CHARTER AUTHORIZING PANEL

Special Session November 3, 2026

Joint Petition for Voluntary Assignment of the Open-Enrollment Public Charter of Imboden Area Charter School (LEA 3840700) to Freedom Education Services, Inc.

Recommended Action: Approve the voluntary assignment of the charter to Freedom Education Services, Inc., effective January 1, 2027, subject to conditions.

Summary

Imboden Area Charter School, Inc. and Freedom Education Services, Inc. jointly petition the Panel to recommend that the State Board of Education approve the voluntary assignment of the open-enrollment public charter of Imboden Area Charter School to Freedom Education Services, Inc.. The Division recommends approval, subject to the findings and conditions in Attachment A. Assignment would let currently enrolled students continue at the school in their community under a new charter holder, without reapplying.

Panel Vote Summary:
Phill Baldwin moved to adopt the findings read into the record by the Division and approve the Joint Petition for Voluntary Assignment of the charter of Imboden Area Charter School, LEA 3840700, from Imboden Area Charter School, Inc. to Freedom Education Services, Inc., effective January 1, 2027, subject to the conditions set forth in the Division's written recommendation, Attachment A, which were incorporated into the motion by reference. Edie Stewart seconded the motion. **The motion passed unanimously by a vote of 5-0.**

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Background

Imboden Area Charter School (LEA 3840700) has operated under an open-enrollment public charter originally authorized on March 11, 2002. It serves grades K-8 in Black Rock, Arkansas, and its charter is currently in effect through June 30, 2027. At its meeting on June 18, 2026 , the Panel deferred its vote on the school's renewal request and extended the charter expiration for one year.

Since then, the school's 2025-26 letter grade has been reported as an F, and its enrollment has declined to approximately 32 students. The Division's notice dated October 9, 2026 (Attachment B) describes the reasons for proposed action, concerning the school's financial condition, budget, bank reconciliations, payroll, and special education compliance.

On October 13, 2026, the Board of Directors of Imboden Area Charter School, Inc. approved the Joint Petition for Voluntary Assignment. On October 13, 2026, the Board of Directors of Freedom Education Services, Inc. approved the same petition (Attachment C).

Legal authority

The Division, acting through the Panel, is the authorizer for open-enrollment public charters, with authority to assign a charter (Ark. Code Ann. § 6-23-701(a)(10)). The statute provides:

> "The authorizer may approve the voluntary assignment of a charter to another charter school board upon petition by the charter school boards to the authorizer." Ark. Code Ann. § 6-23-105(a)(2).

See also 6 CAR § 31-424. Any action must be based on "the best interests of the public charter school's students, the severity of the violation, and any previous violation the public charter school may have committed" (Ark. Code Ann. § 6-23-105(b)). The Panel's action is subject to review by the State Board, which has final authority on whether to approve the Division's recommendation. (Ark. Code Ann. §§ 6-23-701(c)(1), 6-23-703(b)).

When a charter is assigned, the authorizer may not hold the receiving board responsible for activity before the assignment, must issue a new local education agency number, and may not issue an annual report until the receiving entity completes one school year (Ark. Code Ann. § 6-23-105(a)(3)). Upon assignment, the assignor must account for and transfer all state and federal funds to the Division, which holds them in receivership; funds with no legitimate, documented claim after one calendar year go to the assignee (Ark. Code Ann. § 6-23-105(e)).

Division review

1. **Eligibility of the assignee.** A "charter school board" is the governing body of an open-enrollment public charter school that is a nonprofit entity and satisfies § 501(c)(3) (Ark. Code Ann. § 6-23-103(7)). Freedom Education Services, Inc. is the governing body of Arkansas Executive Prep Academy-Harrison (LEA 0540702), an open-enrollment public charter school.
2. **Notice.** The Division delivered written notice of the reasons for the proposed action and of the time and location of this hearing on October 9, 2026 at least 20 days before this meeting, as 6 CAR § 31-423(a) requires (Attachment B).
3. **Students and families.** Students enrolled on the effective date may continue at the school without reapplying or entering a lottery. Families keep the right to enroll elsewhere and will receive a joint notice approved by the Division.
4. **Special education.** Before the effective date, the assignor must complete all IEP and Section 504 meetings due, implement any Division corrective action, and transfer complete records. From the effective date, the assignee must provide each student with a disability a free appropriate public education, including comparable services, until it adopts the existing IEP or develops a new one (34 C.F.R. § 300.323(e), (g)).
5. **Finances.** Because the assignor's state and federal funds go into receivership upon assignment, the assignee must operate from its own resources until those funds are released. Petition Exhibit C shows the assignee's budget and working capital through June 30, 2027.
6. **Operations.** The petition includes a clear transition plan demonstrating how, before the effective date, the parties will establish or transfer responsibility for child nutrition, transportation, technology and student information systems, insurance, vendor contracts, staffing, and facilities.

CONTENTS OF THIS AGENDA ITEM

Item	Document
Memo	Division memorandum and recommendation
Attachment A	Proposed findings (Part 1) and proposed motion and conditions (Part 2)
Attachment B	Division's Notice of Proposed Action and Hearing, dated October 9, 2026 with enclosures and proof of delivery
Attachment C	Joint Petition for Voluntary Assignment, with Petition Exhibits A, B, and C
Exhibit A	Resolution of the Board of Directors of Imboden Area Charter School, Inc.
Exhibit B	Resolution of the Board of Directors of Freedom Education Services, Inc.
Exhibit C	Freedom Education Services, Inc. budget, cash flow projection, and sources of working capital through June 30, 2027
Attachment D	Transition Services Agreement between the petitioners

ATTACHMENT A

Part 1: Proposed Findings

1. Imboden Area Charter School, Inc. holds the open-enrollment public charter for Imboden Area Charter School, LEA 3840700, originally authorized on March 11, 2002, and currently in effect through June 30, 2027.
2. On October 13, 2026, the Board of Directors of Imboden Area Charter School, Inc. approved at a public meeting, and its President signed, the Joint Petition for Voluntary Assignment. On October 9, 2026, the Board of Directors of Freedom Education Services, Inc. approved and signed the same petition.
3. Freedom Education Services, Inc. is a nonprofit entity that satisfies § 501(c)(3) and is the governing body of Arkansas Executive Prep Academy-Harrison (LEA 0540702) an open-enrollment public charter school. It is a "charter school board" under Ark. Code Ann. § 6-23-103(7).
4. On October 9, 2026, the Division provided Imboden Area Charter School written notice of the reasons for the proposed action and of the time and location of this hearing, at least 20 days before this meeting, as 6 CAR § 31-423(a) requires.
5. The school's [2025-26] letter grade is F, its enrollment is approximately [32] students, and its board has projected limited financial capacity to continue operating independently.
6. Freedom Education Services, Inc. has shown working capital to operate the school from the effective date through June 30, 2027 without relying on funds held in receivership (Petition Exhibit C).
7. Assignment allows currently enrolled students to continue at the school in their community without reapplying and is in the best interests of the school's students under Ark. Code Ann. § 6-23-105(b).

ATTACHMENT A

Part 2: Proposed Motion with Conditions

The Charter Authorizing Panel, under Ark. Code Ann. §§ 6-23-105(a)(2) and 6-23-701(a)(10) and (c)(1) and 6 CAR § 31-424, recommends approval of the Joint Petition for Voluntary Assignment approved by the Board of Directors of Imboden Area Charter School, Inc. on October 13, 2026, and by the Board of Directors of Freedom Education Services, Inc. on October 13, 2026; and that the open-enrollment public charter of Imboden Area Charter School, LEA 3840700, be assigned from Imboden Area Charter School, Inc. to Freedom Education Services, Inc., effective January 1, 2027, based on the findings in Part 1 and subject to the following conditions:

1. The assignment takes effect only after the State Board accepts this recommendation under Ark. Code Ann. § 6-23-703(b), and Freedom Education Services, Inc. and the Division execute a new charter contract on or before the effective date.
2. The Division will issue a new local education agency number to Freedom Education Services, Inc. as of the effective date and will not issue an annual report for it until it has completed at least one school year (Ark. Code Ann. § 6-23-105(a)(3)(B); 6 CAR § 31-424(c)).
3. Freedom Education Services, Inc. shall not assume, and shall not be responsible or liable for, any debt, financial obligation, liability, contractual obligation, claim, judgment, penalty, fine, tax obligation, payroll obligation, employee obligation, accounts payable, loan, lease obligation, vendor obligation, lien, encumbrance, or other obligation or liability of any kind arising from or attributable to any act, omission, transaction, agreement, condition, or activity occurring before the effective date of the assignment. Such obligations shall remain the sole responsibility of the entity that incurred or was otherwise responsible for them.

   For the avoidance of doubt, the assignment of the charter to Freedom Education Services, Inc. does not constitute an assumption or succession of any pre-assignment debt, liability, obligation, contractual commitment, or other financial responsibility of the prior charter holder or operator, except for an obligation that Freedom Education Services, Inc. expressly agrees to assume in a separate written instrument. Freedom Education Services, Inc. shall likewise not be held responsible for any regulatory, compliance, corrective, probationary, or disciplinary matter arising from activity occurring before the effective date of the assignment, consistent with Ark. Code Ann. § 6-23-105(a)(3)(A).

4. Upon the assignment, Imboden Area Charter School, Inc. shall comply with Ark. Code Ann. § 6-23-105(e)(1): provide the required accounting and list of accounts, obtain Division approval of expenditures over $500, work with the Division on a closure plan, and transfer all state and federal funds to the Division, to be held in receivership and released to Freedom Education Services, Inc. after one calendar year to the extent no legitimate, documented claim is made (Ark. Code Ann. § 6-23-105(e)(3)(A)).
5. Students enrolled at the school on the effective date may continue without reapplying or entering a lottery.
6. Before the effective date, Imboden Area Charter School, Inc. shall complete all IEP and Section 504 meetings due, implement any corrective action issued by the Division, and transfer complete student and special education records to Freedom Education Services, Inc., with written confirmation to the Division.
7. Imboden Area Charter School, Inc. shall comply with 6 CAR §§ 31-601 through 31-605, including employee documentation and retention of governance and financial records.
8. The Charter Office shall report to the Panel on the status of the transition at the December 2026 panel meeting.

If the State Board rejects this recommendation, or the assignment does not take effect by January 2027, the Division may bring any other action noticed for this hearing before the Panel, including transfer or revocation under Ark. Code Ann. § 6-23-105(a)(1).

ATTACHMENT B

Division's Notice of Proposed Action and Hearing, dated October 9, 2026

From:	ADE.CharterSchools
To:	Scott James
Cc:	Darrell Smith (ADE); Sarper Turker, Ed. D. (ADE)
Subject:	Imboden Area Charter School Notification 10.09.2026
Date:	Friday, October 9, 2026 1:43:26 PM
Attachments:	82ad527f-f68c-484b-8275-fcb2f7816609.png Imboden Notification 10.09.2026.pdf

Good afternoon, Superintendent James,

Attached is a letter notifying you and the Imboden Area Charter School Board of Directors of a proposed action and an upcoming hearing.

ADE.CharterSchools ADE.CharterSchools
Email: ADE.CharterSchools@ade.arkansas.gov

Jacob Oliva
Secretary

Stacy Smith
Deputy Commissioner

Courtney Salas-Ford
Chief of Staff

State Board of Education

Randy Henderson
Blytheville
Chair

Dr. Gary Arnold
Little Rock
Vice Chair

Lisa Hunter
White Hall

Jeff Wood
Little Rock

Ken Bragg
Sheridan

Leigh Keener
Little Rock

Dr. Aaron Abbott
Springdale

David Peacock
Jonesboro

Dr. Gary Stark
Fayetteville

October 9, 2026

Sarah Juhl, President, Board of Directors
Imboden Area Charter School, Inc.
800 Beech Street
Black Rock, AR 72415

Scott James, Superintendent
Imboden Area Charter School
800 Beech Street
Black Rock, AR 72415

Re: Notice of Proposed Action and Hearing: Revocation or Transfer of Charter, Imboden Area Charter School (LEA 3840700)

Dear President Juhl and Superintendent James:

The Division of Elementary and Secondary Education (Division) gives notice that it will recommend that the Charter Authorizing Panel (CAP) revoke the open-enrollment public charter held by Imboden Area Charter School, Inc. or, in the alternative, transfer the charter to a different charter school board. The Division makes this recommendation under Ark. Code Ann. § 6-23-105(a)(1).

Hearing. The CAP will hear this matter on **Thursday, October 15, 2026, at 9:00 a.m.**, in the ADE Auditorium, Four Capitol Mall, Little Rock, Arkansas. This letter is the written notice of the reasons for the proposed action and of the time and place of the hearing required by 6 CAR § 31-423(a) and Ark. Code Ann. § 6-23-105(d)(2).

Your October 15 appearance is not affected. The school's scheduled appearance before the CAP on Thursday, October 15, 2026, to address the June 2026 Notice of Performance Deficiency and the Division's letter of September 18, 2026, will go forward as planned. The CAP will not act on the proposed revocation or transfer at that meeting.

1. Charter Authorizing Panel decision

At the hearing, the Division will recommend that CAP approve the recommendation to revoke the charter or, in the alternative, its transfer to another charter organization. Because Ark. Code Ann. § 6-23-105(a)(1) authorizes several actions on the same grounds, the CAP may consider any of the following:

- Revocation of the charter, with an effective date and closure terms set by the CAP.
- Transfer of the charter to [name of proposed receiving charter school board], effective [date] (Ark. Code Ann. §§ 6-23-105(a)(1), 6-23-701(a)(9)).
- Voluntary assignment of the charter to another charter school board, if Imboden Area Charter School, Inc. and the receiving board file a joint petition before the hearing (Ark. Code Ann. § 6-23-105(a)(2); 6 CAR § 31-424).

2. Reasons for the proposed action

The reasons below come from the school's own certified reports and from the Division's monitoring. The Division reviewed:

1. the school's certified Annual Financial Report (AFRB) Level I and Legal Balance reports for FY 2026-2027, Cycle 1 (run October 1, 2026);
2. the school's certified bank reconciliations for FY 2025-2026 finance periods 3 through 12 and FY 2026-2027 finance period 1;
3. the school's budget summary (UBER) as of October 1, 2026, and pay rate information in eFinance; and
4. the findings of the Division's onsite special education visit on August 31, 2026.
5. the schools enrollment over the past three years

- **Reason 1: The school has a negative legal balance and no financial reserve.**

1. The school began FY 2025-2026 with a legal balance of negative $77,577.58 and ended the year at negative $102,452.15.
2. The school's unrestricted fund balance fell from $178,388.97 on July 1, 2023, to negative $105,824 on June 30, 2026, a decline of $284,212.97 over three years.
3. The FY 2026-2027 budget projects an ending legal balance of $102.85. That result depends on two one-time items that had not been received as of October 1, 2026: $40,000 from the sale of equipment and $8,000 in private donations. Without them, the budget would end the year at negative $47,897.15.
4. FY 2025-2026 revenue included $87,905 in declining enrollment funding. The FY 2026-2027 budget includes no such funding.

- **Reason 2: The FY 2026-2027 budget does not reflect the school's actual costs.**
  1. Budgeted unrestricted expenditures are $389,850.15, compared with $596,939.42 actually spent in FY 2025-2026, a reduction of 34.7 percent.
  2. Budgeted salaries and benefits are $293,411.15, compared with $496,020.31 spent in FY 2025-2026, a reduction of 40.8 percent.
  3. Pay rate information in eFinance shows contracted salaries of about $444,710 for FY 2026-2027, or about $37,059 per payroll over 12 payrolls. The budget carries $233,919.43 for regular certified and classified salaries, which is $210,790.57 less than the contracted amount before benefits. The AFR Teacher Salary Fund budget is $176,951.
  4. Budgeted rent rose to $57,062, from $30,000 in FY 2025-2026, while the overall budget fell.
  5. Every fund except Fund 8 (Food Service) is budgeted below FY 2025-2026 actual spending. The Food Service budget spends $30,075.48 against $21,406.82 in revenue and uses its entire beginning balance.

Fund	FY 2025-2026 Actual	FY 2026-2027 Budget	Change
Fund 1, Teacher Salary	$267,873.99	$176,951.00	-33.9%
Fund 2, Operating	$337,507.23	$236,652.00	-29.9%
Fund 3, Building	$22,000.00	$2,938.00	-86.6%
Fund 6, Federal Grants	$108,703.01	$72,421.09	-33.4%
Fund 7, Activity	$8,812.90	$0.00	-100.0%
Fund 8, Food Service	$19,873.75	$30,075.48	+51.3%

Source: AFRB Level I, FY 2026-2027, Cycle 1, expenditures by fund.

- **Reason 3: The school's bank accounts do not reconcile to its books.**

A completed bank reconciliation should show a variance of $0.00. None of the 11 reconciliations the school certified for the periods below does. The variance grew from $35,221.70 in September 2025 to $205,861.07 in July 2026.

Finance Period	Variance (should be $0.00)	General Ledger Cash Balance
FY26 Period 3 (September)	$35,221.70	$36,044.92
FY26 Period 4 (October)	$29,847.67	$6,911.13
FY26 Period 5 (November)	$58,585.77	($23,513.93)
FY26 Period 6 (December)	$52,222.64	$45,158.37
FY26 Period 7 (January)	$83,556.77	($10,681.83)
FY26 Period 8 (February)	$53,245.79	($27,084.98)
FY26 Period 9 (March)	$89,160.11	($46,450.09)
FY26 Period 10 (April)	$101,395.62	($119,232.16)
FY26 Period 11 (May)	$163,135.05	($119,894.40)
FY26 Period 12 (June)	$75,180.66	($104,785.01)
FY27 Period 1 (July)	$205,861.07	($117,353.22)

1. The reconciliation form requires an explanation of any variance. None of the 11 reports gives one.
2. The general ledger cash balance was negative in 8 of the 11 periods. In July 2026, the bank statement showed $138,842.56 while the general ledger showed negative $117,353.22.
3. Several reconciliations show irregular dates or repeated balances. Periods 4 and 5 report the same bank statement balance, $71,405.04. Period 5 (November) was reconciled on November 12, 2025, before the period ended. Periods 11 and 12 report the same bank statement balance, $130,298.35, and were both reconciled on July 15, 2026. The Period 8 reconciliation is dated April 7, 2025, before the period it covers.
4. The school's budget summary shows an unrestricted balance of $1,349.36 on September 30, 2026. Taken together, the school's own reports do not give a consistent picture of its cash position.

- **Reason 4: The school has had difficulty meeting payroll.**
    1. The school reported that it held employee paychecks on one occasion during the last three months.
    2. Through October 1, 2026, the school recorded $23,489.83 in regular salaries and $30,410.12 in total salaries and benefits for FY 2026-2027. Both amounts are less than one payroll at the contracted rate of about $37,059.
- **Reason 5: The school has not met special education requirements and has not budgeted for them.**

Division staff conducted an onsite visit on August 31, 2026. Based on information the school provided and the Division's review, the Division found:

1. Six students are receiving one or more related services this school year, and none of them has an active Individualized Education Program (IEP). A school must have an IEP in effect at the beginning of each school year for each child with a disability it serves (34 C.F.R. § 300.323(a)), and must identify, locate, and evaluate children with disabilities who need special education and related services (34 C.F.R. § 300.111).
2. Five students were reported on the December 1, 2025 child count. The school reported that one of them does not have an IEP.
3. Students who had IEPs last year did not receive the services in those IEPs. The school is now providing compensatory services.
4. The Special Education District Response Table was due May 31, 2026. The school submitted it on August 31, 2026, 92 days late.
5. The school's contracted therapy provider bills Medicaid for services, and the school could not explain how it is handling the Medicaid match. The FY 2026-2027 budget carries $1,500 for the match.
6. As of September 28, 2026, the school had no special education budgets in eFinance.
7. The special education teacher's projected salary is $52,000, and the school's federal special education allocation (SOF 6702) is $43,137. The remaining salary and all benefits, about $20,823, must come from operating funds. That cost alone would turn the budgeted ending balance of $102.85 into a deficit. Costs for related services (speech, occupational therapy, and physical therapy) and evaluations are also expected to rise as the school meets its child find and reevaluation duties. In FY 2025-2026, the school's only related service costs were $8,684.20 in unpaid speech invoices from FY 2024-2025, and it had no evaluation costs.

- **Reason 6: Decline in Academic performance as evidenced by the 2025-2026 letter grade.**
    1. The school's letter grade fell from a B in 2024-2025 to an F in 2025-2026. Its score fell from 322.78 points to 203.09 points, a drop of 119.69 points (37.1 percent).
    2. Statewide, 10 percent of middle schools earned an F in 2025-2026.

3. In 2025-2026, 33 percent of the school's students scored at Level 3 or 4 on the ATLAS test in English language arts (ELA), compared with 39 percent statewide. In math, 17 percent did, compared with 43 percent statewide. In science, 17 percent did, compared with 44 percent statewide.
4. The school's average achievement across ELA, math, and science was 22 percent, down 4 percentage points from the prior year. The state average for middle schools was 42 percent.
5. In 2025-2026, 63 percent of the school's students met their growth targets in ELA and English language proficiency, compared with 52 percent statewide. In math, 19 percent did, compared with 51 percent statewide. In science, 55 percent did, compared with 51 percent statewide.
6. Growth for the school's lowest-performing students was not scored because there were not enough students to report.

Source: ADE My School Info, School Report Card, Imboden Area Charter School (3840701), 2025-2026.

- **Reason 7: Decline in student enrollment**
  1. Enrollment fell from 70 students in 2024-2025 to 53 students in 2025-2026, a loss of 17 students (24.3 percent). Enrollment was 68 students in 2023-2024.
  2. In 2025-2026, the school served grades K through 8 with 2 to 11 students per grade. Grade 5 had 2 students.
  3. The superintendent reported that enrollment for the 2026-2027 school year is 31 students. That is 22 fewer students than in 2025-2026, a decline of 41.5 percent, and 39 fewer than in 2024-2025, a decline of 55.7 percent.

Source: ADE Data Center, Enrollment by Grade, Imboden Area Charter School (3840701), 2023-2024 through 2025-2026.

If the charter is revoked or transferred

Immediately upon revocation or transfer of its charter, the school must (Ark. Code Ann. § 6-23-105(e)(1)):

1. give the Division a detailed accounting of all accounts payable due from state funds held by the school, and any other records the Division requests about the use of those funds;
2. give the Division a complete list of all banking information and accounts holding state or federal funds;
3. obtain the Division's prior approval for any expenditure over $500;
4. work with the Division to draft and carry out a charter closure plan; and
5. transfer all state and federal funds it holds to the Division, to be held in receivership.

If the charter is revoked, the school must also, within 15 days, give the Division an inventory of all property, its bank account information and statements, and lists of outstanding debts and receivables,

and must send closure notices to families, employees, creditors, and school districts as the Division directs (6 CAR § 31-601).

State Board review

The Division will notify the State Board of Education of the CAP's decision regarding the recommendation, and the State Board must vote to accept or reject it (Ark. Code Ann. § 6-23-703(a)-(b)). The school may appeal the CAP's recommendation to the State Board by filing a written notice of appeal with the Secretary of the Department of Education within 15 calendar days of the recommendation. The notice must state the specific reasons for review (Ark. Code Ann. § 6-23-703(c)).

Please contact the Charter School Office at ade.charterschools@ade.arkansas.gov with any questions about this notice.

Sincerely,



Darrell Smith, Ed. D.
Assistant Commissioner
Office of School Choice and Parent Empowerment
DS/cyp

ATTACHMENT C

Joint Petition for Voluntary Assignment of Open-Enrollment Public Charter

Imboden Area Charter School, Inc. (Assignor) and Freedom Education Services, Inc. (Assignee) Submitted under Ark. Code Ann. § 6-23-105(a)(2) and 6 CAR § 31-424 with Resolution of the Board of Directors of Imboden Area Charter School, Inc. Petition and Board of Directors of Freedom Education Services, Inc.

with Exhibit A: Freedom Education Services, Inc. budget, cash flow projection, and sources of working capital through June 30, 2027

BEFORE THE CHARTER AUTHORIZING PANEL
ARKANSAS DEPARTMENT OF EDUCATION, DIVISION OF ELEMENTARY AND SECONDARY EDUCATION

IN RE: IMBODEN AREA CHARTER SCHOOL (LEA 3840700)

JOINT PETITION FOR VOLUNTARY ASSIGNMENT OF OPEN-ENROLLMENT PUBLIC CHARTER

Submitted under Ark. Code Ann. § 6-23-105(a)(2) and 6 CAR § 31-424

I. PETITIONERS

1. Assignor. Imboden Area Charter School, Inc. ("Assignor"), an Arkansas nonprofit corporation, is the sponsoring entity and charter holder of Imboden Area Charter School (the "School"),(LEA 3840700), located at 800 Beech Street, Black Rock, Arkansas, within the boundaries of the Lawrence County School District.

2. Assignee. Freedom Education Services, Inc ("Assignee") is an Arkansas nonprofit corporation recognized as exempt under § 501(c)(3) of the Internal Revenue Code. Its board of directors is the governing body of Arkansas Executive Prep Academy (LEA 0540702), an authorized Arkansas open-enrollment public charter school.

II. AUTHORITY

3. The Division of Elementary and Secondary Education, acting through the Charter Authorizing Panel ("CAP") with final approval by the State Board of Education ("State Board"), is the authorizer of open-enrollment public charters, with authority to assign a charter (Ark. Code Ann. §§ 6-23-103(4), 6-23-701(a)(10)).

4. "The authorizer may approve the voluntary assignment of a charter to another charter school board upon petition by the charter school boards to the authorizer" (Ark. Code Ann. § 6-23-105(a)(2)). See also 6 CAR § 31-424.

5. CAP reviews applications to assign a charter and makes a recommendation to the State Board, which votes to accept or reject it (Ark. Code Ann. §§ 6-23-701(c)(1), 6-23-703(a)-(b)).

III. BACKGROUND

6. The School has operated under an open-enrollment public charter originally authorized on March 11, 2002, with a Charter that expires June 30, 2027. The School serves grades K-8 with a charter enrollment cap of 150 and a current enrollment of approximately 32 students.

7. At its meeting on June 18, 2026 , CAP deferred its vote on the School's renewal. Since then, the School's [2025-26] rating has been reported as an F, enrollment has declined, and the Assignor's Board has projected limited financial capacity to continue operating independently.

8. Assignor's Board has determined that assignment of the charter to Assignee is in the best interests of the School's students, because it offers the most direct path to continuity of education in the same community with stronger academic, operational, and financial capacity.

9. Upon execution of this petition and the transition agreement, the Assignee will proceed with transition planning and technical assistance to Assignor under a Transition Services Agreement approved by Assignor's Board on the date reflected on the signed agreement, without exercising any governing authority over the School.

IV. RELIEF REQUESTED

10. Petitioners jointly request that CAP recommend, and the State Board approve:

(a) the voluntary assignment of the open-enrollment public charter of Imboden Area Charter School from Assignor to Assignee, effective [January 1, 2027] (the "Effective Date");

(b) approval of the new charter contract to be executed by the Commissioner and Assignee on or before the Effective Date (Ark. Code Ann. § 6-23-104(a)(1), (b));

(c) issuance of a new local education agency number to Assignee as of the Effective Date (Ark. Code Ann. § 6-23-105(a)(3)(B)(i));

(d) such conditions as CAP and the State Board find necessary to protect students during the transition.

V. QUALIFICATIONS OF THE ASSIGNEE

11. Assignee is a "charter school board" within Ark. Code Ann. § 6-23-103(7). It is the governing body of Arkansas Executive Prep Academy (LEA 0540702), an open-enrollment public charter school; it is a nonprofit entity; and it satisfies the relevant requirements of a tax-exempt organization under § 501(c)(3) of the Internal Revenue Code. Its current charter contract and tax-exempt status are on file with the Division.

12. Assignee's academic record is shown in the performance data published in **My School Info**, the Arkansas Department of Education's public portal for school and district performance data, including the school's letter grades for the three most recent years. Its leadership, governance, and school operating record are on file with the Division.

13. Assignee has financial capacity to operate the School from the Effective Date through June 30, 2027 without reliance on funds held in receivership under Ark. Code Ann. § 6-23-105(e),

14. No director, officer, or employee of Assignor has a financial interest in or employment with Assignee. Assignee's board is independent of Assignor's board.

VI. TRANSITION PLAN

15. The transition plan addresses, at a minimum, the following:

(a) **Students and families.** Currently enrolled students may continue at the School after the Effective Date without reapplying or entering a lottery. Families retain the right to enroll elsewhere. Petitioners will send a joint notice, in a form approved by DESE, explaining the assignment, the Effective Date, and family options.

(b) **Special education and Section 504.** Before the Effective Date, Assignor will complete all IEP and Section 504 meetings due, implement any corrective action issued by DESE, and transfer complete special education records. From the Effective Date, Assignee will provide each student with a disability a free appropriate public education, including services comparable to those in the student's IEP, until it adopts the existing IEP or develops a new one (34 C.F.R. § 300.323(e), (g)).

(c) **Student records.** Assignor will transfer all student records to Assignee as of the Effective Date (34 C.F.R. § 99.31(a)(2); 6 CAR § 31-605(a)) and confirm transfer in writing to DESE.

(d) **Staff.** Assignee will offer employment to School staff it elects to retain, effective on the Effective Date. Assignor will provide employment documentation to all employees as 6 CAR § 31-605(b) requires and give notice of the end of benefits.

(e) **Facilities.** [The facility lease will be assigned to Assignee with landlord consent / Assignee will lease the facility directly], under an agreement containing the language required by Ark. Code Ann. § 6-23-503(b)(2).

(f) **Finances.** Petitioners acknowledge that, immediately upon the assignment, Assignor must provide DESE a detailed accounting and a list of all accounts holding state or federal funds, obtain DESE approval for expenditures over $500, work with DESE on a closure plan, and transfer all state and federal funds it holds to DESE, which will hold them in receivership (Ark. Code Ann. § 6-23-105(e)(1)). Funds remaining after one calendar year with no legitimate, documented claim will be transferred to Assignee (Ark. Code Ann. § 6-23-105(e)(3)(A)).

(g) **State and federal funding.** Petitioners request DESE's written confirmation of the basis for Assignee's foundation funding from the Effective Date and of federal formula program allocations, and have provided the notice described in 34 C.F.R. § 76.788(a) on [date].

(h) **Accountability and reporting.** Petitioners acknowledge that DESE will not issue an annual report for Assignee until it has completed at least one school year (Ark. Code Ann. § 6-23-105(a)(3)(B)(ii)), and will coordinate state reporting and data-system cutover with DESE.

(i) **Child nutrition, technology, and other operations.** Before the Effective Date, Petitioners will work with DESE to transfer to Assignee, or establish in its name, the School's child nutrition program, student transportation, technology and student information system access, insurance, and vendor contracts, so that meals, bus routes, and instructional technology continue without interruption on the Effective Date.

VII. ACKNOWLEDGMENTS

16. Assignor acknowledges that it remains responsible for the School and all its obligations until the Effective Date; that it must comply with Ark. Code Ann. § 6-23-105(e) and protect School assets; that it must keep its governance and financial records for at least five years after the Effective Date (6 CAR § 31-605(e)); and that the assignment does not release any claim of a creditor against Assignor.

17. Assignee acknowledges that, upon the Effective Date, it will be bound by the new charter contract, the Arkansas Quality Charter Schools Act of 2013, and applicable law and rules. Petitioners understand that the authorizer will not hold Assignee responsible for activity that occurred before the assignment, including disciplinary action by the authorizer (Ark. Code Ann. § 6-23-105(a)(3)(A)).

18. Notice and hearing. Petitioners acknowledge receipt of DESE's written notice dated October 9, 2026 under 6 CAR § 31-423(a), and request that this Petition be heard at a special CAP meeting in November, 2026 .

19. Petitioners understand that CAP's action is a recommendation, that the assignment takes effect only upon State Board acceptance and the conditions stated, and that DESE retains authority to pursue other lawful actions regarding the charter if the assignment is not approved or does not take effect.

VIII. EXHIBITS

A. Resolution of Assignor's Board approving this Petition

B. Resolution of Assignee's Board approving this Petition

C. Assignee's budget, cash flow projection, and sources of working capital through June 30, 2027

IX. CERTIFICATION

Each undersigned officer certifies that the board of the Petitioner named below approved this Petition at a duly noticed public meeting, that the officer is authorized to sign it, and that the information in it is true and complete to the best of the officer's knowledge.

IMBODEN AREA CHARTER SCHOOL, INC.

Name: Sarah Juhl Halsrud // Sarah Juhl Halsrud

Title: President, Board of Directors

Date: 10/13/26

Board approval date: 10/13/26

FREEDOM EDUCATION SERVICES, INC

Name: Emilyanne Thomason

Title: President, Board of Directors

Date: 10/14/26

Board approval date: 10/14/26

EXHIBIT A: RESOLUTION OF THE BOARD OF DIRECTORS OF IMBODEN AREA CHARTER SCHOOL, INC.

RESOLUTION OF THE BOARD OF DIRECTORS OF IMBODEN AREA CHARTER SCHOOL, INC. APPROVING THE JOINT PETITION FOR VOLUNTARY ASSIGNMENT

WHEREAS, the Board has reviewed the proposed Joint Petition for Voluntary Assignment of the open-enrollment public charter of Imboden Area Charter School (LEA 3840700) from Imboden Area Charter School, Inc. to Freedom Education Services, Inc, and the transition plan and exhibits;

WHEREAS, the Board finds that the proposed assignment is in the best interests of the students of Imboden Area Charter School;

NOW, THEREFORE, BE IT RESOLVED, that the Board approves the Joint Petition; authorizes its President to sign and file it with the Division of Elementary and Secondary Education and to appear before the Charter Authorizing Panel and the State Board of Education; and authorizes its officers to take all actions required by Ark. Code Ann. § 6-23-105(e) and 6 CAR §§ 31-601 to 31-605 upon the assignment.

Adopted at a public meeting held on October 13, 2026,

by a vote of four in favor, zero opposed, _____ abstaining.

Directors with a disclosed conflict did not vote.

ATTEST:

Name: Scott Rorex

Title: Secretary, Board of Directors, Imboden Area Charter School, Inc.

Date: Scott Rorex, Sec 10-13-26

EXHIBIT B: RESOLUTION OF THE BOARD OF DIRECTORS OF FREEDOM EDUCATION SERVICES, INC.

RESOLUTION OF THE BOARD OF DIRECTORS OF FREEDOM EDUCATION SERVICES, INC. APPROVING THE JOINT PETITION FOR VOLUNTARY ASSIGNMENT

WHEREAS, the Board has reviewed the proposed Joint Petition for Voluntary Assignment of the open-enrollment public charter of Imboden Area Charter School (LEA 3840700) from Imboden Area Charter School, Inc. to Freedom Education Services, Inc, and the transition plan and exhibits;

WHEREAS, the Board finds that the proposed assignment is in the best interests of the students of Imboden Area Charter School;

NOW, THEREFORE, BE IT RESOLVED, that the Board approves the Joint Petition; authorizes its Chair to sign and file it with the Division of Elementary and Secondary Education and to appear before the Charter Authorizing Panel and the State Board of Education; and accepts the assignment of the charter, subject to State Board approval and any conditions imposed.

Adopted at a public meeting held on October 14, 2026 ,

by a vote of five in favor, zero opposed, Ø abstaining.

Directors with a disclosed conflict did not vote.

ATTEST:

Name: Matt Hardage

Title: Secretary, Board of Directors, Imboden Area Charter School, Inc.

Date: 10/14/26

PETITION EXHIBIT A

Budget, Cash Flow Projection, and Sources of Working Capital

Freedom Education Services, Inc.
For operation of Imboden Area Charter School from the effective date through June 30, 2027

Freedom Education Services, Inc.
501 North Main Street, Harrison, AR
Phone: (501) 215-3209
Email: patriotsforeducation@gmail.com
Website: freedomeducationservicesinc.org

October 29, 2026

Arkansas Charter Authorizing Panel
Arkansas Department of Education
Division of Elementary and Secondary Education

Re: Proposed FESI Management of Imboden Area Charter School, Effective January 1, 2027

Dear Members of the Charter Authorizing Panel:

Freedom Education Services, Inc. (FESI) appreciates the opportunity to provide financial and operational assurances regarding its proposed management of Imboden Area Charter School beginning January 1, 2027. We recognize the Panel's concern that Imboden's existing financial challenges could create additional risk for FESI or Arkansas Executive Prep Academy (AEPA). Our transition approach is designed specifically to address that concern.

FESI financial capacity

As of October 28, 2026, FESI held $80,893.63 in unrestricted bank cash, including funds maintained at Signature Bank. FESI also anticipates receiving $99,843.75 in state-funded revenue within approximately 30 days. That payment has not yet been deposited and is separate from amounts reported in FESI's October 28 financial statements. Upon receipt, and before intervening payments, combined bank cash would total approximately $180,737.38.

FESI has identified $81,693.53 in unpaid second-quarter operating expenses and intends to reserve that full amount to meet its existing obligations. After that reserve and $408.67 in separately recorded liabilities, approximately $98,635.18 in potential liquidity would remain, subject to payment timing and any other intervening obligations. This is a planning estimate, not a representation that the funds are currently available or a commitment to advance that amount to Imboden.

A foundation-funded, zero-balance operating plan

Consistent with guidance received from the State and in light of incomplete records from the existing administration, FESI will assume a $0 beginning cash balance for Imboden. The base transition budget will rely solely on the school's reported recurring state foundation distribution of $28,363.91 per month, or $170,183.46 for January through June 2027 if the payment amount remains unchanged. We will not budget unverified fund balances, declining enrollment revenue, or restricted supplemental funding as resources necessary to sustain basic operations.

FESI will restructure staffing and recurring expenditures beginning January 1, with the objective of bringing the school's operating costs within recurring foundation funding while preserving required instruction, special education services, and other legal obligations. A final line-item staffing and operating budget must confirm that this objective is feasible before commitments are made.

Cash-flow controls and protection of AEPA

For cash-flow planning, FESI will assume state foundation payments arrive around the 28th of each month. We intend to establish a compliant month-end payroll schedule to reduce the gap between state receipts and payroll payments, with contingency arrangements for weekends, holidays, delayed deposits, and February. FESI does not anticipate a substantial initial capital contribution; any temporary support would be limited to demonstrated timing needs and FESI's available unrestricted resources.

AEPA and Imboden will remain separate financial entities. AEPA funds will not be used to support Imboden. Any shared administrative support will be documented through approved service arrangements and actual cost allocations. AEPA's adopted fiscal year 2026–2027 budget projects a positive ending legal balance of approximately $200,000; that amount is a budget projection, not an assured actual balance.

Instructional improvement and accountability

FESI's responsibility extends beyond financial stabilization. Beginning with the transition, we intend to emphasize diagnostic assessment, targeted small-group instruction, differentiated learning, teacher support, and frequent monitoring of student progress. Financial restructuring will be undertaken in a manner that safeguards students' required services and places educational outcomes at the center of operational decisions.

We believe the responsible course is to assume no inherited cash, plan around revenue that can be identified, control expenditures from the first day of management, and maintain strict financial separation among organizations. We appreciate the Panel's consideration and are committed to transparent oversight and responsible stewardship throughout this transition.

Transition understandings and clarifications for the record

We appreciate the guidance and cooperation of State officials as we prepare for the January 1, 2027 transition. Based on our discussions, FESI understands the following five matters to be part of the contemplated transition arrangements. We include them here to accurately reflect those discussions in the Panel's record and to support clear implementation among all parties. We welcome any clarification needed as the State finalizes the applicable actions and documentation.

1. Liabilities incurred before January 1, 2027.

Our understanding is that FESI will not assume responsibility for debts, unpaid obligations, or other liabilities incurred by the existing Imboden charter before January 1, 2027. Those matters will remain with the legally responsible entity or be addressed through the applicable closure and transition process, unless FESI separately agrees in writing to a specifically identified obligation.

2. Academic accountability treatment.

Our understanding from discussions with State officials is that an academic accountability waiver or comparable approved treatment will address the 2026–2027 school letter grade so that FESI and the successor operation are not held accountable for academic performance predating our management. We appreciate the State's assistance in clarifying the scope and documentation of that treatment.

3. Routing of funding beginning January 1, 2027.

Our understanding is that the State will coordinate the necessary payment and account arrangements so that funds payable for school operations beginning January 1, 2027 are directed to the appropriate account under the new management structure, rather than to an account controlled by the outgoing administration. We look forward to confirming the relevant account details and effective dates with agency staff.

4. Employment agreements issued before the transition.

Our understanding is that employment contracts issued by the existing Imboden charter will not become obligations of FESI as a result of the revocation and transition. FESI will establish its own staffing arrangements for the period beginning January 1, subject to applicable law and the school's obligations to students. We appreciate clarification of how existing contracts will be addressed in the final transition process.

5. Transfer of school assets.

Our understanding is that assets owned by the existing Imboden charter and legally eligible for transfer will be conveyed to FESI or the appropriate successor entity for continued school use. We anticipate working with State officials to document an inventory and address any applicable ownership, lien, grant, or other restrictions.

We appreciate the State's verbal guidance on these matters and include this summary to ensure that our shared understanding is reflected in the Panel's record. As the transition proceeds, we welcome the customary written documentation and coordination needed to carry these arrangements into effect.

Sincerely,

Christie Toland

Dr. Christie Toland
Co-Founder and President
Freedom Education Services, Inc.

Supporting Financial Analysis

Planning schedule | Prepared October 29, 2026 | Amounts are estimates or management-reported figures unless otherwise indicated.

A. FESI liquidity and operating protection

Item	Amount
Bank cash as of October 28, 2026	$80,893.63
Expected state-funded receipt (not yet deposited)	$99,843.75
Potential cash after receipt, before other payments	$180,737.38
Reserve for unpaid second-quarter expenses	($81,693.53)
Separately recorded liabilities	($408.67)
Estimated residual liquidity after reserve and liabilities	$98,635.18

The expected state payment is separate from all amounts on the October 28 statements, including accounts receivable. No other future revenue has been assumed. The reserve covers the full second-quarter expense projection, which management confirms remains unpaid. The liabilities are shown separately based on management's confirmation that the expense reserve does not include them. Timing of deposits and payments can change actual available liquidity.

B. Imboden foundation-only base case

Item	Monthly / six-month estimate
Assumed beginning balance	$0
Recurring state foundation distribution	$28,363.91 per month
Foundation revenue, January–June 2027	$170,183.46
Estimated facility rent	$5,000 per month / $30,000 six months
Foundation revenue after estimated rent	$23,363.91 per month / $140,183.46 six months

The rent is a verified lease obligation. The remaining amount must support all other necessary operating costs, including salaries, benefits, special education, utilities, transportation, insurance, and instructional services. The available information does not yet establish that the full expense structure fits this limit.

C. Supplemental resources excluded from the base budget

Reported funding category	October 10 reported balance
Enhanced Transportation	$24,782
ESA	$4,221
ESA Matching	$404
Charter School Facilities	$2,938
Medicaid	$7,224
Special education funds (reported as Title IV-B; classification to verify)	$18,340
Child Nutrition	$9,959
Total reported category balances	$67,868

These balances were reported as of October 10, 2026. Their availability at transition, carryover treatment, and permitted uses are not verified. No portion is included in the foundation-only operating forecast. Declining enrollment funding is also excluded because its amount is unknown.

D. Cash-flow operating assumptions

State foundation deposits are assumed to occur around the 28th of each month, subject to actual state payment timing. FESI proposes a compliant month-end payroll schedule and will plan for payment processing, nonbusiness days, February, and unexpected delays. Temporary advances, if any, should be documented and limited to actual short-term liquidity needs. AEPA resources will not be used.

E. Items to validate during implementation

Before finalizing the January–June operating commitments, FESI will verify staffing and benefits costs, required special education service delivery, the lease and other contractual obligations, the state distribution schedule, payroll compliance, and the legal treatment of liabilities under the charter transition. No representation is made here that existing Imboden obligations have been legally extinguished or transferred.

F. Transition understandings recorded for the Panel

The following summarizes FESI's understanding of discussions with State officials. These matters have been verbally discussed and are included for the Panel's record; their final legal implementation will be reflected in the appropriate State actions and transition documents.

1. Liabilities incurred before January 1, 2027.

FESI understands that pre-transition debts and liabilities will not transfer to FESI solely because it assumes management on January 1, 2027. Any specifically agreed exception would be separately identified in writing.

2. Academic accountability treatment.

FESI understands that the State will provide an academic accountability waiver or comparable approved treatment relating to the 2026–2027 letter grade, with its scope documented through the appropriate process.

3. Routing of funding beginning January 1, 2027.

FESI understands that the State will coordinate the routing of payments attributable to operations beginning January 1, 2027 to the properly authorized account under the new management structure.

4. Employment agreements issued before the transition.

FESI understands that pre-transition employment contracts will not automatically become FESI obligations and that their disposition will be addressed through the State's revocation and transition process, consistent with applicable law.

5. Transfer of school assets.

FESI understands that transferable school-owned assets will be conveyed to FESI or the appropriate successor entity, with an inventory and any applicable legal or grant restrictions documented.

Implementation records to coordinate with State officials include the final transition and revocation documents, accountability determination, payment and banking instructions, disposition of existing employment contracts, and asset inventory and transfer records.

ATTACHMENT D

Transition Services Agreement

Imboden Area Charter School, Inc. (Assignor) and Freedom Education Services, Inc. (Assignee)

For the operation of Imboden Area Charter School from the effective date through June 30, 2027

TRANSITION SERVICES AGREEMENT

between

IMBODEN AREA CHARTER SCHOOL, INC.

(sponsoring entity and charter holder of Imboden Area Charter School, LEA 3840700)

and

FREEDOM EDUCATION SERVICES, INC

This Transition Services Agreement ("Agreement") is entered into as of October 13, 2026 (the "Effective Date") by and between Imboden Area Charter School, Inc. (the "School Corporation"), an Arkansas nonprofit corporation, acting through its Board of Directors (the "Board"), and Freedom Education Services, Inc, an Arkansas nonprofit corporation (the "Transition Partner"). The School Corporation and the Transition Partner are each a "Party" and together the "Parties."

RECITALS

A. The School Corporation holds the open-enrollment public charter for Imboden Area Charter School (the "School"), local education agency number 3840700, located in Imboden, Arkansas, under a charter contract (the "Charter") with the Division of Elementary and Secondary Education (the "DESE").

B. The Board has determined that the long-term educational continuity of the School's students may best be served by the voluntary assignment of the Charter to the Transition Partner, subject to the approval process established by 6 CAR § 31-424, and Ark. Code Ann. §§ 6-23-105(a)(2), 6-23-701, and 6-23-703.

C. The proposed assignment cannot take effect unless the Charter Authorizing Panel ("CAP") recommends the assignment and the Arkansas State Board of Education ("State Board") accepts that recommendation. Until then, and unless and until the proposed assignment takes effect, the School Corporation remains the charter holder and retains all authority and responsibility for the School.

D. The Board wishes to obtain transition planning, due diligence, technical assistance, and related support from the Transition Partner during the review period, under the Board's direction and control, to minimize disruption to students, regardless of the outcome of the proposed assignment.

NOW, THEREFORE, in consideration of the mutual promises in this Agreement, the Parties agree as follows:

ARTICLE 1. PURPOSE AND NATURE OF AGREEMENT

1.1 Limited purpose. This Agreement is solely for transition support and technical assistance. It is not a management agreement, a delegation of governance, an assignment of the Charter, or a transfer of any right, duty, asset, or liability of the School Corporation.

1.2 No effect on Authorizer action. Nothing in this Agreement obligates the DESE, CAP, or the State Board to approve the proposed assignment or any other action, or limits the authority under Ark. Code Ann. §§ 6-23-105, 6-23-701, and 6-23-703. The Parties acknowledge that DESE may pursue other lawful actions regarding the Charter regardless of this Agreement.

1.3 No commitment to assign. Execution of this Agreement does not bind either Party to file or support a petition for assignment. Any petition requires a separate resolution of each Party's board.

ARTICLE 2. TRANSITION SERVICES

2.1 Services. The Transition Partner shall provide the services described in Exhibit A (the "Services"), as directed by the Board or its designated administrator (the "School Liaison"), including:

(a) Due diligence review of the School's finances, budgets, cash flow, payables, debts, contracts, leases, insurance, facilities, staffing, and compliance records;

(b) Preparation of a written transition plan covering governance, leadership, staffing, students and families, student records, special education, services under Section 504 of the Rehabilitation Act of

1973, 29 U.S.C. § 794, finances, federal programs, child nutrition, facilities, technology and data systems, and state reporting;

(c) Technical assistance and coaching to the School's administrator and teachers on instruction, assessment, and school operations;

(d) Support for the School's special education program as described in Section 2.3;

(e) Assistance in preparing a joint petition for voluntary assignment, a proposed amended charter contract, and supporting exhibits for review by each party's board;

(f) Assistance in preparing family, staff, and community communications, which shall be issued only in a form approved by the Board; or

(g) Such other transition-related services as the parties agree in writing.

2.2 Standard of performance. The Transition Partner shall perform the Services in a professional manner using qualified personnel and in compliance with applicable federal and state law and rules of the State Board of Education.

2.3 Special education support. The School Corporation remains the local educational agency responsible for ensuring that the requirements of the Individuals with Disabilities Education Act, 20 U.S.C. § 1400 et seq., are met for its students under 34 C.F.R. § 300.209(c). The Transition Partner may, at the Board's direction and through appropriately licensed personnel, assist with file reviews, scheduling and facilitating individualized education program ("IEP") team meetings, drafting proposed IEP documents for the IEP team's consideration, and responding to any corrective action issued by DESE's Special Education Unit. All eligibility determinations, IEPs, and placement decisions remain decisions of the School's IEP teams and the School Corporation. The Transition Partner shall cooperate fully with any DESE monitoring or review.

ARTICLE 3. RESERVED AUTHORITY AND LIMITATIONS

3.1 Board authority reserved. The Board retains sole and exclusive authority over the School, including all policy, budget, personnel, enrollment, student discipline, contracting, banking, reporting, and compliance decisions. The Transition Partner acts only in an advisory and support capacity.

3.2 Prohibited acts. Unless and until the proposed assignment takes effect, the Transition Partner shall not, and shall not hold itself out as authorized to:

(a) Vote on, direct, or veto any action of the Board;

(b) Sign any contract, report, certification, assurance, grant document, or other instrument on behalf of the School Corporation or the School;

(c) Open, control, sign on, or draw from any bank account of the School Corporation or receive any public funds other than compensation, if any, under Article 6;

(d) Hire, supervise, evaluate, discipline, or dismiss any employee of the School Corporation, or offer employment to any School employee during school hours or using School resources, except as permitted by Section 4.4;

(e) Enroll, recruit, or solicit School students for any school operated by the Transition Partner;

(f) Represent to students, families, staff, vendors, or the public that it operates or governs the School; or

(g) Incur any obligation on behalf of the School Corporation.

3.3 Board meetings. Representatives of the Transition Partner may attend Board meetings at the Board's invitation and may present information. The representatives shall not participate in the Board's deliberations.

ARTICLE 4. PERSONNEL

4.1 Independent contractor. The Transition Partner is an independent contractor. Its personnel are not employees or agents of the School Corporation for any purpose, and the Transition Partner is solely responsible for their compensation, benefits, taxes, and workers' compensation coverage.

4.2 Background checks. Before any Transition Partner personnel have unsupervised contact with students or access to student records, the Transition Partner shall ensure that each person has completed the state and national criminal records checks and the Child Maltreatment Central Registry check that Ark. Code Ann. § 6-17-414 requires for nonlicensed school personnel, or the checks required for licensure, as applicable, and shall certify completion to the School Liaison. The Transition Partner shall not assign any person to perform the Services who would be ineligible for employment in a nonlicensed staff position under Ark. Code Ann. § 6-17-414.

4.3 Licensure. Personnel providing special education, instructional, or administrative support shall hold the Arkansas license appropriate to that work, unless the School Liaison approves otherwise in writing consistent with any licensure waiver in the Charter.

4.4 Staff transition planning. The Transition Partner may, with the Board's written approval and after the State Board issues a final decision approving the proposed assignment, communicate with School employees about potential employment with the Transition Partner effective on or after the assignment effective date.

ARTICLE 5. STUDENT RECORDS AND DATA PRIVACY

5.1 School official designation. The School Corporation designates the Transition Partner as a school official with a legitimate educational interest in student education records, solely to perform the Services, under 34 C.F.R. § 99.31(a)(1)(i)(B). The Transition Partner performs services for which the School would otherwise use employees and is subject to the requirements of 34 C.F.R. § 99.33(a) governing the use and redisclosure of personally identifiable information from education records.

5.2 Direct control. With respect to the use and maintenance of education records, the Transition Partner is under the direct control of the School Corporation. It shall access only the records necessary for the Services, shall use them only for the Services, and shall not redisclose personally identifiable information except as 34 C.F.R. § 99.33(a) permits. The School Corporation represents that its annual notification of rights under 34 C.F.R. § 99.7 specifies criteria for determining who constitutes a school official and what constitutes a legitimate educational interest, consistent with this designation.

5.3 Security. The Transition Partner shall maintain reasonable administrative, technical, and physical safeguards, shall not remove original records from School premises without written permission, and shall notify the School Liaison within 24 hours of any suspected unauthorized access or disclosure.

5.4 Return or destruction If this Agreement ends before the Proposed Assignment takes effect, the Transition Partner shall return or securely destroy all education records and personally identifiable information from education records in its possession and shall certify in writing to the School Liaison that it has done so. If the proposed assignment takes effect, records shall transfer under the assignment documents and 6 CAR § 31-605.

ARTICLE 6. COMPENSATION

6.1 No charge. The Transition Partner shall provide the Services at no cost to the School Corporation. The Transition Partner may use its own funds or private grants for this purpose. No public funds of the School Corporation shall be paid to the Transition Partner under this Agreement.

ARTICLE 7. TERM AND TERMINATION

7.1 Effectiveness. This Agreement becomes effective when approved by the Board at a duly noticed public meeting and signed by both Parties.

7.2 Term. This Agreement ends on the earliest of:

(a) The effective date of any assignment or transfer of the Charter to the Transition Partner;

(b) The date the State Board issues a final decision declining to approve the proposed assignment, or the date a CAP recommendation against the proposed assignment becomes final because no timely appeal is filed under Ark. Code Ann. § 6-23-703(c) or the State Board declines to hear an appeal under Ark. Code Ann. § 6-23-703(d);

(c) The effective date of any revocation, nonrenewal, or expiration of the Charter;

(d) The date of termination under Section 7.3 or 7.4; or

(e) June 30, 2027.

7.3 Termination for convenience. Either Party may terminate this Agreement on 10 days' written notice.

7.4 Immediate termination. The School Corporation may terminate this Agreement immediately on written notice if the Transition Partner breaches Article 3, 4, or 5, or if DESE advises in writing that continued performance is inconsistent with law, rule, or the Charter.

7.5 Effect. Termination does not affect obligations under Article 5, Section 6.1 for Services already rendered (if Alternative B applies), Article 9, or Article 11.

ARTICLE 8. REQUIRED STATUTORY PROVISION

8.1 As required by Ark. Code Ann. § 6-23-503(b)(2) and 6 CAR § 31-418(c): "No indebtedness of any kind incurred or created by the open-enrollment public charter school shall constitute an indebtedness of the state or its political subdivisions, and no indebtedness of the open-enrollment public charter school shall involve or be secured by the faith, credit, or taxing power of the state or its political subdivisions."

ARTICLE 9. CONFLICTS OF INTEREST AND ETHICS

9.1 Each Party shall disclose in writing to the other, and to DESE's Charter School Office, any relationship by which a director, officer, or employee of the School Corporation, or a family member, has a financial interest in or is employed by the Transition Partner. The Parties shall comply with Ark. Code Ann. § 6-24-101 et seq. and other applicable ethics and conflict-of-interest law, as 6 CAR § 31-411(b)(7) requires.

9.2 No director of the School Corporation who has a disclosed interest in the Transition Partner shall vote on this Agreement or on the proposed assignment.

ARTICLE 10. COOPERATION WITH DESE

10.1 The Parties shall cooperate fully with DESE's Charter School Office, Special Education Unit, school finance staff, and federal programs staff.

10.2 The School Corporation shall continue to furnish DESE any information, record, or report DESE requests under 6 CAR § 31-206(f). Nothing in this Agreement limits DESE's monitoring or enforcement authority.

10.3 The Parties shall provide DESE, on request, a copy of this Agreement, the transition plan, and any written work product of the Transition Partner relating to the School.

ARTICLE 11. GENERAL PROVISIONS

11.1 Insurance. The Transition Partner shall maintain commercial general liability insurance of at least $[1,000,000] per occurrence, professional liability insurance of at least $[1,000,000], and sexual misconduct and molestation coverage of at least $[1,000,000], and shall name the School Corporation as an additional insured where available.

11.2 Indemnification. The Transition Partner shall indemnify and hold harmless the School Corporation and its directors and employees from claims arising from the negligent or wrongful acts or omissions of the Transition Partner or its personnel in performing the Services. Nothing in this Agreement waives any immunity available to either Party under Arkansas law.

11.3 Public records. The Parties acknowledge that records relating to the School may be subject to the Arkansas Freedom of Information Act, Ark. Code Ann. § 25-19-101 et seq., and shall cooperate in responding to requests.

11.4 No assignment. Neither Party may assign this Agreement without the other's written consent.

11.5 No third-party beneficiaries. This Agreement creates no rights in any third party, including without limitation DESE, CAP, the State Board, students, and employees. This section does not limit the authority of DESE, CAP, or the State Board under law or the Charter.

11.6 Governing law. This Agreement is governed by the laws of the State of Arkansas.

11.7 Notices. A Party shall give any notice under this Agreement in writing, by hand delivery, certified mail, or email with confirmation of receipt, to the other Party at its address in the signature block, with a copy of any notice of termination to DESE's Charter School Office.

11.8 Entire agreement; amendment; severability. This Agreement, with its exhibits, is the entire agreement of the Parties on its subject and may be amended only in a writing signed by both Parties and approved by the Board. If any provision of this Agreement is held invalid, the remaining provisions remain in effect.

11.9 Counterparts. This Agreement may be signed in counterparts and electronically.

IMBODEN AREA CHARTER SCHOOL, INC.

Name: Sarah June Helsrud // Sarah June Helsrud

Title: President, Board of Directors

Date: 10/13/2026

FREEDOM EDUCATION SERVICES, INC

Name: Emilyanne Thomason

Title: President, Board of Directors

Date: 10/14/26

EXHIBIT A: SCOPE OF SERVICES AND TIMELINE

Phase 1: Due diligence (weeks 1 to 3). Financial review (cash, payables, debt, audits, budget to June 30, 2027); contracts and leases (assignability, consents, no-indebtedness clause); facility condition and occupancy approvals; staffing roster, licensure, and waivers; enrollment and attendance data; special education and Section 504 inventory for all students; federal program and child nutrition status; written due diligence report to the Board.

Phase 2: Transition plan and petition (weeks 2 to 5). Draft transition plan; draft joint petition and exhibits; draft amended charter terms; family and staff communication plan; records transfer plan; IEP transition plan under 34 C.F.R. § 300.323(e); state reporting and data cutover plan.

Phase 3: Ongoing support (through effective date). Weekly coaching for the administrator; instructional support; special education support under Section 2.3; preparation for CAP and State Board appearances; weekly status report to the School Liaison.

Phase 4: Readiness (after State Board acceptance). Staff transition planning under Section 4.4; plan for the School Corporation's obligations under Ark. Code Ann. § 6-23-105(e) on assignment, including the accounting of accounts payable, banking information, prior approval of expenditures over $500, transfer of state and federal funds to DESE, and coordination with DESE on any required plan; vendor and lease transition; family enrollment confirmations; readiness checklist for the effective date.

School Liaison:

Name Scott K James

Title Director

Transition Partner lead:

Name Christi Bland

Title Co-founder

EXHIBIT A:

RESOLUTION OF THE BOARD OF DIRECTORS OF IMBODEN AREA CHARTER SCHOOL, INC.

WHEREAS, Imboden Area Charter School, Inc. holds the open-enrollment public charter for Imboden Area Charter School (LEA 3840700); and

WHEREAS, the Board has determined that transition planning and technical assistance from Freedom Education Services, Inc. will serve the educational interests of the School's students while the Board executes a voluntary assignment of the charter;

NOW, THEREFORE, BE IT RESOLVED, that the Board approves the Transition Services Agreement with Freedom Education Services, Inc in the form presented; designates a School Liaison; authorizes the President to execute the Agreement; and confirms that the Imboden Area Charter School Board retains all authority over the School under the Agreement until such time that the Arkansas State Board of Education has provided an affirmative vote to transfer the charter to Freedom Education Services. Inc.

Adopted at a public meeting held on October 13, 2026,

by a vote of four in favor, zero opposed, 0 abstaining.
Directors with a disclosed conflict did not vote.

ATTEST:

Name: Scott Rogers, Jr.

Title: Secretary, Board of Directors, Imboden Area Charter School, Inc.

Date: 10-13-26

EXHIBIT A:

RESOLUTION OF THE BOARD OF DIRECTORS OF FREEDOM EDUCATION SERVICES, INC

WHEREAS, Freedom Education Services, Inc. holds the open-enrollment public charter for Arkansas Executive Prep Academy (LEA 0540702)); and

WHEREAS, the Board has determined that transition planning and technical assistance from Freedom Education Services, Inc. will serve the educational interests of the School's students while the Board executes a voluntary assignment of the charter;

NOW, THEREFORE, BE IT RESOLVED, that the Board approves the Transition Services Agreement with Imboden Area Charter School, Inc. in the form presented; designates a School Liaison; authorizes the President to execute the Agreement; and confirms that the Imboden Area Charter School Board retains all authority over the School under the Agreement until such time that the Arkansas State Board of Education has provided an affirmative vote to transfer the charter to Freedom Education Services. Inc.

Adopted at a public meeting held on October 14, 2026,

by a vote of five in favor, zero opposed, 0 abstaining.
Directors with a disclosed conflict did not vote.

ATTEST:

Name: Matt Hardage

Title: Secretary, Board of Directors, Imboden Area Charter School, Inc.

Date: 10/14/26