

Exhibit 11



PUBLIC SCHOOLS OF NORTH CAROLINA

DEPARTMENT OF PUBLIC INSTRUCTION | June St. Clair Atkinson, Ed.D., *State Superintendent*

WWW.NCPUBLICSCHOOLS.ORG

August 2, 2013

Mr. Ozzie Hall, Administrator
Kinston Charter Academy
2000 Martin Luther King, Jr. Blvd
Kinston, NC 28501

Dear Mr. Hall:

Thank you for the update in your July 29, 2013 letter. You did answer my inquiry related to the funding for the State Health Plan and State Retirement system. In a sense, you said that the school had not taken these funds from the paychecks of your employees but deferred payment until funds become available. Further, a refinancing option on your facility may permit the school to become current.

While no definitive plan was presented to prevent this from occurring in the future, you did state that a failure to acquire the sought after refinancing will lead to a recommendation that the board of Kinston Charter Academy immediately close the school. The timeframe you provided was 15 days, so I will await your response no later than close of business on August 15, 2013.

If the decision is to relinquish the charter, as has been discussed, an immediate announcement to your parents, community, and the Office of Charter Schools is vital. Being so close to the beginning of the school year, your students would need to know promptly in order to transition back to other schools. Keep their needs at the forefront of your decision-making, particularly as it relates to timing.

Do understand that should Kinston remain open for this upcoming school year, the charter school is up for renewal by the State Board of Education at the end of this academic year. We are also awaiting test scores to see if the charter school will be deemed academically inadequate based upon the statutory definition. Since Kinston still has not provided all of the reports and payments necessary to the NC Treasurer's Office, the Governance Warning remains intact until all of those issues are rectified.

If you have additional questions, please contact the Office of Charter Schools at 919-807-3491.

Sincerely,

A handwritten signature in black ink that reads "Joel E. Medley".

Joel E. Medley, Director
Office of Charter Schools

JEM/pg

c: Philip Price, Chief Financial Officer, NC Department of Public Instruction
Alexis Schauss, Director, School Business Services, NC Department of Public Instruction

OFFICE OF CHARTER SCHOOLS

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