



Agreement between:

The Romine Group, Inc.

and

*Hanley International
Academy*

Effective: July 1, 2019 to June 30, 2026



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EDUCATIONAL SERVICE PROVIDER AGREEMENT

This Educational Service Provider Agreement is made and entered into as of the **1st day of July, 2019**, by and between The Romine Group, Inc., (hereafter referred to as “TRG”) a Michigan corporation located at 7877 Stead Street, Utica, Michigan and Hanley International Academy (“Academy”) by and through its Board of Directors (“Academy Board”) formed under Part 6A of the Revised School Code (the “Code”), as amended, being Sections 380.501 to 380.507 of the Michigan Compiled Laws located in Michigan.

The following is a recital of facts underlying this Agreement:

The Academy is a public school academy, organized under the Revised School Code (the “Code”). The Academy has been issued a contract (the “Contract”) from the Grand Valley State University Board of Trustees (“Authorizer”) to organize and operate a public school academy. The Code permits a public school academy to contract with persons and entities for the operation and management of the public school academy.

TRG specializes in providing educational institutions, vocational schools, businesses, churches and other organizations with a variety of educational services and products, including management, curriculums, educational programs, teacher training, and technology. TRG’s products and services are designed to serve the needs of a diverse student population.



The Academy and TRG desire to create an enduring educational partnership, whereby the Academy and TRG will work together to bring educational excellence and innovation to the Wayne County area, based on TRG's school design, comprehensive educational program, institutional principles and management methodologies.

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

THEREFORE, is the parties mutually agreed as follows:

ARTICLE I

TERM

This Agreement shall become effective **July 1, 2019** and shall cover **7 (seven)** academic year(s), with the entire term to end on **June 30, 2026**. The maximum term of this Agreement shall not exceed the length of the Contract. At the conclusion of 7 (seven) years, if neither party exercises it's right to terminate the contract, the contract will continue as stated until one party chooses to terminate the contract as outlined in this document.

ARTICLE II

CONTRACTUAL RELATIONSHIP

A. Authority. The Academy represents that it is authorized by law to contract with a private entity and for that entity to provide educational and management services. The Academy further represents that it has been issued a Contract by the



Authorizer to organize and operate a public school academy situated in Michigan. The Academy is therefore authorized by the Authorizer to supervise and control such academy, and is vested with all powers within applicable law for carrying out the educational program contemplated in this Agreement.

B. Contract. Acting under and in the exercise of such authority, the Academy hereby contracts with TRG to the extent permitted by law, to provide all functions relating to the provision of educational services and the management and operation of the Academy in accordance with the terms of this Agreement and the Academy's authorizing documents. TRG shall comply with all terms and conditions of the Contract to the extent TRG is performing services on behalf of the Academy. TRG 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 Grand Valley State University Board of Trustees. The provisions of the Academy's Contract shall supersede any competing or conflicting provisions contained in this Agreement.

C. Status of the Parties. TRG is a for-profit corporation, and is not a division or a part of the Academy. The Academy is a body corporate and governmental entity authorized by the Code, and is not a division or part of TRG. The relationship between TRG and the Academy is based solely on the terms of this Agreement. No provision of this Agreement shall interfere with the Academy's Board under the Contract and the Academy's duties under the Contract shall not be limited or rendered impossible



by any action or inaction of TRG.

D. Independent Contractor Status. The parties to this Agreement intend that the relationship between them created by this Agreement is that of an independent contractor, and not employer-employee. No agent or employee of TRG shall be determined to be the agent or employee of the Academy except as expressly acknowledged in writing by the Academy. The Academy agrees to define “school official” in the Academy’s annual notification of rights under 20 U.S.C. § 1232g, 34 C.F.R. § 99, the Family Educational Rights and Privacy Act (“FERPA”) to include a contractor who performs an institutional service or function for which the Academy would otherwise use its own employees, who is under the direct control of the Academy with respect to the use and maintenance of personally-identifiable information from education records, and who is subject to the requirements of 34 C.F.R. § 99.33(a) governing the use and re-disclosure of personally identifiable information from education records. The Academy Board designates TRG and certain of its employees and subcontractors as school officials of the Academy having a legitimate educational interest such that they are entitled to access to educational records under FERPA. TRG and its employees and subcontractors agree to comply with FERPA and corresponding regulations applicable to school officials. TRG will be solely responsible for its acts and the acts of its agents, employees, and subcontractors. No provision of this Agreement shall predetermine the Academy Board’s course of action in choosing to assert or not assert governmental immunity.



E. **Bankruptcy Notice.** TRG shall notify the Academy Board if any principal or officer of TRG, or TRG as a corporate entity (including any related organizations or organizations in which a principal or officer of the TRG 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.

ARTICLE III

FUNCTIONS TO BE PERFORMED BY THE CONTRACTOR

In consideration of the management fee paid by the Academy, TRG shall perform the following:

A. **Responsibility.** TRG shall be responsible, and accountable to the Academy, for the management, operation and performance of the Academy.

B. **Educational Program.** The educational program and the program of instruction shall be designed by TRG in cooperation with the Academy, and may be adapted and modified from time to time with prior Board approval and in conjunction with the Contract amendment process established by the Authorizer, it being understood that an essential principle of a successful, effective educational program is its flexibility, adaptability, and capacity to change in the interest of continuous improvement and efficiency, and that the Academy and TRG are interested in results and not in inflexible



prescriptions.

It is understood by TRG and the Academy that the Authorizer's metrics of educational performance, and growth towards those metrics, is essential and constitutes a high performing school. It is also understood that the public metric of measurement is the State designated assessment, and that continued growth and comparison of first the composite district, second the state, and third school of excellence benchmarks is the desired goal. TRG in cooperation with the Academy will work toward attainment of these educational performance metrics.

C. Special Functions. The services TRG will provide the Academy include, but are not limited to the following:

Operational Public School Academy Services

1. Financial
 - Develop salary schedules;
 - Select benefit packages;
 - Determine retirement options.

2. Educational Planning
 - Implement educational program based on developing college and career readiness in all students K-8 in the 21st Century. The achievement of this educational program will be measured by the attainment of the Academy's mission specific goals.
 - Provide structure, training, and supervision of implementation of entire educational program from designating appropriate staff, integrating teaching pedagogy, designing supplemental programs such as intervention, support, special ed., arts, extra-curricular, etc., selecting resources, determining implementation requirements, and providing guidance and feedback to the Academy.
 - Supervise and assist in writing of all State and Authorizer



required educational reporting including but not limited to the School Improvement Plan and Consolidated Application.

- Provide in cooperation with Academy's expansion needs or updates a curriculum framework aligned to the State and Common Core standards and benchmarks.
 - Provide assessment structures used to ensure growth and attainment of student achievement metrics.
 - Maintain accreditation through NCA-CASI
 - Work with the Academy on achievement of standards as set forth by School of Excellence.
3. Staff Development
 - Workshops and seminars
 - Professional Growth activities
 4. Problem Solving
 - Personnel issues
 - Conflict resolution
 5. Compliance Requirements
 - Membership reports
 - Annual reports
 - Annual audits
 6. Equipment/Furniture
 - Assessment of need
 - Follow bid requirements established by The Code
 - Finalize procurement
 7. Contracted Services (as needed)
 - Maintenance (building)
 - Cleaning supplies/equipment
 - Snow removal
 - Lawn service
 - Painting
 - Landscaping
 - Parking lot maintenance
 - Playground equipment
 - Athletic equipment



8. Annual board reporting of above functions

Assets provided, or caused to be provided, to the Academy by TRG with funds TRG has received from sources other than the Academy under Article V shall remain the property of TRG or the providing entity unless agreed in writing to the contrary. All acquisitions made by TRG for the Academy with funds TRG has received pursuant to Article V including, but not limited to, instructional materials, equipment, supplies, furniture, computers and technology, shall be owned by and remain the property of the Academy. The Board shall retain the obligation, as provided in Section 1274 of the Code, to adopt written policies governing the procurement of supplies, materials, and equipment. In the event that TRG purchases supplies, materials, or equipment from third parties as agent for or on behalf of the Academy, TRG shall comply with the Code including, but not limited to, Sections 1267 and 1274 as if the Academy were making such purchases directly from a third party. TRG certifies that there shall be no markup of costs for supplies, materials, or equipment procured by TRG on the Academy's behalf and that said supplies, materials and/or equipment shall be inventoried in such a way that it can be clearly established which property belongs to the Academy.

D. Subcontracts. TRG reserves the right to subcontract any and all aspects of all other services it agrees to provide to the Academy, including, but not limited to transportation, food service, payroll and/or any computer services with the prior approval



of the Academy Board. TRG shall not subcontract the management, oversight, staffing, or operation of the teaching and instructional program, except as specifically permitted herein or with the prior approval of the Academy Board.

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

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

G. Legal Requirements. TRG shall assist in providing educational programs that meet federal, state, and local laws and regulations, and the requirement imposed under the Code and the Academy's contract, unless such requirements are, or have been waived.

H. Rules and Procedures. TRG shall recommend reasonable rules, regulations and procedures applicable to the Academy and is authorized and directed to enforce such rules, regulations and procedures adopted by the Academy Board.

I. School Years and School Day. The school year and the school day shall be scheduled as required by law and the Academy's Contract.

J. Additional Grades and Student Population. TRG in connection with



the Academy Administrator shall make the recommendation to the Academy Board concerning limiting, increasing, or decreasing the number of grades offered and the number of students served per grade or in total, within the limits provided for by the Academy's Contract.

K. Data Security Breach. In the event the Academy experiences a data security breach of personally identifiable information from the Academy's education records not suitable for public release, TRG shall assist the Academy, in accordance with MCL 445.72 to take appropriate action to assess the risk and notify affected individuals whose personal information may have been compromised.

L. Personal Information. If TRG receives information that is part of a pupil's education records from any source as permitted under the Code, TRG shall not sell or otherwise provide the information to any other person except as provided under MCL 380.1136.

ARTICLE IV

OBLIGATIONS OF THE BOARD

The Academy shall exercise good faith in considering the recommendations of TRG and the Academy Administrator including, but not limited to their recommendations concerning policies, rules, regulations, procedures, curriculum, budgets, fund raising, public relations and school entrepreneurial affairs. TRG does understand all of these decisions remain the responsibility of the Academy Board and may not be delegated directly to TRG.



This Agreement shall not interfere with the Academy Board's constitutional duty to exercise its statutory, contractual and fiduciary responsibilities governing the operation of the Academy. This Agreement shall not prohibit the Academy Board from acting as an independent, self-governing public body, or allow public decisions to be made other than in compliance with the Open Meetings Act.

ARTICLE V

FINANCIAL ARRANGEMENTS

A. Compensation for Services. From **July 1, 2019** through **June 30, 2026**, the Academy shall pay TRG a capitation fee of an amount equal to ten (10%) percent, based upon all of the funds by the Academy that the State of Michigan determines the Academy is entitled to receive pursuant to the State School Aid Act of 1979, as amended, for the particular students enrolled in the Academy ("SSA") including, as applicable by law, all state and federal funds including but not limited to: 31A – At Risk, Title I, Title II, Title III, Title IV. The SSA may change according to overall changes in the student allocations by the State of Michigan. Such fee shall not be less than \$400,000 nor exceed \$800,000 in any one academic year of the Academy. The SSA may change according to overall changes in the student allocations by the State of Michigan.

B. No Related Parties or Common Control. TRG will not have any role or relationship with the Academy that, in effect, substantially limits the Academy's ability to exercise its rights, including cancellation rights, under this Agreement. The Board



may not include any director, officer or employee of a management company that contracts with the Academy. In furtherance of such restriction, it is agreed between the Academy and TRG that none of the voting power of the governing body of the Academy will be vested in TRG or its directors, members, managers, officers, shareholders, and employees, and none of the voting power of the governing body of TRG will be vested in the Academy or its directors, members, managers, officers, shareholders, and employees. The Academy and TRG will not employ the same individuals. Further, the Academy and TRG will not be members of the same controlled group, as defined in Section 1.150-1 (f) of the regulations under the Internal Revenue Code of 1986, as amended, or related persons, as defined in Section 144(a)(3) of the Internal Revenue Code of 1986, as amended. No TRG employee shall be designated as the Chief Administrative Officer of the Academy, although such employee may be a designee of the Chief Administrative Officer for certain purposes enumerated by Board action.

C. Payment of Costs. In addition to the fee described in this Section, the Academy shall reimburse TRG for all costs incurred and paid by TRG in providing the Educational Program and other goods and services, pursuant to Articles III, V, VI, and XI of this Agreement, at the Academy provided such costs are consistent with the Academy budget approved by the Academy Board. Such costs include, but are not limited to, advertising, typing, printing, duplicating, postage, application fees, curriculum materials, textbooks, library books, furniture and equipment, computers, supplies, salaries and related expenses of TRG employees assigned to the Academy to provide goods and



services to the Academy, building payments, maintenance, capital improvements and subcontractor fees. In paying costs on behalf of the Academy, TRG shall not charge an added fee. The Academy shall not reimburse TRG for any costs incurred or paid by TRG as a result of services provided or actions taken pursuant to Articles I, II, IV, VII, VIII (except as otherwise specifically indicated), IX, X, XII, XIII, and XIV of this Agreement. The Academy Board may pay or reimburse TRG for approved fees or expenses upon properly presented documentation and approval by the Academy Board, or the Academy Board may advance funds to TRG for the fees or expenses associated with the Academy's operation provided that documentation for the fees and expenses are provided for Academy Board ratification. No corporate costs of TRG shall be charged to, or reimbursed by, the Academy.

D. Time and Priority of Payments. The fee due to TRG shall be calculated for each school year at the same time as the State of Michigan calculates the SSA, and adjustments to such calculation shall occur at the same time as the State of Michigan makes adjustments to the SSA. TRG shall receive its fee as calculated pursuant to the preceding sentence in eleven (11) installments beginning in October of each school year and ending in August of each school year. Such installment amounts shall be due and payable within five (5) days of receipt by the Academy of its monthly SSA. Payments due and owing to TRG shall be made by the Academy to TRG on or before the last day of each month.

E. Other Revenue Sources. In order to supplement and enhance the school



aid payments received from the State of Michigan, and improve the quality of education, the Academy and TRG shall endeavor to obtain revenue from other sources. In this regard:

- (1) The Academy and/or TRG shall solicit and receive grants and donations consistent with the mission of the Academy.
- (2) Academy and/or TRG may apply for and receive grant money, in the name of the Academy subject to the prior approval of the Board.
- (3) To the extent permitted under the Code and approved by the Academy Board, TRG 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. TRG and the Academy will split all revenue collected, in a proportion agreed upon by the parties in advance of TRG conducting such programs, less expenses to the Academy caused by such programs, if not prohibited by law.

F. Other Institutions. The Academy acknowledges that TRG may enter into similar management agreements with other public or private educational schools or institutions (“Institutions”). TRG shall maintain separate accounts for reimbursable expenses incurred on behalf of the Academy and other Institutions, and only charge the Academy for expenses incurred on behalf of the Academy. If TRG incurs authorized reimbursable expenses on behalf of Academy and other Institutions which are incapable of precise allocation between the Academy and such Institutions, to the extent permitted under applicable law, then TRG, shall allocate such expenses among all such Institutions,



and the Academy, on a pro-rata basis based upon the number of students enrolled at the Academy and the Institutions, or upon such other equitable basis as is acceptable to the parties. All grants or donations received by the Academy or by TRG for the specific benefit of the Academy, shall be used solely for the Academy. 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 TRG.

G. Reporting. TRG shall provide the Academy with:

- (1) All information the Academy's auditors reasonably request.
- (2) Reports on Academy operations and student performance, upon request of the Academy, the Authorizer or the State of Michigan.
- (3) Level of compensation and fringe benefits of employees assigned to the Academy.
- (4) Monthly financial statements to the Academy Board to include a balance sheet, an object-level detailed statement of revenues, expenditures and changes in fund balance that includes a comparison of budget-to-actual information and an explanation of variances.
- (5) Other information on a periodic basis to enable the Academy to monitor TRG's educational performance and the efficiency of its operations of the Academy.



H. Access to Records. TRG shall keep accurate records pertaining to its operation of the Academy, together with all Academy records prepared by or in the possession of TRG, and, unless required by law to be retained for a longer period, retain all of said records for a period of five (5) years from the close of the fiscal year to which such books, accounts and records relate. All financial, educational and student records pertaining to the Academy are Academy property. Such records are subject to the Michigan Freedom of Information Act and shall be physically stored at the Academy's physical facilities or directly accessible at the Academy facility and shall be maintained in accordance with the policies of the Michigan Department of Education. All records shall be kept in accordance with applicable State and Federal requirements. 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 assessable at the Academy facility. TRG and the Academy shall maintain the proper confidentiality of personnel, student and other records as required by law. On an annual basis, TRG shall make all information available to the Academy as deemed necessary by the Academy Board to fully satisfy its obligation under the Contract and at least the information that a school district is required to disclose under MCLA 388.1618 for the most recent fiscal year for which information is available. Within thirty (30) days of receiving the foregoing information, the Academy Board shall make this information publicly available on its website, in a form and manner prescribed by the Michigan Department of Education.

I. Review of Budget. The Academy Board shall be responsible for



reviewing, revising, and approving the annual budget of the Academy.

J. Annual Audit. The Academy Board shall select, retain, and pay for an annual financial audit in accordance with the Contract and applicable state law. TRG shall cooperate with said auditor and will make sure that all Academy's financial records and TRG records related to the Academy will be made available to the Academy and the Academy's independent auditor.

Payment of Academy Funds. TRG or any employee of TRG shall not be a signatory on any Academy Board account. All funds received by the Academy shall be placed in the Academy's depository account as required by law. All interest earned on Academy depository accounts shall accrue to the Academy.

ARTICLE VI

PERSONNEL & TRAINING

A. Personnel Responsibility. Subject to the Contract, and Academy Board policies, TRG shall, in cooperation with the Academy, recommend to the Academy Board staffing levels, and select, evaluate, assign, discipline and transfer personnel, consistent with state and federal law, and consistent with the parameters adopted and included within the Contract. The Academy and TRG agree that TRG has all the rights, discretion and authority required by law to constitute an "employer" as defined in 29 U.S.C. §152(2) of the National Labor Relations Act and is subject to the jurisdiction of the National Labor Relations Board. The Academy Board reserves the right to have TRG personnel placed elsewhere by TRG if the Academy is dissatisfied with their



performance. TRG shall not have contracts with staff assigned to the Academy (including by way of example and not limitation, teachers, administrators, counselors and the like) which contain non-compete agreements of any nature.

B. Principal. Because the accountability of TRG to the Academy is an essential foundation of this partnership, and because the responsibility of the leadership is critical to its success, the Superintendent and Principal will be employees of TRG. Specific to the Principal, TRG and the Superintendent will have the authority, consistent with state law, to select and supervise the Principal and to hold him or her accountable for the success of the Academy. The Superintendent and Principal with TRG, in turn, will have similar authority to select and hold accountable the teachers in the Academy. In regard to Board reporting and correspondence, the Superintendent will be the main correspondence with the board and will report monthly updates as designated. The Principal and other members of the Senior Administrative Team will report out at board meetings as designated by the reporting structure. The Principal, Superintendent and TRG will collaborate and attend each board meeting.

C. Teachers. Subject to the Contract and Academy Board policies, and from time to time thereafter, TRG shall recommend to the Academy Board the number of teachers, and the applicable grade levels and subjects, required for the operation of the Academy. Thereafter, the Academy Board shall determine the number and applicable grade levels and subjects of the Academy. TRG shall provide the Academy with such teachers, qualified in the grade levels and subjects required, as are required by the



Academy Board and the Contract. The curriculum taught by such teachers shall be the curriculum prescribed by the Academy and set forth by the Contract. Such teachers may, in the discretion of TRG, work at the Academy on a full or part time basis, provided that if teachers work at the Academy on a part time basis, such teachers' salaries and benefits shall be pro-rated in the Academy's budget. If assigned to the Academy on a part time basis, such teachers may also work at other schools managed or operated by TRG. Each teacher assigned or retained to the Academy shall hold a valid teaching certificate issued by the State Board of Education under the Code and shall have undergone a criminal background and record check and unprofessional conduct check, as required under the Code for teachers who are employees of the Academy.

D. Support Staff. TRG shall recommend the number and functions of support staff required for the operation of the Academy. The parties anticipate that such support staff may include clerical staff, administrative assistants to the Principal, a bookkeeping staff, maintenance personnel, and the like.

E. Employer of Personnel. Except as specified in this Agreement, all teaching and instructional personnel performing functions on behalf of the Academy shall be employees of TRG. Compensation of all employees of TRG shall be paid by TRG. For purposes of this Agreement, "Compensation" shall include salary, fringe benefits, and state and federal tax withholdings. TRG shall be responsible for paying worker's compensation, liability insurance, social security, unemployment, and any other taxes required by law to be paid on behalf of its employees. Unless required by applicable



statute, court or administrative decision, or Attorney General's opinion, TRG shall not make payments to the Michigan Public School Employees' Retirement System or any other public retirement system on behalf of its employees. TRG shall be responsible for conducting criminal background checks and unprofessional conduct checks on its employees, as if it were a public school academy under the Code and evidence of the same shall be stored, in physical form, at the Academy or directly accessible at the Academy facility. Teachers employed by TRG shall not be considered teachers for purposes of continuing tenure under MCLA § 38.71 *et seq.*

F. Training. TRG shall provide training in its methods, curriculum, program, and technology to all teaching personnel on a regular and continuous basis. The implementation of the educational program is based on developing college and career readiness in all students K-8 in the 21st Century. The achievement of this educational program will be measured by the attainment of the Academy's mission specific goals. Such methodology shall at a minimum use a train the trainer model for TRG's teaching staff to utilize their own professional abilities to provide in-service training to each other. Instructional personnel will receive at least the minimum number of professional development hours as required under the Michigan Code. Non-instructional personnel shall receive such training as TRG determines as reasonable and necessary under the circumstances to fulfill the requirements for the implementation of the educational program.



ARTICLE VII

ADDITIONAL PROGRAMS

A. Additional Programs. The services provided by TRG to the Academy under this Agreement consist of the Education Program during the school year and school day as set forth in the Contract. With prior approval of the Academy Board, TRG may provide additional programs including, but not limited to, adult and community education, summer school, and other special programs. In such cases where TRG is responsible for the cost of providing such additional programs, TRG and the Academy will split, in a proportion agreed upon by the parties in advance of TRG conducting such programs, with the Academy all revenues collected, less expenses to the Academy caused by such programs.

B. Food Service and Transportation. TRG will provide transportation services to students at the Academy as available within the budget and approved by the Board. The students will be provided a catered lunch program under the normal school lunch program as outlined by the National School Lunch Program.

ARTICLE VIII

TERMINATION OF AGREEMENT

A. Termination By TRG. TRG may terminate the Agreement with cause prior to the end of the term specified in Article I in the event the Academy fails to remedy a material breach with Ninety (90) days after notice from TRG. A material breach may include, but is not limited to, failure to make payments to TRG as required by this



Agreement, or unreasonable failure to adhere to the personnel, curriculum, program, or similar material recommendations of TRG.

B. Termination by the Academy. The Academy may terminate this Agreement with cause prior to the end of the term in the event that TRG should fail to remedy a material breach within Ninety (90) days after notice from the Academy. Material breach may include, but is not limited to, violation of this Agreement, violation of Academy's Contract with the Authorizer, failure to account for its expenditures or to pay operating costs (providing funds are available to do so), any action or inaction by TRG which causes the Contract to be revoked, terminated, suspended or which causes the Contract to be put in jeopardy of revocation, termination or suspension by the Authorizer, or unreasonable failure to meet performance standards.

C. Change in Law. If any federal, state, or local law or regulation, or court decision has a material adverse impact on the ability of either party to carry out its obligations under this Agreement, then either party, upon written notice, may request renegotiating of the Agreement; and if the parties are unable or unwilling to renegotiate the terms within ninety (90) days after the notice, the party requiring the renegotiation may terminate this Agreement on ninety (90) days further written notice.

D. Effective Date of Termination. In the event that this Agreement is terminated by either party prior to the end of the term specified in Article I, absent unusual and compelling circumstances, the termination will become effective at the end of the current fiscal year following the notice of termination.



E. Expiration. Upon expiration of this Agreement at the completion of the Contract term and where there is no renewal, or upon the termination of this agreement, whether with or without cause, TRG shall have the right to (a) reclaim any usable property or equipment (e.g., copy machines, personal computers) it provided to the Academy at TRG's expense and not paid for by the Academy, or (b) to make payment for any such property, at the sole option of the Academy. If the Academy chooses to purchase such property, the purchase price shall be either fair market value of such property determined as of the effective date of the termination or expiration of this Agreement or the depreciated cost of such property, whichever is less. Fixtures and building alterations shall become the property of the building owner.

F. Transition and Termination. In the event of a mid-school year termination, parties agree to work cooperatively to transition management and operations of the school without disrupting the school's operations. Upon termination, TRG shall work for a period up to ninety (90) days if deemed necessary by the Academy to transition to a new Educational Service Provider. The fee shall be in accordance with the compensation stated herein. In the event of any termination prior to the end of the Term of this Agreement or expiration of this Agreement, or if this Agreement is terminated due to a Contract revocation, reconstitution, termination or non-renewal, TRG shall, without additional charge: (i) 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; (ii) organize and prepare student records for transition to the new educational service provider (“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; (iii) 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 the ESP to the Academy; (iv) organize and prepare the Academy’s records, both electronic and hard-copy, for transition to the new ESP, self-management or dissolution; and (v) 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, for up to ninety (90) days. This includes any keys, log-in information and passwords related to any Academy asset.

G. Revocation or Termination of Contract. If the Academy’s Contract issued by the Grand Valley State University Board of Trustees is revoked, terminated or a new charter contract is not issued to the Academy after expiration of the Academy’s Contract, this Agreement shall automatically terminate on the same date as the Academy’s Contract is revoked, terminated or expires without further action of the parties.

H. Amendment Caused By Academy Site Closure or Reconstitution. In the event that the Academy is required (i) to close an Academy site pursuant to a notice



issued by the State School Reform/Redesign Officer under Section 507 of the Code, MCL 380.507; or (ii) to undergo a reconstitution pursuant to Section 507 of the Code, MCL 380.507, and the Contract Terms and Conditions, and such closure of an Academy site or reconstitution causes an amendment to or termination of this Agreement, the parties agree that this Agreement shall be amended or terminated to implement the Academy site closure or reconstitution, with no cost or penalty to the Academy, and TRG shall have no recourse against the Academy or the University Board for implementing such site closure or reconstitution.

ARTICLE IX

PROPRIETARY INFORMATION

A. **Proprietary Information.** The Academy owns all proprietary rights to curriculum or educational materials that: (i) are both directly developed and paid for by the Academy; or (ii) were developed by TRG at the direction of the Academy Board with Academy funds. TRG owns all proprietary rights to curriculum and educational materials previously developed or copyrighted by TRG, curriculum and educational materials developed by TRG not using funds from the Academy. TRG and the Academy shall each have the sole and exclusive right to license materials for which they own proprietary rights for use by other school districts, public schools and customers or to modify and/or sell material to other schools and customers. The Academy and TRG each shall use reasonable efforts to ensure that its personnel and agents refrain from disclosing, publishing, copying, transmitting, modifying, altering or utilizing proprietary information



owned by the other party. TRG's educational materials and teaching techniques used by the Academy are subject to disclosure under the Revised School Code and the Freedom of Information Act.

B. Compliance with Section 503c [or 553c if SOE]. On an annual basis, the ESP agrees to provide the Academy Board with the same information that a school district is required to disclose under section 18(2) of the State School Aid Act of 1979, MCL 388.1618, for the most recent school fiscal year for which the information is available. Within thirty (30) days of receipt of this information, the Academy Board shall make the information available on the Academy's website home page, in a form and manner prescribed by the Michigan Department of Education. The defined terms in section 503c [553c if SOE] of the Code, MCL 380.503c [553c if SOE], shall have the same meaning in this Agreement.

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

D. Compliance with Section 11.23 of Contract Terms and Conditions. The ESP shall make information concerning the operation and management of the Academy, including without limitation the information described in Schedule 6 of the Contract,



available to the Academy as deemed necessary by the Academy Board in order to enable the Academy to fully satisfy its obligations under Section 11.23(a) of the Contract Terms and Conditions.

ARTICLE X

INDEMNIFICATION

A. Indemnification. To the extent permitted by law, the Academy shall indemnify and save and hold TRG and all if its employees, officers, directors, subcontractors, and agents (collectively “TRG Employees”) harmless against any and all claims, demands, suits, or other forms of liability that may arise out of, or by reason of, any action taken or not taken by TRG or any of its TRG employees in the event of any claim that this Agreement or any part thereof is in violation of law; any noncompliance by the Academy with any agreements, covenants, warranties, or undertakings of the Academy contained in or made pursuant to this Agreement; and any misrepresentation or breach of the representations and warranties of the Board contained in or made pursuant to this Agreement. In addition, the Academy shall reimburse TRG for any and all legal expenses and costs associated with the defense of any such claim, demand, or suit.

TRG shall indemnify and save and hold the Academy and all if its employees, officers, directors, subcontractors, and agents (collectively “Academy Employees”) harmless against any and all claims, demands, suits, or other forms of liability that may arise out of, or by reason of, any action taken or not taken by the Academy or any of its



Academy Employees in the event of any claim that this Agreement or any part thereof is in violation of law; any noncompliance by TRG with any agreements, covenants, warranties, or undertakings of TRG contained in or made pursuant to this Agreement; and any misrepresentation or breach of the representations and warranties of the Board contained in or made pursuant to this Agreement. In addition, TRG shall reimburse the Academy for any and all legal expenses and costs associated with the defense of any such claim, demand, or suit.

B. Indemnification of Grand Valley State University. The parties acknowledge and agree that the Grand Valley State University Board of Trustees, Grand Valley State University and its members, officers, employees, agents or representatives are deemed to be third party beneficiaries for purposes of this Agreement. As third party beneficiaries, the parties hereby promise to indemnify and hold harmless Grand Valley State University Board of Trustees, Grand Valley State University and its members, officers, employees, agents or representatives from all claims, demands, or liability, including attorney fees, and related expenses, on account of injury, loss or damage, including, without limitation, claims arising from bodily injury, personal injury, sickness, disease, death, property loss or damage or any other losses of any kind whatsoever and not caused by the sole negligence of Grand Valley State University, which arise out of or are in any manner connected with Grand Valley State University Board's approval of the Application, the University Board's consideration of or issuance of a Contract, the Academy's preparation for and operation of a public school, or which are incurred as a result of the reliance by



Grand Valley State University and its Board of Trustees members, officers, employees, agents or representatives upon information supplied by the Academy or the ESP, or which arise out of the failure of the Academy to perform its obligations under the Contract issued to the Academy by Grand Valley State University Board of Trustees. The parties expressly acknowledge and agree that Grand Valley State University and its Board of Trustee members, officers, employees, agents or representatives may commence legal action against either party to enforce its rights as set forth in this Agreement.

ARTICLE XI

INSURANCE

TRG shall secure and maintain insurance coverage as required by the Michigan Universities Self Insurance Corporation (MUSIC) and the Contract. The Academy shall maintain insurance coverage in the amounts required by MUSIC and the Contract. The Academy shall also maintain such insurance as shall be necessary to indemnify TRG as provided in this Agreement. Each party shall, upon request, present evidence to the other that it maintains the requisite insurance in compliance with the provisions of this paragraph. TRG shall comply with any information or reporting requirements applicable to the Academy under the Academy's policy with its insurer(s), to the extent practicable. TRG insurance shall include coverage for sexual molestation or abuse, will list the Academy as an additional named insured and shall not be changed, revoked or modified



absent thirty (30) days notice to the Academy and Authorizer. In the event the Authorizer or MUSIC requests any change in coverage by TRG, TRG 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.

ARTICLE XII

WARRANTIES AND REPRESENTATIONS

The Academy and TRG each represent that it has the authority under law to execute, deliver, and perform this Agreement, and to incur the obligations provided for under this Agreement, that its actions have been duly and validly authorized, and that it will take all steps reasonably required to implement this Agreement. The Academy and TRG mutually warrant to the other that there are no pending actions, claims, suits, or proceedings, to its knowledge, threatened or reasonably anticipated against or affecting it, which if adversely determined, would have a material adverse affect on its ability to perform its obligations under this Agreement.

ARTICLE XIII

MISCELLANEOUS

A. Sole Agreement. This Agreement supersedes and replaces any and all prior agreements and understanding between the Academy and TRG.

B. Force Majeure. Neither party shall be liable if the performance of any part or all of this contract is prevented, delayed, hindered, or otherwise made



impracticable, or impossible by reason of any strike, flood, riot, fire, explosion, war, act of God, sabotage, accident, or any other casualty, or cause beyond either party's control, and which cannot be overcome by reasonable diligence and without unusual expense.

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

With a copy to:

Hanley International Academy
2400 Denton Street
Hamtramck, MI 48212
Attn. President, Board of Directors

George Butler
Dickinson Wright PLLC
500 Woodward Ave.
Suite 4000
Detroit, MI 48226

The Romine Group, Inc.

Corporate Headquarters
7877 Stead Street
Utica, Michigan 48317
Attention: Paul C. Romine

Davis, Burket, Savage, Listman,
Brennan
10 N. Main Street
Suite 401
Mt. Clemens, MI 48043
Attention: John L. Burket

D. Severability. The invalidity of any of the covenants, phases, or clauses in this Agreement shall not affect the remaining portions of this Agreement, and this Agreement shall be construed as if such invalid covenant, phase, or clause had not been contained in this Agreement.



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

F. Entire Agreement. This Agreement is the entire agreement between the parties relating to the services provided, and the compensation for such services. No modification of this Agreement shall be valid or binding unless such modification is in writing, dated and signed by the authorized representatives of each party and is done in a manner consistent with Authorizer's Educational Service Provider Policies. Said amendment shall not be contrary to this Section and it must be accompanied by a Legal Opinion.

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

H. Assignment. This Agreement shall not be assigned by either party without the prior written consent of the other party and prior notification to the Authorizer. Any assignment must also be done in a manner consistent with the Authorizer's Educational Service Provider Policies.

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



J. Governing Law. This Agreement shall be governed by and enforced in accordance with the law of the State of Michigan.

K. Dispute Resolution. 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 Wayne 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 Wayne County, Michigan, with such variations as the parties and mediator unanimously accepts. 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.

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 Wayne 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.

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

THE ROMINE GROUP, INC.

HANLEY INTERNATIONAL ACADEMY

BY: M. GREG LATROP

ITS: VICE-PRESIDENT

DATE: 6-7-19

BY: JEFFREY M. LEIB

ITS: PRESIDENT

DATE: 6/15/2019