

Specialized Education of Pennsylvania, Inc.
With Susquehanna School District
for
RSY for 2025-2026 at Capital Academy

This Agreement (“Agreement”) is dated August 25th, 2025 (“Effective Date”), between Specialized Education of Pennsylvania, Inc. (“SESI”) that owns and operates Capital Academy, an alternative education for disruptive youth (“AEDY”) program in Pennsylvaniaa private academic school in Pennsylvaniaan alternative education for disruptive youth (“AEDY”) program and a private academic school in Pennsylvania and Susquehanna School District (“District”).

WHEREAS, SESI owns and operates Capital Academy that delivers behavioral, social, emotional and special education services to students (the “School”);

WHEREAS, the District desires to refer District eligible students to the School; and

WHEREAS, the parties have agreed to enter into this Agreement for the delivery of the Services (defined below).

WITNESSETH

NOW, THEREFORE, in consideration of the covenants contained herein, the parties agree as follows:

1. Services. The District may from time to time refer students to be enrolled in the School (hereinafter referred to as a “Student” or “Students”). SESI agrees to establish and maintain, in accordance with Exhibit A, one or more of an early intervention behavior modification program, a program for special education classifications including autism spectrum disability, or a program for special education classifications including emotional disabilities and especially students with multiple disabilities (collectively the “Services”), for Students enrolled in the School. The Services shall include providing all personnel, materials and supplies necessary to provide the Services set forth in Exhibit A in accordance with the terms hereof.
2. Applicable Laws. SESI will deliver the Services in accordance with all applicable federal, state, and local statutes, ordinances, resolutions and regulations, including, without limitation, the federal law commonly known as the Individuals with Disabilities Education Act, and regulations promulgated thereunder (“IDEA”) (collectively, “Laws”).
3. Access. Upon reasonable prior notice to SESI, the District will be granted access to the School to observe and evaluate the Students and provision of the Services. If and to the extent that this Agreement requires SESI to perform any portion of the Services on District premises, the District grants SESI access to District designated facilities, but only to the extent necessary to provide the Services in accordance with this Agreement.
4. Teaching Staff. SESI is responsible for recruiting, training, assigning and supervising teachers in the School who will maintain state required licenses and background checks.

5. No Conflict of Interest. SESI certifies that it has and will not acquire an interest or obligation that conflicts with any provision of this Agreement, or that would preclude SESI from complying with the provisions herein.
6. Guaranteed and Additional Fees. In consideration of the Services to be provided by SESI, the District will pay SESI the fees set forth on Exhibit A.
7. Term and Termination. The term of this Agreement will begin on August 25th, 2025 and end on June 5th, 2026 (“Term”), unless extended in writing by the parties. If this Agreement is extended, the parties agree that the Tuition and Fees will be increased by 5% unless otherwise negotiated and revised in writing. Either party, upon thirty (30) days written notification to the other party, may terminate this Agreement. Upon termination, SESI will charge Tuition and Fees up to and including the Termination Date.
8. Distance Learning. When due to government or District mandated actions (directly or through its board of education) preventing SESI from conducting in-person classes, SESI may deliver, in consultation with the District, the Services, in whole or in part, via distance learning to the extent practicable, using programs, systems, teaching techniques, diagnostic tests, evaluation, academic courses and materials adapted for distance learning at the level of service reasonably practical under the same circumstances, at the fees, rates and payment schedules as set forth in this Agreement.
9. General Supervision of Services. The District or its designated representatives shall have the right to general supervision of the Services, the right to approve such Services and the right to make changes to the Services in accordance with the terms of a Student’s IEP. SESI will maintain records of the Services provided to the Students, invoices issued to the District and payments made to SESI during the term of this Agreement. Such records shall be consistent with any guidance or standards developed by the Department of Education. SESI shall allow the District or the Pennsylvania Department of Education to conduct announced and unannounced site visits and to review all documents relating to the provision of Services to the Students during hours that are least disruptive to the daily operation of the School.
10. Invoicing and Payment. SESI will invoice the District monthly by the 15th day of the following month in which Services were provided. All invoices are due and payable within thirty (30) days of receipt. Any disputed invoice amounts must be raised to SESI within 30 days of receipt of invoice, otherwise, such invoice amounts are deemed to be accepted.
11. Student Identification and Assignment.
 - a. Upon a student referral by the District, the District will provide SESI with i) a referral packet for SESI evaluation that includes student data, student record, the academic status or chronic disruptive behavior prompting the referral, and when applicable (ii) the IEP, an established Functional Behavioral Assessment (“FBA”) & Behavior Intervention Plan (“BIP”). SESI will evaluate each District-referred student and determine whether the Program can meet the needs of the student, including current IEP, FBA and BIP, when applicable. After such an evaluation, SESI has final discretion to determine if a student is accepted into the Program and may decline acceptance, regardless of advance payment by

District, by providing written notification to the District of its reason(s) for decline. Upon acceptance by SESI of a student into the Program, such student's placement must be initiated by written notice from the District and SESI will agree on a commencement date for each student. If after enrollment, SESI determines a Student's placement is no longer in the best interest of the Student or Student behaviors are a threat to Student, SESI staff or other students in the Program, SESI will notify District in writing and the parties will convene a meeting within thirty (30) days of SESI notification to discuss student transition and alternate placement.

- b. The District agrees that each Student enrollment at Capital Academy shall be reviewed at each semester break and may be extended, as mutually determined by the District and/or the Student's parents and SESI to be in the best interest of the Student.

12. Parent, Guardian or Kinship Caregivers Consent. The District shall assist SESI in obtaining the written consent of Student's parents, guardians, or kinship caregivers for the Student enrollment and participation in the School; release of Student records including the Student's prior rate of attendance, grade level when referred to the Program, number of times retained, academic performance record on all tests administered by the District, and the number of classes passed/credits earned; emergency medical care, drug testing, Student participation in media releases; and any other matter for which consent is required.

13. Student Records.

- a. The District hereby acknowledges that SESI and its employees are considered "other school officials" with a legitimate educational interest such that they are entitled to access to education records under the Family Educational Rights and Privacy Act, ("FERPA"), 20 U.S.C. §1232g.
- b. The District will provide SESI with: attendance, academic and disciplinary records; IEPs (if applicable); previous or current standardized or other test scores and any other pertinent Student information via a secure electronic transmission.
- c. The District shall accept attendance and academic data using electronic file transfer from SESI in a format specified by and acceptable to the District. SESI shall report attendance on a timetable required by the District.
- d. For the academic year following the Student's transition back to the District, the District shall provide SESI the Student's academic, behavioral and attendance records.
- e. To the extent SESI obtains Student records and information, and to the extent that SESI is involved in the survey, analysis, or evaluation of Students incidental to this Agreement, SESI agrees to comply with all requirements of the FERPA and the Protection of Pupil Rights Amendment (PPRA).
- f. To the extent required by law, SESI agrees to comply with the subcontractor business associate provisions of the Health Insurance Portability and Accountability Act of 1996 privacy rule as amended by the Health Information Technology for Economic and Clinical Health Act.

14. Health Records. The District will maintain all Student health and immunization records as well as proof of physical examination for those Students enrolled at the School and such records must be secured prior to Student enrollment.

15. Transportation. The District shall provide, at its expense, bus transportation for eligible Students consistent with the District's transportation guidelines and policies.
16. Compliance with Applicable Laws. SESI represents it complies with applicable laws and regulations governing the Services including student privacy laws including the Family Educational Rights and Privacy Act (FERPA) (20 U.S.C. § 1232g; 34 CFR Part 99). The School is non-public and maintains licenses and certifications as required by Pennsylvania law. SESI employees have the requisite skill, expertise and knowledge necessary to perform the Services required under the terms of this Agreement.
17. Background checks. SESI employees who are assigned to perform the Services meet the hiring requirements for school-based employees as required by Pennsylvania laws governing private school-based employees.
18. Student Progress Reports. SESI shall make available to the District or its representatives those progress and evaluative reports upon request or as required by a Student's IEP.
19. Student Records Access. Subject to such consents from the Student or the Student's parents or legal guardians as may be required, (i) the School agrees to make reasonably available to the District during the School's normal business hours, and to send to the District promptly following the District's reasonable request, copies of reports concerning the Student's programs and process prepared by the School, as follows: Functional Behavioral Assessment (FBA), Behavior Intervention Plan (BIP), Progress Reports, graphs concerning achievement of IEP goals, and assessments prepared pursuant to any consent for reevaluation provided with respect to the Student; (ii) the School shall also provide to the District copies of any psychological and/or psychiatric, medical or educational evaluations which are conducted by the School, or which are provided to the School by third parties, promptly after they are available to the School.
20. Force Majeure. Neither party will be liable to the other party hereunder or in default under this Agreement for failures of performance resulting from acts or events beyond the reasonable control of such party, including, by way of example and not limitation, acts of God, disease outbreak or widespread illness, electronic computer virus, civil disturbances, war, and strike.
21. Indemnification and Limitation of Liability. To the extent permitted under law,
 - a. District agrees to indemnify SESI and its officers, directors and employees ("SESI Indemnitees") against and from Claims (defined below) asserted by third parties for direct costs, expenses (including reasonable attorney's fees), damages, injury or loss ("SESI Losses") to which SESI may be subjected by reason of gross negligence or willful misconduct of District, its officers, directors or employees; provided however, SESI Indemnitees may not seek indemnification from District for any SESI Losses caused, in whole or in part, by the acts or omissions of SESI, its officers, directors and employees.
 - b. SESI agrees to indemnify District and its officers, directors and employees ("District Indemnitees") against and from Claims (defined below) asserted by third

parties for direct costs, expenses (including reasonable attorney's fees), damages, injury or loss ("District Losses") to which District may be subjected by reason of gross negligence or willful misconduct of SESI, its officers, directors or employees; provided however, District Indemnitees may not seek indemnification from SESI for any District Losses caused, in whole or in part, by the acts or omissions of the District, its officers, directors and employees.

- c. Claims. If a claim for indemnification (a "Claim") is to be made by a party entitled to indemnification hereunder against the indemnifying party, the party claiming such indemnification shall give written notice (a "Claim Notice") to the indemnifying party as soon as practicable after the party entitled to indemnification becomes aware of any fact, condition or event which may give rise to damages for which indemnification may be sought under this Section. Such Claim Notice shall specify the nature and amount of the Claim asserted, if actually known to the party entitled to indemnification hereunder. Subject to the limitations of this Section, the failure of any indemnified party to give timely notice hereunder shall not affect rights to indemnification hereunder, except to the extent that the indemnifying party demonstrates actual damage caused by such failure.
 - d. Notwithstanding any other provision, the total liability of SESI for all claims under this Agreement is limited to the total amount of fees paid to SESI under this Agreement. Neither SESI nor the District shall in any event be liable for any indirect, consequential, or punitive damages, even if SESI or District have been advised of the possibility of such damages.
22. Disputes and Investigations. In the event that any action, suit, proceeding or investigation relating to this Agreement is commenced, the parties hereto agree to immediately notify each other in writing of the pending action, suit, proceeding or investigation, and to cooperate to the extent possible to defend against and respond thereto and make available to each other such personnel, witnesses, books, records, documents or other information within its control that are reasonably necessary or appropriate for such defense. In the event any dispute arises out of this Agreement, the parties will seek to resolve the dispute as expeditiously as possible. Except as may be set forth herein, the interests of the referred Student shall be of the foremost concern in resolving such disputes.
23. Assignment. No assignment of this Agreement or of any duty or obligation or performance or payment hereunder, shall be made by either party, in whole or in part, without the prior written consent of the other party, which consent shall not be unreasonably withheld, except that SESI may assign this Agreement or any duty or obligation or performance or payment hereunder to a subsidiary or affiliate of SESI or any entity acquiring all or substantially all of the stock, equity or assets of SESI.
24. Notice. Any notice required to be given under this Agreement shall be in writing and shall be duly served when it is (i) hand delivered to the addresses set out below, (ii) deposited, duly registered or certified, return receipt requested, in a United States Post Office, or (iii) via overnight delivery, to the party at the following addresses:

For the District	For SESI
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Susquehanna School District 1900 Linglestown Rd, Harrisburg, Pennsylvania, 17110, United States Attention: Ryan Evans	Specialized Education of Pennsylvania, Inc. PO Box 444 Elmsford NY 10523 Attention: Dawn Thomas With a copy to SESI General Counsel at the address above.
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Any party may designate a different address by giving the other party thirty (30) days prior written notice in the manner provided above.

25. Governing Law. This Agreement shall be construed, interpreted, and governed by the laws of Delaware.
26. Academic Assessment. SESI will provide the Student normal and standardized “pre-post” academic assessment each year.
27. Notice of Incidents involving Students. SESI will promptly notify the District of any significant incidents (i.e., restraints) or changes regarding the Student’s progress, behavior, or social/emotional issues. SESI will provide the District with a copy of the student handbook and restraint policy.
28. Independent Contractor. The relationship between the District and SESI shall be that of principal to independent contractor, and the employees of one shall not be deemed employees of the other for any purpose whatsoever. Each party shall maintain during the term of this Agreement such disability and worker’s compensation insurance for its respective employees and staff as is required by law. Each party shall indemnify and hold harmless the other against any claim or demand made by employees or staff of the indemnifying party against the other based on rights or privileges applicable to employees of the other. Each party shall be solely responsible for the hiring, training, and termination of its own employees and contractors.
29. Entire Agreement. This Agreement includes all exhibits, schedules, attachments attached hereto as well as duly executed Student Enrollment Form(s) incorporated herein by reference. This Agreement constitutes the entire agreement between the parties and supersedes all prior and contemporaneous oral and written agreements and statements, all of which have been fully integrated herein. This Agreement also supersedes any course of conduct, performance or dealing between the parties. No amendment or modification changing this Agreement’s scope or terms shall have any force or effect unless executed and delivered in writing and signed by all parties.

[SIGNATURES ON NEXT PAGE]

IN WITNESS WHEREOF, the parties have caused this AGREEMENT to be duly executed as of the Effective Date above.

Susquehanna School District

Name: Carrie Martin

Title: unassigned

Date:

Specialized Education of Pennsylvania, Inc.

Dawn Thomas

Dawn Thomas (Jan 15, 2026 12:00:48 CST)

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Name: Dawn Thomas

Title: President

Date: 01/15/2026

Exhibit A
Capital Academy Fee Schedule

Rates are in US Dollars

Total Guaranteed Fee	\$526,532		
Rate Type	Fee Per Day	Number of Students	Number of Days
Guaranteed AEDY Seat	\$177	3	180
Garunteed AEDY Seat	\$177	1	128
Additional AEDY Seat	\$201	See below	See below
Guaranteed Special Ed. Seat	\$208	6	180
Guaranteed Special Ed. Seat	\$208	1	160
Guaranteed Special Ed. Seat	\$208	1	112
Additional Special Ed. Seat	\$240	See below	See below
Guaranteed BEST Seat	\$353	2	180
Additional BEST Seat	\$406	See below	See below

- a. Guaranteed Seat Tuition. The District agrees to pay SESI the total guaranteed fee set forth above regardless of whether the District refers or enrolls any Students during the Term. Students may not be added to the Guaranteed Seat count after January 15. Students added after January 15 will be subject to the Additional Seat rates noted above.
- b. Additional Student Tuition. When the total student enrollment in the prior month exceeds the number of guaranteed seats set forth above, the Additional Seat Rate, as set forth above will be charged per student for each day such overage occurs.
- c. Billing. For the 2025-2026 Regular School Year, The Total Guaranteed Fee for eleven (11) students enrolled from 8/25/2025 will be invoiced in 10 equal monthly installments. The Total Guaranteed Fee for one student enrolled from 9/23/2025 will be invoiced in 9 equal monthly installments. The Total Garunteed Fee for one student enrolled from 11/10/2025 will be invoiced in 7 equal monthly installements.

The Guaranteed Fee for one student enrolled from 12/8/2025 will be invoiced in 6 equal monthly installements. Invoices will also reflect Additional Seat(s), if any.