OPERATIONS. MAINTENANCE AND REPAIR AGREEMENT

This operations, maintenance and repair agreement ("Agreement") is made and entered into effective the Effective Date (as defined in Article I below) by and between The Gary Community School Corporation ("GCSC") whose mailing address is 620 E. 10th Place, Gary, IN 46402 and Edison Learning, Inc., (EDISON) with its principal place of business located at 900 S. Gay Street, Suite 1000 Knoxville, Tennessee 37902 (hereinafter "Edison").

WITNESSETH:

Whereas, pursuant to Indiana Code Section 20-31-9.5 *et seq.* (the "Code") and the Turnaround Agreement (attached hereto as Exhibit 1)[1], as defined below, EDISON will operate the following school as a turnaround academy: (1) Theodore Roosevelt Career and Technical Academy, 730 West 25th Avenue, Gary, Indiana 46407 ("ROOSEVELT" or "SCHOOL" or "Facility");

Whereas, pursuant to the Code, EDISON and GCSC have various responsibilities with regard to the operation of the School and GCSC'S ownership of the same;

Whereas this Agreement will provide clarity regarding the use of the School, which services will be provided, and the manner in which they will be provided, in order to ensure that EDISON has the needed support so that its use of the School will be focused on teaching and student learning;

Whereas, this Agreement will provide clarity to ensure that the School

[1] Turn Around Agreement Attached

maintains its integrity as a historical building and nothing is done to jeopardize the School's status as a historical building. (Exhibit 2: Documents United States Department of the Interior – National Register of Historic Places – Roosevelt)[2];

Whereas, the parties to this Agreement are also parties to the case of *State of Indiana ex rel., Edison Learning, Inc. vs. Gary Community School Corporation*, Cause No.:49D11-1207-PL-029036 ("the Litigation"); and upon execution of this Agreement the parties will also execute a mutual release and settlement agreement and stipulation of dismissal with prejudice of the Litgation[3];

NOW, THEREFORE, in consideration of the agreements set forth herein and other good and valuable consideration, the parties hereto hereby agree as follows:

ARTICLE I

TERM

The term of this Agreement ("Term") shall commence on the date of execution by all parties (the "Effective Date"): and shall expire upon the termination date or termination of the Turnaround Agreement, with regard to the School. The date of the Turnaround Agreement between EDISON, as turnaround school operator, and the State of Indiana Department of Education ("IDOE") (the "Turnaround Agreement"), was July 11, 2012. The turnaround Agreement is set to end on June 30, 2016. (Exhibit 1)

[2] Roosevelt Historical Document

[3] Joint Motion to Dismiss

ARTICLE II

FACILITIES USE

1. Permitted Use. Pursuant to the Turnaround Agreement, and as provided in and subject to the Code, EDISON has been selected by IDOE to *serve* as a turnaround school operator at the School. As such, EDISON has the right to operate from the School, including all improvements related to the educational use thereof, to the extent provided in the Code. The buildings and related equipment, furnishing and property improvements located at the School, including the athletic fields and related improvements, are collectively referred to herein as the "Facilities". The parties acknowledge that the School and Facilities are owned by GCSC. The Facilities are to be used and occupied as permitted by the Indiana State Code. EDISON shall not use, or permit the use of, the School and its Facilities in such a way that the same would be deemed to be a public or private nuisance. EDISON agrees to abide by reasonable rules established by GCSC as set forth in this Agreement, its attachments, for purposes of reasonably protecting and preserving the Facilities. EDISON shall operate the School at all times in accordance with all applicable local, state and federal laws, ordinances, rules and regulations (collectively, "Laws").

Edison agrees that it will not further alter or modify any structural element or historically significant component of the Facilities (as guided by the criteria applicable to the National Register of Historic Places) without the express

written permission of the Board of the GCSC, which permission shall not be unreasonably withheld.

At least annually, EDISON will make a good faith determination as to whether it will use all the Furnishings and equipment and any other property within the Facilities that was purchased, in whole or in part, with public funds. To the extent there are such Furnishings and/or equipment that EDISON has determined it is not using, EDISON will provide GCSC with a list of such Furnishings and equipment, which GCSC may remove and use. Furthermore, Edison agrees to document all purchases of Furnishings and Equipment that Edison aquires with public funds and shall produce such documentation to GCSC at the end of each school year.

2. Use of Building by Third Parties. The use of the School by third parties shall comply with GCSC policy 206 on Community Use of School Facilities and the procedures used by other schools in GCSC. In addition, EDISON shall provide 14 days advance notice of any such use to the Superintendent of GCSC, which notice shall be accompanied by the standard form use and waiver documents (including evidence of appropriate insurance, including without limitation commercial general liability with sexual misconduct and molestation coverage and worker's compensation coverage) as then may be required by GCSC.

3. Surrender of the Facility. At the expiration of the Term of this Agreement, EDISON shall leave the Facility, as applicable, in good condition and with respect to the alterations and/or modifications listed below, and at the request

of GCSC (which request must be made in writing prior to the end of the term of this Agreement), Edison will return the building to its original condition:

- Removal of temporary walls that have closed access to certain stairwells.
- Removal of temporary walls that may have covered trophy cases.
- Replacement of up to 100 lockers to areas on the first floor where Edison removed lockers (the parties understand that these will not be the replacement of the original lockers).

Upon completion of the items listed above, GCSC waives its claims for monetary damage based upon any modifications or alterations performed by Edison which occurred prior to the execution of this Agreement.

EDISON shall return and surrender to GCSC all keys, all security access cards, mail box keys, and keys to interior doors and improvements that were provided to EDISON by GCSC. EDISON shall remove from the School all of its trade fixtures, operating equipment, furniture and other personal property that Edison purchased without public funds and which were not present in the School at the commencement of Edison's possession and shall repair any damage occasioned by any such removal not later than the termination date of this Agreement. In no event shall EDISON remove any Furnishing, as hereinafter defined, or other personal property provided by GCSC. In no event shall EDISON be entitled to remove any property, equipment or trade fixtures that are the property of GCSC from the School at the termination of this Agreement or at any time, except in the ordinary course of school operations and then only if the same is

replaced with comparable property, if such property, equipment or trade fixtures were purchased, in whole or in part, with public funds. Any such publicly-funded property shall remain at the School on the termination of the Agreement and shall be the sole property of GCSC. The obligations under this Article shall survive the expiration or earlier termination of this Agreement.

ARTICLE III

FACILITIES MAINTENANCE AND REPAIR

Maintenance and repair of the Facilities will be allocated between EDISON and GCSC, pursuant to the Maintenance and Operations Procedures, attached hereto as the Maintenance Appendix (referred to as the "Matrix")[4] and made a part hereof.

Work orders for facility services performed by GCSC will be submitted and processed using the same process as established by GCSC from time to time for other GCSC Schools. GCSC shall provide EDISON with full access to GCSC's work order process on site at Roosevelt. EDISON and GCSC shall cooperate in providing a safe, well maintained learning environment. Should GCSC require access to the Facilities to perform any work order, then access shall be subject to reasonable restrictions established by EDISON that are designed to prevent interference with the education of students (except in the event of an emergency, where such restrictions shall not apply). The parties hereby acknowledge and agree that EDISON has not contracted with GCSC for any custodial services at the Facilities. Notwithstanding the

[4] Matrix

terms of the Maintenance Appendix, GCSC and EDISON shall each be solely responsible for all damages, and the resulting repairs or replacements, arising from or related to their acts, or from the acts of GCSC Affiliates, with regard to GCSC, or from the acts of EDISON's Affiliates, with regard to EDISON. GCSC's agents, licensees, contractors and invitees and all of their respective school board members, officers, directors, agents and employees are hereafter called, collectively, "GCSC Affiliates" and EDISON's agents, licensees, contractors and invitees (including without limitation Programmatic Service Providers and Community Groups), all of their respective officers, directors, agents and employees and the students at the School and their parents and guardians are hereafter called, collectively, "EDISON Affiliates". All maintenance and repair obligations of GCSC shall be fulfilled in substantially the same manner as GCSC uses for other GCSC Schools.

ARTICLE IV

FACILITIES SECURITY AND RELATED INFORMATION TECHNOLOGY

Security for the Facility shall be the responsibility of EDISON. Consequently, Edison hereby agrees to indemnify, defend and hold harmless GCSC from any claims made against GCSC which are based upon, arise out of, or are related to a lack of proper security. Edison hereby represents that it has sufficient liability insurance to cover such claims and it agrees that it shall promptly forward any such claim to its insurance carrier. GCSC agrees that it shall give prompt notice to Edison of any such claims.

The parties hereby acknowledge and agree that EDISON has not contracted

with GCSC for any services relating to security or the security alarm system for the School. EDISON shall be permitted to use, at EDISON's sole discretion, the security equipment located within the Facilities, which is not to be used with regard to GCSC's security obligations as set forth below; such equipment shall be included in the term "Furnishings" as defined in Section XV(1) below. EDISON shall reimburse GCSC for reasonable costs associated with false alarms. GCSC shall be responsible for the maintenance and repair of fire monitoring and access control equipment in a manner consistent with its practice for other GCSC School and subject to reasonable restrictions established by EDISON. GCSC shall provide electronic bridge access and other access and information related to the security systems required to enable GCSC to monitor and maintain the above referenced security and emergency notice systems equipment for the Facilities during Non-School Hours. EDISON and GCSC shall cooperate with regard to their security equipment and related information technology systems to ensure compatibility. This Section shall be subject to the provisions of the Maintenance Appendix. The parties shall cooperate to develop a communication protocol allowing for notification of GCSC in case of an emergency regarding the Facilities. The parties shall also cooperate to develop a communication protocol allowing for notification in case of a security breach regarding the Facilities during Non-School Hours. EDISON shall provide GCSC with a list of security equipment purchased and shall collaborate with GCSC to insure consistency between EDISON's and GCSC standard security equipment and needs. GCSC shall not be responsible for any costs incurred by EDISON in purchasing security equipment, nor for any additional costs resulting from the inconsistency of the security systems.

ARTICLEV

ATHLETICS

EDISON intends to maintain a full athletic program at the School. EDISON shall be solely responsible for the scheduling and canceling of all athletic events for the School. Any contact to GCSC from any third party regarding scheduling of athletic events with the School shall be directed to EDISON.

ARTICLE VI

TRANSPORTATON

It is understood that GCSC, consistent with I.C. 20-31-9.5-2 Sec. 2(a)(2)(A) shall provide transportation for students attending the turnaround academy, at the same level of service GCSC provided before the Effective Date. EDISON, after consultation with GCSC's Transportation Director regarding the starting dates and times of the school term, shall communicate directly with and provide all necessary information to GCSC's transportation provider, Illinois Central, to arrange and schedule transportation to students attending the School. During such times as GCSC provides transportation, afterschool transportation, extra-curricular (i.e., athletics, band, etc.) transportation and field trip transportation will be provided by GCSC at the same level of service GCSC provided to the School before the Effective Date.

GCSC agrees to provide sufficient documentation of its practice of requiring individual high schools to pay for some or all of extra-curricular transportation through funds raised by the individual schools that require such transportation rather than paying those items from "Fund 41." GCSC will provide documentation to

Edison for each school that requires such transportation within fifteen days of the agreement being signed. After Edison has had the opportunity to review such documentation, and if such documentation confirms GCSC's practice described above, Edison will pay for the cost of extra-curricular transportation to the same extent that other high schools within the GCSC pay for such transportation and the Parties will determine in good faith the extra-curricular transportation costs to be paid for by Edison. GCSC shall resume and continue payment of Edison's extra-curricular transportation costs until Edison confirms GCSC's practice in connection with paying other high schools' transportation costs Edison intends to operate extracurricular transportation consistent with the scope of activities that are traditional or customary or the historical norm for GCSC.

In regard to any transportation that is provided by GCSC, Edison will cooperate in providing information required by GCSC to facilitate the transportation of students.

ARTICLE VII

STUDENT ASSIGNMENT

EDISON will follow the same procedures, with regard to the School, as required for other public Schools in the State of Indiana, regarding student assignment and records transfer, using current IDOE standards. EDISON will be responsible for providing records and/or transcripts requested by other Schools or by past students and/or graduates of the School. Student records currently located in the School will remain in place. EDISON will not be responsible for historical records that were not

located at the School on July 1, 2012. GCSC shall provide an example of its format for record requests to EDISON to assist EDISON with understanding the current GCSC process and with EDISON's development of its own plan or system.

ARTICLE VIII

INFORMATION TECHNOLOGY

1. Technology Infrastructure; Network Services. EDISON is responsible for providing, repairing and maintaining the technology systems and network services at the School and will provide to GCSC any information on additions or changes to the infrastructure and /or configuration of the existing system that is required for GCSC to reintegrate various systems.

2. Inventory of Information Technology Equipment. The initial information technology equipment located at each School is included in the defined term "Furnishings". EDISON will identify equipment that will be decommissioned upon transfer of managementand shall follow the GCSC transfer process to return decommissioned equipment to GCSC. GCSC shall restore computers to their licensed operating system and shall provide EDISON a license key for future use. Networking equipment shall be restored to default settings and any licensing or keys shall be provided by GCSC to EDISON. EDISON is responsible for renewing any expiring software, licenses or services as needed.

3. Internet Service; Phone Service. EDISON shall establish new internet and phone service to each School with a new phone number block to allow GCSC to retain GCSC block of prefixes. All internet and other communication services of the School shall be provided by EDISON at its sole cost and expense. Edison agrees to

communicate with GCSC as necessary to facilitate cooperation on integration of these systems.

ARTICLE IX

FOOD SERVICE

GCSC shall be responsible for certain maintenance, repair and replacement of the food service equipment and personal property (the "Kitchen Equipment") as identified in the Maintenance Appendix[5], attached hereto and made a part hereof. EDISON shall be responsible for other maintenance, repair and replacement obligations related to the Kitchen Equipment, as identified in the Food Service Appendix and for providing free and reduced price meals. All Kitchen Equipment currently located at the School shall remain at each School and shall be included in the defined term "Furnishings."

ARTICLE X

OFFICE EQUIPMENT; VENDING MACHINES

All office equipment at each School may be removed by GCSC, unless EDISON notifies GCSC within sixty (30) days after this agreement is signed that EDISON wants all or some of such office equipment to remain with the School, in which case the same shall be deemed to be a Furnishing. EDISON may, at its option, enter into an agreement with any vendor machine provider, so long as used in connection with the permitted use under this Agreement.

[5] Parties Agree there is no Food Service Matrix

ARTICLE XI

FURNISHINGS

1. **Furnishings.** EDISON shall be permitted to install personal property, including trade fixtures, at the School. If any such property shall be attached to or affixed to the Facilities upon termination of the Turnaround Agreement, EDISON shall return the School to its original condition. EDISON acknowledges that GCSC has left at the School, and made available for EDISON's use, certain personal property, which includes but is not limited to window coverings, equipment, trade fixtures, text books and similar property (collectively the "Furnishings"). The Furnishings are being provided in their "as-is" and "where-is" condition, without warranty of any kind, expressed or implied. EDISON agrees that, except as is expressly provided to the contrary in the Maintenance Appendix, it is solely responsible for the maintenance, repair and replacement of the Furnishings, and that it is solely and exclusively responsible, at its sole cost and expense, for any and all loss, claims or damages beyond normal wear and tear arising from or related to any Furnishings at the School, unless the same is under the exclusive control of GCSC. EDISON shall return the Furnishings to GCSC upon the termination of this Agreement in the same condition as now existing, subject to such reasonable wear and tear as is consistent with good maintenance, repair and replacement practices.

2. **Alterations.** Consistent with the obligations in Article I from the date of this Agreement forward, and at EDISON'S sole cost, EDISON may be permitted to make alterations, additions or improvements (hereinafter, "Alterations") in or to portions of the School that affect neither the structural elements nor historically significant components of the Facility with permission of GCSC. As set forth in The Maintenance Appendix or Matrix,[6] , Edison can perform the repairs listed as its responsibility withouth notice or consent from GCSC. No Alteration shall affect the structural integrity of the School, including the walls, floors and roof, nor shall any Alterations be permitted which would materially affect GCSC's obligations under this Agreement. All Alterations shall (i) be constructed by licensed contractors, (ii) completed without liens and (iii) become the sole obligation of EDISON to maintain. EDISON shall be responsible for all loss, claims and damages arising from, or related to, the Alterations.

To the extent that EDISON has made an Alteration before the date of this Agreement and such Alteration was not included on the list provided to GCSC on March 28, 2013[7], EDISON shall provide to GCSC a description of any such Alterations, including copies of work permits and any work plans made in connection therewith.

[6] This is the maintenance appendix or Matrix, attached pursuant to footnote 4 and as described in Article II

[7] Edison List of March 28, 2013

3. **Signs.** EDISON shall be permitted to affix any sign, advertisement or notice on the School, without the prior written consent of GCSC, provided that permanent signs, advertisements and notices must be approved by GCSC, which approval shall not be unreasonably withheld. Existing permanent signs at the School will not be removed, changed, altered or defaced. All signs must, in any event, be constructed and maintained in compliance with this Agreement and all applicable Laws. Messages on any changeable copy readerboard shall be limited to providing information about the schedule of the School and regarding upcoming events.

4. **Liens.** EDISON shall not allow the School Facilities to become subject to any security interest, lien, charge or encumbrance whatsoever. If any mechanic's lien, materialman's lien or other lien is placed against the School as a result of EDISON's actions, or those of EDISON's Affiliates, EDISON shall, within forty (40) days after notice thereof, remove same or cause the same to be released and discharged of record by posting a bond with the appropriate court of law in the amount of the lien. EDISON shall indemnify, defend, and hold GCSC harmless in the event of any default by EDISON under this provision, which indemnification shall survive the expiration or sooner termination of this Agreement.

ARTICLE XII
UTILITIES

The Parties have failed to reach an agreement on the responsibility for payment of utilities and will utilize the dispute resolution process identified in Section XVII, paragraph 10.

ARTICLE XIII

INSURANCE

1. **Insurance Policies.** EDISON shall secure and keep in force during the Term commercial general liability insurance coverage, including contractual coverage, automobile liability insurance coverage, and errors and omissions liability coverage consistent with the terms pursuant to the Turnaround Agreement; provided, however, that notwithstanding the coverage requirements of the Turnaround Agreement, (a) the per occurrence coverage shall not be less than $10,000,000 for commercial general liability, automobile liability and errors and omissions liability, and (b) EDISON's commercial general liability insurance coverage must include sexual misconduct and molestation coverage. GCSC is to be named as an additional insured for any liability arising, directly or indirectly, under or in connection with this Agreement, or with regard to the operations of the School or any event arising therefrom. GCSC shall maintain casualty insurance on the Facilities in the substantially the same manner as it insures other GCSC School. EDISON shall also provide (a) broad form casualty coverage for all personal property at the School, including the Furnishings, which coverage shall be on a full replacement value basis, and (b) worker's compensation insurance to the extent required by the laws of the State of

Indiana. Any deductible or other similar obligation under EDISON's insurance policies shall be the sole obligation of EDISON and shall not exceed $25,000.

2. **Form of Policies.** All EDISON's policies shall be issued by insurance companies pursuant to the Turnaround Agreement and this Article. Such policies shall name GCSC, and such GCSC Affiliates as GCSC elects, as additional insureds. Evidence of insurance shall be delivered to GCSC on or before the Effective Date, and thereafter within thirty (30) days prior to the expiration of the term of each such policy, or immediately upon EDISON obtaining a new policy.

3. **Indemnity.** Subject to the policy limits of the insurance coverages required by this Article, EDISON agrees to protect, indemnify and save harmless GCSC and GCSCs' Affiliates from all claims and suits, including court costs, attorneys' fees and other expenses caused by any act or omission on the part of EDISON or EDISON's Affiliates in the performance of this Agreement.

ARTICLE XIV
MISCELLANEOUS

1. **Applicable Law.** The laws of the State of Indiana shall govern the validity, performance and enforcement of this Agreement and jurisdiction shall be in any court in Lake County, Indiana.

2. **Entire Agreement.** This Agreement and the exhibits, the appendixes and attachments attached hereto and forming a part hereof represent

the entire understanding and agreement between the parties with respect to the subject matter hereof, and supersedes all other negotiations, understandings and representations (if any) made by and between the parties. No subsequent alteration, amendment, change or addition to this Agreement shall be binding upon GCSC or EDISON unless reduced to writing and signed by both parties.

3. **Interpretations.** This Agreement shall not be construed more strictly against one party than against the other merely because it may have been prepared by counsel for one of the parties, it being recognized that both parties have contributed substantially and materially to its preparation.

4. **Notices.** All notices, demands and communications hereunder to EDISON or GCSC shall be served or given by a national overnight delivery company or by certified United States Mail, return receipt requested to the addresses first above appearing or to such other addresses as are hereinafter designated by either party, or their successors in interest, by notice in writing, sent by as provided above, to such designated addresses. Notice shall be deemed received when delivery is first attempted. Each party shall immediately provide the other party with copies of any summons, notice of claim for damages or any threat of legal action, or any related documents, which such party receives but which is intended for the other party or names the

other party as a possible claimant.

5. **Separability.** Each and every covenant and agreement contained in this Agreement shall for all purposes be construed to be a separate and independent covenant and agreement, and the breach of any covenant or agreement contained herein by either party shall in no way or manner discharge or relieve the other party from its obligation to perform each and every covenant and agreement herein. The invalidity or unenforceability of any provision of this Agreement shall not affect or impair any other provision.

6. **Costs and Attorneys' Fees.** If either party shall bring an action to recover any sum due hereunder, or for any breach hereunder, the court may award to the prevailing party its reasonable costs and reasonable attorneys' fees, specifically including reasonable attorneys' fees incurred in connection with any appeals, whether or not taxable as such by Law.

7. **Successors and Assigns.** This Agreement may not be assigned without the written consent of the other party, except for an assignment required by Law or provided within the Turnaround Agreement. Subject to the foregoing, this Agreement shall be binding upon and inure to the benefit of the successors and assigns of the parties hereto.

8. **General.** The captions in this Agreement are for convenience only and are not a part of this Agreement. Except as otherwise expressly provided in this Agreement, the singular includes the plural and the plural includes the singular; "or" is not exclusive; a reference to an agreement or other contract includes supplements and amendments thereto to the extent permitted by this Agreement; a reference to any Law includes any amendment or supplement to such laws; a reference to a person or entity includes its permitted successors and assigns; accounting provisions have the meanings assigned to them by generally accepted accounting principles applied on a consistent basis; the words "such as", "include", "includes" and "including" are not limiting; except as specifically agreed upon in this Agreement, any right may be exercised at any time and from time to time; all obligations are continuing obligations throughout the Term of this Agreement; and in calculating any time period, the first day shall be excluded and the last day shall be included, and all days are calendar days unless otherwise specified.

9. This Agreement (i) may be executed in two or more counterparts, each of which shall be deemed an original, and all such counterparts shall together constitute one and the same instrument and (ii) may be executed by facsimile signatures (or by copies of physically signed documents exchanged via email attachments in PDF format or equivalent).

10. With respect to the following issues which the Parties have failed to agree upon, the Parties will utilize the resolution process which is contained in 511 IAC 6.2-9-6(d):

a. The payment of utilities.

11. The Parties specifically agree and acknowledge that nothing in this Agreement was intended to, nor shall it, operate as a waiver or release of whatever claims that GCSC has had, currenty has, or may have to challenge the process used by the Indiana Department of Education ("IDOE"), to determine that Roosevelt High School was eligible for state take over or continues to be eligible for take over as well as the actual determination of take over and the awarding of a turnaround operator contract to Edison. This reservation of rights is specifically directed at IDOE and does not include a reservation of any rights against Edison and is not meant to modify any release of Edison contemplated by or contained in this Agreement.

In witness whereof, the parties have executed this Agreement effective as of the last date set forth below.

EDISON LEARNING, INC.

By: _____

Its: Todd McIntire, SVP Operations East

Date: December 11, 2013

LIST OF APPENDIXES AND EXHIBITS

EXHIBIT 1 – Turn Around Agreement
EXHIBIT 2 – Roosevelt Historical Document
EXHIBIT 3 – Joint Motion to Dismiss
EXHIBIT 4 – Matrix
EXHIBIT 5 – NONE
EXHIBIT 6 – NONE
EXHIBIT 7 – LIST FROM MARCH 28, 2013
~~EXHIBIT 4 – TEXT BOOK APPENDIX~~
~~EXHIBIT 5 – FOOD SERVICE APPENDIX~~
~~EXHIBIT 6 – INVENTORY – EDISON~~
~~EXHIBIT 7 – INVENTORY – GCSC~~
~~EXHIBIT 8 – STIPULATION TO DISMISS~~
~~EXHIBIT 9 – EDISON – INVENTORY OF ANY AND ALL WORK DONE ON BUILDING~~
~~EXHIBIT 10 – DAMAGES~~

* PUSH *

EXECUTIVE DOCUMENT SUMMARY

State Form 41225 (R10/4-08)

Received

JUL 09 2012 TO

PDA Contracts

Instructions for completing the EDS and the Contract process.

1. Please read the guidelines on the back of this form.
2. Please type all information.
3. Check all boxes that apply.
4. For amendments / renewals, attach original contract.
5. Attach additional pages if necessary.

1. EDS Number:	2. Date prepared:
ADS-3-1NOT-0910	7/3/2012

3. CONTRACTS & LEASES

X Professional/Personal Services	Contract for procured Services
Grant	Maintenance
Lease	Lease/Agreement
Attorney	Amendment #
MOU	Renewal #
OPA	Other

4. FISCAL INFORMATION

4. Account Number:	5. Account Name:
14030-59300	TRF TO ST SCHOOL TUITION
6. Total amount this action: $4,143,993.96	7. New contract total: 4,143,993.96
8. Revenue generated this action: $0.00	9. Revenue generated total contract: $0.00

10. Note total amount for each fiscal year:

Year 2013	$4,143,993.96
Year	$
Year	$
Year	$

11. PERIOD COVERED IN THIS EDS

11. From (month, day, year):	12. To (month, day, year):
7/1/2012	6/30/2013

13. Method of source selection:

Bid/Quotation	Emergency	Negotiated
X RFP IDOE #:	Other (specify)	Special Procurement

AGENCY INFORMATION

14. Name of agency:	15. Requisition Number:
Department of Education	0000007469

16. Address: DOE-ACCOUNTING, 151 W OHIO ST, INDIANAPOLIS, IN 46204

AGENCY CONTACT INFORMATION

17. Name:	18. Telephone #:
Richard McKnight	232-0510

19. E-mail address: rmcknight@doe.in.gov

COURIER INFORMATION

20. Name:	21. Telephone #:
Jan Haldeman	232-0517

22. E-mail address: jhaldeman@doe.in.gov

VENDOR INFORMATION

23. Vendor ID #: 0000287540

24. Name:	25. Telephone #:
EDISON LEARNING INC.	(212) 419-1932

26. Address: 900 S GAY ST STE 1900, KNOXVILLE, TN 37902

27. E-mail address: Alison.Philbrick@edisonlearning.com

28. Is the vendor registered with the Secretary of State? (Out of State Corporations may be registered) X Yes ___ No

29. Primary Vendor: MWBE			30. If yes, list the %:	
Minority:	___ Yes	X No	Minority:	%
Women:	___ Yes	X No	Women:	%

31. Sub Vendor: MWBE			32. If yes, list the %:	
Minority:	___ Yes	X No	Minority:	%
Women:	___ Yes	X No	Women:	%

33. Is there a Renewal Language in: ___ Yes X No

34. Is there a Termination for Convenience clause in the document? X Yes ___ No

35. Will this contract document involve data processing or telecommunication systems? ___ Yes IOT ok Delegation has signed off on contract

36. Statutory Authority (Cite applicable Indiana or Federal Code): IC 20-18-3-5

37. Description of work and justification for spending money (please give a brief description of the scope of work included in this agreement):

The contractor will provide special education services to students in Gary, Indiana. As part of its duties, the contractor will provide students and staff with assistance and support, the contractor will be responsible for providing the services. The contractor's duties include, but are not limited to: implementing instructional programs, developing individualized education plans, providing assistive technology, providing professional development, and providing other related services.

38. Justification of vendor selection and determination of price reasonableness:

Based on applicable pricing, given applicants were provided to students based on their assessments, which included an initial IQ. After the evaluation, an offer was made to the student's parent(s) by each of the applicants. The evaluation included such things as school history, student, teacher, parent, and family, as well as strengths and weaknesses. Based on the application, placement, and the value, there should not be selected. Other considerations factored into the decision were: the student's educational needs, the student's ability to benefit from the services offered, and the cost of the services.

RECEIVED JUL 12 2012

39. If this contract is submitted late, please explain why: (Required if more than 30 days late.)

This contract was submitted as soon as all details were finalized.

OAG-ADVISORY

40. Agency Fiscal Officer or Representative approval	41. Date Approved	42. Budget agency approval	43. Date Approved
	07-09-2012		7/11/12
44. Attorney General's Office approval	45. Date Approved	46. Agency representative receiving from AG	47. Date Approved
	7/12/12		

05210-000

P2

CONTRACT FOR THE OPERATION OF TURNAROUND ACADEMY

EDS #A58-3-130OT-0910

This Contract ("Contract"), entered into by and between the Indiana Department of Education ("State" or "IDOE") and EdisonLearning, Inc., a Delaware corporation whose principal address is located at 485 Lexington Avenue, New York, New York ("Contractor") is executed pursuant to the terms and conditions set forth herein. In consideration of those mutual undertakings and covenants, the parties agree as follows:

1. Duties of the Contractor

In addition to any other duties and obligations set forth herein, the Contractor shall perform all duties and obligations necessary to operate Theodore Roosevelt High School (the "School" or "Turnaround Academy"). Unless otherwise excepted by law, the services provided by the Contractor to operate the School shall be consistent with those services a local education agency must provide to operate a public school in Indiana. These services include, but are not limited to:

1. Transportation for special education students and students covered under the McKinney-Vento Homeless Assistance Act;
2. Food service;
3. Education and administrative technology and technology support;
4. Special education services under IC 20-35 and 511 IAC 7;
5. Career and technical education services under IC 20-20 and 511 IAC 8;
6. Custodial, maintenance, grounds keeping, and other services;
7. Instructional services in a particular curriculum area;
8. Textbooks and supplemental materials under IC 20-26-12, and 511 IAC 9;
9. Student services under 511 IAC 4;
10. Extracurricular activities.

In addition to and consistent with the services identified above, the Contractor shall provide all services identified in the Final Turnaround Plan submitted to and approved by IDOE's Office of School Improvement and Turnaround ("Final Turnaround Plan"), which is attached hereto as Exhibit A and incorporated herein by reference, which the Contractor is contractually obligated to provide to IDOE pursuant to the Professional Services Contract executed by the parties on October 14, 2011 (EDS #A58-2-12DL-0261). The Contractor shall provide all services in accordance with all applicable federal, state and local laws and/or rules relating to the operation of public schools in Indiana and pursuant to any written guidance provided to the Contractor by IDOE.

The State shall provide, at its sole cost, technical assistance to the Contractor for special education services that the Contractor is required to provide to students attending the Turnaround Academy ("Technical Assistance Contractors"). The Contractor shall work with the State and its Technical Assistance Contractors. The Contractor shall consider the recommendations, guidance, and action plans offered by the State or its Technical Assistance Contractors with respect to the Individuals with Disabilities Education Act and 511 IAC 7. For the avoidance of all doubt, the State shall pay and be responsible for all costs and expenses incurred by and payable to the Technical Assistance Contractors, and such payments by the State shall neither reduce the funds payable to the Turnaround Academy under Section 2 of this Contract nor adversely impact the amount of the fees payable to the Contractor under this Contract.

The services outlined above shall constitute the scope of work to be performed by the Contractor and shall hereinafter be referred to in the Contract as "the Work" or "Services." The Contractor shall not be responsible for any omissions of Services and/or failure to achieve goals as described in the Final Turnaround Plan that are due to the School's failure to receive all funding expected under Ind. Code 20-31-9.5-3.

2. State and Other Funding of School Operations

A. The School Operations shall be funded as follows:

1. from state tuition support as provided under Ind. Code 20-31-9.5-3;
2. from all federal funds (including but not limited to "Race to the Top" and School Improvement Grant funds), to which the Turnaround Academy or its students are entitled and from funds that would be provided for the benefit of the same, as well as any other funds for which the Contractor is eligible as a result of the Services provided under this Contract;
3. subject to any necessary application and approval, from such other federal, state and local funds available to the Turnaround Academy, its students or the Contractor; and
4. from grants (public or private) and any other funding to which the Turnaround Academy, its students or the Contractor may be entitled.

B. The list provided in Section 2A of this Contract shall not limit the funding or funding sources of the Turnaround Academy, its students or the Contractor. The Contractor shall be eligible to receive federal funds consistent with the Turnaround Academy being defined as the local educational agency ("LEA") for purposes of federal funding and contingent upon the Contractor or the Turnaround Academy, as the case may be, completing the necessary application(s) and obtaining approval of the application(s). When appropriate and if necessary under federal grant requirements, the State will apply for the benefit of the Turnaround Academy. The Contractor shall also be entitled to apply for and receive funding from other sources, including state level grants, as part of its operation of the Turnaround Academy.

C. The parties agree to work cooperatively to ensure that any property or equipment located in or assigned to the Turnaround Academy at the beginning of the 2011-2012 school year shall remain at the Turnaround Academy or otherwise for use by the Contractor. To the extent that Contractor determines that the actions or inactions of the Gary Community School Corporation ("GCSC") are materially and adversely impacting the Contractor's ability to perform under this Contract, including, without limitation, that the property or equipment located in or assigned to the Turnaround Academy has been improperly removed, the Contractor shall immediately notify the State of the same in writing and provide all documentation substantiating the same. Upon the State's receipt of the documentation from Contractor, the State shall: (i) immediately contact the GCSC and attempt to resolve the matter consistent with the intent of this Contract and IC 20-31-9.5, et. seq.,; and (ii) in the event the GCSC is unable or unwilling to so resolve the matter, the State will bring an action before the Indiana State Board of Education under 511 IAC 6.2-9-8.

D. The parties agree that the Turnaround Academy shall serve as the school corporation of legal settlement for students who reside within the Turnaround Academy's attendance zone as prescribe by applicable law.

3. Term

This Contract shall be effective for a period of four (4) years ("Initial Term"). The Initial Term shall commence on July 1, 2012 and shall remain in effect through June 30, 2016. Throughout this Contract "Term" shall mean the Initial Term and each "Renewal Term," as defined in Section 37 of this Contract.

4. Access to Records

The Contractor and its subcontractors, if any, shall maintain all books, documents, papers, accounting records and other evidence pertaining to all costs incurred under this Contract. It shall make such materials available at its respective offices at all reasonable times during this Contract for inspection by the State or its authorized designees. Copies shall be furnished at no cost to the State if requested.

5. Assignment; Successors

The Contractor binds its successors and assignees to all the terms and conditions of this Contract. The Contractor shall not assign or subcontract the whole or any part of this Contract without the State's prior written consent provided that the Contractor may assign this Contract to a successor (entity) that acquires, through a corporate reorganization, substantially all of the Contractor's assets and liabilities. Prior to such an assignment, the State shall have the opportunity to review and consent to the assignment; however, such consent shall not be unreasonably withheld. The Contractor may assign its right to receive payments to such third parties as the Contractor may desire without the prior written consent of the State, provided that the Contractor gives written notice (including evidence of such assignment) to the State thirty (30) days in advance of any payment so assigned. The assignment shall cover all unpaid amounts under this Contract and shall not be made to more than one party. Effective as of the date of this Contract and subject to the second and third sentences in the second paragraph of Section 23 of this Contract, the State hereby consents to the Contractor's appointment of Theodore Roosevelt Career and College Academy, Inc., a wholly owned subsidiary of EdisonLearning, Inc., to serve as the subcontractor with respect to the Contractor's performance of the obligations under Sections 2, 4, 6, 9, 12, 27, 29 , 34, 44 and 49 of this Contract and the Final Turnaround Plan.

The State shall have the authority to assign to the executive of a city or county certain duties and obligations set forth herein upon the State by sending written notification (pursuant to Section 31 of this Contract) of the assignment to the Contractor sixty (60) days prior to the effective date of the proposed assignment. Contractor shall have thirty (30) days after its receipt of written notice of the State's assignment in which to consent or object to such assignment. Contractor's consent with respect to the assignment shall not be unreasonably withheld. If Contractor does not consent to such assignment by the State or if, despite the Contractor's objection, the State is otherwise required by applicable law (including, without limitation, a final order or decree issued by a court of competent jurisdiction) to make an assignment to the executive of a city or county, then Contractor may terminate this Contract, which shall be effective on June 30th following the notification of the assignment. With the exception of the obligations under Section 12 of this Contract, the Contractor shall have no further obligation under this Contract after the effective date of termination. The Contractor shall be compensated by the State for all Services properly rendered prior to the effective date of termination. The Contractor shall be compensated for all Services herein provided, but in no case shall total payment made to the Contractor exceed the original contract price.

In no event will the State assign its funding and payment obligations under Section 2 of this Contract. In the event the State assigns any of its other duties and obligations under this Contract to the executive of a city or county and the Contractor consents to such assignment, then, as of the effective date of such assignment, the State shall have no further obligation to the Contractor with respect to those duties and obligations (except with respect to the State's obligations under Section 2 of this Contract), unless and

until such assignment is modified or terminated. Any obligation to the Contractor with respect to the assigned duties and obligations shall be borne by the assignee. In the event the assignment is terminated, the State shall resume obligation for the previously assigned duties and obligations and shall notify the Contractor of the same.

6. Audits

The Contractor acknowledges that it may be required to submit to an audit of funds paid through this Contract. Any such audit shall be conducted in accordance with IC 5-11-1, *et seq.*, and audit guidelines specified by the State.

Where applicable, where any federal funds are received by the Contractor or the Contractor's subcontractor following the expiration of this Contract, the Contractor shall arrange for a financial and compliance audit of funds provided by the State pursuant to this Contract. Such audit is to be conducted by an independent public or certified public accountant (or as applicable, the Indiana State Board of Accounts), and performed in accordance with Indiana State Board of Accounts publication entitled "Uniform Compliance Guidelines for Examination of Entities Receiving Financial Assistance from Governmental Sources," and applicable provisions of the Office of Management and Budget Circulars A-133 (Audits of States, Local Governments, and Non-Profit Organizations). The Contractor is responsible for ensuring that the audit and any management letters are completed and forwarded to the State in accordance with the terms of this Contract. Audits conducted pursuant to this paragraph must be submitted no later than nine (9) months following the close of the Contractor's fiscal year. The Contractor agrees to provide the Indiana State Board of Accounts and the State an original of all financial and compliance audits. The audit shall be an audit limited to funds paid through this Contract to the actual entity, or distinct portion thereof that is the Contractor, and not of a parent, member, or subsidiary corporation of the Contractor, except as otherwise required by applicable federal law. The audit shall include a statement from the Auditor that the Auditor has reviewed this Contract and that the Contractor is not out of compliance with the financial aspects of this Contract.

The State acknowledges that the Contractor is a privately held corporation and is under no obligation to make its non-public financial information available to any third party. Notwithstanding the foregoing, upon written request by the State, the Contractor agrees to provide the State information reasonably sufficient to confirm that the Contractor is solvent and financially secure, such information to be considered confidential ("Contractor's Financial Information") unless the Contractor identifies such information as non-confidential and publicly disclosable by marking it as "Contractor's Non-Confidential Financial Information." The Contractor's Financial Information, when provided to the State, shall be exempt from public disclosure by the State as "confidential information received upon request" or other applicable exemption under the Indiana's Access to Public Records Act, and shall otherwise be exempt from disclosure under any other applicable federal or state law. In the event the State receives a request from a third party ("Third Party Request") for any of the Contractor's Financial Information (by way of example and not a limitation, from a third party, federal agency, or another agency other than the State agency to whom the Contractor initially disclosed Contractor's Financial Information), the State shall immediately notify the Contractor in writing of the Third-Party Request and the State shall not comply with such request before the earlier of: (a) the period required in a final and unappealable order issued by a court of competent jurisdiction indicating that the requested information is not exempt from public disclosure; or (b) the date on which the Contractor notifies the State in writing that such information may be disclosed. The Contractor shall indemnify the State for all reasonable attorneys' fees, penalties and costs incurred by the State or as assessed against the State as a result of the State's compliance with the Contractor's written request to protect the Contractor's Financial Information from disclosure.

7. Authority to Bind Contractor

The signatory for the Contractor represents that he/she has been duly authorized to execute this Contract on behalf of the Contractor and has obtained all necessary or applicable approvals to make this Contract fully binding when his/her signature is affixed, and accepted by the State.

8. Changes in Work

The Contractor shall not commence any additional work or change the Work or Services until authorized in writing by the State. The Contractor shall make no claim for additional compensation in the absence of a prior written approval and amendment executed by all signatories hereto. This Contract may only be amended, supplemented or modified by a written document executed in the same manner as this Contract.

9. Compliance with Laws

A. The Contractor shall comply with all applicable federal, state, and local laws, rules, regulations, and ordinances, and all provisions required thereby to be included herein which are hereby incorporated by reference. The enactment or modification of any applicable state or federal statute or the promulgation of rules or regulations thereunder after execution of this Contract shall be reviewed by the State to determine whether the provisions of this Contract require formal modification.

B. The Contractor and its agents shall abide by all ethical requirements that apply to persons who have a business relationship with the State as set forth in IC 4-2-6, *et seq.*, IC 4-2-7, *et seq.*, the regulations promulgated thereunder, and Executive Order 04-08, dated April 27, 2004. If the Contractor is not familiar with these ethical requirements, the Contractor should refer any questions to the Indiana State Ethics Commission, or visit the Indiana State Ethics Commission website at http://www.in.gov/ethics/. If the Contractor or its agents violate any applicable ethical standards, the State may, in its sole discretion, terminate this Contract immediately upon notice to the Contractor. In addition, the Contractor may be subject to penalties under IC §§ 4-2-6, 4-2-7, 35-44-1-3, and under any other applicable laws.

C. The Contractor certifies by entering into this Contract that neither it nor its principal(s) is presently in arrears in payment of taxes, permit fees or other statutory, regulatory or judicially required payments to the State of Indiana. The Contractor agrees that any payments currently due to the State of Indiana may be withheld from payments due to the Contractor. Additionally, further work or payments may be withheld, delayed, or denied and/or this Contract suspended until the Contractor is current in its payments and has submitted proof of such payment to the State. Authority to withhold payments is found in IC 4-13-2-14.5 for contractors on the tax warrant list for delinquent taxes.

D. The Contractor warrants that it has no current, pending or outstanding criminal, civil, or enforcement actions initiated by the State, and agrees that it will immediately notify the State of any such actions. During the term of such actions, the Contractor agrees that the State may delay, withhold, or deny work under any supplement, amendment, change order or other contractual device issued pursuant to this Contract.

E. If a valid dispute exists as to the Contractor's liability or guilt in any action initiated by the State or its agencies, and the State decides to delay, withhold, or deny work to the Contractor, the Contractor may request that it be allowed to continue, or receive work, without delay. The Contractor must submit, in writing, a request for review to the Indiana Department of Administration ("IDOA") following the procedures for disputes outlined herein. A determination by IDOA shall be binding on the parties. Any payments that the State may delay, withhold, deny, or apply under this section shall not be subject to penalty or interest, except as permitted by IC 5-17-5.

F. The Contractor warrants that the Contractor and its subcontractors, if any, shall obtain and maintain all required permits, licenses, registrations, and approvals, and shall comply with all health, safety,

and environmental statutes, rules, or regulations in the performance of work activities for the State. Failure to do so may be deemed a material breach of this Contract and grounds for immediate termination and denial of further work with the State.

G. The Contractor affirms that, if it is an entity described in IC Title 23, it is properly registered and owes no outstanding reports to the Indiana Secretary of State.

H. As required by IC 5-22-3-7:
(1) The Contractor and any principals of the Contractor certify that:
(A) the Contractor, except for de minimis and nonsystematic violations, has not violated the terms of:
(i) IC 24-4.7 [Telephone Solicitation Of Consumers];
(ii) IC 24-5-12 [Telephone Solicitations]; or
(iii) IC 24-5-14 [Regulation of Automatic Dialing Machines];
in the previous three hundred sixty-five (365) days, even if IC 24-4.7 is preempted by federal law; and
(B) the Contractor will not violate the terms of IC 24-4.7 for the duration of the Contract, even if IC 24-4.7 is preempted by federal law.
(2) The Contractor and any principals of the Contractor certify that an affiliate or principal of the Contractor and any agent acting on behalf of the Contractor or on behalf of an affiliate or principal of the Contractor
(A) except for de minimis and nonsystematic violations, has not violated the terms of IC 24-4.7 in the previous three hundred sixty-five (365) days, even if IC 24-4.7 is preempted by federal law; and
(B) will not violate the terms of IC 24-4.7 for the duration of the Contract, even if IC 24-4.7 is preempted by federal law.

10. Condition of Payment

All services provided by the Contractor under this Contract must be performed to the State's reasonable satisfaction, as determined at the discretion of the undersigned State representative and in accordance with all applicable federal, state, local laws, ordinances, rules and regulations. The State shall not be required to pay for work found to be unsatisfactory, inconsistent with this Contract or performed in violation of any federal, state or local statute, ordinance, rule or regulation.The State agrees to pay the Contractor for Services properly rendered within the scope of Exhibit A.

11. Confidentiality of State Information

The Contractor understands and agrees that data, materials, and information disclosed to the Contractor may contain confidential and protected information. The Contractor covenants that data, material, and information gathered, based upon or disclosed to the Contractor for the purpose of this Contract, will not be disclosed to or discussed with third parties without the prior written consent of the State.

The parties acknowledge that the services to be performed by Contractor for the State under this contract may require or allow access to data, materials, and information containing Social Security numbers maintained by the State or Turnaround Academy in its computer system or other records. In addition to the covenant made above in this section and pursuant to 10 IAC 5-3-1(4), the Contractor and the State agree to comply with the provisions of IC 4-1-10 and IC 4-1-11. If any Social Security number(s) is/are disclosed by Contractor, Contractor agrees to pay the cost of the notice of disclosure of a breach of the security of the system in addition to any other claims and expenses for which it is liable under the terms of this contract.

12. Continuity of Services

A. The Contractor recognizes that the Service(s) to be performed under this Contract are vital to the State and must be continued without interruption and that, upon termination or expiration of the Contract, a successor, either the State or another contractor, may continue them. In the event of the termination or expiration of this Contract, the Contractor agrees that at the State's written request and in consideration for the fee described in subparagraph D of this Section 12A, the Contractor will:

1. Furnish phase-in training; and

2. Exercise its best efforts and cooperation to effect an orderly and efficient transition to a successor.

B. The Contractor shall, upon the State's written notice:

1. Furnish phase-in, phase-out services for up to sixty (60) days in the event of default or after this Contract expires; and

2. Negotiate in good faith a plan with the State to determine the nature and extent of phase-in, phase-out services required.

The Contractor shall provide sufficient experienced personnel during the phase-in, phase-out period to ensure that the services called for by this Contract are maintained at the required level of proficiency.

C. The Contractor, at the State's sole cost, shall allow as many personnel as practicable to remain on the job during the provision of the phase-in, phase-out services to help the successor maintain the continuity and consistency of the services required by this Contract. If the Contractor agrees in writing and in its sole and absolute discretion to permit its employees to become employees of the successor, then the Contractor shall: (i) disclose necessary personnel records as permitted by the Contractor's policy with respect to such records; (ii) allow the successor to conduct on-site interviews with these employees; and (iii) if selected employees are agreeable to the change, release the employees at a mutually agreeable date and negotiate transfer of their earned fringe benefits to the successor.

D. The State shall pay the Contractor a mutually agreed upon fee, including, without limitation, for all reasonable phase-in, phase-out costs (including direct support provided by Contractor). Direct support shall be limited to external non-school based personnel of the Contractor whose onsite services are necessary for phase in/phase out, which create transportation and human resources costs.

13. Debarment and Suspension.

A. The Contractor certifies by entering into this Contract that neither it nor its principals nor any of its subcontractors are presently debarred, suspended, proposed for debarment, declared ineligible or voluntarily excluded from entering into this Contract by any federal agency or by any department, agency or political subdivision of the State of Indiana. The term "principal" for purposes of this Contract means an officer, director, owner, partner, key employee or other person with primary management or supervisory responsibilities, or a person who has a critical influence on or substantive control over the operations of the Contractor.

B. The Contractor certifies that it has verified the state and federal suspension and debarment status for all subcontractors receiving funds under this Contract and shall be solely responsible for any recoupment, penalties or costs that might arise from use of a suspended or debarred subcontractor. The Contractor shall immediately notify the State if any subcontractor becomes debarred or suspended, and shall, at the State's request, take all steps required by the State to terminate its contractual relationship with the subcontractor for work to be performed under this Contract.

14. Default by State

If the State, sixty (60) days after receipt of written notice, fails to correct or cure any material breach of this Contract, the Contractor may cancel and terminate this Contract and institute the appropriate measures to collect monies due up to and including the date of termination.

15. Disputes

A. Should any disputes arise between the Contractor and the State with respect to this Contract, the Contractor and the State agree to act immediately to resolve such disputes. Time is of the essence in the resolution of disputes.

B. Except as stated in Section 5 of this Contract with respect to assignments by the State, the Contractor agrees that, the existence of a dispute notwithstanding, it will continue without delay to carry out all of its responsibilities under this Contract that are not affected by the dispute. Except as stated in Section 5 of this Contract with respect to assignments by the State, should the Contractor fail to continue to perform its responsibilities regarding all non-disputed work, without delay, any additional costs incurred by the State or the Contractor as a result of such failure to proceed shall be borne by the Contractor, and the Contractor shall make no claim against the State for such costs.

C. If Contractor or the State is not satisfied with the progress toward resolving a dispute, either party must notify in writing the other party of this dissatisfaction. Upon written notice, the parties have ten (10) working days, unless the parties mutually agree to extend this period, following the notification to resolve the dispute. If the dispute is not resolved within ten (10) working days, a dissatisfied party will submit the dispute in writing according to the following procedure:

1. The Contractor and the State agree to resolve such matters through submission in writing of their dispute to the Commissioner of the Indiana Department of Administration. The Commissioner shall reduce a decision to writing and mail or otherwise furnish a copy thereof to the Contractor and the State within ten (10) working days after presentation of such dispute for action. The presentation may include a period of negotiations, clarifications, and mediation sessions and will not terminate until the Commissioner or one of the parties concludes that the presentation period is over. The Commissioner's decision shall be final and conclusive unless either party mails or otherwise furnishes to the Commissioner, within ten (10) working days after receipt of the Commissioner's decision, a written appeal. Within ten (10) working days of receipt by the Commissioner of a written request for appeal, the decision may be reconsidered. If no reconsideration is provided within ten (10) working days, the parties may mutually agree to submit the dispute to arbitration or mediation for a determination. If a party is not satisfied with the Commissioner's ultimate decision and no resolution is reached at mediation, the dissatisfied party may submit the dispute to an Indiana court of competent jurisdiction.

2. Except as stated in Section 5 of this Contract with respect to assignments by the State, the State may withhold payments on disputed items pending resolution of the dispute. The unintentional nonpayment by the State to the Contractor of one or more invoices not in dispute in accordance with the terms of this Contract will not be cause for the Contractor to terminate this Contract, and the Contractor may bring suit to collect these amounts without following the disputes procedure contained herein.

16. Drug-Free Workplace Certification

The Contractor hereby covenants and agrees to make a good faith effort to provide and maintain a drug-free workplace. The Contractor will give written notice to the State within ten (10) days after receiving actual notice that the Contractor or an employee of the Contractor in the State of Indiana has been convicted of a criminal drug violation occurring in the workplace. False certification or violation of this

certification may result in sanctions including, but not limited to, suspension of contract payments, termination of this Contract and/or debarment of contracting opportunities with the State for up to three (3) years.

In addition to the provisions of the above paragraphs, if the total contract amount set forth in this Contract is in excess of $25,000.00, the Contractor hereby further agrees that this Contract is expressly subject to the terms, conditions, and representations of the following certification:

This certification is required by Executive Order No. 90-5, April 12, 1990, issued by the Governor of Indiana. No award of a contract shall be made, and no contract, purchase order or agreement, the total amount of which exceeds $25,000.00, shall be valid, unless and until this certification has been fully executed by the Contractor and made a part of the contract or agreement as part of the contract documents.

The Contractor certifies and agrees that it will provide a drug-free workplace by:

A. Publishing and providing to all of its employees a statement notifying them that the unlawful manufacture, distribution, dispensing, possession or use of a controlled substance is prohibited in the Contractor's workplace, and specifying the actions that will be taken against employees for violations of such prohibition;

B. Establishing a drug-free awareness program to inform its employees of (1) the dangers of drug abuse in the workplace; (2) the Contractor's policy of maintaining a drug-free workplace; (3) any available drug counseling, rehabilitation and employee assistance programs; and (4) the penalties that may be imposed upon an employee for drug abuse violations occurring in the workplace;

C. Notifying all employees in the statement required by subparagraph (A) above that as a condition of continued employment, the employee will (1) abide by the terms of the statement; and (2) notify the Contractor of any criminal drug statute conviction for a violation occurring in the workplace no later than five (5) days after such conviction;

D. Notifying the State in writing within ten (10) days after receiving notice from an employee under subdivision (C)(2) above, or otherwise receiving actual notice of such conviction;

E. Within thirty (30) days after receiving notice under subdivision (C)(2) above of a conviction, imposing the following sanctions or remedial measures on any employee who is convicted of drug abuse violations occurring in the workplace: (1) taking appropriate personnel action against the employee, up to and including termination; or (2) requiring such employee to satisfactorily participate in a drug abuse assistance or rehabilitation program approved for such purposes by a federal, state or local health, law enforcement, or other appropriate agency; and

F. Making a good faith effort to maintain a drug-free workplace through the implementation of subparagraphs (A) through (E) above.

17. Employment Eligibility Verification

The Contractor affirms under the penalties of perjury that he/she/it does not knowingly employ an unauthorized alien.

The Contractor shall enroll in and verify the work eligibility status of all his/her/its newly hired employees through the E-Verify program as defined in IC 22-5-1.7-3. The Contractor is not required to participate should the E-Verify program cease to exist. Additionally, the Contractor is not required to participate if the Contractor is self-employed and does not employ any employees.

The Contractor shall not knowingly employ or contract with an unauthorized alien. The Contractor shall not retain an employee or contract with a person that the Contractor subsequently learns is an unauthorized alien.

The Contractor shall require his/her/its subcontractors, who perform work under this contract, to certify to the Contractor that the subcontractor does not knowingly employ or contract with an unauthorized alien and that the subcontractor has enrolled and is participating in the E-Verify program. The Contractor agrees to maintain this certification throughout the duration of the term of a contract with a subcontractor.

The State may terminate for default if the Contractor fails to cure a breach of this provision no later than thirty (30) days after being notified by the State.

18. Employment Option

If, during any Term of this Contract, the State determines that it would be in the State's best interest to hire an employee of the Contractor and the Contractor in its sole and absolute discretion, which shall not be unreasonably withheld, agrees to permit the State to hire such employee, the Contractor will release the requested employee from any non-compete agreements that may be in effect. This release will be at no cost to the State or the employee.

19. Force Majeure

In the event either party is unable to perform any of its obligations under this Contract or to enjoy any of its benefits because of natural disaster or decrees of governmental bodies not the fault of the affected party (hereinafter referred to as a "Force Majeure Event"), the party who has been so affected shall immediately give notice to the other party and shall do everything possible to resume performance. Upon receipt of such notice, the obligations that the party is unable to perform as a result of the Force Majeure Event shall be immediately suspended. If the period of nonperformance exceeds thirty (30) days from the receipt of notice of the Force Majeure Event, the party whose ability to perform has not been so affected may, by giving written notice, terminate the performance of the obligations relating to the Force Majeure Event.

20. Funding Cancellation

When the Director of the State Budget Agency ("SBA") or applicable federal agency makes a written determination that funds are not appropriated or otherwise available to support continuation of performance of this Contract, this Contract shall be cancelled. A written determination by the Director of SBA or applicable federal agency that funds are not appropriated or otherwise available to support continuation of performance shall be final and conclusive. The State shall immediately notify the Contractor in writing of any such determination by the Director of SBA or the applicable federal agency. Notwithstanding any of the foregoing, the Contractor shall be entitled to receive and the State shall pay the Contractor for all services properly rendered under this Contract prior to the later of the date of cancellation of the Contract or Contractor's receipt of the notification by State, which shall be made pursuant to Section 31.

21. Governing Laws

This Contract shall be construed in accordance with and governed by the laws of the State of Indiana, and suit, if any, must be brought in the State of Indiana.

22. Indemnification

The Contractor agrees to indemnify, defend, and hold harmless the State, its agents, officials, and employees from all claims and suits including court costs, attorney's fees, and other expenses caused by

any act or omission of the Contractor and/or its respective subcontractors, if any, in the performance of this Contract. Pursuant to the Indiana Constitution Article X, Section 3 the State is precluded from and shall not provide such indemnification to the Contractor.

23. Independent Contractor

Both parties hereto, in the performance of this Contract, shall act in an individual capacity and not as agents, employees, partners, joint venturers or associates of one another. The employees or agents of one party shall not be deemed or construed to be the employees or agents of the other party for any purposes whatsoever. Neither party will assume liability for any injury (including death) to any persons, or damage to any property, arising out of the acts or omissions of the agents, employees or subcontractors of another party.

The Contractor may utilize subcontractors to perform the duties and obligations set forth in this contract. The Contractor shall be responsible for ensuring that the subcontractors' performance is in compliance with applicable law. The Contractor shall not be relieved by nonperformance of any subcontractor(s). The Contractor shall be responsible for providing all necessary unemployment and workers' compensation insurance for the Contractor's employees.

24. Information Technology Enterprise Architecture Requirements

If the Contractor provides any information technology related products or services to the State, the Contractor shall comply with all IOT standards, policies and guidelines, which are online at http://iot.in.gov/architecture/. The Contractor specifically agrees that all hardware, software and services provided to or purchased by the State shall be compatible with the principles and goals contained in the electronic and information technology accessibility standards adopted under Section 508 of the Federal Rehabilitation Act of 1973 (29 U.S.C. 794d) and IC 4-13.1-3. Any deviation from these architecture requirements must be approved in writing by IOT in advance. The State may terminate this Contract for default if the Contractor fails to cure a breach of this provision within a reasonable time.

25. Insurance

A. For each Turnaround Academy Contractor is assigned, Contractor shall secure and keep in force during the term of this Contract, the following insurance coverage, covering the Contractor for any and all claims of any nature which may in any manner arise out of or result from Contractor's performance under this Contract:

1. Commercial general liability, including contractual coverage, and products or completed operations coverage (if applicable), with minimum liability limits of $700,000 per person and $5,000,000 per occurrence unless additional coverage is required by the State. The State is to be named as an additional insured on a primary, non-contributory basis for any liability arising directly or indirectly under or in connection with this Contract.

2. Automobile liability with minimum liability limits of $700,000 per person and $5,000,000 per occurrence. The State is to be named as an additional insured on a primary, non-contributory basis.

3. Errors and omissions liability coverage with minimum liability coverage of $3,000,000 per occurrence or per claim made and $5,000,000 in the aggregate. The Contractor shall immediately notify the State in the event the Contractor changes its insurer.

4. The Contractor shall provide proof of such insurance coverage by tendering to the undersigned State representative a certificate of insurance prior to the commencement of this Contract and proof of Workers compensation coverage meeting all statutory requirements of IC 22-3-2. In

addition, proof of an "all states endorsement" covering claims occurring outside the State is required if any of the services provided under this Contract involve work outside of Indiana.

B. The Contractor's insurance coverage must meet the following additional requirements:

1. The insurer must have a certificate of authority issued by the Indiana Department of Insurance.
2. Any deductible or self-insured retention amount or other similar obligation under the insurance policies shall be the sole obligation of the Contractor.
3. The State will be defended, indemnified and held harmless to the full extent of any coverage actually secured by the Contractor in excess of the minimum requirements set forth above. The duty to indemnify the State under this Contract shall not be limited by the insurance required in this Contract.
4. The insurance required in this Contract, through a policy or endorsement(s), shall include a provision that the policy and endorsements may not be canceled or modified without thirty (30) days' prior written notice to the undersigned State agency.

C. Failure to provide insurance as required in this Contract may be deemed a material breach of contract entitling the State to immediately terminate this Contract. The Contractor shall furnish a certificate of insurance and all endorsements to the State before the commencement of this Contract.

26. Key person(s) (This clause deleted by agreement of the parties)

27. Licensing Standards

The Contractor, its employees and subcontractors shall comply with all applicable licensing standards, certification standards, accrediting standards and any other laws, rules, or regulations governing services to be provided by the Contractor pursuant to this Contract. The State will not pay the Contractor for any services performed when the Contractor, its employees or subcontractors are not in compliance with such applicable standards, laws, rules, or regulations. If any license, certification or accreditation expires or is revoked, or any disciplinary action is taken against an applicable license, certification, or accreditation, the Contractor shall notify the State immediately and the State, at its option, may immediately terminate this Contract.

28. Merger & Modification

This Contract constitutes the entire agreement between the parties. No understandings, agreements, or representations, oral or written, not specified within this Contract will be valid provisions of this Contract. This Contract may not be modified, supplemented, or amended, except by written agreement signed by all necessary parties.

29. Minority and Women's Business Enterprises Compliance

The Contractor agrees to comply fully with the provisions of 25 IAC 5 and the Subcontractor Commitment submitted to the State. No changes may be made to the commitment without the written approval of the Minority and Women's Enterprises Division of IDOA.

The Contractor shall provide the following information for each minority or women's business enterprise ("MBE/WBE") annually to the State by August 1st of each year: (1) the name of the MBE/WBE; (2) the phone number for each MBE/WBE; (3) the company name; (4) the scope of products or services provided; (5) utilization date; and (6) amount.

The Contractor agrees to submit a copy of the agreement entered into between the Contractor and each MBE/WBE subcontractor where the State took the selection of the MBE/WBE by the Contractor into

consideration when issuing the procurement award. The copy of the agreement must be submitted to the MWBE Division in IDOA within ninety (90) days of the execution of the contract between the Contractor and the State. The Contractor also agrees to send all amendments, changes, and terminations to these agreements to the MWBE Division in IDOA within ninety (90) days of their execution. Failure to provide a copy of the agreement or subsequent amendment, change, and termination may result in exclusion from future State procurements. If the Contractor is not excluded from future procurements, the actions or inactions of the Contractor with regard to the above will be taken into account in all phases and scoring in future procurements. In addition, the Contractor must obtain the approval of the Division before changing any MBE/WBE participation plan submitted in connection with this Contract.

30. Nondiscrimination

This covenant is enacted pursuant to the Indiana Civil Rights Law, specifically including IC 22-9-1-10, and in keeping with the purposes of the Civil Rights Act of 1964, the Age Discrimination in Employment Act, and the Americans with Disabilities Act. Breach of this covenant may be regarded as a material breach of this Contract, but nothing in this covenant shall be construed to imply or establish an employment relationship between the State and any applicant or employee of the Contractor or any subcontractor.

Pursuant to the Indiana Civil Rights Law, specifically including IC 22-9-1-10, and in keeping with the purposes of the federal Civil Rights Act of 1964, the Age Discrimination in Employment Act, and the Americans with Disabilities Act, the Contractor covenants that it shall not discriminate against any employee or applicant for employment relating to this Contract with respect to the hire, tenure, terms, conditions or privileges of employment or any matter directly or indirectly related to employment, because of the employee or applicant's: race, color, national origin, religion, sex, age, disability, ancestry, status as a veteran, or any other characteristic protected by federal, state, or local law ("Protected Characteristics"). Furthermore, Contractor certifies compliance with applicable federal laws, regulations, and executive orders prohibiting discrimination based on the Protected Characteristics in the provision of Services.

The Contractor understands that the State is a recipient of federal funds, and therefore, where applicable, Contractor and any subcontractors agree to comply with requisite affirmative action requirements, including reporting, pursuant to 41 CFR Chapter 60, as amended, and Section 202 of Executive Order 11246.

31. Notice to Parties

Whenever any notice, statement or other communication is required under this Contract, it shall be sent to the following addresses, unless otherwise specifically advised.

A. Notices to the State shall be sent to:

Dr. Tony Bennett
Superintendent of Public Instruction
Indiana Department of Education
151 West Ohio Street
Indianapolis, IN 46204
Fax Number: 317-232-8004

-- and --

Mr. Matthew Voors
General Counsel
Indiana Department of Education
151 West Ohio Street

Indianapolis, IN 46204
Fax Number: 317-232-8004

B. Notices to the Contractor shall be sent to:

485 Lexington Avenue – 2nd Floor
New York, NY 10017
e-mail: todd.mcintire@edisonlearning.com
fax: 484-422-8149

- and -

Mr. Thomas Jackson
Chief Operating & Legal Officer
EdisonLearning, Inc.
485 Lexington Avenue – 2nd Floor
New York, NY 10017
e-mail: thom.jackson@edisonlearning.com
fax: 212-656-1607

C. As required by IC 4-13-2-14.8, payments to the Contractor shall be made via electronic funds transfer in accordance with instructions filed by the Contractor with the Indiana Auditor of State.

D. All notices required or permitted by this Contract shall be in writing and shall be either personally delivered or sent by nationally-recognized overnight courier, facsimile, electronic mail, or by registered or certified U.S. mail, postage prepaid, addressed as set forth above (except that a Party may from time to time give notice changing the address for this purpose). A notice shall be effective on the date personally delivered, on the date delivered by a nationally-recognized overnight courier, on the date set forth on the receipt of a telecopy or facsimile, on the date set forth on the electronic mail identifying when the electronic mail was sent or upon the earlier of the date set forth on the receipt of registered or certified mail or on the fifth day after mailing.

32. Order of Precedence; Incorporation by Reference

Any inconsistency or ambiguity in this Contract shall be resolved by giving precedence in the following order: (1) This Contract, (2) exhibit(s) to this Contract; (3) Contractor's response to RFP #IDOE-4; and (4) the RFP #IDOE-4 issued by the IDOE found at http://www.doe.in.gov/turnaround/docs/rfp_idoe_turnaround_school_operator_11-19-final.pdf (RFP). All of the foregoing incorporated fully by reference.

33. Ownership of Documents and Materials

The Contractor owns and shall continue to own all instructional materials, training materials, teaching methodologies, school management methodologies, including but not limited to assessment methodologies, curriculum, lesson plans and any other materials developed by the Contractor, its employees, agents or subcontractors prior to or during execution of this Contract ("Contractor's Materials"). Data collected by the Contractor for the State under this Contract during Phase 1, Assessment, Phase 2 Human Capital Planning Phase and Phase 3, Evaluation, as described in the Scope of Work (the "Data"), shall be considered "work for hire" and the Contractor transfers any ownership claim of such Data to the State and shall be the property of the State. At the expiration of the Contract or upon termination thereof, Contractor shall provide the State the Data in a format usable by the State. Use of the Data, other than related to contract performance by the Contractor, without the prior written consent of the State, is prohibited; provided, however, that the Contractor may use the Data in an

aggregated form for evaluative and analytical purposes associated with understanding the efficacy of its products and services. Contractor's use of the Data for such evaluative and statistical purposes shall not include any personally identifiable data and shall be in accordance with the applicable provisions of the Family Educational Rights and Privacy Act of 1974, as amended. The Contractor shall provide the State full, immediate, and unrestricted access to the Data during the term of this Contract.

34. Payments and Use of Funds

A. Section 2(A)(1) funds payable to the Contractor hereunder shall be paid to the Contractor by the State in accordance with the schedule established by the State Budget Director commencing in July 2012 through the balance of the Contract. The Contractor shall be paid as follows:

1. For July 1, 2012 through December 31, 2012, Contractor shall receive monthly payments in the amount of $690,665.66.
2. The amount paid from January 1, 2013 to December 31, 2013 shall be based upon the September 2012 ADM count as provided for under Ind. Code 20-43.
3. The amount paid from January 1, 2014 to December 31, 2014 shall be based upon the September 2013 ADM count as provided for under Ind. Code 20-43.
4. The amount paid from January 1, 2015 to December 31, 2015 shall be based upon the September 2014 ADM count as provided for under Ind. Code 20-43.
5. The amount paid from January 1, 2016 to June 30, 2016 shall be based upon September 2015 ADM count as provided for under Ind. Code 20-43.

The formula for Section 34(A)(2) through Section 34(A)(4) may be modified by legislative action which is applicable to all public schools.

B. All other funds shall be paid pursuant to the terms and conditions of their funding source. Such other funds to which Contractor may be entitled by virtue of Contractor being defined as an LEA for federal funding purposes shall be paid to the Contractor pursuant to all applicable laws, rules and regulations and in accordance with Section 2 herein.

C. All funds shall be remitted to the Contractor, who shall use the funds to operate the Turnaround Academy pursuant to Section 2 of this Contract.

D. Contractor shall complete and submit the form(s) prescribed by the State no later than the first of each month. After the State receives the prescribed form(s), the State shall process and make monthly payments pursuant to Section 34(A). All funds payable to the Contractor hereunder shall be paid to the Contractor by the State pursuant to IC 20-43 and IC 20-31-9.5 and sent to the Contractor by the 20th day of each month. Payment by the State shall commence in July 2012 through the balance of the Contract. All other funds shall be paid pursuant to the terms and conditions of their funding source.

35. Penalties/Interest/Attorney's Fees

The State will in good faith perform its required obligations hereunder and does not agree to pay any penalties, liquidated damages, interest or attorney's fees, except as permitted by Indiana law, in part, IC 5-17-5, IC 34-54-8, and IC 34-13-1.

Notwithstanding the provisions contained in IC 5-17-5, any liability resulting from the State's failure to make prompt payment shall be based solely on the amount of funding originating from the State and shall not be based on funding from federal or other sources.

36. Progress Reports and Public Meetings

A. The Contractor shall submit reports, plans and other deliverables, as set forth in the Scope of Work attached hereto as Exhibit A, to assure the State that work is progressing in line with the schedule, and that completion can be reasonably assured on the scheduled date(s).

B. Pursuant to IC 20-31-9.5-2(c) and IC 20-31-9.5-7(a), the Contractor shall conduct a joint public meeting with the school corporation in which the Turnaround Academy is located at least two (2) times each year to discuss the following:

1. issues concerning the School;
2. progress of the School;
3. student achievement of affected students;
4. the condition of the School property; and
5. issues relating to the School property.

37. Renewal Option

The Parties may renew this contract for an additional period, as mutually agreed in writing.

38. Security and Privacy of Information

A. Health Information

The Contractor agrees to comply with all requirements of the Health Insurance Portability and Accountability Act of 1996 (HIPAA) in all activities related to this Contract, to maintain compliance throughout the life of this Contract, to operate any systems used to fulfill the requirements of this Contract in full compliance with HIPAA and to take no action which adversely affects the State's HIPAA compliance.

The parties acknowledge that the Department of Health and Human Services has issued the Final Rule, as amended from time to time, on the Standards for Privacy of Individually Identifiable Health Information, as required by HIPAA. To the extent required by the provisions of HIPAA and regulations promulgated thereunder, the Contractor covenants that it will appropriately safeguard Protected Health Information (PHI), as defined by the regulations, which is made available to or obtained by the Contractor in the course of its work under this Contract. The Contractor agrees to comply with applicable requirements of law relating to PHI with respect to any task or other activity it performs for the State as required by the final regulations.

B. Student Information

In accordance with Contractor's responsibilities under Sections 1 and 2D hereof, the State hereby designates Contractor as the educational agency for purposes of the Family Educational Rights and Privacy Act ("FERPA"). The Contractor shall determine which of its subcontractors, approved in accordance with Section 5 hereof, have a legitimate educational interest in accordance with 20 U.S.C. §1232g and 34 CFR Part 99. For the avoidance of all doubt, as the educational agency and for the duration of a student's enrollment in the Turnaround Academy, the Contractor shall have the care, custody, and control of and complete access to the educational records of all students enrolled in the Turnaround Academy on the last day of the 2011-12 school year, except for the following:

1. Students who graduated in 2012;
2. Students who were formally withdrawn from the Turnaround Academy as evidenced by a written document signed by their parent or legal guardian prior to July 1, 2012; and

3. Students for whom, prior to July 1, 2012, GCSC received a written notice signed by the student's parent or legal guardian indicating the intent to enroll in a school other than the Turnaround Academy. With respect to students whose parent or legal guardian indicate in writing the intent to enroll in another school after July 1, 2012, Contractor shall be responsible for ensuring that all educational records pertaining to such student are transferred to the school identified in the parent's or legal guardian's written intent to enroll, and Contractor's responsibilities with respect to such educational records under FERPA shall end on the date the educational records are transferred.

The Contractor assures that it and its subcontractors will comply with all FERPA requirements regarding student educational records, including but not limited to: (i) maintaining the confidentiality of personally identifiable student information; (ii) permitting access to and disclosure of information in a student's educational record solely as prescribed and with the requisite consent; and (iii) the maintenance and storage of educational records. The Contractor assures that no student data or information obtained during Contractor's performance of the Contract will be used for any purpose other than that specified in the Contract without the prior written consent of the appropriate Consenting Party. After the completion or termination of the Contract, Contractor shall return or transfer all student educational records to the appropriate entity. The State shall notify the Contractor, in writing, of the appropriate entity to which the educational records shall be transferred.

39. Severability

The invalidity of any section, subsection, clause or provision of this Contract shall not affect the validity of the remaining sections, subsections, clauses or provisions of this Contract.

40. Substantial Performance

This Contract shall be deemed to be substantially performed only when fully performed according to its terms and conditions and any written amendments or supplements.

41. Taxes

The State is exempt from most state and local taxes and many federal taxes. The State will not be responsible for any taxes levied on the Contractor as a result of this Contract.

42. Termination for Convenience (This clause deleted by agreement of the parties)

43. Default and Termination

A. **State Termination for Cause.** The State may terminate this Contract for cause prior to the end of the Term for the reasons set forth below:

1. If Contractor substantially breaches any of the material terms and conditions of this Contract and fails to remedy such breach within sixty (60) days after receipt of written notice of such breach from the State. The State may extend the time to correct or cure the breach beyond the time period set forth above if the State determines progress is being made and the extension is agreed to by the parties in writing;
2. The Contractor is liquidated or dissolved;
3. The Contractor makes any assignment of its assets for the benefit of a creditor;
4. The Contractor files a voluntary petition under any federal, state, or local bankruptcy statute; and

5. A third party files an involuntary petition against the Contractor under any federal, state, or local bankruptcy statute, which involuntary petition has not been dismissed or withdrawn with ninety (90) days of the date of filing.

B. Procedures. The following procedures shall apply to any termination pursuant Section 43A, with the exception of termination due to serious health, safety and welfare risks to students. The State shall give the Contractor written notice of its intent to terminate this Contract at least sixty (60) days prior to the effective date of termination stated in the notice. The cause for termination shall immediately be submitted to the Contractor for consideration and discussions to attempt to resolve the matter. If the matter is unresolved, then termination shall become effective in accordance with the State's termination notice. Notwithstanding the foregoing, any termination will not become effective until the end of a School Year unless:

1. the material breach by Contractor occurs within sixty (60) days of the end of a School Year and remains uncured as of June 30 of such School Year, then this Contract shall be terminated on June 30 of the School Year in which the material breach occurred; or

2. there are unusual and compelling circumstances that justify the disruption to the educational program and the students caused by a mid-year termination.

C. Acceleration due to Health, Safety, and Welfare. If the grounds for termination relate to a serious health, safety, or welfare risk to students, then notwithstanding any provision to contrary set forth herein, the period to remedy such breach shall not exceed ten (10) days. If Contractor fails to remedy such breach, then the State shall give the Contractor written notice of its intent to terminate this Contract at least seven (7) days prior to the effective date of termination stated in the notice. The State may extend the time to correct or cure the breach beyond the time period set forth above if the State determines that an extension is both warranted and will not create a further health, safety or welfare risk.

D. Contractor Termination for Cause. Contractor may terminate this Contract for cause prior to the end of the term for the following reasons:

1. If the State substantially breaches or fails to comply with any of the material terms and conditions of this Contract and fails to remedy such breach within sixty (60) days after receipt of written notice of such breach from the Contractor. For this purpose, a material breach may include, but is not limited to, failure to make payments as required under Sections 2 and 34 of this Contract, unless the required payment is subject to reasonable dispute or a material breach of the Contract as defined under Section 43A of this Contract. Contractor may extend the time to correct or cure the breach beyond the thirty (30) days if the Contractor determines progress is being made and the extension is agreed by the parties in writing;

2. The enactment, repeal, promulgation or withdrawal of any federal, state, or local law, regulation, or court or administrative decision or order which has a material adverse effect on the Contractor's ability to operate the Turnaround Academy in accordance with its budget, except that Contractor may not terminate this Contract based on a change in state funding so long as the state funding allocated to Contractor is calculated in accordance with Ind. Code 20-31-9.5-3 and is no less than the per pupil funding received by the GCSC.

E. Procedures. The following procedures shall apply to any termination pursuant this section. Contractor shall give the State written notice of its intent to terminate this Contract at least sixty (60) days prior to the effective date of the termination stated in the notice. The cause of termination shall immediately be submitted to the State for consideration and discussions to attempt to resolve the matter. If the matter is unresolved, then termination shall become effective in accordance with

Contractor's termination notice. Notwithstanding the foregoing, any termination will not become effective until the end of a School Year unless:

1. the material breach by the State occurs within sixty (60) days of the end of a School Year and remains uncured as of June 30 of such School Year, then this Contract shall be terminated on June 30 of the School Year in which the material breach occurred; or
2. there are unusual and compelling circumstances that justify the disruption to the educational program and the students caused by a mid-year termination.

F. Within thirty (30) days of the termination or expiration of this Contract for any reason, the State shall pay to Contractor any and all amounts due to Contractor hereunder, unless such amount is in dispute and subject to resolution pursuant to Section 15 in which case the payment of such amounts shall be resolved in accordance with Section 15 hereof. In the event of termination or at the expiration of the Contract, the State, at its option, may assume leases entered into by the Contractor for equipment used by Contractor at the Turnaround Academy. The State shall notify Contractor of its desire to assume any leases thirty (30) days prior to the expiration or termination of the Contract. All assets purchased by the Contractor solely with its own funds shall remain the property of Contractor. All assets purchased by the Contractor with the funds described in Section 2 of this Contract, whether in whole or in part, shall remain the property of the Turnaround Academy upon termination, or as may otherwise be required by applicable Law.

G. The sole remedies for breaches of this Contract shall be specific performance of the obligations outlined herein or termination of this Contract in accordance with this Section 43; provided, however, that with respect to the State's breach of its obligation to make monetary payments, the remedy shall be the State's payment in full of such monetary obligation.

44. Travel

No expenses for travel will be reimbursed unless specifically permitted under the scope of services or consideration provisions. Expenditures made by the Contractor for travel will be reimbursed at the current rate paid by the State and in accordance with the State Travel Policies and Procedures as specified in the current Financial Management Circular. Out-of-state travel requests must be reviewed by the State for availability of funds and for appropriateness per Circular guidelines.

All travel expenses associated with Contractor's services are included in budget submitted by the Contractor. The State shall not separately reimburse Contractor for any travel expenses that may be incurred by Contractor during its performance under the Contract.

45. Waiver of Rights

No right conferred on either party under this Contract shall be deemed waived, and no breach of this Contract excused, unless such waiver is in writing and signed by the party claimed to have waived such right. Neither the State's review, approval or acceptance of, nor payment for, the services required under this Contract shall be construed to operate as a waiver of any rights under this Contract or of any cause of action arising out of the performance of this Contract.

46. Work Standards

The Contractor shall execute its responsibilities by following and applying at all times the highest professional and technical guidelines and standards. If the State becomes dissatisfied with the work product of or the working relationship with those individuals assigned to work on this Contract, the State

may request in writing the replacement of any or all such individuals, and the Contractor shall grant such request.

47. State Boilerplate Affirmation Clause

I swear or affirm under the penalties of perjury that I have not altered, modified, changed or deleted the State's Boilerplate contract clauses (as contained in the 2011 OAG/ IDOA *Professional Services Contract Manual*) in any way except for the following clauses which are named below:

1. Duties of the TSO Contractor (Modified)
2. Consideration (State and Other Funding of School Operations) (Modified)
3. Term (Modified)
4. Access to Records (Modified)
5. Assignment; Successors (Modified)
6. Audits (Modified)
7. Authority to Bind TSO Contractor (Modified)
8. Changes in Work (Modified)
9. Compliance with Laws (Modified)
10. Condition of Payment (Legal Compliance) (Modified)
11. Confidentiality of State Information (Modified)
12. Continuity of Services (Modified)
14. Default by State (Default and Termination) (Modified)
15. Disputes (Modified)
18. Employment Option (Modified)
19. Force Majeure (Modified)
20. Funding Cancellation (Modified)
22. Indemnification (Modified)
23. Independent Contractor (Modified)
25. Insurance (Modified)
26. Key Person(s) (Deleted by Agreement of the Parties)
29. Minority and Women's Business Enterprises Compliance (Modified)
30. Nondiscrimination (Modified)
31. Notice to Parties (Modified)
32. Order of Precedence; Incorporation by Reference (Modified)
33. Ownership of Documents and Materials (Modified)
34. Payment and Use of Funds (Modified)
36. Progress Reports and Public Meetings (Modified)
37. Renewal Option (Modified)
38. Security and Privacy of Information (Modified)
42. Termination for Convenience (Deleted by Agreement of the Parties)
43. Termination for Default (Modified-See Section 14)
44. Travel (Modified)
45. Waiver of Rights (Modified)
48. Expanded Criminal Background Check (Clause Added)
49. Hiring of Licensed Teachers (Clause Added)
50. Performance Bond (Clause Added)

48. Expanded Criminal Background

Contractor shall perform expanded criminal history checks as defined in IC 20-26-2-1.5. Such criminal history checks shall be done on all Contractor's employees or individuals employed by its subcontractors that are likely to have direct, ongoing contact with children within the scope of the individual's employment. Contractor further agrees to follow all federal, state and/or local laws, rules and regulations, as well as any and all policies adopted by any applicable school corporation, relating to conducting criminal history checks and as part of hiring of employees and contracting with contractors and subcontractors.

49. Hiring of Licensed Teachers

All student instruction provided by Contractor shall be done by teachers licensed under IC 20-28-5.

50. Performance Bond

Contractor agrees to provide a performance bond in the amount of $250,000 ensuring that Contractor meets all performance targets set forth in the Scope of Work attached hereto as Exhibit A. The State agrees to release the obligations under the performance bond at the end of the third year of operation if the Contractor meets the targets set forth in the scope of work.

THE REMAINDER OF THIS PAGE HAS BEEN INTENTIONALLY LEFT BLANK.

Non-Collusion and Acceptance

The undersigned attests, subject to the penalties for perjury, that he/she is the Contractor, or that he/she is the properly authorized representative, agent, member or officer of the Contractor, that he/she has not, nor has any other member, employee, representative, agent or officer of the Contractor, directly or indirectly, to the best of the undersigned's knowledge, entered into or offered to enter into any combination, collusion or agreement to receive or pay, and that he/she has not received or paid, any sum of money or other consideration for the execution of this Contract other than that which appears upon the face of this Contract.

In Witness Whereof, Contractor, EdisonLearning and the State have, through their duly authorized representatives, entered into this Contract. The parties, having read and understood the foregoing terms of this Contract, do by their respective signatures dated below hereby agree to the terms thereof.

EdisonLearning, Inc.:

By: _____
Printed Name: Todd McIntire
Title: SVP Operations, East
Date: 7/2/12

Attested By: _____

Indiana Department of Education

By: _____
Dr. Tony Bennett
Superintendent of Public Instruction
Date: 7-2-2012

Department of Administration

_____
Robert D. Wynkoop, Commissioner
Date: 7/9/12

State Budget Agency

_____ (for)
Adam M. Horst, Director
Date: 7/11/12

APPROVED as to Form and Legality:
Office of the Attorney General

_____ (for)
Gregory F. Zoeller, Attorney General
Date: 7/12/12

REQUISITION

Ship To: Indiana Department of Education
151 W OHIO ST
INDIANAPOLIS IN 46204

Bill to: IN Department of Education
Accounting Dept.
151 W OHIO ST
INDIANAPOLIS IN 46204

Requisition No.	Date	Required Date	Page
0000007489	07/06/2012		1 of 1

Fund/Account: 14930 / 531010
Dept Number: 023056
Project Number:
Requisition Number: 0000007489
Requestor: K240006 Carr,Kriss-700
Agency Number: 00700 Department of Education
Facility:

MUST COMPLETE FOR ICPR
____ Print REQ
____ Streamline Eligible

Line	Item	Description	Quantity	UOM	Unit Price	Ext Amt
1-1	A58313OT0910	The contractor will serve as a special management team and operate Theodore Roosevelt Technical and Career Academy in Gary, Indiana. As part of its duties, with the exception of providing transportation and building maintenance and repair, the contractor will be responsible for operating the school. The contractors duties include, but are not limited to implementing an instructional program, hiring and retaining highly effective teachers and leaders, developing curriculum and ultimately, driving substentive school improvement. ENCUMBER FUNDS RECEIVE BY AMOUNT ONLY.	1.0000	EA	4,143,993.9600	4,143,993.96

Vendor: 0000287590 EDISON LEARNING INC

The following UN/CEFACT Unit of Measure Common Codes are used in this document:
EA Each

Requisition Total $ 4,143,993.96

I certify that the item[s] requested is [are] necessary for the operation of this State Agency.

Requestor Signature	Printed Name of Agency Head or Authorized Employee	Authorized Signature
M. Covey	Beverly Flanagan	Beverly D. Flanagan

State Form 21301 (Revised 7/02) Approved by State Board of Accounts - 2002

NPS Form 10-900 OMB No. 1024-0018 (Expires 5/31/2012)

United States Department of the Interior
National Park Service

National Register of Historic Places Registration Form

This form is for use in nominating or requesting determinations for individual properties and districts. See instructions in National Register Bulletin, *How to Complete the National Register of Historic Places Registration Form.* If any item does not apply to the property being documented, enter "N/A" for "not applicable." For functions, architectural classification, materials, and areas of significance, enter only categories and subcategories from the instructions. Place additional certification comments, entries, and narrative items on continuation sheets if needed (NPS Form 10-900a).

1. Name of Property

historic name Theodore Roosevelt High School

other names/site number Gary-Roosevelt High School

2. Location

street & number 730 West 25th Street N/A not for publication

city or town Gary N/A vicinity

state Indiana code IN county Lake code 089 zip code 46407-3596

3. State/Federal Agency Certification

As the designated authority under the National Historic Preservation Act, as amended,

I hereby certify that this X nomination ___ request for determination of eligibility meets the documentation standards for registering properties in the National Register of Historic Places and meets the procedural and professional requirements set forth in 36 CFR Part 60.

In my opinion, the property X meets ___ does not meet the National Register Criteria. I recommend that this property be considered significant at the following level(s) of significance:

___ national ___ statewide X local

Signature of certifying official — Date

Indiana State Historic Preservation Officer — IN-DNR

Title — State or Federal agency/bureau or Tribal Government

In my opinion, the property ___ meets ___ does not meet the National Register criteria.

Signature of commenting official — Date

Title — State or Federal agency/bureau or Tribal Government

4. National Park Service Certification

I, hereby, certify that this property is:

___ entered in the National Register

___ determined eligible for the National Register

___ determined not eligible for the National Register

___ removed from the National Register

___ other (explain:) _____

Signature of the Keeper — Date of Action

Roosevelt Maintenance Matrix

Draft March 27, 2013

Category	Gary Community School Corporation	EdisonLearning/Roosevelt
Plumbing	• Major Repairs • Gas Leaks • Odors – Gas or Sewer • Leaks, clogs, china breaks • Maintain storm water detention systems • Water/Sewer main breaks • Maintain athletic field sprinklers • Vandalism (May be back charge to school) • Annual Fire Sprinkler System Inspection • Winterize sports field sprinkler systems • Maintain sprinkler drip traps • Maintain drain traps • Maintain roof and parking lot drains • Maintain sump pumps • Preventive Maintenance (include TRCCA on District PM schedule) • Standpipe inspection • Test fire extinguishers annually • Test and maintain functionality of inside sprinkler system	• Minor repair of fixtures and flush valves • Plunger only minor clogs if possible • Shut off water supply pending repairs • Repair minor vandalism that occurs during school hours by students
Electrical	• Respond to power outages • Major repairs • Maintenance of parking lot lighting • Maintenance of gymnasium lighting • Maintenance of pool lighting • Maintenance of stadium lighting • Service of main and panel box equipment • Service of distribution equipment • Repair of kiln equipment • Repair of motors and motor controls • Vandalism (May be back charge to school) • Repair scoreboards and controls • Maintain food service equipment • Preventive maintenance	• Changing lights in corridors and classrooms • Electrical Improvements as approved and inspected by GCSC • Minor electrical repairs, light ballasts, emergency light batteries & lamps, exit lights, etc.

Category	Gary Community School Corporation	EdisonLearning/Roosevelt
Heating, Ventilation, Air Conditioning & Refrigeration	• Major Repairs • Boiler repair • Chiller repair • Univent repair • Air handler repair • Exhaust fan repair • Repair building automation system • Chiller/Boiler & Tower Water Treatment • Refrigeration repairs, water fountains, freezers, ice machines, etc. • Mechanical equipment filter changes • Clean chilled/hot water system filters • Clean Cooling Tower, sump tanks & media • Clean air-cooled condensers • Clean VAV boxes as required • Preventive Maintenance • Bathroom exhaust fan repairs	• Check cooling tower chemicals weekly • Check for refrigeration leaks daily • Check pump operations • Check VFD's daily • Check chilled/hot water systems for leaks • Check boiler operations daily • Operate building automation system if in satisfactory operating condition • Monitor chemical injection pumps as programmed in system
Painting	• Interior Painting on District Cycle • Graffiti – When Required (May be back charge to school) • Exterior Painting – As Required • Sports Field Lines • Band Practice Lines • Track Lines • Parking lot lines as required • Gym floor lines • Paint walls and doors after repair	• Elective Interior Painting • Painting of Improvements • Paint type and colors
Telecommunications and Audio-Visual	• Service and maintenance of data cabling • Service and maintenance of data switches • Maintenance of security systems • Service and maintenance of wireless systems • Service and maintenance of PA systems • Service, maintenance, testing and inspection of fire alarm system	• Telephone Service • Programming of bell systems • Licensing and programming of 2-way radios • Maintenance of copiers, fax machines, classroom AV stations • Business machine supplies • Additions or adjustments to electronic systems withGCSC approval • Monitoring security system • Service and maintenance of access control systems as improved • Manage access card database • Emergency notification system • Service and maintenance of cameras and digital video recorders

Category	Gary Community School Corporation	EdisonLearning/Roosevelt
Carpentry	• Repair flooring systems; tile, carpet, wood, cove base, etc. • Repair door and lock systems • Repair walls; drywall, plaster, etc. • Repair window shades, drapes • Repair stage curtains • Repair vandalism (May be back charge to school) • Maintain stair rails and systems • Major furniture repair based on cause of damage • Repair projector screens	• Interior improvements • Minor furniture repair • Shades, drapes, curtains, etc. must meet fire standards • Ceiling tile replacement
Roofing	• Respond to roof leaks • Roof repairs – Done by GCSC to maintain warranty • Maintain roof fans, sheet metal, gutters, etc.	•
Glazing	• Repair damage, broken windows, door glass, etc. • Repair vandalism – (May be back charge to school)	• Improvements – Approval by GCSC
Miscellaneous Items	• Locker repair - Vandalism (May be back charge to school) • Exercise equipment repair - Vandalism (May be back charge to school) • Maintain restroom hardware • Repair concrete block and brick • Repair elevator • Concrete repair • Maintain flag poles • Maintain access panels and ductwork • Maintain paving • Repair auditorium seating • Bleacher inspections • Grounds, sports fields maintenance • Snow removal Grass cutting and Landscaping • Maintain Doors including hinges and latches	• Maintain flags • Clock batteries • Maintain fire extinguishers – order to GCSC for replacement • Manage locker combinations • Interior and exterior signage – Coordinate with GCSC • Window cleaning

Category	Gary Community School Corporation	EdisonLearning/Roosevelt
Safety	• Respond to emergencies • Investigate Indoor Air Quality (IAQ) issues • Perform required facility/environmental inspections • Manage lead paint, asbestos issues, etc.	• Designate IAQ coordinator • Maintain Material Safety Data Sheet (MSDS) records • Develop emergency plans • Maintain Clear Egress Routes
Work Orders	• Respond to work orders submitted by EdisonLearning and Roosevelt staff (Identify response and turnaround time as within 24 hours) • Provide access to work order management system at Roosevelt	• Submit work orders via work order management system.

Roosevelt College & Career Academy Building Improvements		
Category	Description of task	Vendor
Building Improvement	Replace main entrance steps & sidewalk; Re-open main entrance to school	Powers & Sons
Building Improvement	Add main entry exterior staircase railings	Powers & Sons
Building Improvement	Replace existing ceiling grid as required to allow new light fixtures adjace	Powers & Sons
Building Improvement	Install new interior lighting in 1st and 2nd floor corridors	Powers & Sons
Building Improvement	Paint corridor walls, existing ceiling tile and grid, plaster ceilings in corridors of 1st and 2nd Floors	Powers & Sons
Safety and Security	Install Interior Wayfinding system of 8" x 8" x 1/4" signs throughout 1st & 2nd Floors.	Powers & Sons
Safety and Security	Install 12 fire extinguisher cabinets and wall brackets	Powers & Sons
Safety and Security	Install new ADA ramp and concrete approach at ADA entrance	Powers & Sons
Building Improvement	Install drywall locker infills on 1st and 2nd floors	Powers & Sons
Building Improvement	Replace lockers on 1st and 2nd floors	Powers & Sons / Republic
Safety and Security	Install security partitions and doors between 2nd and 3rd floors	Powers & Sons
Safety and Security	Change exterior door locks	Icon
Building Improvement	Remove gated door from storage area - JA - D113	EdisonLearning
Building Improvement	Repair electrical service in cafeteria	Indigo
Building Improvement	Paint identified bathroom doors and partitions	Jabar
Building Improvement	Remove mop basin and the installation of new sink in 1st floor janitorial closet	W&W Plumbing
Building Improvement	Install Server Room Rm A/C Unit	Indigo
Safety and Security	Install Key Card Access at Staff door and	Powers & Sons
Safety and Security	Repair Exterior Pole Lights	Powers & Sons
Building Improvement	Repair doors, hardware, side lights on 1st and 2nd floor	Powers & Sons
Building Improvement	Install display cases and millwork on 1st and 2nd floors	Powers & Sons
Safety and Security	Relocate Fire Alarm Strobe due to installation of partition	Powers & Sons
Building Improvement	JA 209A - remove room divider w tracks	EdisonLearning
Safety and Security	Install ADA striping and signage	Powers & Sons

Approved By:

Sarah Steele Riordan
Counsel for Edison Learning, Inc.

Date: 12/15/13

GARY COMMUNITY SCHOOL CORPORATION

By:_____

GARY COMMUNITY SCHOOL CORPORATION

By: Rosie G. Washington
Rosie G. Washington, President of Board of School Trustees

Date: January 15, 2014

By: LaBrenda King-Smith
LaBrenda King-Smith, Board Secretary of Board of School Trustees

Date: January 15, 2014

Approved By:

Tracy Coleman, Esq.
Counsel for Gary Community School Corporation

Date: January 15, 2014