting of the Board held in each fiscal year. If the election of Officers shall not be held at such meeting, such election shall be the first order of business at the next regular meeting of the Board. Each Officer shall hold office until his successor shall have been duly elected or until an earlier resignation, death or removal in the manner herein provided.

7.4. Removal. Any officer of the Corporation may be removed with or without cause, at any time, by a majority vote of the Board or by the Member

7.5. Resignation. Any officer of the Corporation may resign from his or her respective office or position by delivering notice to the Corporation. The resignation is effective when delivered unless the notice specifies a later effective date. If a resignation is made effective at a later date and the Corporation accepts the future effective date, the Board of Directors may fill the pending vacancy before the effective date if the Board provides that the successor does not take officer until the effective date.

7.6. Vacancies. When a vacancy occurs in one of the executive offices by death, resignation or otherwise, it shall be filled by the Board of Directors. The officer so selected shall hold office until his successor is duly elected and qualified, or until an earlier resignation, death or removal in the manner herein provided.

7.7. Compensation. Directors who serve as officers shall not receive any compensation for their services. Officers who are not also Directors may be compensated in accordance with the budget approved by the Board of Directors.

7.8. President. The President shall be the Chairman of the Board of Directors, shall be the chief executive officer of the Corporation, and shall have general supervision and control of the business of the Corporation. He/she shall preside at all meetings of Directors, Committees of the Board of Directors on which he/she may serve, and discharge the duties of a presiding officer. At each annual meeting of the Board of Directors, the President or the President's designee shall report on the business of the Corporation for the preceding fiscal year; and shall

perform whatever other duties of the Board of Directors may from time to time prescribe, and as are incident to the offices of President and Chief Executive Officer.

7.9. Vice-President. The Vice-President shall be the Vice-Chairman of the Board of Directors. The Vice-President shall, in the absence or disability or inability of the President, perform the duties and exercise the powers of the President. He/she also shall perform whatever duties and have whatever powers the Board of Directors may from time to time assign him/her. In the event the President refuses to act, the Vice-President may act for him/her at the direction of the Board of Directors.

7.10. Secretary. The Secretary shall keep the minutes of the meetings of the Board of Directors in one or more books provided for that purpose; see that all notices are duly given in accordance with the provisions of these Bylaws or as required b law; be custodian of the corporate records and of the seal of the Corporation; and keep a register of the address of each Member of the Corporation. In addition, the Secretary shall possess, and may exercise, such power and authority, and shall perform such duties, as may from time to time be assigned to him or her by the Board of Directors and as are incident to the office of Secretary.

7.11. Treasurer. The Treasurer shall have custody of corporate funds. He/she shall keep or be responsible for full and accurate accounts of receipts and disbursements, an accurate and full account of all assets and liabilities, and shall deposit all corporate monies and other valuable effects in the name and to the credit of the Corporation in a depository or depositories designated by the Board of Directors. He/she shall disburse the funds of the Corporation and shall render to the President or the Board of Directors, whenever they may require it, an account of his/her transactions as Treasurer and of the financial condition of the Corporation. In addition, the Treasurer shall possess, and may exercise such power and authority, and shall perform such duties, as may from time to time be assigned to her/him by the Board of Directors and as are incident to the office of Treasurer.

7.12. Designation of Duties. Whenever an officer is absent or whenever, for any reason, the Board of Directors may deem it desirable and as permitted by Florida law, the Board may delegate the powers and duties of an officer to any other officer or officers or to any Director or Directors or agent.

ARTICLE VIII
Books, Records and Reports

8.1 Books and Records. In compliance with Section 617.1601, Florida Statutes, as amended, or any successor thereto, the Corporation shall keep as permanent records correct and complete books and records of accounts and shall keep minutes of the proceedings of the Board of Directors and committees having any authority of the Board of Directors. All books and records of the Corporation shall be kept in written form or in another form capable of conversion into written form within a reasonable period of time.

8.2 Annual Reports. The Corporation shall file with the Department of State of the State of Florida a sworn annual report on such forms and containing such information as the Department of State may prescribe.

8.3 Inspection Rights. The Member and every Director shall have the right at any reasonable time to inspect the Corporation's books, records, documents of every kind, and physical properties, as permitted by Florida and federal law.

ARTICLE IX
Contracts, Deposits, Checks and Contributions

9.1 Contracts. Except as otherwise provided in these Bylaws, the Board of Directors may authorize any Officer or agent to enter into any contract or execute and deliver any instrument in the name and on behalf of the Corporation, and such may be general or confined to a specific instance. Unless so authorized by the Board of Directors, no officer, employee, agent or representative shall have the power or authority to bind the Corporation by any contract or engagement, or to pledge its credit, or render it liable pecuniarily for any purpose or to any amount.

9.2 Deposits. All funds of the Corporation shall be deposited from time to time to the credit of the Corporation in such banks, trust companies or other depositories of, invested from time to time for and on behalf of the Corporation, as the Board of Directors may elect.

9.3 Checks, Drafts, Orders of Payment. All checks, drafts, or orders for the payment of money, notes, or other evidences of indebtedness issued in the name of the Corporation shall be signed by such officers or officers, agent or agents of the Corporation and in such manner as the Board of Directors from time to time shall determine by resolution. In the absence of such determination, such instruments shall require the signatures of both the President and the Treasurer of the Corporation.

9.4 Contributions. The Board of Directors may accept on behalf of the Corporation any contribution, gift, bequest, or devise of any property whatsoever, for the purposes of the Corporation.

ARTICLE X
Fiscal Year

The fiscal year of the Corporation shall commence on July 1 of each year and end on June 30 of the following year.

ARTICLE XI
Indemnification

The Corporation shall indemnify and advance expenses on behalf of its Directors and Officers to the fullest extent permitted under Section 617.0831, Florida Statutes, as amended, or any successor thereto. Said indemnification shall extend to any and all liabilities of the Directors and Officers arising from their relationships with the Corporation in any and all capabilities. By resolution duly adopted, the Board of Directors may authorize the Corporation to (i) indemnify any or all of its employees and agents who are not Directors to any extent that the Board of Directors may determine, up to and including the fullest extent permitted under Section 617.0831, Florida Statutes, as amended, or any successor thereto, and/or (ii) provide insurance coverage to any or all of its directors, officers, employees and agents against any or all risks or liabilities that such persons may incur by virtue of their relationship with the Corporation.

ARTICLE XII
Bylaws-Amendments; Effective Date

12.1 Bylaw Amendments. These Bylaws may be amended from time to time only by a written instrument approved by the Member and the Corporation and executed by the Member and the Corporation.

12.2 Bylaws Effective. These Bylaws shall not be effective until approved by the Member.

The foregoing Bylaws of Imagine School at North Port, Inc., were adopted and approved this 7th day of 2010 July, by a majority vote of a quorum of the Board of Directors.

Stephen Hudek
Secretary
Printed Name: Stephen Hudek

Approved by the Member, Imagine Schools Non-Profit, Inc., this 7th day of July, 2010.

Its CEO
Printed Name: Dennis W. Babtc

Exhibit 9

SUBLEASE AGREEMENT

THIS SUBLEASE is entered into as of the 23 of December, 2009 by and between Schoolhouse Finance, LLC, a Virginia limited liability company (hereinafter referred to as "Sublandlord") and Imagine – Sarasota County, LLC, a Florida limited liability company (hereinafter referred to as "Subtenant").

RECITALS:

Sublandlord is the tenant under a lease (the "Lease") between Sublandlord and Panacea Associates TIC, a Tenancy in Common entity and not a legal entity comprised of Will-Ridge Associates, LLC (55%) and Panacea Gulf Coast Associates, LLC (45%) (the "Prime Landlord"), dated as of December 23, 2009, of real property, located at 2737, 2747 and 2757 Sycamore Street, North Port, FL 34289, Florida (the "Premises"). The boundaries and location of said Premises are more particularly described in the Lease attached hereto as Exhibit "A" and incorporated herein by reference.

Subtenant desires to sublease from Sublandlord, and Sublandlord desires to lease to Subtenant, the Premises on the terms and conditions contained herein.

NOW, THEREFORE, in consideration of the terms, covenants, conditions and agreements contained herein, the parties hereto agree as follows:

1. Premises. Sublandlord hereby subleases to Subtenant, and Subtenant subleases from Sublandlord, the Premises. Subtenant shall be subject to all of the terms and condition contained in the Lease, except the rental provisions thereof, as if Subtenant were the tenant thereunder. In addition, in no event shall Subtenant have the right to receive any payments due from Prime Landlord under the Lease. To the extent not inconsistent with this Sublease, the terms of the Lease are hereby incorporated into this Sublease by reference. Sublandlord shall have all of the rights of Prime Landlord under the Lease. The foregoing shall not be construed to create a direct relationship between Subtenant and Prime Landlord.

2. Term. The initial term of this Sublease shall be for the period beginning on the Rent Commencement Date, as defined in the Lease (the "Commencement Date") and ending on the Expiration Date, as defined in the Lease (the "Term"). Notwithstanding any provision herein to the contrary, this Sublease shall automatically terminate upon the expiration or termination of the Lease for any reason. In no event shall Subtenant have the right to exercise any options to extend the term of the Lease that may be available to Sublandlord under the Lease.

3. Base Rent.

(a) Subtenant shall pay to Sublandlord base rent ("Base Rent") as follows:

Lease Year	Annual Base Rent
1	$253,028.57

2	$282,624.00
3	$327,801.60
4	$335,996.64
5	$344,396.56
6	$353,006.47
7	$361,831.63
8	$370,877.42
9	$380,149.36
10	$389,653.09

Additionally, in any Lease Year where total enrollment in the School (as hereinafter defined), exceeds a total of eight hundred (800) students, the Base Rent will be increased by Four Hundred and No/100 Dollars ($400.00) per Lease Year for each full-year, full-time equivalent student for which Subtenant receives payment from the Sarasota County School District (the "**School District**") in excess of Eight Hundred (800) students beginning on the first day of the Lease Year in which the enrollment exceeds Eight Hundred (800) students (the maximum number of students currently permitted under the charter contract held by the Charter School with the School District (the "**Charter**")). By way of example, in the event that the Charter School received payment from the School District for the equivalent of Eight Hundred Sixty (860) full-year full-time students, then the Base Rent for that Lease Year would increase by Twenty-Four Thousand Dollars ($24,000.00)(60 students x $400/student). "School" shall mean both the school operated under the Charter located at 1000 Innovation Avenue and the school located within the Premises. Subtenant shall pay the full amount of the foregoing increased Base Rent, if any, to Sublandlord in arrears on the 1st of July of each Lease Year (pro-rated for any partial year) along with documentation reasonably acceptable to Sublandlord showing the payments received from the School District for the number of full-year, full time equivalent students for the School for such Lease Year. The first "Lease Year" shall mean the period commencing on the Rent Commencement Date and ending upon the expiration of twelve (12) full calendar months thereafter. Commencing upon the expiration of twelve (12) full calendar months following the Rent Commencement Date, each Lease Year shall consist of consecutive twelve (12) full calendar month periods, with the exception of the final Lease Year, which shall end on the Expiration Date.

(b) Base Rent shall be payable in advance, without demand, offset or deduction, on the first (1st) day of each month during the Term. A partial month's payment shall be due on the Commencement Date if the Commencement Date is other than the first day of a month. Any installment of rent or any other charge or money obligation herein required to be paid by Tenant which is not paid within five (5) days of its due date shall bear a late charge of

five percent (5%) and Landlord may treat any such charge or money obligation as additional rent hereunder.

(c) Subtenant shall be responsible for the direct payment of all charges for utilities and other services to the extent, and only to the extent, such payments are not already paid for by Prime Landlord under the terms of the Lease. In no event shall Sublandlord be responsible or liable for any failure to furnish any services to be provided by Prime Landlord under the Lease, or otherwise by anyone other than Sublandlord, except as may directly result from the negligent or intentional acts or omissions of Sublandlord.

4. Additional Rent. Subtenant shall pay to Sublandlord additional rent ("Additional Rent") as follows:

(a) Operating Charges/Common Area Maintenance Expenses. Subtenant shall reimburse Sublandlord for any and all Operating Charges and/or Common Area Maintenance Expenses (as those terms are defined in the Lease) paid by Sublandlord to Prime Landlord pursuant to Article 7 of the Lease.

(b) Real Estate Taxes. The Property and/or the Premises as used for school purposes may be exempted from the payment of real property taxes and assessments that may otherwise be assessed or levied pursuant to state and/or local law. Sublandlord agrees to promptly cooperate with Subtenant in connection with any application or process seeking such exemption; it being recognized that Sublandlord will cause Prime Landlord to make application for any such exemption after consultation with Subtenant as it may relate to the Premises. Notwithstanding the foregoing, in the event the Property is not deemed exempt from the payment of real property taxes and assessments, Subtenant shall reimburse Sublandlord for any and all real property taxes and assessments (special or otherwise) paid by Sublandlord to Prime Landlord pursuant to the Lease.

(c) Personal Property and Other Taxes. Subtenant shall reimburse Sublandlord for any and all personal property and such other taxes of any kind (except income taxes) paid by Sublandlord pursuant to the Lease. Subtenant shall be solely responsible for payment of any personal property taxes on Subtenant's personal property in the Premises and in no event shall Sublandlord be required to make payment thereon. In the event any sales taxes or other taxes are imposed by any governmental authority upon rent and other charges due hereunder, Subtenant shall reimburse Sublandlord upon demand for all such charges.

(d) Insurance Premiums. Subtenant shall reimburse Sublandlord for any and all insurance premiums paid by Sublandlord pursuant to the Lease.

(e) Sales Tax. Subtenant shall reimburse Sublandlord for any sales tax paid by Sublandlord to Prime Landlord pursuant to the Prime Sublease. In the event any additional sales taxes or other taxes are imposed by any governmental authority upon rent and other charges due hereunder, Subtenant shall reimburse Sublandlord upon demand for all such charges.

5. Assumption Agreement and Covenants. Except as set forth in Section 1 above, Subtenant hereby assumes and shall faithfully and promptly make all payments and perform all obligations and duties imposed on Sublandlord as Subtenant under the Lease including, without limitation, any obligations to maintain and repair the Premises, to make payments or contributions for taxes, special assessments, insurance and any other payments required to be made by Sublandlord; not to commit or suffer waste; not to use the Premises for any unlawful purposes; and, at the termination of this Sublease, to surrender the Premises in good condition, reasonable wear and tear excepted and in the condition required by the Lease. Any and all payments required under the Lease and this Sublease to be made by Subtenant as aforementioned shall be made in a timely manner directly to Sublandlord.

6. Use: Compliance with law.

(a) The Premises shall be continuously occupied and used by Subtenant only for purposes permitted by the Lease and for no other purpose.

(b) Subtenant shall obey, observe and promptly comply with all rules, regulations, ordinances and laws which shall be applicable, now or at any time during the Term, to the Premises and shall promptly comply with all orders, rules, rulings and directives of any governmental authority or agency having jurisdiction of the Premises. Subtenant shall not store, use, discharge or dispose of any hazardous or toxic substances, pollutants, contaminants or any other substances regulated by any state or federal statute (collectively "Contaminants") on the Premises. Subtenant shall be solely response for the costs of removing or cleaning any Contaminants found on the Premises and caused by Subtenant.

7. Maintenance and Security By Subtenant. Except for the repairs and maintenance that Prime Landlord is obligated to make under the Lease, Subtenant, at Subtenant's sole expense, shall promptly perform all maintenance and make all repairs and replacements in and to the Premises as are necessary or desirable to keep the Premises in good condition and repair, in a clean, safe and tenantable condition, and otherwise in accordance with all laws and the requirements of the Lease. Without limiting the generality of the foregoing, Subtenant, at its sole expense, shall maintain in safe and sanitary condition and shall make all repairs and replacements to: (a) any pipes, lines, ducts, wires or conduits serving exclusively the Premises; (b) any heating, air conditioning, electrical, ventilating or plumbing equipment serving exclusively the Premises; (c) all fixtures, furnishings, and all glass, window panes and doors; and (d) any other mechanical systems serving exclusively the Premises (including any special fire equipment, telecommunications and computer equipment and kitchen equipment) located in, or exclusively serving, the Premises. Subtenant shall be responsible, at Subtenant's sole expense, for providing all janitorial and cleaning services and for maintaining the Premises in a clean, orderly and

sanitary condition free of insects, rodents, vermin and other pests. Sublandlord reserves the right to establish a regular inspection and maintenance program for all equipment maintained by Subtenant and to provide all necessary or appropriate maintenance and repairs at Subtenant's expense. Subtenant, at its expense, shall install and maintain such fire extinguishers and other fire protection devices as may be required from time to time by any agency having jurisdiction thereof and/or the underwriters insuring the Premises. Subtenant shall not cause or permit any damage, waste or injury to any part of the Premises. All injury, breakage and damage to the Premises caused by any act or omission of Subtenant or any invitee of Subtenant, shall be repaired by and at Subtenant's expense, except that Sublandlord shall have the right, but not the obligation, at Sublandlord's option, to make any such repair and to charge Subtenant for all costs and expenses incurred in connection therewith, which Subtenant shall remit to Sublandlord within five (5) days of Sublandlord's written demand to Subtenant therefor.

8. Default. The occurrence of any one or more of the following events shall constitute a material default and breach of this Sublease by Subtenant:

(a) The failure by Subtenant to pay amounts due Sublandlord hereunder, at the time the same shall become due and payable;

(b) The vacating or abandonment of the Premises by Subtenant;

(c) The failure by Subtenant to observe or perform any of the covenants, conditions or provisions of this Sublease to be observed or performed by Subtenant, other than described in subparagraph (b) above, where such failure shall continue for a period of ten (10) days after written notice thereof from Sublandlord to Subtenant;

(d) The making by Sublandlord of any general arrangement or assignment for the benefit of creditors:

(e) If Subtenant becomes a "debtor" as defined in the United States Bankruptcy Code or any successor statute thereto (unless, in the case of a petition filed against Subtenant, the same is dismissed within 30 days);

(f) The appointment of a trustee or receiver to take possession of substantially all of Subtenant's assets located at the Premises or of Subtenant's interest in this Sublease, where possession is not restored to Subtenant within 30 days; or

(g) The attachment, execution or other judicial seizure of substantially all of Subtenant's assets located at the Premises or of Subtenant's interest in this Sublease, where such seizure is not discharged within 30 days;

(h) The discovery by Sublandlord that any financial statement given to Sublandlord by Subtenant, any assignee of Subtenant, any sub-subtenant of Subtenant, or any successor in interest of Subtenant was materially false.

(i) The assignment, sale, transfer or other disposition of fifty percent (50%) or more of Imagine Schools Non-Profit, Inc.'s ownership interest in Subtenant.

9. Remedies Upon Default. In the event of any default or breach by Subtenant, Sublandlord may at any time thereafter, with or without notice or demand:

(a) Terminate Subtenant's right to possession of the Premises by any lawful means, in which case this Sublease shall terminate and Subtenant shall immediately surrender possession of the Premises to Sublandlord. In such event Sublandlord shall be entitled to recover from Subtenant all damages incurred by Sublandlord by reason of Subtenant's default including, but not limited to, the cost of recovering possession of the Premises, expenses of reletting including renovation and alteration of the Premises, reasonable attorneys' fees, and any real estate commission paid; and the difference at the time of termination between the amount by which the unpaid rent for the balance of the term after the time of such termination exceeds the fair market rental for the same period, reduced to present value by applying a 6% discount factor;

(b) Maintain Subtenant's right to possession in which case this Sublease shall continue in effect whether or not Subtenant shall have abandoned the Premises. In such event, Sublandlord shall be entitled to enforce all of Sublandlord's rights and remedies under this Sublease, including the right to recover the rent and other charges as they become due hereunder;

(c) Terminate Subtenant's right of possession, but not this Sublease, whereupon Sublandlord may attempt to relet the Premises for Subtenant's account; in which case Subtenant shall remain liable to Sublandlord for the amount, if any, by which the rental and other charges required to be paid hereunder exceeds the net amount actually received by Sublandlord from any such reletting (after deducting from the rental received from the new tenant any amounts paid by Sublandlord in obtaining the new sublease including all real estate commissions, concessions, renovation costs and other costs). Such amounts owed by Subtenant shall be paid to Sublandlord from time to time upon demand;

(d) Pursue any other remedy now or hereafter available to Sublandlord at law or equity.

10. Subtenant Indemnity; Waiver of Subordination. Except to the extent arising from the gross negligence or willful misconduct of Sublandlord, Subtenant shall defend, indemnify and hold Sublandlord harmless from any and all damages, costs, losses and expenses (including reasonable attorneys' fees) resulting in any way from Subtenant's occupancy and/or use of the Premises or the surrounding area, or the breach of any obligation of Subtenant as set out in the Sublease. Subtenant shall keep in full force and effect a policy or policies of:

(a) Commercial general liability insurance for bodily injury, property damage (including loss of use of property) and personal injury in or about the Premises, and shall be adequately covered under reasonable limits of liability of not less than $1,000,000 per occurrence and $2,000,000 annual aggregate.

(b) Worker's compensation insurance (including employees' liability insurance) in the statutory amount covering all employees of Subtenant employed or performing services at the Premises, in order to provide the statutory benefits required by the State of Florida.

(c) Automobile liability insurance, including but not limited to, passenger liability, on all owned, non-owned, and hired vehicles used in connection with the Premises, with a combined single limit per occurrence of not less than $1,000,000 per vehicle for injuries or death of one or more persons or loss or damage to property.

(d) Personal property insurance covering the personal property on the Premises in an amount not less than 100% of the full replacement cost, without deduction for depreciation, providing protection against events protected under all risk coverage, as well as against sprinkler damage, vandalism, and malicious mischief. Any proceeds from such personal property insurance shall be used for the repair or replacement of the property damaged or destroyed, unless this Sublease is terminated under an applicable provision herein.

Subtenant shall name Sublandlord and Prime Landlord as additional insureds for all such insurance, except worker's compensation insurance, and such policies shall be primary and non-contributory, and shall contain a provision that such policies shall not be canceled except after thirty (30) days written advance notice to both Sublandlord and Prime Landlord. Subtenant shall furnish Sublandlord with certificates that all such insurance is in effect. The amount and coverage of such insurance shall not limit Sublandlord's liability nor relieve Sublandlord of any other obligation under this Lease.

11. Assignment and Subletting. Subtenant shall not assign its interest in the Sublease voluntarily or by operation of law and shall not sublet or license all or any portion of the Premises without the prior written consent of Sublandlord (and Prime Landlord if such consent is required by the Lease). Sublandlord's consent or approval may be granted or withheld in Sublandlord's sole discretion. Any purported or attempted assignment or subletting, without Sublandlord's prior written consent, shall be null and void. Any permitted assignee or sub-subtenant of Subtenant shall expressly assume Subtenant's liabilities and obligations under this Sublease. No assignment, subleasing or licensing shall release Subtenant from any of its obligations hereunder. Subtenant shall not mortgage or otherwise encumber its leasehold interest hereunder. Subtenant shall not mortgage or otherwise encumber its leasehold interest hereunder without the prior written consent of Sublandlord. This Sublease shall not be construed as an assignment of Sublandlord's interest in the Lease, and Subtenant shall not negotiate, modify or amend the Lease.

12. Inspection: Alterations. Subtenant has inspected the Premises, and is satisfied that the same is acceptable to Subtenant for all of its purposes and uses, and accepts the same and any included trade fixtures and equipment in "AS IS" condition, without any warranties, representations or obligations on Sublandlord's part to make any additional repairs, replacements, alterations, additions, installations or improvements whatsoever. Subtenant shall not expand or make or install any additions, renovations, alterations, improvements or changes in or to the Premises, or any part thereof without Sublandlord's prior written consent. Any permitted work shall be performed in a good and workmanlike manner at the sole expense of Subtenant. Subtenant shall not permit, create, incur or impose or cause or suffer others to permit, create, incur or impose any lien or other obligation against the Premises or any interest therein by reason of any work upon the Premises, and Subtenant shall indemnify and hold Sublandlord harmless of and from any and all claims or demands by any contractor, subcontractor, materialman, laborer or any other third person against the Premises, Subtenant's interest in the Premises or any interest therein relating to or arising because of any work conducted by or at the request of Subtenant. As between Sublandlord and Subtenant, any improvements or additions upon the Premises at the expiration of this Sublease shall be deemed a part of the Premises.

13. Loss or Damage to Property. All personal property and other equipment and items of any kind belonging to Subtenant located in or about the Premises, shall be there at the sole risk of Subtenant, and in no event shall Sublandlord have any liability for any loss, damage or theft thereof from any cause whatsoever except to the extent such loss, damage or diminution in value is caused by the breach, negligence or fault of Sublandlord.

14. Termination. Notwithstanding anything contained herein to the contrary, the existence of this Sublease is dependent and conditioned upon the existence of the Lease, and in the event of the cancellation or termination of the Lease or the Operating Agreement for any reason, this Sublease shall thereupon be terminated without the need for further action and without liability to Sublandlord. If Subtenant in not in default under the terms and conditions hereof, any such termination shall be without liability between Sublandlord and Subtenant, except for such liability therefor accruing or as otherwise provided herein; however, if Subtenant is in default, the provisions hereof including those of default shall control as to Subtenant's liability.

15. Sublandlord's Obligations. Sublandlord shall have no duty to perform any obligations of Prime Landlord under the Lease and shall under no circumstances be responsible for or liable to Subtenant for any default, failure or delay on the part of Prime Landlord in the performance of any obligations under the Lease. No such default of Prime Landlord shall affect this Sublease or waive or defer the performance of any of Subtenant's obligations hereunder; provided, however, that in the event of such default or failure, Sublandlord agrees, upon notice from Subtenant, and at Subtenant's expense, to make demand upon Prime Landlord to perform its obligations under the Lease.

16. Eminent Domain. If all or any part of the Premises shall be taken or condemned by any competent authority, then, and in that event, upon the election of the Subtenant of Sublandlord, the Sublease shall terminate without any liability of either party. Subtenant waives its right to claim any award or compensation thereof by virtue of said condemnation for any

reason whatsoever and all proceeds of condemnation shall belong solely to Sublandlord or Prime Landlord, as applicable pursuant to the terms of the Lease.

17. Costs and Expenses. Subtenant shall pay all costs and expenses, including reasonable attorneys' fees, that may be incurred by Sublandlord in enforcing the provisions of this Sublease or in enforcing Prime Landlord's obligations under the Lease if requested to do so by Subtenant. In the event any amounts due from Subtenant hereunder are not paid when due, such amounts shall bear interest from and after the date thereof to the date of payment at an annual rate of eighteen percent (18%) or the highest rate permitted by law, whichever is less.

18. Surrender Conditions. By not later than the expiration or any termination of this Sublease, Subtenant will surrender to Sublandlord possession of the Premises, with all personal property owned by Subtenant removed from the Premises, and with the Premises in good condition, appearance and repair, reasonable wear and tear excepted, broom clean, and free of subleases and occupants.

19. Notices. Any notice, demand, request, consent, approval or communication that either party desires or is required to give to the other party or any other person hereunder shall be in writing and shall be deemed to be properly served if (i) sent by certified mail with return receipt requested, (ii) sent by receipted overnight delivery service, or (iii) personally delivered to the address set forth below. The effective date of any such notice shall be three (3) business days after the date which is stamped by the United States Post Office on the envelope enclosing same, the date of the receipt for the overnight delivery or the date on which personal delivery is made, whichever is applicable. Any notice sent by Subtenant to Prime Landlord shall also be sent concurrently to Sublandlord. Until changed by written notice from the appropriate party to the other, the addresses of the parties are as follows:

Sublandlord:

Schoolhouse Finance, LLC
1005 North Glebe Road, Suite 610
Arlington, VA 22201
Attn: Isabel Berio, Esq.
Tel: (703) 527-2600
Fax: (703) 527-0038

Subtenant:

Victor K. Reymond
President

Attn:
Tel:
Fax:

25. Non-Waiver. Any assent, expressed or implied, by Sublandlord to any breach of any covenant or condition herein contained shall not be construed as an assent or waiver of any such covenant or condition generally or of any subsequent breach thereof.

26. Relationship of Parties. Nothing contained herein shall be deemed or construed to create a joint venture of partnership relationship between Sublandlord and Subtenant.

27. Interpretation. This Sublease shall be interpreted in a fair and impartial manner without regard to such factors as the party that drafted this Sublease or the relative bargaining power of the parties.

28. Counterparts. This Sublease may be executed in any number of counterparts, each of which shall be deemed to be an original, but all of which together shall constitute one and the same instrument.

IN WITNESS WHEREOF, Sublandlord and Subtenant have agreed to the foregoing Sublease in its entirety as of the day and year first set forth above, and have executed the same on the day and year first set forth above.

"SUBLANDLORD"

SCHOOLHOUSE FINANCE, LLC, a Virginia limited liability company

By: _____
Name: Brady T. Sharp
Title: President

"SUBTENANT"

IMAGINE – SARASOTA COUNTY, LLC, a Florida limited liability company

By: _____
Name: Victor K. Redmond
Title: President

EXHIBIT A

LEASE

FIRST AMENDMENT TO SUBLEASE
BY AND BETWEEN SCHOOLHOUSE FINANCE, LLC
AND IMAGINE – SARASOTA COUNTY, LLC

This First Amendment to Sublease ("First Amendment") is made effective as of the ___ day of March, 2010, by and between SCHOOLHOUSE FINANCE, LLC, a Delaware limited liability company ("Sublessor" or "Sublandlord") and IMAGINE – SARASOTA COUNTY, LLC, a Florida limited liability company ("Sublessee" or "Subtenant").

RECITALS

A. Sublandlord and Subtenant entered into a Sublease Agreement (the "Sublease") dated as of December 23, 2009, in which Sublandlord subleased to Subtenant and Subtenant subleased from Sublandlord certain real property located at 2737, 2747 and 2757 Sycamore Street, North Port, FL 34289 (the "Premises").

B. Sublandlord, for the benefit of Subtenant, has amended the Leases to provide for additional classroom space and field area as set forth in the Second Amendment to the Lease, a copy of which is attached hereto as Exhibit A.

C. Subtenant desires to sublease from Sublandlord the aforementioned expansion space.

D. Subtenant and Sublandlord now wish to amend the Sublease as provided herein.

E. All capitalized terms used herein without definition are defined as set forth in the Sublease.

AGREEMENT

NOW, THEREFORE, in consideration of the Recitals set forth above, the agreements set forth below and other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, Sublandlord and Subtenant hereby agree as follows:

1. The First and Second Amendments to the Lease are attached hereto as Exhibit A to this First Amendment and herby incorporated by reference in "Exhibit A" to the Sublease.

2. Effective August 1, the Premises is hereby expanded by the area shown on "Exhibit B" to the Second Amendment to the Lease.

3. The Expiration Date referenced in Section 2 of the Sublease shall hereafter mean June 30, 2026.

4. The Base Rent amounts set forth in Section 3(a) for sublease years commencing August 1, 2011 through the Expiration Date shall be adjusted as follows:

Lease Year	Annual Base Rent
8/1/11 – 7/31/12	$413,066
8/1/12 – 7/31/13	$479,095
8/1/13 – 7/31/14	$490,200
8/1/14 – 7/31/15	$501,684
8/1/15 – 7/31/16	$513,439

8/1/16 – 7/31/17	$525,478
8/1/17 – 7/31/18	$537,791
8/1/18 – 7/31/19	$550,400
8/1/19 – 7/31/20	$563,309
8/1/20 – 7/31/21	$574,574
8/1/21 – 7/31/22	$586,067
8/1/22 – 7/31/23	$597,787
8/1/23 – 7/31/24	$609,744
8/1/24 – 7/31/25	$621,938
8/1/25 – 6/30/26	$634,378

Base Rent for the final Lease Year shall be prorated, such that Subtenant shall pay a monthly amount equal to one-twelfth (1/12) of the amount set forth above for the eleven (11) month period commencing August 1, 2025 and ending June 30, 2026. Through July 31, 2011, Subtenant shall continue to pay the existing Base Rent amount due pursuant to the terms of the Sublease.

5. Subtenant hereby agrees that the "**Field Area**" shall be expanded by Prime Landlord to the size and in the location shown on Exhibit "B" to the Second Amendment to the Lease. As consideration for the foregoing, and in addition to all other amounts due under the Sublease, Subtenant shall reimburse Sublandlord for the $107,000.00 (unless the costs and expenses incurred in connection with the expansion of the "Field Area" is less, in which case Subtenant shall reimburse Sublandlord for such lower amount as Sublandlord may be required to pay to Prime Landlord and in no event shall Subtenant be responsible for paying Sublandlord any amount in excess of $107,000.00) within thirty (30) days of delivery of the "Field Area" to Subtenant and Subandlord delivering documentation from Prime Landlord setting forth the costs and expenses for expanding the "Field Area". Prime Landlord is required pursuant to the Second Amendment to the Lease to deliver the "Field Area" (as defined in the Lease) on or before August 1, 2011. Provided Prime Landlord delivers the "Field Area" on or before August 1, 2011, full Base Rent shall be payable effective as of August 1, 2010. Subtenant shall continue to use the "Temporary Field Area" until the "Field Area" is delivered.

6. Subtenant hereby represents that, to its knowledge, Prime Landlord is not in default under the Lease and no event has occurred which, with the giving of notice or passage of time, or both, could result in a default by Prime Landlord under the Lease.

7. **Entire Agreement.** The Sublease, as amended by this First Amendment, contains all of the agreements of the parties hereto with respect to any matter covered or mentioned in this Agreement. No prior agreement, understanding, or representation pertaining to any such matter shall be effective for any purpose. Any amendments shall be in writing and executed by all the parties to be bound.

8. **Remainder of Sublease to Continue in Effect.** Except as amended hereby, the Sublease, as hereby amended, shall in all other particulars, terms and conditions remain in full force and effect and is hereby ratified and confirmed by the parties hereto; in the event of any inconsistency between said Sublease, as amended, and this First Amendment to Sublease, the provisions of this First Amendment shall prevail. It is acknowledged that no changes other than those herein specifically set forth have been made to the Sublease.

9. **Parties Bound**. This First Amendment and the Sublease shall be binding upon and inure to the benefit of Sublandlord, Subtenant, personal representatives, successors and assigns.

10. **Governing Law**. The laws of the State of Florida, without regard to its conflict of law doctrines, shall govern the validity, construction, enforcement and interpretation of the Sublease and the First Amendment.

11. **Severability**. In case any one or more of the provisions contained herein shall be held invalid, illegal, or unenforceable in any respect, such invalidity, illegality or unenforceability shall not affect any other provisions hereof, and the Sublease and First Amendment shall be construed as if such provision had never been contained herein or therein.

12. **Counterparts**. This Agreement may be executed in any number of counterparts, each of which shall be deemed an original, and all of which together shall constitute one and the same instrument.

IN WITNESS WHEREOF, the parties hereto have, by their duly authorized representatives, executed this First Amendment dated as of the first date written above.

SUBLESSEE/SUBTENANT:

IMAGINE – SARASOTA COUNTY, LLC

By: Barbara McKeathon

Print Name: Barbara McKeathon

Title: Board President

SUBLESSOR/SUBLANDLORD:

SCHOOLHOUSE FINANCE, LLC

By: _____

Printed Name: Randy J Shamp

Title: President

ASSIGNMENT OF
SUBLEASE AGREEMENT
(2737, 2747, & 2757 Sycamore St., North Port, FL 34289)

THIS ASSIGNMENT OF SUBLEASE AGREEMENT ("Sublease Assignment") is entered into by and between Imagine-Sarasota County, LLC, a Florida limited liability company, and Imagine School at North Port, Inc., a Florida nonprofit corporation, effective July 1, 2011.

WHEREAS, Imagine-Sarasota County, LLC, entered into a Sublease Agreement with Schoolhouse Finance, LLC, a Virginia limited liability company ("SHF"), on December 23, 2009, to sublease certain property located at 2737, 2747 & 2757 Sycamore St., North Port, FL 34289 ("Leased Premises"), which sublease agreement was amended on March 2010 (a copy of the sublease and amendment are attached hereto as Exhibit 1 and referred to collectively herein as the "Sublease Agreement"); and

WHEREAS, SHF entered into a lease for the Leased Premises on December 23, 2009, with a tenancy in common entity, in which Will-Ridge Associates, LLC, has a majority interest ("Primary Landlord"), which lease was subsequently amended on September 1, 2010, March 17, 2011, and March 24, 2011 (collectively referred to herein as the "Lease"); and

WHEREAS, Imagine-Sarasota County, LLC, was authorized by a charter contract ("Charter Contract") to operate a charter school ("Charter School") at the Leased Premises; and

WHEREAS, on June 7, 2011, Imagine-Sarasota County, LLC, with the consent and approval of the School Board of Sarasota County, assigned the Charter Contract to Imagine School at North Port, Inc., effective July 1, 2011; and

WHEREAS, Imagine-Sarasota County, LLC, will no longer be operating the Charter School as of July 1, 2011; and therefore, it desires to assign its rights and obligations in the Sublease Agreement to Imagine School at North Port, Inc.; and

WHEREAS, pursuant to Paragraph 11 of the Sublease Agreement, said Sublease Agreement may be assigned with the consent of SHF; and

WHEREAS, the Lease does not require the Primary Landlord to consent to this Sublease Assignment.

NOW, THEREFORE, for and in consideration of the mutual covenants and premises contained herein, the receipt and sufficiency of which are hereby acknowledged, the parties hereby agree as follows:

1. The Effective Date of this Sublease Assignment is July 1, 2011.

2. As of the Effective Date, Imagine-Sarasota County, LLC, assigns, and Imagine School at North Port, Inc., hereby assumes, all of Imagine-Sarasota County, LLC's rights, responsibilities and obligations under the Sublease Agreement.

3. As of the Effective Date, Imagine School at North Port, Inc., agrees to indemnify and hold harmless Imagine-Sarasota County LLC, from and against any and all claims, demands causes of actions, judgments, and liabilities which may be asserted or recovered against Imagine-Sarasota County, LLC, arising out of, or relating or pertaining to, the Sublease Agreement, including attorneys' fees and costs incident thereto.

4. By its signature below, SHF, consents to this Sublease Assignment pursuant to Paragraph 11 of the Sublease Agreement.

IN WITNESS WHEREOF, the parties have caused this Sublease Assignment to be executed, effective July 1, 2011.

IMAGINE-SARASOTA COUNTY, LLC, a Florida limited liability company

BY: Barbara McKeathon
Barbara McKeathon, Chair

IMAGINE SCHOOL AT NORTH PORT, INC., a Florida nonprofit corporation

BY: Barbara McKeathon
Barbara McKeathon, Chair

SCHOOLHOUSE FINANCE, LLC, a Virginia limited liability company

BY: _____
NAME: Ken Brown
TITLE: Vice President