

MANAGEMENT AGREEMENT

This Management Agreement (the "Agreement") is made and entered into as of March 1, 2025 by and between New Bedford Academy, (the "Academy") a Michigan public school academy organized under Part 6A of the Michigan Revised School Code (the "Code"), by and through its Board of Directors (the "Board"), and Teachers First, Inc., a Michigan nonprofit company ("TF").

RECITALS

A. The Academy has been established by Ferris State University (the "University") pursuant to that certain Public School Academy Contract dated July 1, 2024, between Ferris State University and the Academy (the "Contract") to operate the Academy pursuant to the Contract in accordance with the Code.

B. TF provides worksite employee services to public school academies that have the ability to provide services for the Academy to develop an environment of educational excellence and innovation at The Academy, based upon TF's experience and capacity to implement and manage a worksite employee solution.

C. The Academy desires to engage TF to perform certain services related to the Academy's providing worksite employees, as the Academy Board agrees that it is in the best interest of the Academy to enter into this Agreement with TF..

D. The Academy and TF intend that this Agreement constitute, and this Agreement shall constitute, a "qualified management agreement" in compliance with applicable requirements of Section 141 of the Internal Revenue Code of 1986 (the "IRS Code") and Rev. Proc. 2017-13, as amended and modified (the "Revenue Procedure") and shall be interpreted in accordance with such requirements.

THEREFORE, the parties mutually agree as follows:

1. **Public School Academy Contract; Required Provisions.** Notwithstanding anything contained in the Agreement to the contrary, the Academy and TF covenant and agree, as follows:

1.1 **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, TF hereby promises 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 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, the Board's or TF'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 the Board or TF, or which arise out of the failure of TF 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 TF to enforce its rights as set forth in this Agreement.

1.2 Compliance with Public School Academy Contract. TF 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.

Compliance with Section 503c. On an annual basis, TF 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. Specifically, by November 1 of each year, the following information will be provided to the Academy to be posted on a publicly available website:

1. Average salary for new teachers (less than 5 years of certification) and veteran teachers (5 or more years of certification) employed by the Academy or the TF.
2. If fewer than five new or veteran teachers are employed, the average salary for all teachers.
3. Average salary for support staff, including paraprofessionals, food service workers, bus drivers, and literacy coaches.

1.3 Compliance with Academy's Contract. TF agrees to perform its duties and responsibilities under this Agreement in a manner that is consistent with the Academy's obligations under the Contract, including all schedules thereto and policies referenced therein, as they may be amended. The provisions of the Academy's Contract shall supersede any competing or conflicting provisions contained in this Agreement. Without limiting the foregoing, TF shall (i) comply with the requirements of the Contract to the extent TF performs services on behalf of the Academy and (ii) assist and cooperate with the Academy in complying with the requirements of the Contract. TF shall make information concerning employees placed at the Academy at made available to the Academy as deemed necessary by the Academy Board in order to enable the Academy to fully satisfy its obligations under the Contract.

1.4 Government Immunity. No provision contained in this Agreement shall in any way be interpreted or construed to restrict the Board from waiving its governmental immunity or require the Board to assert, waive, or not waive its governmental immunity.

1.5 Non-Interference with Academy Board. Nothing in this Agreement shall be construed to (i) interfere with the Board's duties (fiduciary and otherwise) under the Contract and (ii) cause the Academy's duties under the Contract to be limited or rendered impossible by action or inaction by TF.

1.6 Academy Records. All financial, educational and student records pertaining to the Academy are Academy property ("Academy Records") and that the Academy Records are subject to the provisions of the Michigan Freedom of Information Act. The Academy Records must be stored, in physical form, on-site at the Academy's Facility (the "Facility") or be directly accessible at the Facility. In addition, all records pertaining to teacher and administrator certification, as well as a copy of the employee handbook, shall be maintained physically on site or directly accessible at the Facility. TF shall provide the Academy Board with immediate access to Academy Records upon request, including electronic access to any database holding such records. Except as permitted under the Contract and applicable law, nothing in this Agreement shall be interpreted to restrict the University's or the public's access to the Academy's records.

1.7 Records Availability/Deposit Accounts. All finance and other records of TF related to the Academy will be made available to the Academy, the Academy's independent auditor, or the University's Charter Schools Office ("CSO") upon request. In addition, no provision of this Agreement shall alter the Board Treasurer's legal obligation to direct that the deposit of all funds received by the Academy be placed in the Academy's depository account as required. Further, the signatories on the Board's depository account shall be solely Board members and/or properly designated Board employees. All interest or investment earnings on Academy deposits shall accrue to the Academy. Pursuant to the Uniform Budget and Accounting Act, MCL 141.422b, the Board is responsible for designating the Chief Administrative Officer for the Academy. Neither TF nor any owner, officer, director, employee or agent of TF shall be designated as the Chief Administrative Officer of the Academy, but an TF employee may assist the Chief Administrative Officer in carrying out their responsibilities.

1.8 Academy Auditor. The Board shall have sole responsibility and authority to select and retain the independent auditor for the Academy to perform the annual financial audit in accordance with the Contract and applicable state law.

1.9 No Markup. TF hereby certifies (i) that it will not mark up, or include any added fees or charges to, the costs of supplies, materials or equipment procured by TF on the Academy's behalf, (ii) that all supplies, materials and equipment procured by TF on behalf of the Academy will be inventoried by an acceptable method of inventory, and (iii) that an inventory of Academy equipment shall be maintained so that it can be clearly established which property belongs to the Academy.

1.10 Effect of Termination. In the event of termination of this Agreement for any reason by either party prior to the end of the Agreement's Term or upon expiration of the Agreement, TF shall provide, without charge, transition services to the Academy as follows:

1.10.1 Provide for the orderly transition of employee compensation and benefits to the new Educational 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 TF to the Academy.

1.10.2 Provide all keys, login information, and passwords relating to any Academy asset.

1.10.3 The parties may agree upon other transition services to be provided by TF, at a mutually agreed upon fee.

1.11 Matters Relating to Academy Staff. With respect to all persons providing instructional or administrative services to the Academy on a full time basis (the "Academy Staff") (i) nothing in this Agreement shall be construed as imposing a noncompetition, no-hire, or similar provision which would prohibit or restrict the Academy or a party contracting with the Academy from hiring a member of the Academy Staff or other staff that perform work at the Academy; nor (ii) shall any separate agreement between TF and a member of the Academy Staff contain such a provision prohibiting or restricting a member of the Academy Staff from accepting employment from the Academy or a party contracting with the Academy.

1.12 Academy Legal Counsel. The Board shall select and retain legal counsel to advise it regarding its rights and responsibilities under the Contract, this Agreement and applicable law. No material amendment or modification to this Agreement by the parties shall be undertaken without notification of the University and each such amendment or modification shall be accompanied by a legal opinion of the Academy's independent legal counsel that all requirements of applicable law have been met and that there are no improper and/or unlawful interrelations or conflicts created by such amendment or modification.

1.13 Criminal Background Checks. The Academy and TF acknowledge and agree that in accordance with Sections 1230 and 1230a of the School Code (MCL §380.1230 and §380.1230a) the Academy shall be required to have any on-site personnel who will regularly and continuously work under contract (as defined below) at the Academy, fingerprinted and subjected to criminal history and background checks through the Michigan State Police and Federal Bureau of Investigation, as detailed under the School Code, prior to commencing any work at the Academy. These criminal background checks must be completed through the Academy by having the applicable on-site personnel present themselves for proper fingerprinting and criminal backgrounds checks, as directed by the Academy, or if permitted by law, having the on-site personnel provide written notification to the Academy that said individual has previously completed fingerprinting and a criminal history and background check as an employee, contract employee or agent in connection with contracting or working for another Michigan school district, intermediate school district, public school academy or nonpublic school (each an "Agency") and indicating that the individual consents to the sharing or transferring of the appropriate fingerprinting and criminal history background report from the other Agency.

Under Section 1230(15) of the Revised School Code (MCL §380.1230(15)) the phrase "regularly and continuously work under contract" is defined to mean "[t]o work at school on more than intermittent or sporadic basis as an employee of an entity that has a contract with a school district ... to provide food, custodial, transportation, counseling, or administrative services, or to provide

instructional services to pupils ...” The phrase “at school” is defined to mean “in a classroom, elsewhere on school property, or on a school bus or other school-related vehicle”.

1.14 Notification of Bankruptcy. TF shall notify the Academy Board if any principal or officer of TF or if TF as a corporate entity (including any related organizations or organizations in which a principal or officer of TF served as a principal or officer) files for bankruptcy protection or, at the time this Agreement is executed, has filed for bankruptcy protection in the last six (6) months or within any applicable preference period, whichever is longer.

1.15 MCLA 380.507(7) Compliance/Amendment Caused by Site Closure or Reconstitution. In the event that the Academy is (i) to close an Academy site pursuant to a notice issued by the Michigan Department of Education under Section 507 of the Code, MCL 380.507; or (ii) to undergo a reconstitution pursuant to Section 507 of the Code, MCL 380.507 and the Contract, and such closure 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 Academy site closure or reconstitution, with no cost or penalty to the Academy, and TF shall have no recourse against the Academy or the University or any subcontracted person or entity of TF for implementing such site closure or reconstitution, and TF hereby agrees to abide by such termination or amendment.

1.16 Cooperation with Board. TF shall cooperate with the Academy and the Board in fulfilling the Board’s duty to meet and implement the Academy’s Board’s statutory, contractual and fiduciary responsibilities relating to the governance and operation of the Academy, and nothing in this Agreement shall be interpreted to interfere with the Academy and the Board’s exercise of these responsibilities. No provision in this Agreement shall be construed as prohibiting or impeding the Board from acting as an independent, self-governing public body, or allowing public decisions to be made other than in compliance with the Michigan Open Meetings Act.

1.17 Ownership of Property. Any equipment, materials and supplies (“Academy Equipment”) purchased by TF on behalf of or as the agent of the Academy, shall be and remain the sole property of the Academy. When acquiring Academy Equipment, TF and its subcontractors will comply with the Revised School Code (including sections 1267 and 1274, MCL 380.1267 and MCL 380.1274) (“Bidding Requirements”) and with the Board’s procurement policy to the same extent that the Bidding Requirements would apply to the Academy when making purchases of Academy Equipment directly from a third party supplier. TF will not include any fees or charges to the cost of the equipment, materials and supplies purchased from third parties when it seeks reimbursement for the cost of these acquisitions. All supplies, materials, and equipment procured for the Academy by TF shall be inventoried by an acceptable method of inventory and an inventory of Academy equipment shall be maintained so that it can be clearly established which property belongs to the Academy.

1.18 Ownership of Educational Materials. The Academy owns all proprietary rights to curriculum or educational materials (“Educational Materials”) that (i) are both directly developed and paid for by the Academy; or (ii) were developed by TF at the direction of the Board with Academy funds dedicated for the specific purpose of developing such curriculum or

materials. TF shall own all proprietary rights to Educational Materials previously developed or copyrighted by TF, or Educational Materials that are developed by TF using funds from the Academy that are not dedicated for the specific purpose of developing Academy Educational Materials. TF acknowledges and agrees that the Educational Materials owned by TF and teaching techniques used by the Academy may be subject to disclosure under the Code and the Michigan Freedom of Information Act.

1.19 Personally Identifiable Information. TF agrees to treat all personally identifiable information ("PII") received from the Academy or from students confidentially and securely, in compliance with all applicable laws and regulations related to protecting the privacy of PII, including without limitation the Family Education Rights and Privacy Act (FERPA), the Michigan Revised School Code, and Section 5 of Michigan's Student Online Personal Protection Act, MCL 388.1295. Except as permitted under the Code, TF shall not sell or otherwise provide to a for-profit business entity any PII that is part of an Academy student's education records. If TF receives information that is part of an Academy student's education records, TF shall not sell or otherwise provide the information to any other person except as permitted under the Code. For purposes of this section, the terms "educational records" and "personally identifiable information" shall have the same meaning as those terms in section 1136 of the Code, MCL 380.1136. In addition, TF will maintain a documented security program that incorporates appropriate, commercially reasonable, and industry-standard security measures to protect such PII. TF will notify the Academy of any security breach that impacts PII received from the academy or from students within a commercially reasonable time after discovery and will provide regular status updates until the breach is resolved. After final resolution of the breach, TF will provide the Academy with a final incident report.

1.20 Data Security Breach. TF shall promptly report to the Academy, not later than the first business day following discovery, any use or disclosure of personally identifiable information from the Academy's education records or other information not suitable for public release (collectively, Covered Data or Information ("CDI")) that is not authorized by this Agreement or Applicable Law. TF agrees to promptly undertake to 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 TF has done or shall do to mitigate any deleterious effect of the unauthorized use or disclosure, (v) whether, and if so on what grounds, TF has determined that the security breach has not or is not likely to cause substantial loss or injury to, or result in identity theft with respect to, one or more residents of this state, and (vi) what corrective action TF has taken or shall take to prevent future similar unauthorized use or disclosure. TF shall provide such other information as reasonably requested by the Academy Board. The parties shall then mutually meet and confer with rTFfective legal counsel to determine appropriate steps to be taken as required by state or federal law and University policy, and at the Academy's direction, TF shall take appropriate action, in accordance with MCL 445.72, to notify affected individuals whose CDI may have been compromised.

1.21 Marketing and Development Costs. 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 TF.

1.22 Special Default and Termination Provisions. Notwithstanding anything contained herein to the contrary:

(a) **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."

(b) **Material Breach.** It is agreed that any action or inaction by TF which causes the Contract to be revoked, terminated or suspended, or which results in the Academy receiving official notification from the University, Superintendent of Public Instruction, or other authorized body or official, of the commencement or an intent to initiate proceedings for the termination, revocation or suspension of the Contract, shall be designated a material breach of this Agreement and shall be grounds for termination of this Agreement by the Academy.

(c) **Termination for Cause.** The University reserves the right to terminate an TF Agreement for cause, in accordance with the terms of the Contract, relevant state law, and this policy. The University may exercise this authority when it is determined that TF is failing to meet the academic, financial, or operational expectations outlined in the Contract, or if TF is in violation of applicable laws, regulations, or the terms of TF Agreement.

(d) **Amendment Caused By Academy Site Closure or Reconstitution.** In the event that the Academy is required (i) to close an Academy site pursuant to a notice issued by the Department under Section 507 of the Code, MCL 380.507; or (ii) to undergo a reconstitution pursuant to Section 507 of the Code, MCL 380.507 and the Contract Terms and Conditions, and such closure of an Academy site or reconstitution causes an amendment to or termination of this TF Agreement, the parties agree that this TF Agreement shall be amended or terminated to implement the Academy site closure or reconstitution, with no cost or penalty to the Academy, and TF shall have no recourse against the Academy or the University for implementing such site closure or reconstitution. It is further agreed that this Agreement shall be terminable if so directed by Ferris State University as part of the process of reconstitution, as provided by the Revised School Code.

1.23 Maximum Term. The maximum term of this Agreement shall not exceed the remaining term of the Contract.

2. Educational Services. For the Term of this Agreement, Teachers First will provide to the Academy the following educational services consistent with the Contract (the "Educational Services"):

2.1 Human Resources Services. The parties agree that TF, to the extent permitted by and in conformity with the Contract and applicable laws, shall provide the human resources services to the Academy contemplated by this Agreement and as set forth in the attached ADDENDUM (the "Educational Services").

2.2 Subcontracts. It is anticipated that TF will utilize subcontracts to provide some of the services it is required to provide to the Academy. TF shall not subcontract the management, oversight or operation of the teaching and instructional program without the prior approval of the Board. Board approval of other subcontracts is not required unless the cost for such subcontracted services exceeds the funds appropriated for that purpose in the Academy's approved budget. TF will receive no additional fee as a result of subcontracting of any services.

3. Place of Performance; Provision of Offices. The Academy will provide TF with necessary and reasonable office space at the Facility to perform all agreed upon Administrative Services described in this Agreement.

4. Qualified Management Agreement. In the event that the Academy undertakes any Tax Exempt Bonds, the following provisions shall become applicable:

4.1 Qualified Management Agreement. This Agreement is intended to and shall constitute a "qualified management agreement" in compliance with applicable requirements of Section 141 of the IRS Code and Revenue Procedure 2017-13, as amended and modified (the "Revenue Procedure") and shall be interpreted in accordance with such requirements. TF represents to the Academy that TF has reviewed the applicable requirements of Section 141 of the IRS Code and the Revenue Procedure.

4.2 Tax Covenant. TF agrees that it will perform its duties in a manner which, to the extent of its rights and authority under this Agreement and as otherwise authorized by the Board in writing, preserves the exemption from federal income tax of interest on any tax-exempt bond obligations of the Academy ("Tax Exempt Bonds") and, in particular, will comply with the requirements of Section 141 (b) of the Code, Section 1.141-3 of the Treasury Regulations and the Revenue Procedure relating to conditions under which tax-exempt bond-financed property will be considered used for an impermissible private business use; provided, however that the foregoing shall not require TF to breach any of the provisions of this Agreement unless such action is authorized and such breach is waived in writing by the Board and Trustees.

4.3 Approval of Contracts. Notwithstanding anything to the contrary contained herein, neither the Academy nor TF will enter into contracts with unrelated third parties for the management or use of the Academy without first submitting such contracts for review and approval to the other party and any designated bond counsel to ascertain whether such contracts could adversely affect the exemption from federal income tax of interest on any Tax Exempt Bonds.

4.4 Contracts with Related Parties. Notwithstanding anything to the contrary herein contained, TF shall not enter into any contract, as a result of which TF, or any affiliate of or party related to TF, receives, directly or indirectly, any direct or indirect benefit (other than the receipt by the vendor of the stated contract consideration), including without limitation any rebate, revenue sharing, royalty, profit participation, equity participation, barter consideration in the form of goods or services, or any other device, however denominated, and whether similar or dissimilar to any of the foregoing.

5. **Authority.** By this Agreement, the Board provides TF such authority and power as is reasonably necessary or proper for TF to undertake its responsibilities, duties and obligations provided for in this Agreement, except in cases wherein such authority may not be delegated by the Code and other applicable laws and regulations.
6. **Term.** This Agreement will be effective on March 1, 2025, and shall continue for the same length of time as the term of the Contract, and ending on June 30, 2029 (the "Term"). Notwithstanding the foregoing, in the event that the Contract is revoked, suspended, terminated, or not renewed, this Agreement shall automatically terminate as of the date thereof. The term of this Agreement cannot exceed the length of the Contract.
7. **Further Assurance.** The Academy and TF shall do and cause to be done all such acts, matters and things and shall execute and deliver all such documents and instruments as shall be required to enable the parties to perform their rTFfective obligations under, and to give effect to the transactions contemplated by, this Agreement. Notwithstanding the foregoing, neither party shall have an obligation to agree to any changes which (a) materially increase that party's obligations or materially reduce its rights under this Agreement, (b) materially alter any terms of the Agreement, including without limitation the economic terms, (c) would jeopardize TF's receipt of the Management Fee, (d) would prevent either party from meeting the Academy and TF's educational goals.

8. Relationship of the Parties.

8.1 **Status of the Parties.** TF is not a division or a part of the Academy. The Academy is a corporate and governmental entity authorized by the Code and is not a division or part of TF. The relationship between the Academy and TF is based on the terms of this Agreement. Further, each party is acting as an independent contractor and not as a partner, joint ventures, agent or employee of the other and that except as expressly set forth in this Agreement, no employee of TF shall be deemed to be an agent or employee of the Academy. Each party will be solely responsible for its own actions and those of its agents, employees and subcontractors, and neither party will be liable for any debts or expenses incurred by the other or the other's employees, agents and subcontractors.

8.2 **No Related Parties or Common Control.** TF will not have any role or relationship with the Academy that, in effect, substantially limits the Academy's ability to exercise its rights, including termination rights, under this Agreement. The Academy and TF will not be members of the same controlled group, as defined in Section 1.150-1(e) of the Treasury Regulations under the IRS Code, or related persons, as defined in Section 144(a)(3) of the IRS Code.

8.3 **Designation of Agents.** The Board designates the employees of TF as agents of the Academy having a legitimate educational interest such that they are authorized access to educational records under 20 U.S.C. § 1232g, the Family Educational Rights and Privacy Act ("FERPA"). Except as set forth in this Section or as expressly acknowledged in writing by the Board, no employee of TF shall be deemed to be an agent of the Academy.

9. Consideration for Services.

9.1 Reasonable Compensation and Management Fee. The Management Fee under this Agreement is reasonable compensation for services rendered. TF's compensation for services under this Agreement will not be based, in whole or in part, on a share of net surplus or profits from the operation of the Academy. For the Term of this Agreement, the Academy will pay TF an annual fee equal to three percent (3%) of the Academy's Gross Wages for all worksite employees or a minimum of \$30,000 per year, whichever is more. This fee is for each School Year ("Management Fee"), payable in equal installments at each payroll date. Additional services that are to be provided by TF that are not included in the Management Fee and are to be reimbursed by the Academy shall be clearly stated in this Agreement, and shall not be payable by the Academy unless preapproved by the Academy. Any services to be provided by TF that are included in the Management Fee but are performed by a subcontractor shall not be charged to, reimbursed by, or passed through as an additional cost to the Academy. All payroll-related costs are assumed by the Academy Board as indicated in Schedule A, to the Addendum. All payments not made or sent by the Academy on or before the Due Date shall be subject to a late charge of three (3%) percent of the amount due. Checks returned from the Academy's bank will be subject to the late payment charge of fifty (\$50.00) dollars plus any additional costs incurred by TF. All amounts due that are unpaid on the Due Date shall bear interest at the rate of one and one half (1 1/2 %) percent per month.

9.2 Payment of Costs/Advances. The parties acknowledge the Academy is obligated to pay all costs and expenses associated with the operation of the Academy including but not limited to all personnel and benefits costs referenced in Schedule A of the Addendum, provided that TF submits acceptable documentation supporting approved fees and expenses to the Academy. To the extent that TF provides an Advance or Advances to the Academy pursuant to Section 12.7 of this Agreement for the purpose of providing working capital to cover such Operational Expenses, the Academy will reimburse TF for such Advances as and when the finances and cash flows of the Academy will reasonably permit and in compliance with Section 1225 of the Code. TF shall not be reimbursed for any corporate costs, "central office" personnel costs, or expenses not related to providing the Education Program at The Academy, as such costs are expected to be paid out of the management fee paid by the Academy to TF.

9.3 Payments to TF. TF will receive the installment of its Management Fee as calculated at each payroll date.

10. Other Revenue Sources. The Academy and TF may, together or independently, solicit and receive grants and donations from public and private sources consistent with the mission, and the Contract, of the Academy, in the name of either TF or the Academy; provided, however, that (i) any solicitation of such grants by TF in the name of the Academy and/or the Academy that are in excess of One Hundred Thousand Dollars (\$ 100,000) shall be subject to the prior approval of the Board, (ii) all such funds received by TF or the Academy for the benefit of the Academy from such other revenue sources shall be deemed to be the Academy funds, (iii) TF shall not be required to administer any grants that are not specifically approved, in writing, by TF, in advance, (iv) only to the extent specifically provided in a grant, TF shall be entitled to receive, in addition to all any other amounts which are payable to TF under this Agreement, a grant administration fee, and (v) both the Academy and TF

shall be required to mutually approve, in writing, any grants proposed by a third party grant writer. Nothing in this Section 10 will be construed to prohibit TF from soliciting funds or grants solely for its own general corporate purposes and using such funds or grants solely for such purposes, except that TF shall not use the Academy's and/or the Academy's name in such solicitation without the consent of the Board.

11. Personnel and Training.

11.1 Personnel Responsibility. Subject to the limitations of this Agreement, the Contract, the Code and other applicable laws and regulations, TF will have the sole responsibility and authority to determine staffing levels, and to select, evaluate, assign, discipline, supervise, manage, transfer and terminate personnel necessary to carry out the Educational Services, the Administrative Services, the Supplemental Programs (if any) and all other services provided under this Agreement, all within the financial constraints of the Academy Budget approved by the Board. TF shall adopt, implement, and maintain a performance evaluation system for all required personnel as required by applicable law.

11.2 Employment Status. Except as specified in this Agreement or as required by the Code or the Contract, the School Leader, teachers and support staff selected by TF for the Academy pursuant to this Agreement will be employees of TF or an affiliate of TF which handles all TF employment and human resources administration (the "Employees"). Benefits paid, to, due, or to be paid for or on behalf of any Employees shall be the sole and exclusive obligation of TF. TF accepts full liability for benefits, salaries, workers' compensation, unemployment compensation and liability insurance for its employees leased to the Academy or working on Academy operations irrespective of whether TF receives an advancement of its costs or the payment of services from the Academy.

11.3 Background Checks. TF will provide assistance to the Academy in conducting or causing to be conducted all reference, employment checks, criminal background and records checks and unprofessional conduct checks on all Employees and other personnel working or providing services at the Academy to the extent required under the Code and other applicable laws and regulations) ("Background Checks"). All records of Background Checks shall be maintained and secondarily disseminated by the Academy solely in accordance with applicable law and regulation.

11.4 School Leader. The Academy and TF acknowledge and agree that the accountability of TF to the Academy is an essential foundation of this Agreement, and because the responsibility of the administrator of the Academy (the "School Leader") is critical to the success of the Academy, TF will have the authority, consistent with the Code and other applicable laws and regulations, to select and supervise the School Leader and hold the School Leader accountable for the success of the Academy. The employment contract with the School Leader, and the duties and compensation of the School Leader shall be determined by TF. The School Leader and TF, in turn, will have similar authority to select and hold accountable the teachers in The Academy. Notwithstanding anything in this Section, TF agrees to consult with the Board prior to hiring the School Leader and will consult with the Board prior to taking any action that would alter the employment status of the School Leader. At the request of the Board,

TF will review the performance of the School Leader with the Board. Upon receipt of written notification indicating that the Board is not satisfied with the performance of the School Leader, TF will provide a replacement School Leader if the performance problems are not resolved within a reasonable time.

11.5 Teachers. TF will provide the Academy with such teachers as are required to provide the Educational Services and Administrative Services. Consistent with the Academy Budget, TF and the School Leader will determine the number and assignments of such teachers. Such teachers may work at the Academy on a full or part time basis. Each teacher assigned to the Academy will be qualified in his or her grade levels and subjects, hold a valid teaching certificate issued by the Michigan Department of Education under the Code, to the extent required under the Code and other applicable laws and regulations. Upon written request, TF will provide the Academy with documentary evidence of TF 's compliance with this Section.

11.6 Support Staff. Consistent with the Academy Budget approved by the Board, TF will provide the Academy with such support staff as is required to provide the Educational Services, Administrative Services and any associated Supplementary Programs. Such support staff may include, among others, teachers' aides, clerical staff and administrative assistants to the School Leader, bookkeepers and maintenance personnel. Such support staff may work at the Academy on a full or part time basis.

11.7 Training. TF will NOT provide training (i) in the instructional methods and curriculum, which comprise the Educational Program, and (ii) nor with regard to support technology to the teachers and nor other instructional personnel.

11.8 Academy Employees. The Board may employ such employees as it deems necessary. The cost to employ Academy employees shall be paid by the Board.

11.9 Educational Consultants. The Board may retain an educational consultant or consultants to review the operations of the Academy and the performance of TF under this Agreement. TF shall cooperate with the educational consultant or consultants and will provide those individuals with prompt access to records, facilities and information as if such requests came from the full Board. TF shall have no authority to select, evaluate, assign, supervise or control any educational consultant employed by the Board, and agrees that it will not bring or threaten to bring any legal action against any educational consultant for the performance of the functions requested to be performed by the Board and which are consistent with this Agreement. The cost to employ an educational consultant shall be paid by the Board.

12. Termination of Agreement

12.1 By TF. TF may terminate this Agreement with cause prior to the end of the Term specified in Section 6 in the event that the Academy fails to remedy a material breach of this Agreement within sixty (60) days after written notice from TF. A material breach includes, but is not limited to (i) the Academy's failure to pay any fee or reimbursement as required by the terms of this Agreement, (ii) adoption by the Board of an Educational Program for the Academy in substantial variance from the material recommendations of TF, (iii) the Academy's failure to approve an Academy Budget which is fully compliant with the requirements of State Law, or (iv)

an act or omission that causes TF to be unable to perform its material obligations under this Agreement. In order to terminate this Agreement for cause, TF is required to provide the Board with written notification of the facts it considers to constitute material breach. After the period set forth in this section to remedy the material breach has expired, TF may terminate this Agreement by providing the Board with written notification of termination. Termination by TF will not relieve the Academy of any obligations for payments outstanding to TF as of the date of termination or liability for financial damages suffered by TF as a consequence of the Academy's breach (or of TF 's termination as a result thereof) of this Agreement.

12.2 By The Academy. The Academy may terminate this Agreement with cause prior to the end of the Term specified in Section 6 in the event that TF fails to remedy a material breach of this Agreement within sixty (60) days after written notice from the Academy. A material breach by TF includes, but is not limited to: (i) a material failure to reasonably account for its expenditures related to the Academy funds, (ii) TF's failure to substantially follow the material policies, procedures, rules, regulations or curriculum required by the Contract, this Agreement, the Code or applicable laws and regulations, (iii) failure to abide by and meet the educational goals set forth in the Contract such that the Contract will be terminated, (iv) the employment of administrators, teachers and staff in violation of the Code or this Agreement, (v) any act or omission of gross negligence by TF that causes the Academy to materially breach the Contract or any of the Academy's other material contractual obligations in any way, or (vi) filing of bankruptcy by TF. In order to terminate this Agreement for cause, the Board is required to provide TF with written notification of the facts it considers to constitute material breach and the period of time within which TF has to remedy this breach, not to exceed 60 days. After the period to remedy the material breach has expired, the Board may terminate this Agreement by providing TF with written notification of termination. Termination by the Academy will not relieve the Academy of any obligations for payments outstanding to TF as of the date of the termination, nor will it relieve TF for liability for financial damages suffered by the Academy as a consequence of TF 's breach (or of the Academy's termination as a result thereof) of this Agreement. TF is not relieved of providing the services required of TF under this Agreement until after the date of termination of this Agreement.

12.3 Automatic Termination. This Agreement shall automatically terminate in the event of the following:

16.3.1 The Academy no longer possesses a Public School Academy Contract to operate a public school academy, including but not limited to a termination or revocation of the Public School Academy Contract or a failure to renew an existing Public School Academy Contract, with no cost or penalty to the Academy, and no recourse against University or any third party affiliated with or engaged by the University, by TF or any subcontracted person or entity of TF, in the event University determines to exercise its prerogative under this Public School Academy Contract to reconstitute the Academy by requiring the termination or amendment of the Agreement.

16.3.2 In the event that TF or any of its Shareholders, and/or Board of Directors shall be guilty of felony or fraud, gross dishonesty, or other act of gross misconduct in the rendering of services under the Agreement;

16.3.3 If TF shall cease to be approved by the University to render services under this Agreement.

16.3.4 Further, this Agreement may be terminated by either party immediately in the event the other party is declared bankrupt or insolvent, or makes an assignment for the benefit of its creditors, or if a receiver is appointed or any proceedings are commenced, voluntary or involuntary, by or against such party under bankruptcy or similar law and such status is not cured within sixty (60) days from its occurrence.

12.4 Termination Without Cause. Either party may elect to terminate the Agreement at the end of the school year, provided that the terminating party gives the other party written notification of termination at least ninety (90) calendar days prior to the termination date.

12.5 Timing of Termination. The University strongly discourages mid-year terminations and will be disapproved by the University's CSO absent compelling circumstances and a clear demonstration that the new Educational Service Provider (or transition to self-management) can seamlessly assume management and operations of the school without disrupting the school's operations. The Academy Board and TF agree to make all efforts necessary to remedy a breach of this Agreement in order to continue school operations until completion of the then-current school year. Any termination of this Agreement for cause or without cause shall not take effect until the earlier of: (i) an approved agreement by the Academy with another Educational Service Provider (or self-management) is in effect; or (ii) the end of the current school year in which the termination is invoked. The Academy Board and TF shall work cooperatively to transition management and operations without disruption to the school or students.

12.6 Real and Personal Property. Upon termination or expiration of this Agreement by either party for any reason, any real or personal property leased by TF, or any affiliate thereof, to the Academy will remain the real and personal property of TF, and all personal property purchased by TF with the funds provided to TF by the Academy will be the personal property of the Academy.

12.7 Repayment of Advances and Expenses. Upon termination or expiration of this Agreement for any reason, the Academy shall (i) reimburse TF for all expenses owed pursuant to Schedule A of the Addendum and (ii) repay all Advances from TF.

12.8 Role of TF on Termination. Upon termination of this Agreement, for any reason, TF shall, without charge (i) close the books on the then-current school year; (ii) organize and prepare the Academy's records for transition to the Board or a new educational management company; (iii) organize and prepare student records for transition to the Board or a new educational management company; and (iv) provide for the orderly transition of employee compensation and benefits to the Board or a new educational management company without disruption to staffing.

12.9 Transition. In the event of termination of this Agreement for any reason by either party prior to the end of the Agreement's term, TF shall provide the Academy reasonable

assistance for up to 90 days after the effective date of the termination to allow a transition back to a regular school program or to another education service provider.

13. Proprietary Information and Ownership. Notwithstanding anything contained herein to the contrary, third party curriculum or other educational materials purchased by TF with funds TF receives pursuant to this Agreement will be the property of the Academy. Notwithstanding the foregoing, the Academy acknowledges that TF owns the intellectual property rights and interests in TF's curriculum and Education Program being licensed and/or utilized at the Academy during the Term of this Agreement. The Academy acknowledges and agrees that it has no intellectual or property interest or claims in TF's curriculum and Education Program and has no right to use TF's curriculum and Education Program unless expressly agreed to in writing by TF. The Academy shall be permitted to report any new teaching techniques or methods of significant revisions to known teaching techniques or methods to the University and to the State Board of Education, which teaching techniques or methods may thereafter be made available to the public, as provided in Sections 505(3) of the Code, notwithstanding anything contained in this Article to the contrary.

14. Indemnification.

14.1 Indemnification of TF. To the extent permitted by law, the Academy will indemnify, defend and save and hold TF and its affiliates and all of their effective employees, officers, directors, subcontractors and agents harmless against any and all claims, demands, suits or other forms of liability (including reasonable attorney's fees and costs) that may arise out of, or by reason of, any noncompliance by the Academy with any agreements, covenants, warranties or undertakings of the Academy contained in or made pursuant to this Agreement, and any misrepresentations or breach of the representations and warranties of the Academy contained in or made pursuant to this Agreement. In addition, the Academy will reimburse TF for any and all legal expenses and costs associated with the defense of any such claim, demand or suit. The indemnification requirements of this Section may be met by the purchase of insurance pursuant to Section 15.

14.2 Indemnification of The Academy. TF will indemnify, defend and save and hold the Academy, its Board and all of its employees, officers, directors, subcontractors and agents harmless against any and all claims, demands, suits or other forms of liability (including reasonable attorney's fees and costs) that may arise out of, or by reason of, any noncompliance by TF with any agreements, covenants, warranties or undertakings of TF contained in or made pursuant to this Agreement, and any misrepresentation or breach of the representations and warranties of TF contained in or made pursuant to this Agreement. In addition, TF will reimburse the Academy for any and all legal expenses and costs associated with the defense of any such claim, demand or suit. The indemnification requirements of this Section may be met by the purchase of insurance pursuant to Section 15.

14.3 Indemnification for Negligence. To the extent permitted by law, the Academy shall indemnify and hold harmless TF and its owner, board of directors, partners, officers, employees, agents and representatives, from any and all claims and liabilities which TF may incur and which arise out of the negligence of the Academy's directors, officers, employees, agents or representatives. TF shall indemnify and hold harmless the Academy, and the

Academy's Board of Directors, officers, employees, agents or representatives, from any and all claims and liabilities which The Academy may incur and which arise out of the negligence of TF's directors, officers, employees, agents, contractors or representatives.

15. Insurance.

15.1 Insurance Coverage. Each Party will maintain general liability insurance and umbrella insurance coverage in the amounts required by the Contract and by sound business practices. Such policies shall name the other Party and their respective affiliates and their respective directors, officers, employees, subcontractors, and agents as additional insureds under such policies. Each party will comply with any information requests from its insurer(s) and all reporting requirements applicable to such insurance. TF must obtain insurance separate from and in addition to the insurance the Academy is required under the Contract. TF's insurance coverage must be in the amounts required under the Contract, and TF's cost of procuring insurance coverage is a separate cost to be paid by TF. Without limiting the foregoing, TF shall maintain such policies of insurance as required by the Michigan Universities Self-Insurance Corporation. In the event coverage requirements change, TF agrees to comply with any change in the type or the amount of coverage within 30 days after notice of such insurance coverage change.

15.2 Property and Casualty Insurance. Each party will maintain property and casualty insurance covering all real and personal property owned by that party and which are used or useful in the operations of the Academy. The amount of such coverage shall be sufficient to fully comply with sound business practices.

15.3 Workers' Compensation Insurance. Each party will maintain workers' compensation insurance as required by law, covering their respective employees, including the maintenance of such insurance with respect to the School Leader, teachers and support staff of the Academy, the cost of which shall be provided for in the Academy Budget.

15.4 Coordination and Cooperation. To the extent requested by the Academy, TF shall undertake to coordinate the acquisition and maintenance of the insurance requirements of the Academy under this Agreement and the parties will cooperate with each other to assure the complete, efficient and economical provision of the required insurance coverage. In addition, each party will, upon request, present evidence to the other that it maintains the requisite insurance in compliance with the provisions of this Section. Each party will comply with any information or reporting requirements required by the other party's insurer(s), to the extent reasonably practicable.

16. Warranties and Representations.

16.1 Representations and Warranties of TF. TF hereby represents and warrants to the Academy:

16.1.1 TF is a duly organized entity in good standing and is authorized to conduct business in the State of Michigan.

16.1.2 To the best of its knowledge, TF has the authority under the Code and other applicable laws and regulations to execute, deliver, perform this Agreement, and to incur the obligations provided for under this Agreement.

16.1.3 TF 's actions under this Agreement have been and will be duly and validly authorized, and it will adopt any and all further resolutions or expenditure approvals required for execution of this Agreement.

16.1.4 TF shall not include non-competition, no-hire, or similar provision in TF's employment contracts or other agreements with instructional staff that perform work at the Academy for the duration of this Agreement.

16.2 **Representations and Warranties of The Academy.** The Academy hereby represents and warrants to TF:

16.2.1 The Academy is a duly organized entity in good standing and is authorized to conduct business in the State of Michigan.

16.2.2 The Contract (i) authorizes the Academy to operate the Academy and receive revenues under the Code from the State of Michigan and from federal, State and other resources and (ii) vests the Academy with all powers necessary and desirable for carrying out the Education Program and other activities contemplated in this Agreement.

16.2.3 The Academy has the authority under the Code and other applicable laws and regulations to contract with a private entity to perform the Educational Services, Administrative Services, Supplemental Programs and all other services under this Agreement and execute, deliver and perform this Agreement, and to incur the obligations provided for under this Agreement, provided that no provision of such a contract shall be effective if it would prohibit the Board from acting as an independent, self-governing public body, allow public decisions to be made other than in compliance with the Open Meetings Act, or interfere with the Board's constitutional duty to exercise its statutory, contractual and fiduciary obligations governing the operation of the Academy. The Academy is therefore vested with all powers within applicable law for implementing the Educational Program contemplated in this Agreement.

16.2.4 The Academy's actions and those of the Board have been duly and validly authorized.

16.2.5 To the best of its knowledge, the Academy is not in breach of the terms of the Public School Academy Contract and will use its best efforts to insure that it will not breach the Public School Academy Contract in the future.

16.2.6 To the best of its knowledge, the Academy is not in breach or default under any loan or financial obligations, including, but not limited to, leases for real and personal property, to the extent that any such obligation is related to the Academy's required performance under this Agreement.

16.2.7 The Academy and the Board will use its best efforts to ensure that the Educational Program complies with and will continue to comply with the Public School Academy Contract, the Code and other applicable laws and regulations.

16.2.8 The Academy has no intellectual or property rights or claims in TF 's curriculum and Education Program and will make no such claims in the future.

16.3 Mutual Warranties. Each party to the Agreement warrants to the other that there are no pending actions, claims, suits or proceedings, to its knowledge, threatened or reasonably anticipated against or affecting it, which if adversely determined, would have a material adverse effect on its ability to perform its obligations under this Agreement.

17. Alternative Dispute Resolution Procedures.

17.1 Dispute Resolution. All claims, disputes, and other matters in controversy ("Disputes") between the parties hereto arising directly or indirectly out of or related to this Agreement, or the breach thereof, whether contractual or non-contractual, and whether during the Term or after the termination of this Agreement shall be resolved exclusively according to the procedures set forth in this Section 17.

17.2 Arbitration. All disputes between the parties concerning any alleged breach of this Agreement or arising out of or relating to the interpretation of this Agreement or the parties' performance of their respective obligations under this Agreement that are unable to be resolved through discussion and negotiation shall be resolved by arbitration, and such an arbitration procedure shall be the sole and exclusive remedy for such matters. The arbitrator shall be selected from a panel provided by and in accordance with the Commercial Rules of the American Arbitration Association. The arbitration shall be conducted in accordance with the Commercial Rules of the American Arbitration Association, with such variations as the parties and the arbitrator unanimously accept. Any arbitration hearing shall be conducted in Detroit, Michigan. The arbitrator shall be required to issue a cause opinion with a written explanation as to the final decision. This cause of opinion shall be made available to the University and/or the CSO upon request. The CSO shall be notified of any decision reached through arbitration. A judgment on the award rendered by the arbitrators may be entered in any court having appropriate jurisdiction to ensure compliance with the applicable law and this Agreement. The cost of arbitration, not including attorney fees, shall be paid by the losing party. It shall be in the discretion of the arbitration panel to award reasonable attorney fees to the prevailing party.

17.3 Costs and Attorneys' Fees. If a party hereto fails to proceed with arbitration as provided herein or unsuccessfully seeks to stay such arbitration, or fails to comply with any arbitration award, or is unsuccessful in vacating or modifying the award pursuant to a petition or application for judicial review, the other party shall be entitled to be awarded costs, including reasonable attorneys' fees, paid or incurred by such other party in successfully compelling such arbitration or defending against the attempt to stay, vacate or modify such arbitration award and/or successfully defending or enforcing the award.

17.4 Tolling of Statute of Limitations. All applicable statutes of limitation and defenses based upon the passage of time shall be tolled while the procedures specified in this

Section 17 are pending. The parties will take such action, if any, required to effectuate such tolling.

18. Miscellaneous.

18.1 Governing Law. This Agreement shall be interpreted and enforced under the laws of the State of Michigan applicable to contracts made and to be performed entirely within the State without giving effect to choice of law principles of the State. The prevailing party shall be awarded its reasonable attorney fees and costs.

18.2 Independent Contractor. TF is an independent contractor of the Academy and neither party is the agent of the other, except for the purposes of the Family Educational Rights and Privacy Act ("FERPA"). The Academy is not an employer of TF, and TF and the Academy do not have an employment relationship. The Academy designates TF and the employees of TF as agents of the Academy having a legitimate educational interest such that they are entitled to access to educational records under 20 U.S.C. §1232g, FERPA. TF its officers, agents, employees, and staff, shall comply with FERPA at all times. During the Term of this Agreement, the Academy may disclose confidential data and information to TF and its respective officers, directors, employees, and designated agents to the extent permitted by Applicable Law including, without limitation, the Individuals with Disabilities Education Act ("IDEA"), 20 USC 1401 et seq., 34 CFR 300.610-300.626; Section 504 of the Rehabilitation Act of 1973, 29 USC 794a, 34 CFR 104.36; the Michigan Mandatory Special Education Act, MCL 380.1701 et seq.; the Americans with Disabilities Act, 42 USC 12101 et seq.; the Health Insurance Portability and Accountability Act ("HIPAA"), 42 USC 13200d-8; 45 CFR 160, 162 and 164; and social security numbers as protected by the federal Privacy Act of 1974, 5 USC 552a; and the Michigan Social Security Number Privacy Act, MCL 445.84. TF shall comply with all laws, rules and regulations pursuant to FERPA and acknowledges that certain information about the Academy's students may be contained in records maintained by TF and Worksite Employees and that this information can be confidential by reason of FERPA and related Academy policies. Both parties agree to protect these records in accordance with the FERPA and Academy policy. To the extent permitted by law, nothing contained herein shall be construed as precluding either party from releasing such information to the other so that each can perform its respective responsibilities. As it applies, Worksite Employees assigned to the Academy will execute a FERPA Statement of Understanding outlining appropriate guidelines.

18.3 Sole Agreement. This Agreement supersedes and replaces any and all prior agreements and understandings between the Academy and TF regarding the Academy.

18.4 Force Majeure. Notwithstanding any other sections of this Agreement, neither party will be liable for any delay in performance or inability to perform due to acts of God or due to war, riot, terrorism, civil war, embargo, fire, flood, explosion, sabotage, accident, pandemic, infectious disease or any casualty or cause beyond its reasonable control, which cannot be overcome by reasonable diligence and without unusual expense.

18.5 Agreement in Entirety. This Agreement constitutes the entire agreement of the parties regarding the Academy.

18.6 Counterparts. This Agreement may be executed in counterparts, each of which will be deemed an original, but both of which will constitute one and the same instrument.

18.7 Official Notices. All notices and other communications required by the terms of this Agreement will be in writing and sent to the parties hereto at the addresses set forth below (and such addresses may be changed upon proper notice to such addressees). Notice may be given by: (i) certified or registered mail (postage prepaid and return receipt requested), (ii) facsimile (with confirmation of transmission by sender's facsimile machine) or (iii) personal delivery. Notice will be deemed to have been given two days after mailing or on the date of personal delivery or on the date of transmission of a facsimile if on a business day during normal business hours (or, if not, the first business day thereafter). Each party agrees to additionally provide all notices by email at the email address listed below. The addresses of the parties are:

To Academy:
6315 Secor Rd. Lambertville, MI 48144

To TF:
27655 Middlebelt Rd. Farmington Hills,
MI 48240

A courtesy copy of the notice should also be provided by email to the legal counsel of the party to be served, if known.

18.8 Assignment. This Agreement will not be assigned by TF without the prior consent in writing of the Board or by the Academy, provided that TF may assign this Agreement to an affiliated entity or an entity that is a successor to all or a substantial portion of TF's business and may delegate the performance of, but not responsibility for, any duties and obligations of TF hereunder to any independent contractors, experts or professional advisors, subject to the Board approval, which approval cannot be unreasonably withheld. Any assignable party shall be considered an Educational Service Provider as defined by the Contract and applicable Policies, and must comply with all requirements set forth therein.

18.9 Amendment. This Agreement will not be altered, amended, modified or supplemented except in a written document approved by the Board and signed by authorized officers of both the Academy and of TF. Any modification of this Agreement must follow the University's Educational Service Provider Policies before it can be executed. The Parties intend that this Agreement shall comply with the University's Educational Service Provider Policies, as the same may be changed from time to time. IN the event that changes in such Policies implemented after the date of execution of this Agreement cause any provision of this Agreement to be in conflict with the revised Policies, the parties agree to amend this Agreement to eliminate the conflict within thirty (30) calendar days after being advised by the University of the changes of the policies.

18.10 Waiver. No waiver of any provision of this Agreement will be deemed to be, nor will constitute a waiver of any other provision, nor will such waiver constitute a continuing waiver unless otherwise expressly stated.

18.11 Severability. The invalidity of any of the covenants, phrases or clauses in this Agreement will not affect the remaining portions of this Agreement, and this Agreement will be construed as if such invalid covenant, phrase or clause had not been co-maintained in this Agreement. To the extent that any of the services provided by TF are found to be an invalid delegation of authority by the Board, such services will be construed to be limited to the extent necessary to make the services valid and binding.

18.12 Successors and Assigns. This Agreement will be binding upon, and inure to the benefit of, the parties and their respective successors and assigns.

18.13 No Third Party Rights. This Agreement is made for the sole benefit of The Academy and TF, and their affiliates, successors and assigns. Except as otherwise expressly provided, nothing in this Agreement will create or be deemed to create a relationship between the parties to this Agreement, or either of them, and any third person, including a relationship in the nature of a third party beneficiary or fiduciary.

18.14 Survival of Termination. All representations, warranties and indemnities made in this Agreement will survive termination of this Agreement.

18.15 Binding Effect; Counterparts. This Agreement shall be binding upon and inure to the benefit of the parties hereto and their respective successors and assigns. This Agreement may be executed in any number of counterparts, each of which shall be deemed an original and all of which together shall be deemed one and the same instrument.

18.16 Other Agreements. If the Academy and TF enter into other agreements, those agreements shall be separate documents and in compliance with the Contract and all University policies and guidelines. Without limiting the foregoing, if the Academy 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 TF, then such agreements must be separately documents, separately approved, and not be a part of or incorporated into this Agreement.

18.17 University Review. This Agreement is subject to review by the University and shall not become effective until the Academy Board is notified in writing that the University does not disapprove of this Agreement.

IN WITNESS WHEREOF, the undersigned have executed this Agreement as of the date and year first above written.

The Academy: New Bedford Academy,

TF: Teachers First, Inc.



By: Tim Rothman

By: Michelle Kyles

Its: Board President

Its: Executive Director

**ADDENDUM
TO EMPLOYEE MANAGEMENT SERVICES AGREEMENT DATED EFFECTIVE AS
OF
MARCH 1, 2025, BY AND BETWEEN THE NEW BEDFORD ACADEMY, A
MICHIGAN PUBLIC SCHOOL ACADEMY AND TEACHERS FIRST.**

This Addendum (this "Addendum") to the above-entitled Employee Management Services Agreement (the "Agreement") is effective the 1st day of March, 2025, by and between the New Bedford Academy, a Michigan public school academy (the "Academy") and Teachers First., a Michigan Corporation ("TF") with reference to the following:

RECITALS:

WHEREAS, the parties have entered into the above referenced Agreement with rTFect to provision by TF to the Academy of human resource related administrative services and Worksite Employees; and

WHEREAS, the parties desire to supplement certain provisions of the Agreement to reflect their mutual understanding as to certain agreed upon changes; and

WHEREAS, all capitalized terms herein, unless otherwise defined or modified hereby, shall have the same meaning for such terms as set forth in the Agreement.

NOW, therefore for valuable consideration, receipt of which is hereby acknowledged, the parties agree as follows:

1. On-site Supervision and Worksite Employee Evaluation. TF and the Academy shall select a Worksite Employee assigned to a staff/administrative position at the Academy to serve as the "Liaison." The Liaison shall bear the responsibility to coordinate and monitor the evaluation and supervision of teaching, maintenance and administrative personnel, as well as the other duties and obligations of TF. The Academy Chief Administrative Officer and Liaison shall jointly conduct all performance evaluations of Worksite Employees. The Liaison shall assist with human resources and personnel matters on the Academy's premises during normal business hours and the Liaison shall coordinate with and advise TF to the status of such matters at such times as requested by TF's home office. The Chief Administrative Officer shall determine the procedures to be followed by Worksite Employees in the day-to-day performance of their job duties.
2. Personnel Requirements. The Academy, through its Chief Administrative Officer, shall advise TF of the teachers, instructors, and administrators required by the Academy to perform its mission, as provided in the budget adopted by the Academy Board. Job descriptions and qualifications shall be consistent with Schedule 5 of the Charter Contract (as defined in the Agreement). TF shall comply with the Code with rTFect to the evaluation and compensation systems. (See Sections 1249 and 1250 of the Code). By January 1, 2025, the Academy Board shall adopt a personnel classification and pay plan and provide such plan to TF. The Academy Board shall notify TF of any significant changes in the level of funding provided to the Academy.
3. Worksite Employee Handbook and Policies. TF shall develop a handbook of personnel policies and procedures, which policies and procedures shall guide TF with rTFect to

the discipline, layoff or termination of Worksite Employees. If a Worksite Employee has a problem or dispute regarding a co-worker, a student, parent, supplies or any other matter, the Worksite Employee shall first bring the problem or dispute to the attention of the TF Liaison. If the problem or dispute is not resolved in a reasonable time period, the Worksite Employee shall take the matter to the Academy Chief Administrative Officer.

4. Personnel Issues. In the event the Academy becomes dissatisfied with the performance of any individual Worksite Employee, the Academy shall notify TF, in writing, setting forth the nature of dissatisfaction. Upon receipt of such notice from the Academy, TF agrees to promptly review and investigate; and if necessary to promptly suspend and promptly remove such Worksite Employee from the Academy's premises until TF is able to fully investigate and make a decision as to such Worksite Employee's employment at the Academy's premises.

5. Compensation and Benefits. TF shall present to the Academy Board, on a frequency established by the Academy, the level of compensation and fringe benefits provided to Worksite Employees.

6. Authority. Neither TF nor any provision of the Agreement shall interfere with the Academy Board's duty to exercise its statutory, contractual and fiduciary responsibilities governing the operation of the Academy. The Agreement shall not in any way restrict the Academy 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.

7. Governmental Immunity. The Agreement does not in any way require the Academy Board to assert, waive or not waive its governmental immunity.

8. Deposit of Funds. No provision of the Agreement shall affect the right of the Academy Board to direct that the deposit of all funds received by the Academy be placed in the Academy's depository account as required by law. The signatories on the depository account shall solely be properly designated Academy Board member(s). Interest income earned on Academy depository accounts shall be accrued to the Academy.

9. Payment. The Academy Board shall either pay or reimburse TF for approved fees or expenses upon properly presented documentation and approval by the Academy Board or a properly designated Academy Board member. The Academy Board may advance funds to TF for the fees or expenses associated with the Academy's operation provided that satisfactory documentation for the fees and expenses are supplied for Academy Board ratification.

10. Academy Records. The financial, educational and student records pertaining to the Academy are Academy property and shall be kept confidential, subject to the Freedom of Information Act and the Michigan Revised School Code. All Academy records shall be physically or electronically available, upon request, at the Academy's physical facilities. Except as permitted under the Charter Contract and applicable law, this Agreement shall not restrict FSU's or the public's access to Academy records. All records should be kept in accordance with applicable State and Federal requirements.

11. Access to TF Records. All financial and other records of TF related to the Academy shall be made available to the Academy and/or its independent auditor, who shall be solely selected by the Academy Board.

12. Purchases. All equipment, materials and supplies purchased by TF on behalf of or as agents of the Academy, shall be and remain the property of the Academy. TF agrees to comply with Section 1274 of the Revised School Code as if the Academy were making these purchases directly from a third-party supplier. If TF procures equipment, materials and supplies at the request of or on behalf of the Academy, no added service charges or administrative fees shall be imposed.

13. Proprietary Rights. All curriculum and educational materials that (i) are both directly developed and paid for by the Academy; or (ii) were developed by TF at the direction of the Academy Board with Academy funds dedicated to the specific purpose of developing such curriculum or materials, shall be the sole proprietary property of the Academy. Those curriculum or educational materials developed or copyrighted by TF prior to the date of the Agreement, or that are not otherwise dedicated for the specific purpose of developing Academy curriculum or educational materials, shall be the sole proprietary property of TF. All educational materials, from any source, as well as teaching techniques used by the Academy, are subject to disclosure under the Revised School Code and the Freedom of Information Act.

14. Personnel RTFonsibility. TF shall be responsible for administration and provision of benefits, salaries, worker's compensation, unemployment compensation and liability insurance and for maintenance of Worksite Employees' personnel files and all other employee records required by state and/or federal law and the Charter Contract for Worksite Employees and other employees working on Academy operations.

15. Marketing and Development. Marketing and development costs paid by or charged to the Academy shall be limited to those costs specific to the Academy program as approved by the Academy Board, and shall not include any costs for the marketing and development of the business of TF.

16. Performance Evaluation of TF. The Academy Board may develop and implement a process for the review and evaluation of the performance by TF under the Agreement. The policies and procedures providing for any such evaluation process shall be provided in writing to TF. The Academy Board shall communicate in writing to TF the results of any such performance review.

17. Compliance with Academy's Contract. TF 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 Charter Contract issued by FSU. The provisions of the Academy's Charter Contract shall supersede any competing or conflicting provisions contained in this Agreement. Any additional costs of compliance because of changes mandated by FSU will be borne by the Academy and TF equally, provided that any additional costs to TF shall be limited to its duties and obligations under this Agreement. The Academy and TF enter into the Agreement with the full understanding that the Educational Service Provider Policies of January 1999 (the "Policies") issued by FSU's Office are undergoing revisions. The Academy and TF agree to amend the Agreement within sixty (60) days of the effective date of FSU's revised Educational Service Provider Policies to conform with such new policies, or as soon as mandated by FSU.

IN WITNESS WHEREOF, the parties hereto have executed this Addendum as of the date set forth above.

WITNESS:

TEACHERS FIRST Inc.,
a Michigan corporation

BY: Michelle Kyles

Michelle Kyles

ITS: Executive Director

DATE: March 1, 2025

WITNESS: **NEW BEDFORD ACADEMY,**
a Michigan public school academy

BY: [Signature]

ITS: BOARD PRESIDENT

DATE: MARCH 1, 2025