INNOVATION NETWORK CHARTER SCHOOL AGREEMENT

This Innovation Network Charter School Agreement (the “Agreement”) is made and entered into as of January 11th, 2020 (“Commencement Date”) by and between the Board of School Commissioners of the City of Indianapolis (“IPS”) and Christel House Academy, Inc. (“Operator”) (together, the “Parties”) to establish and operate Christel House Academy South (the “School”) as an Innovation Network Charter School.

RECITALS

A. IPS is authorized pursuant to Indiana Code (“IC”) § 20-25.7, et seq., to enter into an agreement with an organizer to establish a school as a participating Innovation Network Charter School; and

B. Operator operates three (3) charter schools in leased facilities in Indianapolis, including the School, pursuant to charter agreements between CHA and the Indiana Charter School Board; and

C. The Parties desire for Operator to relocate and operate the School as an Innovation Network Charter School at an IPS-owned school located at 2405 Madison Avenue, Indianapolis, IN 46225 (“Building”) beginning in the 2020-2021 school year; and

D. The Parties further desire for Operator to operate Emmerich Manual High School (“Manual High School”) pursuant to a three (3) year Innovation Network School Agreement (“Manual High School Agreement”) to enable current Manual High School students to progress to graduate, to operate a campus of its adult high school, Christel House DORS (“DORS”) pursuant to a five (5) year Innovation Network Charter School Agreement (“DORS Agreement”), to identify other potential services beneficial to students and their families that may be provided in the Building, which could include a child care center, early childhood development center, pre-kindergarten program, healthcare clinic, mental health services, and other similar services (“Ancillary Services”).

AGREEMENT

In consideration of the mutual agreements set forth in this Agreement, and for other good and valuable consideration, the Parties agree as follows:

Article I: THE SCHOOL

I.1 Location. Beginning in the 2020-21 school year, Operator will operate the School as an Innovation Network Charter School located in the Building.

I.2 Charter. Operator represents and warrants that a true and accurate copy of the contract that Operator has executed (“Charter”) with its authorizer (“Charter Authorizer”) for the establishment of the School, including all amendments, revisions, and exhibits thereto, has been provided to IPS prior to the execution of this Agreement.
I.3 Grades Served. The School will serve students in grades K through 12. The School may serve Pre-K students if the Operator elects to provide this service at any time during the term of this Agreement.

I.4 Enrollment. If the number of students who timely apply for grade level admission exceeds the School’s capacity for that grade level as defined by its Charter, each student who submits a timely application for that grade level must be given an equal chance of admission in accordance with Applicable Law (as hereinafter defined), subject to any enrollment preferences that Operator imposes as permitted by Applicable Law, which shall include at a minimum include enrollment preferences for siblings of students attending the School and students who are eligible for free and reduced lunch services. Operator will participate in Enroll Indy and the Parties will work together in good faith to agree upon mutually acceptable policies and procedures for admissions.

Article II: OPERATOR

II.1 Organizer. Operator shall be the “Organizer” for the School, as that term is defined in IC § 20-24-1-7 and used in IC § 20-25.7-5-2, and shall be responsible for the operation of the School.

II.2 Operational Autonomy. Operator shall have full operational autonomy to run the School as provided by Applicable Law and set forth in this Agreement.

II.3 Good Standing and Nonprofit Status. Operator represents that it is an Indiana nonprofit corporation in good standing with the State of Indiana, and that the Internal Revenue Service (“IRS”) has determined that the Operator is a tax-exempt organization as described under Section 501(c)(3) of the Internal Revenue Code of 1986, as amended. Operator shall immediately notify IPS if (a) its tax-exempt status is questioned, modified, or revoked by the IRS, or (b) it receives notice that it is no longer in good standing with the State of Indiana. Operator may not operate the School without having been determined to be tax exempt by the IRS unless IPS expressly agrees in writing to allow it to do so.

II.4 Articles and Bylaws. Operator represents that a true and accurate copy of its current Articles of Incorporation (“Articles”) and Bylaws has been provided to IPS prior to the execution of this Agreement. If Operator materially amends its Articles or Bylaws during the Term of this Agreement, it shall provide notice to IPS of such amendment, and a copy of the amended Articles or Bylaws on same schedule as provided to the Authorizer.

II.5 Operator’s Board of Directors. Operator represents that a true and accurate list of the current members of its Board of Directors (“Board”) has been provided to IPS prior to the execution of this Agreement. If there is any change to the membership of the Board during the Term of this Agreement, Operator shall provide notice to IPS on same schedule as provided to the Authorizer.

Article III: OPERATIONS

III.1 Operations. Operator shall operate the School as provided in the Charter and this Agreement. Operator represents and warrants that the Charter sets forth the manner in which Operator plans and intends to operate all material aspects of the School during the Term of this
Agreement. To the extent there is any conflict between this Agreement and the Charter with respect to the same matter, the terms of this Agreement with respect to such matter shall control.

III.2 Amendments and Changes. If during the Term of this Agreement the Charter is amended or any material change is made to the operation of the School, Operator shall provide notice to IPS of such amendment or change, and a copy of any such amendment on the same schedule as provide to the Authorizer. Both Operator and IPS acknowledge that Charter may require amendments to reflect certain provisions of this Agreement.

III.3 Performance Goals and Accountability Metrics. The performance goals and accountability metrics for the School ("Educational Goals") are as set forth in the Charter. If during the Term of this Agreement the Educational Goals are amended or any material change is made to the Educational Goals of the School, Operator shall provide notice to IPS of such amendment or change, a concise explanation of the reason for such amendment or change, and a copy of any such amendment on same schedule as provided to the Authorizer.

III.4 School Improvement Plan. Operator represents that the Charter serves as the improvement and achievement plan for the School to the extent permitted by Applicable Law.

Article IV: RELATIONSHIP OF THE PARTIES

IV.1 Nature of Relationship. The Parties’ relationship is contractual, and nothing in this Agreement is intended to, or shall, create a partnership or joint venture between the Parties.

IV.2 No Agency. Unless expressly provided in this Agreement or otherwise agreed in writing, neither Party will be an agent of the other Party or have the express or implied authority to bind the other.

IV.3 Inclusion of Performance Results. Operator authorizes the Indiana Department of Education ("IDOE") to include the School’s performance assessment results under IC § 20-31-8 when calculating IPS’ performance assessment under rules adopted by the Indiana State Board of Education ("State Board").

Article V: APPLICABLE LAWS

V.1 Applicable Law. The Parties agree that the School is subject to and must be operated in compliance with certain laws and regulations, that certain laws and regulations that apply to a governing body or school corporation may not apply to the School or its operation, and that both Parties shall perform their obligations under this Agreement in compliance with all laws and regulations that do apply to the School or its operation (collectively, “Applicable Law”), as may be amended from time-to-time.

V.2 No Discrimination. The Parties agree that the School shall be operated by Operator in compliance with all Applicable Laws and constitutional provisions that prohibit discrimination, including without limitation all such laws and provisions that prohibit discrimination on the basis of disability, race, color, gender, national origin, religion, or ancestry.

V.3 Inapplicable State Laws and Regulations. The Parties agree that, except as provided in this Agreement or required by Applicable Law, no provision of Indiana law otherwise
applicable to a governing body or school corporation, or rule or guideline adopted by the State Board, shall apply to the School or its operation.

**Article VI: PERSONNEL**

VI.1 **Personnel Decisions.** Operator is responsible for all School personnel and human resources aspects of the School’s operation, including without limitation all personnel decisions in the School, and shall not be bound by any contract entered into by IPS under IC § 20-29.

VI.2 **Employment Status.** Unless expressly agreed otherwise in writing, employees of Operator who work in the School (“School Personnel”) shall not be employees of IPS.

VI.3 **Criminal History Background Checks.** Operator shall perform all criminal history background checks required by Applicable Law, including without limitation those required on School Personnel, applicants, vendors, contractors, and volunteers.

VI.4 **Certified Personnel.** The School’s certified personnel shall at a minimum have the qualifications required by Applicable Law.

VI.5 **Employment Records.** Operator is responsible for maintaining the employment records for all School Personnel.

VI.6 **Employee Complaints and Grievances.** The Parties agree that an employee of a Party with a complaint or grievance will utilize the policy of his or her employer that is applicable to the complaint or grievance and will not be permitted to use the policy of the Party that is not his or her employer.

VI.7 **Investigations.** The Parties agree to work collaboratively on any investigation relating to the School that may involve each other’s employees to the extent necessary to promptly and accurately complete any such investigation.

**Article VII: POLICIES AND PROCEDURES**

VII.1 **Policies and Procedures.** Operator represents that the general operational policies and procedures that it plans and intends to use in operating the School (“School Policies”) are set forth in the Charter and, to the extent they are not set forth in the Charter, shall be provided to IPS no later than May 15, 2020. If any material change is made to the School Policies during the Term of this Agreement, Operator shall provide notice to IPS of such change, and an updated copy of the affected policies or procedures, within the same period of time as Organizer provides it to the Authorizer.

VII.2 **Required Policies and Procedures.** The School Policies must include, without limitation, policies and procedures relating to the manner in which Operator will (a) receive and address complaints and other comments from students’ parents and guardians, other stakeholders, and the public generally; (b) receive and resolve grievances and complaints from School Personnel; (c) comply with Title IX; (d) comply with the McKinney-Vento Act; and (e) implement School discipline, including the process for appealing disciplinary decisions. The School Policies also must include a policy that sets forth the processes and requirements for
reporting suspected child abuse or neglect to Child Protective Services and any other policies and procedures required by Applicable Law.

**Article VIII: FACILITIES**

**VIII.1 Current Occupant of Facilities.** The Parties acknowledge that a third party (“Occupant”) currently occupies the Facilities, and that the Parties’ obligations under this Agreement are contingent upon IPS using their best efforts and being able to make the Facilities available to Operator to use in accordance with the terms of this Agreement.

**VIII.2 Facilities and Permitted Use Thereof.** (i) The Building, (ii) any related property improvements located at the Building, (iii) the land on which the Building and related improvements, including any athletic fields, are located (“Land”), and (iv) personal property, equipment, fixtures, furniture, and furnishing, owned by IPS contained in the Building or the Land (the “Furnishings”), are collectively referred to as either “Facility” or “Facilities” and are owned by IPS. Any personal property, including, but not limited to, equipment, fixtures, furniture, and furnishings located at the Building that is owned by Operator shall remain the property of Operator unless the Parties expressly agree otherwise. Operator shall be permitted to obtain entry into the Building as soon as reasonably practicable following the date on which IPS acquires possession (“Acquisition Date”) of the Facilities from the Occupant, but no later than June 30, 2020 (“Possession Date”). On or before April 30, 2020, IPS shall provide Operator with the anticipated Possession Date. Beginning on the Possession Date, and during the Term of this Agreement and any subsequent renewals, Operator may use and occupy the Facilities solely for the operation of the School, of DORS pursuant to the DORS Agreement, of Manual High School pursuant to the Manual Agreement, and for other purposes expressly permitted by this Agreement, any other written agreement, and in accordance with IPS policies regarding Facility use or an alternative policy agreed to by the Parties. To the extent the Operator wishes to use the Facilities for educational activities separate from the School but associated with its educational purposes, Operator will seek approval from IPS, and such approval shall not be unreasonably withheld or denied. Except as otherwise set forth in this Agreement or expressly agreed to in writing by the Parties, such use and occupancy of the Facilities shall be at no cost to Operator. Operator may permit use of the Facilities by persons or groups associated with it for functions and educational activities consistent with the use of a public school building, and in accordance with IPS policies regarding facility use or an alternative policy agreed to by the Parties. To the extent the Operator wishes to use the Facilities for educational activities separate from the School but associated with its educational purposes, Operator will seek approval from IPS, and such approval shall not be unreasonably withheld or denied. Except as otherwise provided herein, Operator shall not use or permit the use of the Facilities for any purpose not permitted by this Agreement or for any purpose that would be deemed to be a public or private nuisance. Operator shall abide by all reasonable rules and regulations established by IPS for purposes of reasonably protecting and preserving the Facilities. The Parties agree that a comprehensive listing of all Furnishings shall be compiled jointly by IPS and Operator at a time no later than when the Operator takes possession of the Facilities and shall then be incorporated into this Agreement by reference. At least annually, Operator will make a good faith determination as to whether it will continue to use the Furnishings owned by IPS in connection with its operation of the School. To the extent there are such Furnishings that Operator has determined it will not use for such purposes, Operator will provide IPS with a list of such Furnishings, and IPS shall remove the Furnishings on such list within a
reasonable time of submission of the annual equipment list. Operator will not be liable for maintenance or damages for such Furnishings left on the premises after such time period.

VIII.3 Use and Rental by Community Groups. The use or rental of the Facilities by third parties (“Community Groups”) shall be prohibited without the approval of IPS’, provided, however, that such approval shall not be unreasonably withheld or denied. Any use or rental by a Community Group pursuant to this Section 8.03 shall require that such Community Groups execute the standard form use and waiver documents, and provide evidence of appropriate insurance (including without limitation commercial general liability and worker’s compensation coverage), as then may be required by IPS, and that the payment and receipt of any proceeds derived by any such use or rental shall comply with the then applicable IPS policy and Applicable Law. The term Community Groups shall not include organizations permitted to use the Facilities in accordance with Section 8.01 above.

VIII.4 Use for Ancillary Services. Operator may enter into agreements with third parties for Ancillary Services to be provided in the Building, subject to review and approval by IPS, which shall not be unreasonably withheld, so long as the provision of such Ancillary Services does not unreasonably interfere with Operator’s operation of the School, does not adversely impact the tax-exempt status of the interest on any tax-exempt bonds used for financing related to the Facilities, does not materially increase IPS’ costs relating to the Facilities, and is otherwise permitted by Applicable Law. Any provider of Ancillary Services must obtain insurance of a type and in an amount that is commercially reasonable based upon the type of such Ancillary Services to be provided in the Building, and must comply with IPS’ policies regarding facility use or an alternative policy agreed to by such provider and the Parties.

VIII.5 Additional Programming in Facility. The Parties may agree in writing on additional programs to be provided at the Facilities.

VIII.6 Changes to the Facilities. IPS reserves the right to change the Facilities by changing the exterior facade of the Building or the number and use of all buildings on the Land other than the Building; provided that the size of the Building shall not be materially decreased and the exterior entrances to the Building shall not be closed or materially obstructed. Such changes shall not, to the extent reasonably practicable, be made during School Hours or in a manner that interferes with the operation of the School. Additionally, IPS shall provide Operator with reasonable notice of such changes prior to the commencement of work by IPS. IPS agrees that it will not construct any new improvements that would adversely interfere with Operator’s operation of the School.

VIII.7 Condition of Facilities. Except as hereinafter described, Operator hereby agrees and acknowledges that the Facilities are being made available in an “AS IS” condition, without warranty or representations of any type, including, without limitation, any implied warranties of habitability or suitability for a particular purpose. As soon as reasonably practicable after the Acquisition Date, the Parties shall jointly inspect the Building to identify any conditions that would render the Building unsuitable for use as a public school, and shall work together in good faith to agree in writing on a plan pursuant to which IPS will make and be financially responsible for repairs reasonably necessary for the Building to be used as a public school no later than the first day of the School’s classes. All Furnishings located in the Building as of the Possession Date shall be available for Operator’s use in operating the School unless otherwise provided by
this Agreement. Operator may use additional furniture or personal property not owned by IPS to use in operating the School at its own expense. As of the Possession Date, IPS shall provide Operator with all keys, security access cards, mailbox keys, and keys to interior doors necessary to use the Facilities, and shall as soon as reasonably practicable provide Operator with access to the Building.

VIII.8 Holding Over. In the event Operator remains in possession of the Building with IPS’ written permission after the termination of this Agreement and does not exercise its Option to Purchase or Lease, as specifically granted in Sections 17.04 and 17.05, respectively, Operator shall be deemed to be occupying the Building as a tenant at sufferance and shall vacate the Building upon written request from IPS, within 30 days following the end of the then current school year.

VIII.9 Surrender of the Facilities. On the termination of this Agreement, if the Option to Purchase or the Option to Lease as described in Sections 17.04 and 17.05, respectively, are not exercised, Operator shall leave the Facilities in good, clean and orderly condition. Operator shall return and surrender to IPS all keys, security access cards, mailbox keys, and keys to interior doors and improvements that were provided to Operator by IPS. Operator shall remove from the Facilities all of its personal property, equipment, fixtures, furniture, and furnishings, and shall repair any damage occasioned by any such removal not later than the termination date of this Agreement. In no event shall Operator remove any Furnishings or other property owned by IPS within the Facilities. The obligations under this Section 8.09 shall survive the termination of this Agreement.

VIII.10 Services. IPS agrees to furnish the following services related to the Facilities (the “Services”) in a manner in which such services are customarily provided in schools that IPS operates:

(a) Hot and cold water;
(b) Sanitary sewer service;
(c) Electrical and gas service;
(d) Heating, ventilating and air conditioning (“HVAC”) service during the hours of 7:00 a.m. to 9:00 p.m. during normal school days for the School (“School Hours”), and during a reasonable number of activities and events related to the School that occur outside of School Hours (“Special Events”) and in accordance with the IPS Energy Savings initiatives. HVAC service shall be available for additional non-School Hours that are not Special Events provided that Operator shall reimburse IPS for the excess costs of such service based on a per hour rate reasonably established by IPS as an estimate of the costs of such service, and if the establishment of such rate becomes necessary, it shall be separately negotiated between the Parties on an annual basis. The foregoing notwithstanding, IPS acknowledges and agrees that it is essential for HVAC system to be fully functional at all times, and that it shall use best efforts to ensure that HVAC is maintained and operational to provide an acceptable working/ studying environment for the Facility, in conformity with the IPS Energy Saving Initiatives;
(e) Fire protection sprinkler system; and
(f) Intercom and bell services.

Except as otherwise set forth in this Agreement or expressly agreed to in writing by the Parties, such Services shall be provided by IPS at no cost to Operator.

VIII.11 Facilities Security and Related Information Technology. The Parties hereby acknowledge and agree that IPS shall provide services relating to security for the Facilities as set forth in this Section 8.11. Except as otherwise set forth in this Agreement or expressly agreed to in writing by the Parties, such services relating to security shall be provided at no cost to Operator. IPS shall provide Operator with access control cards to the Facilities in substantially the same manner as it provides such cards at IPS’ other schools, and Operator shall be responsible for distributing and maintaining such cards. Operator shall be permitted to use, at its sole discretion, the security equipment located within the Building. Such security equipment shall be included in the term Furnishings. Notwithstanding the foregoing, IPS security cameras shall remain in the current locations, subject to relocation of such cameras by IPS from time to time. IPS shall provide security and emergency notice services in a manner consistent with its procedures for other IPS schools, as established from time to time. IPS shall be responsible for the maintenance and repair of fire monitoring and access control equipment in a manner consistent with its practice for other IPS schools and subject to reasonable restrictions established by Operator. IPS’ obligations under this Section 8.11 are conditioned on Operator providing any special electronic bridge access, if applicable, required to be compatible with IPS’ system and other access and information related to the security systems required to ensure IPS’ ability to monitor and maintain the above referenced security and emergency notice systems equipment for the Facilities. Operator and IPS shall cooperate with regard to their security equipment and related information technology systems to ensure compatibility. IPS shall provide bridge access to the security systems, including camera monitoring, HVAC, door access control, and fire systems as customarily provided to other IPS schools. The Parties shall cooperate to develop a communication protocol allowing for notification of IPS in case of an emergency regarding the Facilities or in case of a security breach regarding the Facilities during non-School Hours. Operator shall provide IPS with a list of security equipment purchased and shall collaborate with IPS to insure consistency between Operator’s and IPS’ standard security equipment and needs. IPS shall not be responsible for any costs incurred by Operator in purchasing additional security equipment, nor for any additional costs resulting from the use or the inconsistency of the security systems. IPS Police shall be made available to Operator for emergencies at the School. Operator shall continue to have and comply with all obligations for student safety that it has pursuant to Applicable Law.

VIII.12 Technology Services, Equipment, and Support. The Parties agree that, as soon as reasonably practicable after the Acquisition Date, they will jointly assess the technology infrastructure within the Facilities, including wireless access points and switches, and work in good faith to agree upon a plan for repairing and installing technology infrastructure within the Facilities, to allocate the costs of such plan between the Parties, and to if necessary agree upon a temporary means of providing such technology infrastructure until permanent repairs and installation can occur. If Operator elects to obtain network and device support services from a provider other than IPS, Operator shall at its own cost establish internet access at the School that is reasonably comparable to such access at other IPS schools and be responsible for providing, maintaining, and repairing technology infrastructure within the Facilities. Upon request by IPS, Operator shall provide IPS with information regarding the information technology infrastructure
Operator is using at the School to allow IPS to perform its obligations under this Agreement, and IPS will access Operator’s internet and communication systems only to the extent reasonably required for IPS to provide services pursuant to this Agreement. IPS will include the Facility in the Information Technology Upgrade Program, as that program is defined by IPS and may be modified from time-to-time, in the same manner as other similarly situated IPS schools, regardless of whether Operator selects IPS as its technology infrastructure provider.

(a) If Operator elects to obtain network and device support services from IPS, then IPS shall upgrade technology infrastructure within the Facilities in a manner reasonably comparable to upgrades at similarly situated IPS schools and will support and manage such devices in a manner reasonably comparable to its support and management at similarly situated IPS schools. Regardless of whether Operator elects to obtain network and device support services from IPS, Operator shall be eligible for device upgrades from IPS in a manner consistent with other similarly situated IPS schools.

(b) Operator shall, if reasonably possible, maintain the current phone number in use at the Building. At Operator’s election, IPS shall maintain and service all phone lines in a manner consistent with that of other IPS schools at no cost to Operator. This provision does not preclude Operator from maintaining other phone numbers.

VIII.13 Suspension of Services. IPS reserves the right to suspend service of the HVAC, electrical, gas, water, plumbing, or other mechanical systems in the Building, and maintenance of the Facilities, when necessary by reason of governmental regulations, civil commotion or riot, accident or emergency, or for repairs, alterations, or improvements which in the reasonable judgment of IPS are necessary, or for weather or any other reason beyond the power or control of IPS. IPS shall not in any way be liable or responsible to Operator for any loss or damage or expense which Operator may sustain or incur if, because of conditions beyond IPS’ control, the quantity or character of any utility service is changed or is no longer available or suitable for Operator’s requirements. IPS shall make commercially reasonable efforts to ensure that the utility services or mechanical systems are reinstated as soon as reasonably possible. IPS shall use commercially reasonable efforts, consistent with its procedures at other IPS schools, to complete all repairs, alterations, and maintenance in a manner that is calculated to avoid any material interference with the operation of the School.

VIII.14 Excessive Use. In the event that Operator’s use of the Facilities results in Services being used in excess of that which is reasonable and customary for a similarly operated school in a building owned by IPS of a similar age and condition with an academic program substantially similar to the School’s academic program and permitted Ancillary Services, IPS shall provide to Operator written notice of such excessive use, which shall include an explanation as to why IPS contends the use is excessive. If excessive use by Operator occurs 30 days after Operator receives such notice, IPS may charge Operator for the costs of such excess Services as determined by IPS, acting reasonably and in good faith, with payment due to IPS within 30 days of Operator’s receipt of the written invoice for such Services. If IPS reasonably determines that Operator’s use of the School resulted in electrical, gas, water, or sewage usage that can be shown to exceed the usage at comparable schools operated by the IPS, with academic and other programs substantially similar to Operator’s use of the Facilities, IPS shall be entitled to install, at Operator’s expense, meters, submeters, or other measuring devices to determine the consumption of such Services in the Facilities.
VIII.15  IPS’ Maintenance and Repair Obligation. IPS shall keep the foundation, walls, exterior windows, and exterior and interior doors (including window and door frames, door hardware, opening and closing systems, and plate glass in said windows and doors), structural columns, HVAC and fire protection, and security equipment and systems relating to or serving the Facilities, to the extent they are IPS’ obligation to provide under this Agreement, wherever located, and data cables, gas, electrical, water, and sanitary sewer systems and equipment relating to or serving the Facilities, in good condition and repair. In addition, except as otherwise provided in this Agreement, IPS shall keep the parking areas, driveways, sidewalks, entryways, loading docks, roof, gutters, downspouts, grounds and sports fields in or adjacent to the Facilities (if applicable under this Agreement or a subsequent agreement between the Parties), or used by Operator in connection with its operation of the School, in good condition and repair. Any maintenance, repairs, or replacements to such matters made necessary by any negligence or willful misconduct of Operator, its agents, employees, invitees, or students attending the School (collectively, “Operator’s Affiliates”) shall be paid for by Operator. IPS, at reasonable times and with a good faith effort to provide prior notice, may inspect and make repairs to the Facilities, as IPS reasonably may deem necessary, and to alter, improve, or repair any portion of the Facilities. IPS shall use reasonable efforts to restrict inspections and repairs requiring entry into the Facilities to other than the School Hours, or to otherwise perform the same so as to avoid any material interference with the operation of the School in the same manner as it does for other IPS schools. IPS’s obligations related to its maintenance and repair, including any scheduled renovations of the Building, shall be performed in a manner reasonably comparable to the way in which it maintains and repairs buildings in which other IPS schools are located. Except as otherwise set forth in this Agreement or expressly agreed to in writing by the Parties, IPS shall perform its maintenance and repair obligations under this Agreement at no cost to Operator. Except for Emergency Repairs, as provided below, Operator’s request for maintenance and repair shall be scheduled in the order it is received, in the same way that orders for requested maintenance and repairs are processed for other IPS schools. IPS shall provide, if requested in writing by the Operator, an estimated date for any requested repair or maintenance. Operator shall provide IPS with written notice of any required repair or maintenance promptly after Operator becomes aware of the same. With respect to maintenance or repair issues that do not materially or adversely interfere with the operation of the School by the Operator, in the event IPS does not remedy the maintenance or repair issue within the estimated period provided by IPS, subject to delays due to matters beyond IPS’ reasonable control, including adverse weather, shortages of materials, equipment or labor, or the acts or omissions of Operator, Operator shall provide a final notice to IPS and an additional ten (10) business days for IPS to (i) complete the maintenance or repair or (ii) provide evidence of delays due to matters beyond IPS’ reasonable control. In the event that IPS does not complete the repair within said ten (10) business day period, Operator may secure at least two (2) bids from alternative providers to procure such maintenance repair services and remit invoices for such services from the lower bid to IPS for payment. With respect to repair issues which prevent the Building from being operated as a school by the Operator (an “Emergency Repair”), Operator shall immediately provide notice of the same to IPS, which notice may be by telephone, email or text as directed by IPS. Upon receipt of such notice, IPS shall immediately commence to remedy the Emergency Repair. If IPS fails to commence the remedy of the Emergency Repair within 24 hours of Operator’s notice or thereafter fails to diligently proceed with such repair to the point where the Facilities can be operated as a school, Operator shall have the option and authority, after notice to IPS, to cause the Emergency Repair to be completed so that the Facilities can be operated as a school by a third-party provider and remit any applicable invoice(s) for the reasonable cost of such services to IPS for payment. IPS shall
reimburse Operator for any payments due under this Section within thirty (30) days of IPS’ receipt of Operator’s request for payment, including an invoice and reasonable supporting documents as IPS may reasonably request. Any delinquent unreimbursed invoice for maintenance or repair expenses shall bear interest equivalent to 1.5% per month.

VIII.16  Operator’s Maintenance and Repair Obligation. All maintenance, repairs, or replacements relating to fixtures, furnishings and equipment serving the Facilities which are not the obligation of IPS under this Agreement shall be the obligation of Operator and shall be made by Operator at Operator’s sole cost and expense. Operator shall keep the Facilities in good repair and order at all times, subject to normal wear and tear.

VIII.17  Alterations. Except as otherwise agreed by the Parties in writing, Operator shall not paint, decorate, install canopies or awnings, or in any way change the Building exterior (or the appearance thereof). No remodeling, additions, alterations, or structural change shall be made in the Building by Operator without the prior written consent of IPS, which shall not be unreasonably delayed or withheld. Operator shall have the right to install all furniture, furnishings, equipment and signage it reasonably deems necessary or desirable for its operation of the School and Ancillary Services, all at no cost to IPS. No additions to the existing Building or the construction of new buildings by Operator shall be permitted, unless otherwise permitted by this Agreement. Operator may attach non-permanent materials and fixtures to the walls of the Facilities. Upon the expiration or earlier termination of this Agreement, Operator may remove any non-permanent materials and movable fixtures that it installed that are not permanently attached to real property. Any improvements, furnishings, and equipment installed on the Building shall be maintained by Operator, at Operator’s expense, in good condition and repair. All permitted alterations, changes, partitions, and installations of improvements (the “Alterations”) shall be performed by a contractor duly licensed by the state or local authority responsible for licensing building contractors and approved by IPS, such approval not to be unreasonably delayed or withheld. Operator hereby agrees to indemnify and save harmless IPS from any and all costs or expenses, including reasonable attorneys’ fees, that IPS may incur by reason of any claim for labor performed or material furnished or violation of any federal, state, or local statute, regulation, code, ordinance, or other law that may arise by reason of the installation of any Alterations or fixtures, equipment, or partitions made solely by Operator as herein provided. No installation of, repair to, or other activity concerning equipment within or other Alterations made to the Building by, on behalf of, or at the direction of Operator shall: (a) adversely affect the structural integrity of the Building; (b) impair or affect the weather-tight condition of the roof or decrease the roof’s useful life; (c) overload electrical circuits or equipment; (d) overload or unreasonably burden plumbing, water, or sanitary sewage disposal facilities; (e) overload, unreasonably burden, or otherwise adversely affect heating, air conditioning, and other mechanical facilities or equipment; or (f) otherwise affect the Building in any materially adverse way. Any and all personal property and unattached equipment installed by, on behalf of, or at the direction of Operator may be removed at the termination of this Agreement, provided that Operator shall repair any and all damage caused by the removal of any such personal property or unattached equipment. Any personal property and unattached equipment remaining in the Building upon termination of this Agreement shall, if not removed within 10 days after written demand from IPS to Operator to remove the same, at IPS’ option in its sole discretion, become the property of IPS, and IPS may retain or dispose of such personal property and unattached equipment in its sole discretion and without liability to account to Operator; provided, however, that Operator shall reimburse IPS for the costs of storing or disposal
of such personal property or unattached equipment. Operator shall submit to IPS detailed plans and specifications in connection with any Alterations and evidence that said plans and specifications are in compliance with Applicable Law. If such Alterations are not in compliance with Applicable Law, Operator shall, at Operator’s cost, make such modification or alteration to the completed Alterations as shall be required to bring the same in compliance with Applicable Law. IPS’ consent to the plans and specifications, or any work proposed or completed by Operator, shall not be deemed a representation or affirmation regarding compliance with any such Applicable Law. In any event, Operator shall not remove any improvements and shall surrender the Facilities at the end of the Term in good condition and repair, ordinary wear and tear and damage by casualty or condemnation excepted. The Parties may agree in writing to allocate the costs of certain Alterations between the Parties, and specifically agree to the allocation of certainAlterations as follows. The Parties acknowledge and agree that it will be necessary to partition and make certain agreed upon Alterations to the Facilities for purposes of operating the elementary school, the high school, the adult high school and the Emmerich Manual High School (the “School Alterations). The Parties agree to jointly evaluate how the School Alterations may best be incorporated into the Facilities and completed. IPS shall pay for all costs for the School Alterations made for the purpose of educating students attending Emmerich Manual High School. Operator shall pay for all costs for the School Alterations made for the purpose of educating students attending Christel House Academy and Christel House DORS. The Parties will jointly inspect the Building on or before the Possession Date to review the condition of the Building and prepare an assessment of all such School Alterations to be made on the Building. The Parties recognize that such assessment may require a modification of this Agreement to provide a cost-sharing mechanism for all such School Alterations at that time.

VIII.18 Signage. All of Operator’s exterior signage and interior signage visible from outside the Building shall be subject to approval of IPS, such approval not to be unreasonably delayed or withheld. Without limiting the foregoing, the Parties agree that “Manual” shall be used in the name (e.g., Christel House at Manual).

VIII.19 Environmental. Except for “Hazardous Materials” (as such term is defined herein) stored or used in the ordinary course of Operator’s operation of the School and in compliance with Applicable Law, Operator shall not cause or permit any Hazardous Materials to be brought, used, stored, generated, or disposed of on, in, under, or about the Facilities, by Operator in violation of any “Hazardous Materials Laws” and shall operate from the School in full compliance with all “Hazardous Materials Laws,” as defined below. The term Hazardous Materials means and includes, without limitation, any flammable explosives, radioactive materials, asbestos, organic compounds considered to be hazardous (including those organic compounds known as polychlorinated biphenyls), chemicals known to cause cancer or reproductive toxicity, pollutants, contaminants, hazardous wastes, toxic substances or related materials, as such substances are defined or included in the definition of “hazardous substances,” “hazardous wastes,” “extremely hazardous wastes,” “hazardous materials,” or “toxic substances” under the Hazardous Materials Laws. The term Hazardous Materials Laws shall mean and include, without limitation, the Comprehensive Environmental Response, Compensation and Liability Act of 1980, the Resource Conservation and Recovery Act, the Hazardous Materials Transportation Act, the Clean Water Act, the Clean Air Act, the Toxic Substances Control Act and the Safe Drinking Water Act, as the same may be amended from time to time, as well as any similarly related federal, state and local laws and ordinances, and regulations now or hereafter adopted or promulgated pursuant thereto. Operator shall be solely responsible for the violation
of Hazardous Materials Laws caused by Operator or Operator’s Affiliates. IPS shall be solely responsible for the violation of Hazardous Materials Laws caused by IPS or its employees, agents or contractors. In the event that the Facilities are not in compliance with Hazardous Materials Laws due to the acts of a third party, IPS shall be responsible for the same, except to the extent exasperated due to the acts or omissions of Operator or Operator’s Affiliates, but subject to IPS’ right to require the third party responsible for the violation to make the required remediation. The party responsible for a violation of Hazardous Material Laws shall promptly take action, at such party’s expense, to bring the Facilities into compliance with Hazardous Material Laws and shall use commercially reasonable efforts to perform such work in a manner which does not interfere with the operation of the schools in the Building.

VIII.20 Waiver of Subrogation. IPS hereby releases Operator from any liability to IPS (or anyone claiming through or under Operator by way of subrogation) for any loss or damage to the Facilities, caused by fire or other perils normally covered by standard casualty insurance whether or not such property is actually insured against any such loss, even if such loss or damage shall have been caused by the fault or negligence of Operator or Operator’s staff, contractors, students, visitors, employees, officers, invitees or agents (collectively, “Operator’s Occupants”). Operator hereby releases IPS from any liability or responsibility to Operator (or anyone claiming through or under IPS by way of subrogation) for any loss or damage to Operator’s property caused by fire or other perils normally covered by standard casualty insurance, whether or not such property is actually insured against any such loss or damage, even if such loss or damage shall have been caused by the fault or negligence of IPS or IPS’ staff, contractors, students, visitors, employees, officers, invitees, or agents (collectively, “IPS’ Occupants”). Any fire and casualty insurance obtained by IPS or Operator shall recognize this Section and contain an appropriate waiver of subrogation clause.

VIII.21 Liens. Except as provided in the next sentence, Operator shall not through its actions allow the Facilities to become subject to any security interest, lien, charge, or encumbrance whatsoever. If any mechanic’s lien, materialmen’s lien, or other lien is placed against the Facilities as a result of Operator’s actions, or those of Operator’s Affiliates, Operator shall, within 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. Operator shall indemnify and hold IPS harmless in the event of any default by Operator under this provision, which indemnification shall survive the expiration or sooner termination of this Agreement.

VIII.22 Casualty. IPS shall maintain, at all times during the Term of this Agreement, fire and casualty insurance on the Building with an insurance company authorized to operate in the State of Indiana and with coverage of not less than $55,000,000 and a deductible not in excess of $250,000. Upon written request from Operator, IPS shall provide an appropriate form of certificate to evidence such coverage. In no event shall IPS’ insurance policy provide coverage for any personal property in the Facilities, aside from personal property which is owed by IPS, nor shall such coverage extend to any improvements, fixtures, alterations or equipment installed by Operator or Operator’s Affiliates, regardless of whether the same have been approved by IPS. In the event the Building or any other part of the Facility required for school use is partially or totally destroyed by fire or other casualty, then, subject to the following terms of this Section, IPS shall repair or restore the same to substantially the same condition as existed prior to such fire or other casualty. Notwithstanding the foregoing provision, in the event the Building
or any other part of the Facility required for school use is partially or totally destroyed by fire or other casualty, and the fire or other casualty loss is due to the negligent acts or omissions of the Operator or Operator Affiliates, Operator shall be solely responsible for the cost of such repair or restoration which is not covered by IPS’ insurance. IPS shall proceed with the repairs and restoration as soon as practical and shall use commercially reasonable efforts to cause such rebuilding and repair to be completed so that the improvements are in substantially the same or better condition as existed prior to the casualty event; provided however, in the event of the destruction of all or a material part of the Building, IPS’s obligations shall be to reconstruct the Building or the applicable part thereof shall be limited to the construction of a school building reasonable suitable for the uses provided for in this Agreement, but in no event shall the total cost of the replacement school building exceed the insured value of the Building as of the day prior to the fire or casualty event. IPS and Operator, each acting in good faith, shall jointly prepare the plans and designs for the replacement school building (or the applicable part thereof). In connection with any potential casualty, Operator may secure business interruption insurance with respect to the Facilities in such amounts as Operator determines is advisable.

VIII.23 Eminent Domain. If the whole or any material part of the Building or Facilities shall be taken or acquired by any public or quasi-public authority (a “Taking”), other than IPS, under the power or threat of eminent domain, so that the Building may no longer be used for school purposes., this Agreement shall terminate as the day possession shall be taken by such public or quasi-public authority. Except as provided below, compensation awarded or paid for any Taking, whether for the whole or a part of the Facilities, shall be the sole property of IPS, and Operator hereby assigns to IPS all of Operator’s right, title, and interest in and to any and all such compensation; provided, however, that IPS shall not be entitled to any award specifically made to Operator for the taking of Operator’s personal property, equipment, fixtures, furnishings, and improvements. In addition, if Operator elects to build a new school for its operations to replace the Building, IPS shall contribute a part of such award to the construction of a replacement school, so long as the replacement school is completed no later than three (3) years after the Taking. In no event shall IPS’ contribution toward the replacement school exceed the amount paid to IPS by the condemning authority for the Facilities, as opposed to the part of the award applicable to the ground on which the Facilities are located. If less than a material part of the Facilities are subject to a Taking, IPS shall be fully entitled to the award, but shall use the aware to restore the Facilities to the condition prior to the condemnations, to the extent practical given the part of the Facility that was condemned. In no event shall the cost of such restoration exceed the amount of the award received by IPS. IPS represents and warrants that to its knowledge no eminent domain action is currently pending or contemplated with respect to the Building or the Facilities.

VIII.24 Taxes. The Building and Land are currently exempt from all real estate taxes. To the extent that any real estate taxes are assessed against the Building and Land during the Term of this Agreement, IPS shall be responsible for paying such taxes. If applicable, Operator shall be responsible for all taxes imposed on Operator’s own personal property maintained within the Building; provided, however, that Operator may pursue, and anticipates that it would be granted, 100% exemption from any personal property tax liability with respect to such personal property.

VIII.25 Force Majeure. In the event that IPS or Operator is delayed, hindered in, or prevented from doing or performing any act or thing related to the Facilities required by this
Agreement by reason of strikes, lock-outs, casualties, Acts of God, labor disputes, inability to procure materials, failure of power, governmental laws or regulations, riots, insurrection, war, or other causes beyond the reasonable control of such Party, then such Party shall not be liable or responsible for any such delays, and the doing or performing of such act or thing shall be excused for the period of the delay and the period for the performance of any such act shall be extended for a period equivalent to the period of such delay.

VIII.26 No Lease. The Parties acknowledge and agree that this Agreement is not a lease, provides no real estate interest in the Building or Land, and provides to Operator merely a right to possession of the Facilities for the limited and exclusive purpose of operating the School and the other intended uses of Operator.

VIII.27 Master Facilities Plan. The Parties acknowledge that IPS is in the process of preparing a strategic plan regarding the best and most efficient use of its facilities (“Facilities Optimization Study”), and that the Facilities will be included in the Master Facilities Plan. The Parties agree that, under the circumstances set forth in this Section 8.27, IPS has certain additional rights and obligations with respect to the Facilities as follows:

(a) Surplus. Unless the Parties otherwise agree in writing, IPS may not declare the Building or any other part of the Facilities to be surplus during the term of this Agreement (which shall include any renewal).

(b) Relocation. During the period in which an Emergency Repair is on-going or a repair or restoration as provided for in Section 8.22, and the same prevents the use of the Building for school purposes for a period in excess of ten (10) school days, IPS and Operator shall use good faith efforts to relocate Operator to temporary space in another school owned or run by IPS as near as possible to the Building. If the Building is rendered partially or wholly untenable so that the same cannot be used as a school for a period in excess of 90 days and if IPS and Operator are unable, despite good faith efforts, to relocate Operator to temporary space, Operator shall have the option to terminate this Agreement, so long as Operator provides written notice to IPS of Operator’s exercise of the option to terminate within 30 days of expiration of the 90-day period provided for above. Regardless of the temporary relocation of Operator or lapses in Operator’s use as a result of the casualty events or IPS repairs, IPS shall continue to pay Operator all applicable funds required by this Agreement as if the School operating (but adjusted with regard to the size and operations of the replacement location). All reasonable costs related to the build-out of the replacement space, Operator is moving, and relocation expenses (“Relocation Expenses”) shall be paid by IPS if the relocation is required due to IPS’ negligence. In all other cases Operator shall be responsible for all Relocation Expenses except that IPS shall reimburse Operator for the Relocation Expenses which are reasonably allocable to the relocation of Manual High School, unless the relocation is required due to the Operator’s negligence, in which case Operator shall be responsible for all Relocation Expenses.

Article IX: FINANCIAL MATTERS

IX.1 Monthly Payment. Beginning on July 1, 2020, and during the Term of this Agreement, IPS shall pay Operator a monthly payment (“Monthly Payment”) that is equal to (a) one-twelfth of the average annual amount that Operator would otherwise receive from the State
of Indiana for state basic tuition support and complexity grant funding for the School if the School were not an Innovation Network Charter School (“Base Amount”), (b) multiplied by the number of students reported in the most recent Average Daily Membership (“ADM”) count for the School. The Parties acknowledge that the Base Amount may increase or decrease during the Term of this Agreement based on changes in the State of Indiana’s school funding formula and other related factors. The Parties further agree that if, subject to a change in state law, Operator becomes entitled to additional state funding based on its status as a charter school or Innovation Network Charter School, IPS will pay such additional state funding to Operator. Beginning on July 1, 2020, and during the Term of this Agreement, IPS may deduct a total annual payment of twenty-five thousand dollars ($25,000) to cover IPS’s administrative cost for operating the School, DORS and Manual High School. IPS shall take from each Monthly Payment the sum of $2,083 to offset certain costs and expenses the Parties agree that IPS has incurred, and will incur, with respect to the School (the “Reimbursement Payment”).

IX.2 Additional State Funding. During the Term of this Agreement, if IPS receives additional funds from the State of Indiana based on the characteristics of the students who attend the School, other than state basic tuition support and complexity grant funding, solely because Operator and IPS have executed this Agreement and the School is operated as an Innovation Network Charter School (“Additional State Funds”), IPS shall pay such Additional State Funds to Operator. Such Additional State Funds may include, without limitation, funding for textbook reimbursement, special education, and ESL. Unless otherwise agreed by the Parties in writing, IPS shall not withhold the Reimbursement Payment from the Additional State Funds.

IX.3 Direct Payments and Offsets. The Parties agree that if Operator receives direct payments of (a) basic tuition support or complexity grant funding directly from the State of Indiana, then such payments shall offset IPS’ obligation to make the Monthly Payment, or (b) Additional State Funds, then such payments shall offset IPS’ obligation to make payment of Additional State Funds. IPS’ obligation to make such payments shall be offset in an amount that is equal to, and does not exceed, the amount that Operator receives directly from the State of Indiana.

IX.4 Timing of Payments. IPS shall pay Operator (a) the Monthly Payments by electronic funds transfer no more than three (3) business days after receiving payment of state basic tuition support and complexity grant funding from the State of Indiana, and (b) any Additional State Funds no more than three (3) business days after IPS receives such Additional State Funds from the State of Indiana.

IX.5 ADM. The ADM for the School and IPS shall be determined pursuant to Applicable Law then in effect. Operator shall report the ADM to IPS in a timely manner as required by Applicable Law. Operator represents and warrants that the ADM it reports to IPS shall be complete and accurate.

IX.6 ESEA Funding. To the extent not already received directly by Operator for use in the School, Operator shall receive applicable federal Elementary and Secondary Education Act (“ESEA”) funds, including without limitation Title I, Title II, and Title III funds, in the same manner, and pursuant to the same criteria, that other IPS schools receive such funds. Operator shall comply with Applicable Law in its use of any ESEA funds it receives. Unless otherwise
agreed by the Parties in writing, IPS shall not withhold the Reimbursement Payment from any such ESEA funds.

IX.7 Philanthropic Gifts. Any funds received by either Party through philanthropic gifts, grants, or donations from individuals or nongovernmental organizations shall be the sole property of the Party that received them; provided, however, that any gifts received by a Party, but specifically restricted for the benefit of the other Party, shall be delivered to that Party immediately upon receipt. Operator may, with prior approval of IPS, which shall not be unreasonably withheld, erect signage in honor of or tribute to donors. Operator specifically will be permitted to name any physical space or program and to affix signage to classroom doors and other spaces within the interior of the Building recognizing contributions of donors, and in particular, honoring the life of Dr. Gus Watanabe.” The Parties may agree in writing to engage in joint fundraising efforts and shall allocate any funds raised through such efforts in the manner set forth in such written agreement.

IX.8 Additional Governmental Grants. To the extent that additional governmental grant opportunities become available for the benefit of the School, and such grant funds are not already received directly by Operator for use in the School, the Parties may agree in writing to cooperate in attempting to obtain such additional grant funds. Nothing in this Agreement shall preclude Operator from being eligible for grants provided to Charter Schools. Operator shall remain entitled to directly receive all grant funding specific to Charter Schools for which IPS is not eligible, including but not limited to facility funding and charter school grants, and the application for, acceptance of, and use of such grants shall be at the sole discretion of Operator. Nothing contained above in Sections 9.7 or 9.8 shall be construed as restricting or limiting in any way Operator’s ability to fundraise from individuals, corporations or foundations for the purposes of supporting or expanding its activities.

IX.9 Additional Funds from IPS. Beginning on July 1, 2020, and throughout the Term of this Agreement, IPS will pay Operator a monthly payment of $41,667 to be used toward the cost of school-related transportation for students who attend a school operated by Operator. Each such payment will be made no later than three (3) business days after the first day of each month.

IX.10 SIG Funding. If School Improvement Grant (“SIG”) funding is available IPS will provide the full amount of funding received for such programs for students attending the School to the Operator in the same way and at the same time as it funds similarly situated schools, but in any event within 30 days of receiving funding.

IX.11 Additional Revenue. The Parties acknowledge that IPS may receive additional revenue beyond state tuition dollars, including but not limited to proceeds from the school-funding referendum approved by voters in the 2018 election, during the term of the Agreement. Upon development of a distribution method to include Innovation Schools and/or Charter Schools in distribution of this additional revenue, and IPS Board approval of such method, CHA shall
receive any additional funding in the same way and at the same time as other similarly situated Innovation Network Charter Schools.

IX.12 Contracting.

(a) **General Contracting.** Each Party is responsible for obtaining, contracting with, and paying its own vendors for goods it acquires and services it provides under this Agreement.

(b) **Purchasing and Procurement.** Each Party will be subject to the purchasing and procurement laws and requirements applicable to that Party.

IX.13 Accounting. Operator shall comply with generally accepted fiscal management and accounting principles required by the Charter and Applicable Law.

IX.14 Audits. Operator shall provide to IPS a copy of any financial audit that Operator provides to its authorizer, the IDOE, the State Board of Accounts, or any other governmental or regulatory body.

IX.15 Service Provider. Operator agrees that it is not entitled to and will not take any tax position that is inconsistent with being a “service provider” (as such term is defined in IRS Revenue Procedure 2017-13) to IPS with respect to the Facilities.

**Article X: COMMUNICATIONS**

X.1 Media. The Parties shall reasonably cooperate in responding to any media communications regarding the School or its operation. Each Party will appoint a Communications Representative, which may be changed from time to time with notification to the other Party. In the event IPS or Operator receives a media inquiry or plans a media statement which mentions the other Party, the contacted or initiating Party shall notify the Communications Representative of the other Party, and the two shall work collaboratively to address any issues identified.

X.2 Communications. Operator shall provide notice as soon as practicable to IPS of (a) any material issue or event concerning the safety of students attending the School, (b) any litigation, arbitration, or other proceeding filed or threatened to be filed against Operator in any way connected with the School or Facilities, or (c) any other matter that reasonably could have a material impact upon Operator’s ability to perform its obligations under this Agreement.

**Article XI: ADDITIONAL SERVICES**

XI.1 Food Services. If the Parties agree that IPS will provide food services at the School, then IPS shall provide such services at a level comparable to which it provides services to other schools as a vendor, and shall receive all revenue related to its provision of such services, and Operator shall provide to IPS all information reasonably necessary for IPS to provide such services, including without limitation, all demographic information required by law for all students enrolled in the School to qualify for and participate in the free and reduced price breakfast, lunch, and such programs; provided that IPS shall not as part of such services provide personnel for serving food to students, and Operator shall be solely responsible for providing such personnel. If Operator elects to provide food services with a vendor other than IPS, such services must be provided in a manner reasonably comparable to the manner in which IPS provides such
services to students attending similarly situated IPS schools and in accordance with Applicable Law.

XI.2 Office and Classroom Supplies. IPS shall allow Operator to purchase office and classroom supplies from IPS to the extent such purchases are permissible under contracts to which IPS is a party and by Applicable Law.

XI.3 Additional Services. If Operator wishes to contract with IPS for additional services to be provided by IPS, including without limitation custodial services (which would include, for example, snow and ice removal and groundskeeping), it must notify IPS that it wishes to do so by no later than May 1, 2020 and, in each subsequent year, no later than April 1 prior to the next school year. In the event that Operator provides such notice, the Parties will reasonably work together in good faith to reach an agreement on the terms under which IPS will provide such additional services.

XI.4 Cost of Goods and Services. To the extent IPS provides any goods or services to Operator related to the School, whether pursuant to this Agreement or otherwise, IPS may not charge Operator more for such goods or services than IPS pays for them. The Parties acknowledge that IPS is not charging Operator more for the goods or services IPS is providing under this Agreement than IPS pays for them.

Article XII: PROGRAM EVALUATION AND REPORTS

XII.1 Accountability Data. A copy of all accountability data provided to the Operator’s Charter Authorizer will be provided to IPS on the same schedule as provided to the Authorizer, as well as additional data requested via the IPS Innovation Reporting Calendar updated annually, provided such data requests are not unreasonable or unduly burdensome to Operator and IPS agrees to reimburse Operator for its reasonable costs in complying with any such data request. IPS will also have access to Learning Connection or similar state data login for the school.

XII.2 Financial Data. A copy of all financial data provided to the Operator’s Charter Authorizer will be provided to IPS on the same schedule as provided to the Authorizer.

XII.3 Program Reports and Evaluation. A copy of all program reports and evaluation provided to the Operator’s Charter Authorizer will be provided to IPS on the same schedule as provided to the Authorizer.

XII.4 Additional Information. If IPS reasonably requires additional information regarding the School to evaluate Operator’s performance under this Agreement, including academic or financial information, IPS may request such information, and Operator shall not unreasonably refuse such request. The foregoing notwithstanding, any request by IPS shall contain an explanation of how such information should be collected and presented, and why it is necessary to evaluate Operator’s performance. In the event fulfilling the information request requires Operator to expend additional resources to collect or present such information, IPS agrees to reimburse Operator for actual costs of complying with such request.

XII.5 Confidential Information. Any information that a Party receives from the other Party pursuant to this Agreement shall be maintained in compliance with Applicable Law, including without limitation all such laws and regulations that protect student confidentiality.
Article XIII: INTELLECTUAL PROPERTY

(a) Proprietary Materials. Each of the Parties shall own its own intellectual property including without limitation all trade secrets, know-how, proprietary data, documents, and written materials in any format. Any materials created exclusively by IPS for the School shall be owned by IPS, and any materials created exclusively by Operator for the School shall be Operator’s proprietary material. The Parties acknowledge and agree that neither has any intellectual property interest or claims in the other Party’s proprietary materials. Notwithstanding the foregoing, materials and work product jointly created by the Parties shall be jointly owned by the Parties and may be used by the individual Party as may be agreed upon by both Parties from time to time.

XIII.2 Name. Christel House International, Inc. (“CHI”) owns the intellectual property right and interest to the name Christel House Academy, Inc. and Christel House Academy South. For the Term of this Agreement, CHI will grant to IPS pursuant to a separate Trademark License Agreement, a non-exclusive non-assignable license to use the name as it relates to the School and the relationship the Parties have pursuant to this Agreement.

Article XIV: INSURANCE AND RISK OF LOSS

XIV.1 Insurance Coverage. Operator shall secure and keep in force during the Term of this Agreement insurance coverage in the manner required by the Charter. IPS shall be named as an additional insured under such coverage 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. IPS shall maintain insurance coverage applicable to any services it provides at the School in substantially the same manner as it maintains such insurance with respect to other IPS schools. Notwithstanding the foregoing requirement regarding insurance coverage, IPS shall have the right to self-insure part or all of said insurance coverage in IPS’ sole discretion. In the event IPS elects to self-insure all or any part of any risk that would be insured under the coverage described above, and an event occurs where insurance proceeds would have been available but for the election to self-insure, IPS shall make funds available to the same extent that they would have been available had such insurance policy been carried. In the event that IPS obtains insurance for the Building and Facilities during any portion of the Term of this Agreement, Operator shall be named as an additional insured under such coverage.

XIV.2 Form of Policies. All of Operator’s insurance policies shall be issued by insurance companies qualified to operate in Indiana and otherwise reasonably acceptable to IPS. Such policies shall name IPS, and such other related parties as IPS elects, as additional insured. Evidence of insurance shall be delivered to IPS within 30 days of IPS’ request.

XIV.3 Indemnification. Subject to the policy limits of the insurance coverage required by this Agreement, Operator will protect, defend, indemnify, and save harmless IPS from and against all claims and suits, including court costs, attorneys’ fees, and other expenses, caused by the acts or omissions of Operator, its employees, officers, directors, trustees, subcontractors or agents in relation to the School or the performance of its obligations under this Agreement. Subject to the policy limits of the insurance coverage as mutually agreed by the Parties, IPS will protect, defend, indemnify, and save harmless Operator from and against all claims and suits (including any suit which may be filed by Current Occupant, including court costs, attorneys’ fees, and other expenses, caused by the acts or omissions of IPS, its employees, officers, directors, trustees,
subcontractors or agents in relation to the School or the performance of its obligations under this Agreement.

XIV.4 Evidence of Insurance. Upon request, a Party will furnish a certificate of insurance to the other Party evidencing the required coverage within 30 days. Each Party will provide to the other Party notice of any cancellation or material adverse change to such insurance within 30 days of such occurrence.

XIV.5 Cooperation. To the extent that it is reasonably practicable, each Party will comply with any information or reporting requirements required by any of the other Party’s insurers.

XIV.6 Insurance Companies. All insurance coverage described in this Article shall be obtained from companies that are authorized to do business in the State of Indiana that have an A.M. Best Rating of “A” or better.

XIV.7 Transportation. If IPS provides transportation services under this Agreement, IPS will name Operator as an additional insured under its insurance policy applicable to its provision of such transportation services and, if IPS contracts with a third party to provide such transportation services, IPS will use its best efforts to have Operator named as an additional insured under such third party’s applicable insurance policy. If Operator contracts with a third party to provide transportation services for students who attend the School, Operator will use its best efforts to have IPS named as an additional insured under such third party’s applicable insurance policy.

Article XV: SAFETY OF STUDENTS

XV.1 Health and Well-Being of Students. The Parties agree to use their best efforts to reasonably cooperate to the extent it is necessary to protect the safety and well-being of students enrolled in the School pursuant to the terms of this Agreement, the Charter, and Applicable Law.

Article XVI: IMMUNITY

XVI.1 No Waiver of Immunity. Nothing in this Agreement shall be construed to waive any immunity to which IPS, the School, Operator, or any individual or entity is entitled under Applicable Law.

Article XVII: TERM OF THE AGREEMENT; TERMINATION

XVII.1 Term. This Agreement shall be effective as of the Commencement Date, but the initial term of this Agreement shall begin on the Possession Date and end on June 30, 2025 (“Initial Term”). The Agreement shall, unless earlier terminated pursuant to Section XVII.2 below, automatically renew at the end of the Initial Term for an additional five-year term (“Renewal Term”). After the commencement of the Renewal Term, the Agreement shall automatically renew for additional consecutive five-year terms (“Additional Term”) unless a Party provides written notice of its intent not to renew this Agreement at least two years prior to the expiration of the Renewal Term or the then-current Additional Term.
XVII.2 Termination.

(a) Termination Rights of Both Parties. Either Party may terminate this Agreement for cause in the event that the other Party fails to remedy a material breach of this Agreement (as defined below in Section 17.02(b)) within 60 days after written notice by the non-breaching Party of such breach. If prior to the expiration of the 60-day period in which the material breach is to be cured the Parties agree in writing to a plan of action to remedy such breach and that agreement to such plan constitutes a sufficient remedy to the breach, then the breach shall be deemed cured for purposes of this Section 17.02(a). The foregoing notwithstanding, the Parties understand and agree that, unless otherwise agreed by the Parties in writing, in no event shall Operator be required to vacate the Building and Facilities with less than two (2) full academic years’ prior notice, in order to provide an orderly transition for students to a new location.

(b) Material Breach: For purposes of Section 17.02(a), a “Material Breach” of this Agreement shall include the failure of a Party to comply with or fulfill any material obligation thereunder that would have a material adverse effect on the ability of the Operator to utilize the Facilities for the intended uses as provided for and contemplated by this Agreement, including, but not limited to, (i) obligations related to providing funding, (ii) obligations related to supplying services, (iii) the Operator failing to maintain its Charter, or (iv) the Operator filing bankruptcy.

(c) Termination by Mutual Written Consent. This Agreement may be terminated by mutual consent of both Parties, without penalty to either Party, with such termination to be effective at such time, and upon such other terms, as set forth in such written consent.

(d) Loss of Charter. This Agreement may be terminated by IPS immediately upon the termination, revocation, expiration without renewal, or loss of the Charters for all of the Schools operating in the Facility. For purposes of this Section 17.02(d), a “revocation” of the Charter shall occur on the date that the authorizer notifies Organizer that the Charter has been revoked.

(e) Bankruptcy; Dissolution. This Agreement will terminate immediately upon the (i) filing by any Party of a voluntary petition in bankruptcy; (ii) adjudication of such Party as bankrupt; (iii) the filing of any petition or other pleading in any action seeking reorganization, rearrangement, adjustment, or composition of, or in respect of such Party under the United States Bankruptcy Code or any other similar state or federal law dealing with creditors’ rights generally; (iv) appointment of a receiver, trustee or other similar official of such Party or its property; or (v) the dissolution of its corporate entity.

(f) Change in Applicable Law. If any change in Applicable Law is enacted after the Commencement Date that will have a material adverse effect on the ability of any Party to carry out its obligations under this Agreement, upon thirty (30) days’ notice thereof, the Parties shall renegotiate this Agreement for purposes of complying with such changes in Applicable Law, with such renegotiation to be undertaken in good faith by both Parties. If the Parties are unable to successfully renegotiate the Agreement and agree upon revised terms within ninety (90) days after such notice of renegotiation, then the materially adversely affected Party may terminate the Agreement. The foregoing notwithstanding, the Parties understand and agree that, unless otherwise agreed by Parties, in writing, in no event shall Operator be required to vacate the Building and Facilities with less than two (2) full academic years’ prior notice, in order to provide an orderly transition for students to a new location.
(g) **Effective Date of Termination.** Unless expressly provided otherwise, any termination pursuant to this Article XVII shall provide Operator with at least two (2) full academic years’ prior notice, in order to provide an orderly transition for students to a new location. However, any termination may be made effective immediately upon written notice by Operator if such immediate termination is necessary to protect the health, safety, or welfare of the School’s student population. If notice of intent not to renew for an Additional Term is given during the Renewal Term, then Operator may continue to utilize the Facilities pursuant to this Agreement for two years following the end of the Renewal Term.

XVII.3 **Effect of Termination.** In the event of termination under this Agreement, each Party’s obligations to the other with respect to the School shall terminate, except that any obligations that are imposed by Applicable Law, contemplated as surviving termination, or reasonably necessary to wind down the Parties’ relationship created by this Agreement, including without limitation finalizing any reporting requirements imposed by Applicable Law or this Agreement, record retention requirements, reimbursement for damaged furniture or equipment, and payment owed for time periods prior to termination but not yet paid, shall survive termination. Termination of this Agreement shall not amount to a waiver of any cause of action, for breach of this Agreement or otherwise, that either Party may have against the other.

XVII.4 **Option to Purchase.** As soon as practicable, the Parties shall work cooperatively to seek an amendment to current state law to allow Operator the option to purchase the Building and Facilities in the event that this Agreement shall terminate pursuant to any of the foregoing provisions. If permitted by Applicable Law, Operator shall have the option to purchase (“Purchase Option”) the Facilities for the purchase price of Six Million Dollars ($6,000,000.00) or the average of two (2) appraisals if such average amount is less than Six Million Dollars ($6,000,000.00) and in accordance with other applicable reasonable terms and conditions to be negotiated between the Parties. The Parties agree that Operator may exercise its Purchase Option only for the Facilities to be used by Operator as a school facility, and only if IPS either (a) terminates this Agreement for a reason not set forth in Section XVII.2(a)-(f) above or (b) gives notice of its intent not to renew the Agreement for an Additional Term. Operator must provide written notice that it wishes to exercise the Purchase Option no later than 180 days after any such termination or notice that gives rise to Operator’s right to exercise the Purchase Option occurs. Operator may not, within ten (10) years of exercising the Purchase Option sell or lease the Facilities or use the Facilities for purposes other than its Operation of a school.

XVII.5 **Option to Lease.** As soon as practicable, the Parties shall work cooperatively to seek an amendment to current state law to allow Operator the option to lease the Building and Facilities in the event that this Agreement shall terminate pursuant to the foregoing provisions. If permitted by Applicable Law, Operator shall have the option to lease (“Lease Option”) the Facilities, for Operator’s use as a school, for annual lease payments equivalent to Two Hundred Fifty Thousand Dollars ($250,000.00), with Operator to be responsible for all costs of occupancy, and the term of any such lease not to exceed ten (10) years unless otherwise agreed to by the Parties in writing. The Parties agree that Operator may exercise its Lease Option only if IPS either (a) terminates this Agreement for a reason not set forth in Section XVII.2(a)-(f) above or (b) gives notice of its intent not to renew the Agreement for an Additional Term. To exercise the Lease Option, Operator must provide written notice that it wishes to exercise the Lease Option no later than 180 days after any such termination or notice that gives rise to Operator’s right to exercise the Lease Option occurs.
Article XVIII: GENERAL AND MISCELLANEOUS PROVISIONS

XVIII.1 Entire Agreement. The terms and conditions of this Agreement constitute the entire agreement between the Parties with respect to the School and all other matters addressed herein, and this Agreement supersedes all prior discussions and agreements, whether oral or written, regarding the subject matter of this Agreement.

XVIII.2 Jurisdiction and Venue. Each Party consents and submits to the jurisdiction of the state and federal courts located in the State of Indiana for purposes of any action, suit, or proceeding arising out of or relating to this Agreement and agrees that exclusive venue for any action, suit, or proceeding arising out of or relating to this Agreement shall be in the state or federal courts located in Marion County, Indiana.

XVIII.3 Governing Law. The laws of the State of Indiana, without regard to its conflict of laws provisions, will govern this Agreement, its construction, and the determination of any rights, duties, obligations, and remedies of the Parties arising out of or relating to this Agreement.

XVIII.4 Counterparts, Facsimile Transmissions. This Agreement may be executed in identical counterparts, all of which will be deemed an original, but all of which will constitute one Agreement.

XVIII.5 Official Notices. All notices and other communications required by the terms of this Agreement must be in writing and sent to the Parties hereto at the addresses set forth below. Unless otherwise agreed in writing by the receiving Party, notice may be given by: (i) certified or registered mail, postage prepaid, return receipt requested; (ii) reputable overnight carrier, postage prepaid; (iii) electronic mail if sent to the email address set forth below; or (iv) personal delivery (with written receipt confirming such delivery). Notice will be deemed to have been given two school days after mailing as described in clauses (i) and (ii) above, on the date of personal delivery, or on the date of email transmission if on a business or school day during normal business hours (or, if not, the next succeeding business day). The addresses of the Parties are:

For IPS: Aleesia Johnson
120 East Walnut Street
Indianapolis, IN 46204

For Operator: Board Chair and/or
Head of Schools
Christel House Academy
(before July 1, 2020)
2717 South East Street
Indianapolis, IN 46225
(on or after July 1, 2020)
2405 Madison Avenue
Indianapolis, IN 46225
XVIII.6 Assignment. Except as expressly provided in this Agreement, neither Party may assign or delegate any rights or obligations under this Agreement without the prior written consent of the other Party, which may be withheld at each Party’s sole discretion.

XVIII.7 Amendment. This Agreement may not be altered, amended, modified, or supplemented except in a written document executed by the Parties.

XVIII.8 Waiver. No waiver of any provision of this Agreement will be effective unless made in writing, no waiver of any breach of any provision of this Agreement shall be held as a waiver of any other or subsequent breach, and no waiver shall constitute a waiver of any other provision of this Agreement unless otherwise expressly stated.

XVIII.9 Severability. So long as the economic and legal substance of this Agreement is not materially affected, the Parties agree that if any provision of this Agreement or any construction or application of any provision of this Agreement is held to be unenforceable or invalid for any reason by a court of competent jurisdiction, then such provision shall be deemed stricken, the validity of all the remaining provisions of the Agreement shall not be affected, and the rights and obligations of each of the Parties shall be construed and enforced as if the Agreement did not contain such stricken provision.

XVIII.10 Successors and Assigns. This Agreement will be binding upon, and inure to the benefit of, the Parties and their respective successors and permitted assigns.

XVIII.11 No Third-Party Rights. This Agreement is made for the sole benefit of the Parties and their respective successors and permitted assigns. No person or entity who is not a Party to this Agreement shall have, or be deemed to have, any rights under this Agreement or any relationship with either of the Parties by virtue of this Agreement, including without limitation any relationship in the nature of a third-party beneficiary or fiduciary.

XVIII.12 Headings and Captions. The headings and captions appearing in this Agreement have been included only for convenience and shall not affect or be taken into account in the interpretation of this Agreement.

XVIII.13 Attorneys’ Fees. In addition to any other remedy provided for herein, the predominantly non-prevailing party in any litigation arising out of or relating to this Agreement shall pay all reasonable costs and expenses (including reasonable attorneys’ fees) incurred by the predominantly prevailing party in successfully enforcing any covenant or obligation imposed by
this Agreement against, or collecting any amounts payable under or pursuant to this Agreement from, the predominantly non-prevailing party in such litigation.

XVIII.14 Remedies Cumulative. The remedies of IPS and Operator provided herein shall be cumulative, and no one of them shall be construed as exclusive of any other or of any remedy provided herein.

XVIII.15 Construction. Whenever a word appears herein in its singular form, such word shall include the plural and vice versa; and the neuter gender shall include the masculine and feminine genders. Use of the words “including”, “such as”, or words of similar import, when following any general term, statement or matter shall not be construed to limit such statement, term or matter to specific items, whether or not language of non-limitation, such as “without limitation”, or “but not limited to”, are used with reference thereto, but rather shall be deemed to refer to all other items or matters that could reasonably fall within the broadest scope of such statement, terms or matter. This Agreement shall be construed without reference of titles of Articles or Sections, which are inserted for reference only.

XVIII.16 Due Authorization. The persons executing this Agreement on behalf of Operator covenant and represent that Operator is authorized to conduct business in the State of Indiana. Operator and IPS covenant and represent that the person, partner or member executing this Agreement on behalf of such party is duly authorized to sign and deliver this Agreement.

CHRISTEL HOUSE ACADEMY, INC.

By: __________________________

Name: __________________________

Title: __________________________

BOARD OF SCHOOL COMMISSIONERS
OF THE CITY OF INDIANAPOLIS

By: __________________________

Name: __________________________

Title: __________________________

By: __________________________

Name: __________________________

Title: __________________________