

## MANAGEMENT AGREEMENT

This Management Agreement (the "Agreement") is made and entered into as of the 1st day of July, 2025, by and between Northridge Academy, a Michigan public school academy and body corporate ("Northridge Academy"), by and through its Board of Directors (the "Board"), and The Leona Group, LLC, a Michigan limited liability company ("TLG").

### RECITALS

A. Northridge Academy has been established by Ferris State University (the "Authorizer") pursuant to that certain Public School Academy Contract dated \_\_\_\_\_, 2025 between Ferris State University and Northridge Academy (the "Public School Academy Contract" or "Contract") to the Academy pursuant to the Public School Academy Contract in accordance with the Michigan Revised School Code (the "Code") under the name of "Northridge Academy."

B. Northridge Academy and TLG desire to create an enduring educational partnership, whereby Northridge Academy and TLG will work together to develop an environment of educational excellence and innovation at Northridge Academy, based upon TLG's experience and capacity to implement and manage a comprehensive educational program (the "Educational Program").

C. Northridge Academy and TLG 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 "1986 Code") and Rev. Proc. 2017-13, 1997-5 I.R.B. 18 (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, Northridge Academy and TLG 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 are deemed to be third party beneficiaries for purposes of this Agreement. As third party beneficiaries, the parties hereby promise to indemnify and hold harmless Ferris State University, Ferris State University Board of Trustees and its members, and their respective officers, employees, agents or representatives from all claims, demands, or liability, including attorney fees, and related expenses, 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 negligence of Ferris State University, which arise out or are in any manner connected with Ferris State University Board of Trustee's approval of Northridge Academy's application, Ferris State University Board of Trustee's consideration of or issuance of a Contract, the Board's or TLG's preparation for and operation of Northridge Academy, or which are

incurred as a result of the reliance by Ferris State University, Ferris State University Board of Trustees or its members, or their respective officers, employees, agents or Trustees or its members, or their respective officers, employees, agents or representatives, upon information supplied by the Board or TLG, or which arise out of the failure of the Board or TLG to perform its obligations under the Contract or Applicable Law. The parties expressly acknowledge and agree that Ferris State 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 either party to enforce its rights as set forth in this Agreement.

1.2 Agreement Coterminous With the Public School Academy Contract. If the Public School Academy 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 Public School Academy Contract, this Agreement shall automatically be suspended or terminated, as the case may be, on the same date as the Public School Academy Contract is suspended, revoked, terminated or expires without further action of the parties.

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

1.4 Compliance with Section 503c. On an annual basis, TLG agrees to provide the 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 (3) days of receipt of this information, the Board shall make the information available on Northridge 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.

1.5 Compliance with Public School Academy Contract. TLG shall (i) comply with the requirements of the Public School Academy Contract to the extent TLG performs services on behalf of Northridge Academy and (ii) assist and cooperate with Northridge Academy in complying with the requirements of the Public School Academy Contract.

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

1.7 Sovereign Immunity. No provision contained in this Agreement shall in any way impact Northridge Academy's course of action in choosing to assert or not assert governmental immunity.

1.8 Academy Records. All financial, educational and student records pertaining to Northridge Academy are Academy property ("Academy Records") and Academy Records are subject to the provisions of the Michigan Freedom of Information Act. Northridge Academy Records must be stored, in physical form, on-site at Northridge Academy's Facility (the

“Facility”) or be directly accessible at the Facility. **To the extent the ESP manages and/or holds the Academy’s financial, educational, and/or student records (whether electronically or physically), the ESP Agreement shall provide that the Academy Board shall have immediate access to such records, upon request, including electronic access to any database holding such records.** 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. Except as permitted under the Contract and Applicable Law, this Agreement shall not restrict Ferris State University’s or the public’s access to the Academy’s records.

1.9 Records Availability/Deposit Accounts. All finance and other records of TLG related to Northridge Academy will be made available to Northridge Academy's independent auditor. 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 Northridge Academy be placed in Northridge Academy’s depository account as required by law. 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 Northridge Academy.

1.10 Academy Auditor. The Board shall have sole responsibility and authority to select and retain the independent auditor for Northridge Academy to perform the annual financial audit in accordance with the Public School Academy Contract and applicable state law. TLG shall cooperate with Northridge Academy’s audits and chosen auditor.

1.11 No Markup. TLG hereby certifies that it will not markup the costs of supplies, materials or equipment procured by TLG on Northridge Academy's behalf and that all supplies, materials and equipment procured by TLG on behalf of Northridge Academy will be inventoried by an acceptable method of inventory and further that an inventory of Academy equipment shall be maintained so that it can be clearly established which property belongs to Northridge Academy.

1.12 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, TLG shall provide transition services to Northridge Academy as follows:

1.12.1 Close Northridge Academy’s books on the final year of operations in a manner and form in keeping with the industry standard, prepare financial records in audit-ready form, and hand said records off to the Board or successor management company. If the school year of termination extends beyond June 30, this Section shall include getting all Academy business and financial records from July 1 through August 31 of that year prepared in a form in keeping with the industry standard which may be turned over to the Board or successor management company.

1.12.2 Complete student records in a manner in keeping with the industry standard and hand them off to the Board or successor management company.

1.12.3 Complete and organize all Academy documents in a manner and form in keeping with the industry standard, including without limitation minutes, third party

contracts, correspondence relating to Academy business, notices, and so forth, and hand them off to the Board or successor management company.

1.12.4 Complete all Academy reporting and compliance requirements up to and including the final year of operations.

1.12.5 The services referenced in Sections 2-3 provided by TLG shall be included in the Management Fee, however, the parties may agree upon other transition services to be provided by TLG, at a mutually agreed upon fee.

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

1.14 Academy Legal Counsel. The Board shall select and retain legal counsel to advise it regarding its rights and responsibilities under the Public School Academy Contract, this Agreement and applicable law. No material amendment or modification to this Agreement by the parties shall be undertaken without notification of the Authorizer and each such amendment or modification shall be accompanied by a legal opinion of Northridge 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.

1.15 Academy Staff Investigations. All Academy Staff shall undergo criminal background and unprofessional conduct checks as required by applicable law and all evidence of such reviews shall be available, in physical form, at the Facility or directly accessible at the Facility.

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

1.17 Amendment Caused By Academy Site Closure or Reconstitution. In the event that Northridge 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 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 TLG shall have no recourse against Northridge Academy or Ferris State University for implementing such site closure or reconstitution.

Except as permitted under the Code, TLG shall not sell or otherwise provide to a business entity any personally identifiable information that is a part of a Northridge Academy student's education records. If TLG receives information that is part of a Northridge Academy student's education records, TLG 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 "education records" and "personally identifiable information" shall have the same meaning as those terms in Section 1136 of the Code, MCL 380.1136.

1.18 Cooperation with Board. TLG shall cooperate with Northridge Academy and the Board in fulfilling the Board's duty to meet and implement Northridge Academy's Board's statutory, contractual and fiduciary responsibilities relating to the governance and operation of Northridge Academy. 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.

1.19 Ownership of Property. Any equipment, materials and supplies ("Academy Equipment") purchased by TLG on behalf of or as the agent of Northridge Academy, shall be and remain the sole property of Northridge Academy. When acquiring Academy Equipment, TLG and its subcontractors will comply with the Revised School Code (including sections 1267 and 1274, MCL 380.1267 and MCDL 380.1274 ("Bidding Requirements")) and with the Board's procurement policy to the same extent that the Bidding Requirements would apply to Northridge Academy when making purchases of Academy Equipment directly from a third party supplier. TLG 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 Northridge Academy by TLG 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 Northridge Academy.

1.20 Ownership of Educational Materials. Northridge Academy owns all proprietary rights to curriculum or educational materials ("Educational Materials") that (i) are both directly developed and paid for by Northridge Academy; or (ii) were developed by TLG at the direction of the Board with Academy funds dedicated for the specific purpose of developing such curriculum or materials. TLG shall own all proprietary rights to Educational Materials previously developed or copyrighted by TLG, or Educational Materials that are developed by TLG using funds from Northridge Academy that are not dedicated for the specific purpose of developing Academy Educational Materials. TLG acknowledges and agrees that the Educational Materials owned by TLG and teaching techniques used by Northridge Academy may be subject to disclosure under the Code and the Michigan Freedom of Information Act.

1.21 Marketing and Development Costs. Marketing and development costs paid by or charged to Northridge Academy shall be limited to those costs specific to Northridge Academy program, and shall not include any costs for the marketing and development of TLG.

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

1.22.1 It is agreed that any action or inaction by TLG which causes the Public School Academy Contract to be revoked, terminated or suspended, or which results in Northridge Academy receiving official notification from Ferris State 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 Public School Academy Contract, shall be designated a material breach of this Agreement and shall be grounds for termination of this Agreement by Northridge Academy or Ferris State University.

1.22.2 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 Public School Academy Contract.

1.24 TLG Breach. Without limiting the remedies available to Northridge Academy or Ferris State University by this Agreement, the Contract, or under applicable law, any action or inaction by TLG that is not cured within 60 days of notice which causes the Contract to be revoked, terminated, suspended or which causes the Contract to be put in jeopardy of revocation, termination or suspension is a material breach.

1.25 Transparency Requirements.

1.25.1 Not later than November 1, of each year, TLG shall ensure that the following information is posted on Northridge Academy's publicly available website: (i) the average salary for new teachers (i.e., an individual who has held a teaching certificate for less than 5 years) and for veteran teachers (i.e., an individual who has held a teaching certificate for 5 or more years) employed by Northridge Academy or employed by TLG and assigned to Northridge Academy, or, if there are fewer than 5 new teachers or 5 veteran teachers at Northridge Academy, the average salary for all teachers employed by Northridge Academy or TLG and assigned to Northridge Academy, and (ii) the average salary for support staff (including but not limited to student-facing paraprofessionals, food service workers, bus drivers, and literacy coaches) employed by Northridge Academy or employed by the ESP and assigned to the Academy.

1.25.2 TLG shall ensure that its name and Ferris State University's name appear and be verbally provided, as applicable, on (i) signage that is on Northridge 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 Northridge Academy's website pages, and (iv) the school application that the student must submit to enroll in the public school academy.

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

2.1 Curriculum. The development and implementation of the curriculum used at Northridge Academy.

2.2 Instruction. Oversight and coordination of the services to be provided by TLG instructional personnel, including the School Leader(s), its teachers and support staff, all in accordance with this Agreement.

2.3 Instructional Tools. The selection of instructional tools, equipment and supplies, including text books, computers, software and multi-media teaching tools.

2.4 Extra-Curricular and Co-Curricular Programs. The development and implementation of appropriate extra-curricular and co-curricular activities and programs.

2.5 Additional Educational Services. Any other services required by the Authorizing District or the State of Michigan Department of Education and such other services as are necessary or expedient for the improvement of teaching and learning at Northridge Academy as agreed to from time to time between TLG and the Board ("Supplemental Programs").

2.6 Subcontracts. It is anticipated that TLG will utilize subcontracts to provide some of the services it is required to provide to Northridge Academy. TLG shall not subcontract the management, oversight or operation of the teaching and instructional program without the prior approval of the Board. TLG will receive no additional fee as a result of subcontracting of any services.

3. Administrative Services. For the Term (as defined in Section 10), subject to the Public School Academy Contract and the approval of the Board, TLG will provide to Northridge Academy for Northridge Academy the following administrative services (the "Administrative Services"):

3.1 Personnel Management. Management and professional development of all personnel providing Educational Services and Administrative Services in accordance with Section 15.

3.2 Facility Operation and Maintenance. Coordination with entities for the provision of operation and maintenance services for the Facility to the extent consistent with any and all documents pertaining to the Facility, together with the management and assessment of the services provided under such contracts and/or the supervision of employees involved in providing such services.

3.3 Technology and Professional Development. Coordination with entities for the provision of technology and professional development services for Northridge Academy, together with the management and assessment of the services provided under such contracts and/or the supervision of employees involved in providing such services.

3.4 Business Administration. Administration of all business aspects of Northridge Academy operation;

3.5 Transportation and Food Services. Coordination with entities for the provision of transportation and food services for the students enrolled at Northridge Academy together with

the management and assessment of the services provided under such contracts and/or the supervision of employees involved providing such services.

3.6 Public Relations. Coordination and assistance with any and all advertising, media and public relations efforts, including community outreach programs. All public relations will be subject to the mutual approval of both parties, which approval may not be unreasonably withheld.

3.7 Budgeting, Budgeting Process, Financial and Other Reporting.

3.7.1 Beginning with respect to the 2025-2026 School Year, the preparation of a proposed annual budget (the "Academy Budget") for each School Year, subject to the reasonable approval of the Board acting in its fiduciary capacity. For purposes of this Agreement, the term "School Year" shall have the meaning as provided in the Public School Academy Contract. The projected Academy Budget shall contain object level detail, shall comply with public accounting standards and shall include, but not be limited to, the financial details relating to the Educational Services and Administrative Services to be provided pursuant to this Agreement.

3.7.2 TLG shall deliver a draft of Northridge Academy Budget for each School Year to the Board not less than forty-five (45) days prior to the date on which Northridge Academy Budget for any School Year must be submitted to Authorizer and/or any State governmental agency. The Board shall review Northridge Academy Budget within ten (10) business days following the receipt thereof (the "Budget Review Period") which review may include an independent evaluation of Northridge Academy Budget by such accountants, attorneys, and other financial advisors that the Board deems necessary or desirable. The Board shall deliver any comments or objections to Northridge Academy Budget prior to the expiration of the Budget Review Period. Within five (5) business days following the expiration of the Budget Review Period, the Board President of Northridge Academy and the Chief Financial Officer of TLG shall reconcile any comments or objections made by the Board during the Budget Review Period. TLG and Northridge Academy shall agree to a final Academy Budget for each such year not later than two (2) business days prior to the date on which Northridge Academy Budget must be submitted to the Authorizer and/or any other State governmental agency.

3.7.3 Working in cooperation with the Board, TLG shall prepare, for Board approval, modifications or amendments to Northridge Academy Budget which may be necessitated by changes in projections or circumstances or the occurrence of unexpected events, which impact projected revenue and/or expense items contained in the approved Academy Budget.

3.7.4 As required by the Board or such other time as may be necessary or desirable in TLG's reasonable judgment, TLG shall provide the Board with an enrollment report stating the number of actual students enrolled at Northridge Academy (an "Enrollment Report"). If an Enrollment Report indicates that enrollment is lower than that which was projected in Northridge Academy Budget and such lower enrollment number shall materially adversely impact Northridge Academy Budget for such School Year, TLG shall propose a student recruitment plan to restore the enrollment level to the

projected enrollment reported to the Board and the Authorizer prior to the commencement of the next following School Year.

3.7.5 The preparation of detailed statements of all revenues received, from whatever source, with respect to Northridge Academy, and detailed statements of all expenses, including an accounting of all expenditures for services rendered to, or on behalf of, Northridge Academy by TLG, whether incurred on-site or off-site.

3.7.6 The preparation of other financial statements as required by and in compliance with the Public School Academy Contract, the Code and other applicable laws and regulations, including such documentation as may be reasonably required by the independent certified public accountants retained by the Board to perform annual audits of Northridge Academy's financial statements. The cost for preparation of the financial statements and audits will be responsibility of Northridge Academy and will be provided for in Northridge Academy Budget.

3.7.7 The preparation of such other reports on a periodic basis, relative to the finances and operation of Northridge Academy, as the same may be requested or required by the Michigan Department of Education or the Authorizer to ensure compliance with the terms of the Public School Academy Contract and applicable law.

3.7.8 Other information on a periodic basis reasonably necessary to enable Northridge Academy to monitor TLG's performance under this and related agreements including the effectiveness and efficiency of its operations at Northridge Academy.

3.7.9 TLG shall provide the Academy Board monthly financial statements that (at a minimum) include: a balance sheet, an object-level detailed statement of revenues, expenditures and changes in fund balance that includes a comparison of budget-to-actual information and an explanation of variances. The foregoing presentations shall be in a form and format acceptable to the Academy Board and are to be provided to all Academy Board members not less than five (5) working days prior to the Academy Board meeting at which the information will be presented and discussed.

### 3.8 Maintenance of Financial and Student Records.

3.8.1 TLG will maintain accurate financial records pertaining to its operation of Northridge Academy, together with all Northridge Academy financial records prepared by TLG and retain all such records for a period of five (5) years (or longer if required by the Code or other applicable laws and regulations) from the close of the School Year to which such books, accounts and records relate. All financial records retained by TLG pertaining to Northridge Academy will be available to the Board, the Authorizer or the Michigan Department of Education for inspection and copying within two weeks of a written request to the extent practicable.

3.8.2 TLG will maintain accurate student records pertaining to the students enrolled at Northridge Academy as is required and in the manner provided by the Public School Academy Contract, the Code and applicable laws and regulations and retain such records permanently on behalf of Northridge Academy or until this Agreement or its

successor (if any) is terminated, at which time such records will be transferred to Northridge Academy and become the sole responsibility of the Board. TLG and Northridge Academy will maintain the proper confidentiality of personnel, students and other records as required by law and the Public School Academy Contract.

3.8.3 Northridge Academy shall be entitled at any time upon reasonable written notice to TLG to audit the books and records of TLG pertaining to its operation of Northridge Academy pursuant to this Agreement (including, without limitation, the financial records relating thereto), provided that any such audit shall be at the sole expense of Northridge Academy.

3.9 Admissions. Implementation of Northridge Academy's admission policy in accordance with the Public School Academy Contract.

3.10 Student Due Process Hearings. Administration and enforcement of student disciplinary and special education hearings in conformity with the requirements of the Code and other applicable laws and regulations (including, but not limited to, requirements involving due process and confidentiality) to the extent consistent with Northridge Academy's duties and obligations under the Code and other applicable laws and regulations. The Board shall retain the right to provide due process as required by law and to determine whether any student will be expelled.

3.11 Academic Progress Reports. TLG will provide to the Board on a periodic basis, as necessary or appropriate for Northridge Academy to satisfy its obligations under the Public School Academy Contract, the Code and other applicable laws and regulations, a report detailing (i) Northridge Academy's students' academic performance, and (ii) TLG's performance of the Educational Services and Administrative Services.

3.12 Rules and Procedures. TLG will recommend the Board rules, regulations and procedures applicable to Northridge Academy and its students and will enforce such rules, regulations and procedures adopted by the Board that are not in direct conflict with this Agreement, the Public School Academy Contract, the Code and other applicable laws and regulations.

3.13 Advances. Subject to the Board's request and prior approval and in compliance with Section 1225 of the Code, TLG may, during the Term, elect to make advances of cash to Northridge Academy for Northridge Academy (an "Advance") for the purpose of meeting the short term working capital or cash flow needs of Northridge Academy to the extent consistent with Northridge Academy Budget. Each Advance shall bear interest at the then prime rate of interest announced by Wells Fargo Bank plus 3% per annum from the date of the Advance until date of repayment by Northridge Academy from the subsequent free cash flows or Northridge Academy's other resources.

3.14 Additional Administrative Services. Any other services reasonably necessary or expedient for the effective administration of Northridge Academy as agreed to, in writing, from time to time by TLG and the Board.

4. Provision of Educational Services and Administrative Services. The Educational Services will be provided in accordance with the educational goals, curriculum, methods of pupil assessment, admissions policy, student recruitment policy, school calendar, school day schedule and age and grade range of pupils to be enrolled at Northridge Academy as proposed by TLG and adopted by the Board, all in compliance with the Public School Academy Contract and the Code. The Administrative Services will be provided in a manner consistent with the Educational Program, the Code and the Public School Academy Contract.

5. Modification of Educational Services and Administrative Services. Subject to this Agreement, the Public School Academy Contract, Authorizer oversight, the Code and other applicable laws and regulations, TLG may modify (i) the Educational Services, provided that any material modification of the Educational Services will be subject to the prior approval of the Board, and (ii) the methods, means and manner by which such Administrative Services are provided at any time, provided that the Board will have the right to approve all material changes.

6. Budgeting for Educational Services and Administrative Services. TLG will be responsible and accountable to the Board for the provision of all Educational Services and Administrative Services, provided, that such obligations, duties and responsibilities are expressly limited by Northridge Academy Budget established pursuant to Section 3.7, and TLG shall not expend funds on such services in excess of the amounts set forth in such Academy Budget.

7. Place of Performance; Provision of Offices. Northridge Academy will provide TLG with necessary and reasonable classroom and office space at the Facility to perform all Educational Services and agreed upon Administrative Services described in this Agreement. TLG will provide instructional, extra-curricular and co-curricular services at the Facility. TLG may provide other services elsewhere, unless prohibited by the Public School Academy Contract, the Code and other applicable laws and regulations.

8. Qualified Management Agreement. In the event that Northridge Academy undertakes any Tax Exempt Bonds (as defined in this Section 8), the following provisions shall become applicable:

8.1 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 1986 Code and Revenue Procedure and shall be interpreted in accordance with such requirements. TLG represents to Northridge Academy that TLG has reviewed the applicable requirements of Section 141 of the 1986 Code and the Revenue Procedure. The Certificate Related to Tax Matters, attached hereto, is undertaken in compliance with the requirements of the Revenue Procedure.

8.2 Tax Covenant. TLG agrees that it will operate and manage Northridge Academy 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 Northridge 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 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 TLG 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 Trustee.

8.3 Approval of Contracts. Notwithstanding anything to the contrary contained herein, neither Northridge Academy nor TLG will enter into contracts with unrelated third parties for the management or use of Northridge 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.

8.4 Contracts with Related Parties. Notwithstanding anything to the contrary herein contained, TLG shall not enter into any contract, as a result of which TLG, or any affiliate of or party related to TLG, 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.

9. Authority. By this Agreement, the Board provides TLG such authority and power as is reasonably necessary or proper for TLG 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.

10. Term.

10.1 Term. This Agreement will be effective on July 1, 2025, and shall continue for the same length of time as the term of the Public School Academy Contract, and ending on June 30, 20\_\_ (the "Term"). Notwithstanding the foregoing, in the event that the Public School Academy Contract is revoked, suspended, terminated, or not renewed, this Agreement shall automatically terminate as of the date thereof.

11. Further Assurance. Northridge Academy and TLG 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 respective 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 TLG's receipt of the Management Fee, (d) would prevent either party from meeting Northridge Academy and TLG's educational goals.

12. Relationship of the Parties.

12.1 Status of the Parties. TLG is a for-profit corporation, and it is not a division or a part of Northridge Academy. Northridge Academy is a body corporate and governmental entity authorized by the Code, and is not a division or part of TLG. The relationship between Northridge Academy and TLG is based on the terms of this Agreement. Further, each party is acting as an independent contractor and not as a partner, joint venturer, agent or employee of the

other and that except as expressly set forth in this Agreement, no employee of TLG shall be deemed to be an agent or employee of Northridge 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.

12.2 No Related Parties or Common Control. TLG will not have any role or relationship with Northridge Academy that, in effect, substantially limits Northridge Academy's ability to exercise its rights, including termination rights, under this Agreement. Northridge Academy and TLG will not be members of the same control group, as defined in Section 1.150-1(e) of the Treasury Regulations under the 1986 Code, or related persons, as defined in Section 144(a)(3) of the 1986 Code.

12.3 Designation of Agents. The Board designates the employees of TLG as agents of Northridge 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 TLG shall be deemed to be an agent of Northridge Academy.

13. Consideration for Services.

13.1 Management Fee. For the Term of this Agreement, Northridge Academy will pay TLG an annual fee equal to ten percent (10%) of Northridge Academy's Gross Revenue for each fiscal School Year ("Management Fee"), payable in monthly installments. For purposes of this Agreement the term "Gross Revenue" shall mean all receipts of Northridge Academy of whatsoever kind or nature, excluding any proceeds from borrowings undertaken by Northridge Academy. Notwithstanding the foregoing, any administration fees with respect to grant funding for Northridge Academy ("Grant Administration Fees") which are paid directly to TLG during the Term of this Agreement shall be deemed a credit, in the amount of the Grant Administration Fees, against the Management Fee for the year in which the Grant Administration Fees are received by TLG.

13.2 Reasonable Compensation. The Management Fee under this Agreement are reasonable compensation for services rendered. TLG'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 Northridge Academy.

13.3 Payment of Costs/Advances. The parties acknowledge Northridge Academy is obligated to pay all costs and expenses associated with the operation of Northridge Academy including but not limited to all personnel and benefits costs referenced in Section 15 ("Operational Expenses"). To the extent that TLG provides an Advance or Advances to Northridge Academy pursuant to Section 3.13 of this Agreement for the purpose of providing working capital to cover such Operational Expenses, Northridge Academy will reimburse TLG for such Advances as and when the finances and cash flows of Northridge Academy will reasonably permit and in compliance with Section 1225 of the Code. No corporate costs or "central office" personnel costs of TLG shall be charged to, or reimbursed by, Northridge Academy, and such corporate costs or "central office" personnel costs shall be paid out of the management fee paid by Northridge Academy.

13.4 Payments to TLG. TLG will receive the monthly installment of its Management Fee in advance on or about the fifteenth (15<sup>th</sup>) day of each month (but in no event later than the date that Northridge Academy receives payments from the State of Michigan).

14. Other Revenue Sources. Northridge Academy and TLG may, together or independently, solicit and receive grants and donations from public and private sources consistent with the mission, and the Public School Academy Contract, of Northridge Academy, in the name of either TLG or Northridge Academy; provided, however, that (i) any solicitation of such grants by TLG in the name of Northridge Academy and/or Northridge 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 TLG or Northridge Academy for the benefit of Northridge Academy from such other revenue sources shall be deemed to be Northridge Academy funds, (iii) TLG shall not be required to administer any grants that are not specifically approved, in writing, by TLG, in advance, (iv) only to the extent specifically provided in a grant, TLG shall be entitled to receive, in addition to all any other amounts which are payable to TLG under this Agreement, a grant administration fee, which shall be agreed upon by the Board prior to solicitation of any grant or donations, and (v) both Northridge Academy and TLG shall be required to mutually approve, in writing, any grants proposed by a third party grant writer. Nothing in this Section 14 will be construed to prohibit TLG from soliciting funds or grants solely for its own general corporate purposes and using such funds or grants solely for such purposes, except that TLG shall not use Northridge Academy's and/or Northridge Academy's name in such solicitation without the consent of the Board.

15. Personnel and Training.

15.1 Personnel Responsibility. Subject to the limitations of this Agreement, the Public School Academy Contract, the Code and other applicable laws and regulations, TLG 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 Northridge Academy Budget approved by the Board.

15.2 Employment Status. Except as specified in this Agreement or as required by the Code or the Public School Academy Contract, the School Leader, teachers and support staff selected by TLG for Northridge Academy pursuant to this Agreement will be employees of TLG or an affiliate of TLG which handles all TLG employment and human resources administration (the "Employees"). Benefits paid, due, or to be paid for or on behalf of any Employees shall be the sole and exclusive obligation of TLG. No Employees of TLG or an affiliate of TLG are employees of the Academy.

15.3 Background Checks. TLG will provide assistance to Northridge Academy in conducting or causing to be conducted all reference, employment checks, criminal background checks and unprofessional conduct checks on all Employees and other personnel working or providing services at Northridge 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 Northridge Academy solely in accordance with applicable law and regulation.

15.4 School Leader. Northridge Academy and TLG acknowledge and agree that the accountability of TLG to Northridge Academy is an essential foundation of this Agreement, and because the responsibility of the administrator of Northridge Academy (the “School Leader”) is critical to the success of Northridge Academy TLG 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 Northridge Academy. The employment contract with the School Leader, and the duties and compensation of the School Leader shall be determined by TLG. The School Leader and TLG, in turn, will have similar authority to select and hold accountable the teachers in Northridge Academy. Notwithstanding anything in this Section, TLG 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, TLG 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, TLG will provide a replacement School Leader if the performance problems are not resolved within a reasonable time.

15.5 Teachers. TLG will provide Northridge Academy with such teachers as are required to provide the Educational Services and Administrative Services. Consistent with Northridge Academy Budget, TLG and the School Leader will determine the number and assignments of such teachers. Such teachers may work at Northridge Academy on a full or part time basis. Each teacher assigned to Northridge 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, TLG will provide Northridge Academy with documentary evidence of TLG’s compliance with this Section 15.5.

15.6 Support Staff. TLG will provide Northridge 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 Northridge Academy on a full or part time basis.

15.7 Training. TLG will provide training (i) in the instructional methods and curriculum, which comprise the Educational Program, and (ii) with regard to support technology to the teachers and other instructional personnel on a regular and continuous basis, as stated in the Public School Academy Contract and consistent with TLG’s past practices. Non-instructional personnel will receive such training as TLG determines to be reasonable and necessary under the circumstances.

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

15.9 Educational Consultants. The Board may retain an educational consultant or consultants to review the operations of Northridge Academy and the performance of TLG under this Agreement. TLG 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. TLG 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.

16. Termination of Agreement.

16.1 By TLG. TLG may terminate this Agreement with cause prior to the end of the Term specified in Section 10 in the event that Northridge Academy fails to remedy a material breach of this Agreement within sixty (60) days after written notice from TLG. A material breach includes, but is not limited to (i) Northridge 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 Northridge Academy in substantial variance from the material recommendations of TLG, (iii) Northridge Academy's failure to approve a Academy Budget, which is fully compliant with the requirements of Section 3.7.1, or (iv) an act or omission that causes TLG to be unable to perform its material obligations under this Agreement. In order to terminate this Agreement for cause, TLG 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, TLG may terminate this Agreement by providing the Board with written notification of termination. Termination by TLG will not relieve Northridge Academy of any obligations for payments outstanding to TLG as of the date of termination or liability for financial damages suffered by TLG as a consequence of Northridge Academy's breach (or of TLG's termination as a result thereof) of this Agreement.

Any termination of this Agreement by TLG for cause or without cause shall not take effect until the earlier of (i) an approved agreement by Northridge Academy with another ESP (or self-management) is in effect; or (ii) the end of the current school year in which the termination is invoked. A change in ESP (or a decision to self-manage) in mid school year is strongly discouraged and will be disapproved by the CSO with absent compelling circumstances and a clear demonstration that the new ESP (or transition to self-management) can seamlessly assume management and operations of the school without disrupting the school's operations. Northridge Academy and TLG shall make all efforts necessary to remedy a breach of this Agreement in-order to continue school operations until completion of the then-current school fiscal year. If a breach cannot be remedied, the Northridge Academy and TLG agree to work cooperatively to transition management and operations of the school without disrupting the school's operations.

16.2 By Northridge Academy. Northridge Academy may terminate this Agreement with cause prior to the end of the Term specified in Section 10 in the event that TLG fails to remedy a material breach of this Agreement within sixty (60) days after written notice from Northridge Academy. A material breach by TLG includes, but is not limited to: (i) a material failure to reasonably account for its expenditures related to Northridge Academy funds, (ii) TLG's failure to substantially follow the material policies, procedures, rules, regulations or curriculum required by the Public School Academy Contract, this Agreement, the Code or applicable laws and regulations, (iii) failure to abide by and meet the educational goals set forth in the Public School Academy Contract such that the Public School Academy 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 TLG that causes Northridge Academy to materially breach the Public School Academy Contract or any of Northridge

Academy's other material contractual obligations in anyway, or (vi) filing of bankruptcy by TLG. In order to terminate this Agreement for cause, the Board is required to provide TLG with written notification of the facts it considers to constitute material breach and the period of time within which TLG 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 TLG with written notification of termination. Termination by Northridge Academy will not relieve Northridge Academy of any obligations for payments outstanding to TLG as of the date of the termination, nor will it relieve TLG for liability for financial damages suffered by Northridge Academy as a consequence of TLG's breach (or of Northridge Academy's termination as a result thereof) of this Agreement. TLG is not relived of providing the services required of TLG under this Agreement until after the date of termination of this Agreement.

16.3 By the University Board. The University Board reserves the right to terminate this Agreement for cause, in accordance with the terms of the Contract, relevant state law, and its policies. The University Board may exercise this authority when it is determined that TLG is failing to meet the academic, financial, or operational expectations outlined in the Contract, or if TLG is in violation of applicable laws, regulations, or the terms of this Agreement. Any action or inaction by TLG which causes the Contract to be revoked, terminated or suspended, or which results in Northridge Academy receiving official notification from the CSO, University Board, 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, which shall be grounds for termination of this Agreement by Northridge Academy or the University Board. The University Board may also terminate this Agreement as part of the process of reconstitution or as a corrective action, as provided by the Revised School Code.

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

16.4.1 Northridge 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 Northridge Academy, and no recourse against Authorizer or any third party affiliated with or engaged by the Authorizer, by TLG or any subcontracted person or entity of TLG, in the event Authorizer determines to exercise its prerogative under this Public School Academy Contract to reconstitute Northridge Academy by requiring the termination or amendment of the Agreement.

16.4.2 In the event that TLG 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;

16.4.3 If TLG shall cease to be approved by the Authorizer to render services under this Agreement.

16.4.4 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.

16.5 Termination Without Cause. Either party may elect to terminate the Agreement at the end of a school year, provided that the terminating party gives the other party written notification of termination at least one hundred eighty (180) calendar days prior to the termination date.

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

16.7 Repayment of Advances and Expenses. Upon termination or expiration of this Agreement for any reason, Northridge Academy shall (i) reimburse TLG for all expenses owed pursuant to Section 13.3 and (ii) repay all Advances from TLG.

16.8 Role of TLG on Termination. Upon termination of this Agreement, for any reason, TLG shall, without charge (i) close the books on the then-current school fiscal year; (ii) organize and prepare the Academy's records for transition to the new ESP, self-management or dissolution; (iii) provide Northridge Academy with an updated fixed asset schedule showing all property owned by Northridge Academy; (iv) provide an updated list of outstanding vendor invoices with total amount owed (including the total outstanding owed by Northridge Academy) to TLG, if any; (v) the amount owed by TLG to Northridge Academy, if any; (vi) organize and prepare student records for transition to the new ESP, 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; (vii) ensure the closeout of existing grants and the transfer of grant funded property to Northridge Academy, if applicable; and (viii) provide for the orderly transition of employee compensation and benefits to the new ESP 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 TLG to Northridge Academy. This includes any keys, login information and passwords related to any Academy asset.

16.9 Transition. In the event of termination of this Agreement for any reason by either party prior to the end of the Agreement's term, TLG shall provide Northridge 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.

17. Proprietary Information and Ownership. Notwithstanding anything contained herein to the contrary, third party curriculum or other educational materials purchased by TLG with funds TLG receives pursuant to this Agreement will be the property of Northridge Academy. Notwithstanding the foregoing, Northridge Academy acknowledges that TLG owns the intellectual property rights and interests in TLG's curriculum and Education Program being licensed and/or utilized at Northridge Academy during the Term of this Agreement. Northridge Academy acknowledges and agrees that it has no intellectual or property interest or claims in

TLG's curriculum and Education Program and has no right to use TLG's curriculum and Education Program unless expressly agreed to in writing by TLG. Northridge Academy shall be permitted to report any new teaching techniques or methods of significant revisions to known teaching techniques or methods to the Authorizer 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) and 515(3) of the Code, notwithstanding anything contained in this Article to the contrary.

## 18. Indemnification.

18.1 Indemnification of TLG. To the extent permitted by law, Northridge Academy will indemnify, defend and save and hold TLG and its affiliates and all of their respective 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 Northridge Academy with any agreements, covenants, warranties or undertakings of Northridge Academy contained in or made pursuant to this Agreement, and any misrepresentations or breach of the representations and warranties of Northridge Academy contained in or made pursuant to this Agreement. In addition, Northridge Academy will reimburse TLG 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 18.1 may be met by the purchase of insurance pursuant to Section 19.

18.2 Indemnification of Northridge Academy. TLG will indemnify, defend and save and hold Northridge 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 TLG with any agreements, covenants, warranties or undertakings of TLG contained in or made pursuant to this Agreement, and any misrepresentation or breach of the representations and warranties of TLG contained in or made pursuant to this Agreement. In addition, TLG will reimburse Northridge 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 18.2 may be met by the purchase of insurance pursuant to Section 19.

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

19. Insurance.

19.1 Academy Insurance. The Academy shall maintain such policies of insurance coverage in the amounts as required by the Universities Self-Insurance Corporation (M.U.S.I.C.) and the Contract in the amounts required by M.U.S.I.C. and the Contract. TLG shall comply with the information or reporting requirements applicable to the Academy under the Academy's policy with its insurer(s), to the extent practicable. The Academy's insurance is separate and apart from and in addition to the insurance TLG is required to obtain under the Contract and the ESP Policies. In the event M.U.S.I.C. or the University Board requests any change in coverage, the Academy agrees to comply with any change in the type and amount of coverage as required by M.U.S.I.C. or the University Board within thirty (30) calendar days after written notice of the insurance change. The Academy agrees to add TLG, its affiliates, and their respective directors, officers, employees, subcontractors, and agents as additional insureds under such policies. as an additional insured on all policies. In the event the University Board or M.U.S.I.C. requests a change in coverage, the Academy shall comply with the change in the type or amount of coverage as requested within thirty (30) calendar days after written notice of the insurance coverage change.

19.2 TLG Insurance. TLG shall maintain such policies of insurance in the amounts as required by the Michigan Universities Self-Insurance Corporation (M.U.S.I.C.) and the Contract. The Academy shall comply with the information or reporting requirements applicable to TLG under TLG's policy(ies) with its insurer(s), to the extent practicable. TLG's insurance is separate from and in addition to the insurance the Academy Board is required to obtain under the Contract. In the event M.U.S.I.C. or the University Board request any change in coverages, TLG agrees to comply with any change in the type and amount of coverage a required by M.U.S.I.C. or the University Board within thirty (30) calendar days after written notice of the insurance change. TLG shall name the Academy and Ferris State University as additional insureds on all policies. TLG's cost of procuring insurance coverage under this Agreement is a corporate cost to be paid by TLG.

19.3 Property and Casualty Insurance. Northridge Academy and TLG shall each maintain property and casualty insurance covering all real and personal property owned by that party which are used in the operations of the Academy. The amount of such coverage shall be sufficient to fully comply with M.U.S.I.C. and the Contract.

19.4 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 Northridge Academy, the cost of which shall be provided for in the Northridge Academy Budget. TLG shall pay the cost of its workers' compensation insurance.

19.5 Coordination and Cooperation. To the extent requested by Northridge Academy, TLG shall undertake to coordinate the acquisition and maintenance of the insurance requirements of Northridge 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 19. Each party will comply

with any information or reporting requirements required by the other party's insurer(s), to the extent reasonably practicable.

20. Data Breach Response. When a cyber-security incident occurs, TLG's response will be as follows:

- Preserve and protect the confidentiality of student and employee information and ensure the integrity and availability of Northridge Academy and TLG systems, networks and related data.
- Assist Northridge Academy and TLG staff recover their business processes after a computer or network security incident or other type of data breach.
- Provide a consistent response strategy to system and network threats that put Northridge Academy and TLG data and systems at risk.
- Develop and activate a communications plan including initial reporting of the incident as well as ongoing communications, as necessary.
- Address cyber related legal issues.
- Coordinate efforts with external Computer Incident Response Teams and law enforcement.
- Minimize Northridge Academy's reputational risk.

21. Warranties and Representations.

21.1 Representations and Warranties of TLG. TLG hereby represents and warrants to Northridge Academy:

21.1.1 TLG is a duly organized limited liability company in good standing and is authorized to conduct business in the State of Michigan.

21.1.2 To the best of its knowledge, TLG 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.

21.1.3 TLG'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.

21.2 Representations and Warranties of Northridge Academy. Northridge Academy hereby represents and warrants to TLG:

21.2.1 Northridge Academy is a duly organized non-profit corporation in good standing and is authorized to conduct business in the State of Michigan.

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

21.2.3 Northridge 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 Northridge Academy. Northridge Academy is therefore vested with all powers within applicable law for implementing the Educational Program contemplated in this Agreement.

21.2.4 Northridge Academy's actions and those of the Board have been duly and validly authorized.

21.2.5 To the best of its knowledge, Northridge 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.

21.2.6 To the best of its knowledge, Northridge 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 Northridge Academy's required performance under this Agreement.

21.2.7 Northridge Academy and the Board will use its best efforts to insure 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.

21.2.8 The Public School Academy has no intellectual or property rights or claims in TLG's curriculum and Education Program and will make no such claims in the future.

21.3 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.

## 22. Alternative Dispute Resolution Procedures.

22.1 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 21.

22.2 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. The CSO shall be notified of such decision, and the cause opinion shall be made available to Ferris State University Board and/or the CSO upon request. 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.

22.3 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.

22.4 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 21 are pending. The parties will take such action, if any, required to effectuate such tolling.

## 23. Miscellaneous.

23.1 Sole Agreement. This Agreement supersedes and replaces any and all prior agreements and understandings between Northridge Academy and TLG regarding Northridge Academy.

23.2 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 or other acts beyond its reasonable control.

23.3 Governing Law. The laws of the State of Michigan will govern this Agreement, its construction and the determination of any rights, duties and remedies of the parties arising out of or relating to this Agreement.

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

23.5 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.

23.6 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). The addresses of the parties are:

To Academy:

Northridge Academy  
4443 North Campbell  
Detroit, Michigan 48210-2480  
Attention: Board President  
Tel: \_\_\_\_\_  
Fax: \_\_\_\_\_

To TLG:

The Leona Group, L.L.C.  
2125 University Park Dr.  
Okemos, Michigan 48864  
Attention: Georgia Rodgers, CEO  
Tel: 517-333-9030  
Fax: 517-333-4559

With a copy to:

Facca, Richter & Pregler, P.C.  
6050 Livernois  
Troy, MI 48098  
Attention: Gerald J. Richter, Esq.  
Tel: (248) 813-9900  
Fax: (248) 813-9901

With a copy to:

The Leona Group, L.L.C.  
2125 University Park Drive  
Okemos, Michigan 48864  
Attention: Michelle T. Thomas  
Tel: (517) 333-9030  
Fax: (517) 333-4559

23.7 Assignment. This Agreement will not be assigned by TLG without the prior notification to the CSO and without consent in writing of the Board, or assigned by Northridge Academy without the prior consent in writing of TLG, provided that TLG may assign this Agreement to an affiliated entity or an entity that is a successor to all or a substantial portion of TLG's business and may delegate the performance of, but not responsibility for, any duties and obligations of TLG hereunder to any independent contractors, experts or professional advisors, subject to the Board approval, which approval cannot be unreasonably withheld. A change in ESP (or a decision to self-manage) in mid school year is strongly discouraged and will be disapproved by the CSO with absent compelling circumstances and a clear demonstration that the new ESP (or transition to self-management) can seamlessly assume management and operations of the school without disrupting the school's operations. The Board and TLG should make all efforts necessary to remedy a breach of this Agreement in-order to continue school operations until completion of the then-current school fiscal year. If a breach cannot be remedied, the Board and TLG agree to work cooperatively to transition management and operations of the school without disrupting the school's operations.

23.8 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 Northridge Academy and of TLG.

23.9 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.

23.10 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 to be provided by TLG 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.

23.11 Successors and Assigns. Except as limited by Section 23.7, this Agreement will be binding upon, and inure to the benefit of, the parties and their respective successors and assigns.

23.12 No Third Party Rights. This Agreement is made for the sole benefit of Northridge Academy and TLG, 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 or them, and any third person, including a relationship in the nature of a third party beneficiary or fiduciary.

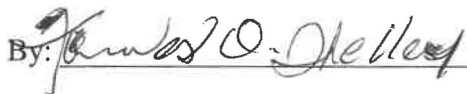
23.13 Survival of Termination. All representations, warranties and indemnities made in this Agreement will survive termination of this Agreement.

23.14 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.

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

Northridge Academy

The Leona Group, L.L.C.

By: 

Its: President

By:   
Its: CEO

## **CERTIFICATE RELATED TO TAX MATTERS**

The Leona Group (the “Company”) and Northridge Academy (the “Academy”) hereby certify as follows, with regard to its performance under the Management Services Agreement (the “Agreement”). These representations are deemed to be incorporated into the Agreement and binding upon the parties:

- (A) The Company’s compensation under the Agreement is reasonable and is not based, in whole or in part, on a share of the net profits and/or a share of the net losses from the operation of the Academy or upon the disposition, damage or destruction of the Academy’s property;
- (B) The Agreement does not pass along to the Company the burden of bearing any share of the net losses from the operation of the Academy or upon the disposition, damage or destruction of the Academy’s property;
- (C) The term of the Agreement is not greater than 30 years or 80 percent of the useful life of the Academy’s tax-exempt bond financed school facility (if shorter) including all renewal options;
- (D) The Academy bears the risk of loss upon the disposition, damage or destruction of the Academy’s property; and
- (E) The Company is not entitled to and will not take any federal tax position that is inconsistent with being a service provider under this Agreement to the Academy.

Further, with regard to governance;

- (A) No more than 20 percent of the voting power of the governing body of the Academy is vested in the directors, officers, shareholders, partners, members, and employees of the service provider, in the aggregate;
- (B) The governing body of the Academy does not include the chief executive officer of the service provider or the chairperson (or equivalent executive) of the service provider’s governing body; and
- (C) The chief executive officer of the service provider is not the chief executive officer of the Academy or any of the Academy’s related parties (as defined in §1.150-1(b)).