Outline of Proposed

College Operating Agreement

Between the University and College Revival Fund, Inc.

Parties

- The parties to the College Operating Agreement are:
  - Antioch University;
  - College Revival Fund, Inc. ("CRF"), an Ohio non-profit corporation (501(c)(3) application filed October 15, 2007), whose Board of Directors is the Board of Directors of the Antioch College Alumni Association, an Ohio unincorporated association .

Duration of Operating Agreement

- Until College attains separately accreditable status
- Then, discuss an Affiliation Agreement to secure the benefits of continued affiliation.

Governance and Powers

- Governance
  - The College Board of Trustees will initially be recruited by the Alumni Association, AUBOT, and former Trustees, with the concurrence of the AUBOT.
  - Seats filled promptly, to be full by March 1, 2008;
  - Formal transfer of power by July 1, 2008.

Governance and Powers
(continued)

- CBOT authority:
  - Employ a College President
  - Manage the College Endowment
  - Adopt employment policies, including faculty (and tenure decisions) and staff
  - Recruit new members of Board of Trustees

Self-Governance

College President and College administration:

- Manage College facilities
- Manage College finances, including budgeting, financial policies and fund raising
- Manage recruiting and admissions
- Manage communications

Antioch University McGregor

- Eventual merged governance of Antioch McGregor and Antioch College

Accreditation

- Continued accreditation with North Central Association and Ohio Board of Regents is crucial.

University Oversight and Intervention

- As long as College accreditation rests with Antioch University, the University Trustees have the ultimate fiduciary responsibility over College operations, and thus the right to intervene in College affairs.
- However, the right of intervention shall be used sparingly, and only when there is
  - a demonstrable departure from applicable standards, or
  - a risk of serious injury to person or property, or serious financial loss or liability to the University.

Intervention in College Affairs

- If the University Trustees or Chancellor believes intervention is necessary, they shall immediately give notice to the College President or the Chair of the College Board of Trustees, explaining the nature of the concern and proposed corrective measures.
- If there is disagreement, after discussion, either side may invoke Dispute Resolution

Dispute Resolution

- Panel of experts will recommend a resolution to the University. If the University rejects the panel's recommendation it will state its reasons for doing so in writing.

Assumption of College Debts

- Subject to audit to verify the nature, amount and reasonableness of the College's obligation, the CRF will assume these College obligations:
  - Restricted fund obligations as of November 1, 2007.
  - Net amount of surpluses borrowed from other campuses
  - College 2008 operating deficit

Determination of the amount of the College Debts

- Fair allocations
- Generally Accepted Accounting Practices and Procedures consistently applied, as applicable to non-profit institutions

Payment for College Operations

In the years following FY 2008:

- To the extent that income from College operations is not sufficient, the CRF will pay for College Operations.

CRF Indemnity of the University

- CRF will indemnify Antioch University from liabilities of the College arising after July 1, 2008.
- CRF shall also procure adequate insurance to protect the University from College-related liabilities.

Faculty and Staff Contracts

- CRF will immediately begin negotiations with faculty and staff -
  - New agreements under which faculty and staff agree to forego recourse against the University for any contractual liability
  - Opportunity to redefine concepts of tenure and collective bargaining in the context of Antioch College

Next Steps

- The parties should each appoint a negotiating team to create the terms of a definitive College Operating Agreement
- The University should identify its interim cash needs attributable to College Operations, to enable CRF to plan for and meet those needs.
- An Interim Agreement should be adopted to implement the funding and indemnity mechanisms.