

2ND AMENDMENT

TO

**AMENDED AND RESTATED EDUCATIONAL PRODUCTS AND SERVICES
AGREEMENT BETWEEN MICHIGAN CONNECTIONS ACADEMY
AND CONNECTIONS EDUCATION LLC
formerly doing business in Michigan as
AND CA OF MICHIGAN, LLC**

Effective Date, July 1, 2017

THIS SECOND AMENDMENT ("2nd Amendment") TO THE AMENDED AND RESTATED EDUCATIONAL PRODUCTS AND SERVICES AGREEMENT ("Agreement"), is entered into as of July 1, 2017 ("Effective Date") by and between the MICHIGAN CONNECTIONS ACADEMY, a non-profit cyber school academy (the "Charter School"), and Connections Education LLC, a Delaware registered limited liability company, formerly doing business in Michigan as CA OF MICHIGAN, LLC, a Michigan limited liability company ("Connections Education"), (together "the Parties").

WHEREAS, the Parties entered into that certain Amended and Restated Educational Products and Services Agreement ("Original Agreement") with an Effective Date of July 1, 2013;

WHEREAS, the Parties previously amended the Original Agreement to provide for certain statutory obligations related to the performance evaluations of Charter School Teachers and to provide for certain other clarifications with respect to services provided by Connections through its subsidiary CA of Michigan, LLC ("1st Amendment", and together with the Original Agreement, "Agreement");

WHEREAS, Section 4.2 of the Agreement states:

4.2 Other Services. To the extent that the Charter School elects not to contract with CA for any of the products or services provided for in this Agreement, it shall provide such products or services consistent with any requirements of Code or other applicable law and regulation and any requirements in the Charter Contract.

WHEREAS, the Charter School has determined, pursuant to Section 4.2, to transition to its direct responsibility certain services presently provided by Connections, in consideration for which it will receive a reduction in the fee for services charged by Connections for services rendered pursuant to the Agreement, as memorialized in this 2nd Amendment terms below; and

WHEREAS, the Parties are further amending the Agreement to provide for the smooth transfer of responsibility for such services to the Charter School, including establishing the Parties respective obligation with respect to those services being transitioned and to make such further modifications of the rights and responsibilities of the Parties consistent with the transition of such services;

WHEREAS, the Parties are desirous of taking the opportunity presented by this 2nd Amendment to retire the fee schedule the Parties operated under in prior years of the Agreement and adopt the fee schedule for services provided for in this 2nd Amendment, the provisions of which capture the

fee reduction agreed to by the Parties in consideration for the transition of services to the Charter School identified below in this 2nd Amendment; and

WHEREAS, Connections has determined to close its Michigan subsidiary, CA of Michigan, LLC and will henceforth directly transact all business within the state under its name and/or under any DBA that may be on file with the State of Michigan, Corporations Division, and in furtherance thereof, is updating the Agreement through this 2nd Amendment to reflect that it is the party providing the services to the Charter School.

NOW THEREFORE, in consideration of the foregoing, of the covenants and agreements contained in this 2nd Amendment, and for other good and valuable consideration, the sufficiency of which is acknowledged, the Parties agree as follows:

1. There shall be new Section 1.30 of the Agreement. Section 1.30 shall provide as follows:

1.30 "Special Needs and ELL Services" refers to services that shall include but not be limited to, development of IEPs; handling mediations and administrative proceedings and specialized services; related services, including but not limited to occupational therapy, physical therapy, speech and language therapy, transition, counseling, personal care assistants, tutoring, behavior interventions, transportation, job coaching, social skills, and verbal behavior; Section 504 plans for accommodation of disabilities, including providing assistive technology; ELL accommodations, including translation materials and services, and nonstandard materials (including accessibility software, LiveLesson closed captioning, readers, braille and large print books, and braille printers); submitting state and/or federal reports; applying for and administering supplemental funding; and all other products, services and reporting obligations targeted specifically to Special Needs Students and ELL Students.

2. Section 3.13 of the Agreement is deleted in its entirety and the following shall be added in its place:

3.13 **Special Needs and ELL Services.** Connections and the Charter School agree that Connections is not responsible for ensuring compliance with applicable law concerning Special Needs and ELL Services. Notwithstanding the preceding, however, pursuant to Section 3.4 and 3.5 of this Agreement, Connections shall employ certified and qualified Administrative Staff and Teaching Staff assigned to Charter School and such Administrative Staff and Teaching Staff may be designated to administer and/or carry out Special Needs and ELL Services for the Charter School. Such Administrative Staff and Teaching Staff shall administer and carry out Special Needs and ELL Services in accordance with Special Education Protocols.

3. There shall be a new Section 5 and each section and subsection in the Agreement accordingly shall be renumbered sequentially. Section 5 shall state as follows:

5. Special Needs and ELL Services

5.1 Connections Support of Special Needs and ELL Services at Charter School. All costs incurred by Connections on or after July 1, 2017 in support of delivery of Special Needs and ELL Services, including ongoing costs for Special Needs and ELL Services, such as, but not limited to assistive technology, ELL interpretation services and ELL translation services, which shall include provision of related materials and software, shall be paid by the Charter School at cost with no markup, excluding all Connections labor costs incurred during the three month transition period provided for in 5.2 below. LiveSpeech related services are contracted for by separate

agreement between the Parties, the terms of which are not affected by this Amendment. To the extent Connections is invoiced for any Special Needs and ELL Services, including, materials and software, on or after July 1, 2017, Connections shall promptly forward such invoices to the Charter School for processing. To the extent that Connections pays a cost that is the responsibility of the Charter School under this Agreement, the Charter School shall reimburse Connections for such costs within thirty (30) days of receipt of Connections' invoice setting forth such costs to be reimbursed. The Charter School is solely responsible for obtaining any insurance it deems appropriate to insure against all risks related to or arising out of providing Special Needs and ELL Services.

5.2 Limited Consultation Services. Connections will make itself reasonably available for a three (3) month period beginning on September 1, 2017, to provide limited consultation services consisting of answering questions and limited document review for purposes of affecting a smooth transition to the Charter School of those services previously provided by Connections pursuant to the former Section 3.13 of the Agreement, which was in effect until June 30, 2017. In addition, Connections shall provide to the Charter School all data (including any reports or records) in its possession that is related to the delivery of Special Needs and ELL Services.

5.3 Indemnification related to provision of Special Needs and ELL Services. Pursuant to Section 13 of the Agreement, Connections shall indemnify and hold the Charter School harmless for all liability claims or demands arising out of or related to the delivery or failure to deliver Special Needs and ELL Services where such liability claims arose on or before June 30, 2017. As of July 1, 2017, Connections shall have no indemnity obligations in connect with any liability claims or demands under Section 13 of the Agreement made on or after July 1, 2017 that arise out of or are related to the delivery and/or failure to deliver Special Needs and ELL Services on or after July 1, 2017. Further, Charter School agrees, to the extent permitted by law, to defend, indemnify and hold Connections and its respective agents and employees harmless against and from all costs, expenses, damages, injury or loss (including reasonable attorney's fees) to which Connections and its respective agents and employees may be subject to in connection with any liability claims or demands made on or after July 1, 2017 that arise out of or are related to the delivery and/or failure to deliver Special Needs and ELL Services at Charter School on or after July 1, 2017.

Notwithstanding the foregoing, however, in order to effect a smooth transition of responsibilities for the delivery of Special Needs and ELL services away from Connections, during the final year of the Term, Connections agrees to help the Charter School cover the costs arising out of or related to the delivery of and/or failure to delivery Special Needs and ELL Services on or after July 1, 2017 ("2017-2018 Special Education Claims") as follows:

- (a) The first \$5,000 in aggregate costs (including, but not limited to, Charter School related legal defense costs, plaintiff related legal defense costs, compensatory damage awards, and settlements ("Special Education Liability Costs") incurred by the Charter School during the period of time commencing on July 1, 2017 and ending on June 30, 2018 ("Contribution Period") shall be the sole responsibility of the Charter School;
- (b) Upon adequate delivery of adequate proof to Connections that the first \$5,000 in Special Education Liability Costs were incurred during the Contribution Period and paid in full, then, with respect to the Special Education Costs incurred by the Charter School during the Contribution Period in the aggregate amount of \$5,000.01 to \$105,000, Connections shall reimburse the Charter School 50% of payment of such Special Education Liability Costs upon adequate proof to Connections that such Special Education Liability Costs were also incurred and

paid in full;

(c) All Special Education Liability Costs incurred by the Charter School during the Contribution Period in the aggregate amount in excess of \$105,000 shall be the sole responsibility of the Charter School.

(d) Connections' obligation to contribute toward payment of the Special Education Liability Costs as detailed in Section 5.4(b) above is contingent on the Charter School actively collaborating with Connections on the defense of any 2017-2018 Special Education Claims, including any settlement thereof, in which Connections may be called upon to contribute toward the payment of Special Education Liability costs. Failure to collaborate with Connections with respect to any such claim shall release Connections from its obligation to contribute toward payment of the related Special Education Liability Costs incurred in connection with such claim.

4. Section 3.9 of the Agreement is hereby amended by adding the following paragraph to the end of Section 3.9:

Notwithstanding the foregoing, the Charter School Teachers and Administrative Staff will not receive access to or otherwise receive the benefit of the following professional development/training courses provided by Connections as part of its services identified in Section 3.9, as amended by Amendment 1: PL 100; PL 200; PL 300; Math, We've Got This! Professional Learning; any ongoing trainings related to or arising out of the foregoing identified training courses, or similar monthly trainings.

5. Section 3.15 of the Agreement is hereby amended by adding the following phrase to the beginning of Section 3.15:

Subject to Section 9.5,

6. Section 3.20 of the Agreement is hereby amended by adding the following phrase to the beginning of Section 3.20:

Subject to Section 9.5,

7. Section 9.5 of the Agreement is hereby amended by adding the following sentence to the end of Section 9.5:

Subject to Section 3.13, Connections shall bear no responsibility for the planning, management, tracking, and recommended, required or otherwise desired actions and activities related to and arising out of state and federal compliance obligations that relate to or arise out of being eligible to be a recipient of restricted funds used for Special Needs and ELL Services.

8. Section 9.2 of the Agreement is hereby deleted in its entirety.

9. There shall be a new Section 9.7 of the Agreement. Section 9.7 shall provide as follows:

9.7 Fee Schedule

(a) Per Student Fee: For each Student enrolled at Charter School on the fall count day, based upon the State audited calculation, and so long as Student enrollment meets or exceeds 1,731, there shall be a per Student fee \$3,840 per such enrolled Student. In the event, Student enrollment is below 1,731, there shall be a per Student fee as follows:

Student	(i) 1,701 to 1,730 Students	\$3,800 per such enrolled
Student	(ii) 1,640 to 1,700 Students	\$3,760 per such enrolled
Student	(iii) below 1,640 Students	\$3,625 per such enroll

(b) Employees Benefit Fee: There shall be a fee equal to 22% of all compensation (including Bonuses or other one-time payments that are subject to Federal and State withholding obligations) paid on or after July 1, 2017 to all dedicated Charter School staff, including, but not limited to, Lead School Administrator and other Administrative Staff, Teachers, and clerical staff.

(c) Discretionary Service Fees: The following discretionary services continue to be available to the Charter School at the following rates (no rate increase is reflected in the below pricing, as measured on the date immediately preceding July 1, 2017):

(i) Direct Course Instruction Support: \$1.53 per Student per day per course as measured by a certain date in the month.

(ii) Short Term Substitute Services: \$300.00 per day.

In addition, Connections will make available to the Charter School Voice over IP Services, of which the service offering and pricing will be provided at a yet to be determined future date.

10. There shall be a new Section 9.8 of the Agreement. Section 9.8 shall provide as follows:

9.8 **Payment Agent**. The parties may agree to have Connections act as its payment agent for various expenditures, such as office supplies, facility operating costs, travel and conference expense, etc. ("Pass Through Expenditures"). Pass Through Expenditures are not reflected in the Fee Schedule provided in Section 9.7. Connections will submit to the Charter School appropriate documentation evidencing payment of such Pass Through Expenditures and upon said submission shall be entitled to a dollar for dollar reimbursement for these expenses.

11. There shall be a new Section 9.9 of the Agreement. Section 9.9 shall provide as follows:

9.9 **Administrative Staff and Teaching Staff Compensation Reimbursement**. Charter School agrees to reimburse Connections for Administrative Staff and Teaching Staff compensation expenses, including base salaries, bonuses, other compensation, and employer payroll taxes ("Compensations Expenses"). Compensation Expenses are not reflected in the Fee Schedule provided in Section 9.7. Connections will submit to the Charter School appropriate documentation evidencing payment of such Compensation Expenses and upon said submission shall be entitled to a dollar for dollar reimbursement

for these expenses.

12. This 2nd Amendment is contingent upon all necessary and appropriate authorizer or other regulatory approval and/or non-disapproval.

13. For purposes of this 2nd Amendment, unless otherwise defined herein, capitalized terms shall have that definition ascribed to them in the Agreement. Capitalized Terms defined herein shall not relate back to the Agreement as it existed prior to this 2nd Amendment taking effect.

14. In all other respects, the Agreement shall remain as previously adopted and amended

IN WITNESS WHEREOF, the Parties hereto have agreed to and executed this 2nd Amendment or caused it to be executed in their names and on their behalf by their respective representatives thereunto duly authorized as of the Effective Date set forth above.

CONNECTIONS EDUCATION LLC

MICHIGAN CONNECTIONS ACADEMY

By: [Signature]

By: [Signature]

Name: Steven Gattentag

Name: LINDA L. FROST

Title: President

Title: MICA BOARD PRESIDENT

**AMENDED AND RESTATED
EDUCATIONAL PRODUCTS AND SERVICES AGREEMENT
BETWEEN MICHIGAN CONNECTIONS ACADEMY
AND CA OF MICHIGAN, LLC
(Effective as of July 1, 2013)**

THIS AMENDED AND RESTATED EDUCATIONAL PRODUCTS AND SERVICES AGREEMENT ("Agreement"), is made and entered into by and between the Michigan Connections Academy, a non-profit cyber school academy (the "Charter School"), authorized by the Ferris State University Charter Schools Office ("Authorizer") pursuant to Part 6E of the Michigan Revised School Code, Act 451, of 1976 as established by Act 205 of the Public Acts of 2009 (the "Code") and CA of Michigan, LLC, ("CA"), a Michigan limited liability corporation, (individually a "Party" and collectively the "Parties").

RECITALS

WHEREAS, the Charter School secured authorization from the Authorizer to operate a school of excellence that is a cyber-academy pursuant to the Code;

WHEREAS, CA has a proven record of providing innovative educational products and services outside the traditional classroom and successfully managing the day-to-day operation of cyber schools, including but not limited to providing the Educational Products described in Section 2 and the Educational Services described in Section 3 below (collectively, "Educational Products and Services");

WHEREAS, the Charter School contracted with CA to provide such Educational Products and Services to certain eligible students who qualify for enrollment and public funding under the Code on July 2010 (the "Initial Agreement").

WHEREAS, the term of the Initial Agreement expires on June 30, 2013;

WHEREAS, the Charter School would like to continue to contract with CA to provide such Educational Products and Services; and

WHEREAS, the Charter School and CA are entering into this Agreement to set forth the obligations and duties of each Party with respect to the provision and management of Educational Products and Services by CA on behalf of the Charter School.

NOW THEREFORE, in consideration of the foregoing, of the covenants and agreements contained in this Agreement, and for other good and valuable consideration, the sufficiency of which is acknowledged, the Parties agree as follows:

1. Definitions.

- 1.1 "Academic Year" shall mean the school year as defined by the School Calendar (see also Section 1.21).

- 1.2 **"Administrative Staff"** shall include the persons holding the positions described in Section 3.4.
- 1.3 **"Affiliate"** shall mean any entity controlling, controlled by, or under common control with, CA.
- 1.4 **"Authorizer"** shall mean the Ferris State University Charter Schools Office.
- 1.5 **"Budget"** shall mean the operating budget for the Charter School as approved by the Charter School according to the provisions of Section 9.
- 1.6 **"Charter Contract"** shall mean the contract between the Authorizer and the Charter School prescribing the conditions and requirements for compliant operation of the school.
- 1.7 **"Charter School"** shall mean Michigan Connections Academy, as authorized by the Authorizer.
- 1.8 **"Charter School Board"** shall mean the Board of Directors of the Charter School.
- 1.9 **"Confidential Information"** shall have the meaning set forth in Section 11 of this Agreement.
- 1.10 **"Course(s)"** shall be comprised of a set of lessons and assessments including both Tangible Instructional Materials and Intangible Instructional Materials (as defined in Sections 2.1 and 2.2, respectively), augmented by State specific materials and instruction provided by Teachers through a variety of methods, including LiveLesson® presentations, that collectively shall meet the educational content or other standards established by the State of Michigan in order to be recognized for high school credit in grades 9-12 or for meeting educational requirements in grades K-8.
- 1.11 **"Educational Products and Services"** shall mean the Educational Products described in Section 2 and the Educational Services described in Section 3 of this Agreement.
- 1.12 **"Effective Date"** shall be the date first written above.
- 1.13 **"Eligible Students"** shall have the meaning set forth in Section 5 of this Agreement.
- 1.14 **"Enrolled"** shall apply to a Student (as hereinafter defined) (a) who has completed all of the requirements for admission to the Charter School; has been notified of their acceptance in the Charter School; has not been expelled from the Charter School; has not been withdrawn from the Charter School; or has not enrolled in another full-time public or private school; and (b) for whom the enrollment requirements of the Charter School have been met.
- 1.15 **"Instructional Materials"** shall mean, collectively, the Tangible Instructional Materials, described in Section 2.1, and the Intangible Instructional Materials, described in Section 2.2 below.

- 1.16 **"Intellectual Property"** shall mean collectively, rights under patent, trademark, copyright and trade secret laws, and any other intellectual property or proprietary rights recognized in any country or jurisdiction worldwide now or in the future, including but not limited to, moral rights and similar rights, and shall in all cases include marketing data and materials and other related collateral developed by CA, regardless of whether such data, materials and collateral are developed specifically for the Charter School.
- 1.17 **"Learning Coach"** shall mean a parent or legal guardian of the Student or another adult specifically designated by the Student's parent or legal guardian, or the Student where over 18 or emancipated, who will perform the responsibilities as defined in the Parent/Legal Guardian (Caretaker) Acknowledgement, Designated Learning Coach Agreement or Eligible Student Acknowledgement, respectively, and the School Handbook, both of which shall be reviewed and approved annually by the Charter School Board. Learning Coaches are not employees or contractors of either the Charter School or CA and shall not receive any compensation for their services.
- 1.18 **"Performance Review"** shall mean a review of CA's performance under this Agreement, conducted at the Charter School's discretion; the design of the review, performance criteria and the methodology shall be developed by the Charter School in consultation with CA.
- 1.19 **"Personalized Learning Plan" or "PLP"** shall have the meaning set forth in Section 3.1 of this Agreement.
- 1.20 **"Related Services"** – shall mean services related to the provision of speech therapy, occupational therapy, physical therapy, counseling, social skill development, psycho-educational evaluations, closed captioning, sign language interpreting, transition and job coaching, academic support for the vision and hearing impaired, adapted physical education, assistive technology, and other services of a similar nature.
- 1.21 **"School Calendar"** shall be the days when the Educational Services under this Agreement will be delivered to Students, Teachers and Learning Coaches as defined by the School Handbook. CA will operate on those days established to be the School Calendar for the Academic Year, except that Students may continue to report attendance during scheduled school holidays to the extent permitted under Michigan law. The School Calendar for each Academic Year is subject to prior approval by the Charter School Board and shall meet any regulatory requirements for days and hours of instruction required by law or regulation.
- 1.22 **"Special Education Director"** shall mean the person employed to oversee the Special Education Services per Section 3.13 below. It is the Special Education Director's responsibility to keep informed of (and to inform CA of) any state legislative or regulatory enactments that impact the provision of Special Education Services, as well as to supervise the special education Teachers and implement a CA approved model for special education instruction.

- 1.23 **Special Education Protocols** shall mean the policies, procedures and protocols that govern the provision of Special Education Services and shall, at a minimum, comply with applicable state and federal law requirements.
- 1.24 **Special Education Services** shall mean all necessary special education programs and services, including the development and implementation of IEPs and Section 504 plans, handling administrative proceedings and specialized services, submitting state or federal reports, applying for and administering supplemental funding, providing other Related Services and all other administrative services associated with the delivery of services to Special Needs Students.
- 1.25 **Special Needs Students** shall mean students who have been identified as disabled under the Federal Individuals with Disabilities Education Improvement Act, as amended ("IDEIA") or Section 504 of the Federal Rehabilitation Act of 1973.
- 1.26 **Students** shall mean the children who are enrolled in the Charter School.
- 1.27 **Student Records** shall mean those "educational records" as defined in the Family Education Rights and Privacy Act ("FERPA"), 20 USC 1232 g (a)(4)(A), which the Charter School or CA is required to retain in accordance with state law.
- 1.28 **Teachers** are persons who provide educational instruction to Students.
- 1.29 **Term** shall have the meaning set forth in Section 6 of this Agreement.

2. Educational Products to be Provided by CA.

During the Term, CA shall provide or cause to be provided to the Charter School the following Educational Products at the prices set forth in Section 10, which may be adjusted from time to time at the mutual agreement of both Parties:

2.1 **Tangible Instructional Materials.** A non-exclusive, non-transferable, royalty-free, sub-license to use tangible educational materials, which may include items such as textbooks, novels, science kits and other tangible educational materials provided during each applicable Academic Year during the Term of this Agreement ("Tangible Instructional Materials"). The Tangible Instructional Materials shall be reviewed and approved annually by the Charter School Board. Charter School acknowledges and agrees that CA, its Affiliates and/or their vendors are the sole owners of the Tangible Instructional Materials and that any payments to CA for the use of the Tangible Instructional Materials shall be solely for the applicable Academic Year for each Student and/or Teacher who receives Tangible Instructional Materials in connection with the provision by CA of the Educational Products and Services under this Agreement. This Agreement does not constitute a transfer of title or ownership rights by CA to the Charter School or to the Students or Teachers in the Tangible Instructional Materials. All right, title, and interest in and to the Tangible Instructional Materials and any content contained in the Tangible Instructional Materials, including, but not limited to, copyright, patent, trade secret, and trademark rights will remain with CA and/or its vendors. CA shall have the right to recover any reusable Tangible Instructional Materials at the conclusion of each Academic Year or when the Student is no longer enrolled, whichever is sooner. CA may invoice Students for any Tangible

Instructional Materials that are not returned, unless prohibited by applicable law. CA and the Charter School shall cooperate to ensure that Tangible Instructional Materials are, to the extent possible, recovered, and that no Student or Learning Coach retains or obtains ownership of any such Tangible Instructional Materials. To the extent that any Tangible Instructional Materials are listed in the Charter School's Program Guide as being available in both physical and electronic form, CA shall provide the Tangible Instructional Materials, at a minimum, in electronic form, and in compliance with any IEP or Section 504 plan.

2.2 Intangible Instructional Materials. A non-exclusive, non-transferable, royalty-free, sub-license to use intangible educational materials that may include items such as online lesson content, lesson plans, Teachlet® tutorials and other intangible educational materials included in any Courses listed in the Charter School's Program Guide during each applicable Academic Year during the Term of this Agreement ("Intangible Instructional Materials"). The Intangible Instructional Materials shall be reviewed and approved annually by the Charter School Board. that the Charter School acknowledges and agrees that CA, its Affiliates and/or their vendors are the sole owners of the Intangible Instructional Materials and that any payments to CA for the use of the Intangible Instructional Materials shall be solely for the applicable Academic Year for each Student and/or Teacher who receives Intangible Instructional Materials in connection with the provision by CA of the Educational Products and Services under this Agreement. This Agreement does not constitute a transfer of title or ownership by CA to the Charter School or to the Students or Teachers in the Intangible Instructional Materials. All right, title, and interest in and to the Intangible Instructional Materials and any content contained in the Intangible Instructional Materials, including, but not limited to, copyright, patent, trade secret, and trademark rights will remain with CA and/or its vendors.

2.3 Computer Hardware and Software. The Charter School may lease from CA for use by authorized Students, Teachers, and Administrative Staff: (a) such computer hardware and/or software that shall meet or exceed any specifications in the Charter Contract or required by law, for each Student who enrolls or household if more than one student in a household enrolls and (b) any hardware and/or software required by Administrative Staff or Teachers (collectively "Hardware and Software"). Any Hardware and Software provided by CA will be the exclusive property of CA or its contractors and will be returned upon the termination of this Agreement or when the Student is no longer enrolled, whichever is sooner. The Hardware and Software may be updated from time to time with the approval of the Charter School Board. The Charter School shall not be responsible for ensuring the return of Hardware or Software supplied by CA to Students but will be responsible for returning any Hardware or Software provided to Administrative Staff or Teachers. However, to the extent that such Hardware or Software is not recovered, CA may invoice Students, or in the case of Hardware or Software provided to Teachers or Administrative Staff, the Charter School, unless prohibited by law for any Hardware or Software not returned. CA and the Charter School shall cooperate to ensure that Hardware and Software are, to the extent possible, recovered, and that no Student, Learning Coach Administrative Staff or Teachers obtain ownership of any such Hardware or Software. The Charter School may also elect to purchase its own Hardware or Software, and contract with CA to manage such Hardware or Software. If the Charter School elects to purchase or lease Computer Hardware and/or Software for use by Students, Administrative Staff or Teachers, it agrees that such Hardware or Software will meet or exceed the same specifications as that offered to the Charter School for lease by CA.

2.4 Office Products and Supplies. The Charter School may request that CA purchase and provide office supplies, office equipment, furniture, and office related products that are not purchased by the Charter School ("Office Products and Supplies"). The Charter School acknowledges and agrees that CA and/or its vendors are the sole owners of any such Office Products and Supplies and this Agreement does not constitute a transfer by CA to the Charter School of such Office Products and Supplies provided under this Agreement. Notwithstanding the foregoing, if the Charter School has asked CA to purchase the Office Products and Supplies on behalf of or as an agent of the Charter School and has paid CA for such Office Products and Supplies, the ownership of the Office Products and Supplies shall transfer to the Charter School. CA will comply with section 1274 of the Code as if the Charter School was making these purchases directly from a third party supplier and CA shall not include any added fees or charges to the cost of the Office Products and Supplies. If the Charter School does not contract with CA to provide such Office Products and Supplies as described in this Section, then the Charter School shall be responsible for providing them at its own cost.

3. Educational Services.

During the Term, CA shall provide or cause to be provided to the Charter School the following Educational Services for the fees set forth in Section 9, which may be adjusted from time to time at the mutual agreement of both Parties:

3.1 Personalized Learning Plan Protocol. The ability for Teachers to create a Personalized Learning Plan ("PLP") for each Student, as required to meet or exceed any educational standards established by the State of Michigan or required by the Charter Contract.

3.2 Assessments. A series of assessments administered to Students to gauge mastery of core concepts and readiness for the State of Michigan's standardized tests including: (a) a placement evaluation; (b) a skills assessment for grades 3 – 8, designed to measure a Student's level against state standards, which will generally be administered to Students enrolled during the first two (2) months of the Academic Year and those enrolled during the last two (2) months of the Academic Year ; (c) other quantitative and qualitative assessments that will vary based on the grade and the Student's progress as shall be mutually agreed upon by the Charter School and CA; (d) Progress Reports that shall be prepared for each Student at least quarterly and shall meet or exceed any specifications in the Charter Contract.

3.3 Standardized Tests. All Students shall be required to participate in the State of Michigan's standardized tests to the same extent as students enrolled in any other Michigan public school. CA shall be responsible for establishing a testing plan that provides reasonable access to testing sites based on the Student's residence that shall be included in the School Handbook as approved by the Charter School Board. CA shall establish and administer the procedures necessary for the delivery of such tests and shall provide to the Charter School Board information concerning the percentage of Students participating in the testing program to the extent that their participation is legally required.

3.4 Administrative Staff.

(a) Lead School Administrator. CA shall employ one or more persons who shall be designated as the "Principal", or in the event there is not a sufficient number of Students to require a full time Principal, then a Teacher may be designated to act as Lead School Administrator until such time as there are a sufficient number of Students. If during the Term of this Agreement there is more than one individual who is designated as "Principal" for the purpose of managing different grade levels, with the approval of the Charter School Board CA may designate a common supervisor, a "Director" to whom the Principals will report. The Principal, if there is only one such position, or the Director if there are more than one Principal, or the Teacher acting as the Lead School Administrator if there is no Principal, shall be hereinafter referred to as the "Lead School Administrator."

(b) Other Clerical or Support Administrative Positions. CA may also employ one or more individuals in clerical or support positions as may be required to support school operations.

(c) Responsibility. The Lead School Administrator shall aim to build consensus among all stakeholders, and hence shall have responsibilities that shall include reporting regularly to the Charter School Board, supervising administrative personnel, inspiring Teachers to teach, Students to learn, and Learning Coaches to engage in their Student's learning. The Teachers shall report to the Lead School Administrator or such individual as shall have been designated by him or her, and the Lead School Administrator shall work primarily under the direction of the CA VP of Schools, or his/her designee, subject to oversight by the Charter School Board. The Lead School Administrator shall comply with CA practices and protocols in the delivery of the Educational Services and shall report to CA as to the operation of the School.

(d) Lead School Administrator Approval. The Charter School Board shall have the right to request that CA replace the Lead School Administrator in the event that the Charter School Board is dissatisfied with his or her performance, and so notifies CA in writing. In that event, CA shall promptly take steps to replace the Lead School Administrator. In addition, CA may replace the Lead School Administrator at any time. Any replacement of the Lead School Administrator will be done so as to minimize the disruption to Students.

(e) Other Administrative Staff. CA may also employ one or more persons who shall be designated as Assistant Principals. Such staff shall report to the Lead School Administrator or his or her designee. Other Administrative Staff shall be employed in the same manner as Teachers and may also act as Teachers in addition to their other responsibilities, to the extent they hold the necessary qualifications and certifications to act as Teachers.

(f) Contracted Services. CA shall provide human resources services including recruiting, payroll (including paying the Administrative Staff directly, collecting and remitting taxes, etc.), benefits administration, supervision and liability insurance, etc. CA agrees to require the submission of fingerprints for each employee or prospective employee, and to otherwise meet any other applicable regulatory requirements.

3.5 Teaching Staff.

(a) Employment of Teachers. CA will employ one or more persons designated as Teachers. CA shall be responsible for recruiting, training, and assigning Teachers. All Teachers

shall hold a valid Michigan teaching certificate, permit or other document required by Michigan. These requirements may be waived with the prior written approval of the Charter School Board: (a) for Students enrolled in the accredited International Connections Academy private school in elective Courses for which there is insufficient demand to support a full-time Teacher, or (b) only with respect to electives, where there is no Michigan-certified Teacher available to teach the Course. In order for Students to receive transfer credit for such Courses, it must be approved by the Charter School Board. CA and the Lead School Administrator will have all day-to-day responsibility for the selection, supervision, oversight, discipline and dismissal of the Teachers.

(b) Contracted Services. CA will provide human resources services including recruiting, payroll (including paying the teaching staff directly, collecting and remitting taxes, etc.), benefits administration, supervision and liability insurance, etc. CA agrees to require the submission of fingerprints for each employee or prospective employee, and to otherwise meet any other applicable regulatory requirements.

(c) Teacher Performance/Conduct. The Charter School Board may, at any time, request that the Lead School Administrator promptly investigate and take action to address any complaints or concerns regarding the performance or conduct of any Teacher. The Lead School Administrator shall provide a prompt report to the Charter School Board and CA on any and all actions taken in response to such a request. In the event the Lead School Administrator fails to take timely action to respond to the complaints or concerns raised and make a report, or in the event the actions taken by the Lead School Administrator are deemed inadequate, the Charter School Board may require the removal or replacement of a Teacher within sixty (60) days of any written request or immediately upon written notice in the event the Charter School Board believes there is a risk of any illegal conduct, or a risk to the health or safety of any Student and so notifies CA in writing.

3.6 Community Coordinator(s) and Group Activities. CA shall recruit individuals willing to volunteer their services to coordinate community activities that allow Students to apply their academic skills while interacting with other Students in their immediate geographic area ("Community Coordinator"). These activities will be opportunities for support, socialization and learning. Prior approval for these events must be obtained from the Lead School Administrator and permission slips or signatures must be collected for each Student. The main communication tool for Community Coordinators will be the message boards or other medium for such communications maintained by CA. The Community Coordinator shall be responsible for posting timely and relevant information in these message boards, or other medium for such communications maintained by CA, moderating discussions and reporting any inappropriate or dangerous behavior to the Lead School Administrator or his or her designee. Community Coordinators shall not be considered employees or contractors of CA or the Charter School. Neither CA nor the Charter School shall be responsible for providing transportation to these group activities or otherwise providing for the cost of such activities, unless otherwise agreed or mandated by the individualized education plans ("IEP's"). The local Community Coordinator shall work with Teachers, parents and Students to enrich the learning experience and distribute information about their local community. CA shall be responsible for obtaining background checks required under state law or regulation for Community Coordinators.

3.7 Notification to the Charter School Board. The Charter School Board shall be informed of the level of compensation and fringe benefits of all Administrative Staff and Teaching Staff, provided to the Charter School, provided that such information is held in a confidential manner to the extent permitted by law.

3.8 Educational Resource Center. CA shall provide access to additional educational support staff in the areas of special education, gifted education and curriculum services with such staff being available to Teachers, Learning Coaches and Students, according to the terms of the School Handbook and other policies and procedures established by CA. Such resources will be available via email and toll-free telephone during the School Calendar, during the hours of 9 a.m. to 6 p.m. Eastern Time.

3.9 Instructional Staff Support and Development. All Teachers will receive access to all Instructional Materials supplied to Students as necessary to conduct their teaching responsibilities. Board Members, Administrative Staff, the Special Education Director and Teachers (collectively "Charter School Staff") will be trained in CA protocols and other best practices. In addition, as part of its fee for Educational Services paid to CA, CA will make available to Charter School Staff continuing professional development and other related training, leadership development and peer to peer networking opportunities (collectively "Training") that support the Charter School mission and delivery of the Educational Services and which shall be sufficient, at minimum, to allow the respective Charter School Staff to comply with applicable Michigan statutes and regulations that specify Training requirements. To the extent the Charter School will be required to cover travel, housing and related expenses in connection with such Training, CA will inform the Charter School of those expenses the Charter School will be required to cover at the time CA notifies the Charter School of the Training opportunity.

3.10 Learning Management System. CA will provide to the Charter School a non-exclusive, nontransferable, royalty-free, limited sub-license during the Term of this Agreement for the use of Connexus[®], its Learning Management System ("LMS") by Administrative Staff, Teachers, Students, Learning Coaches and other individuals required to access the system in order to provide the Educational Services in this Agreement. CA may update the features and functions of the LMS from time to time. The Charter School acknowledges and agrees that CA, its Affiliates, and/or their vendors are the sole owners of the LMS through which certain of the Educational Services are delivered and any content contained in the LMS is owned by CA, its Affiliates and/or their vendors. This Agreement does not constitute a transfer by CA to the Charter School, Administrative Staff, Teachers, Students or Learning Coaches of any Intellectual Property rights in its LMS or any content contained in the LMS. All right, title, and interest in and to the LMS and any content contained in the LMS, including, but not limited to, copyright, patent, trade secret, and trademark rights will remain with CA, its Affiliates and/or their vendors.

3.11 Technical Support and Maintenance. CA shall provide technical support and maintenance of any Hardware and Software provided by it to Students toll-free via e-mail and telephone during the School Calendar days, during the hours of 9 a.m. to 6 p.m. Eastern Time. CA will only be responsible for providing repairs according to the policies outlined in the School Handbook as approved by the Charter School Board. For Students using their own computer hardware and software, CA shall provide technical support for non-CA supplied hardware and software initially to make sure that Students have the minimum requirements necessary to

participate in the Educational Services and then shall continue to provide Technical Support as necessary to support the Students' use of the Learning Management System. CA may contract with outside vendors for the provision of technical support and maintenance as required herein.

3.12 Student Records. CA shall provide maintenance of Student Records in accordance with state, local and federal requirements. CA shall maintain the confidentiality of all Students' records in compliance with applicable state, local and federal laws and regulations and pursuant to the confidentiality Section of this Agreement. CA shall maintain such records as are required to comply with all attendance rules and apportionment requirements specified by applicable law or regulations. All Student Record information shall remain the property of the Charter School and, to the extent not immediately available to the Charter School, shall be provided to the Charter School within five (5) business days of the Charter School's written request for such information. CA may retain a copy of such records subject to the confidentiality requirements of this Section.

3.13 Services to Special Needs Students. CA and the Charter School shall work together to ensure compliance with applicable laws concerning services to Special Needs Students. CA shall be responsible for ensuring the provision of Special Education Services in a manner that complies with state and federal law. CA will employ a Special Education Director who will be responsible for overseeing the Charter School's Special Education Services, including developing and implementing the Special Education Protocols, oversight of all personnel involved in the provision of Special Education Services, including the Charter School's Section 504 coordinator, and all outside contractors retained for such purposes. The Special Education Director shall report to the Lead School Administrator. The Charter School shall have the right to request that CA replace the Special Education Director in the event that the Charter School is dissatisfied with his or her performance, and so notifies CA in writing. In that event, CA shall promptly take steps to replace the Special Education Director. In addition, CA may replace the Special Education Director at any time. In addition to their responsibilities as Special Education Director, the Special Education Director may also act as the 504 coordinator and/or a Teacher, to the extent qualified to do so.

3.14 Office Facilities and Services.

(a) The Charter School may contract with CA to provide and/or maintain in good working order one or more offices, capital equipment or furniture and fixtures. Any office space provided or managed by CA shall be ADA-compliant and meet any other requirements of the Charter Contract, Code, or regulation. The locations, lease terms, and capital purchases required for all facilities provided under this Agreement will be subject to the approval of the Charter School Board. CA agrees that it will have no beneficial financial interest in any approved lease. All leases negotiated on behalf of the Charter School or entered into by CA on behalf of the Charter School shall contain a cancellation clause consistent with the requirements of the Charter Contract, unless otherwise approved by the Charter School Board. In addition, in the event that this Agreement is terminated prior to its expiration, if CA has entered into the facility lease for the Charter School, CA shall have the unilateral option to assign any lease obtained on behalf of the Charter School to the Charter School and the Charter School Board shall accept any such assignment, subject to landlord approval if such approval is required, and any capital equipment or furniture and fixtures owned by CA and located in the facility may be purchased by the

Charter School at the then-current book value. If CA has entered into the facility lease for the Charter School, CA shall permit Charter School to hold public meetings of the Charter School at such offices, without payment of rent.

(b) If the Charter School does not elect to contract with CA to provide or manage its facilities and capital equipment, furniture and fixtures, then the Charter School shall be responsible for providing them at its own cost and shall ensure that access to any facility that it maintains shall be ADA-compliant. Further, liability insurance for any facility leased directly and/or managed by the Charter School and any capital equipment or furniture and fixtures owned by the Charter School will be the responsibility of the Charter School.

(c) The Charter School may contract with CA to provide telephone service, data lines, including Internet access, and such other similar services used by personnel who are engaged in providing Educational Services under this Agreement.

3.15 Financial and Other Reporting. CA will provide treasury and accounting reports for all CA activities under this Agreement and such other Charter School activities as may be reasonably requested by the Charter School, at each Board Meeting but no less than quarterly. Such reports shall include a detailed reconciliation of budgeted to actual revenues and expenditures, with an explanation of variances, and a detailed schedule of expenditures at object level for review and approval by the Charter School Board. CA will be responsible for providing to the Charter School Board any such reports as are required by law or regulation, and will assist in providing any information required by the Authorizer, the Michigan Department of Education, or its auditors. Information on the performance of the Charter School and its Students shall be provided to the Charter School Board as required or upon request upon reasonable advance notice to enable the Charter School Board to monitor CA's performance. CA shall provide all finance and other records related to the Charter School, to the Charter School's independent auditor upon request. CA shall also respond to requests for public records, subject to the ultimate control of the Charter School. Except as permitted under the Charter Contract and applicable law, this Agreement shall not restrict the Authorizer's or the public's access to Charter School's records. CA shall make information concerning the operation and management of the Charter School, including without limitation but not limited to the information described in Schedule 8 of Charter School's Charter Contract, available to the Charter School Board as deemed necessary by the Charter School Board in order to enable Charter School to fully satisfy its obligations under the Charter Contract. The reports required under this section shall be in a form and format reasonably acceptable to the Charter School Board and are to be provided to all Charter School Board members not less than three working days prior to the Charter School Board meeting at which the information will be considered, unless otherwise agreed by the parties and except where such report cannot be provided in such time frame and CA so advises the Charter School Board of the reasons why the report must be delayed.

3.16 Management of Hardware and Software. In the event that the Charter School leases any Hardware and/or Software from CA, it shall separately contract with CA for the management of such Hardware and Software. In the event that the Charter School purchase its own Hardware and/or Software, it shall separately contract with CA for the management of such Hardware and/or Software unless the Charter School agrees in writing to provide management services

comparable to those provided by CA and to assume all liability related to any failure by the Charter School to provide such management services.

3.17 Management of Instructional Materials. CA will provide for the management of the Tangible and Intangible Instructional Materials, which shall involve procurement, contracting, storage, fulfillment, and other services required to obtain and deliver such Tangible and Intangible Instructional Materials.

3.18 Management Services. CA will be responsible to provide the administrative support necessary to deliver the Educational Products and Services for which it will be entitled to a management fee as defined in Section 9. CA will have the right to add applicable charges for any new or additional services not previously provided for under this Agreement or the Fee Schedule described in Section 9.

3.19 Non-delegable duties. Notwithstanding anything to the contrary in this Agreement, if any service, responsibility, duty, power or authority delegated by the Authorizer or the Charter School Board to CA pursuant to this Agreement may not be so delegated under applicable law, such delegation shall be null and void and the Parties shall adjust the financial terms of this Agreement accordingly.

3.20 Other. CA will be responsible to provide such other services not specifically described herein but which are required by the Charter. CA will have the right to add applicable charges for any new or additional services not previously provided for under this Agreement or the Fee Schedule described in Section 9. To the extent that any of the terms, conditions, or provisions of the Charter conflict or are inconsistent with the provisions of any other paragraph or section of this Agreement, whether or not such inconsistency is expressed or noted herein, the provisions of such other section or paragraph of such Charter shall in all instances prevail over the provisions of this Agreement, subject to adjustment of the Fee Schedule to account for any new or additional services not covered by the Fee Schedule.

4. Services Provided to CA by the Charter School.

4.1 Compliance with Law and Regulation. The Charter School and the Charter School Board shall conduct all such oversight activities as are required by the Code or other applicable law and regulation, including meeting any requirements in the Charter Contract or imposed on it by its Authorizer, conducting all required board meetings in accordance with any applicable open meeting laws or regulations, and acting in compliance with its charter and bylaws.

4.2 Other Services. The extent that the Charter School elects not to contract with CA for any of the products or services provided for in this Agreement, it shall provide such products or services consistent with any requirements of Code or other applicable law and regulation and any requirements in the Charter Contract.

4.3 Insurance. The Charter School shall comply with any insurance provisions as set forth in Section 15 and the Charter Contract.

5. Eligible Students.

- 5.1 Admission Requirements. Any child qualified under the laws of the state of Michigan for admission to a public school is eligible to become a Student under this Agreement, subject to any applicable limitations in law or regulation, and subject to verification of their residency or other requirements established by law or regulation. CA will not charge tuition and shall not charge any other fees unless approved by the Charter School.
- 5.2 Number. The Charter School Board shall establish the number of Students to be enrolled during each Academic Year and CA shall not exceed that number without specific approval from the Charter School Board, and the Authorizer, if applicable. In addition, CA may limit the number of Students in each grade served under this Agreement to conform to the Budget approved by the Charter School Board.
- 5.3 Priority. Any limit on the number of Students who may enroll shall be communicated to interested parents and students prior to their enrollment, including any procedure for conducting a lottery. Once enrolled, Students will not be required to reapply in subsequent Academic Years, but will need to complete information confirming their intent to return, in accordance with the terms of the School Handbook.
- 5.4 Recruiting and community education. CA will be responsible for developing a plan for periodic community informational meetings and correspondence as required to recruit Students and to inform other interested parties about the Charter School. All such recruiting and community education activities are subject to prior review and approval by the Charter School Board.
- 5.5 Public website. CA will maintain a public web site on behalf of the Charter School that will contain any information required by the Code and which will describe the Educational Services.
- 5.6 Enrollment. The Charter School delegates to CA responsibility for accepting Students into the School. However the Charter School has no responsibility to pay CA for any Students who are admitted who are not Eligible. CA shall maintain a list of the Enrolled Students on behalf of the Charter School and shall provide such list to the Charter School Board and/or Authorizer immediately upon request. The list shall include all required information for the Student Record.
- 5.7 Full-time Status. Students shall be permitted to enroll in the Charter School exclusively on a full-time basis. Dual or part-time enrollment will not be permitted except by prior written agreement by CA and the Charter School (and, if applicable, the Authorizer), and neither Party shall have any obligation to accept a dual or part-time enrollment or provide any payment for services provided by other parties.
- 5.8 Disenrollment. A Student may withdraw from the Charter School at any time during the Academic Year. Students who do not comply with the terms of the School Handbook may also be disciplined in accordance with such Handbook and Michigan law (provided that CA shall provide due process to students and student discipline hearings in conformity with the requirements of Charter School's Charter Contract and applicable law regarding discipline, special education, confidentiality and access to records, and provided further that the Charter

School Board shall retain the right to provide due process as required by law). CA will use its reasonable best efforts to collect any information required by law or regulation concerning the disciplinary actions taken by the Charter School. CA will report on the status of enrollment to the Charter School Board monthly during the Academic Year or whenever requested by the Charter School Board. CA will be responsible for reimbursing any state and federal funds that it has received to the extent such funding is disallowed as a result of a Student's disenrollment.

6. Term and Termination.

6.1 Renewal Term. The renewal term of this Agreement shall commence upon the Effective Date and shall expire on the day coterminous with the expiration of the Charter, and is subject to further renewal as agreed to by the parties and allowed by applicable law (the "Term").

6.2 Early Termination. Except as specifically provided for herein, this Agreement can only be terminated before its expiration as follows:

- (a) by both Parties if they agree in writing to the termination;
- (b) by either Party, if one Party materially breaches this Agreement and fails to cure such breach within thirty (30) days following written notification of such breach from the other Party;
- (c) by CA, if the payments to which CA is entitled under Section 9 of this Agreement are materially reduced as a result of a change in funding provided to the Charter School or applicable law or regulations impose requirements that are materially different from those previously provided under this Agreement and CA is unwilling or unable to make the required changes;
- (d) by CA, if there are irreconcilable differences with respect to the manner in which CA and/or the Charter School carries out its responsibilities under the terms of this Agreement;
- (e) automatically, without further obligation to either party, if the Charter Contract is terminated, suspended, revoked, or non-renewed, provided that such event does not release the Charter School of any payment obligations to CA which have arisen prior to or arise upon such termination;
- (f) by the Charter School, if the Charter School Board determines at the end of an Academic Year that the Educational Products and Services do not meet the requirements for a cyber-academy or school of excellence, as defined by applicable laws and regulations, but only if CA is unable to cure such deficiency within a reasonable time after being given reasonable notice thereof and the opportunity to cure any alleged failure to meet such requirements;
- (g) by the Charter School, if the Charter School determines, after a Performance Review, in the Charter School's sole reasonable discretion, that this Agreement should be terminated for failure to perform but only if CA is unable to cure such deficiency after being given reasonable notice thereof, specifying in detail the deficiency and the opportunity to cure any alleged deficiency in performance. The determination as to whether CA has cured the deficiency shall be made in the sole reasonable discretion of the Charter School; provided,

however, that such determination shall be made by the Charter School by no later than March 1; or ;

(h) by CA, in the event that the Parties fail to agree on a Budget in accordance with Section 9; and

(i) by either Party, if the Charter School is no longer authorized by the Authorizer as required by applicable Michigan law and regulation.

6.3 Notice of Termination. In the event of a termination of this Agreement prior to its expiration, written notice by certified or registered mail, return receipt requested, no later than April 1 of the then current Academic Year shall be provided and shall list the reason(s) for termination and the effective date of the termination. Termination shall only occur at the end of an Academic Year except if such termination is the result of Section 6.2 (b), (c), (d) or (f).

6.4 Obligations on Termination. In the event this Agreement is terminated by either Party for any reason: (a) CA shall assist and cooperate with the Charter School in transitioning the provision of Educational Products and Services from CA to the Charter School or another service provider so as to minimize the disruption to Students, (b) each Party will promptly (not later than thirty (30) days after the effective date of termination) return to the other Party all Confidential Information, property and material of any type belonging to the other Party, including but not limited to, electronic versions, hard copies and reproductions and will not retain copies of any such property or material except as may be expressly permitted in this Agreement or required by applicable law, (c) all access to the LMS and other Educational Products and Services shall be discontinued, (d) CA shall provide copies of all Student Records to the Charter School not otherwise in the Charter School's possession at no additional cost, and (e) the Charter School shall pay CA all amounts due under this Agreement upon the earlier of their due dates or thirty (30) days after the effective date of termination.

7. Representation Regarding Non-discrimination.

Neither CA nor the Charter School nor the Charter School Board will discriminate against any person on the basis of race, creed, color, sex, national origin, religion, ancestry, sexual orientation or disability, or any other basis prohibited by federal or Michigan law.

8. Health and Safety.

CA specifically acknowledges that it shall not do anything to interfere with and shall assist the Charter School in its responsibility to adhere to the following standards regarding health and safety:

(a) Reporting child abuse or neglect of which it has reasonable suspicion, as required by state law;

(b) Adopting policies prohibiting the use of drugs, alcohol and tobacco on school grounds or at school events; and

(c) Complying with all state immunization laws.

9. **Financial Terms.**

9.1 **Payments.** The following shall represent the financial responsibilities between the Parties.

(a) As compensation for the Educational Products and Services provided by CA under this Agreement, CA and the Charter School shall negotiate in good faith a schedule of fees for services (the "Fee Schedule") for each year of the Term that shall apply to the following Academic Year. Upon the approval of such Fee Schedule, the Parties shall acknowledge and agree that the amounts are reasonable, necessary and fair market value compensation for services rendered. To the extent that the Fee Schedule includes any fees that are based on a "percentage of revenue", such fees shall be assessed against funds received by the Charter School from all governmental sources received by the Charter School from whatever source, whether from state, local, or federal government agencies, including but not limited to Title I funds, grants, income or other funding sources (the "Revenues" and together with all Revenues in a given Academic Year, collectively "Total Revenues").

(b) Any costs required by the Charter Contract not specifically included in this Agreement shall be paid by the Charter School.

(c) The Parties may agree to have CA act as its payment agent for various other expenditures not included in the Fee Schedule. CA will be entitled to reimbursement for these expenses on a monthly basis as they are incurred upon the submission of appropriate documentation.

(d) CA will invoice the Charter School monthly according to the Fee Schedule. Payment will be due within five (5) business days of action by the Charter School Board which shall use its best efforts to review and approve invoices within thirty (30) days of receipt. CA may charge interest at the rate of one and one half percent (1.5%) per month for any invoices over sixty (60) days unless such failure to pay is the result of funds being withheld from the Charter School due to a failure by CA to perform under the terms of the Agreement, or if the Charter School has insufficient funds to pay the invoice as the result of outstanding receivables, deferred payment by the State or Authorizer of funding due, or if the Charter School is disputing any charges. The Charter School shall notify CA of the basis for any dispute within five (5) days of determination of such dispute and shall work to resolve the dispute within thirty (30) days. All amounts other than any amount in dispute shall be paid according to the terms herein. Funds shall also be subject to adjustment based on any adjustments to Student counts as a result of an audit by the State of Michigan. Any differences in amounts that were previously paid under this Agreement as a result of such audits shall only be applied to or against the next payment or payments otherwise due under this Section.

(e) To the extent that any adjustments as a result of a state audit are the result of CA's failure to adequately perform its responsibilities under this Agreement or the Charter Contract, CA will be required to either (i) return any required funds to the Charter School as required by the Authorizer or (ii) to the extent that funds are withheld from future payments to the Charter School, reduce payments otherwise due to CA by the amount that funding is withheld.

(f) The parties acknowledge and agree that any marketing and marketing development costs paid by or charged to the Charter School under this Agreement shall be limited to those costs specific to the Charter School's Educational Products and Services, which may include allocation of expenses related to items such as the program guide/description materials and online search activities, and shall not include any costs for the marketing and marketing development of CA.

9.2 Protection Against Deficits. In the event that as of June 30 of any year during the Term, Total Revenues are less than the Charter School's expenditures, including payments to CA as well as those incurred and paid by the Charter School, but excluding any payments for capital expenditures (the "Total Expenditures"), and in the event that the Charter School does not have positive Net Assets (as defined in its annual audited financial statements) sufficient to offset the difference between Total Revenues and Total Expenditures, to the extent that any expenditures in excess of Total Revenues were included in the balanced budget or were subsequently approved by both Parties in an amended budget, CA shall issue a credit or make a cash payment to the Charter School to the extent required to maintain positive Net Assets at least equal to Ten Thousand Dollars (\$10,000) as of each June 30 during the Term of this Agreement. To the extent that the Net Assets at the end of any June 30 exceeds Ten Thousand Dollars (\$10,000), and in the event that credits have previously been issued and not repaid, CA shall be entitled to the repayment of any such credits without interest. Any such credit or cash payment made by CA to Charter School pursuant to this section shall be documented by a separate agreement.

9.3 Budgets. No later than the earlier of June 1 or fourteen (14) working days prior to any regulatory or Charter Contract requirement to file a budget, CA agrees that it will present to the Charter School a balanced budget (i.e. not resulting in a cumulative net asset deficit) for the following fiscal year. The Budget shall be in reasonable detail, shall meet all regulatory reporting requirements, be consistent with all applicable laws, and shall be based on the applicable Fee Schedule. In the event that the Charter School and CA do not agree with the proposed balanced budget, the Parties agree to work together in good faith to resolve any disagreements by the earlier of June 30 or such date as is required by any regulatory requirement or the Charter Contract for the budget submission. The Charter School Board shall be responsible for determining the budget reserve amount included as part of the Charter School's annual budget. In addition, the Charter School Board is responsible for implementing fiscal policies that will assist the Charter School in attaining the stated budget reserve amount. The parties acknowledge and agree that any reserve amount less than 3% of anticipated State School Aid will require the approval by the Authorizer, unless such reserve would cause the Charter School to fail to meet its current financial obligations. For the purposes of this paragraph, approval will include non-disapproval of the Charter School budget as submitted to the Authorizer.

9.4 Breakdown of Charges. No later than September 30 of each year during the Term, CA will provide to the Charter School a breakdown of its charges including a breakdown between Tangible and Intangible Instructional Materials, and amounts charged for staff compensation, EMS, Computer Hardware and Software, etc. This shall not change the amounts due to CA by the Charter School, but shall provide the Charter School with support for the charges for the products and services provided by CA.

9.5 Receipts and Expenditures for Title Funding, Special Education, Gifted Education, Grants etc. To the extent that the Charter School is eligible to receive additional revenue over and above the State funding amounts, the Charter School may contract with CA to assist the Charter School in collection of such funds on behalf of the Charter School and will make any required disbursements in accordance with its responsibilities as required under this Agreement or by law. When CA is assisting the Charter School with collecting such funds, the Charter School shall at all times be the recipient of such funds.

9.6 Sales Tax. The Charter School shall provide CA with support that it is tax exempt. To the extent that the Charter School is not tax exempt, the Charter School shall be responsible for federal, state, or local taxes assessed, if any, based on the Educational Products and Services provided to the Charter School under this Agreement.

10. Internet Access.

Each Student shall have access to the Internet for a sufficient amount of time to complete the instructional program (including assignments, online communication and collaboration, research and access to supplemental online resources). The level of access required is determined by the nature of the curriculum (e.g., the amount of print material) and the developmental level of the child (e.g., what may be appropriate for an eighth grader may not be appropriate for a first grader). At a minimum, access will include one computer connected to the Internet per household. In the event that an Internet subsidy is approved for a household based upon criteria established by the Charter School and is included in an applicable Fee Schedule in accordance with Section 10, CA shall reimburse each Student's parent or legal guardian for all or part of the cost of Internet access at the rate specified in the Fee Schedule. Payment will be made in accordance with the policy outlined in the School Handbook. Any Internet subsidy provided may be updated from time to time with the approval of the Charter School Board.

11. Confidential Information.

11.1 Confidential Information Defined. As used in this Agreement, "Confidential Information" means all information and any idea in whatever form, tangible or intangible, pertaining in any manner to the business of a disclosing Party (or any of its affiliates) or to a disclosing Party's customers or business partners unless it : (a) was generally known to the public on the Effective Date; (b) becomes generally known to the public after the Effective Date, other than as a result of the act or omission of the receiving Party; (c) was rightfully known to the receiving Party prior to its receipt thereof from the disclosing Party; (d) is or was disclosed by the disclosing Party generally without restriction on disclosure; (e) was received from a third party without that third party's breach of agreement or obligation of trust; or (f) must be disclosed by applicable law. It is acknowledged that the following information will be included, without limitation, in the definition of Confidential Information, whether in written or verbal form, and including electronic data recorded or retrieved by any means: (1) educational content, curricula, teaching outlines, lesson plans, testing processes and procedures; (2) Student Records and other student-related personal information; (3) information regarding business strategy and operations such as business plans, marketing strategies, outreach plans and sales information, pricing information and customer and prospect lists, the identities and locations of vendors and consultants providing services or materials to or on behalf of the disclosing Party;

(4) information regarding product development such as product designs and concepts, development methods, computer software, inventions and other work product; (5) financial information such as budget and expense information, economic models, pricing, cost and sales data, operating and other financial reports and analysis; (6) human resource information such as compensation policies and schedules, employee recruiting and retention plans, organization charts, disciplinary records and other personnel data; (7) the terms of this Agreement; and (8) other similar non-public information that may provide the disclosing Party with a strategic advantage or could harm the disclosing Party if publicly disclosed.

11.2 Obligation to Protect. To the extent permitted by law, the Charter School shall maintain the confidentiality of the Confidential Information. Receiving Party agrees to use and disclose Confidential Information only as required in performing its obligations under this Agreement and for no other purpose and to hold all such Confidential Information in the strictest confidence, and except with the prior written authorization of the disclosing Party, not to (a) disclose it to any person, firm or corporation, or (b) use it for the benefit of anyone other than for the disclosing Party. Notwithstanding the foregoing, the Charter School shall be permitted to make such disclosures and retain such materials as is required for the Charter School to comply with applicable laws and regulations, and in accordance with Section 3.12. CA shall make such information and facilities available to authorized Charter School personnel, the Authorizer, Michigan regulatory authorities, and any other person, as required to comply with applicable laws and regulations, and in accordance with Section 3.12.

11.3 Protection of Student Records. The Parties acknowledge and agree that under Michigan law and 20 U.S.C. § 1232g, the Family Educational Rights and Privacy Act ("FERPA") including any regulations promulgated thereunder, each Party has certain obligations with regard to maintaining the security, integrity and confidentiality of "education records", as that term is defined by FERPA. The Parties agree that they shall perform their obligations under this Agreement in compliance with FERPA and any regulations promulgated thereunder. The Parties designate the staff, employees and volunteers who are providing educational and/or administrative services to the Student as agents of the Charter School having a legitimate educational interest and thus entitled to access to educational records under FERPA. The Parties shall also maintain Student Records in accordance with any other applicable state, local and federal laws and regulations.

11.4 Remedy for Breach. The Parties acknowledge that monetary damages may not be a sufficient remedy for unauthorized disclosure of Confidential Information and that a disclosing Party shall be entitled, without waiving any other rights or remedies, to such injunctive or equitable relief as may be deemed proper by a court of competent jurisdiction.

12. Ownership of Intellectual Property and Tangible Personal Property Supplied by CA.

12.1 Intellectual Property. Charter School owns all proprietary rights to curriculum or educational materials that (i) are both directly developed and paid for by Charter School; or (ii) were developed by CA at the direction of the Charter School Board with Charter School funds dedicated for the specific purpose of developing such curriculum or materials. Notwithstanding the foregoing, Charter School shall own no proprietary rights over curriculum or educational materials previously developed or copyrighted by the CA, or curriculum or educational materials

that are developed by CA using funds from Charter School that are not dedicated for the specific purpose of developing Charter School curriculum or educational materials. Additionally, Charter School acknowledges and agrees that CA or its licensor is the sole owner of the LMS and CA, its affiliates, and/or its contracted vendors are the owners of any Intangible Instructional Materials and other content contained in the LMS ("Content") made available pursuant to Section 2.2. The Charter School will acquire no rights in trademarks, patents, copyrights or trade secrets or other Intellectual Property related to the LMS, the Intangible Instructional Materials, the Content, or the Educational Products and Services by reason of the Charter School's use of the same in connection with this Agreement, and the parties acknowledge and agree that no such rights are intended to be conferred by this section. Should Charter School desire that CA develop curriculum or educational materials for the Charter School, CA and Charter School will enter into a separate agreement outlining the rights and obligations of each party, including the ownership rights for any intellectual property created as a result of such arrangement. The parties acknowledge and agree that CA's educational materials and teaching techniques owned by Charter School may be subject to disclosure under the Code and Freedom of Information Act.

12.2 Tangible Personal Property. This Agreement does not constitute a sale or other transfer to the Charter School of any Educational Products supplied by CA pursuant to Section 2. All right, title, and interest in and to such Educational Products will remain with CA. The Charter School grants, and agrees to cause its employees and agents to grant, to CA and its successors and assigns, the non-exclusive perpetual, irrevocable, worldwide and royalty-free license to use (including to provide Educational Products and Services), modify, market and create derivative works based upon any instructional or other copyrightable materials created by employees and agents of the Charter School, without identifying or seeking the consent of the Charter School or any of its employees or agents. Any such derivative works created shall be the sole property of CA and its transferees.

12.3 Trademarks. CA or its Affiliates are the owner of various trademarks, service marks, logos and/or trade names used in its business of providing Educational Products and Services, as specified at <http://www.connectionsacademy.com/Libraries/PDFs/CACCommonLawTrademarks.pdf> (collectively, the "Licensed Marks"). CA grants to the Charter School a non-exclusive, non-transferable, royalty-free license to use the Licensed Marks during the term of this Agreement solely in connection with the performance of this Agreement and subject to pre-approval of such use by CA. The Charter School agrees to make reasonable efforts to use of the Licensed Marks in accordance with CA's trademark usage guidelines provided by CA, the most up to date version of which can be found at <http://www.connectionsacademy.com/terms-of-use/trademark-guidelines.aspx>. CA retains all right, title and interest in and to the Licensed Marks and any related proprietary rights not expressly granted to the Charter School hereunder. All goodwill attributable to the Licensed Marks will inure exclusively to the benefit of CA. In the event of a termination of this Agreement, the Charter School agrees to terminate use of the Licensed Marks and amend any publicly recorded and unrecorded documents to remove the name "Connections Academy," the Connections Academy logo and any other Licensed Marks that may be contained therein within sixty (60) days after the effective date of termination, unless otherwise agreed to by the Parties.

13. Indemnification.

13.1 Indemnification by CA. To the extent not covered by insurance and permitted by law, CA shall defend, indemnify and hold the Charter School Board and their respective agents and employees harmless against and from all costs, expenses, damages, injury or loss (including reasonable attorney's fees) to which the Charter School Board and their respective agents and employees may be subject by reason of any wrongdoing, misconduct, negligence, or default by CA, its agents, employees, or assigns in the execution or performance of this Agreement. This indemnification shall not apply to any liability claims or demands resulting from the negligence or wrongful act or omission of any Charter School Board member, officer, agent, or employee. This indemnification, defense and hold harmless obligation on behalf of CA shall survive the termination of this Agreement. Charter School shall have the right, at its own expense, to participate in the defense of any suit, without relieving CA of any of its obligations hereunder.

13.2 Indemnification by the Charter School. To the extent not covered by insurance and permitted by law, the Charter School shall defend, indemnify and hold CA and their respective agents and employees harmless against and from all costs, expenses, damages, injury or loss (including reasonable attorney's fees) to which CA and their respective agents and employees may be subject by reason of any wrongdoing, misconduct, negligence, or default by the Charter School, its agents, employees, or assigns in the execution or performance of this Agreement. This indemnification shall not apply to any liability claims or demands resulting from the negligence or wrongful act or omission of any CA officer, agent, or employee. This indemnification, defense and hold harmless obligation on behalf of the Charter School shall survive the termination of this Agreement. CA shall have the right, at its own expense, to participate in the defense of any suit, without relieving the Charter School of any of its obligations hereunder.

13.3 Indemnification Procedure. The indemnified Party will: (a) promptly notify the indemnifying Party in writing of any claim, loss, damages, liabilities and costs, and for third party claims, (b) allow the indemnifying Party to control the defense, and (c) reasonably cooperate with the indemnifying Party in the defense and any related settlement negotiations. In addition to any defense provided by the indemnifying Party, the indemnified Party may, at its expense, retain its own counsel. If the indemnifying Party does not promptly assume the indemnified Party's defense against any third party claim, the indemnified Party reserves the right to undertake its own defense at the indemnifying Party's expense.

14. Limitation of Liabilities.

In no event will the Charter School Board and their respective employees or agents be responsible or liable for the debts, acts or omissions of CA, its directors, officers, employees, or agents.

In no event will CA and their respective employees or agents be responsible or liable for the debts, acts or omissions of the Charter School, its directors, officers, employees, or agents.

15. Insurance.

15.1 CA Insurance. CA will maintain and keep in force no less than substantially such amounts of insurance as are provided for in **Exhibit A** to cover insurable risks associated with

operations under this Agreement, whether such operations are conducted by CA, or by any subcontractor or anyone directly or indirectly employed by any of them. Such coverage will include worker's compensation insurance for any CA employees provided under the terms of this Agreement. The Charter School may request to be included as an "additional insured" at no additional charge. Any charges associated with such insurance shall be included in the Fee Schedule.

15.2 Charter School Insurance. The Charter School shall maintain and keep in force insurance at no less than the minimum levels required by the Charter Contract and/or applicable law. Further, the Charter School may elect to maintain additional coverage, in which event CA shall arrange for the requisite coverage on behalf of the Charter School and include the cost in the Fee Schedule. CA shall be included as an "additional insured" as to any such coverage. The Charter School will also maintain and keep in force Director and Officer's Insurance in the amount required by the Authorizer or by the Charter Contract, but in no event less than One Million Dollars (\$1,000,000) in the aggregate.

15.3 Liability Insurance. Liability insurance for any facility leased directly and/or managed by the Charter School and any capital equipment or furniture and fixtures owned by the Charter School will be the responsibility of the Charter School.

16. Notices.

Any notice, demand or request from one party to the other party hereunder shall be deemed to have been sufficiently given or served for all purposes if and as of the date it is delivered by hand, received by overnight courier, or within three (3) business days of being sent by registered or certified mail, postage prepaid to the Parties at the following addresses:

To the Charter School Board: Michigan Connections Academy
3950 Heritage Ave.
Suite 100
Okemos, MI 48864
Attn: Board President

Cc: Board Counsel

Dickinson Wright PLLC
George P. Butler III
500 Woodward Avenue Suite 4000
Detroit, MI 48226-3425

Timothy A Stoeper
200 Ottawa Avenue, N.W. Suite 1000
Grand Rapids, MI 49503-2427

If to CA: CA of Michigan, LLC
c/o Connections Education LLC

Attn: President
1001 Fleet Street, 5th Floor
Baltimore, MD. 21202

With a copy to:

Connections Education LLC
Attention: General Counsel
1001 Fleet St, 5th Floor
Baltimore, MD 21202

17. Miscellaneous.

17.1 Severability. If any provision of this Agreement is held to be invalid or unenforceable, it shall be ineffective only to the extent of the invalidity, without affecting or impairing the validity and enforceability of the remainder of the provision or the remaining provisions of this Agreement. If any provision of this Agreement shall be or become in violation of any federal, state, or local law, such provision shall be considered null and void, and all other provisions shall remain in full force and effect.

17.2 Successors and Assigns. The terms and provisions of this Agreement shall be assignable by either party only with the prior written permission of the other which consent shall not be unreasonably withheld; provided that a change in control of CA or its managing member, notice of which shall be provided by CA to Charter School Board shall not be deemed a violation of this Agreement.

17.3 Complete Agreement; Modification and Waiver. This Agreement constitutes the entire agreement between the Parties with respect to the matter contained herein and supersedes all prior and contemporaneous agreements, warranties and understandings of the Parties. There are no agreements, representations or warranties of any kind except as expressly set forth in this Agreement. No supplement, modification or amendment of this Agreement shall be binding unless executed in writing by both Parties. No waiver of any of the provision, whether or not similar, nor shall any waiver constitute a continuing waiver. No waiver shall be binding unless executed in writing by the party making the waiver.

17.4 Force Majeure. If any circumstance should occur that is not anticipated or is beyond the control of a party or that delays or renders impossible or impracticable performance as to the obligations of such party, the party's obligation to perform such services shall be postponed for a period equal to the time during which such circumstance shall extend, or, if such performance has been rendered impossible by such circumstance, shall be cancelled.

17.5 No Third Party Rights. This Agreement is made for the sole benefit of the Parties. Except as otherwise expressly provided, nothing in this Agreement shall create or be deemed to create a relationship among the Parties or any of them, and any third party, including a relationship in the nature of a third party beneficiary or fiduciary.

- 17.6 Professional Fees and Expenses. Each party shall bear its own expenses for legal, accounting, and other fees or expenses in connection with the negotiation of this Agreement.
- 17.7 Governing Law. This Agreement shall be governed and controlled by the laws of the State of Michigan. Any legal actions prosecuted or instituted by any party under this Agreement shall be brought in a court of competent jurisdiction located in the State of Michigan, and each party hereby consents to the jurisdiction and venue of any such courts for such purposes.
- 17.8 Counterparts. This Agreement may be signed in counterparts, which shall together constitute the signed original agreement.
- 17.9 Compliance with laws, policies, procedures, and rules. Each Party will comply with all applicable federal and state laws and regulations according to the Code, and with all terms of the Charter Contract.
- 17.10 Interpretation of Agreement. The Parties hereto acknowledge and agree that this Agreement has been negotiated at arm's length and between Parties equally sophisticated and knowledgeable in the manner dealt with in this Agreement. Accordingly, any rule of law or legal decision that would require interpretation of any ambiguities in this Agreement against the party that has drafted it is not applicable and this Agreement shall be interpreted in a reasonable manner to affect the intent of the Parties as set forth in this Agreement.
- 17.11 Headings; Exhibits. The section headings contained herein are for convenience only and shall not in any way affect the interpretation or enforceability of any provision of this Agreement. All schedules and exhibits to this Agreement are incorporated herein and shall be deemed a part of this Agreement as fully as if set forth in the body hereof.
- 17.12 Attendance at Meetings. During the term of the Agreement between the Charter School and CA, CA will have the right to designate an individual who shall have attendance rights at all board meetings. Such rights are limited exclusively to attendance and provide no rights to participate in any meeting without the express permission of the Charter School Board. The designated individuals shall also have the right to attend closed or executive sessions unless such attendance (i) is prohibited by applicable law; (ii) will result in a waiver of the attorney/client privilege; (iii) will result in CA being present during discussions concerning negotiations regarding the renewal or termination of this Agreement, or (iv) will result in CA being present during discussions regarding such other matter with respect to which CA has a conflict of interest.
- 17.13 Ambiguity. It is acknowledged that this Agreement is the product of negotiation between the Parties hereto, and the fact that a particular party prepared the draft(s) or final form of this Agreement shall not be relevant in the construction or interpretation of this Agreement should any provision or portion of this Agreement be deemed to be ambiguous.
- 17.14 Survival. The rights and responsibilities of Sections 6.4, 9, 10, 11, 12, 13, 15 and 17 shall survive the termination of this Agreement.
- 17.15 Electronic Signatures. This Agreement and related documents may be accepted in electronic form (e.g., by scanned copy of the signed document, an electronic or digital signature

or other means of demonstrating assent) and each Party's acceptance will be deemed binding on the Parties. Each Party acknowledges and agrees it will not contest the validity or enforceability of this Agreement and related documents, including under any applicable statute of frauds, because they were accepted and/or signed in electronic form. Each Party further acknowledges and agrees that it will not contest the validity or enforceability of a signed facsimile copy of this Agreement and related documents on the basis that it lacks an original handwritten signature. Facsimile signatures shall be considered valid signatures as of the date hereof. Computer maintained records of the Agreement and related documents when produced in hard copy form shall constitute business records and shall have the same validity as any other generally recognized business records.

17.16 Status and Relationship of the Parties. CA is a limited liability company organized under the laws of Michigan, and is not a division or a part of the Charter School. The Charter School is a Michigan not-for-profit education corporation authorized by the Authorizer and is not a division or part of CA. The Parties intend that the relationship created by this Agreement is that of an independent contractor and not employer-employee. Except as expressly provided in this Agreement, no agent or employee of CA shall be deemed to be an agent or employee of the Charter School. CA shall be solely responsible for its acts and the acts of its agents, employees and subcontractors and the Charter School shall be solely responsible for its acts and the acts of its agents, employees and subcontractors. The relationship between CA and the Charter School is based solely on the terms of this Agreement, and the terms and conditions of any other written agreement between CA and the Charter School.

17.17 Authority of Charter School Board. No provision of this Agreement shall be deemed to interfere with the Charter School Board's duty to exercise its constitutional, statutory, contractual and fiduciary responsibilities governing the operation of the Charter School. No provision of this Agreement shall be deemed to prohibit the Charter School Board from acting as an independent, self-governing public body, or allow public decisions to be made other than in compliance with the Open Meetings Act. Nothing herein shall restrict the Charter School Board from determining when to waive or not waive, assert or not assert its governmental immunity. The Charter School Board shall be solely responsible for selecting Charter School's independent auditor and legal counsel.

17.18 Financial Relationship with CA. If Charter School intends to enter into a lease, execute promissory notes or other negotiable instruments, or enter into a lease-purchase agreement or other financing relationships with CA, then such agreements shall be separately documented and not be a part of or incorporated into the this Agreement. In all cases, the Authorizer shall be provided copies of all such documents and agreements.

17.19 Tax Exempt Financing. If at any time the Charter School Board determines and CA agrees that it is in the best interests of the Charter School to obtain financing that is tax-exempt pursuant to the IRS Code, then the parties agree that this Agreement shall be automatically amended for the sole and limited purpose of compliance with Internal Revenue Service Revenue Procedure 97-13. Any such automatic amendment shall be as limited as practicable, and the parties shall promptly execute a written agreement reflecting such amendment, but the failure of the parties to do so shall not affect the effectiveness of the automatic amendment referenced above.

IN WITNESS WHEREOF, the Parties have caused this Agreement to be duly executed by their authorized representatives as of the Effective Date written above.

MICHIGAN CONNECTIONS ACADEMY

By: *Brenda L Froot*

Title: *MICA BOARD PRESIDENT*

Date: *May 22, 2013*

CA OF MICHIGAN, LLC

By: _____

Title: _____

Date: _____

Exhibit A: Insurance Requirements



CERTIFICATE OF LIABILITY INSURANCE

MICHI-2 OP ID: LL

DATE (MM/DD/YYYY)

03/18/2013

THIS CERTIFICATE IS ISSUED AS A MATTER OF INFORMATION ONLY AND CONFERS NO RIGHTS UPON THE CERTIFICATE HOLDER. THIS CERTIFICATE DOES NOT AFFIRMATIVELY OR NEGATIVELY AMEND, EXTEND OR ALTER THE COVERAGE AFFORDED BY THE POLICIES BELOW. THIS CERTIFICATE OF INSURANCE DOES NOT CONSTITUTE A CONTRACT BETWEEN THE ISSUING INSURER(S), AUTHORIZED REPRESENTATIVE OR PRODUCER, AND THE CERTIFICATE HOLDER.

IMPORTANT: If the certificate holder is an ADDITIONAL INSURED, the policy(ies) must be endorsed. If SUBROGATION IS WAIVED, subject to the terms and conditions of the policy, certain policies may require an endorsement. A statement on this certificate does not confer rights to the certificate holder in lieu of such endorsement(s).

PRODUCER Diversified Insurance Industries, Inc. Suite 155 West, 2 Hamill Road Baltimore, MD 21210-1873 Kastendike	Phone: 410-433-3000 Fax: 410-433-3440	CONTACT NAME: PHONE (A/C, No, Ext): FAX (A/C, No): E-MAIL ADDRESS:
	INSURER(S) AFFORDING COVERAGE INSURER A: Hanover Insurance Co. NAIC # 22292 INSURER B: INSURER C: INSURER D: INSURER E: INSURER F:	
INSURED Michigan Connections Academy 2140 University Park Dr. #270 Okemos, MI 48864		

COVERAGES**CERTIFICATE NUMBER:****REVISION NUMBER:**

THIS IS TO CERTIFY THAT THE POLICIES OF INSURANCE LISTED BELOW HAVE BEEN ISSUED TO THE INSURED NAMED ABOVE FOR THE POLICY PERIOD INDICATED. NOTWITHSTANDING ANY REQUIREMENT, TERM OR CONDITION OF ANY CONTRACT OR OTHER DOCUMENT WITH RESPECT TO WHICH THIS CERTIFICATE MAY BE ISSUED OR MAY PERTAIN, THE INSURANCE AFFORDED BY THE POLICIES DESCRIBED HEREIN IS SUBJECT TO ALL THE TERMS, EXCLUSIONS AND CONDITIONS OF SUCH POLICIES. LIMITS SHOWN MAY HAVE BEEN REDUCED BY PAID CLAIMS.

INSR LTR	TYPE OF INSURANCE	ADDL SUBR INSR WVD	POLICY NUMBER	POLICY EFF (MM/DD/YYYY)	POLICY EXP (MM/DD/YYYY)	LIMITS
A	GENERAL LIABILITY <input checked="" type="checkbox"/> COMMERCIAL GENERAL LIABILITY <input type="checkbox"/> CLAIMS-MADE <input checked="" type="checkbox"/> OCCUR	X	ZHQ962666901	06/28/2012	06/28/2013	EACH OCCURRENCE \$ 1,000,000
	DAMAGE TO RENTED PREMISES (Ea occurrence) \$ 300,000					
	MED EXP (Any one person) \$ 15,000					
	PERSONAL & ADV INJURY \$ 1,000,000					
GEN'L AGGREGATE LIMIT APPLIES PER: <input type="checkbox"/> POLICY <input type="checkbox"/> PROJECT <input type="checkbox"/> LOC						GENERAL AGGREGATE \$ 2,000,000
						PRODUCTS - COMP/OP AGG \$ Included
A	AUTOMOBILE LIABILITY <input type="checkbox"/> ANY AUTO <input type="checkbox"/> ALL OWNED AUTOS <input checked="" type="checkbox"/> HIRED AUTOS	X	ZHQ962666901	06/28/2012	06/28/2013	COMBINED SINGLE LIMIT (Ea accident) \$ 1,000,000
	<input type="checkbox"/> SCHEDULED AUTOS <input checked="" type="checkbox"/> NON-OWNED AUTOS					BODILY INJURY (Per person) \$
						BODILY INJURY (Per accident) \$
						PROPERTY DAMAGE (Per accident) \$
A	<input checked="" type="checkbox"/> UMBRELLA LIAB <input type="checkbox"/> EXCESS LIAB	X	UHQ963529201	06/28/2012	06/28/2013	EACH OCCURRENCE \$ 6,000,000
	<input type="checkbox"/> OCCUR <input type="checkbox"/> CLAIMS-MADE					AGGREGATE \$ 6,000,000
	<input type="checkbox"/> DED <input type="checkbox"/> RETENTION \$					
WORKERS COMPENSATION AND EMPLOYERS' LIABILITY ANY PROPRIETOR/PARTNER/EXECUTIVE OFFICER/MEMBER EXCLUDED? (Mandatory in NH) <input type="checkbox"/> Y/N If yes, describe under DESCRIPTION OF OPERATIONS below						WC STATUTORY LIMITS <input type="checkbox"/> OTH-ER <input type="checkbox"/>
DESCRIPTION OF OPERATIONS below						E.L. EACH ACCIDENT \$
						E.L. DISEASE - EA EMPLOYEE \$
						E.L. DISEASE - POLICY LIMIT \$
A	Crime		ZDQ9626669	06/28/2012	06/28/2013	Form A 100,000
A	Excess Crime		BDQ1012196	06/28/2012	06/28/2013	XS Form A 400,000

DESCRIPTION OF OPERATIONS / LOCATIONS / VEHICLES (Attach ACORD 101, Additional Remarks Schedule, if more space is required)

Certificate Holder is an Additional Insured where required by contract or written agreement. Coverage is primary, non-contributory.

CERTIFICATE HOLDER**CANCELLATION**

Ferris State University
Charter Schools Office
1020 E. Maple Street
Big Rapids, MI 49307-1676

SHOULD ANY OF THE ABOVE DESCRIBED POLICIES BE CANCELLED BEFORE THE EXPIRATION DATE THEREOF, NOTICE WILL BE DELIVERED IN ACCORDANCE WITH THE POLICY PROVISIONS.

AUTHORIZED REPRESENTATIVE

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NOTEPAD

INSURED'S NAME Michigan Connections Academy

MICHI-2
OP ID: LL

PAGE 2
DATE 03/18/13

Educational Institution & EPLI Retro Date 06/28/12
School Educators Legal Liability Retro Date 06/28/12
Abuse & Molestation \$1M Aggregate (Occurrence Form)

Crime - Form A - Policy endorsed to include Directors, Officers and
Volunteer Workers as Insureds. Third Party included.

Corporal Punishment is Included

Resolution of the Michigan Connections Academy Board of Directors

Educational Service Provider Agreement

WHEREAS, the Board of Directors has reviewed the proposed Amended and Restated Educational Products and Services Agreement ("Agreement") with CA of Michigan, LLC in the form attached hereto as Exhibit A, and wishes to enter into the Agreement.

WHEREAS, the Academy's authorizer, Ferris State University ("Authorizer") has enacted Educational Service Provider policies that require the Authorizer to give its non-disapproval of the Agreement before it is executed by the Academy.

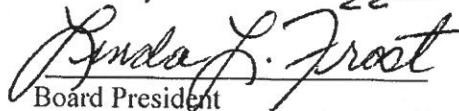
BE IT RESOLVED, that the Academy hereby approves and adopts the Agreement subject to any non-material Authorizer-requested revisions, and contingent upon Authorizer non-disapproval.

BE IT FURTHER RESOLVED, that the Academy Board President is hereby authorized to work with Dickinson Wright to finalize the Agreement and, after authorizer non-disapproval, execute the Agreement on behalf of the Academy.

President's Certification:

I certify that the foregoing resolution was duly adopted by the Michigan Connections Academy Board of Directors at a properly noticed open meeting held on the ~~4th~~^{22nd} day of May, 2013, at which a quorum was present.

By:


Board President

