

MANAGEMENT AGREEMENT

This Management Agreement is made and entered into effective as of June _____, 2018, by and between The Romine Group, Inc., a Michigan corporation (TRG), and **Voyageur Academy**, a Michigan nonprofit corporation and public school academy (the "Academy").

RECITALS

The Academy is a charter school, organized as a public school academy under Part 6A of the Michigan Revised School Code (the "Code"). Ultimate authority over the Academy is vested in its Board of Directors (the "Academy Board" or "Board"). The Academy has been issued a contract (the "Contract") by the Board of Trustees of Ferris State University (the "Authorizer") to organize and operate a public school academy with the Authorizer as the authorizing body.

TRG seeks to improve education through reform affecting public schools, both through direct involvement within the traditional system and alternatives such as charter schools.

The Academy and TRG desire to create an educational agreement, whereby the Academy and TRG will work together to bring educational excellence and innovation to the Academy, based on school design and capacity to implement and manage a comprehensive educational program.

The Academy and TRG desire to work together to develop and implement a shared vision for success of the school and its scholars, and to work with and support the families of the scholars attending the school.

In order to facilitate the continuation of school and to continue to provide an innovative educational program at the school, the parties desire to establish this arrangement for the management and operation of the Academy.

Therefore, it is mutually agreed as follows:

ARTICLE I

CONTRACTING RELATIONSHIP

A. Authority. The Academy represents that it is authorized by law to contract with a private entity for that entity to provide the educational management services described in this Agreement. The Academy further represents that it has been granted the Contract by the Authorizer to organize and operate the public school academy known as Voyageur Academy.

B. Contract. Acting under and in the exercise of its authority, the Academy hereby contracts to TRG, to the extent permitted by law, certain specific functions relating to the provision of educational services and the management and operation of the Academy in accordance with the enrollment, age and grade level specifications for the school; provided, however that this Agreement shall be subject to the terms and conditions of the Contract. In the event of any inconsistency between provisions of this Agreement and provisions of the Contract, the provisions of the Contract shall prevail.

C. Status of the Parties. TRG is not a division or part of the Academy. The Academy is not a division or part of TRG. The relationship between TRG and the Academy is based solely on the terms of this agreement, and the terms of any subsequent written agreements between TRG and the Academy. The relationship between the parties was developed and entered into through arms-length negotiation and is based solely on the terms of this Agreement. Except as it regards to indemnification agreed to between the parties as described herein, TRG will be solely responsible for its acts and the acts of its agents, employees and subcontractors. The parties to this Agreement intend that the relationship between them created by this Agreement is that of an independent contractor. No employee of TRG shall be deemed to be an agent or employee of the Academy. Notwithstanding the foregoing, the Academy Board may by resolution designate an officer or employee of TRG, as may be mutually agreed upon by TRG and the Academy, to serve as the chief administrative officer ("CAO") of the Academy and to perform the duties of the CAP under the Uniform Budgeting and Accounting Act, MCL 141.421 *et seq.*, and to provide oversight of other contractors of the Academy, as designated by the Academy Board from time to time.

ARTICLE II

TERM

A. Term. This Agreement shall become effective upon execution and shall expire June 30, 2019. In no event shall the term of this Agreement exceed the term of the Contract.

ARTICLE III

ACADEMY BOARD FUNCTIONS

A. Board Policy Authority. The Academy Board is responsible for determining the fiscal and academic policies that will govern the operation of the Academy, including but not limited to, policies relative to the conduct of students while in attendance at the Academy or en route to and from the Academy and regulations governing the procurement of supplies, materials and equipment.

B. Building Facility. The Academy Board shall provide a suitable building for the school and shall operate and control that building.

C. Academy Employees. The Academy Board may employ such employees as it deems necessary. The cost to employ Academy employees shall be paid by the Academy Board. This Paragraph does not apply to individuals employed by TRG or any entity which TRG subcontracts with to provide services pursuant to this Agreement.

D. Educational Consultants. The Academy Board may retain an educational consultant or consultants to review the operations of the Academy and the performance of TRG under this Agreement. TRG 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 Academy Board. TRG shall have no authority to select, evaluate,

assign, supervise or control any educational consultant employed by the Academy Board. The cost to employ an educational consultant shall be paid by the Academy Board.

E. Legal Counsel. The Academy Board shall select and retain legal counsel to advise it regarding its rights and responsibilities under the Contract, this Agreement and applicable law. Legal counsel selected by the Academy Board shall be independent of TRG.

F. Audit. The Academy Board shall select and retain the independent auditor to perform the annual financial audit in accordance with the Contract and applicable state law. All financial records necessary for the audit related to the Academy shall be made available by TRG to the auditor. An auditor selected by the Academy Board shall be independent of TRG.

G. Budget. The Academy Board is responsible for adopting a budget in accordance with the provisions of the Uniform Budgeting and Accounting Act, MCL 141.421 *et seq.*, that has adequate resources to fulfill its obligations under the Contract. The budget may be amended from time to time as deemed necessary by the Academy Board.

H. Academy Funds. The Academy Board shall determine the depository institution of all funds received by the Academy. All funds received by the Academy shall be deposited in the Academy's depository account. Signatories on the depository account shall be Academy Board members and/or properly designated Academy Board employees. All interest or investment earnings on Academy deposits shall accrue to the Academy.

ARTICLE IV

FUNCTIONS OF TRG

A. Responsibility. Under the direction of the Board, TRG shall be responsible for all of the management, operation, administration, and educational outcomes at the Academy. Such functions include, but are not limited to:

1. Implementation and administration of the educational program;
2. Curriculum implementation and improvement services;
3. Student environment management and community outreach;
4. Information and technology system planning, development and management;
5. Budget preparation and financial management services;
6. Accounting and bookkeeping services, accounts payable, payroll services;
7. Acquisition of instructional and non-instructional materials, equipment and supplies and the establishment of an inventory system of all equipment;
8. Recruitment, selection, employment and supervision of all teachers and staff and the personnel management services (recordkeeping, wage and benefits administration, training and technical assistance) necessary to support staff;
9. Supervision of school support services include food service and transportation programs;
10. Preparation of required authorizer, local, state and federal reports
11. Preparation of applications for grants and special programs;

12. Securing funding sources for special programs and facility improvements as requested by the Board;
13. Operation of the school building and the oversight of the installation of technology and other systems integral to school design;
14. Administration of extra-curricular and co-curricular activities and programs;
15. Preparation of procedures governing operations of the Academy, as approved by the Board;
16. Ensure the provision of special education services to students who attend the Academy in conformity with the requirements of state and federal laws and applicable regulations and policies;
17. Preparation and enforcement of student codes of conduct;
18. Preparation of strategic plans for the continuing educational and financial benefit of the Academy;
19. Implementation of a public relations strategy, developed by and/or for the Board;
20. Electronic reporting and direct "at-meeting" Board support;
21. Business administration of the Academy, including responsibility for sound financial operation of the Academy;
22. Any other function necessary or expedient for the administration of the Academy with prior approval from the Board.

B. Compliance With Academy's Contract. TRG agrees to perform its duties and responsibilities under this Agreement in a manner that is consistent with the Academy's obligations under the Contract. The provisions of the Contract shall supersede any competing or conflicting provisions contained in this Agreement.

C. Educational Program. The educational program shall be agreed upon between the parties and may be adapted and modified from time to time, it being understood that an essential principle of this educational program is flexibility, adaptability and capacity to change in the interest of continuous improvement and efficiency, and that the Academy and TRG are interested in results and not inflexible prescriptions. The Academy Board shall be consulted prior to any substantial adaptation or modification to the manner in which TRG implements the educational program.

D. Place of Performance. With the approval of the Academy Board, TRG may perform functions, other than instruction, such as purchasing, professional development, and administrative functions, off site at other TRG locations, unless prohibited by state or local law.

E. Non-compliance Issues. TRG shall immediately notify the Board regarding problems and issues related to non-compliance by the school, its staff or students with applicable laws, regulations and accreditation requirements.

F. Due Process Hearings. TRG shall provide students due process hearings in conformity with the requirements of state and federal law regarding discipline, special education, confidentiality and access to records, to an extent consistent with the Academy's own obligations. The Academy shall retain the right to provide due process as required by law.

G. Legal Requirements. TRG shall provide educational programs that meet federal, state and local requirements, and the requirements imposed under the Code and the Contract, unless such requirements are or have been waived to the extent permitted under the law..

H. Rules & Procedures. TRG shall recommend to the Academy Board reasonable rules, regulations, policies and procedures applicable to the Academy which shall be enforced by TRG.

I. School Year and School Day. The school year and the school day shall be as approved by the Board annually or as changed by the Academy Board from time to time and shall be in compliance with all State laws.

J. Purchase of Equipment. If TRG procures equipment, materials and supplies at the request of or on behalf of the Academy, TRG shall not include any added fees or charges with the cost of equipment, materials and supplies purchased from third parties. Additionally, if TRG purchases equipment, materials and supplies on behalf of or as the agent of the Academy, such equipment, materials and supplies shall be and remain the property of the Academy. TRG will comply with section 1274 of the Code as if it were the Academy when making these purchases directly from a third party supplier.

K. Subcontracts. TRG is authorized to negotiate and contract with third party vendors for the purchase of equipment, materials and/or supplies up to \$15,000.00. TRG is authorized to negotiate and contract with third party vendors for services up to an annual contract price of \$15,000.00. All other purchases and contracts with third parties must be negotiated by and between the Academy and the third party vendors directly. Copies of all contracts signed by TRG on behalf of the Academy shall be delivered to the Academy Board's President within fifteen (15) days after executing the contract.

ARTICLE V

FINANCIAL ARRANGEMENTS

A. Annual Management Fee: The Academy shall pay TRG an annual management fee (the "Fee"), determined as follows:

1. Subject to the other provisions of this Article, including the terms and conditions referenced below regarding the Performance Metrics in the attached **Exhibits A and B** ("Performance Metrics"), TRG shall be paid an Annual Management fee for each academic year equal to 9.5% of the funds received by the Academy that the State of Michigan determines the Academy is entitled to receive pursuant to the State School Aid Act of 1979, as amended (SSA), for the particular students enrolled in the Academy ("the Fee") during that academic year.

- (a) If 4 of 6 of the Performance Metrics in **Exhibit A** or 5 of 7 of the Performance Metrics in **Exhibit B** are not achieved during an academic year, then the Fee shall be reduced to 9.0% of the annual SSA for that academic year and any amounts paid to TRG in excess of 9.0% of the annual SSA shall be reimbursed to Voyageur in full within 60 days following the end of that academic year.
- (b) If 4 of 6 of the Performance Metrics in **Exhibit A** and 5 of 7 of the Performance Metrics in **Exhibit B** are exceeded during an academic year, then the Fee shall be increased to 10% of the annual SSA for that academic year and the increased Fee amount shall be paid in full to TRG within 60 days from the date of the end of that academic year.
- 2. The Fee shall be paid to TRG as installment payments when SSA payments are received by the Academy.
- 3. TRG shall not receive payment for any transitional costs incurred by TRG to implement this Agreement.
- 4. The parties hereby acknowledge and agree that TRG' compensation under this Agreement is reasonable compensation for services to be rendered hereunder.
- 5. In addition, the Academy agrees to pay or reimburse all costs and expenses referenced in Article V of this Agreement.
- 6. In interpreting this Agreement and in the provision of the services required hereunder, TRG shall not have any role or relationship with the Academy that, in effect, substantially limits the Academy's ability to exercise its rights, including termination rights, under this Agreement. As required by the Academy's Article of Incorporation and Bylaws, the Academy Board may not include any director, officer or employee of a management company that contracts with the Academy. In furtherance of such restriction, it is agreed between the Academy and TRG that none of the voting power of the governing body of the Academy will be vested in TRG or its directors, members, managers, officers, shareholders and employees, and the Academy and TRG will not be related parties as defined in Treas. Reg. 1.150-1.

B. Payment of Costs and Expenses

- 1. All costs reasonably incurred in providing the education program at the Academy shall be paid by the Academy. Such costs shall include, but shall not be limited to, curriculum materials, professional development, textbooks, library books, costs for computer and other equipment, software, supplies utilized at the Academy for educational purposes, services provided pursuant to subcontract, building payments, maintenance, utilities, capital improvements, costs for personnel provided

- at the Academy either by TRG or through an entity with which TRG subcontracts for staff, and marketing and development costs.
2. Marketing, development and personnel 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, development, or personnel of TRG. Any costs to be charged to the Academy under this paragraph must be pre-approved by the Academy Board. If the Academy Board has not pre-approved the expenditures under this paragraph, TRG shall not be entitled to be reimbursed.
 3. The Academy Board must be informed of the level of compensation and fringe benefits provided to employees of TRG assigned to the Academy.
 4. Upon receipt of funds, the Board will advance funds to TRG for the fees and expenses associated with the Academy's operation provided that documentation for the fees and expenses are provided for Academy Board ratification. However, on occasion TRG may advance funds for the operation of the educational program, in which case TRG will submit fees and expenses and properly presented documentation to the Academy Board for approval and reimbursement. In paying costs on behalf of the Academy, TRG shall not charge an added fee. Any costs reimbursed to TRG that are determined by the independent audit not to be reasonably incurred on behalf of the educational program of the Academy shall be promptly returned to the Academy by TRG. No corporate costs of TRG shall be charged to, or reimbursed by, the Academy.
 5. In the event of termination or expiration of this Agreement, TRG will be reimbursed for any costs not previously reimbursed. At the conclusion of this Agreement, any excess funds in the dedicated account shall be the property of the Academy.

C. Other Public School Academies. The Academy acknowledges that TRG has, or will, enter into similar management agreements with other public school academies. TRG shall separately account for reimbursable expenses incurred on behalf of the Academy and other public school academies, and shall only charge the Academy for expenses incurred on behalf of the Academy. If TRG incurs reimbursable expenses on behalf of the Academy and other public school academies which are incapable of precise allocation between such academies, then TRG 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 to this Agreement.

D. Reporting by TRG. TRG will provide the following reports to the Academy:

1. Performance Metrics. The results of the Performance Metrics attached as **Exhibit A** shall be reported to all Academy Board Members the month following the date of publication of the results.

2. Financial. TRG shall present to all Academy Board Members on a monthly basis (i) a detail of budget to actual revenues and expenditures with an explanation of variances and (ii) a detailed schedule of prior month expenditures for ratification by the Board. This information shall be furnished to each Board member not less than five (5) working days prior to the board meeting at which the information will be considered and include the following:
 - a. Budget Projections, Summary Actuals and Summary Budget
 - b. Balance Sheet
 - c. Monthly Expense Ratification Report
 - d. Historical Aged Trial Balance
 - e. A monthly statement of actual and projected cash flow
 - f. Semi-annual Grant breakdown
 - g. Monthly check book register.
3. Other.
 - a. On a monthly basis, TRG shall present to all Academy Board Members with:
 - i. a current list of vendors of the Academy;
 - ii. a report of any "lock down" or the presence of any police at the Academy's campus;
 - iii. the number of substitute teachers hired during the previous month and the number of days of instruction by substitute teachers the previous month;
 - iv. an EPICENTER report for FSU compliance; and
 - v. a monthly composite report for each grade level (1 through 12) from the power school program.
 - b. Monthly school performance scorecard, with metrics agreed upon by the Academy Board and TRG;
 - c. At least three (3) times per year, TRG will provide the Academy Board with comprehensive written reports, in a form reasonably anticipated to satisfy this requirement, detailing Academy operations, finances and student performance.
 - d. All financial and other records of TRG related to the Academy shall be made available to the Academy's independent auditors upon request by the Academy. TRG may not select or retain an independent auditor for the Academy.

E. Review of Operational Budget. The Board of the Academy will be responsible for reviewing, amending if needed, and adopting the annual functional level budget of the Academy as presented by TRG.

ARTICLE VI

PERSONNEL & TRAINING

A. Personnel Responsibility. TRG shall have the sole responsibility and authority to determine staffing levels, and to select, evaluate, assign, discipline and transfer personnel, consistent with state and federal law. All personnel must meet legally required qualifications for their positions and must be employees or subcontractors of TRG.

B. School Administrator. Because the accountability of TRG to the Academy is an essential foundation of this agreement, and because the responsibility of the School Leader is critical to its success, TRG will have the authority, consistent with state law, to select and supervise the School Leader and to hold him or her accountable for the success of the Academy. The employment contract with the School Leader, and the duties and compensation of the School Leader shall be determined by TRG. TRG shall keep the Board informed of the search and selection process for the School Leader. TRG with the assistance of the School Leader will, in turn, have similar authority to select and hold accountable the teachers in the Academy.

C. Teachers. Prior to the commencement of each school year, and from time to time thereafter, TRG shall determine the number of teachers required for the operation of the Academy. TRG shall hire and provide the Academy with such teachers, qualified in the grade levels and subjects required, as are required by the Academy. The curriculum taught by such teachers shall be the curriculum approved by the Academy Board. Such teachers may, in the discretion of TRG, work at the Academy on a full or part-time basis. If assigned to work for the Academy on a part-time basis, such teachers may also work at other schools managed by TRG. With respect to those teachers working part-time at the Academy, the Academy's responsibility for payment of the costs associated for the part-time teacher(s) shall be limited to the number of hours the part-time person works specifically for the Academy. Each teacher assigned to or retained to work at the Academy shall hold a valid teaching certificate or permit issued by the State Board of Education under the Code, to the extent required under the Code, and shall meet any other requirements of state and federal law. Teachers employed by TRG shall not be considered teachers for purposes of continuing tenure under MCL §38.71 et seq.

D. Support Staff. Prior to the commencement of each school year, and from time to time thereafter, TRG shall determine the number and functions of support staff required for the operation of the Academy. TRG shall hire and provide the Academy with support staff, qualified in the areas required, as are required by the Academy. Such support staff may, in the discretion of TRG 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 TRG. With respect to the support staff working part-time at the Academy, the Academy's responsibility for payment of the costs associated for the part-time support staff shall be limited to the number of hours the support staff works specifically for the Academy.

E. Training. TRG shall provide training in its methods, program technology and curriculum adopted by the Board, to all teaching personnel, on a regular and continuous basis.

Non-instructional personnel shall receive such training as TRG determines as reasonable and necessary under the circumstances. Such training shall be at the expense of TRG.

F. Non-Competition/No-Hire. Any agreement between TRG and any person or persons performing work at the Academy may not contain a non-competition, no-hire, or similar provision prohibiting or restricting the Academy or any persons, parties or entities under contract with the Academy or who intend to contract with the Academy from hiring staff that perform work at the Academy. The parties represent and agree that any such provision shall be considered void and have no force or effect.

G. Criminal Background Checks. TRG agrees that it shall not assign any of its employees, agents, or other individuals to perform any services under this Agreement except as permitted under Sections 1230, 1230a, 1230b, and related provisions of the Code pertaining to criminal background checks and criminal conduct. TRG shall require that the results of the criminal background check are received, reviewed, and used (subject to a verification process) by the School Leader, only as permitted by law, acting on behalf of the Academy and the Board, to confirm that the individual does not have a criminal history and to evaluate the qualifications of the individual for his/her assignment.

ARTICLE VII

ADDITIONAL PROGRAMS

The services provided by TRG to the Academy under this agreement consists of the Educational Program during the school year and school day, for the age and/or grade level of students, as set forth in the Contract, as such year, school day, and age and grade level may change from time to time. TRG and the Academy may decide to provide additional programs, including but not limited to summer school or other lengthening of the school day or school year. Any state foundation grant revenues received for such programs shall be subject to the Fee.

ARTICLE VIII

TERMINATION OF AGREEMENT WITH CAUSE

A. Termination by the Academy. The Academy may terminate this Agreement with cause prior to the end of the term specified in Article II, in the event that TRG fails to remedy a material breach within a period reasonable under the circumstances, but not less than thirty (30) days after written notice from the Academy. Material breach may include, but is not limited to, failure to properly account for its expenditures or failure to pay operating costs of the Academy, violation of law, failure to provide an adequate education program, failure of the school to meet government or accreditation standards. Any action or inaction on the part of TRG that should cause the Academy to be in breach of the Contract with the Authorizer shall be a material breach by TRG of this Agreement.

B. Termination by TRG. TRG may terminate this Agreement with cause prior to the end of the term specified in Article II in the event the Academy fails to adopt reasonable recommendations of TRG or to remedy a material breach of this Agreement within a period reasonable under the circumstances, but not less than 30 days after written notice from TRG. A material breach may include, but is not limited to, failure to make payments to TRG as required by this Agreement.

C. Change in Law. If any federal, state or local law or regulation, or court decision 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 terminate this agreement upon 30 days notice.

E. Transition. In the event of termination of this Agreement for any reason by any party at any time, at the Academy's option, TRG shall provide the Academy with assistance in the transition for a period of up to 90 calendar days following the date of termination. TRG shall be paid a fee equal to 1/365 of the Annual Management Fee paid to TRG during the last full fiscal year, multiplied by the number of calendar days the Academy has requested TRG' assistance during the transition period. The Academy's option to require TRG' assistance during the transition period must be authorized by the Academy in writing.

F. Revocation or Termination of the Charter Contract. If the Academy's Contract is revoked, terminated, or a new charter contract is not issued to the Academy after expiration of the Academy's Contract, this Agreement shall automatically terminate on the same date as the Academy's Contract is revoked, terminated, or expires without further action of the parties.

ARTICLE IX

PROPRIETARY INFORMATION

A. Rights of the Academy. The parties agree that the Academy shall own all proprietary rights to curriculum or educational materials that (i) are both directly developed and paid for by the Academy; or (ii) were developed by TRG at the direction of the Academy Board with Academy funds dedicated for the specific purpose of developing such curriculum of materials.

B. Rights of TRG. The parties agree that TRG shall own proprietary rights to curriculum or educational materials that (i) were previously developed or copyrighted by TRG; or (ii) developed by TRG using funds from the Academy that are not dedicated for the specific purpose of developing Academy curriculum or educational materials. TRG recognizes and agrees that the TRG' educational materials and teaching techniques used by the Academy are subject to disclosure under the Code and the Freedom of Information Act.

C. General. Each Party shall treat all such proprietary information as though it were a trade secret and copyrighted, and shall use efforts as may be reasonably requested to assure that no personnel or agent disclose, publish, copy, transmit, modify, alter or utilize such proprietary information during the term of this Agreement or at any time after its expiration other than to the

extent necessary for the implementation of this Agreement. Upon expiration of this Agreement, the Academy, however, may continue to use proprietary information developed on behalf of the Academy in the implementation of its ongoing educational program.

D. Required Disclosure. The 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 by law, notwithstanding anything contained in this Article VIII to the contrary.

ARTICLE X

INDEMNIFICATION

A. Indemnification of TRG. To the extent permitted by the law, the Academy shall indemnify, defend and hold harmless TRG and all of its employees, officers, members, directors, managers, subcontractors and agents against any and all claims, demands, suits, damages, judgments, fees, costs or other forms of liability (collectively "claims") that may arise out of, or by reason of, any claim or allegation of (i) noncompliance by the Academy with any agreements, covenants, warranties or undertakings of the Academy contained in or made pursuant to this Agreement; (ii) any misrepresentation or breach of the representations and warranties of the Academy Board contained in or made pursuant to this Agreement; or (iii) any violation of law.

B. Indemnification for Tortious Behavior. To the extent permitted by the law and without waiving any immunities or privileges, each party to this Agreement shall indemnify and hold harmless the other, and their respective boards of directors, partners, members, officers, employees, managers, agents and representatives, from any and all claims and liabilities which they may incur and which arise out of the tortious behavior of the other party, or the tortious behavior of the other party's trustees, directors, officers, employees, agents or representatives involving a third party.

C. Indemnification of the Academy. To the extent permitted by the law, TRG shall indemnify, defend and hold harmless the Academy and all of its employees, officers, members, directors, managers, subcontractors and agents against any and all claims, demands, suits, damages, judgments, fees, costs or other forms of liability (collectively "claims") that may arise out of, or by reason of, any claim or allegation of (i) noncompliance by TRG with any agreements, covenants, warranties or undertakings of TRG contained in or made pursuant to this Agreement; (ii) any misrepresentation or breach of the representations and warranties of TRG contained in or made pursuant to this Agreement; or (iii) any violation of law.

ARTICLE XI

INSURANCE

TRG shall secure and maintain general liability and umbrella insurance coverage in accordance with the Michigan University Self Insurance Corporation (M.U.S.I.C.) insurance

coverage requirements or as otherwise required under the Code and the authorizing Contract. The Academy shall be listed as an additional insured on the policies. In addition, TRG shall provide workers compensation coverage, unemployment benefits, and other benefits as required by law and the Contract for all persons performing work at the Academy. Upon request, the parties shall present evidence to each other that it maintains the requisite insurance in compliance with the provision of this Article.

ARTICLE XII

WARRANTIES AND REPRESENTATIONS

The Academy and TRG represent that each 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 adopt any and all resolutions or expenditure approvals required for execution of this Agreement.

ARTICLE XIII

ALTERNATIVE DISPUTE RESOLUTION

A. Mediation. 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 first be submitted to mediation for resolution in Michigan. Both parties must mutually agree upon the mediator selected and shall participate in all meetings in good faith. The mediation shall be conducted in accordance with the rules of the American Arbitration Association seated in Michigan, with such variations as the parties and arbitrators unanimously accept. The parties will share equally in the costs of the mediation, including forum fees, expenses, and charges of the mediator.

B. Arbitration. If the mediation does not result in a mutually satisfactory compromise, then the matter 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 (3) persons. The arbitration shall be conducted in accordance with the rules of the American Arbitration Association in Michigan, with such variations as the parties and arbitrators unanimously accept. The arbitrators' award shall be final and binding. A judgment on the award rendered by the arbitrators may be entered in any court having appropriate jurisdiction, by any party, without the consent of the other party. Any such judgment shall require a cause opinion as to the final decision. The Authorizer shall be notified of the final decision and, upon the Authorizer's request, the cause opinion shall be made available. The losing party shall pay the cost of arbitration, not including attorney fees. It shall be within the discretion and purview of the arbitrator or arbitration panel to award reasonable attorney fees to the prevailing party. Notwithstanding any other provision of this Agreement, the Academy shall have the option, in lieu of or in addition to arbitration pursuant to this Article XIII, to go into any court of competent jurisdiction to seek injunctive or other equitable relief.

ARTICLE XIV

FERRIS REQUIRED TERMS AND CONDITIONS

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, 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 of or are in any manner connected with Ferris State University Board of Trustees' approval of the Academy's application, Ferris State University Board of Trustees' consideration of or issuance of a Contract, the Academy Board's or the Educational Service Provider's preparation for and operation of the 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 representatives, upon information supplied by the Academy Board or the Educational Service Provider, or which arise out of the failure of the Academy Board or the Education Service Provider 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 against either party to enforce its rights as set forth in this Agreement.

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

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

D. 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 380.1618, for the most recent school fiscal year for which the information is available. Within thirty (30) days of receipt of this information, the Academy Board shall make the information available on the Academy's website home page, in a form and manner prescribed by the Michigan Department of Education. The

defined terms in section 503c of the Code, MCL 380.503c, shall have the same meaning in this agreement.

ARTICLE XV

MISCELLANEOUS

A. Sole Agreement. This agreement supersedes and replaces any and all prior agreements and understandings between the Academy and TRG on the subject matters hereof and may be modified only by a written agreement signed by both parties.

B. Force Majeure. Neither party shall be liable if the performance of any part or all of this agreement is prevented, delayed, hindered or otherwise made impracticable or impossible by reason of any strike, flood, riot, fire, explosion, war, act of God.

C. Notices. All notices, demands, requirements 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 TRG:	The Romine Group, Inc. 7877 Stead, Suite 100 Utica, MI 48317 Attention: John Weier
------------	---

If to Academy:	Voyageur Academy Board President 4321 North Military Detroit, MI 48210
----------------	---

D. Successors and Assigns. This Agreement shall be binding upon, and inure to the benefit of, the parties and their respective successors and assigns, but no rights or duties under this Agreement may be transferred or assigned without the express written consent of both parties.

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 privilege, 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. Governing Law. This agreement shall be governed by and enforced in accordance with the laws of the State of Michigan.

H. Review by Independent Counsel. The parties agree that each has reviewed, or had the opportunity to review, this Agreement with its own independent legal counsel prior to the execution.

The parties have executed this agreement as of the day and year first above written.

THE ROMINE GROUP, INC.



John Weier, Chief Financial Officer

VOYAGEUR ACADEMY



Curtis Wade, President/Board of Directors