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C.E.R.T. OPERATING AGREEMENT

Section 1. Term. The initial term of the Operating Agreement and other agreements to be negotiated between the parties shall be twenty-five (25) years. After the expiration of the initial twenty-five (25) year term, the Operating Agreement may be renewed for periods of three (3) years by mutual agreement of the parties. However, during the initial term of the Operating Agreement, the amount of rent to be paid by CERT to Central Nine shall be negotiated every three (3) years, and if the parties cannot agree on the rent amount, the Lease and Operating Agreement shall terminate.

Section 2. Indemnification for Liabilities. The Lease, Operating Agreement, Construction Agreements and any other agreements negotiated between the parties shall provide that Central Nine shall not assume or otherwise become liable for any liability or obligation of CERT, except for those liabilities and obligations expressly assumed by Central Nine pursuant thereto. CERT will agree to indemnify and hold Central Nine harmless against any and all liabilities of CERT not expressly so assumed. Such liabilities will include all matters related to construction and any construction agreement. Central Nine shall have access to CERT funds upon CERT's default on a Lease Operating Agreement or Construction Contract and in the event of any breach of any agreement between Central Nine and CERT.

Section 3. Tax Exempt Status of CERT. Central Nine's ability to participate in this project with CERT is dependent upon CERT obtaining and maintaining tax exempt status.

Section 4. CERT's Obligation for Insurance. So long as Central Nine can name CERT as an additional insured at no cost to Central Nine on its insurance coverage, Central Nine shall provide property, casualty and liability insurance. In the event Central Nine cannot name CERT as an additional insured at no cost to Central Nine, CERT shall provide property and casualty insurance for the improvements in an amount to be determined by Central Nine and CERT shall provide liability insurance in an amount to be determined by Central Nine.

Section 5. Performance Bond. Prior to any construction, CERT shall obtain a Performance Bond to insure completion of construction in an amount which shall cover the cost of all construction.

Section 6. Lease and Operating Agreement Interdependent. The Lease and Operating Agreement shall both provide that the documents are interrelated to the extent that termination of one document shall cause the termination of the other document.

- Section 7. CERT's Compliance With Regulations. CERT shall be solely responsible for compliance with all federal, state, and local regulations including, but not limited, to the Americans With Disabilities Act, OSHA and IOSHA.
- Section 8. Cooperation Regarding Public Announcements. The Operating Agreement the parties shall cooperate regarding any public announcements, publicity or press releases regarding the Center.
- Section 9. Approval of Contractors. CERT may select the contractors for construction of the improvements at the center. Central Nine's Governing Board shall have final approval of all contractors.
- Section 10. Single Purpose of Training Center. The Training Center shall be for a single purpose of emergency response training. The Center shall not be used for any other purpose without prior written consent of Central Nine. Said consent may be given, withheld, conditioned or delayed as Central Nine may determine in its sole discretion.
- Section 11. Assignment and Sublease. CERT shall not have the right to assign the lease for any interest therein or to sublet the leased premises, or any part thereof without prior written approval of Central Nine. Central Nine's consent may be given, withheld, conditioned or delayed as Central Nine may determine in its sole discretion.
- Section 12. Transfer of Facilities to Central Nine. Upon completion of construction, and all improvements upon the real estate shall become the property of Central Nine free and clear of any claims to such improvements by CERT.
- Section 13. Default Events. Each of the following shall be an event of default by CERT: (a) CERT shall fail to observe and perform any agreement, term or condition contained in this Operating Agreement or Lease and the continuation of such failure for a period of thirty (30) days after notice has been sent to CERT by Central Nine. (b) CERT shall (i) admit in writing its inability to pay its debts generally as they become due; (ii) have an order for relief entered in a case commenced by or against it under federal bankruptcy laws, (iii) commence proceedings under any other federal or state bankruptcy, insolvency, reorganization or similar law or have such a proceeding commenced against it and either have an order of insolvency or reorganization entered against it or have the proceeding remain undismissed and unstayed for ninety (90) days; (iv) make an assignment for the benefit of creditors; or (v) have a receiver or trustee appointed or for the whole or any substantial part of its property.

Section 14. Responsibilities of Central Nine. The responsibilities of Central Nine are to:

- A. Handle all tuition administration for secondary and continuing education programs.
- B. Provide class and administrative mailing as necessary.
- C. Provide utilities for classroom building and for practical training simulators.

- D. Provide payroll administration for all faculty and staff.
- E. Provide custodial and grounds maintenance for the facility.
- F. Provide supervision and direction for faculty and staff working in facilities under CERT's responsibility.
- G. Develop and maintain contracts and working agreements with allied organizations and agencies for the continued sustainability of CERT.
- H. Provide supplies and equipment for classroom delivery.

<u>Section 15.</u> <u>Responsibilities of CERT.</u> The responsibilities of CERT are to:

- A. Provide total funding for complete development of the CERT facility which will include classroom/administration building and practical training simulators.
- B. Provide monetary and in kind funding for sustainability and development of CERT, Inc.
- C. Provide practical training equipment and supplies.
- D. Provide faculty for secondary and adult education classes.
- E. Approve curricula used.
- F. Maintain facility and staff certification requirements.
- G. Develop schedules and syllabuses for course offered by CERT.
- H. Develop standard operating procedures and guidelines for the efficient use and safe operation of the facility.
- Develop and maintain contracts and working agreements with allied organizations and agencies for the continued sustainability of CERT.
- J. Provide time accounting for payroll administration for the secondary programs.
- K. Provide guidance and direction on the establishment of course schedules, tuitions and fees

CENTER FOR EMERGENCY RESPONSE

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TRAINING, INC.

Steve Dhondt, President

CENTRAL NINE CAREER CENTER

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