

SERVICES AGREEMENT

This Services Agreement (the “Agreement”) is made and entered into as of July 1, 2022 by and among **CS PARTNERS, INC.**, a Michigan corporation (“CS Partners”), **CSP MANAGEMENT INC.**, a Michigan corporation d/b/a **PARTNER SOLUTIONS FOR SCHOOLS** (“Partner Solutions for Schools” and together with CS Partners, collectively “CSP”), and **CLARA B. FORD ACADEMY**, a Michigan public school academy (the “Academy”) formed under Part 6(A) of the Revised School Code (the “Code”), as amended.

As a wholly owned subsidiary of CS Partners, Partner Solutions for Schools is the employer of record for all staff assigned to work at the Academy. CS Partners provides the educational consulting services and oversees the management and operational services of the Academy. Together, CS Partners and CSP Partner Solutions are jointly responsible for providing the Services under this Agreement.

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. The Authorizer is the statutory authorizing body. The Code and the Contract permit a public school academy to contract with persons and entities for the operation and management of the public school academy. e

The Academy and CSP desire to create an enduring educational partnership whereby the Academy and CSP will work together to develop and bring about systems of educational excellence and services to the Academy based on CSP’s vision of school design, CSP’s management principles, the Educational Program (defined below), and the educational goals and curriculum adopted by the Board of Directors of the Academy (the “Board”).

THEREFORE, the parties hereby agree as follows:

ARTICLE I **Relationship of the Parties and Other Matters**

Section 1. Authority. The Academy represents that (a) it is authorized by law to contract with a private entity for the provision of management and operational services to the Academy, (b) it has been issued a Contract from the Authorizer to organize and operate a public school academy, (c) it is authorized by the Authorizer to supervise and control the Academy, and (d) it is vested with all powers necessary or desirable for carrying out the Educational Program (defined below) contemplated in this Agreement.

To the extent permitted by law, the Academy hereby authorizes and grants to CSP the necessary authority and power to perform under this Agreement. No provision of this Agreement shall interfere with the Board’s statutory, contractual, and fiduciary responsibilities, nor shall any provisions of this Agreement be construed so as to prohibit the Academy from acting as an independent, self-governing public body.

Section 2. Services; Educational Program. The parties agree that CSP, to the extent permitted by and in conformity with the Contract and applicable laws, shall provide all labor, materials, and supervision necessary for the provision of the management and operational services to the Academy contemplated by this Agreement as specifically set forth on the attached Exhibit A (the “Services”).

CSP shall provide Services to the Academy so the Academy can carry out the educational program, curriculum, method of pupil assessment, admissions, policy and criteria, school calendar and school day schedule, and age and grade range of pupils to be enrolled, educational goals and methods to be used to monitor compliance with performance of targeted educational outcomes, as previously adopted by the Board and as included in the Contract (collectively, the “Educational Program”).

Section 3. Compliance with Academy’s Contract. CSP 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 the Authorizer and all applicable law. The provisions of the Academy’s Contract shall supersede any competing or conflicting provisions contained in this Agreement.

Section 4. Relationship of the Parties. CSP is not a division or any part of the Academy. The Academy is a corporate and governmental entity authorized under the Code. The Academy is not a division nor any part of CSP. The relationship between the parties hereto was developed and entered into through arms-length negotiation and is based solely on the terms of this Agreement.

Section 5. CSP as Independent Contractor; Agency. The parties to this Agreement intend that the relationship of CSP to the Academy is that of an independent contractor, and not an employee of the Academy. No agent or employee of CSP shall be determined to be an agent or employee of the Academy,. Notwithstanding the foregoing, CSP and its employees are hereby irrevocably designated as “School Officials” having a legitimate educational interest such that they are entitled to access educational records under the Family Educational Rights and Privacy Act (“FERPA”), 20 U.S.C. §1232g and its implementing regulations during the Term of this Agreement (defined below). CSP shall promulgate and recommend to the Board policies and administrative guidelines sufficient to implement this Section.

During the Term of this Agreement, the Academy may disclose confidential data and information to CSP, and its respective officers, directors, employees and designated agents to the extent permitted by applicable law, including without limitation, the FERPA, 20 USC §1232g, 34 CFR 99; the Individual with Disabilities Education Act (“IDEA”), 20 USC §1401 et seq., 34 CFR 300.610 -300.626; Section 504 of the Rehabilitation Act of 1973, 29 USC §794a, 34 CFR 104.36; the Michigan Mandatory Special Education Act, MCL 380.1701 et seq.; the American with Disabilities Act, 42 USC §12101 et seq.; the Health Insurance Portability and Accountability Act (“HIPAA”), 42 USC 1320d -13200d-8; 45 CFR 160, 162 and 164; Privacy Act of 1974, 5 USC §552a; and the Michigan Social Security Number Privacy Act, MCL 445.84.

CSP will be solely responsible for its acts, the acts of its agents, employees, and those subcontractors who are contracted through CSP. If CSP receives information that is part of a pupil's education records from any source as permitted under the Code, CSP shall not sell or otherwise provide the information to any other person except as provided under MCL 380.1136.

Section 6. No Related Parties or Common Control. The parties hereby agree that none of the voting power of the governing body of the Academy or the Board will be vested in CSP or its directors, members, managers, officers, shareholders, or employees. Further, the Academy and CSP are not, and shall not become: (a) members of the same controlled group, as that term is defined in the Internal Revenue Code of 1986, as amended (the "IRS Code"); or (b) related persons, as that term is defined in the IRS Code.

Section 7. Status of Co-located School Operation. The Academy is located on the Vista Maria campus and shares the campus with a public school academy operating as Vista Meadows Academy ("VMA"). VMA is authorized by Bay Mills Community College Board of Regents. The Academy and VMA are separate and distinct legal entities. The Academy and VMA shall comply with their respective and separate obligations as set forth in their respective Academy Contracts. However, the Academy and VMA engage in co-located operations from time to time and may mutually benefit and receive joint educational and administrative services from CSP.

Section 8. Personnel Responsibility. CSP has the ultimate authority to select, hire, discipline, promote, demote, terminate, and transfer personnel, consistent with applicable laws. The School Leader (as defined below) shall be responsible for approving and submitting appropriate hours-worked reports for all hourly employees. Evaluation and compensation systems shall comply with all applicable laws.

Section 9. School Leader. CSP shall identify and appoint a School Leader, with advisory input from the Board, to oversee the management, operation and performance of the Academy, including the implementation of the Educational Program at the Academy (the "School Leader"). The School Leader will hold all required certifications as required by the Code. The School Leader will be an employee of Partner Solutions for Schools, and may be disciplined and/or terminated by CSP in its sole discretion. The School Leader will serve as the on-site supervisor to all CSP Staff assigned to the Academy. The School Leader, in consultation with CSP, will select and hold accountable all staff in Leadership Team positions. The School Leader shall be responsible for supervising and managing the educational program and instruction of students. CSP will have the authority, consistent with applicable laws, to select and supervise the School Leader and to hold the School Leader accountable for the success of the Academy. CSP shall notify the Board prior to the termination of the School Leader.

If the Board becomes dissatisfied with the performance of the School Leader, it shall notify CSP in writing and state the causes of such dissatisfaction to CSP. CSP shall have a reasonable period of time to remedy the dissatisfaction; however, if it cannot remedy the dissatisfaction, CSP shall remove and replace the School Leader at the Academy as soon as practicable. Additionally, it is agreed that any dissatisfaction of the Board shall be reasonable in nature and related specifically to the duties and responsibilities of the School Leader at the Academy.

Section 10. Teachers and Staff. CSP will provide administrative support to the School Leader to obtain resumes and credential information for the staff at the Academy in accordance

with the Board approved budget. CSP will empower the School Leader with the authority to select and hold accountable the teachers and support staff for the operation of the Academy. After qualified staff are selected by the School Leader, Partner Solutions for Schools will onboard and provide additional administrative support to the School Leader. Teachers employed by Partner Solutions for Schools shall not be considered public employees and are not eligible for purposes of continuing tenure under MCL §38.71 et seq.

Section 11. Criminal Background Checks. Partner Solutions for Schools 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 and criminal conduct checks. The Academy shall require that the results of the criminal background check are received, reviewed, and used (subject to a verification process) by the Academy's Authorized User acting on behalf of the Academy and/or the Board, only as permitted by law to evaluate the qualifications of the individual for his/her assignment. Partner Solutions for Schools and CSP agree to maintain the confidentiality of any criminal background records and related documents on behalf of the Academy and in conformance with applicable laws.

Section 12. The Board. The Board is the governing body with oversight responsibilities over the Academy. The parties acknowledge that throughout this Agreement the term "Board" and the term "Academy" are sometimes used interchangeably in some sections for the sole purpose of readability based on the nature and subject-matter of the article/section. This Agreement must be approved by the Board and executed by a duly authorized member of the Board (on behalf of the Academy), and by so executing this Agreement the Board acknowledges and accepts all obligations and responsibilities related to the Board as set forth in this Agreement, subject to the non-disapproval of the Authorizer.

Section 13. Availability of Funds. Notwithstanding any other term or provision in this Agreement to the contrary, CSP shall not be, directly or indirectly, liable to any third party for any cost or expense incurred by the Academy that has been pre-approved or budgeted for by the Academy, and CSP shall only be required to perform its responsibilities under this Agreement to the extent that CSP has received such revenues from the Academy pursuant to the terms of this Agreement.

Section 14. Information Available to the Public; Compliance with Section 503c. On an annual basis, CSP agrees to provide the Board with the same information that a public school is required to disclose under section 18(2) of the State School Aid Act, MCL 388.1618(2) and MCL 380.503(c)(1) of the Code, for the most recent school fiscal year for which the information is available. Within thirty (30) days of receipt of this information, the Board shall make the information available on the Academy's website home page, in a form and manner prescribed by the Michigan Department of Education. The defined terms in Section 503c of the Code shall have the same meaning in this Agreement.

Section 15. Non-Compete Agreement. CSP shall not impose any contractual requirement or contractual obligation on any of its employees assigned to the Academy to enter into a non-compete provision or agreement of any nature. CSP also agrees not to place any restrictions in the

employment contracts with any of its employees assigned to work at the Academy that would prevent the Academy from employing those individuals at the Academy or would prevent those individuals from working for the Academy or for any other entity providing educational services to the Academy. CSP agrees that any provision of an employment agreement with any of its employees that would be in violation of this provision is void and shall not be enforceable in any forum.

Section 16. Lease and Loans. If the Academy and CSP enter into a lease, execute promissory notes or other negotiable instruments, or enter into a lease-purchase agreement or other financing relationship, then such agreements must be separately documented and separately approved. In addition, all such agreements must comply with the Charter Contract and applicable law, as well as any applicable Authorizer policies.

Section 17. Data Security Breach. CSP shall promptly report to the Board, not later than five (5) days following discovery, any use or disclosure of personally identifiable information from the Academy's education records or other information not suitable for public release (collectively, Covered Data or Information ("CDI")) that is not authorized by this Agreement or applicable law. CSP agrees to promptly undertake to identify: (a) the nature of the unauthorized disclosure, (b) the CDI used or disclosed, (c) who made the unauthorized use or received the unauthorized disclosure, (d) what CSP has done or shall do to mitigate any deleterious effect of the unauthorized use or disclosure, (e) whether, and if so on what grounds, CSP has determined that the security breach has not or is not likely to cause substantial loss or injury to, or result in identity theft with respect to, one or more residents of this state, and (f) what corrective action CSP has taken or shall take to prevent future similar unauthorized use or disclosure. CSP shall provide such other information as reasonably requested by the Academy Board. CSP shall take appropriate action, in accordance with MCL 445.72, to notify affected individuals whose CDI may have been compromised.

ARTICLE II

Term

Section 1. Term. This Agreement shall be effective for the duration of the Academy's current authorizing Contract term of five (5) years with the Authorizer beginning July 1, 2022 ("Effective Date") and ending June 30, 2027 unless otherwise terminated under the terms of this Agreement. Under no circumstances shall the term of this Agreement exceed the term of the Academy's Contract.

ARTICLE III

Obligations of the Academy

Section 1. Good Faith Obligation. The Academy shall exercise good faith in considering CSP's recommendations relative to the Educational Program and/or the Services.

Section 2. Academy Funds. The Board shall determine the depository of all funds received by the Academy including, but not limited to, the State School Aid and any Additional Revenue

(as defined in Exhibit A). All funds received by the Academy shall be deposited in the Academy's depository account. Signatories on the Academy Board accounts shall solely be members of the Board or properly designated Academy Board employees on an annual basis via Board resolution. All interest or investment earnings on Academy accounts shall accrue to the Academy. All interest or investment earnings on Academy accounts and deposits shall accrue to the Academy.

Section 3. Notification Requirement. The Academy is required to notify CSP in writing if the Academy receives a notification from its Authorizer discussing a possibility of an intent to revoke the Contract and/or non-renewal or closure is discussed by a Board member or the Authorizer.

ARTICLE IV Compensation and Reimbursement of Costs

Section 1. Compensation for Services. During the Term of this Agreement, the Board shall pay CS Partners an annual fee (the "Fee") equal to ten percent (10%) of the total State School Aid Foundation Allowance received from the State of Michigan, pursuant to the State School Aid Act of 1979, as amended. At no time shall the annual fee be less than \$80,000.

The Fee may also include ten percent (10%) of any Additional Revenue (as defined in Exhibit A) provided that CS Partners discloses that the Fee also applies to said Additional Revenue and the Board approves the same in the Academy's annual budget, or any revised budget, prior to the application of such Fee.

The Board shall pay CSP an additional management fee totaling \$5,651.00 to conduct specific work related to the ESSER III allocations being awarded to the Academy. In exchange for this additional work undertaken by CSP, the Board approved two (2) payments of \$2,825.50- the first assessed during the 2021-2022 school year, and the second assessed during the 2022-2023 school year, for a total of \$5,651.

The parties intend that this Agreement meet all of the applicable safe harbor conditions as set forth in Sections 5.02 through Sections 5.07 of the Revenue Procedure 2017-13. In this regard, the Academy and CSP make the following representations:

- (a) CSP's compensation under this Agreement is reasonable compensation for services to be rendered hereunder and is not based, in whole or in part, on a share of 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) This Agreement does not pass on to CSP the burden of bearing any share of net losses from the operation of the Academy or upon the disposition, damage or destruction of the Academy's property;
- (c) The term of this Agreement is not greater than 30 years or 80 percent of the useful life of the Academy's school facilities currently financed with tax-exempt debt (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) CSP 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.

In interpreting this Agreement and in the provision of the services required hereunder, CSP shall not have any role or relationship with the Academy that, in effect, substantially limits the Academy's ability to exercise its rights and obligations under State law. 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 CSP that none of the voting power of the governing body of the Academy will be vested in CSP or its directors, members, managers, officers, shareholders and employees, and the Academy and CSP will not be related parties as defined in Treas. Reg. 1.150-1(b).

Section 2. Payment of Payroll Costs. In addition to the Fee, Partner Solutions for Schools will invoice the Academy for all employment costs ("Payroll Costs") for Partner Solutions for Schools' employees assigned to the Academy. Payroll Costs include salary, benefits, and other costs attributable to personnel employed and assigned by Partner Solutions for Schools to perform Services at the Academy under this Agreement, including but not limited to gross wages, FICA, Medicare, FUTA, SUTA, workers' compensation insurance, professional liability insurance, separation costs, employer portions of health, dental, vision and life insurance, and 401K employer contributions (if applicable).

Partner Solutions for Schools shall be advanced funds for Payroll Costs no later than the third business day preceding each payroll date ("Payroll Date") for Partner Solutions for Schools employees assigned to perform services at the Academy under this Agreement. For purposes of this Agreement the Payroll Date shall be that date or dates established annually by Partner Solutions for Schools.

If Payroll Costs have not been funded by the Academy by the payroll date, Partner Solutions for Schools may send lay-off notices to Partner Solutions for Schools' employees. At that time, Partner Solutions for Schools will also provide the Academy an invoice for all accrued Partner Solutions for Schools' staff wages (earned but not yet paid) for employees and staff assigned to the Academy for payment. Notwithstanding the above, Partner Solutions accepts full liability and is responsible for paying all salaries, benefits, payroll taxes, workers compensation, unemployment compensation and liability insurance for its employees leased to the Academy or working on Academy operations for work already completed irrespective of whether Partner Solutions receives an advancement of its costs or the payment of service from the Academy. However, Academy's non-payment of such funds is considered a material breach of this Agreement.

Section 3. Payment of Reimbursable Expenses. In addition to the Fee, the Academy shall reimburse CSP for all costs reasonably incurred and paid by CSP ("Reimbursable Expenses") in providing the Services specifically related to the Academy. Reimbursable Expenses include, but

are not limited to, Payroll Costs (as defined in Section 2 above) for Partner Solutions for Schools' employees assigned to the Academy that are not advanced under Section 2 above, costs mandated by a governmental entity, administrative agency or court of law, e.g., payment into Michigan Public Employees Retirement System (MPERS), other expenses for equipment, software, supplies, food service, transportation, special education, psychological services and medical services.

CSP will invoice the Academy for reimbursement of Reimbursable Expenses with a detailed receipt of material or services provided. The Academy shall only reimburse for costs included in an annual operating budget approved by the Board or as amended during the academic year. In paying such costs on behalf of the Academy, CSP shall not charge an added fee (or mark-up). 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 CSP. No corporate costs of CSP shall be charged to, or reimbursed by, the Academy.

If desired, the Board may advance funds to CSP for such costs reimbursable under the Agreement before such costs are incurred (rather than reimburse CSP after the expense is incurred).

Documentation of all expenses must be reflected in the Academy Board's financial packets and presented to the Board for approval and/or ratified at its next regularly scheduled meeting.

All items acquired with Academy funds including, but not limited to, instructional materials, equipment, supplies, furniture, computers, and other technology, shall be owned by and remain the property of the Academy.

Section 4. Other Institutions. The Academy acknowledges that CSP may enter into agreements similar to this Agreement with other public or private educational schools or institutions (the "Institutions"). CSP shall maintain separate accounting for reimbursable expenses incurred on behalf of the Academy and for reimbursable expenses incurred on behalf of the Institutions. CSP shall only charge the Academy for expenses incurred on behalf of the Academy.

If CSP incurs reimbursable expenses on behalf of the Academy and the Institutions which are incapable of precise allocation between the Academy and the Institutions, then CSP shall allocate such expenses among the Institutions and the Academy, on a pro-rata basis, based on the number of students enrolled at the Academy and the Institutions, or the number of staff assigned to the Academy and the Institutions or upon such other equitable basis as agreed by the parties.

Section 5. Review of Budget. CSP shall propose an annual budget for the Academy to the Academy's Chief Administrative Officer ("CAO") and the Board. The Board shall review, revise, and timely approve the annual budget. The Academy's CAO shall not be an employee of CSP but shall be a member of the Academy Board.

Section 6. Procurement Policies. The Board hereby retains the obligation, as provided in the Code, to adopt written policies governing the procurement of supplies, materials, and equipment for the Academy. Unless otherwise prohibited by law, CSP shall directly procure all

supplies, materials, and equipment provided that CSP complies with the Code including, but not limited to, Sections 1267 and 1274 as if the Academy were making these purchases directly from a third party supplier and the Board's written policies promulgated thereunder related to such items. CSP shall not include any added fees or charges with the cost of equipment, materials and supplies purchased from third parties.

ARTICLE V Proprietary Information

Section 1. Academy's Rights to Curriculum and Educational Materials. The Academy shall own, without restriction, all proprietary rights to curriculum and educational materials that: (a) are or were directly developed by the Academy and paid for with Academy funds; or (b) are or were developed by CSP at the direction of the Board using Academy funds.

Section 2. CSP's Rights to Curriculum and Educational Materials. CSP shall own, without restriction, all curriculum, and educational materials, and all other proprietary information owned by, developed by or otherwise in the possession of CSP, except as set forth in this Article.

Section 3. Non-Disclosure of Proprietary Information; Remedy for Breach. Except as specifically required by the Code or the Michigan Freedom of Information Act, the proprietary information and materials of CSP shall be held in strict confidence by the Academy.

During the Term of this Agreement, and continuing for three (3) years thereafter, both parties hereby agree that they will not use or disclose to anyone, directly or indirectly, for any purpose whatsoever, any such proprietary information without the prior written consent of the other party.

If a party uses or discloses such proprietary information in violation of this Section 3, the disclosing party shall (a) be liable to the other party for all damages, including, but not limited to, lost profits resulting from the breach, and (b) be obligated to reimburse the non-disclosing party for its legal costs and reasonable attorney fees related to the enforcement of this Section 3.

ARTICLE VI Termination

Section 1. Termination by CSP. CSP may terminate this Agreement prior to the end of the Term in the event the Board fails to remedy a material breach within the required time frames below.

a. CSP may immediately terminate this Agreement with no additional liability or responsibility if CSP fails to receive compensation for Payroll Costs. For this breach only, the Academy has until the Payroll Date to fund payroll or reach an agreement with CSP on the payment of these funds or else an immediate breach may be declared.

b. CSP may also immediately terminate this Agreement with no additional liability or responsibility upon the occurrence of the following:

- i. Academy operations cease to exist due to, but not limited to, bankruptcy or insolvency, discontinued operations by successors and assigns, facility closure, or reconstruction;
- ii. The Academy requests a reduction in workforce greater than 20%;
- iii. The Academy is a financially distressed business as set forth in the Worker Adjustment and Retraining Notification Act (WARN), 29 U.S.C. §2101, et seq. The Board shall notify CSP 90 days prior to the facility closure in order for CSP to satisfy notice requirements to staff under WARN;
- iv. A determination has been made by a governmental entity, administrative agency or court of law that CSP is required to pay into MPSERS;
- v. Failure by the Academy to pay the Fee or Reimbursable Expenses;
- vi. If there is a substantial and unforeseen increase in the cost of administering services of this Agreement; or
- vii. The Academy makes decisions inconsistent with the recommendations of CSP.

The Academy has sixty (60) days after notice from CSP to remedy any of these breaches except for the breach of non-payment of Payroll Costs.

Termination prior to the end of the Term shall not relieve the Academy of any financial or other obligations to CSP outstanding as of the date of termination. Failure by CSP to exercise or exert any remedy available to CSP under this Agreement or applicable laws, shall not be deemed a waiver of CSP's rights and remedies whatsoever.

CSP may terminate this Agreement without cause and without penalty to be effective upon completion of an academic year provided that CSP delivers written notice of intention to terminate to the Academy at least ninety (90) days prior to the end of the then-current academic year.

Section 2. Termination by Academy. The Academy may terminate this Agreement prior to the end of the Term in the event that CSP fails to remedy a material breach within the required time frames below. A material breach includes, but is not limited to:

- a. Material failure by CSP to account for its expenditures or to pay funds for all compensation required for payroll (provided that CSP has received such funds from the Academy to do so);
- b. Material failure by CSP to provide the Services as required by this Agreement;
- c. A determination has been made by a governmental entity, administrative agency or court of law that CSP is required to participate in MPSERS; or

d. Any action or inaction by CSP that causes the Contract in jeopardy of revocation, suspension or termination, as evidenced by written notification from the Authorizer and is not cured within sixty (60) days of that notice.

CSP has ten (10) days after notice from the Academy to remedy a breach that involves the non-payment of funds for all "compensation" required for payroll (provided that CSP has received such funds from the Academy to do so) or to reach an agreement with the Academy on the payment of those funds. CSP has sixty (60) days after written notice from the Academy to remedy all other breaches. Upon expiration of this Agreement, or termination for any reason, all amounts due to CSP shall immediately become due and payable by the Academy, unless otherwise agreed in writing by CSP.

The Academy may terminate this Agreement without cause and without penalty to be effective upon completion of the academic year provided that the Academy delivers written notice of intent to terminate to CSP at least ninety (90) days prior to the end of the then-current academic year.

Section 3. Revocation or Termination of Contract. If the Academy's Contract issued by the Authorizer is revoked or terminated or a new charter contract is not issued, this Agreement shall automatically terminate on the same date as the Academy's Contract is revoked, expired or terminated without further action of the parties, provided, however, that this Agreement will continue to remain in effect until the termination date set forth in Article II if (i) the Academy has entered into a subsequent Contract with a public school academy authorizing body, and (ii) this Agreement has not been terminated pursuant to Article VI.

Section 4. 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 Michigan Department of Education under Section 507, 528, 561 of the Code, MCL 380.507; or (ii) to undergo a reconstitution pursuant to Section 507, 528, 561 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 ESP Agreement, the parties agree that this ESP Agreement shall be amended or terminated to implement the Academy site closure or reconstitution, with no cost or penalty to the Academy, and CSP shall have no recourse against the Academy or the Authorizer Board for implementing such site closure or reconstitution.

Section 5. Change in Law. If any federal, State or local law or regulation, or court or administrative decision, or attorney general's opinion (collectively referred to in this Agreement as the "applicable laws") has a substantial and material adverse impact (as reasonably determined by the party suffering the impact) on the ability of the impacted party to carry out its obligations under this Agreement, then the impacted party, upon written notice, may request a renegotiation of this Agreement. If the parties are unable or unwilling to successfully renegotiate the terms of this Agreement within ninety (90) days after the notice, and after making good faith efforts which shall include, but not be limited to, the use of a third party arbitrator and/or alternative dispute resolution process, the impacted party may terminate this Agreement as of the end of the then-current academic year.

Section 6. Transition. In the event of any termination prior to the end of the Term of this Agreement, CSP shall provide the Academy reasonable assistance for up to ninety (90) days to assist in the orderly transition to another service provider or to a self-managed school.

The parties may agree upon other transition services to be provided by CSP, at a mutually agreed upon fee and documented in a separate contract for services.

Notwithstanding the foregoing, CSP shall not be obligated to provide such reasonable assistance if the reason for the termination was the documented willful misconduct of the Academy which resulted in financial damages to CSP exceeding \$10,000, as reasonably determined by CSP.

Section 7. Personal Property upon Termination or Expiration. Upon any termination or the expiration of this Agreement, the Academy may elect (a) to purchase any personal property which has been purchased or leased from a third party solely with CSP funds, provided such purchase or lease is permitted under the purchase or lease documents relating thereto, at the fair market, depreciated value of such personal property or (b) to return same to CSP. All personal property purchased or leased by CSP using Academy funds is and shall remain the personal property of the Academy.

Section 8. Obligations Upon Termination or Expiration. Upon any termination or the expiration of this Agreement, the parties shall remain obligated for all financial or other obligations due at the time of the termination or expiration.

Upon termination or expiration of this Agreement, or termination of this Agreement due to a Contract revocation, reconstitution, termination or non-renewal, CSP shall, without additional charge: (a) close the financial records on the then-current school fiscal year which includes, but is not limited to, the completion and submission of the annual financial audit, state and federal grant reporting and all other associated reporting within required timelines established by the appropriate local, state or federal authority; (b) 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; (c) 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 CSP to the Academy; (d) organize and prepare the Academy's records, both electronic and hard-copy, for transition to the new ESP, self-management or dissolution; and (e) provide for the orderly transition to the new ESP, self-management or dissolution of all Academy-owned assets including, but not limited to, furniture, fixtures, equipment and real estate. This includes any keys, log-in information and passwords related to any Academy asset.

After any termination or the expiration of this Agreement, and once all such obligations referenced above are satisfied, the parties shall have no further obligations to each other under this Agreement whatsoever except for the continuing obligations under (a) Article V (confidentiality and non-use/non-disclosure of proprietary information) and (b) Article VII (indemnification).

ARTICLE VII
Indemnification and Cooperation

Section 1. Indemnification of CSP. To the extent permitted by law and without waiving any governmental immunities, the Academy shall indemnify, save, and hold harmless CSP and all of its employees, officers, directors, subcontractors, and agents against any and all lawsuits and causes of action or other forms of liability that may arise out of or by reason of any noncompliance by the Academy with any agreements, covenants, warranties or undertakings of the Academy contained in or made pursuant to this Agreement, any misrepresentations or breach of this Agreement, and any acts or failures to act by the Academy which occurred prior to the Effective Date of this Agreement.

In the event that the Academy or CSP receives funds for the benefit of the Academy pursuant to a grant, endowment, scholarship, or other source of governmental funding ("Funding"), Academy shall be solely responsible for the Funding and any liabilities associated therewith, including any Funding that is ordered returned to the distributing agency. Academy further agrees, to the extent permitted by law, to indemnify, save, and hold harmless CSP and all of its employees, officers, directors, subcontractors, and agents against any and all lawsuits and causes of action or other forms of liability that may arise in connection with the Funding.

In addition, to the extent permitted by law and without waiving any governmental immunities, the Academy shall indemnify, save, hold harmless, and reimburse CSP for any and all legal expenses and costs associated with the defense of any such claim, demand or suit, including any claim for failure to pay wages or overtime based on the hours worked reports approved and submitted by the School Leader. The Academy agrees to advance to CSP all reasonable costs, actual attorneys' fees, actual experts' fees, and similarly related expenses immediately upon request so that CSP is not required to pay such expenses out of its own funds.

CSP agrees that for any claim for indemnification made by CSP, to the extent that the interests of the Academy and CSP are aligned, the parties agree to coordinate a joint defense to minimize the costs of such defense. To the extent the Academy shall be responsible for indemnification of CSP, the Academy shall have the right to select the attorneys of its choice and to make all decisions and in every respect control the manner in which the Academy and CSP are defended. Notwithstanding the foregoing, in no event shall the Academy indemnify CSP for the attorney fees accrued by CSP in the regular course of business.

To the extent the parties are coordinating a defense, the parties shall utilize shared counsel which shall be paid for by the Academy and no reimbursement of any costs or fees shall be necessary. The Academy may reimburse CSP for pre-approved legal expenses and costs associated with the defense of any such claim, demand, or suit which are not otherwise covered by the joint defense.

If desired, all or part of the indemnification obligations set forth in this section may be met by the purchase of insurance by the Academy. The indemnification in this Section shall also specifically apply, without limitation, to any current claims or litigation at the time this Agreement is executed, as well as any future or additional claims or litigation regarding any prior activities of the Academy.

Section 2. Indemnification of the Academy. CSP shall indemnify, save, and hold harmless the Academy and all of its employees (if any), officers, directors, subcontractors, and agents against any and all lawsuits and causes of action or other forms of liability that may arise out of, or by reason of any noncompliance by CSP with any agreements, covenants, warranties, or undertakings of CSP contained in or made pursuant to this Agreement, any misrepresentation or breach of this Agreement, and any acts or failures to act by CSP which occurred prior to the Effective Date of this Agreement.

In addition, CSP shall indemnify, save, hold harmless, and reimburse the Academy for any and all legal expenses and costs associated with the defense of such claim, demand or suit. CSP agrees to advance to the Academy all costs, actual attorneys' fees, actual experts' fees, and such similarly related expenses immediately upon request so that the Academy is not required to pay such expenses out of its own funds.

The Academy agrees that for any claim for indemnification made by the Academy, to the extent the interests of CSP and the Academy are aligned, the parties agree to coordinate a joint defense to minimize the costs of such defense. To the extent CSP shall be responsible for indemnification of the Academy, CSP shall have the right to select the attorneys of its choice and to make all decisions and in every respect control the manner in which CSP and the Academy are defended. Notwithstanding the foregoing, in no event shall CSP indemnify the Academy for the attorney fees accrued by the Board in the regular course of business.

To the extent the parties are coordinating a defense, the parties shall utilize shared counsel which shall be paid for by CSP and no reimbursement of any costs or fees shall be necessary. CSP may reimburse the Academy for pre-approved legal expenses and costs associated with the defense of any such claim, demand, or suit which are not otherwise covered by the joint defense.

If desired, all or part of the indemnification obligations set forth in this section may be met by the purchase of insurance by CSP. The indemnification in this Section shall also specifically apply, without limitation, to any current claims or litigation at the time this Agreement is executed, as well as any future or additional claims or litigation regarding any prior activities of CSP.

Section 3. Indemnification for Negligence. To the extent permitted by law, each party to this Agreement shall indemnify and hold harmless the other, and their respective boards of directors, partners, officers, employees, agents, and representatives, from any and all claims and liabilities which they may incur and which arise out of the negligence of the other party's trustees, directors, officers, employees, agents, or representatives.

Section 4. Immunities and Limitations. The Academy may assert all immunities and statutory limitations of liability in connection with any claims arising under this Agreement.

Section 5. Responsibilities of the Parties. Each party will be solely and entirely responsible for its acts and omissions and for the acts and omissions of its agents and employees (if any) in connection with the performance of that party's responsibilities under this Agreement.

Section 6. Mutual Duty to Cooperate. The parties acknowledge that each party has a duty and obligation to cooperate with the other party, and further that such duty to cooperate is a

material part of this Agreement. The purpose of the duty to cooperate is to enable each party to perform its obligations as efficiently as possible. The duty to cooperate shall include all areas of the business of the Academy and the Services. The duty to cooperate also includes reasonable assistance in the event of litigation or a dispute involving a party related to the Academy or the Services provided, such as provision of testimony, records and/or documents reasonably related to the litigation or dispute (which are not otherwise protected from disclosure). The duty to cooperate will be provided in such a manner that it does not adversely affect the other party's ability to defend against a claim.

Section 7. Indemnification of Authorizer. The parties acknowledge and agree that the Authorizer, its Board, and its members, officers, employees, agents or representatives (collectively "Authorizer") are deemed to be third party beneficiaries for purposes of this Agreement. As third party beneficiaries, CSP hereby promises to indemnify, defend and hold harmless the Authorizer from and against all claims, demands, actions, suits, causes of action, losses, judgments, liabilities, damages, fines, penalties, forfeitures, or any other liabilities or losses of any kind whatsoever, including costs and expenses (not limited to reasonable attorney fees, expert and other professional fees) of settlement and prosecution imposed upon or incurred by the Authorizer, and not caused by the sole negligence of the Authorizer, which arise out of or are in any manner connected with the Authorizer Board's approval of the Academy's application, the Authorizer Board's consideration of or issuance of a Contract, CSP preparation for and operation of the Academy, or which are incurred as a result of the reliance by the Authorizer upon information supplied by CSP, or which arise out of CSP's failure to comply with the Contract or Applicable Law. The parties expressly acknowledge and agree that the Authorizer may commence legal action against CSP to enforce its rights as set forth in this Agreement.

ARTICLE VIII

Insurance

Section 1. Academy Insurance. The Academy will secure and maintain general liability and umbrella insurance coverage. This coverage will include the building and related capital facilities if they are the property of the Academy. The Academy will maintain such insurance in an amount and on such terms as required by the provisions of the Contract, including the indemnification of CSP required by this Agreement, and naming CSP as an additional insured. The Academy will, upon request, present evidence to CSP that it maintains the requisite insurance in compliance with the provisions of this section. CSP will comply with any information or reporting requirements applicable to the Academy under the Academy's policy with its insurer(s), to the extent practicable. Nothing in this Agreement is intended, nor shall be construed, as a waiver or relinquishment of any immunity from action or liability by the Academy under controlling law.

Section 2. CSP Insurance. CSP will secure and maintain general liability and umbrella insurance coverage, with the Academy listed as an additional insured. CSP will maintain such policies of insurance as are required by the Contract and the Michigan Universities Self-Insurance Corporation ("M.U.S.I.C."), including the indemnification of the Academy as required by this Agreement. In the event that the Authorizer or M.U.S.I.C. requests any change in coverage by CSP, CSP agrees to comply with any change in the type or amount of coverage as requested, within

thirty (30) days after notice of the insurance coverage change. CSP will, upon request, present evidence to the Academy and Authorizer that it maintains the requisite insurance in compliance with the provisions of this section. The Academy will comply with any information or reporting requirements applicable to CSP under CSP's policy with its insurer(s), to the extent practicable.

Section 3. Evidence and Notices. Each party shall, upon request, present evidence to the other that it maintains the requisite insurance as required in this Article VIII. The policies of insurance of each party shall also provide that the other party receive from the insurer(s) a minimum thirty (30) day written notice of any termination of said policies.

Section 4. Workers' Compensation Coverage. Each party shall maintain workers' compensation insurance, as required by State law, covering their respective employees, if any.

ARTICLE IX Warranties and Representations

Section 1. Warranties and Representations of the Academy. The Academy represents to CSP that (a) it has the authority under law to execute, deliver, and perform this Agreement and to incur the obligations provided for under this Agreement, (b) its actions have been duly and validly authorized, and (c) it will adopt the necessary resolutions.

Section 2. Warranties and Representations of CS Partners. CS Partners represents and warrants to the Academy that (a) it is a Michigan corporation in good standing duly authorized to conduct business in the State of Michigan, (b) it has the authority under applicable laws to execute, deliver and perform this Agreement and to incur the obligations provided for under this Agreement, (c) its actions have been duly and validly authorized, and (d) it will adopt any and all resolutions required for execution of this Agreement.

Section 3. Warranties and Representations of Partner Solutions for Schools. Partner Solutions for Schools represents and warrants to the Academy that: (a) it is a Michigan corporation in good standing duly authorized to conduct business in the State of Michigan; (b) it has the authority under applicable laws to execute, deliver and perform this Agreement and to incur the obligations provided for under this Agreement; (c) its actions have been duly and validly authorized; and (d) it will adopt any and all resolutions required for execution of this Agreement.

Section 4. Mutual Representations and Warranties. Each party represents and warrants to the other party that except as disclosed in writing to the other party, to its knowledge, there are no pending actions, claims, suits, or proceedings, whether threatened or reasonably anticipated, against or affecting it, which if adversely determined would have a material adverse effect (as might be reasonably determined by the non-affected party if disclosed) on its ability to perform its obligations under this Agreement.

ARTICLE X
Alternative Dispute Resolution

Section 1. 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 communicated in writing to the other party and mutually discussed between the parties with an opportunity to cure. If no resolution can be ascertained through that mutual discussion, then the matter will be submitted to mediation for resolution in Oakland County. 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 Oakland County, Michigan, with such variations as the parties and arbitrators unanimously accept. The final decision shall be a cause decision (written explanation). The Authorizer shall be notified of said decision, and upon the Authorizer's request, the cause opinion shall be made available. The parties will share equally in the costs of the mediation including forum fees, expenses, and charges of the mediator.

Section 2. 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 seated in Oakland County, 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. 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. The prevailing party shall be defined as the party who prevails in total.

A cause opinion (written explanation) shall be required as to the final decision. The Authorizer shall be notified of said decision, and upon the Authorizer's request, the cause opinion shall be made available.

ARTICLE XI
Miscellaneous

Section 1. Entire Agreement. This Agreement supersedes and replaces any and all prior written or oral agreements and understandings between the Academy and CSP regarding the subject matter hereof. This Agreement, including Exhibit A, constitutes the entire agreement of the parties.

Section 2. Force Majeure. Notwithstanding any other sections of this Agreement, neither party shall be liable for any delay in performance or inability to perform due to acts of God or due to war, riot, embargo, fire, explosion, sabotage, accident, pandemic, labor strike, flood, terrorism, or other acts beyond its reasonable control.

Section 3. Governing Law. This Agreement and the rights of the parties hereto shall be interpreted according to the laws of the State of Michigan (the "State").

Section 4. Official Notices. All notices or other communications required by the terms of this Agreement shall be in writing and sent to the parties at the addresses set forth below. Notice may be given by certified or registered mail, postage prepaid, return receipt requested, traceable carrier or personal delivery. Notices shall be deemed to have been given on the date of personal delivery, or, if given by mail, the postmark date. Unless amended or updated in writing, the addresses of the parties hereto for the purposes of this Agreement shall be:

The Academy: Board President
Clara B. Ford Academy
20651 West Warren
Dearborn Heights, MI 48127-2622

With a copy to: Aimee R. Gibbs, Esq.
Dickinson Wright PLLC
350 S. Main Street
Ann Arbor, MI 48104

CSP: CS Partners
Partner Solutions for Schools
c/o Chris Matheson
869 S. Old US 23, Suite 500
Brighton, Michigan 48114

Section 5. Assignment. This Agreement shall not be assigned (a) by CSP, without prior consent of the Board, in writing, which consent shall not be unreasonably withheld; or (b) by the Academy, without the prior consent of CSP, in writing, which consent shall not be unreasonably withheld. CSP may, without the consent of the Board, delegate the performance of but not responsibility for any duties and obligations of CSP hereunder to any independent contractor, expert or professional advisor. However, this Agreement shall not be assignable without prior notification to the Authorizer and any assignment must be done in a manner consistent with the Authorizer's Educational Service Provider Policies.

Section 6. Amendment; Effect of Headings. This Agreement may only be amended in writing, signed by a duly authorized representative of each party and in a manner consistent with the Authorizer's Educational Service Provider Policies.

The underlined headings are included for convenience of the reader, and if the underlined headings are inconsistent with the other text, the underlined text shall be disregarded.

Section 7. Tax Exempt Financing. If at any time the Academy determines that it is in the best interests of the Academy to obtain financing from the Finance Authority or any other type of financing that is tax-exempt pursuant to the Internal Revenue Code of 1986, as amended, then the parties hereby agree that this Agreement shall be automatically amended for the sole and limited

purpose of compliance with IRS Revenue Procedure 2017-13, and/or its progeny. Any such automatic amendment shall be as limited as practicable, and the parties shall promptly execute a written agreement reflecting such amendment, but the failure of the parties to do so shall not affect the effectiveness of the automatic amendment referenced above; provided, however, that any such amendment shall be consistent with the Authorizer's Educational Service Provider Policies.

Section 8. Waiver. No waiver of any portion of this Agreement shall be deemed or shall constitute a waiver of any other provision, nor shall such waiver constitute a continuing waiver unless otherwise expressly stated in writing.

Section 9. Severability. The invalidity of any portion or term of this Agreement shall not affect the remaining portions or terms of this Agreement. In the event a portion or a term of this Agreement is deemed invalid, the parties shall cooperatively work together to modify the invalid portion or term as minimally as possible to cure the invalidity, while at all times preserving the spirit and purpose of the applicable portion or term.

Section 10. Successors and Assigns. This Agreement shall be binding upon and inure to the benefit of the parties and their respective successors and permitted assigns.

Section 11. No Third Party Rights. This Agreement is made for the sole benefit of the Academy and CSP. Except as otherwise expressly provided herein, nothing in this Agreement shall create or be deemed to create a relationship between the parties, or either of them individually with any third person, third party beneficiary, fiduciary, or the Authorizer.

Section 12. Survival of Termination. All representations, warranties, indemnities, and non-disclosures/confidentiality obligations made in this Agreement shall survive any termination or expiration of this Agreement without limitation.

Section 13. Delegation of Authority; Compliance with Laws. Nothing in this Agreement shall be construed as delegating to CSP any of the powers or authority of the Board which are not subject to delegation by the Board in accordance with the Contract and all applicable laws. The parties agree to comply with all applicable laws.

Section 14. Governmental Immunity. Nothing in this Agreement is intended, nor will be construed, as a waiver of the governmental immunity provided to the Academy and its incorporators, board members, officers, employees (if any), and volunteers under Section 7 of Act 170, Public Acts of Michigan, 1964, as amended, MCL 691.1407.

Section 15. Execution. The parties may execute this Agreement by facsimile or in counterparts. A facsimile or photographic copy of this Agreement may be relied upon by either party, or any third party, as if it were an original signature copy. If this Agreement is executed in counterparts, the separate counterpart signature pages shall be combined and treated by the parties, or any third party, as if the separate counterpart signature pages were part of one original signature copy.

Section 16. 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 of this Agreement.

Section 17. Limitation of Liability. EXCEPT FOR AMOUNTS EXPRESSLY DUE AND OWING UNDER THIS AGREEMENT, EACH PARTY'S TOTAL LIABILITY TO THE OTHER AND ANY THIRD PARTIES UNDER OR ARISING OUT OF THIS AGREEMENT SHALL BE LIMITED TO THE AGGREGATE AMOUNTS PAID OR DUE AND OWING BY THE ACADEMY TO CSP HEREUNDER. THIS LIMITATION DOES NOT APPLY TO ANY AMOUNTS OWED PURSUANT TO A PARTY'S INDEMNIFICATION OBLIGATIONS UNDER THIS AGREEMENT. CSP'S TOTAL LIABILITY TO THE ACADEMY UNDER OR ARISING OUT OF THIS AGREEMENT SHALL BE LIMITED TO THE AGGREGATE AMOUNTS PAID OR DUE AND OWING BY THE ACADEMY TO CSP HEREUNDER.

[Signature Page Follows]

The undersigned hereby execute this Agreement as of the date set forth first above.

The Academy:

CLARA B. FORD ACADEMY, a Michigan public school academy

By: 

Its: Board President

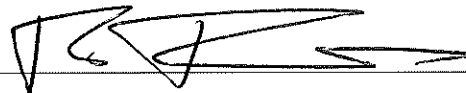
CSP:

CS PARTNERS, INC., a Michigan corporation

By: 

Its: Designated Officer

CSP MANAGEMENT, INC., d/b/a **PARTNER SOLUTIONS FOR SCHOOLS**, a Michigan corporation

By: 

Its: Designated Officer

Exhibit A
to
SERVICES AGREEMENT

The purpose of this Exhibit A is to set forth and define the Services to be provided by CSP pursuant to the Agreement.

**EDUCATIONAL MANAGEMENT SERVICES
TO BE PROVIDED BY CS PARTNERS**

A. CSP shall implement the Educational Program (defined in Article I, Section 2 of the Agreement). Modification of the Educational Program as provided in the Contract may only occur with the prior written consent of the Board and, if required, an amendment to the Contract which requires Authorizer approval.

B. CSP may perform functions other than Instruction, including but not limited to purchasing, professional development and administrative functions off-site (i.e., not on the Academy property), unless prohibited by applicable laws. Student records, which are the property of the Academy, and books and records of the Academy, shall be maintained by CSP and available at the Academy's site.

C. Although the Board shall be responsible for establishing and implementing recruitment admission policies in accordance with the Educational Program and the Contract, CSP shall enroll students for the Academy in accordance with such policies provided that said policies are in compliance with the Contract and applicable laws.

D. CSP shall provide student due process hearings in compliance with all applicable laws, to an extent consistent with the Academy's own obligations as to students only (and not as to faculty). The Board hereby retains the right to provide due process, as required by law.

E. CSP shall administer and provide the Educational Program in a manner which shall meet the requirements imposed under the Contract and applicable laws, unless such requirements are waived. The Academy hereby agrees to interpret State and local regulations within the confines of applicable law in order to give CSP flexibility and freedom to implement the Educational Program in CSP's desired manner.

F. In order to supplement and enhance the School Aid payments received from the State of Michigan, and improve the quality of education at the Academy, CSP may assist the Academy's efforts to obtain revenue from other sources (the "Funding Sources"), and in this regard:

1. the Academy and/or CSP with prior approval of the Board may solicit and receive grants and donations in the name of the Academy from various funding sources consistent with the mission of the Academy;
2. the Academy and/or CSP with prior Board approval may apply for and receive grant money in the name of the Academy from various funding sources;

3. to the extent permitted under the Code and Contract, and with the approval of the Board, CSP or the Academy may charge fees to students for extra services, such as summer and after-school programs, athletics, etc., and charge non-Academy students who participate in such programs; and
4. all funds received by the Academy from such other revenue sources (generally, the "Additional Revenue") shall inure to and be the deemed property of the Academy (however, as provided in the Article IV, Section 1 of the Agreement, the Fee may apply against all such Additional Revenue).

G. CSP may subcontract any and all aspects of the Services. However, CSP shall not subcontract the management, oversight, or operation of the teaching and instructional aspects of the Services (the "Instruction"), except as specifically permitted in this Agreement, or with prior written approval of the Board.

H. CSP shall not act in a manner which will cause the Academy to be in breach of its Contract with the Authorizer.

I. CSP shall provide reasonably requested or expected information to the Board on a monthly basis, or upon the Board's reasonable request, to enable the Board to monitor CSP's performance under this Agreement.

BUSINESS/FINANCE SERVICES TO BE PROVIDED BY CS PARTNERS

J. CSP shall be directly accountable to the Board for the administration, operation, and performance of the Academy in accordance with the Contract. CSP's obligation to provide the Services is expressly limited by the budget approved by the Board pursuant to the terms of this Agreement. The Services shall be funded by the Academy budget, and neither CSP nor the Academy shall be permitted to expend Academy funds on the Services in excess of the amount set forth in the Academy Budget.

K. CSP via the School Leader shall implement pupil performance evaluations consistent with the Educational Program, which permit evaluation of the educational progress of each Academy student. CSP shall be responsible for and accountable to the Board for the performance of students who attend the Academy. At a minimum, CSP shall utilize assessment strategies required by the Educational Program. The Academy and CSP will cooperate in good faith to identify other measures of and goals for students and school performance.

L. CSP via the School Leader shall plan and supervise special education services to students who attend the Academy. CSP or the Academy may contract these services if it determines that it is necessary and appropriate for the provision of services to students with special needs, or if instruction cannot be met within the Academy's program. Such services shall be provided in a manner that complies with applicable laws.

M. CSP via the School Leader shall be responsible for all of the management, operation, administration, and education at the Academy which includes, but is not limited to:

1. implementation and administration of the Educational Program and the selection and acquisition of instructional materials, equipment and supplies;
2. management of all personnel functions, including professional development for all instructional personnel and the personnel functions outlined in this Agreement;
3. all aspects of the business administration (as determined and as generally understood in the industry) of the Academy as agreed between CSP and the Board;
4. any function necessary or expedient for the administration of the Academy consistent with the Educational Program, or otherwise approved by the Board.

N. Except as otherwise provided in this Agreement, CSP shall keep all student and financial records relating to the Academy available at the Academy site, and the same shall be available for public inspection upon reasonable request consistent with applicable laws. All student, educational and financial records pertaining to the Academy will remain the property of the Academy and such records are subject to the provisions of the Michigan Freedom of Information Act. All Academy records shall be physically or electronically available, upon request, at the Academy's physical facilities. If CSP receives information that is part of a pupil's education records from any source as permitted under the Code, CSP shall not sell or otherwise provide the information to any other person except as provided under MCL 380.1136. Except as permitted under the Contract and applicable law, CSP shall not restrict the Authorizer's or the public's access to the Academy's records. All records shall be kept in accordance with applicable state and federal requirements.

O. CSP shall provide the Board with:

1. a projected annual budget prior to July 1st of each school year, related to the Services in accordance with the Contract and the Educational Program which budget shall include a budget reserve amount as determined by the Board;
2. detailed monthly statements (or as requested by the Board) no more than thirty (30) days after month's end. Financial statements will be provided prior to each Board meeting to allow time for all Board members to review the information prior to the meeting. These financial statements shall include: a balance sheet, a statement of revenues, expenditures and changes in fund balance at object level detail with comparison of budget-to-actual and explanations of variance, and a cash flow statement. These statements shall include all revenues received, from whatever source, with respect to the Academy, and detailed budgets with statements of all direct expenditures (with details) for the Services rendered to or on behalf of the Academy, whether incurred on-site or off-site;
3. facilitate the annual audit in compliance with applicable laws showing the manner in which funds are spent at the Academy, however, it is acknowledged that only the Academy shall select and retain independent auditors and the Academy shall contract directly with any auditor of its choice, and CSP will cooperate with the production of any and all documents necessary for the audit. Any such audit shall be the property of the Academy; and
4. other information as reasonably requested by the Board to enable the Board to monitor CSP's performance under the Agreement.

**HUMAN RESOURCES SERVICES
TO BE PROVIDED BY CSP**

P. CSP shall work with the School Leader to recommend staffing levels to the Board, and select, evaluate, assign, discipline and transfer personnel, consistent with applicable laws, and consistent with the parameters adopted and included within the Academy's budget and the Educational Program.

Q. As set forth in the Agreement, CSP shall identify and appoint a School Leader and if applicable, members of a Leadership Team to administer the Educational Program at the Academy. The School Leader will be an employee of Partner Solutions for Schools.

R. CSP shall work with the School Leader to provide the Academy with such teachers, qualified in the applicable grade levels and subjects approved by the Board and consistent with the Contract and applicable law. CSP shall ensure that the curriculum taught by the Academy's teachers is the curriculum set forth in the Contract. Such teachers may also provide instruction at the Academy on a full or part time basis. If assigned to the Academy on a part-time basis, such teachers may also provide instruction at another institution, or other locations approved by Partner Solutions for Schools. Each teacher assigned to the Academy shall meet and maintain all necessary requirements as established by the Michigan Department of Education, the Authorizer, and State and federal law.

S. CSP shall work with the School Leader to provide the Academy with such support staff, qualified in the areas required. The parties anticipate that such support staff may include clerical staff, administrative assistants, bookkeeping staff, maintenance personnel, and the like. Such support staff may, in the discretion of Partner Solutions for Schools, provide services at the Academy on a full or part-time basis. If assigned to the Academy on a part-time basis, said support staff may also provide services at another institution, or other locations approved by Partner Solutions for Schools.

T. Since, except as specified in this Agreement, all teaching, support staff and other non-teaching personnel performing functions on behalf of the Academy, shall be employees of Partner Solutions for Schools, compensation of all employees of Partner Solutions for Schools shall be paid by Partner Solutions for Schools upon receipt of funds from the Academy. For purposes of the Agreement and this Exhibit, "compensation" shall include salary and benefits. Evaluation and compensation systems administered by Partner Solutions for Schools shall comply with all applicable laws, including Sections 1249, 1249a, 1249b and 1250 of the Revised School Code and any successor statute that is substantially similar to Sections 1249, 1249a, 1249b and 1250. Partner Solutions for Schools shall pay its portion of social security, unemployment, and any other taxes required by law to be paid on behalf of its employees assigned to the Academy. Unless required by applicable laws, Partner Solutions for Schools shall not make payments to the Michigan Public School Employees' Retirement System or any other public retirement system on behalf of its employees.

U. Partner Solutions for Schools will complete and sign all necessary 401K regulatory and plan documents for its employee benefits plan as required by law and as fiduciary agent of the plan.

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