

Service Agreement

This Service Agreement is made and entered into as of the day of July 1, 2022, by and between Global Educational Excellence (the “Contractor”), a Michigan limited liability company, and Pittsfield Acres Academy, through its Board of Directors (the “Board”), a Michigan non-profit corporation (the “Academy”).

RECITALS

A. The Academy is a charter school, organized as a public school academy under the Revised School Code (The Code). The Academy has been authorized to operate as a public school academy pursuant to a contract (said contract, together with all schedules attached thereto, and as the same may be modified from time to time, shall be known herein as the “Contract”) with the Board of Trustees of Ferris State University (“FSU”), with FSU as the authorizing body.

B. The Contractor specializes in providing educational organizations with a variety of management and educational services and product, including assessment, curriculums, educational programs, teacher training, and assistive technology. Contractor’s products and services are designed to serve the needs of the Academy’s diverse student population with effective strategies for the needs of all members of its community.

C. The Academy and Contractor desire to create an enduring educational agreement, whereby the Academy and Contractor will work together to bring educational excellence and innovation to the operation of the Academy, based on Contractor’s school design, institutional principles and management methodologies.

D. In order to implement an innovative educational program at the school, the parties, desire to establish this arrangement for the management and operation of certain of the Academy’s educational and administrative activities or functions.

Therefore, it is mutually agreed as follows:

ARTICLE I

TERM

A. **Term.** Subject to the provisions of Paragraph B of this Article I and Paragraph E of Article VIII, this Agreement shall become effective upon execution and shall be consistent with the term in the Charter Contract.

B. **Review by FSU.** The parties acknowledge that this Agreement is subject to the review of FSU and shall be subject to termination pursuant to Article VIII, Paragraph E in the event that FSU disapproves this Agreement.

ARTICLE II

CONTRACTUAL RELATIONSHIP

A. **Authority.** The Academy represents that it is authorized by law and the Contract to contract with a private entity and for that entity to provide educational and management services. The Board is authorized by FSU to supervise and control such the Academy, and vested with all powers within applicable law for carrying out the educational program contemplated in this Agreement.

B. **Contract.** Acting under and in the exercise of such authority, the Board hereby contracts with Contractor to the extent permitted by law, to provide all functions relating to the provision of educational services and the management and operation of the Academy in accordance with the terms of this Agreement and the Contract.

C. **Status of the Parties.** Contractor is a for-profit entity, and is not a division or a part of the Academy. The Academy is a body corporate and governmental entity authorized by the Code, and is not a division or part of Contractor. The relationship between Contractor and the Academy is based solely on the terms of this Agreement, and the terms of any other agreements between Contractor and the Academy.

ARTICLE III FUNCTIONS TO BE PERFORMED BY CONTRACTOR

A. **Responsibility.** Contractor shall be responsible, and accountable to the Board, for the administration, operation and performance of the Academy, in accordance with appropriate sections of the Code and the Contract. Contractor shall use its best efforts to perform the obligations and responsibilities of the Academy under the Code and the Contract on behalf of the Academy or to assist the Academy in performing those obligations and responsibilities. Nothing in this Agreement shall be construed to prevent the Board from exercising its statutory, contractual or fiduciary responsibilities or from setting policies governing the operation of the Academy. Decisions made by the Contractor which by law or the Contract must be made by the Board in compliance with the Michigan Open Meetings Act shall not be binding on the Academy and its Board.

B. **Educational Program.** The educational program and the program of instruction shall be designed by Contractor in accordance with the Contract, and may be adapted and modified from time to time with prior Board approval, it being understood that an essential principle of a successful, effective educational program is its flexibility, adaptability, and capacity to change in the interest of continuous improvement and efficiency, and that the Board and Contractor are interested in results and not in inflexible prescriptions. Notwithstanding the foregoing, the Board shall have the right to approve material changes to the educational program and programs of instruction necessitated by the failure of the Academy to meet the goals identified in the Contract or otherwise abide by the terms of the Contract. The parties acknowledge that changes to the educational program may require an amendment to the Contract prior to implementation.

As between the parties, all intellectual property, proprietary information or other rights in or to any curriculum, educational materials or teaching techniques developed by Contractor for

the Academy shall be the property of the Academy and shall be subject to disclosure under the Code and the Michigan Freedom of Information Act unless specifically exempt.

C. **Strategic Planning.** Contractor shall design strategic plans for the continuing educational and financial benefit of the Academy.

D. **Public Relations.** Contractor shall design an ongoing public relations strategy for the development of beneficial and harmonious relationships with other organizations and the community, for implementation by the Academy as Board. 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 the Contractor or any Academy managed by the Contractor.

E. **Specific Functions.** Contractor shall be responsible for the management, operation, administration, and provision of educational and custodial activities at the Academy. Such functions may include, but are not limited to:

1. implementation and administration of the Educational Program, including the recommendation and acquisition of instructional materials, equipment and supplies (subject to the right of the Board to approve text books), and the administration of any and all extra and co-curricular activities and programs as approved by the Academy Board;
2. management of personnel functions, including professional development for the Principal, all instructional personnel and other staff, and the personnel functions outlined in Article I;
3. aspects of the business administration of the Academy;
4. business, educational, and community partnering programs;
5. strategic planning;
6. fund raising and grant development programs and strategies;
7. public relations programs, strategies and events;
8. any other function necessary or expedient for the administration of the Academy, or as may be required under the Code, the Contract or by FSU.

F. **Subcontracts.** Contractor reserves the right to subcontract, with Academy Board approval, any and all aspects of all other services it agrees to provide to the Academy, including, but not limited to transportation and/or food service. Contractor shall not subcontract the management, oversight, staffing, or operation of the teaching and instructional program, except as specifically permitted herein or with the prior approval of the Academy Board.

G. **Place of Performance.** Contractor reserves the right to perform functions other than instruction, such as purchasing, professional development and administrative functions, off-site, unless prohibited by state or local law.

H. **Materials Purchased.** All equipment, materials and supplies purchased by Contractor on behalf of the Academy shall be property of the Academy. If Contractor purchases equipment, material and supplies for the Academy, it shall comply with Section 1274 of the Code as if the Academy were making all such purchases directly. Contractor certifies that there shall be no markup of costs for supplies, materials, or equipment procured by Contractor on the Academy's behalf and that said supplies, materials and/or equipment shall be inventoried in such a way that it can be clearly established which property belongs to the Academy. Contractor shall maintain an inventory of Academy equipment so that it can be clearly established which property belongs to the Academy.

I. **Student Recruitment.** Contractor and the Board shall be jointly responsible for the recruitment of students, subject to the Board's direction on general recruitment and admission policies and the Contract. Application by or for students shall be voluntary, and shall be in writing. Students shall be selected in accordance with the procedures set forth in the Contract and in compliance with the Code and other applicable law.

J. **Due Process Hearings.** Contractor shall provide student due process hearings in conformity with the requirements of state and federal law regarding discipline, special education, confidentiality and access to record, consistent with the Academy's own obligations and policy. The Board shall retain the right to provide due process as required by law and to determine whether any student will be expelled. In the event that Contractor facilitates a student due process hearing, they shall inform the Board that an expulsion hearing is scheduled as well as the result of the hearing.

K. **Legal Requirements.** Contractor shall provide educational programs that meet federal, state, and local laws and regulations, and the requirements imposed under the Code and the Contract, unless such requirements are or have been waived.

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

M. **Compliance with Section 11.23 of Contract Terms and Conditions.** Contractor shall make information concerning the operation and management of the Academy, including without limitation the information described in Schedule 6 of the Contract, available to the Academy as deemed necessary by the Board in order to enable the Academy to fully satisfy its obligations under Section 11.23(a) of the Contract Terms and Conditions.

N. **Rules and Procedures.** Contractor shall recommend reasonable rules, regulations, and procedures applicable to the Academy and is authorized and directed to enforce those rules, regulations and procedures adopted by the Academy Board.

O. **School Year and School Day.** Contractor shall establish the calendar for the school year and the school day, subject to the requirements under law and as determined annually by the Board.

P. **Additional Grades and Student Population.** Contractor shall make recommendations to the Board concerning limiting, increasing, or decreasing the number of grades offered and the number of students served per grade or in total, within the limits provided for by the Contract. In the event the Board seeks to expand the Academy to a new grade level, the Board shall involve Contractor in such efforts as early as possible.

Q. **Privacy.** Except as permitted under the Code, Contractor shall not sell or otherwise provide to a for-profit business entity any personally identifiable information that is part of an Academy student's education records. If Contractor receives information that is part of an Academy student's education records, Contractor 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.

R. **Data Breach.** Contractor shall develop and maintain, with Board approval, a data breach response plan to address the release of personally identifiable information from Academy education records or other information not suitable for public release. In the event of a data breach, Contractor and the Academy shall follow the data breach response plan.

S. **Material Breach of Agreement.** Failure of Contractor to reasonably perform these functions, unless prevented from doing so by the Academy, its Board or circumstances beyond Contractor's control, shall be considered a material breach of this Agreement.

ARTICLE IV OBLIGATIONS OF THE BOARD

A. **Oversight.** The Board shall have the obligation and authority to oversee the performance of the duties of the Contractor under this Agreement. The Board shall be responsible for adopting budgets and policies for the Academy to be implemented by the Contractor in accordance with this Agreement. The Board shall exercise good faith in considering the recommendations of Contractor, including but not limited to, Contractor's recommendations concerning policies, rules,

Regulations, procedures, curriculum, budgets, fund raising, public relations, and school entrepreneurial affairs. The Academy's failure to adopt Contractor's reasonable recommendations concerning functions to be performed by Contractor shall be considered a material breach of this Agreement. If the Board determines in good faith that a recommendation of Contractor is contrary to the Code, the Contract, or policies adopted by the Board not otherwise contrary to this Agreement, its failure or refusal to adopt a recommendation of Contractor shall not be deemed to be a material default of this Agreement.

B. Governmental Immunity. The Board shall determine when to assert, waive or not waive its governmental immunity.

ARTICLE V FINANCIAL ARRANGEMENTS

A. Capitation Fee. The Academy shall pay Contractor an annual capitation fee, in an amount equal ten percent (10%) of the moneys, grants, fees and credits received by the Academy from all sources in connection with the enrollment of students at the Academy, including, but not limited to, state funding, government and private grants, and student fees, except to the extent prohibited by law or grant restrictions, or those amounts exempted by FSU. Said amounts may change during the term of this Agreement according to overall changes in the state grants, moneys, or services provided by other governmental agencies, and the extent of other revenue sources. The capitation fee shall be paid to Contractor as and when state payments, or funds from other state agencies or other revenue sources, are received by the Academy. Notwithstanding anything to the contrary contained herein, the parties agree that state payments shall be made directly to the Academy, and that capitation fees and other charges under this Agreement shall be paid to Contractor, upon availability of funds.

B. Reasonable Compensation. The Board acknowledges and agrees that compensation payable to Contractor under this Agreement is reasonable compensation for the services to be rendered by Contractor to the Academy under this Agreement.

C. Other Revenue Sources. In order to supplement and enhance the state school aid payments, improve the quality of education at the Academy, and fulfill the mission of the Academy, Contractor shall develop and pursue a program for obtaining and producing revenue supplemental to state aid and grants, shall seek Academy Board approval prior to accepting grant revenues, and shall report to the Board on a consistent basis regarding the status of its efforts in this area.

D. Payment of Costs. Except as otherwise provided in this Agreement, all costs incurred in furnishing Contractor's Educational Program to the Academy shall be paid by the Academy. Such costs shall include, but shall not be limited to, personnel, curriculum materials, textbooks, library books, computer and other equipment, software, supplies, building payments, maintenance, student meal services and capital improvements. Contractor may, in order to gain various economies and efficiencies, elect to incur certain of such costs directly and, in such event, the Academy shall reimburse Contractor for budgeted items upon presentation of supporting

documentation at a duly convened meeting of the Board. In no event shall Contractor charge an additional fee or charge to the cost of equipment, materials and supplies purchased from third parties.

E. **Advancement of Funds.** Contractor may advance funds to the Academy relating to recruiting, selecting, and pre-service training of staff members; or cleaning, fixing, renovating and equipping of the Academy building and related capital facilities, all pending receipt by the Academy of its subsequent school aid payments. The Academy shall reimburse Contractor such funds upon receipt of such state school aid payments, to the extent that it is able to do so consistent with the Code and the Contract. The parties shall enter into a separate agreement regarding the terms and conditions of any advance and its repayment before funds are disbursed by Contractor to or for the benefit of the Academy. If the parties cannot enter into an agreement before the Contractor disburses funds, they shall do so as soon as possible thereafter.

F. **Other Public School Academies.** The Academy acknowledges that Contractor may enter into similar management agreements with other public school academies. Contractor shall separately account for reimbursable expenses incurred on behalf of the Academy and other public school academies, and only charge the Academy for expenses incurred on behalf of the Academy. If Contractor incurs reimbursable expenses on behalf of the Academy and other public school academies which are incapable of precise allocation between such academies then Contractor shall allocate such expenses among all such academies, including the Academy, on a pro rata basis based upon the number of students enrolled at such academies, or upon such other equitable basis as is acceptable to the parties.

G. **Financial Reporting.** Contractor shall provide the Board with:

1. a projected annual budget (in compliance with P.A. 493 of the 2000 Uniform Budget and Accounting Act) not later than thirty (30) days after enrollment at the Academy for the first year of this Agreement is set or by May 1, and with a projected annual budget prior to each school year thereafter;
2. reasonably detailed statements of all revenues received, from whatever source, with respect to the Academy, and reasonably detailed statements of all direct expenditures with an explanation of variances to budget for services rendered to or on behalf of the Academy, whether incurred onsite off-site, upon request. The Contractor shall also provide the Academy with (i) a financial report on the Academy's finances at regularly scheduled Board meetings, which reports shall not be more than 45 days in arrears, and (ii) a complete quarterly financial report, including a balance sheet for the Academy's finances, also not more than 45 days in arrears;
3. an annual audit of the Academy in compliance with state law and Regulations showing the manner in which funds are spent at the Academy;

4. reports on Academy operations and student performance, upon reasonable request, but not less frequently than four (4) times per year; and other information on a periodic basis to enable the board to monitor Contractor's educational performance and the efficiency of its operation of the Academy.

The Contractor shall make all its finance and other records related to the Academy available to the Academy's independent auditor upon reasonable notice. The Board is responsible for selecting and retaining the Academy's independent auditor.

ARTICLE VI PERSONNEL & TRAINING

Subject to recommendation by Contractor and approval of the Board:

A. Principal. Contractor will, consistent with state law, select, hire and supervise the Principal, establish employment terms, and hold him or her accountable for the success of the Academy. The Academy School Board will be part of the interview process for the Academy School Leader as well as final hiring process. The Principal and Contractor, in turn, will have similar authority to select and hold accountable the teachers in the Academy. The Principal shall be an employee of the Contractor.

B. Teachers. Contractor shall determine the number of teachers, and the applicable grade levels and subjects, required for the operation of the Academy consistent with the Board-approved budget. Contractor shall provide the Academy with such teachers, qualified in the grade levels and subjects required, as are required by the Academy and establish employment terms. These teachers may, at the discretion of Contractor, work at the Academy on a full or part time basis. If assigned to the Academy on a part time basis, such teachers may also work at other schools operated by Contractor. Each teacher assigned to the Academy shall hold a valid teaching certificate issued by the state board of education under the Code to the extent required under the Code, or meet Code provisions for non-certified teachers. Unless otherwise agreed, teachers shall not be employees of the Academy.

C. Support Staff. Contractor shall determine the number and functions of support staff required for the operation of the Academy consistent with the Board-approved budget and establish employment terms. Contractor shall provide the Academy with such support staff, qualified in the areas required, as are required by the Academy. Such support staff may, at the discretion of Contractor, work at the Academy on a full or part time basis. If assigned to the Academy on a part time basis, such support staff may also work at other schools operated by Contractor.

D. Board Liaison. The Academy Board may employ and pay for an independent Board Liaison to act as a liaison among the Academy, Contractor and the University in order to ensure a smooth relationship among the entities. The Board shall have the right to employ the Board Liaison full or part time, as the situation warrants. Contractor agrees to cooperate with the Board Liaison in the performance of his duties as liaison.

E. Employer of Personnel. Unless otherwise agreed or required by law or the Contract, except for the Board Liaison, staff and personnel at the Academy will be employees or subcontractors of Contractor. Compensation of all employees of the Academy shall be paid by the Academy. The Academy shall reimburse Contractor for the compensation Contractor pays its employees or subcontractors of Contractor in the performance of services on behalf of the Academy. For purposes of this Agreement, compensation shall include salary, fringe benefits and training, including without limitation retirement planning, and state and federal tax withholdings. Contractor will inform the Academy Board of the level of compensation and fringe benefits provided to the employees of the Contractor. Contractor shall be solely responsible for selection, evaluation, discipline, and termination. No contracts or agreements between Contractor and staff assigned to the Academy shall contain a non-compete provision.

F. Criminal Background Checks. As part of its services under this Agreement, Contractor will, to the extent permitted by applicable law, be responsible for arranging for criminal background and conduct checks on its employees assigned to the Academy to ensure that the Academy fulfills its responsibilities to: a) conduct criminal background and record checks required by Applicable Law; and, b) maintain evidence that it has performed such actions. During the term of this Agreement, Contractor shall not enter into any agreement with the Academy or any employee restricting or prohibiting the Academy from hiring such person, and any such agreement shall, for the purpose of this Agreement, be of no force or effect.

G. Training. Contractor shall provide training in its Board-approved curriculum, program, and technology, to all teaching personnel on a regular and continuous basis. Instructional personnel shall receive such training as required under the Code. Non-instructional personnel shall receive such training as Contractor determines reasonable and necessary under the circumstances.

ARTICLE VII ADDITIONAL PROGRAMS

The services provided by Contractor to the Academy under this Agreement consist of the Educational Program during the school year and school day, and age and grade level, as set forth in the Contract, as such school year, school day, and age and grade level may change from time to time. Contractor may, in its discretion but subject to the approval of the Board, not to be unreasonably withheld, provide additional programs, such as adult and community education, which are not a part of the Academy's program as of the effective date of this Agreement. In such cases, the Contractor and the Board shall enter into a separate agreement governing the provision of these programs.

ARTICLE VIII
TERMINATION OF AGREEMENT

A. **Termination by Contractor.** Contractor may terminate the Agreement with cause prior to the end of the term specified in Article II in the event the Academy fails to remedy a material breach of this Agreement within sixty (60) days after notice from Contractor. A material breach may include, but is not limited to, failure to make payments to Contractor as required by this Agreement, or unreasonable failure to adhere to the personnel, curriculum, program, or similar material recommendations of Contractor, etc. Upon such termination, Contractor shall have the option to reclaim any usable property or equipment (e.g., copy machines, personal computers) installed by Contractor and not paid for by the Academy, or to reclaim the depreciated cost of such equipment.

B. **Termination by the Academy.** The Academy may terminate this Agreement with cause prior to the end of the term in the event that Contractor should fail to remedy a material breach of this Agreement within sixty (60) days after notice from the Academy; provided, however, that in the event such breach cannot be cured within such sixty day period, Contractor may have an additional amount of time reasonably necessary to effect such cure, so long as Contractor commences such cure within the initial sixty day period and diligently pursues said cure thereafter. Material breach may include, but is not limited to, failure to account for its expenditures or to pay operating costs (providing funds are available to do so), or unreasonable failure to meet performance standards where such failure resulted from circumstances within its control. Any action or inaction by the Contractor which causes the Contract of the Academy to be revoked, terminated or suspended, or which results in the 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 proceeding for the termination, revocation or suspension of the Contract, shall be designated a material breach, which shall be grounds for the termination of the ESP agreement by the Academy. Upon such a termination, Contractor shall have the option to reclaim any usable property or equipment (e.g., copy machines, personal computers) installed by the Contractor and not paid for by the Academy or to reclaim the depreciated cost of such equipment.

C. **Revocation or Termination of Contract.** If the Academy's Contract issued by the Ferris State University Board of Trustees is revoked or terminated, this Agreement shall automatically terminate on the same date as the Academy's Contract is revoked or termination without further action of the parties.

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 State School Reform/Redesign Officer 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 of 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 the Contractor shall have no recourse against the Academy or the University Board for implementing such site closure or reconstitution.

E. **Minor Breaches**. A breach of this Agreement that would otherwise not be material may become material if the breaching party does not act in good faith to cure the breach after notice, or if multiple breaches occur in a time period or under such circumstances that lack of good faith is indicated.

F. **Change in Law; Requirement of FSU**. If any federal, state, or local law or regulation, or court decision, or any requirement properly imposed by FSU under the Code or the Contract has a material adverse impact on the ability of either party to carry out its obligations under this Agreement, then either party, upon written notice, may request renegotiation of the agreement; and if the parties are unable or unwilling to renegotiate the terms within 90 days after the notice, the party requiring the renegotiation may terminate this Agreement on 120 days further written notice.

G. **Effective Date of Termination**. In the event this Agreement is terminated by either party prior to the end of the term specified in Article I, absent unusual and compelling circumstances the termination will not become effective until the end of the school year following the notice of termination.

H. **Expiration**. Upon expiration of this Agreement at the completion of the contract term where there is no renewal, Contractor shall have the right to reclaim any usable property or equipment (e.g., copy machines, personal computers) it provided the Academy at its expense or the depreciated cost of such equipment.

ARTICLE IX INDEMNIFICATION

A. **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 Board of Trustees, Ferris State University and its members, 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 of or are in any manner connected with Ferris State University Board's approval of the Application, the University Board's consideration of or issuance of a Contract, the Academy's preparation for and operation of a public school, or which are incurred as a result of the reliance by Ferris State University and its Board of Trustees members, officers, employees, agents or representatives upon information supplied by the Academy or the ESP, or which arise out of the failure of the Academy to perform its obligations under the Contract issued to the Academy by Ferris State University Board of Trustees. The parties expressly

acknowledge and agree that Ferris State University and its Board of Trustee members, officers, employees, agents or representatives may commence legal action against either party to enforce its rights as set forth in this Agreement.

B. Waiver of Subrogation. Each party to this Agreement waives all rights and claims against each other for all losses covered by their respective insurance policies, and to the extent permitted by their respective policies, waives all rights of subrogation of their respective insurers. The parties agree that their respective insurance policies are now, or shall be, endorsed so that such waivers of subrogation shall not affect their respective rights to recover thereunder.

ARTICLE X INSURANCE

The Board will obtain insurance as required in the Contract. Contractor shall name the Academy as an additional insured on a separate general liability and umbrella insurance coverage in amounts and on such terms as the Academy may require. Each party shall maintain such insurance as shall be necessary to indemnify the other as provided in this Agreement. Each party shall, upon request, present evidence to the other that it maintains the requisite insurance in compliance with the provisions of this paragraph. Contractor shall comply with any information or reporting requirements applicable to the Academy under the Academy's policy with its insurer(s), to the extent practicable.

ARTICLE XI WARRANTIES AND REPRESENTATIONS

The Academy and Contractor each represent that it has the authority under law to execute, deliver, and perform this Agreement, and to incur the obligations provided for under this Agreement, that its actions have been duly and validly authorized, and that it will take all steps reasonably required to implement this Agreement. The Academy and Contractor mutually warrant 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.

ARTICLE XII RECORDS AND OTHER PROPERTY OF THE ACADEMY

Contractor acknowledges that all financial, educational and student records relating to the Academy are and shall remain property of the Academy. Contractor agrees to keep such records on location at the Academy and to permit, upon reasonable notice and at reasonable times, the Board or anyone appointed by the Board to inspect such records and obtain copies thereof. Throughout the term of this Agreement, Contractor shall be deemed a temporary custodian of these records, and shall be responsible for the safeguarding of said records, unless the Board provides otherwise. In the event of any termination of this Agreement, Contractor shall deliver said records to the Board or its agents. Contractor shall keep such records available to the public in accordance with the Revised School Code and other applicable law.

Contractor shall obligate each of its employees to sign an agreement pledging their obligation to keep confidential any and all records of the Academy, unless otherwise required by law. Contractor shall further obligate each of its employees to acknowledge that all educational materials developed on behalf of the Academy during the term of this Agreement shall be the property of the Academy. Upon the reasonable request of the Board, Contractor shall make available to the Board copies of all educational materials prepared by Contractor or its employees in connection with the undertakings described herein.

ARTICLE XIII
ALTERNATIVE DISPUTE RESOLUTION PROCEDURE

Any and 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, shall be resolved by arbitration, and such procedure shall be the sole and exclusive remedy for such matters. Unless the parties agree upon a single arbitrator, the arbitration panel shall consist of three persons. The arbitration shall be conducted in accordance with the rules of the American Arbitration Association, with such variations as the parties and arbitrator unanimously accept. A judgment on the award rendered by the arbitrators may be entered in any court having appropriate jurisdiction.

ARTICLE XIV
INTERPRETATION

A. **Compliance with the Code.** The parties are entering into this Agreement to enable the Academy to carry out its obligations under the Code and the Contract in an efficient and economical manner. Accordingly, this Agreement shall in all respects be subject to, and construed in accordance with, the Code.

B. **Compliance with Academy's Contract.** The ESP 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.

C. **Compliance with Rev. Proc. 97-13.** The parties also acknowledge that the Academy anticipates qualifying for exemption for federal income taxation under Section 501(c)(3) of the Internal Revenue Code. Subject to the foregoing provisions of this Article XIV, this Agreement shall be interpreted in a manner that is consistent with the Academy's status as an exempt organization. Nothing in this Agreement shall be interpreted as delegating the Board's ultimate authority and responsibility with respect to the operation and management of the Academy to the Contractor.

ARTICLE XV
MISCELLANEOUS

A. **Sole Agreement; Severability.** This Agreement supersedes and replaces any and all prior agreements and understandings between the Academy and Contractor. The invalidity of any of the covenants, phrases, or clauses in this Agreement shall not affect the remaining portions of this Agreement, and this Agreement shall be construed as if such invalid covenant, phrase, or clause had not been contained in this Agreement.

B. **Force Majeure.** Neither party shall be liable if the performance of any part or all of this contract is prevented, delayed, hindered, or otherwise made impracticable, or impossible by reason of any strike, flood, riot, fire, explosion, war, act of God, sabotage, accident, or any other casualty, or cause beyond either party's control, and which cannot be overcome by reasonable diligence and without unusual expense.

C. **Notice.** All notices, demands, requests, and consents under this Agreement shall be in writing, shall be delivered to each party, and shall be effective when received by the parties or mailed to the parties at their respective addresses set forth below, or at such other address as may be furnished by a party to the other party:

If to contractor:

Global Educational
Excellence 2455 S.
Industrial Hwy.
Suite A
Ann Arbor, MI 48104

With a copy to:

Eby, Conner, Smillie & Bourque,
PLLC. 320 Miller Suite 190
Ann Arbor, MI 48103

If to Academy:

Board President
4377 Textile Rd
Ypsilanti, MI 48197

With a copy to:

George Butler
Dickinson Wright, PLLC
500 Woodward Ave.
Detroit, MI 48226

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

E. **Entire Agreement.** This Agreement is the entire agreement between the parties relating to the services provided, and the compensation for such services.

F. **Non-Waiver.** No failure of a party in exercising any right, power, or privilege under this Agreement shall affect such right, power, or privileges, nor shall any single or partial exercise thereof preclude any further exercise thereof or the exercise of any other right, power, or privilege. The rights and remedies of the parties under this Agreement are cumulative and not exclusive of any rights or remedies which any of them may otherwise have.

G. **Assignment.** This Agreement shall not be assigned by either party without the prior written consent of the other party, provided that Contractor may without the consent of the Board delegate the performance by not responsibility for such duties and obligations of Contractor specifically set forth herein.

H. **Survival of Termination.** All representations, warranties, and indemnities made herein shall survive termination of this Agreement.

I. **Governing Law.** This Agreement shall be governed by and enforced in accordance with the law of the State of Michigan. The parties have executed this Agreement as of the day and year first above written.

IN WITNESS WHEREOF, the parties have entered into this Service Agreement as of the date set forth above.

PITTSFILED ACRES ACADEMY

John C. Stephens, M.D., Chair, Board of Directors

Date: 06 / 21 / 2022

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