



# District School Board of Pasco County

20430 Gator Lane • Land O' Lakes, Florida 34638 • 813/ 794-2221

Heather Fiorentino, Superintendent


[www.pasco.k12.fl.us](http://www.pasco.k12.fl.us)

Department of Purchasing  
Kendra Goodman, CPPO, CPPB, Purchasing Agent  
813/ 794-2221 Fax: 813/ 794-2111  
727/ 774-2221 TDD: 813/ 794-2484  
352/ 524-2221 e-mail: [kgoodman@pasco.k12.fl.us](mailto:kgoodman@pasco.k12.fl.us)

July 6, 2010

## MEMORANDUM

TO: Honorable School Board Members

FROM: Kendra Goodman, CPPO, CPPB, Purchasing Agent 

RE: Contracts for School District Virtual Instruction Program:  
Florida Virtual School (FLVS Franchise)  
Florida Virtual School (FLVS FT)  
K12 Florida, LLC

During the June 15, 2010 Board meeting, the Virtual Instruction Program contracts were tabled for further discussion. Ms. Ruth Reilly, Assistant Superintendent for Curriculum and Instructional Services and JoAnne Glenn, Assistant Principal for Pasco eSchool have since met with Board members to answer questions that resulted in the contracts being "tabled."

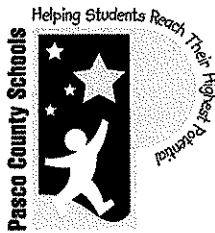
As you recall, in accordance with Florida Statutes 1002.37 and 1002.415 beginning with the 2009-2010 school year, each school district must provide eligible K-12 students with the option of participating in a virtual instruction program. Please reference the attached memo from Ms. JoAnne Glenn, Assistant Principal for Pasco eSchool for detailed information.

The attached contracts, which require Board approval are for kindergarten through twelfth grade level coverage for this mandated program. The agreements will cover the period of July 7, 2010 through June 30, 2011.

At this time, we respectfully request your approval to enter into these agreements with the above-referenced facilities. The contracts have been reviewed and approved by the Board's attorneys from McClain, Alfonso, Meeker & Dunn, P.A. Per Florida Administrative Code Rule 6A-1.012(11)(a) the District is exempt from bidding these services.

Therefore at this time, the contracts are being presented at this meeting for The Board's consideration and approval. Should you have any questions or concerns regarding this matter, or if I can be of further assistance, please feel free to contact me at your earliest convenience.

KDG/lr  
Attachments



## District School Board of Pasco County

7227 Land O' Lakes Boulevard • Land O' Lakes, Florida 34638 • 813/ 794-2000

Heather Fiorentino, Superintendent

[www.pasco.k12.fl.us](http://www.pasco.k12.fl.us)

Pasco eSchool

JoAnne Glenn, Assistant Principal

813/ 346-1901 FAX: 813/ 346-1991

E-MAIL: [jglenn@pasco.k12.fl.us](mailto:jglenn@pasco.k12.fl.us)

June 25, 2010

To: Kendra Goodman, Purchasing Agent

From: JoAnne Glenn, Assistant Principal for Pasco eSchool

Subject: Contracts for School District Virtual Instruction Program (Florida Virtual School (FLVS), Florida Virtual School Full Time (FLVS-FT) and K12 Florida, LLC

During its June 15, 2010 meeting, the District School Board of Pasco County tabled the Virtual Instruction Program contracts pending further discussion of some questions and concerns expressed by the Board. Ms. Ruth Reilly and I have prepared additional information to share with the Board members, and have met with Ms. Kathryn Starkey to answer her questions. We are respectfully requesting that the contracts be resubmitted for Board approval at this time.

In accordance with Florida Statute 1002.415, 1002.37 and Senate Bill 1676, beginning with the 2009-2010 school year, each school district shall provide eligible K-12 students within its boundaries the option of participating in a virtual instruction program. The program makes instruction available to students using online and distance learning technology in the nontraditional classroom.

To provide the students with a variety of learning opportunities and meet the intent of the legislation, the District School Board of Pasco County has chosen to continue to contract with the following providers:

- Florida Virtual School (FLVS Franchise): Full-time and part-time 6-12 program
- Florida Virtual School Full Time (FLVS FT): Full-time K-5 program
- K12, Florida, LLC: Full-time K-5 program, and ala carte secondary classes

The cost varies by provider:

- Florida Virtual School (FLVS Franchise): \$50 per half-credit enrollment, with optional fees of \$65 per enrollment for gaming courses and \$165 per enrollment for driver's education.
- Florida Virtual School Full Time (FLVS FT): \$3995 annually, per student with an optional Intensive Reading fee of \$380 per student, based on 2010 FCAT scores.
- K12, Florida, LLC: \$3995 annually, per K-5 student, and \$125 per half-credit enrollment for ala carte courses in grades 9-12. Additional instructional material fees ranging from \$80 - \$250 per student for ala carte courses for grades 9-12 may also apply, along with teacher training and materials fees of approximately \$1000 per teacher.

The annual cost of the fees paid to these vendors is projected to be \$300,000. The program will be funded through FTE earned by students in K-5 who are promoted to the next grade level, and students in grades 6-12 by credit completion per half credit.

**K12 VIRTUAL SCHOOL PROGRAM CURRICULUM AND MATERIALS AGREEMENT**

This K12 Virtual School Program Curriculum and Materials Agreement ("Agreement") is made and entered into this 25<sup>th</sup> day of June, 2010 by Pasco County Schools, 7227 Land O'Lakes Blvd [address], Land O lake[city], Florida, 34638 [ZIP Code] ("Customer") and K12 Florida LLC ("K12").

**TERM:** The term of this Agreement is from July 1<sup>st</sup>, 2010 to June 30<sup>th</sup>, 2011. This Agreement will ~~automatically extend for successive~~ <sup>renew annually</sup> additional periods of one (1) year ~~each~~ <sup>upon mutual agreement in writing</sup> unless either the Customer or K12 provides written notice of non-renewal to the other no later than sixty (60) <sup>days</sup> prior to the end of the then-current one-year term.

**DESCRIPTION OF SERVICES** To the extent that a product or service is ordered by the Customer's authorized representative on a K12 Florida Virtual School Order Form ("Order Form"), K12 will provide Customer with those products and services, including where applicable a non-exclusive, non-transferable license for access to the K12 online courses, curriculum, learning management system and related instructional tools and online services, for the term of this Agreement.

**PRICE AND PAYMENT:** The prices for the products, services, and licenses provided pursuant to this Agreement will be as set forth on the Order Form. "Quarterly" billing on the Order Form indicates that on a quarterly basis (in October, January, April and July), K12 will submit to the Customer an invoice for eighty-five percent (85%) of the students enrolled for those products, services and licenses ("Enrolled Students") as of the "Survey 2" date (or, for products, services and licenses that are applicable only for the second semester, the "Survey 3" date). Such invoices shall be based on the price set on the Order Form amortized equally on a quarterly basis. In the July invoice, K12 will reconcile the invoices to the actual number of Enrolled Students and issue a credit or additional charge as applicable. All other products, services and licenses are subject to billing upon initial provision of the product, service or license. Full payment is due in accordance with the Florida Prompt Payments Act. If full payment is not timely received, K12, in its sole discretion, may cease the provision of any or all services, materials and licenses. Customer agrees to pay interest to the full extent permitted by the Florida Prompt Payments Act.

**TAXES:** Customer represents that it is exempt from sales and use taxes imposed under Florida law in accordance with Section 212.08(6), Florida Statutes.

**FLORIDA SCHOOL DISTRICT VIRTUAL INSTRUCTION PROGRAM REQUIREMENTS:** K12 represents that it is in compliance with all applicable virtual school requirements set forth in Florida Statutes, §1002.45(3). K12 and Customer acknowledge that, under Florida law, enrollment in Florida virtual instruction programs is not capped. The Customer agrees that K12 may commence the application and enrollment process for Customer's students in the program on the date of execution of this Amendment.

**INFORMATION REQUIREMENTS:** Customer will provide K12 will all information reasonably required by K12 to provide the products, services, and licenses and is required to approve all enrolments prior to the provision of same.

**FERPA:** Customer represents that K12 is a "school official" with a "legitimate educational interest" under the definitions of those terms set forth in the Customer's Family Educational Rights and Privacy Act ("FERPA") notification(s) to students and parents during the term of this Agreement. K12 agrees to develop, implement, maintain and use appropriate administrative, technical or physical security measures to the full extent required by FERPA in order to maintain the confidentiality of "education records" as that term is defined by FERPA. Customer recognizes and agrees that for purposes of all applicable laws, K12 has a legitimate educational interest for purposes of Customer disclosing to K12 students' education records.

**SPECIAL EDUCATION AND DISABILITIES:** Customer agrees that K12 has no responsibility for the provision of special education, the creation, implementation or provision of Individualized Education Programs, the provision of any reasonable accommodations or any services of any nature under the Individuals with Disabilities Education Act, the Americans with Disabilities Act, section 504 of the Rehabilitation Act or any similar law, whether federal, state or local. Notwithstanding the foregoing, during the term of this Agreement, K12 will discuss, formulate and make adjustments and accommodations in

CONTRACT REVIEWED  
AND APPROVED:  
Katy 6/4/10

furtherance of IEPs or reasonable accommodations established by Customer, but solely to the extent that K12 may do so without incurring direct or indirect costs.

**WARRANTY:** K12 warrants that the services will be performed in a professional and workmanlike manner in accordance with commercially reasonable industry standards. THE FOREGOING WARRANTY IS IN LIEU OF ALL OTHER WARRANTIES, EXPRESS, IMPLIED, STATUTORY OR OTHERWISE, INCLUDING, BUT NOT LIMITED TO, ANY IMPLIED WARRANTIES OF MERCHANTABILITY OR FITNESS FOR A PARTICULAR PURPOSE AND K12 MAKES NO GUARANTEES AS TO THE RESULTS OR ACHIEVEMENTS OF THE STUDENTS. WITHOUT LIMITING THE FOREGOING, K12 MAKES NO GUARANTEES AND SHALL NOT BE LIABLE FOR OUTAGES OR OTHER NON-ACCESSIBILITY TO THE K12 WEBSITE, END-USER CONNECTION SPEED OR CONNECTIVITY PROBLEMS REGARDLESS OF THE CAUSE.

**INTELLECTUAL PROPERTY:** Customer acknowledges and agrees that all content, software, graphics, pictures, documents, licenses, designs and materials (collectively, Works) made available to Customer pursuant to this order are protected by copyrights, trademarks, service marks, patents, trade secrets, or other proprietary rights and laws. Customer acknowledges and agrees that it has no intellectual property interest or claims in the Works and has no rights to make any use of such Works except as expressly granted herein. Except as expressly authorized in writing by an officer of K12, Customer agrees not to sell, license, sub-license, rent, modify, distribute, copy, reproduce, transmit, publicly display, publicly perform, publish, adapt, edit or create derivative works from any of the Works. Customer will not act or permit any action that would impair any of K12's rights in the Works. Customer acknowledges that in the event Customer breaches any provision contained in this paragraph, K12's interests will be irreparably injured, the full extent of K12's damages may be impossible to ascertain, and monetary damages will not be an adequate remedy. Customer agrees that K12 will be entitled to enforce this agreement by an injunction or other legal or equitable relief in any court of its choice without the necessity of posting bond or security, in addition to its right to seek monetary damages or any other remedy.

**INDEMNIFICATION AND LIMITATION OF LIABILITY:** K12 agrees to defend, indemnify, and hold harmless Customer and its employees, contractors, officers, and board members from and against any and all liabilities, claims, damages, injuries, judgments, demands and expenses, including court costs and attorney's fees, that arise out of or in connection with any acts or omissions of K12 related to or arising from this Agreement subject to the condition precedent that Customer provide written notice to K12 as soon as practicable. IN NO EVENT SHALL K12'S LIABILITY TO CUSTOMER AND ITS EMPLOYEES, CONTRACTORS, OFFICERS AND BOARD MEMBERS UNDER THIS AGREEMENT OR FOR ANY MATTER OR CAUSE OF ACTION ARISING IN CONNECTION HEREWITH EXCEED THE AMOUNT PAID BY CUSTOMER TO K12 HEREUNDER.

**DISPUTE RESOLUTION:** The parties agree that they will use their best efforts to settle any and all disputes arising out of, under or in connection with this Agreement, including without limitation the validity, interpretation, performance and breach hereof, prior to initiating any legal proceeding, whether judicial or administrative in nature. The efforts shall be primarily between the EVP of School Services for K12 and the Superintendent of the Customer.

**MISCELLANEOUS:** a) A waiver of any part of this Agreement in one instance is not a waiver of any other part or any other instance; b) If any part of this Agreement is held invalid or if the applicability of any part of this Agreement is held invalid to a particular set of circumstances for any reason, such holding or declaration shall not in any way affect or impair the remaining provisions or the application to a different set of circumstances; c) Except as otherwise 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 and any such assignments shall be void and of no effect, except that K12 may assign all of its rights and obligations under this Agreement to any person or entity that controls K12, is controlled by K12, or is under common control with K12 or to any successor in interest that acquires all or substantially all of the assets of K12; d) This Agreement does not create any legal or equitable rights on the part of any third party, as a third party beneficiary or otherwise; e) K12 is not a division or any part of Customer. Customer is not a division or any part of K12. Nothing herein is intended to be construed as or to create a partnership or joint venture by or between K12 and Customer; f) Notwithstanding any other section of this Agreement, no party will be liable for any delay in performance or inability to perform due to acts of God or due to war (declared or undeclared), riot, terrorism, civil war, embargo, fire, flood, explosion, sabotage, labor strike, internet outage or other acts beyond its reasonable control and unrelated to its fault or negligence; h) All representations, warranties and indemnities made in this Agreement will survive termination of this agreement; i) This Agreement and the documents to which it refers form the entire Agreement between the parties with respect to the subject matter herein. Customer may not rely on any other documents, statements, or representations by any sales or service representatives or other parties, unless expressly contained herein; j) K12 Florida LLC will provide all services, licenses and materials under this Agreement either directly or in conjunction with its Affiliates. An "Affiliate" of K12 Florida LLC is an entity that controls, is controlled by, or under common control with, K12 Florida LLC and "control" means the possession, directly or indirectly, of the power to direct or cause the direction of the management policies of an entity, whether through the ownership of securities, by contract or otherwise. K12 Florida LLC and its Affiliates shall be referred to collectively as K12.

CONTRACT REVIEWED  
AND APPROVED:  
Katy 6/4/10

The person signing hereunder represents and warrants that he or she is duly authorized by Customer and has full authority to enter into this Agreement.

Signature	Date	Print Name	Title
Accepted by K12 Florida LLC:			
<i>Howard Polshy</i>	6/3/2010	Howard Polshy	General Counsel
Signature	Date	Print Name	Title

CONTRACT REVIEWED  
AND APPROVED:  
*Katy 6/4/10*

**K12 VIRTUAL SCHOOL PROGRAM CURRICULUM AND MATERIALS ORDER FORM**

I am authorized by the Pasco County Schools, 7227 Land O'Lakes Blvd [address], Land O Lakes [city], FL 34638 [ZIP] ("Customer"), to order the following products and services (as initiated by me), at the prices set forth below, and understand that they are all subject to the terms and conditions of the K12 Virtual School Program Curriculum and Materials Agreement entered into between the Customer and K12 Florida LLC ("K12") for the term beginning July 1, 2010.

\_\_\_\_\_ (signature) \_\_\_\_\_ (date)

\_\_\_\_\_ (print name) \_\_\_\_\_ (title)

\_\_\_\_ (initial) VSP Gold Package – Quarterly Billing

- K12 provides access to its learning management system for Customer's enrolled students in available K12 courses including Language Arts, Math, Science, History, Art, Music, and, for grades 9 to 12, electives. Foreign language courses may be substituted for Music in grades 6 to 8 at Customer's request by initialing here: \_\_\_\_ (initial). Each student may enroll in up to six concurrent courses. Students are placed in age-appropriate grade-level courses unless otherwise approved by Customer.
- K12 provides program launch and operational support, manages student enrollment, provides parent/mentor training and support, provides state-required survey and academic reporting including inputs for school accountability reports, virtual FCAT preparation, provides off-site technical support for parents and students, generates reports on academic performance, attendance and progress, and supervises and implements year-end system rollovers. K12 will schedule regular conferences, no less than quarterly, to review student progress toward meeting grade level standards and will invite the Customer's VIP staff to discuss progress monitoring, changes in student curriculum and retention recommendations.
- K12 provides instructional textbooks, supplies and teaching tools (collectively, "Materials") for students. Materials for Customer's teachers are ordered separately. K12 may reclaim durable Materials by informing Customer and/or its students which Materials need to be returned and providing pre-paid return shipping labels. K12 Materials are intended solely for the use of the teachers and the students enrolled in K12 courses to whom K12 provides the Materials. Customer shall not transfer or resell the Materials to any other person. If a replacement component is required or a durable Material is not returned, the Customer will be invoiced for the component or Materials (plus shipping, if applicable). Customer will provide K12 with reasonable assistance in obtaining durable Materials from students and their parents.
- K12 provides supplemental educational and other products and services, including Strategies for Success, Study Island, Scantron performance testing, thebigthink, an orientation course package, a teacher hotline and support website, Naviance, School Messenger and Turnitin.
- If the Customer has ordered K12 teachers for courses, as indicated by initials below, then 1) K12 provides qualified, Florida-certified teachers who have cleared background checks required by the Jessica Lunsford Act, for instruction to enrolled students for those courses, and 2) Customer shall not be responsible for payments for enrolled students in such courses) who withdraw from the program or are not promoted. If the Customer uses its own teachers, payments are owed to K12 without regard to whether students withdraw from the program or are not promoted.

\* (initial) \$2,495.00 per Student-academic year-Grades K to 8 -With Customer's teachers

40f6  
K12 VIRTUAL SCHOOL PROGRAM CURRICULUM AND MATERIALS ORDER FORM  
PUBLIC SCHOOL DISTRICTS - FLORIDA

CONTRACT REVIEWED  
AND APPROVED:  
Koz 6/4/10

\* See attached initials

**K12 VIRTUAL SCHOOL PROGRAM CURRICULUM AND MATERIALS ORDER FORM**

I am authorized by the Pasco County Schools, 7227 Land O'Lakes Blvd [address], Land O Lakes [city], FL 34638 [ZIP] ("Customer"), to order the following products and services (as initialed by me), at the prices set forth below, and understand that they are all subject to the terms and conditions of the K12 Virtual School Program Curriculum and Materials Agreement entered into between the Customer and K12 Florida LLC ("K12") for the term beginning July 1, 2010.

^

\_\_\_\_\_ (signature) \_\_\_\_\_ (date)

\_\_\_\_\_ (print name) \_\_\_\_\_ (title)

\_\_\_\_\_ (initial) VSP Gold Package - Quarterly Billing

- K12 provides access to its learning management system for Customer's enrolled students in available K12 courses including Language Arts, Math, Science, History, Art, Music, and, for grades 9 to 12, electives. Foreign language courses may be substituted for Music in grades 6 to 8 at Customer's request by initialing here: \_\_\_\_\_ (initial). Each student may enroll in up to six concurrent courses. Students are placed in age-appropriate grade-level courses unless otherwise approved by Customer.
- K12 provides program launch and operational support, manages student enrollment, provides parent/mentor training and support, provides state-required survey and academic reporting including inputs for school accountability reports, virtual FCAT preparation, provides off-site technical support for parents and students, generates reports on academic performance, attendance and progress, and supervises and implements year-end system rollovers. K12 will schedule regular conferences, no less than quarterly, to review student progress toward meeting grade level standards and will invite the Customer's VIP staff to discuss progress monitoring, changes in student curriculum and retention recommendations.
- K12 provides instructional textbooks, supplies and teaching tools (collectively, "Materials") for students. Materials for Customer's teachers are ordered separately. K12 may reclaim durable Materials by informing Customer and/or its students which Materials need to be returned and providing pre-paid return shipping labels. K12 Materials are intended solely for the use of the teachers and the students enrolled in K12 courses to whom K12 provides the Materials. Customer shall not transfer or resell the Materials to any other person. If a replacement component is required or a durable Material is not returned, the Customer will be invoiced for the component or Materials (plus shipping, if applicable). Customer will provide K12 with reasonable assistance in obtaining durable Materials from students and their parents.
- K12 provides supplemental educational and other products and services, including Strategies for Success, Study Island, Scantron performance testing, thebigthink, an orientation course package, a teacher hotline and support website, Naviance, School Messenger and Turnitin.
- If the Customer has ordered K12 teachers for courses, as indicated by initials below, then 1) K12 provides qualified, Florida-certified teachers who have cleared background checks required by the Jessica Lunsford Act, for instruction to enrolled students for those courses, and 2) Customer shall not be responsible for payments for enrolled students in such courses) who withdraw from the program or are not promoted. If the Customer uses its own teachers, payments are owed to K12 without regard to whether students withdraw from the program or are not promoted.

(initial) \$2,495.00 per Student-academic year-Grades K to 8 -With Customer's teachers

40F6

K12 VIRTUAL SCHOOL PROGRAM CURRICULUM AND MATERIALS ORDER FORM  
PUBLIC SCHOOL DISTRICTS - FLORIDA

CONTRACT REVIEWED  
AND APPROVED:  
Kdy 6/4/10

- \* (initial) \$3,995.00 per Student-academic year-Grades K to 5-With K12's teachers
- \_\_\_ (initial) \$2,495.00 per Student- academic year-Grades 9 to 12 -With Customer's teachers

\* (initial) Administrator Account

- K12 provides up to three administrative accounts for administrators.  
\$0.00 for up to three administrative accounts

\* (initial) Teacher Materials

- K12 provides instructional textbooks, supplies and teaching tools (collectively, "Materials") for teachers. If a replacement component is required, the Customer will be invoiced for the component (plus shipping, if applicable).

\* (initial) \$400.00 per teacher per grade, in grades K to 8

\_\_\_ (initial) Hardware with Desktop - Quarterly Billing

- K12 provides, for each student requested by Customer, a desktop computer, monitor, printer and software appropriate for access to the K12-provided student courses and curriculum. Upon student withdrawal or termination of the Agreement, K12 will provide families with pre-paid shipping labels to return computers, monitors, printers and software, and families shall be responsible for returning same. Customer is not responsible for a family's failure to return hardware or software.

\$560.00 per student

\_\_\_ (initial) ISP Subsidy - Quarterly Billing

- K12 provides an internet service provider ("ISP") subsidy, for each student requested by Customer. The subsidy shall be \$9.95 for each month a student is actively enrolled in the K12 courses through the Customer. The ISP subsidy will not exceed ten (10) months per academic year and is limited to one (1) per family.

\* (initial) Virtual Teacher Training

\$450.00 per teacher for \_\_\_ teachers

\* (initial) Enrollment Growth - Student Curriculum and Materials Fee Waiver

For the period ending June 30, 2011, if the Customer's enrollment of students in the Virtual School Program grows to 50 total students, then the per student charge (exclusive of Hardware and ISP Subsidies) for each of the next ten (5) students thereafter enrolled through June 30, 2011 shall be waived. Customer is under no obligation, however, to reach those enrollment numbers.

\* (initial) Course Sales

- For students taking one to three concurrent courses. K12 provides access to a learning management system and enrollment portal into which Customer will enroll its students into available K12 courses including Language Arts/English, Math, Science, History, Art, Music, available World Languages and, for grades 9 to 12, electives. Customer is responsible for placement of students in appropriate courses. Within two (2) weeks following K12's receipt of a completed account set-up form from Customer, K12 will provide access for Customer to enroll its students directly into the K12 courses.

5 of 6  
K12 VIRTUAL SCHOOL PROGRAM CURRICULUM AND MATERIALS ORDER FORM  
PUBLIC SCHOOL DISTRICTS - FLORIDA

CONTRACT REVIEWED  
AND APPROVED:

Kay 6/4/10

\* See attached initials



~~(initial) \$3,995.00 per Student-academic year-Grades K to 5-With K12's teachers~~  
~~(initial) \$2,495.00 per Student-academic year-Grades 9 to 12-With Customer's teachers.~~

(initial) Administrator Account

- K12 provides up to three administrative accounts for administrators.  
\$0.00 for up to three administrative accounts

(initial) Teacher Materials

- K12 provides instructional textbooks, supplies and teaching tools (collectively, "Materials") for teachers. If a replacement component is required, the Customer will be invoiced for the component (plus shipping, if applicable).

(initial) \$400.00 per teacher per grade, in grades K to 8

(initial) Hardware with Desktop - Quarterly Billing

- K12 provides, for each student requested by Customer, a desktop computer, monitor, printer and software appropriate for access to the K12-provided student courses and curriculum. Upon student withdrawal or termination of the Agreement, K12 will provide families with pre-paid shipping labels to return computers, monitors, printers and software, and families shall be responsible for returning same. Customer is not responsible for a family's failure to return hardware or software.

\$560.00 per student

(initial) ISP Subsidy - Quarterly Billing

- K12 provides an internet service provider ("ISP") subsidy, for each student requested by Customer. The subsidy shall be \$9.95 for each month a student is actively enrolled in the K12 courses through the Customer. The ISP subsidy will not exceed ten (10) months per academic year and is limited to one (1) per family.

(initial) Virtual Teacher Training

\$450.00 per teacher for 5 teachers, if needed.

(initial) Enrollment Growth - Student Curriculum and Materials Fee Waiver

For the period ending June 30, 2011, if the Customer's enrollment of students in the Virtual School Program grows to 50 total students, then the per student charge (exclusive of Hardware and ISP Subsidies) for each of the next ten (5) students thereafter enrolled through June 30, 2011 shall be waived. Customer is under no obligation, however, to reach those enrollment numbers.

(initial) Course Sales

- For students taking one to three concurrent courses. K12 provides access to a learning management system and enrollment portal into which Customer will enroll its students into available K12 courses including Language Arts/English, Math, Science, History, Art, Music, available World Languages and, for grades 9 to 12, electives. Customer is responsible for placement of students in appropriate courses. Within two (2) weeks following K12's receipt of a completed account set-up form from Customer, K12 will provide access for Customer to enroll its students directly into the K12 courses.

5 of 6  
K12 VIRTUAL SCHOOL PROGRAM CURRICULUM AND MATERIALS ORDER FORM  
PUBLIC SCHOOL DISTRICTS - FLORIDA

CONTRACT REVIEWED  
AND APPROVED:

Kay 6/4/10

- K12 provides instructional text or e-books, supplies and teaching tools (collectively, "Materials") for students. Materials for Customer's teachers are ordered separately. K12 will reclaim durable Materials by informing Customer and/or its students which Materials need to be returned and providing pre-paid return shipping labels. K12 Materials are intended solely for the use of the teachers and the students enrolled in K12 courses to whom K12 provides the Materials. Customer shall not transfer or resell the Materials to any other person. If a replacement component is required or a durable Material is not returned, the Customer will be invoiced for the component or Materials (plus shipping, if applicable). Customer will provide K12 with reasonable assistance in obtaining durable Materials from students and their parents.
- Up to fifty percent (50%) of these fees will be billed at student enrollment, with the remainder billed equally over five or ten months as applicable for the particulate course. Materials costs are credited or refunded, as appropriate, for cancellations only if the Materials have not yet shipped. Fees will not be charged for a student for any month following notice to K12 of the student's withdrawal from the course. No other refunds, credits or cancellations are allowed. Special course material fee applies to lab sciences, advanced placement and technology courses.

\$125.00 per Student per 9-12 course per semester without Materials or K12 teachers

\* (initial) K12 Teachers for Course Sales

- K12 provides qualified teachers, licensed as required by applicable state law, for instruction to enrolled students for selected courses.
- Billed in equal parts over five or ten months as applicable for the particulate course. Fees will not be charged for a student for any month following notice to K12 of the student's withdrawal from the course. No other refunds, credits or cancellations are allowed.

\$200.00 per Student for each 9-12 course per semester

\* (initial) Standard, Advanced Placement, Lab Sciences and Technology Course Materials Special Fee

- Additional charge for Materials for selected Course Sales. Billed at student enrollment. Materials costs are credited or refunded, as appropriate, for cancellations only if the Materials have not yet shipped. No other refunds, credits or cancellations are allowed.

\$80.00 per Student per 9 to 12 standard materials per course

\$250.00 per Student per 9 to 12 Lab Sciences course

\$120.00 per Student per 9 to 12 Advanced Placement course

\$120.00 per Student per 9 to 12 Technology course per semester

\* (initial) Teacher Materials

- K12 provides instructional text or e-books, supplies and teaching tools (collectively, "Materials") for teachers. If a replacement component is required, the Customer will be invoiced for the component (plus shipping, if applicable). Billed when shipped. No other refunds, credits or cancellations are allowed.

\$250.00 per teacher per Lab Science course - grades 9 to 12

\$120.00 per teacher per Advanced Placement course - grades 9 to 12

\$120.00 per teacher per Technology course - grades 9 to 12

\$80.00 per teacher per Core Subject course - grades 9 to 12

6 of 6

K12 VIRTUAL SCHOOL PROGRAM CURRICULUM AND MATERIALS ORDER FORM  
PUBLIC SCHOOL DISTRICTS - FLORIDA

CONTRACT REVIEWED  
AND APPROVED:

Kay 6/4/10

\* See attached initials.

- K12 provides instructional text or e-books, supplies and teaching tools (collectively, "Materials") for students. Materials for Customer's teachers are ordered separately. K12 will reclaim durable Materials by informing Customer and/or its students which Materials need to be returned and providing pre-paid return shipping labels. K12 Materials are intended solely for the use of the teachers and the students enrolled in K12 courses to whom K12 provides the Materials. Customer shall not transfer or resell the Materials to any other person. If a replacement component is required or a durable Material is not returned, the Customer will be invoiced for the component or Materials (plus shipping, if applicable). Customer will provide K12 with reasonable assistance in obtaining durable Materials from students and their parents.
- Up to fifty percent (50%) of these fees will be billed at student enrollment, with the remainder billed equally over five or ten months as applicable for the particulate course. Materials costs are credited or refunded, as appropriate, for cancellations only if the Materials have not yet shipped. Fees will not be charged for a student for any month following notice to K12 of the student's withdrawal from the course. No other refunds, credits or cancellations are allowed. Special course material fee applies to lab sciences, advanced placement and technology courses.

\$125.00 per Student per 9-12 course per semester without Materials or K12 teachers

(initial) K12 Teachers for Course Sales

- K12 provides qualified teachers, licensed as required by applicable state law, for instruction to enrolled students for selected courses.
- Billed in equal parts over five or ten months as applicable for the particulate course. Fees will not be charged for a student for any month following notice to K12 of the student's withdrawal from the course. No other refunds, credits or cancellations are allowed.

\$200.00 per Student for each 9-12 course per semester

(initial) Standard, Advanced Placement, Lab Sciences and Technology Course Materials Special Fee

- Additional charge for Materials for selected Course Sales. Billed at student enrollment. Materials costs are credited or refunded, as appropriate, for cancellations only if the Materials have not yet shipped. No other refunds, credits or cancellations are allowed.

\$80.00 per Student per 9 to 12 standard materials per course

\$250.00 per Student per 9 to 12 Lab Sciences course

\$120.00 per Student per 9 to 12 Advanced Placement course

\$120.00 per Student per 9 to 12 Technology course per semester

(initial) Teacher Materials

- K12 provides instructional text or e-books, supplies and teaching tools (collectively, "Materials") for teachers. If a replacement component is required, the Customer will be invoiced for the component (plus shipping, if applicable). Billed when shipped. No other refunds, credits or cancellations are allowed.

\$250.00 per teacher per Lab Science course - grades 9 to 12

\$120.00 per teacher per Advanced Placement course - grades 9 to 12

\$120.00 per teacher per Technology course - grades 9 to 12

\$80.00 per teacher per Core Subject course - grades 9 to 12

6 of 6

K12 VIRTUAL SCHOOL PROGRAM CURRICULUM AND MATERIALS ORDER FORM  
PUBLIC SCHOOL DISTRICTS - FLORIDA

CONTRACT REVIEWED  
AND APPROVED:

Kay 6/4/10

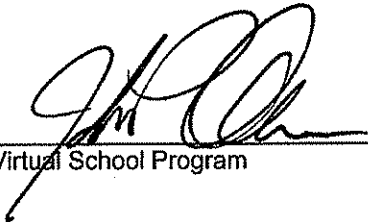
Attachment C – K12 Virtual School Program

- A) **Vendors conducting business, with the District School Board of Pasco County, who will (1) be at the school when students are present, or (2) have direct contact with students, or (3) have access to or control of school funds must be Level 2 fingerprinted. If any of the above applies to this contract, you must have those individuals Level 2 fingerprinted prior to commencement of services or work.**
  
- B) **INSURANCE:** K12 Virtual School Program shall purchase and maintain insurance for protection from claims under worker's compensation acts: claims resulting from negligent acts or omissions for damages because of bodily injury including personal injury, sickness, disease or death on any of the Contractor's employees or any other person; claims for damages because of injury to or destruction of personal property including loss of use resulting there from and claims arising out of the performance of this agreement and caused by negligent acts or omissions for which the Contractor is legally liable. All insurance provided under this contract shall be through an insurance carrier acceptable to the Owner. The insurance carrier shall be rated "A" or better by Best's Key Rating Guide. **Copy of insurance MUST be submitted prior to any work being performed.** Limits of coverage shall be:


Coverage:	Minimum Required:
1. Worker's Compensation	Statutory
2. Public Liability	Combined Limit
Bodily Injury: Each Person	\$1,000,000.00
Bodily Injury: Each Accident	\$1,000,000.00
Property Damage: Each Accident	\$1,000,000.00
3. Automobile Liability & Property Damage	Combined Limit
Bodily Injury: Each Person	\$200,000.00
Bodily Injury: Each Accident	\$500,000.00
Property Damage	\$100,000.00

Evidence of such insurance shall be furnished to the Owner as part of this contract, and the Owner shall receive thirty (30) days' prior written notice of any cancellation, non-renewal or reduction of coverage of any of the policies. Upon notice of such cancellation, non-renewal or reduction, the Contractor shall procure substitute insurance so as to assure the Owner that the limits of coverage are maintained continuously throughout the period of this agreement.

All insurance policies required of this agreement shall name the Owner as an additional insured for the insurance and shall contain a waiver of subrogation against the Owner. The awarded Contractor shall require these insurance provisions to apply in full force and effect to its sub-contractors and shall provide the Owner Certificates of Insurance as described herein.

  
\_\_\_\_\_  
K12 Virtual School Program

*6/25/10*  
Date

  
\_\_\_\_\_  
Kendra Goodman, CPPB  
Purchasing Agent  
District School Board of Pasco County

*6/28/10*  
Date

**FLORIDA VIRTUAL SCHOOL PROGRAM PARTICIPATION AGREEMENT**

This agreement ("agreement") is made and entered into this 16<sup>th</sup> day of June, 2010 by the School Board of Pasco County, Florida ("District") and Florida Virtual School ("Virtual Instructional Provider"), and provides as follows:

1. The term of this agreement is for the period July 1, 2010 to June 30, 2011 ("term"), unless cancelled by either side as provided herein.
2. District elects to participate in the following options to meet the Virtual Instructional Program (VIP) requirements for its resident students in accordance with the terms of 1002.45 Florida statutes.
  - A.  FLVS FT serving Grades K – 5
  - B.  FLVS FT serving Grades 6 – 8
  - C.  FLVS FT serving Grades 9 – 12

**Please check the full-time option(s) your district wishes to execute.**

3. District and VIP agree to the terms and conditions contained in Exhibits A and B attached hereto and incorporated herein as true and accurate. The Procedure Manual with FLVS policies regarding this agreement may be found at [www.flvsft.com](http://www.flvsft.com).

4. This contract shall be effective upon the date upon which it is signed by both the district and the contractor, whichever is later and shall replace any other agreements previously between the Parties as to a virtual school program. This contract is a ~~five~~ <sup>one</sup>-year contract and shall be cancelable by either side on an annual basis. *Contract may be renewed for four (4) additional one-year terms, based upon mutual agreement of both parties.*

*6/23/10*  
*Kdy*

FLORIDA VIRTUAL SCHOOL

THE SCHOOL BOARD OF PASCO COUNTY, FLORIDA

By: *Julie E. Young*  
Printed name: *Julie E. Young*  
Title: President and CEO  
Date: *5-26-10*

By: \_\_\_\_\_  
Printed name: \_\_\_\_\_  
Date: \_\_\_\_\_

CONTRACT REVIEWED AND APPROVED:  
*Kdy 6/4/10*

## ATTACHMENT A

### Scope of Work:

The contractor is to operate a K – 12 virtual school to provide a free, full-time 180-day online instructional program to eligible students during the 2010 – 2011 school year. Funding for the Initial Year is limited to: (a) K – 5 students who complete a basic program and are promoted to the next grade according to the terms of the statute and the rules developed by the Board of Education or b) to 6 – 12 students who complete courses according to the terms of the statute and the rules developed by the Board of Education or c) shall be based on any applicable statute and rules for any subsequent year if different from those applicable in the Initial Year. The Virtual School is to provide each student with all necessary instructional materials as defined by the Provider and the statute and through guidelines established by the district which may include a computer, a monitor, a printer and access to a reimbursement for Internet services. All students are required to participate in the state assessment program created in Section 1008.22 Florida statutes, and all instructional staff must be highly qualified as identified by NCLB standards and hold valid Florida teaching certificates under provisions of Chapter 1012, Florida Statutes. All curriculum and course content must align to Florida's Sunshine State Standards. The school is to participate in Florida's school accountability system established in Section 1008.31, Florida Statutes. The contractor agrees to align its practices with the district student progression plan and other district policies. The VIP program will provide a detailed curriculum plan that illustrates how students will be provided services to attain proficiency in the Sunshine State Standards and a method for determining a student has satisfied the requirements for graduation.

The contractor agrees to schedule regular conferences, not less than quarterly, to review student progress toward meeting grade level standards. Additionally, the contractor will document discussions with learning coaches and/or parents and guardians about student academic progress as it relates to unsatisfactory progress in curriculum and/or possible retention decisions, in accordance with the district's student progression plan. The contractor agrees that the district must approve any changes in student curriculum and retention decisions.

### Role of the District:

1. Assign District VIP students to school number 7001 and other actions required by Department.
2. Verify the enrolled students are residents of the District.
3. Provide testing locations for all students for the FCAT and to administer any required testing; to provide readiness screening for students entering grade K.
4. Provide any required services to support a student's IEP consistent with the legal requirements for serving students with special needs in a virtual school.
5. Designate to the Contractor, a District Liaison to act for the District in all matters pertaining to this Contract and to accept and approve all deliverables and invoices.

2 of 5

CONTRACT REVIEWED  
AND APPROVED:  
Koby 6/4/10

6. Report to the state for payment all students served under this Agreement as reported to the District by the Contractor.
7. Pay the Contractor in accordance with Attachment B.
8. Provide information to parents and students about right to participate in District VIP.
9. Provide a diploma for graduating seniors.

3 of 5

CONTRACT REVIEWED  
AND APPROVED:  
Kdy 6/4/10

**ATTACHMENT B**  
Payment Terms and Conditions

**Cost of Services for the 2010-2011 School Year:**

1. *Annual Student Service Fee (Per funded full-time FTE.)* **\$3,995.00 per student**  
*Payment will be prorated for any fractional FTE.  
Includes up to six (6) full credit courses per student plus  
materials and reclamation of durable and  
unused goods.*
  
- ~~2. *Annual Student Computer Services Fee* **~~\$655.00 per student~~**  
~~*(Per funded full-time FTE. Payment will be prorated for any  
fractional FTE.) Includes desktop computer, scanner/printer,  
shipping, technical support, and reclamation of hardware*~~~~ *delete 9/11/10 KAD*
  
- ~~3. *Annual Student ISP Fee* **~~\$ 99.50 per student~~**  
~~*(Per funded full-time FTE. Payment will be prorated for any  
fractional FTE.)*~~~~ *delete 9/11/10 KAD*
  
4. *Annual Student Intensive Reading Fee* **\$380.00 per student**  
*(Payable so long as the student is reported during an enrollment  
survey period.)*

In the event that legislation is altered or DOE implements differing requirements that require technology services be provided to additional students, the funding agreement will be addressed based on the new requirements.

**Invoice/Payment Schedule:**

- February 1, 2011 due on or before February 28, 2011
- June 1, 2011 due on or before June 30, 2011
- Final reconciliation July 31, 2011
- A final reconciliation will be performed of the Annual Fees based on the funded FTE paid to the District and the amounts paid to the Contractor no later than July 31 of each year, starting in July 31, 2011. In the event that the Annual Student Fees paid to the Contractor exceed the number of FTE's funded to the District for students enrolled under this Agreement, the Contractor shall refund the difference to the District no later than the following September 30.



## Attachment B - Continued

- I. Contractor in delivering the services contracted for shall provide Deliverables in the form of instructional tools and supplies, instructional materials, and computer hardware and software as are necessary to deliver the Project, but will retain ownership of all such Deliverables.
- II. To the best of the Contractor's knowledge, the Contractor further warrants that as to each Deliverable produced pursuant to this Contract, Contractor's production of the Deliverable and the District's use of the Deliverable, will not infringe on the copyrights of any third party. This provision applies to each work of authorship in which copyrights subsist pursuant to 17 U.S.C. Sections 102-105 and to each exclusive right established in 17 U.S.C. Section 106. To the best of the Contractor's knowledge, in furtherance of this provision, the Contractor warrants that:
  - a. As to each work of software or other "information technology" as identified in Section 287.012(15), Florida Statutes, in which copyrights subsist, the Contractor has acquired the rights by conveyance or license to any third party software or other information technology, which was used to produce the Deliverables.
  - b. As to each image and sound recording incorporated into a Deliverable, the Contractor has acquired the necessary rights, releases and waivers from the person whose image or sound is included, or from the holder of the copyrights subsisting in the literary, musical, dramatic, pantomime, choreographic, pictorial, graphic, sculptural, motion pictures, audiovisual, work or sound recording from which the included image or sound was taken.
- III. If there is a modification to the rules and regulations approved by the State Board of Education in contradiction to the terms outlined in this Contract, the Parties will amend the Contract as necessary to bring the Contract into accord with the rules and regulations so long as such change does not materially change the Deliverables as currently defined.
- IV. Contractor will comply with all applicable laws including, but not limited to, those requiring confidentiality of student records.
- V. Contractor has filed for or is the owner of various trademarks and logos. The District will be granted the use of such logos and trademarks in connection with its virtual school offering but shall be limited to those services provided under this Contract.
- VI. Contractor will maintain and keep in force Worker's Compensation, Liability and Property Damage Insurance to protect it from claims under worker's compensation claims for personal injury, including death, and claims for damages to any property of the District, or of the public, which may arise from operations under this Contract, whether such operations be by Contractor, or by any subcontractor or anyone directly or indirectly employed by any of them.
- VII. In no event will the District, Board members, District officers, employees, or agents be responsible or liable for the debts, acts or omissions of Contractor, its officers, employees, or agents.
- VIII. Dispute Resolution and Arbitration- The parties agree that if there is a disagreement regarding the terms of this agreement, the parties will engage in discussions to resolve the dispute prior to any litigation being filed.
- IX. Contractor agrees to be bound by and meet all requirements in Section 1002.45, Florida Statutes, as may be amended from time to time, including, but not limited to, the requirements for background screening for all employees.

5 of 5



Attachment C – Florida Virtual School (FLVS FT)

A) **Vendors conducting business, with the District School Board of Pasco County, who will (1) be at the school when students are present, or (2) have direct contact with students, or (3) have access to or control of school funds must be Level 2 fingerprinted by Human Resources. If any of the above applies to this contract, you must have those individuals Level 2 fingerprinted and screened by the Districts Human Resource Department prior to commencement of services or work.**

B) **Confidential Information:** Confidential Information: Each party acknowledges that it will have access to certain confidential information of the other party concerning the other party's business plans, employees and students' personal information, clients, technology, and products, including the terms and conditions of this Agreement ("Confidential Information"): Confidential Information will include, but not be limited to, each party's proprietary software and customer, employee, student information. Each party agrees that it will not use in any way, for its own account or the account of any third party, except as expressly permitted by this Agreement, nor disclose to any third party (except as required by law or to that party's attorneys, accountants and other advisors on a need to know basis), any of the other party's Confidential Information and will take reasonable precautions to protect the confidentiality of such Confidential Information.

"Owner" refers to the party disclosing Proprietary Information hereunder, whether such party is the District School Board of Pasco County or vendor and whether such disclosure is directly from Owner or through Owner's employees or agents; and "Recipient" refers to the party receiving any Proprietary Information hereunder. Recipient hereby acknowledges and agrees that the Proprietary Information shall remain the sole and exclusive property of Owner. The disclosure of the Proprietary Information to Recipient does not confer upon Recipient any license, interest or rights of any kind in or to the Proprietary Information, except as provided under this Agreement. Recipient shall protect the Proprietary Information of Owner the same degree of protection and care Recipient uses to protect its own Proprietary Information, but in no event less than reasonable care. Each party shall promptly notify the other party of any actual or suspected misuse or unauthorized disclosure of the other party's Confidential Information.

Exceptions: Information will not be deemed Confidential Information hereunder if such information: (i) is known to the receiving party prior to receipt from the disclosing party directly or indirectly from a source other than one having an obligation of confidentiality to the disclosing party; (ii) becomes known (independently of disclosure by the disclosing party) to the receiving party directly or indirectly from a source other than one having an obligation of confidentiality to the disclosing party; (iii) becomes publicly known or otherwise ceases to be secretly or confidential, except through a breach of this Agreement by the receiving party; or (iv) is independently developed by the receiving party.


C) **INSURANCE:** K12 Virtual School Program shall purchase and maintain insurance for protection from claims under worker's compensation acts: claims resulting from negligent acts or omissions for damages because of bodily injury including personal injury, sickness, disease or death on any of the Contractor's employees or any other person; claims for damages because of injury to or destruction of personal property including loss of use resulting there from and claims arising out of the performance of this agreement and caused by negligent acts or omissions for which the Contractor is legally liable. All insurance provided under this contract shall be through an insurance carrier acceptable to the Owner. The insurance carrier shall be rated "A" or better by Best's Key Rating Guide. **Copy of insurance MUST be submitted prior to any work being performed.** Limits of coverage shall be:

<b>Coverage:</b>	<b>Minimum Required:</b>
1. Worker's Compensation	Statutory
2. Public Liability	Combined Limit
Bodily Injury: Each Person	\$1,000,000.00
Bodily Injury: Each Accident	\$1,000,000.00
Property Damage: Each Accident	\$1,000,000.00
3. Automobile Liability & Property Damage	Combined Limit
Bodily Injury: Each Person	\$200,000.00
Bodily Injury: Each Accident	\$500,000.00
Property Damage	\$100,000.00

Evidence of such insurance **shall be furnished** to the Owner **as part of this contract**, and the Owner shall receive thirty (30) days' prior written notice of any cancellation, non-renewal or reduction of coverage of any of the policies. Upon notice of such cancellation, non-renewal or reduction, the Contractor shall procure substitute insurance so as to assure the Owner that the limits of coverage are maintained continuously throughout the period of this agreement.

All insurance policies required of this agreement shall name the Owner as an additional insured for the insurance and shall contain a waiver of subrogation against the Owner. The awarded Contractor shall require these insurance provisions to apply in full force and effect to its sub-contractors and shall provide the Owner Certificates of Insurance as described herein.

  
Florida Virtual School (FLVS FT) 6-23-10  
Date

  
Kendra Goodman, CPPB 6/23/10 Date  
Purchasing Agent  
District School Board of Pasco County

This Agreement for services ("Agreement") made and entered into by and between Florida Virtual School (hereafter referred to as "FLVS") having principal offices at 2145 Metrocenter Blvd., Orlando, Florida 32835; and the School Board of Pasco County (hereinafter referred to as "Customer"), having principal offices at 3023 Sunlake Blvd., Land O'Lakes, Florida 34638.

This Agreement sets out the terms to which the Customer may use FLVS Licensed Materials. The "FLVS Franchise License Terms and Conditions" on the following pages of the document and the attached Appendix A all incorporated herein as a part of this Agreement. These documents constitute the entire agreement between the parties with respect to the subject matter hereof. This Agreement supersedes and cancels any prior agreements and/or understandings between the parties concerning the subject matter. There are no provisions, representations, undertakings, agreements, or collateral agreements between the parties other than as set forth in this Agreement.

The parties by their authorized representatives have entered into this Agreement as of the **1st** day of **July, 2010** (the "Effective Date").

**Florida Virtual School**

**Licensee**

Signature *Julie E. Young*  
 Name Julie Young  
 Title President and CEO  
 Date 6-1-10

Signature *Walter Forester*  
 Name \_\_\_\_\_  
 Title Superintendent  
 Date \_\_\_\_\_

CONTRACT REVIEWED  
AND APPROVED:  
*Katy* 6/4/10

*W* Initials; *Katy* Initials

FLVS Franchise License  
TERMS AND CONDITIONS

**ARTICLE 1- INTERPRETATION**

**1.1 DEFINITIONS**

In this Agreement and in Appendix A the following terms shall have the respective meanings ascribed to them as follows:

- (a) **"Affiliate"** means with respect to any person, and other person directly or indirectly controlling, controlled by, or under common control of such person. "Control" as used here means the legal, beneficial or equitable ownership, directly or indirectly, of more than 50% of the aggregate of all voting interests in such entity.
- (b) **"Business Days"** means Monday through Friday excluding any day, which is a nationally observed holiday in both the United States of American and Canada.
- (c) **"Business Hours"** means 8:00 a.m. – 8:00 p.m. Eastern Time on Business Days.
- (d) **"Components"** mean the components of the FLVS Software referred to in Appendix A.
- (e) **"Confidential Information"** means (i) all information of either party or its Affiliates or of third persons to whom the party owes a duty of confidence that is marked confidential, restricted or proprietary or that it may reasonably be considered as confidential from its nature or from the circumstances surrounding its disclosure; and (ii) the Licensed Materials.
- (f) **"Content Licenses"** means the utilization licenses and associated restrictions with respect to the Licensed Course Content granted to Customer hereunder which are set forth in Appendix A.
- (g) **"Customization"** means a client customizable area is provided which includes: 1) a communication policy, 2) drop policy, 3) netiquette recommendations, 4) pace charts, 5) student resource page, 6) optional contact and help pages, 7) state and national standards.
- (h) **"Data"** means customer information entered into the licensed products to include but not limited to student, staff, school, and parent information.
- (i) **"Billable Enrollment"** any student on active status in VSA for a minimum of 28 days. If a student is active in VSA for 28 days, FLVS will bill the Customer for the student, regardless of the student's status upon Customer's receipt of invoice.
- (j) **"FLVS proprietary products"** includes but is not limited to FLVS course content and the FLVS Virtual School Administrator product.
- (k) **"Intellectual Property Rights"** includes all worldwide intellectual and industrial property rights including all rights in each country to copyrights, trademarks, service marks, patents, inventions, industrial designs, trade secrets, trade dress and all other proprietary rights.
- (l) **"Learning Management System, or LMS"** means the software based system ("Platform") that must be utilized to access the Licensed Course Content.
- (m) **"License"** means Customer's license to use the Licensed Materials described in Appendix A.
- (n) **"License Fees"** means the license fees to be paid by the Customer to FLVS, which are described in Section 4.1.
- (o) **"Licensed Course Content"** means the Components of the FLVS Course Content in object code format licensed to Customer hereunder and described in Appendix A and such additional 3<sup>rd</sup> party Components required as part of the FLVS Course Content.

- (p) **"Licensed Materials"** means the Licensed Course Content, LMS, Virtual School Administrator, Documentation and included Renewal Releases and updates, which FLVS and (LMS Software) may from time to time provide to Customer.
- (q) **"Platform Provider"** means learning management system provider.

**"Virtual School Administrator (VSA) License"** means the licenses and associated restrictions with respect to the Licensed Virtual School Administrator.

## **ARTICLE 2-LICENSE**

### **2.1 LICENSED MATERIALS**

#### **2.1.1 - Course Content and Materials**

- (a) Subject to the provisions of this Agreement including the provisions of Article 8, FLVS hereby grants to Customer and Customer hereby accepts from FLVS the personal, non-transferable and non-exclusive Franchise License to use the Licensed Materials for Customer's internal business purposes in accordance with FLVS Licenses.
- (b) FLVS Virtual School Administrator will be used as the registration and student information management system.
- (c) Florida Virtual School courses will only be delivered on FLVS approved learning management systems.

## **ARTICLE 3-DELIVERY AND INSTALLATION**

### **3.1 Delivery of Licensed Materials**

FLVS agrees to deliver to Customer one (1) copy of the most current release available by request of the Licensed Materials. The Documentation will be provided solely in the English Language except in cases where FLVS has specifically provided for foreign language documentation.

### **3.2 Software Security**

- (a) The customer will ensure all reasonable measures are taken to protect the Licensed Materials from any unauthorized use.
- (b) FLVS will ensure all reasonable measures are taken to protect the Customer Data while in use at the FLVS site. Reasonable measures include, but are not limited to, the Customer Data being stored on a secure server in a secured building behind an internet firewall with role-based level password protection for any and all access to such data.

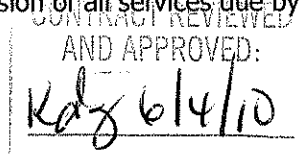
### **3.3 Background Screening**

As a public school, FLVS complies with all statutes regarding background screening of employees, in accordance with Florida law.

## **ARTICLE 4-PRICE AND PAYMENT TERMS**

### **4.1 License Fees**

- (a) Customer shall pay to FLVS the license fees described in Appendix A (the "License Fees"). The License Fees shall be due and paid as provided for in Appendix A. Failure to pay the license fees when due shall be grounds for the immediate termination or suspension of all services due by FLVS hereunder.



Initials: Katz Initials

- (b) All overdue (90+ days) accounts will be subjected to a 10% late fee, and may be denied access to FLVS' Content and the licensing agreement will be suspended until payment is received by FLVS.

**ARTICLE 5-PROPRIETARY RIGHTS AND CONFIDENTIAL INFORMATION**

**5.1 Title to Licensed Materials**

Customer acknowledges and agrees that FLVS, licensors of FLVS, and the Platform Provider shall retain all right, title and interest in and to the Licensed Materials and all copies thereof, including, without limitation, the Intellectual Property Rights therein, and that nothing herein transfers or conveys to Customer any ownership right, title or interest in or to the Licensed Materials or to any copy thereof or any license right with respect to the Intellectual Property Rights therein.

Nothing in this agreement shall be construed as conferring upon the licensee any right or interest in Florida Virtual School's or the Platform Provider's intellectual property or in their registration or in any designs, copyrights, patents, trade names, signs, emblems, insignia, symbols and slogans or other marks used in connection with the software other than as provided in this agreement.

**ARTICLE 6-WARRANTIES OF FLVS**

**6.1 Limit of Liability**

- (a) For any breach or default by FLVS of any of the provisions of this agreement, or respect to any claim arising here from or related hereto. FLVS's entire liability, regardless of the form of action, whether based on contract or tort, including negligence, shall in no event exceed (I) the amount paid by customer hereunder for the licensed materials, (II) the amount paid by customer for the renewal service that is the subject of the claim if the claim relates to a breach or default by FLVS of the provisions of article 7, (III) the amount paid by customer for the installation service that is the subject of the claim if the claim relates to a breach or default by FLVS of the provisions of this agreement pertaining to installation service, or (IV) in the aggregate with respect to all claims under or related to this agreement, the amount paid by customer under this agreement.
- (b) In no event will FLVS be liable for special, incidental, indirect, or consequential loss or damage, lost business revenue, loss of profits, loss of data, failure to realize expected profits or savings or any claim against customer by another person (even if FLVS has been advised of the possibility of any such damage).
- (c) FLVS shall be liable to customer as expressly provided in this agreement but shall have no other obligation, duty, or liability whatsoever in contract, tort or otherwise to customer including any liability for negligence. The limitations, exclusions and disclaimers in this agreement shall apply irrespective of the nature of the cause of action, demand, or action, by customer, including but not limited to breach of contract, negligence, tort, or any other legal theory and shall survive a fundamental breach or breaches or the failure of the essential purpose of this agreement or of any remedy contained herein.

CONTRACT REVIEWED  
AND APPROVED:  
Kdy 6/4/10

Initials: Kdy Initials: Kdy

**ARTICLE 7- TERM AND TERMINATION**

**7.1 Term**

This Agreement shall be effective on the Effective Date for a period of one (1) year and shall be terminable in accordance with this Article.

**7.2 Termination**

Either party may by notice in writing terminate this Agreement if (i) the other party breaches or fails to observe or perform any of its obligations set out in this Agreement, including failure to pay franchise and/or training fees, and fails to cure such breach or failure within thirty (30) days after written notice; or (ii) either party becomes insolvent, or makes an assignment for the general benefit of creditors, or any proceedings are commenced by or against either party under any bankruptcy or insolvency laws or if proceedings for the appointment of a trustee, custodian, receiver, or receiver manager for either party are commenced, or if either part ceases or threatens to cease to carry on business; or (iii) upon ninety (90) days written notice by FLVS or customer to the other party of its termination of the agreement.

**ARTICLE 8- GENERAL**

**8.1 Force Majeure**

If the performance of this Agreement, or any obligation thereunder except the making of payments hereunder is prevented, restricted, or interfered with by reason of: fire, flood, earthquake, explosion or other casualty or accident or act of God; strikes or labor disputes; inability to procure or obtain delivery of parts, supplies, power, equipment or software from suppliers, war or other violence; any law, order, regulation, ordinance, demand or requirement of any governmental authority; or any other act or condition whatsoever beyond the reasonable control of the affected party. The party so affected, upon giving prompt notice to the other party, shall be excused from such performance to the extent of such prevention, restriction or interference; provided, however, that the party so affected shall take all reasonable steps to avoid or remove such cause of nonperformance and shall resume performance hereunder with dispatch whenever such causes are removed.

**8.2 Public Relations**

Customer agrees to make itself available as a third party reference for FLVS and to comment on the quality of services (including course content) performed by FLVS, as reasonably requested from time to time by FLVS. Customer gives permission to FLVS to use Customer's name in a representative Customer list, and in any marketing collateral, case studies, and press releases. Customer will allow FLVS to post Customer's corporate logo on the FLVS Website. Customer agrees to participate in FLVS Media Training and customer agrees to co-branding. Customer agrees to use only FLVS collateral or FLVS approved collateral in all public relations efforts.

**8.3 FLVS Policy Adherence**

The FLVS Franchise agrees that during the term of this agreement the Franchisee and its employees will adhere to all FLVS policies regarding course delivery, instructional practices, and student management. The policies may be found at [www.flvs.net](http://www.flvs.net). This

CONTRACT REVIEWED  
AND APPROVED:  
*Kaly* 6/4/10

*[Signature]* Initials *[Signature]* Initials



policy includes the Franchise Managers' participation in Franchise Leadership training in July and the FLVS Staff Conference in the Fall.

CONTRACT REVIEWED  
AND APPROVED:  
Kdy 6/4/10

[Signature] Initials; [Signature] Initials

**APPENDIX A**

The Components, which are the subject of the FLVS Franchise License, including FLVS course content, 3<sup>rd</sup> party components, FLVS Virtual School Administrator Registration and Student Information System, and the Learning Management System granted to Customer and the fees payable to FLVS hereunder are as follows:

**1. Licensed Materials**

Customer may only utilize the above Components in the following School District: Pasco County. The Effective Date for this license is **July 1, 2010** and is in effect until **June 30, 2011**

**2. Fees**

\$50.00 per billable half-credit enrollment with no minimum number of enrollments

**3. Optional Fees**

\$65.00 per half credit enrollment for:

Gaming courses (if available)

- Conspiracy Code American History (Course Code 2100310)
- Conspiracy Code Intensive Reading (Course Code 1000410)

\$165.00 per half credit enrollment for:

- Drivers Education / Traffic Safety (Course Code 1900300)

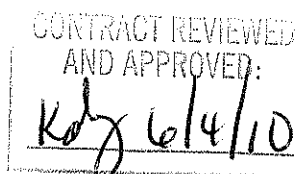
\$5.00 per half credit enrollment for:

- Formative Quality Assurance for virtual teacher classroom walk-throughs

**4. Payment Schedule for billable enrollments served:**

November 1, 2010 due on or before November 30, 2010

May 30, 2011 due on or before June 30, 2011



Initials; Initials