

## SERVICES AGREEMENT

This Services Agreement (this "Agreement") by and between Flex High School of Pontiac operating Learn4Life Pontiac (the "Academy" or "Learn4Life Pontiac") and U.S. Learning Corporation (USLC) is effective the 1st day of July, 2025 (the "Effective Date"). The Board and USLC are sometimes collectively referred to herein as the "Parties".

### RECITALS

WHEREAS, the Academy is seeking a Charter Contract by the Ferris State University Board of Regents (the "Authorizer") to operate a public-school academy pursuant to the Michigan Revised School Code (the "Authorizing Law"); and

WHEREAS, the Parties desire to work together to promote educational excellence and innovation based on USLC's comprehensive educational program and management principles; and

WHEREAS, the Parties desire to set forth the terms and conditions upon which USLC shall furnish services, as described herein, to the Academy.

NOW, THEREFORE, for good and valuable consideration, including the mutual promises and benefits contained in this Agreement, the receipt and sufficiency of which are hereby acknowledged, the Parties agree as follows:

### ARTICLE I CONTRACTING RELATIONSHIP

A. Services. Subject to the terms and conditions of this Agreement, and as permitted by applicable law, the Academy hereby contracts with USLC for the provision of certain educational, business administration, facility, and management services, including without limitation, all labor, equipment, and materials necessary for the provision of the same, as described more fully herein (collectively, the "Services").

B. Charter. This Agreement shall: (i) be subject to and comply with the terms and conditions of the Academy's Charter Contract and the Charter Application (collectively, the "Charter"); and (ii) not be construed to interfere with the constitutional, contractual, statutory, or fiduciary duties of the Academy's Board of Directors (the "Board"). USLC agrees to perform its duties and responsibilities under this Agreement in a manner that is consistent with the Academy's obligations under the Charter issued by the Authorizer. *The provisions of the Charter shall supersede any competing or conflicting provisions contained in this Agreement.*

C. Compliance with Academy's Contract. USLC agrees to perform its duties and responsibilities under this Agreement in a manner that is consistent with the Academy's obligations under the Academy's Contract issued by Ferris State University Board of Trustees. The provisions of the Academy's Contract shall supersede any competing or conflicting provisions contained in this Agreement."

D. Independent Contractor. USLC shall provide the Services as an independent contractor, and not as an employee, partner, agent, or associate of the Academy. This independent contractor relationship shall extend to the officers, directors, employees, and representatives of USLC. Consistent with the status of an independent contractor, USLC reserves to itself the right to designate the means and methods of accomplishing the objectives and purposes of this Agreement consistent with Board policy, applicable law and the Charter. USLC shall be solely responsible for its acts and the acts of its agents, employees and subcontractors. The relationship between the Parties is based solely on the terms and conditions of this Agreement, and the terms and conditions of any other written agreement between the Parties.

E. Designations and Appointments.

1. The Board shall by Board resolution appoint the Board Treasurer, or such other officer as determined by the Board, to serve as the chief administrative officer of the Academy (the "CAO") under the Uniform Budgeting and Accounting Act, MCL 141.421 et seq. (the "Budgeting and Accounting Act"). No officer, director, employee or agent of USLC shall be designated as the CAO of the Academy. Notwithstanding any other provision of the Agreement to the contrary, the Board resolution shall designate such officer or employee of USLC as is mutually agreed upon by USLC and the Board, as the designated agent of the CAO to assist the CAO with the performance of the CAO's duties under the Budgeting and Accounting Act.

2. USLC, including its directors, officers, and employees, are hereby designated as "School Officials" of the Academy having a legitimate educational interest such that they are entitled to access educational records under the Family Educational Right and Privacy Act, and its implementing regulations, 20 U.S.C. §1232g et seq. (FERPA); 34 CFR § 99.31(a)(1)(i)(B). Additionally:

(a) USLC agrees that it shall observe Board policies and applicable law regarding the confidentiality of Covered Data and Information. Covered Data and Information ("CDI") includes paper and electronic student education record information and includes, without limitation, "education records" as defined under FERPA, 34 CFR § 99.1. CDI also includes any new records created and maintained by USLC under this Agreement using CDI.

(b) USLC shall not use or disclose CDI received from or on behalf of the Board except as permitted or required by this Agreement and/or applicable law. Except as permitted under the Revised School Code, USLC shall not sell or otherwise provide to a for-profit business entity or any other person any personally identifiable information that is part of a student's education records. For purposes of this provision, the terms "personally identifiable information" and "education records" shall have the same meaning as those terms in section 1136 of the Revised School Code, MCL 380.1136.

(c) Upon termination or other conclusion of this Agreement, USLC shall return all CDI to the Academy.

(d) USLC shall develop, implement, maintain and use appropriate administrative, technical and physical security measures to preserve the confidentiality, integrity and availability of all CDI received from, or on behalf of, the Academy or its students. These

measures will be extended by contract to include subcontractors used by USLC.

(e) USLC, within three business days of discovery, shall report to the Board any use or disclosure of CDI not authorized by this Agreement. USLC 's report shall identify: (i) the nature of the unauthorized use or disclosure, (ii) the CDI used or disclosed, (iii) who made the unauthorized use or received the unauthorized disclosure, (iv) what USLC has done or shall do to mitigate any deleterious effect of the unauthorized use or disclosure, and (v) what corrective action USLC has taken or shall take to prevent future similar unauthorized use or disclosure. USLC shall provide such other information, including a written report, as reasonably requested by the Board.

(f) In the event that CDI is accessed or obtained by an unauthorized party, USLC shall appoint a member of USLC's technology department to investigate the occurrence and take any necessary steps to identify and remedy any system vulnerabilities; provide notification in the form and manner consistent with local, state and federal laws then in effect to any individuals whose personal information was accessed; notify law enforcement if appropriate; and take any further steps required by local, state and federal law then in effect.

## **ARTICLE II**

### **TERM & TERMINATION**

A. Term. This Agreement shall commence on the Effective Date, and unless terminated as set forth herein, shall continue until the revocation, termination or expiration of the Charter currently in effect expiring June 30, 2030, or cessation of the Charter contract, whichever occurs first (the "Term").

B. Termination.

1. By USLC. USLC may terminate this Agreement prior to the end of the Term if the Board fails to remedy a material breach of this Agreement within thirty (30) days after receiving a notice from USLC of such breach. For purposes of this Subsection, a material breach (which for the sake of clarity is a default hereunder) includes, but is not limited to: (i) USLC's failure to timely receive any compensation or reimbursement required by this Agreement; or (ii) a suspension, termination, revocation, or non-renewal of the Charter.

2. By the Academy. The Academy may terminate this Agreement prior to the end of the Term if USLC fails to remedy a material breach of this Agreement within (30) days after receiving notice from the Academy of such breach. For purposes of this Subsection, a material breach includes, but is not limited to: (i) USLC 's failure to account for expenditures or pay operating costs pursuant to the Budget (as defined below); (ii) USLC 's failure to follow policies, procedures, rules, regulations or curriculum adopted by the Board, provided they do not violate the Charter, applicable law, or this Agreement; (iii) a determination that this Agreement or its implementation would serve as grounds for suspension, termination, revocation, or non-renewal of the Charter; (iv) a determination that this Agreement or its implementation would jeopardize material tax exemptions of the Academy or its non-profit status; or (v) any action or inaction by USLC that places the Charter in jeopardy of termination, suspension or revocation.

3. By Either Party. Either party may terminate this Agreement prior to the end of the Term, with or without cause, by providing the other party with at least ninety (90) days' prior written notice.

4. Mid-Year Termination. The Board and USLC shall make all efforts necessary to remedy a breach of this Agreement in order to continue school operations until completion of the then-current fiscal year. If a breach cannot be remedied, the parties agree to work cooperatively to transition management and operations of the school without disrupting the school's operations. If this Agreement is terminated prior to the end of the Term other than as provided for in Article II(B)(5) and II(B)(6) of this Agreement, such termination will not become effective until the earlier of (i) an approved agreement by the Academy with another educational service provider (or self-management) or (ii) the end of the then-current school year in which termination is invoked. USLC shall perform any transition under this provision in as described under Article II, Section C of this Agreement.

5. Revocation or Termination of Charter. If the Academy's Charter issued by the Authorizer is revoked, suspended, terminated or not renewed, this Agreement shall automatically terminate or be suspended, as the case may be, on the same date as the Academy's Charter is revoked, suspended, terminated, or expires without further action of the parties.

6. Closure of School Site. In the event that the Academy is required (i) to close a school site pursuant to a notice issued by the State School Reform/Redesign Officer under Section 507 of the Revised School Code, MCL 380.507; or, (ii) to undergo a reconstitution pursuant to Section 507 of the Revised School Code, MCL 380.507. and the Charter Contract Terms and Conditions, and such closure of a school site or reconstitution causes an amendment to or termination of this Agreement, the parties agree that this Agreement shall be amended or terminated to implement the school site closure or reconstitution, with no cost or penalty to the Academy, and USLC shall have no recourse against the Academy or the Authorizer for implementing such site closure or reconstitution.

C. Effect of Termination. Upon the effective date of termination or expiration of this Agreement:

1. Upon termination or expiration of this Agreement or if this Agreement is terminated due to a Charter revocation, reconstitution, termination or non-renewal, USLC shall, without charge: (i) close the financial records on the then-current fiscal year which includes, but is not limited to, the completion and submission of the annual financial audit, state and federal grant reporting and all other associated reporting within required timelines established by the appropriate local, state and federal authority; (ii) organize and prepare student records for transition to a new education service provider, self-management, or in the case of a school closure, transfer to a student's new school as designated by the student's parent/legal guardian or to a person or entity authorized to hold such records; (iii) provide for the orderly transition of employee compensation and benefits to the new Education Service Provider or self-management without disruption to staffing, or in the case of school closure, final payment of all employee compensation, benefit and tax obligations related to services provided by USLC to the Academy; (iv) organize and prepare the Academy's records, both electronic and hard copy, for transition to the new Education Service Provider, self-management or dissolution; (v) provide for the orderly

transition to the new Education Service Provider, self-management or dissolution of all Academy owned assets including, but not limited to, furniture, fixtures, equipment and real estate (this includes any keys, log-in information and passwords related to any Academy asset); (vi) provide an updated list of outstanding vendor invoices with total amount owed (including the total outstanding owed by the Academy to USLC, if any); (vii) the amount owed by USLC to the Academy, if any; and (viii) ensure the closeout of existing grants and the transfer of grant funded property to Academy, if applicable.

2. The Academy shall pay or reimburse USLC through the Fee (as defined below) for the prepaid portion of any expenses or liabilities incurred by USLC pursuant to the Budget as of the date of such termination or expiration, provided USLC supplies the Academy with documentation of all such expenses and liabilities;

3. USLC may agree, in its sole discretion, to assist the Board for a reasonable amount of time, not to exceed ninety (90) days, and for a reasonable fee, with the Academy's transition to another administrative, managerial, or services arrangement;

4. USLC shall, if applicable, reasonably assist the Academy in the execution of a closure and dissolution plan and cooperate in the closure and dissolution process, including without limitation, in any audits and court or other proceedings related thereto; and

5. The party to whom Confidential Information (as defined below) has been disclosed shall, upon request and at the direction of the disclosing party: (i) return such Confidential Information within thirty (30) days, including any copies thereof, and cease its use; or (ii) destroy such Confidential Information and certify such destruction to the disclosing party, except for a single copy thereof which may be retained for the sole purpose of determining the scope of any obligations incurred under this Agreement, and except where disclosure or retention is required by applicable law.

6. *"Agreement Coterminous with Academy's Contract. If the Academy's Contract issued by the Ferris State University Board of Trustees is suspended, revoked or terminated, or a new charter contract is not issued to the Academy after expiration of the Contract, this Agreement shall automatically be suspended or terminated, as the case may be, on the same date as the Academy's Contract is suspended, revoked, terminated or expires without further action of the parties."*

### **ARTICLE III OBLIGATIONS OF USLC**

A. Manager at Risk. USLC shall be responsible and accountable to the Board for providing the Services. During the Term, USLC shall provide the Services regardless of whether actual revenue meets the level projected in the Budget, and USLC hereby assumes the risk of funding shortfalls during the Term. Notwithstanding the foregoing, USLC shall not expend funds on Services in excess of the amount set forth in the Budget or any amendment to the Budget.

B. Comprehensive Educational Program. The Academy has determined to adopt

USLC's proprietary educational and academic programs and goals, as set forth in the Charter (the "Educational Program"). Subject to the oversight of the Board, USLC shall implement and administer the Educational Program, provided, however, that the Academy shall be responsible for selecting, approving or changing the curriculum to be used and provided by USLC. The Parties acknowledge and agree that an essential principle of the Educational Program is its flexibility, adaptability and capacity to change in the interest of continuous improvement and efficiency. Not less than annually or as reasonably requested by the Board, USLC shall provide the Board with a report detailing progress made on each of the educational goals set forth in the Educational Program. The school year calendar and the school day schedule shall be approved by the Board as required under the Charter.

C. All Children Welcome. USLC places a high value on diversity, and the Academy shall welcome students of all races, ethnicity, religion, gender and economic backgrounds.

D. Services to Students with Disabilities. USLC welcomes students with disabilities at the school. USLC shall provide special education and related services, in conformity with the requirements of the Charter and applicable law, to eligible students who attend the Academy.

E. Educational and Administrative Services. Subject to the oversight of the Board, USLC shall implement operational practices and procedures that are consistent with the Budget and Board policy, the Charter and applicable law. Such practices and procedures may include, but are not limited to:

1. Student recruitment and student admissions.
2. Student assessments, including testing, promotion, and retention.
3. The acquisition of instructional materials, equipment and supplies, and the administration of any and all extra-curricular and co-curricular activities and programs approved by the Board and USLC.
4. Employment of personnel working at the Academy and management of all personnel functions, as set forth herein.
5. All aspects of the Academy's business administration.
6. All aspects of the Academy's accounting operation, including general ledger management, financial reporting, payroll, employee benefits and payroll tax compliance.
7. Food service and transportation approved by the Board.
8. All aspects of facilities administration and maintenance.
9. Student behavior management and discipline.

F. Location of Services. Other than instruction, and unless prohibited by the Charter or applicable law, USLC may provide the Services, including but not limited to, purchasing,

professional development and administrative services, off-site.

G. Subcontracts. USLC reserves the right to subcontract any and all aspects of the Services. USLC shall not subcontract the oversight of the Educational Program, except as specifically permitted in this Agreement or with prior written approval of the Board. Notwithstanding the foregoing, the Board specifically acknowledges and agrees that from time to time USLC may use third parties or independent contractors to assist in the creation and development of Educational Materials (as defined below) that may be used as a part of the Educational Program.

H. Pupil Performance Standards and Evaluation. Consistent with the Charter, USLC shall implement pupil performance evaluations that permit evaluation of the academic progress of each Academy student. USLC shall be responsible and accountable to the Board for the academic performance of students who are enrolled at the Academy. USLC shall utilize assessment strategies required by the Charter and applicable law. The Board and USLC shall cooperate in good faith to identify academic goals and methods to assess such academic performance. USLC shall provide the Board with timely reports regarding student performance.

I. Unusual Events. USLC shall timely notify the Board and the Administrator (as defined below) of any anticipated or known material: (i) health or safety issues, including all mandatory reporting required by applicable law; (ii) labor, employee or funding issues; or (iii) other issues that may reasonably and adversely impact the Academy's ability to comply with the Charter, applicable law or this Agreement.

J. School Records. The financial, educational, and student records pertaining to the school (collectively, the "School Records"), are property of the Academy and are subject to the provisions of the Michigan Freedom of Information Act. Except as may be prohibited or limited by the Charter or applicable law, access to the School Records shall be available to the Board, the public, and the Authorizer (including the Authorizer's Charter Schools Office ("CSO")) for their review, and are subject to inspection and copying to the same extent that records of public schools are subject to inspection and copying pursuant to applicable law. All School Records shall be physically or electronically available, upon request, at the Academy's physical facility. USLC shall provide the Board on a timely basis all information that is required to be disclosed under section 22f of the State School Aid Act of 1979, MCL 388.1622f. On an annual basis, USLC agrees to provide the Board the same information that a school district is required to disclose under section 18(2) of the State School Aid Act of 1979, MCL 388.1618, for the most recent fiscal year for which the information is available. Within thirty (30) days of receipt of this information, the Board shall make the information available on the Academy's website homepage, in a form and manner prescribed by the Michigan Department of Education. The defined terms in section 503c and 553c of the Code, MCL 380.503c and MCL 380.553c, whichever is applicable, shall have the same meaning in this Agreement. USLC shall make information concerning the operation and management of the Academy, including without limitation the information described in the Charter (including all exhibits, schedules, and the like), available to the Academy as deemed necessary by the Board in order to enable the Academy to fully satisfy its obligations under the Charter.

K. Where the ESP is responsible for both administrative services and staff and

educational and instructional services or staff, the ESP Agreement for such ESP shall require that the names of the University and the ESP appear and be verbally provided, as applicable, on (i) signage that is on the Academy's school property erected, repaired, or installed after April 2, 2025, (ii) promotional material created, modified, or distributed after April 2, 2025 (including billboards, internet advertisements, television advertisements, and radio advertisements), (iii) the footer of the Academy's website pages, and (iv) the school application that the student must submit to enroll in the public school academy.

L. Rules and Procedures. USLC will recommend to the Board reasonable rules, regulations, policies and/or procedures applicable to the Academy. The Academy hereby authorizes and directs USLC to enforce such rules, regulations and procedures consistent with Board policy.

M. Assistance to the Board. USLC shall cooperate with the Board and, to the extent consistent with the Charter and applicable law, timely furnish the Board with all documents and information necessary for the Board to properly perform its responsibilities under this Agreement.

N. Bankruptcy Notification. USLC shall notify the Board if any principal or officer of USLC, or USLC (including any related organizations or organizations in which a principal or officer of USLC served as a principal or officer) as a corporate entity, files for bankruptcy protection or, at the time this Agreement is executed, has filed for bankruptcy protection within the last five (5) years.

O. "Compliance with Section 503c. On an annual basis, the ESP agrees to provide the Academy Board with the same information that a school district is required to disclose under Section 18(2) of the State School Aid Act of 1979, MCL 388.1618, for the most recent school fiscal year for which the information is available. Within thirty (30) days of receipt of this information, the Academy Board shall make the information available on the Academy's website home page, in a form and manner prescribed by the Michigan Department of Education. The defined terms in Section 503c of the Code, MCL 380.503c, shall have the same meaning in this agreement."

#### **ARTICLE IV OBLIGATIONS OF THE BOARD**

A. Board Policies. The Board shall be responsible for setting the fiscal and academic policies of the Academy, including the selection of curriculum. The Board shall exercise good faith in considering the recommendations of USLC, including but not limited to, USLC's recommendations regarding policies, rules, regulations and the Budget (as defined below).

B. Academy Budget. The Board is responsible for establishing, approving and amending the Budget in accordance with the Michigan Uniform Budgeting and Accounting Act. The Board shall be responsible for determining the budget reserve amount included as part of the Academy's annual budget. In addition, the Board is responsible for implementing fiscal policies that will assist the Academy in attaining the stated budget reserve amount.

C. Governance Oversight. The Board shall provide governance level and fiduciary oversight of the Academy in accordance with the Charter and applicable law. The Board shall cooperate with USLC and, to the extent consistent with applicable law, timely furnish USLC all



documents and information necessary for USLC to properly perform its responsibilities under this Agreement.

D. Unusual Events. The Board shall timely notify USLC of any anticipated or known material: (i) health or safety issues; (ii) labor, employee or funding issues; or (iii) other issues that may reasonably and adversely impact USLC's ability to comply with the Charter, applicable law, or this Agreement.

E. Office Space. The Board shall provide USLC with suitable office space at the Academy, provided the requested space is: (i) available and can be provided without materially prejudicing the Educational Program; and (ii) used only for activities related to the school. The space shall be provided at no cost to USLC.

F. Sole Responsibility. Notwithstanding anything to the contrary set forth in this Agreement, the Board shall remain solely responsible for exercising its statutory, contractual and fiduciary responsibilities governing operation of the school and no provision herein shall be construed to interfere with said responsibilities. Nothing contained in this Agreement shall prohibit the 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.

## **ARTICLE V INTELLECTUAL PROPERTY**

### **A. Definitions.**

1. "Educational Materials" means all curriculum, print and electronic textbooks, instructional materials, lesson plans, teacher guides, workbooks, tests, and other curriculum-related materials licensed, developed or otherwise owned by the Academy or USLC.

2. "Confidential Information" means any confidential and non-public trade, technical or business knowledge, information and materials regarding the Academy or USLC (or their respective affiliates), which is given by one party to the other, or any of their respective representatives, in any form, whether printed, written, oral, visual, electronic or in any other media or manner. Confidential Information includes, but is not limited to, research, operations and procedures, financial projections, pricing, sales, expansion plans and strategies, services data, trade secrets and other intellectual property, or the results of any mediation or private adjudication, as well as information with respect to each party's or its affiliates' plans for market expansion, except for information which a party can show by contemporaneous written records was developed or formulated independently of work or services performed for, or in connection with performance of, this Agreement. Notwithstanding the foregoing, the disclosure of the other party's Confidential Information as required to be disclosed by law, rule or regulation or by reason of subpoena, court order or government action shall not constitute a breach of this Agreement; however, in such event the party required to disclose such information will reasonably cooperate with the party whose information is required to be disclosed in order to obtain a protective order applicable to such disclosure. All Confidential Information will remain the sole property of the party disclosing such information or data.

B. School Materials. The Academy shall own all right, title and interest in and to

Educational Materials that are: (i) licensed or owned by the Academy as of the Effective Date; (ii) both directly developed and paid for by the Academy; (iii) developed by USLC at the direction of the Board with Academy funds; or (iv) licensed, developed, characterized, conceived, derived, generated, identified, or otherwise made by the Academy during the Term, provided such materials do not reference the USLC Materials (as defined below), or incorporate any Confidential Information of USLC (collectively, the "School Materials"). The School Materials shall include all intellectual property rights associated therewith.

C. USLC Materials. USLC shall own all right, title and interest in and to Educational Materials that are: (i) licensed or owned by USLC as of the Effective Date; (ii) licensed, developed, characterized, conceived, derived, generated, identified, or otherwise made by USLC during the Term, provided such materials do not reference School Materials or incorporate any Confidential Information of the Academy; and (iii) any and all Educational Materials and non-curriculum materials provided to the Academy by USLC relating to the Educational Program, including all changes and derivatives thereof (collectively, the "USLC Materials"). USLC recognizes that any Educational Materials and teaching techniques used by the Academy are subject to disclosure under the Revised School Code and the Freedom of Information Act.

D. Derivative Works. The Parties acknowledge that to the extent any Educational Materials created by the Academy are derivative of the USLC Materials, use of such derivative materials during the Term is subject to the license granted herein, and the license to use such derivative materials shall cease as of the date of expiration or termination of this Agreement.

E. No Transfer or Sale. The Academy acknowledges and agrees that USLC is not transferring or selling, and the Academy is not receiving, purchasing or acquiring, any intellectual property or proprietary rights in or to the USLC Materials.

F. USLC Marks. During the Term, USLC grants the Academy a non-exclusive, revocable, non-transferable license (without the right to sublicense) to use USLC's trade name(s) and USLC's trademark(s), including "Learn4Life Pontiac", and other marks that USLC has license to use (the "USLC Marks") solely for the purposes of promoting and advertising the Academy. USLC shall have the opportunity to review and approve all artwork, copy or other materials utilizing the USLC Marks prior to any production or distribution thereof. All uses of the USLC Marks require USLC's prior written permission. The Board shall acquire no rights in or to the USLC Marks, and all goodwill associated with the USLC Marks shall inure to the benefit of and remain with USLC. Upon expiration or termination of this Agreement, the Board shall immediately discontinue use of the USLC Marks and shall remove the USLC Marks from its locations, vehicles, websites, telephone directory listings and all other written or electronic promotional materials.

## **ARTICLE VI**

### **SOLICITATION AND USE OF PRIVATE FUNDS**

USLC shall seek the Board's approval prior to soliciting any non-governmental grants, donations or contributions on behalf of the Academy. Any such funds received shall be used

solely in accordance with the purpose for which they were solicited, applicable donor restrictions, or as otherwise approved by the Board. Subject to applicable donor restrictions, the Board shall determine the allocation of any such funds subject to this Article that remain unexpended following completion of the project or purpose for which they were originally designated.

## **ARTICLE VII FINANCIAL ARRANGEMENTS**

A. Revenues. Except as provided herein, all monies received by the Academy shall be deposited in the Academy's depository account, as required by applicable law, within three (3) business days with a financial institution acceptable to the Board. The signatories on the Academy's depository account shall solely be Board members properly designated annually by Board resolution. Interest income earned on the Academy's depository account shall accrue to the Academy. Except as specifically excluded by this Agreement, the term "**Revenues**" shall include all funds received by or on behalf of the Academy, including but not limited to:

1. Funding for public school students enrolled at the Academy.
2. Special education funding provided by the federal and/or state government that is directly allocable to special education students enrolled at the Academy.
3. Gifted and talented funding provided by the federal and/or state government that is directly allocable to gifted and talented students enrolled at the Academy.
4. At-risk funding provided by the federal and/or state government that is directly allocable to at-risk students enrolled at the Academy.
5. Funding provided by the federal and/or state government that is directly allocable to students enrolled at the Academy with limited English proficiency.
6. All other federal and/or state grant sources, including, but not limited to, Title I and any start-up funding allocable to the Academy.
7. Grants and donations received by the Academy to support or carry out programs at the Academy (except to the extent USLC is not required or involved in soliciting, administering or managing the contribution and/or donation, in which case such funds shall be deposited in the Board Spending Account (as defined below)).
8. Fees charged to students as permitted by law for extra services provided by USLC as approved by the Board. The expenditure of any Revenues received from governmental entities shall be consistent with all applicable regulations and policies. The expenditure of any Revenues received from non- governmental grants, contributions and donations shall be made consistent with the provisions of Article VI.

B. Budget. USLC shall provide the Board with an annual proposed Budget prepared and maintained in accordance with the Charter, the Michigan Uniform Budgeting and Accounting

Act, and applicable law (the "Budget"). The Budget shall include all of the Academy's projected revenues and expenses at the object level as described in the Michigan Department of Education's Michigan School Accounting Manual. For the USLC's first school year, the Budget shall be submitted prior to the beginning of the school year. Thereafter, the Budget shall be submitted to the Board prior to June 1 for the next school year.

C. Review and Approval of Budget. The Board shall be responsible for reviewing and approving the Budget in accordance with the Charter and applicable law. At the request of either USLC or the Board, with the approval of the Board, the Budget shall be amended from time to time as necessary.

D. Board Spending Account. Notwithstanding any other provision of this Agreement to the contrary, each school year during the Term, USLC shall allocate to an account controlled by the Board an amount equal to \$35,000, if revenues for the year exceed costs by \$35,000, including any amounts paid by USLC (the "Board Spending Account"). The aforesaid amount shall be deposited by USLC into the Board Spending Account pro-rata during the course of the school year as Revenues are received. All funds in the Board Spending Account are the property of the Academy and may be used by the Academy at the discretion of the Board. Funds in the Board Spending Account that are not spent by the Academy during the school year shall carryover annually. Items purchased by USLC for the Academy and paid for by the Academy with funds from the Board Spending Account, such as non-proprietary instructional and/or curriculum materials, books, supplies and equipment, shall be the property of the Academy. The property of the Academy excludes items leased, by USLC. All property purchased by USLC exclusively on behalf of the Academy shall be the property of the Academy. USLC agrees not to add any fees or charges to the cost of equipment, materials or supplies purchased by USLC at the request of or on behalf of the Academy with funds from the Board Spending Account. USLC, in making such purchases for the Academy pursuant to this subsection, shall comply with applicable law, including sections 1267 and 1274 of the Revised School Code, as if the Academy were making such purchases itself from a third party, and shall provide the Board, upon request, available documentation evidencing the costs associated with such purchases. USLC shall maintain a listing of all assets owned by the Academy and shall provide the list to the Board annually upon request.

E. Fee. USLC shall receive all Revenues as its services fee (the "Fee"), from which it shall pay all operating costs of the Academy as detailed in the Budget. USLC and the Board acknowledge that operating costs includes an administrative fee payable to the Authorizer as set forth in the Charter. Payment of the Fee shall be made on the same frequency that the Academy receives its Revenues. USLC shall be entitled to retain as compensation for the Services the difference, if any, between the Fee and the amount actually expended by USLC in operation and/or management of the Academy during the Academy's fiscal year. USLC agrees not to add any fees or charges to the cost of equipment, materials or supplies purchased by USLC at the request of or on behalf of the Academy. No corporate costs of USLC shall be charged to, or reimbursed by, the Academy. Marketing and development costs paid by or charged to the Academy shall be limited to those costs specific to the Academy program and shall not include any costs for the marketing and development of USLC.

F. [Reserved]

G. Financial Reporting. USLC shall provide the Board with:

1. At least annually, the proposed Budget as required by this Agreement.
2. Monthly financial statements no more than forty-five (45) days in arrears and at least one week prior to each Board meeting. These financial statements will include a Balance Sheet, Statement of Revenues, Expenditures and Changes in Fund Balance at object level detail with a comparison of budget to actual revenue and expenditures and explanations of variances, and a cash flow statement.
3. Quarterly, or as reasonably requested by the Board, a report on Academy operations and student performance. As reasonably requested, other information to enable the Board to: (i) evaluate the quality of the Services; and (ii) timely provide all reports and information that are required by the Charter and applicable law.

I. Access to Financial Records. USLC shall keep accurate financial records pertaining to its operation of the Academy, together with all Academy financial records prepared by or in possession of USLC, and shall retain all of the afore-referenced records according to the Charter and applicable law to which such books, accounts, and records relate. USLC and the Board shall maintain the proper confidentiality of personnel, students, and other records as required by law. All financial, educational, and student records shall be and remain Academy property and are subject to the provisions of the Michigan Freedom of Information Act. All such records shall be made available to Academy's independent auditor and to the Authorizer (including the CSO) upon request and shall otherwise all be physically or electronically available, upon request, at the school's physical facility(ies).

J. Accounting Standards; Annual Audit.

1. The Academy shall at all times comply with generally accepted public sector accounting principles, accounting system requirements of the State School Aid Act of 1979, as amended, applicable Michigan Department of Education rules, and applicable law.
2. The Board shall select and retain an independent auditor to conduct an annual audit of the Academy's financial matters in accordance with the Charter and applicable law. The independent auditor may not be selected, retained, evaluated, or replaced by USLC.
3. Subject to applicable law, all records in the possession or control of USLC that relate to the Academy, including but not limited to, financial records, shall be made available to the Academy and the Board's independent auditor, as well as the Authorizer upon request. The expense of the annual audit shall be included in the Budget.

K. Start-up Funds; Contributions; Repayment.

1. USLC shall provide start-up funds for: (i) the development of curriculum, a technology system and a school operations plan; (ii) recruiting, selecting and training of staff members; and (iii) to the extent necessary as reasonably determined by USLC, cleaning, renovating and equipping of the school facility (the "Start-Up Funds").

2. USLC shall make contributions to the Academy in the event Academy expenses for the Services exceed Revenues (the "Contributions"). The Contributions, if any, shall be in amounts acceptable to the Parties and, once made, shall be included in the Budget.

3. The Academy shall not be legally obligated to repay USLC for the Start-Up Funds or the Contributions. USLC's agreement to make such Contributions shall not be deemed to negate or mitigate the need for the Academy to apply for or solicit state or federal start-up funds, grants or sub-grants which the Academy, as a public school, may be eligible to receive.

## **ARTICLE VIII PERSONNEL & TRAINING**

A. Qualified Personnel. USLC shall select and hire qualified personnel to perform the Services. USLC shall have the responsibility and authority, subject to this Article, to select, hire, evaluate, assign, discipline, transfer, and terminate personnel consistent with the Budget, the Charter and applicable law. Personnel working at the Academy shall be employees of USLC. USLC and the Board each shall be responsible for their respective employees. However, the compensation of all employees working at the Academy shall be included in the Budget. Upon Board request, USLC shall disclose to the Board the level of compensation and fringe benefits provided by USLC to USLC employees working at the Academy. A criminal background check and unprofessional conduct search in compliance with applicable law shall be conditions for the hiring of or services provided by any person assigned by USLC under this Agreement to regularly and continuously work in any of the Academy's facilities or at program sites where the Services are delivered. USLC shall pay all salaries, wages, benefits, payroll and other taxes to or on account of its employees as well as worker's compensation, unemployment compensation and liability insurance. The Academy shall not be liable for the payment of any such salaries, wages, benefits, payroll or taxes thereon for or on behalf of any USLC employee, contractor or agent. USLC acknowledges and agrees that it is the sole and exclusive responsibility of USLC to make the requisite tax filings, deductions and payments to the appropriate federal, state and local tax authorities for and on behalf of all persons employed or engaged by USLC to provide Services under this Agreement. As applicable, USLC shall conduct employee evaluations consistent with Section 1249 and 1250 of the Code.

B. School Administrator. The school administrator (the "Administrator") shall be an employee of USLC and not the Board. The duties and tenets of the Administrator's employment shall be determined by USLC. The Administrator shall work with USLC in the operation and management of the Academy. The Administrator shall attend meetings of the Board and shall provide reports to the Board. The accountability of USLC to the Board is an essential foundation of this Agreement. USLC shall have the authority, consistent with this Article, to select, hire, evaluate, assign, discipline, transfer and terminate the Administrator, and to hold the Administrator accountable for the performance of the Academy. Without limiting the foregoing, USLC shall consult with the Board prior to the placement and/or removal of the Administrator. Absent compelling circumstances, the consultation shall commence at least ninety (90) days prior to USLC placing and/or removing the Administrator. USLC shall give due consideration to the input of the Board or the Board's designated representative prior to making a formal decision

regarding placement and/or removal of the Administrator. USLC shall remove the Administrator if the Board is reasonably dissatisfied with the Administrator's performance. Absent compelling circumstances, however, the Board shall give USLC and the Administrator six (6) months to correct the basis for the Board's reasonable dissatisfaction. The parties agree that the purpose of the above provisions is not to deny the Administrator the opportunity for growth and/or promotion within USLC. As the employer, USLC shall be solely responsible for the performance evaluation of the Administrator. USLC shall seek feedback from the Board prior to completing an annual Administrator performance evaluation.

C. Teachers. USLC shall, consistent with this Article, assign to perform Services at the Academy, teachers qualified to teach their assigned subjects and grade level. The curriculum taught by the teachers shall be consistent with the Educational Program. The teachers may, at the discretion of USLC, be assigned to work at the Academy on a full or part time basis. If assigned to work at the Academy on a part time basis, the teacher(s) may also be assigned to work at other schools for which USLC provides services. The cost for such teacher(s) shall be shared proportionately among the schools at which USLC has assigned the teacher(s) to work. Each teacher assigned to work at the Academy shall hold a valid teaching certificate issued by the state board of education or applicable state agency to the extent required by the Authorizing Law.

D. Support Staff. USLC shall, consistent with this Article, assign to perform Services at the Academy, qualified support staff as needed for USLC to operate the Academy in an efficient manner. The support staff may, at the discretion of USLC, be assigned to work at the Academy on a full or part time basis. If assigned to work at the Academy on a part time basis, the support staff may be assigned to work at other schools for which USLC provides services. The cost for such support staff shall be shared proportionately among the schools at which USLC has assigned the support staff to work. An individual assigned to work at the Academy that is not teaching, but for which a license is required under applicable law, shall have the appropriate license.

E. Training. USLC shall provide or procure training in its methods, curriculum, program, and technology to all teaching personnel on a regular basis. Instructional personnel shall be required to obtain at least the minimum hours of professional development as required by applicable law. Non-instructional personnel shall receive training as USLC determines reasonable and necessary under the circumstances. Items purchased by USLC for the Academy and paid for by the Academy with funds from the Fee, such as non-proprietary instructional and/or curriculum materials, books, supplies and equipment, shall be the property of the Academy. All property purchased by USLC exclusively on behalf of the Academy using the Fee shall be the property of the Academy.

F. Background Checks and Qualifications. USLC shall comply with applicable law regarding background checks, unprofessional conduct searches and certification/licensure, as applicable, for all persons working in the Academy, the costs of which shall be included in the Budget.

G. Terms of Employment. No member of the staff at the Academy shall be subject to any covenant not to compete or other employment restriction as part of the terms of his or her employment with USLC for the Services.

H. Limitations on Discretion. All decisions made by USLC, and any discretion exercised by USLC, in its selection, hiring, evaluation, assignment, discipline, transfer, and termination of personnel, shall be consistent with the Budget, the Charter, the parameters adopted and included in the Educational Program, and applicable law.

## **ARTICLE IX INDEMNIFICATION**

A. Indemnification of Parties. To the extent not prohibited by the Charter or applicable law, the Parties hereby agree to indemnify, defend, and hold the other (the “Indemnified Party”), harmless from and against any and all third-party claims, actions, damages, expenses, losses or awards which arise out of (i) the negligence or intentional misconduct of the indemnifying party, (ii) any action taken or not taken by the indemnifying party, or (iii) any noncompliance or breach by the indemnifying party of any of the terms, conditions, warranties, representations, or undertakings contained in or made pursuant to this Agreement. As used herein, Indemnified Party shall include the party’s trustees, directors, officers, employees, agents, representatives and attorneys. The Parties may purchase general liability, property, or other insurance policies. Notwithstanding anything in this Agreement to the contrary, the Board shall not be precluded by the terms of this Agreement from asserting or declining to assert a claim of governmental immunity.

*“Indemnification of Ferris State University. The parties acknowledge and agree that the Ferris State University Board of Trustees, Ferris State University and its members, officers, employees, agents or representatives (collectively referred to as “the University”) are deemed to be third party beneficiaries for purposes of this Agreement. As third party beneficiaries, US Learning Corporation hereby promise to indemnify, defend, and hold harmless the University from and against all claims, demands, actions, suits, causes of action, losses, judgments, damages, fines penalties, forfeitures, or any other liabilities or losses of any kind, including costs, attorney fees, and related expenses imposed upon or incurred by the University, on account of injury, loss or damage, including, without limitation, claims arising from bodily injury, personal injury, sickness, disease, death, property loss or damage or any other losses of any kind whatsoever and not caused by the sole gross negligence of the University, which arise out of or are in any manner connected with Ferris State University Board of Trustees’ approval of the Academy’s application, Ferris State University Board of Trustees’ consideration of or issuance of a Contract, US Learning Corporation’s preparation for and operation of the Academy, or which are incurred as a result of the reliance by the University upon information supplied by US Learning Corporation, or which arise out of the failure of US Learning Corporation to perform its obligations under the Contract, the Agreement or Applicable Law, as applicable. The parties expressly acknowledge and agree that the University, Ferris State University Board of Trustees and its members, and their respective officers, employees, agents or representatives, or any of them, may commence legal action against US Learning Corporation.”*

## **ARTICLE X INSURANCE**

A. Insurance Coverage. USLC and the Academy shall maintain such policies of insurance as required by the Charter, the Michigan Universities Self-Insurance Corporation



("M.U.S.I.C."), and applicable law. USLC's insurance is separate from and in addition to the insurance the Academy is required to obtain under the Charter. Each party shall, upon request, present evidence to the other and the Authorizer that it maintains the requisite insurance in compliance with the provisions of this Article. In the event that the Authorizer or M.U.S.I.C. requests any change in coverage, USLC agrees to comply with any change in the type and amount of coverage as requested within sixty (60) days after notice of the insurance coverage change is provided to USLC. Each party shall comply with any information or reporting requirements required by the other party's insurer(s), to the extent reasonably practicable. USLC's cost of procuring insurance coverage is a corporate cost to be paid by USLC.

B. Workers' Compensation Insurance. Each party shall maintain workers' compensation insurance as required by law, covering their respective employees.

## **ARTICLE XI REPRESENTATIONS & WARRANTIES**

A. Board and School. The Board represents and warrants, for itself and on behalf of the School, that: (i) it is legally vested with all power and authority necessary to operate a charter school under the Authorizing Law; (ii) it is legally vested with all power and authority necessary to execute, deliver and perform this Agreement, including without limitation, the power and authority to contract with a private entity for the provision of educational, business administration and management services; (iii) its actions have been duly and validly authorized, and it has adopted any and all resolutions or expenditure approvals required for the execution of this Agreement; and (iv) there are no pending actions, claims, suits or proceedings, or, to its knowledge, threatened or reasonably anticipated against or affecting either the Board or the school, which if adversely determined, would have a material adverse effect on its ability to perform under this Agreement.

B. USLC. USLC represents and warrants that: (i) it is a corporation in good standing and is authorized to conduct business in the State of Michigan; (ii) it is legally vested with all power and authority necessary to execute, deliver and perform this Agreement; (iii) there are no pending actions, claims, suits or proceedings, or, to its knowledge, threatened or reasonably anticipated against or affecting USLC, which if adversely determined, would have a material adverse effect on its ability to perform its obligations under this Agreement; and (iv) it will comply with all registration and licensing requirements relating to conducting business under this Agreement, which the Board agrees to assist USLC in applying for such licenses and permits and in obtaining such approvals and consents.

## **ARTICLE XII MISCELLANEOUS**

A. Entire Agreement. This Agreement and any attachments hereto shall constitute the entire agreement of the Parties on the subject matter set forth herein. This Agreement supersedes and replaces any and all prior agreements and understandings regarding the subject matter set forth herein between the School and USLC.

B. Force Majeure. Except for payment obligations, and notwithstanding any other

provisions of this Agreement, neither party shall be liable for any delay in performance or inability to perform due to acts of God, war, riot, embargo, fire, explosion, sabotage, flood, accident, labor strike, or other acts beyond its reasonable control; provided either party may terminate this Agreement in accordance with provisions contained herein if sufficient grounds exist as provided in the Article governing termination.

C. State Governing Law; Waiver of Jury Trial. This Agreement shall be construed, interpreted, governed and enforced pursuant to the laws of the State of Michigan, without regard to its conflict-of-laws principles. The Parties hereby waive the right to a jury trial in any action, proceeding or counterclaim brought by either USLC or the Academy against the other.

D. Notices. All notices and other communications required by this Agreement shall be in writing and sent to the Parties at the facsimile number or address set forth below. Notice may be given by: (i) facsimile with written evidence of confirmed receipt by the receiving party of the entire notice; (ii) certified or registered mail, postage prepaid, return receipt requested; or (iii) personal delivery. Notice shall be deemed to have been given on the date of transmittal if given by facsimile, upon the date of postmark if sent by certified or registered mail, or upon the date of delivery if given by personal delivery. For purposes of the foregoing, "personal delivery" shall include delivery by nationally recognized overnight courier (such as FedEx), if signed for by the recipient or a delegate thereof. Notices to the Academy shall be sent to the current address of the then current Board President, with a copy to the then current Board attorney. The addresses of the Parties for the purposes aforesaid, including the address of the initial Board President, are as follows:

The Board:

Learn4Life Pontiac  
C/O Clark Sanford  
142 Auburn Ave.  
Pontiac, MI 48342

WITH A COPY TO:

Nick Kovach  
Shifman & Carlson, PC  
34705 W. 12 Mile Rd., Suite 160  
Farmington Hills, MI 48331

USLC:

U.S. Learning Corporation  
25000 Ave Stanford Suite 94  
Valencia CA 91355

WITH A COPY TO:

Adam Miller  
Miller Law Office, PC  
25000 Ave Stanford Suite 94  
Valencia CA 91355

E. Assignment. USLC may assign this Agreement with the prior written approval of the Board and in a manner consistent with the Authorizer's policies; provided, however, this Agreement shall not be assignable without prior written notification to Authorizer.

F. Amendment. This Agreement shall not be altered, amended, modified or supplemented except by memorandum approved by the Board and signed by both an authorized officer of the Academy and USLC and in manner consistent with the Authorizer's policies.

G. Waiver. No waiver of any provision of this Agreement shall be deemed or shall

constitute a waiver of any other provision. Nor shall such waiver constitute a continuing waiver unless otherwise expressly stated.

H. Costs and Expenses. If any Party commences an action against another Party as a result of a breach or alleged breach of this Agreement, the prevailing Party shall be entitled to have and recover from the losing Party reasonable attorneys' fees and costs of suit.

I. Severability. If any term or provision of this Agreement is held by a court of competent jurisdiction to be invalid, void or unenforceable, the remainder of the terms and provisions set forth herein shall remain in full force and effect and shall in no way be affected, impaired or invalidated, and the Parties shall use their best efforts to find and employ an alternative means to achieve the same or substantially the same result as that contemplated by such term or provision.

J. Delegation of Authority. Nothing in this Agreement shall be construed as delegating to USLC powers or authority of the Board which are not subject to delegation by the Board under the Charter or applicable law.

K. Compliance with Law. Each party will comply with the Charter and laws applicable to the performance of such party's obligations hereunder.

L. Time of Essence. The Parties understand and agree that time is of the essence in performing their respective responsibilities under this Agreement.

M. Governmental Immunity. Nothing in this Agreement shall be construed to restrict the Board from waiving its governmental immunity or to require the Board to assert, waive or not waive its governmental immunity.


IN WITNESS WHEREOF, the undersigned have executed this Agreement as of the Effective Date.

USLC:

BOARD:

U.S. Learning Corporation

Learn4Life Pontiac

By:   
Chad Gray (Jun 9, 2025 19:36 CDT)

By:   
Clark Sanford (Jun 2, 2025 16:26 EDT)

Its: CEO

Its: Flex High School of Pontiac Board President




# USLC ESP Services Agreement


Final Audit Report

2025-06-02


Created:	2025-06-02
By:	Garrett Robinson (grobinson@shifmancarlsonlaw.com)
Status:	Signed
Transaction ID:	CBJCHBCAABAAcThSyNRFuwKAvY1DoIgfR_QiKI2wuckm


## "USLC ESP Services Agreement" History

 Document created by Garrett Robinson (grobinson@shifmancarlsonlaw.com)  
2025-06-02 - 8:24:31 PM GMT

 Document emailed to Clark Sanford (clark.sanford@gmail.com) for signature  
2025-06-02 - 8:24:36 PM GMT

 Email viewed by Clark Sanford (clark.sanford@gmail.com)  
2025-06-02 - 8:25:11 PM GMT

 Document e-signed by Clark Sanford (clark.sanford@gmail.com)  
Signature Date: 2025-06-02 - 8:26:09 PM GMT - Time Source: server

 Agreement completed.  
2025-06-02 - 8:26:09 PM GMT





# USLC ESP Services Agreement PE Printed

Final Audit Report

2025-06-10

Created:	2025-06-09
By:	Adam Miller (amiller@miller-pc.com)
Status:	Signed
Transaction ID:	CBJCHBCAABAAQ4FcoDU0wlmAMXKJpzbXrL4LCmdGLMYR

## "USLC ESP Services Agreement PE Printed" History

-  Document created by Adam Miller (amiller@miller-pc.com)  
2025-06-09 - 11:28:01 PM GMT
-  Document emailed to Chad Gray (cgray@llac.org) for signature  
2025-06-09 - 11:28:05 PM GMT
-  Email viewed by Chad Gray (cgray@llac.org)  
2025-06-10 - 0:36:03 AM GMT
-  Document e-signed by Chad Gray (cgray@llac.org)  
Signature Date: 2025-06-10 - 0:36:43 AM GMT - Time Source: server
-  Agreement completed.  
2025-06-10 - 0:36:43 AM GMT