

MANAGEMENT AGREEMENT

This Management Agreement (the "Agreement") is made and entered into as of the 1st day of July, 2016, by and between César Chávez Academy, a Michigan public school academy and body corporate ("César Chávez Academy"), by and through its Board of Directors (the "Board"), and The Leona Group, L.L.C., a Michigan limited liability company located at 2125 University Park Drive, Okemos, Michigan 48864 ("TLG").

RECITALS

A. César Chávez Academy has been established by Saginaw Valley State University Board of Control (the "Authorizer") pursuant to that certain Public School Academy Contract dated as of June ___, 2016 between the Authorizer and César Chávez Academy (the "Public School Academy Contract") to operate a public school academy system (the "Academy") pursuant to the Public School Academy Contract in accordance with the Michigan Revised School Code (the "Code") under the name of "César Chávez Academy."

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

C. César Chávez Academy has approved TLG's Educational Program, and agrees that it is in the best interest of César Chávez Academy and the Academy to enter into this Agreement with TLG.

D. César Chávez Academy and TLG intend that this Agreement constitute, and this Agreement shall constitute, a "qualified management agreement" in compliance with applicable requirements of Section 141 of the Internal Revenue Code of 1986 (the "1986 Code") and Rev. Proc. 97-13, 1997-5 I.R.B. 18 ("Revenue Procedure 97-13") and shall be interpreted in accordance with such requirements.

THEREFORE, the parties mutually agree as follows:

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

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

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

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

1.4. Academy Records. All financial, educational and student records pertaining to the Academy are Academy property ("Academy Records") and that the Academy Records are subject to the provisions of the Michigan Freedom of Information Act. The Academy Records must be stored, in physical form, on-site at the Academy's Facility (the "Facility") or be directly accessible at the Facility. In addition, all records pertaining to teacher and administrator certification, as well as a copy of the employee handbook shall be maintained physically on site or directly accessible at the Facility.

1.5. Deposit of Academy Funds. No provision of this Agreement shall alter the Board Treasurer's legal obligation to direct that the deposit of all funds received by the Academy be placed in the Academy's depository account as required. Further, the signatories on the Board's depository account shall be solely Board members and/or properly designated Board employees. All interest or investment earnings on Academy deposits shall accrue to the Academy.

1.6. Selection of Independent Auditor. The Board shall have sole responsibility and authority to select and retain the independent auditor for the Academy to perform the annual financial audit in accordance with the Public School Academy Contract and applicable state law. All finance and other records of the TLG related to the Academy will be made available to the Academy's independent auditor.

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

1.8. Non-Compete. The Academy shall not execute contracts with any staff assigned to the Academy (the "Academy Staff") that contain non-compete agreements, or any other non-competition or non-hire provisions.

1.9. Legal Counsel. The Board shall select and retain legal counsel to advise it regarding its rights and responsibilities under the Public School Academy Contract, this Agreement and applicable law.

1.10. Indemnification. The parties acknowledge and agree that the Authorizer, its Board of Trustees, and its members, officers, employees, agents or representatives (for purposes of this Section, collectively "Authorizer") are deemed to be third party beneficiaries for purposes of this Agreement. As third party beneficiaries, the parties hereby promises to indemnify, defend and hold harmless the Authorizer from all demands, claims or liabilities, 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 the Authorizer, which arise out of or are in any manner connected with the Authorizer's approval of the Academy application, the Authorizer's consideration of or issuance of a Public School Academy Contract, the Academy's preparation for or operation of a public school, or which are incurred as a result of the reliance by the Authorizer upon information supplied by the parties, or which arise out of the parties' failure

to comply with the Public School Academy Contract. The parties expressly acknowledge and agree that the Authorizer may commence legal action against TLG to enforce its rights as set forth in this Section of the Agreement.

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

1.12. Section 503c. On an annual basis, TLG agrees to provide the Board with the same information that a school district is required to disclose under Section 18(2) of the State School Aid Act of 1979, MCL 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 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.

1.13. Transparency Reporting. To the extent permitted by applicable law, TLG shall make all information concerning the operation and management of the Academy, including without limitation but not limited to the information described in MCL 380.506(m) and the Public School Academy Contract available to the Academy as deemed reasonably necessary by the Board in order to enable the Academy to fully satisfy its obligations under the Public School Academy Contract and also at least the information that a school district is required to disclose under MCL 388.1618 for the most recent fiscal for which that information is available, as set forth in Schedule A attached hereto.

1.14. Chief Administrative Officer. No TLG employee shall be designated by the Board as the Chief Administrative Officer ("CAO") of the Academy, which the Board is required to appoint under the Uniform Budgeting and Accounting Act, MCL 141.421 et. seq. Notwithstanding the foregoing, a person designated as CAO of the Academy may designate a TLG employee to assist the CAO and to provide certain CAO functions as enumerated by Board authorizing resolution.

1.15. Bankruptcy. TLG shall notify the Board if any principal or officer of TLG or if TLG as an entity (including any related organizations or organizations in which a principal or officer of TLG served as a principal or officer) has filed for bankruptcy protection in the last six (6) months or within any applicable preference period, whichever is longer.

1.16. Reconstitution. In the event that the Authorizer determines to exercise its prerogative under MCL 380.507(7) and the Public School Academy Contract to reconstitute the Academy by requiring the termination or amendment of this Agreement, TLG hereby agrees to abide by such termination or amendment, with (i) no cost or penalty to the Academy and (ii) no recourse to the Authorizer by TLG or any subcontracted person or entity of TLG.

1.17. Cooperation. TLG shall cooperate with the Academy and the Academy's Board in fulfilling the Board's duty to meet and implement the Academy's Board's statutory, contractual and fiduciary responsibilities relating to the governance and operation of the Academy. No provision in this Agreement shall be construed as prohibiting or impeding the Board from acting as an independent, self-governing public body, or allowing public decisions to be made other than in compliance with the Michigan Open Meetings Act.

1.18. Purchasing. Any equipment, materials and supplies ("Academy Equipment") purchased by TLG on behalf of or as the agent of the Academy, shall be and remain the sole property of the Academy. When acquiring Academy Equipment, TLG and its subcontractors will comply with Section 1274 of the Code ("Bidding Requirements") and with the Board's procurement policy to the same extent that the Bidding Requirements would apply to the Academy when making purchases of Academy Equipment directly from a third party supplier.

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

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

1.21. Evaluation of TLG. The Board will evaluate the performance of TLG each year to provide TLG with an understanding of the Board's view of its performance under this Agreement. A preliminary evaluation will normally occur in January of each year followed by a year-end evaluation in June. The Board will determine the format to conduct this evaluation. Special evaluations may occur at any time.

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

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

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

2.3. Instructional Tools. The selection of instructional tools, equipment and supplies, including text books, computers, software and multi-media teaching tools. To the extent required by the Code, the Board shall approve textbooks.

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

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

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

3. Administrative Services. For the Term (as defined in Section 9), subject to the Public School Academy Contract and the approval of the Board, TLG will provide to César Chávez Academy for the Academy the following administrative services (the "Administrative Services"):

3.1. Personnel Management. Management and professional development of all personnel providing Educational Services and Administrative Services in accordance with Section 12.

3.2. Facility Operation and Maintenance. Coordination with entities with which TLG contracts on behalf of César Chávez Academy for the provision of operation and maintenance services for the Academy's facility to the extent consistent with any and all documents pertaining to the facility, together with the management and assessment of the services provided under such contracts and/or the supervision of employees involved in providing such services.

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

3.4. Business Administration. Administration of all business aspects of César Chávez Academy operation;

3.5. Transportation and Food Services. Coordination with entities with which TLG contracts on behalf of César Chávez Academy for the provision of transportation and food services for the students enrolled at César Chávez Academy, together with the management and assessment of the services provided under such contracts and/or the supervision of employees involved providing such services.

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

3.7. Budgeting, Budgeting Process, Financial and Other Reporting.

3.7.1. Beginning with respect to the 2016-2017 School Year, the preparation of a proposed annual budget (the "Academy Budget") for each School Year, subject to the reasonable approval of the Board acting in its fiduciary capacity. For purposes of this Agreement, the term "School Year" shall mean the Academy's school fiscal year of July 1st to June 30th. The projected Academy Budget shall contain object level detail, shall comply with public accounting standards and shall include, but not be limited to, the financial details relating to the Educational Services and Administrative Services to be provided pursuant to this Agreement.

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

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

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

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

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

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

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

3.8. Maintenance of Financial and Student Records.

3.8.1. TLG will maintain accurate financial records pertaining to its operation of César Chávez Academy, together with all César Chávez Academy financial records prepared by TLG and retain all such records as required by the Michigan Department of Education's Public Records Retention Schedule for which such books, accounts and records relate. All financial records retained by TLG pertaining to César Chávez Academy will be available to César Chávez Academy, the Authorizer or the Michigan Department of Education for inspection and copying within two weeks of a written request to the extent practicable.

3.8.2. TLG will maintain accurate student records pertaining to the students enrolled at the Academy as is required and in the manner provided by the Public School Academy Contract, the Code and applicable laws and regulations and retain such records permanently on behalf of César Chávez Academy or until this Agreement or its successor (if any) is terminated, at which time such records will be transferred to César Chávez Academy and become the sole responsibility of the Board. TLG and César Chávez Academy will maintain the proper confidentiality of personnel, students and other records as required by law and the Public School Academy Contract.

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

3.9. Admissions. Implementation of César Chávez Academy's admission policy per the Public School Academy Contract.

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

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

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

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

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

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

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

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

8. Qualified Management Agreement.

8.1. Qualified Management Agreement. This Agreement is intended to and shall constitute a "qualified management agreement" in compliance with applicable requirements of Section 141 of the 1986 Code and Revenue Procedure 97-13 and shall be interpreted in accordance with such requirements. TLG represents to César Chávez Academy that TLG has reviewed the applicable requirements of Section 141 of the 1986 Code and Revenue Procedure 97-13.

8.2. Tax Covenant. TLG agrees that it will operate and manage the Academy in a manner which, to the extent of its rights and authority under this Agreement and as otherwise authorized by César Chávez Academy in writing, preserves the exemption from federal income tax of interest on any tax-exempt bond obligations of César Chávez Academy ("Tax Exempt Bonds") and, in particular, will comply with the requirements of Section 141(b) of the Code, Section 1.141-3 of the Treasury Regulations and Revenue Procedure 97-13 relating to conditions under which tax-exempt bond-financed property will be considered used for an impermissible private business use; provided, however that the foregoing shall not require TLG to breach any of the provisions of this Agreement unless such action is authorized and such breach is waived in writing by

César Chávez Academy and Trustee. In the event that such requirements impose a material adverse financial burden on TLG not otherwise contemplated by this Agreement, or if it becomes necessary to amend this Agreement in order to preserve the exemption from federal income tax of interest on any Tax Exempt Bonds, TLG and César Chávez Academy agree to negotiate in good faith and amend this Agreement, including the compensation to be paid to TLG, in a manner which maintains or restores to TLG the benefits expected to be received by it pursuant to the original terms of this Agreement.

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

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

8.5. Authority. By this Agreement, César Chávez Academy provides TLG such authority and power as is reasonably necessary or proper for TLG to undertake its responsibilities, duties and obligations provided for in this Agreement, except in cases wherein such authority may not be delegated by the Code and other applicable laws and regulations.

9. Term.

9.1. Term. Except as provided in Section 15, this Agreement will be effective on July 1, 2016, and shall continue for the same length of time as the term of the Public School Academy Contract, and ending on June 30, 2021 (the "Term"). Notwithstanding the foregoing, in the event that the Public School Academy Contract is revoked, suspended, terminated, or not renewed, this Agreement shall automatically terminate as of the date thereof.

9.2. Further Assurance. César Chávez Academy and TLG shall do and cause to be done all such acts, matters and things and shall execute and deliver all such documents and instruments as shall be required to enable the parties to perform their respective obligations under, and to give effect to the transactions contemplated by, this Agreement. Notwithstanding the foregoing, TLG shall have no obligation to agree to any changes which (a) materially increase TLG's obligations or materially reduce its rights under this Agreement, (b) materially alter any terms of the Agreement, including without limitation the economic terms, (c) would jeopardize TLG's receipt of the Management Fee, (d) would prevent TLG from meeting César Chávez Academy and TLG's educational goals.

10. Relationship of the Parties.

10.1. Status of the Parties. TLG is a for-profit corporation, and it is not a division or a part of César Chávez Academy. César Chávez Academy is a body corporate and governmental

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

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

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

11. Consideration for Services.

11.1. Management Fees.

11.1.1. For the Term of this Agreement, César Chávez Academy will pay TLG a management fee ("Management Fee") for initial School Year during the Term of this Agreement in the amount of \$1,450,000. For each subsequent School Year, the Management Fee will be adjusted by the percentage change from the immediately prior School Year in the amount of the per student foundation allowance to be received by the César Chávez Academy from the State of Michigan. By way of example only, if the per student foundation allowance in the second School Year of the Term is one (1%) percent lower than in the initial School Year, then the Management Fee for the second School Year would be one (1%) percent lower than in the prior School Year, or \$1,435,500.

11.1.2. In the event the César Chávez Academy elects to (i) add a campus (or materially expand an existing campus) or (ii) close or delete an existing campus during the Term of this Agreement, the parties agree to negotiate in good faith an equitable modification to the Management Fee to recognize that quantitative change in TLG's responsibilities under this Agreement.

11.2. Reasonable Compensation. The Management Fee under this Agreement is reasonable compensation for services rendered. TLG's compensation for services under this Agreement will not be based, in whole or in part, on a share of net surplus or profits from the operation of the Academy.

11.3. Payment of Costs/Expenses. The parties acknowledge César Chávez Academy is obligated to pay all costs and expenses associated with the operation of the Academy ("Operational

Expenses"). TLG shall not be reimbursed for any corporate expenses or expenses not related to providing the Education Program at the Academy.

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

11.5. Other Revenue Sources. César Chávez Academy and TLG may, together or independently, solicit and receive grants and donations from public and private sources consistent with the mission, and the Public School Academy Contract, of César Chávez Academy, in the name of either TLG, César Chávez Academy or the Academy; provided, however, that (i) any solicitation of such grants by TLG in the name of César Chávez Academy and/or César Chávez Academy that are in excess of One Hundred Thousand Dollars (\$100,000) shall be subject to the prior approval of the Board, (ii) all such funds received by TLG or César Chávez Academy for the benefit of César Chávez Academy from such other revenue sources shall be deemed to be César Chávez Academy funds, (iii) TLG shall not be required to administer any grants that are not specifically approved, in writing, by TLG, in advance, (iv) only to the extent specifically provided in a grant, TLG shall be entitled to receive, in addition to all any other amounts which are payable to TLG under this Agreement, a grant administration fee, and (v) both César Chávez Academy and TLG shall be required to mutually approve, in writing, any grants proposed by a third party grant writer. Nothing in this Section 11 will be construed to prohibit TLG from soliciting funds or grants solely for its own general corporate purposes and using such funds or grants solely for such purposes, except that TLG shall not use César Chávez Academy's and/or César Chávez Academy's name in such solicitation without the consent of the Board.

12. Personnel and Training.

12.1. Personnel Responsibility. Subject to the limitations of this Agreement, the Public School Academy Contract, the Code and other applicable laws and regulations, TLG will have the sole responsibility and authority to determine staffing levels, and to select, evaluate, assign, discipline, supervise, manage, transfer and terminate personnel necessary to carry out the Educational Services, the Administrative Services, the Supplemental Programs (if any) and all other services provided under this Agreement, all within the financial constraints of the Academy Budget approved by the Board.

12.2. Employment Status. Except as specified in this Agreement or as required by the Code or the Public School Academy Contract, the School Leader, teachers and support staff selected by TLG for the Academy pursuant to this Agreement will be employees of TLG or an affiliate of TLG which handles all TLG employment and human resources administration (the "Employees"). Criminal background checks on all TLG employees providing services to César Chávez Academy or otherwise in regular and continuous contact with pupils will be performed in accord with the law.

12.3. Employee Benefits. César Chávez Academy hereby acknowledges and agrees with the package of employee benefits that will be provided to the Employees by its affiliate ("Benefits Package") pursuant to this Agreement and that any material modifications or changes to the Benefits Package shall be implemented only upon the agreement of its affiliate and TLG, with the approval of the Board through the budgeting processes provided in this Agreement.

12.4. School Leaders. César Chávez Academy and TLG acknowledge and agree that the accountability of TLG to César Chávez Academy and the Academy is an essential foundation of this Agreement, and because the responsibility of the administrators of César Chávez Academy (the "School Leaders") is critical to the success of César Chávez Academy, TLG will have the authority, consistent with the Code and other applicable laws and regulations, to select and supervise the School Leaders and hold the School Leaders accountable for the success of César Chávez Academy. The employment contracts with the School Leaders, and the duties and compensation of the School Leaders shall be determined by TLG. The School Leaders and TLG, in turn, will have similar authority to select and hold accountable the teachers in César Chávez Academy. Notwithstanding anything in this Section, TLG agrees to consult with the Board prior to hiring the School Leaders and will consult with the Board prior to taking any action that would alter the employment status of the School Leaders. At the request of the Board, TLG will review the performance of the School Leaders with the Board. If the services provided by a TLG employee do not meet the Board's requirements, the Board may request that TLG reassign employees to ensure satisfactory service.

12.5. Teachers. TLG will provide César Chávez Academy with such teachers as are required to provide the Educational Services and Administrative Services. TLG and the School Leader will determine the number and assignments of such teachers. Such teachers may work at César Chávez Academy on a full or part time basis. Each teacher assigned to César Chávez Academy will be qualified in his or her grade levels and subjects, hold a valid teaching certificate issued by the Michigan Department of Education under the Code, to the extent required under the Code and other applicable laws and regulations. Upon written request, TLG will provide César Chávez Academy with documentary evidence of TLG's compliance with this Section 12.4.

12.6. Support Staff. TLG will provide César Chávez Academy with such support staff as is required to provide the Educational Services, Administrative Services and any associated Supplementary Programs. Such support staff may include, among others, teachers' aides, clerical staff and administrative assistants to the School Leader, bookkeepers and maintenance personnel. TLG shall provide licensed or certified staff to provide services for positions requiring licensing or certification. Such support staff may work at César Chávez Academy on a full or part time basis.

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

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

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

requested to be performed by the Board and which are consistent with this Agreement. The cost to employ an educational consultant shall be paid by the Board.

15. Termination of Agreement.

15.1. By TLG. TLG may terminate this Agreement with cause prior to the end of the Term specified in Section 9 in the event that César Chávez Academy fails to remedy a material breach of this Agreement within sixty (60) days after written notice from TLG. A material breach includes, but is not limited to (i) César Chávez Academy's failure to pay any fee or reimbursement as required by the terms of this Agreement, (ii) adoption by César Chávez Academy of an Educational Program for the Academy in substantial variance from the material recommendations of TLG, (iii) César Chávez Academy's failure to approve an Academy Budget, which is (a) fully compliant with the requirements of Section 3.7 and (b) substantially consistent with the recommendation of TLG, or (iv) an act or omission that causes TLG to be unable to perform its material obligations under this Agreement. In order to terminate this Agreement for cause, TLG is required to provide the Board with written notification of the facts it considers to constitute material breach and the period of time within which Cesar Chavez Academy has to remedy this breach, not to exceed 60 days. After the period set forth in this section to remedy the material breach has expired, TLG may terminate this Agreement by providing the Board with written notification of termination. Termination by TLG will not relieve César Chávez Academy of any obligations for payments outstanding to TLG as of the date of termination or liability for financial damages suffered by TLG as a consequence of César Chávez Academy's breach (or of TLG's termination as a result thereof) of this Agreement.

15.2. By César Chávez Academy. César Chávez Academy may terminate this Agreement with cause prior to the end of the Term specified in Section 9 in the event that TLG fails to remedy a material breach of this Agreement within sixty (60) days after written notice from César Chávez Academy. A material breach by TLG includes, but is not limited to: (i) a material failure to reasonably account for its expenditures related to César Chávez Academy funds or for other expenses incurred with respect to César Chávez Academy at TLG's direction, (ii) TLG's failure to substantially follow the material policies, procedures, rules, regulations or curriculum required by the Public School Academy Contract, this Agreement, the Code and applicable laws and regulations, (iii) failure to abide by and meet the educational goals set forth in the Public School Academy Contract such that the Public School Academy Contract will be terminated, (iv) the employment of teachers in violation of the Code or this Agreement, (v) any act or omission of gross negligence by TLG that causes César Chávez Academy to materially breach the Public School Academy Contract or any of César Chávez Academy's other material contractual obligations in anyway, or (vi) filing of bankruptcy by TLG. In order to terminate this Agreement for cause, the Board is required to provide TLG with written notification of the facts it considers to constitute material breach and the period of time within which TLG has to remedy this breach, not to exceed 60 days. After the period to remedy the material breach has expired, the Board may terminate this Agreement by providing TLG with written notification of termination. Termination by César Chávez Academy will not relieve César Chávez Academy of any obligations for payments outstanding to TLG as of the date of the termination, nor will it relieve TLG for liability for financial damages suffered by César Chávez Academy as a consequence of TLG's breach (or of César Chávez Academy's termination as a result thereof) of this Agreement.

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

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

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

15.3.3. If TLG shall cease to be approved by SVSU to render services under this Agreement.

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

15.4. Termination Without Cause. If TLG and the Board are unable to agree on educational programs, curriculum or other educational policies that affect the Academy in a significant way, either party may elect to terminate the Agreement at the end of a school year, provided that the terminating party gives the other party written notification of termination at least ninety (90) calendar days prior to the termination date and provides the other party with an opportunity within that period to negotiate an agreement on the educational policies at issue.

15.5. Change in Law. If any federal, State or local law or regulation, court or administrative decision or Attorney General's opinion (a "Change in Law"), other than a Change in Law dealing generally with the funding of charter schools, has a materially adverse effect on the ability of either party to carry out its obligations under this Agreement, such party, upon written notice, may request renegotiation of this Agreement. Such renegotiation will be undertaken in good faith and may include the use of a third party arbitrator for alternative dispute resolution pursuant to Section 20. If the parties are unable to renegotiate the terms within 90 days after such notice and good faith negotiations, the party requesting the renegotiation may terminate this Agreement on 120 days' further written notice or at the end of a School Year, whichever is earlier.

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

15.7. Costs/Expenses. Upon termination or expiration of this Agreement for any reason, César Chávez Academy shall reimburse TLG for all costs and expenses owed pursuant to Section 11.3.

15.8. Termination of Licenses. Upon termination or expiration of this Agreement by either party for any reason, any licenses to use (express or implied) the TLG's curriculum and Education Program shall automatically terminate, and César Chávez Academy shall immediately cease any use of thereof.

15.9. Return of Materials. Within five business days of any termination or expiration of this Management Agreement by either party for any reason, César Chávez Academy shall (i) assemble in a safe place (a) all materials relating to TLG's curriculum and Education Program of any kind or character, whether in hard copy or electronic format or otherwise, and any copies thereof and (b) all operational, systems and other administrative manuals and material, and copies thereof, and (ii) certify in writing to TLG that César Chávez Academy and the Academy has ceased to use the TLG's curriculum and Education Program materials and all such administrative manuals and materials. At TLG's direction, César Chávez Academy will permit representatives of TLG to pick up all such materials at the Academy.

15.10. Transition Services. Upon termination of this Agreement, for any reason, TLG shall provide the Academy reasonable assistance for up to 90 days after the effective date of the termination to allow a transition back to a regular school program or to another education service provider. In providing transition services to the Academy, TLG shall:

- 15.10.1. Close the books on the then-current fiscal quarter in a manner and form in keeping with the industry standard.
- 15.10.2. Prepare financial records in audit-ready form, and hand said records off to the Board or successor management company.
- 15.10.3. Organize and prepare student records, in a manner in keeping with the industry standard, and hand them off to the Board or successor educational management company.
- 15.10.4. Provide for the orderly transition of employee compensation and benefits to the new educational management company without disruption to staffing.
- 15.10.5. Complete and organize all Academy documents in a manner and form in keeping with the industry standard, including without limitation, minutes, third party contracts, correspondence relating to Academy business, notices, and so forth, and hand them off to the Board or successor management company.
- 15.10.6. Complete all reporting and compliance requirements.
- 15.10.7. The parties may agree upon other transition services to be provided by TLG, at a mutually agreed upon fee.

16. Proprietary Information and Ownership. Notwithstanding anything contained herein to the contrary, third party curriculum or other educational materials purchased by TLG with funds TLG receives pursuant to this Agreement will be the property of César Chávez Academy. Notwithstanding the foregoing, César Chávez Academy acknowledges that TLG owns the intellectual property rights and interests in TLG's curriculum and Education Program being licensed and/or utilized at César

Chávez Academy during the Term of this Agreement. César Chávez Academy acknowledges and agrees that it has no intellectual or property interest or claims in TLG's curriculum and Education Program and has no right to use TLG's curriculum and Education Program unless expressly agreed to in writing by TLG. 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 in Section 503(3) of the Code, notwithstanding anything contained in this Article to the contrary.

17. Indemnification.

17.1. Indemnification of TLG. To the extent permitted by law, César Chávez Academy will indemnify, defend and save and hold TLG and its affiliates and all of their respective employees, officers, directors, subcontractors and agents harmless against any and all claims, demands, suits or other forms of liability (including reasonable attorney fees and costs) that may arise out of, or by reason of, any noncompliance by César Chávez Academy with any agreements, covenants, warranties or undertakings of César Chávez Academy contained in or made pursuant to this Agreement, and any misrepresentations or breach of the representations and warranties of César Chávez Academy contained in or made pursuant to this Agreement. In addition, César Chávez Academy will reimburse TLG for any and all legal expenses and costs associated with the defense of any such claim, demand or suit. The indemnification requirements of this Section 17 may be met by the purchase of insurance pursuant to Section 18.

17.2. Indemnification of César Chávez Academy. TLG will indemnify, defend and save and hold César Chávez Academy and all of its employees, officers, directors, subcontractors and agents harmless against any and all claims, demands, suits or other forms of liability (including reasonable attorney fees and costs) that may arise out of, or by reason of, any noncompliance by TLG with any agreements, covenants, warranties or undertakings of TLG contained in or made pursuant to this Agreement, and any misrepresentation or breach of the representations and warranties of the TLG contained in or made pursuant to this Agreement. In addition, TLG will reimburse César Chávez Academy for any and all legal expenses and costs associated with the defense of any such claim, demand or suit. The indemnification requirements of this Section 17.2 may be met by the purchase of insurance pursuant to Section 18.

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

18. Insurance.

18.1. Insurance Coverage. At all times during the term of this Agreement, the Board shall ensure that TLG maintains comprehensive general liability and umbrella insurance coverage at levels satisfactory to the University President (see Article 12). Any insurance policy maintained by TLG must (1) include coverage for sexual molestation or abuse; (2) name the University as an

additional, named insured; and (3) not be changed, revoked, or modified absent thirty days' notice to the University President. In the event the University President modifies the level, type, scope, or other aspects of such coverage, TLG shall undertake like and similar modifications within 30 days of being notified of such change. The insurance required by TLG shall not be in lieu of insurance coverage requirements applicable to the Academy.

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

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

18.4. Coordination and Cooperation. To the extent requested by César Chávez Academy, TLG shall undertake to coordinate the acquisition and maintenance of the insurance requirements of César Chávez Academy under this Agreement and the parties will cooperate with each other to assure the complete, efficient and economical provision of the required insurance coverage. In addition, each party will, upon request, present evidence to the other that it maintains the requisite insurance in compliance with the provisions of this Section

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

19. Warranties and Representations.

19.1. Representations and Warranties of TLG. TLG hereby represents and warrants to César Chávez Academy:

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

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

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

19.2. Representations and Warranties of César Chávez Academy. César Chávez Academy hereby represents and warrants to TLG:

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

19.2.2. The Public School Academy Contract (i) authorizes César Chávez Academy to operate the Academy and receive revenues under the Code from the State of Michigan

and from federal, State and other resources; (ii) approves the Education Program and other activities contemplated by this Agreement; and (iii) vests César Chávez Academy with all powers necessary and desirable for carrying out the Education Program and other activities contemplated in this Agreement.

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

19.2.4. César Chávez Academy's actions and those of the Board have been duly and validly authorized.

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

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

19.2.7. The Educational Program has been reviewed and approved by resolution by the Board.

19.2.8. César Chávez Academy and the Board will use its best efforts to insure that the Educational Program complies with and will continue to comply with the Public School Academy Contract, the Code and other applicable laws and regulations.

19.2.9. César Chávez Academy has no intellectual or property rights or claims in TLG's curriculum and Education Program and will make no such claims in the future.

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

20. Alternative Dispute Resolution Procedures.

20.1. Dispute Resolution. All claims, disputes, and other matters in controversy ("Disputes") between the parties hereto arising directly or indirectly out of or related to this

Agreement, or the breach thereof, whether contractual or non-contractual, and whether during the Term or after the termination of this Agreement shall be resolved exclusively according to the procedures set forth in this Section 20.

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

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

20.4. Tolling of Statute of Limitations. All applicable statutes of limitation and defenses based upon the passage of time shall be tolled while the procedures specified in this Section 20 are pending. The parties will take such action, if any, required to effectuate such tolling.

21. Miscellaneous.

21.1. Sole Agreement. This Agreement supersedes and replaces any and all prior agreements and understandings between César Chávez Academy and TLG regarding the Academy.

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

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

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

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

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

To César Chávez Academy:

César Chávez Academy
4100 Martin Street
Detroit, Michigan 48210
Attention: Board President
Tel: (313) 361-8689
Fax: (313) 551-0552

To TLG:

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

With a copy to:

The Allen Law Group, PC
Attn: George K. Pitchford, Esq.
2500 Fisher Building
3011 West Grand Boulevard
Detroit, Michigan 48202
Telephone: (313) 871-5500
Facsimile: (313) 871-0517

21.7 Assignment. This Agreement will not be assigned by TLG without the prior consent in writing of the Board or by César Chávez Academy without the prior consent in writing of TLG, provided that TLG may assign this Agreement to an affiliated entity or an entity that is a successor to all or a substantial portion of TLG's business and may delegate the performance of, but not responsibility for, any duties and obligations of TLG hereunder to any independent contractors, experts or professional advisors, subject to Board approval, which approval cannot be unreasonably withheld.

21.8 Amendment. This Agreement will not be altered, amended, modified or supplemented except in a written document approved by the Board and signed by authorized officers of both César Chávez Academy and of TLG. The Board and TLG shall not substantially amend this agreement without notifying the Saginaw Valley State University President. Each substantial amendment or modification shall be accompanied by a legal opinion of the Academy's independent legal counsel that all requirements of applicable law have been met and that there are no improper and/or unlawful interrelations or conflicts created by such amendment or modification. All, substantial or otherwise, amendments to this Agreement shall be submitted to the University President within 10 days of such amendment.

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

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

21.11 Successors and Assigns. Except as limited by Section 21.7, this Agreement will be binding upon, and inure to the benefit of, the parties and their respective successors and assigns.

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

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

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

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

César Chávez Academy

The Leona Group, L.L.C.

By: Jaime J. Garcia
Its Board President

By: Whitney Lantz
Its CEO

SCHEDULE A

TRANSPARENCY REPORTING

1. Copy of the Charter Contract with Attachments , Schedules and Amendments
2. Copies of the executed Constitutional Oath of public office form for each serving Director
3. List of currently serving members of the Board of Directors including their names, addresses and terms of office.
4. Copy of the Board 's meeting calendar
5. Copy of public notice for all Board meetings
6. Copy of Board meeting agendas
7. Copy of Board meeting minutes
8. Copy of Board approved budget and amendments to the budget
9. Copies of all bills paid for amounts of \$10,000.00 or more in the form submitted to the Board
10. Copy of the quarterly financial reports submitted to the Authorizer
11. Copy of curriculum and other educational materials given to the Authorizer
12. Copy of School Improvement Plan (if required)
13. Copies of facility leases, mortgages, modular leases and/or deeds
14. Copies of equipment leases
15. Proof of ownership for Academy owned vehicles and portable buildings
16. Copy of Board approved management contract with TLG
17. Copy of Board approved services contract(s)
18. Office of Fire Safety certificate of occupancy for all Academy facilities
19. MDE letter of continuous use (if required)
20. Local County Health Department food service permit (if required)
21. Asbestos inspection report and asbestos management plan (if required)
22. Boiler inspection certificate and lead based paint survey (if required)
23. Phase 1 environmental report (if required)

24. List of current teachers and school administrators working at the Academy including their individual salaries (as submitted to the Registry of Educational Personnel)
25. Copies of administrator and teacher certificates or permits for all current administrative and teaching staff
26. Evidence of fingerprinting, criminal back-ground and record checks and unprofessional conduct check required by the Code for all Academy teachers and administrators, staff, vendors and contractors and subcontractors
27. Board approved policies
28. Copy of the annual financial audit and any management letters issued to the Board as part of the audit
29. Proof of insurance as required by the Charter Contract
30. Any other information specifically required under Public Act 277 of 2011