

**BUSINESS, PERSONNEL AND
ADMINISTRATIVE SERVICES AGREEMENT**

This Agreement is made effective as of July 1, 2024 by and between UNIVERSAL MANAGEMENT COMPANY, LLC, a Michigan limited liability company ("Universal Management") with offices located at 2570 Seminole, Ann Arbor, Michigan 48108 and MULTICULTURAL ACADEMY, a Michigan non-profit corporation (the "Academy").

BACKGROUND

The Academy operates a public school academy in the State of Michigan under a contract issued by Bay Mills Community College Board of Regents (the "Authorizer" or "College Board") dated July 1, 2024 (the "Contract"), pursuant to Part 6A of the Revised School Code (the "Code"). Universal Management provides administrative services, staffing, personnel management and business services. The Academy desires to contract with Universal Management to provide administrative services, staffing, personnel management services and business services.

TERMS AND CONDITIONS

Universal Management will provide services to the Academy on terms and conditions contained herein, and the parties agree as follows:

L. Services. Universal Management will provide the following services (the "Services") to the Academy during the Term of this Agreement as hereafter defined. The Services will be provided by employees of Universal Management. Universal Management may utilize independent contractors to provide the Services only as specified in this Agreement.

A. ADMINISTRATIVE SERVICES

1. Planning and Board Support

a. **Regulatory Compliance.** Universal Management will assist the Academy in maintaining compliance with statutory requirements governing Academy Board of Director ("Board") activities and documentation. Universal Management will also facilitate compliance with the Michigan Freedom of Information and Open Meeting statutes and with relevant Michigan Department of Education requirements.

b. **Authorizer and Reporting Compliance.** Universal Management will advise the Academy in regard to compliance with all requirements promulgated by the Authorizer and maintain relevant communication with both the Board and the Authorizer. Universal Management will also monitor

compliance with the Academy's educational reporting requirements.

c. Board Meetings and Documentation. Universal Management will assist in the preparation of appropriate materials for consideration by the Board and will produce Board meeting agendas with the items set forth by the Board only. Universal Management will also produce meeting minutes, distribute minutes to appropriate parties, and maintain complete records of such. Universal Management will provide an independent qualified Board recording secretary who is accepted by the Board to perform these duties. Universal Management will compensate the Board recording secretary at its own cost.

d. Board Consulting. Universal Management will provide, at its own cost, a consultant who will periodically appear at the Board's meetings, upon the Board's request, and advise the Board with respect to strategic planning, business planning, and market planning, among other issues.

e. Operational Consultation. Universal Management will provide, at its own cost, a consultant who will advise the Academy on issues that may come up in the course of operating a Michigan public school academy including, but not limited to issues involving students, staff, curriculum, fiscal matters, and/or other operational issues.

f. Reporting. Universal Management will prepare and present the monthly, quarterly, and annual financial reports, the monthly administrative and service reports, and any incidental reports at every regular or special Board meeting. All reports shall be in a format required or special Board meeting. All reports shall be in a format required by the Contract or applicable law. The Board shall be responsible for selecting and retaining the independent accounting firm to perform the Academy's annual financial audit in accordance with the Contract and applicable law.

2. Site Administration.

a. Maintain Security of Educational Facilities. Universal Management will make any necessary arrangements to ensure the security and safety of the Academy's campus and will provide supervision over all employees and/or contractors charged with maintaining the security and safety of the Academy's educational facility, equipment, and supplies.

b. Transportation Oversight. Universal Management will supervise the Academy's transportation system including, among other things, bus acquisition and maintenance, driver recruitment, employment processing and oversight, route planning and selection, bus disciplinary procedures, and bus security and safety.

c. Facility Maintenance Oversight. Universal Management will review and adjust facility maintenance schedules and procedures as necessary, oversee and assure the accountability of any maintenance contractors, and review performance in order to ensure the accountability of any maintenance contractors and to ensure that maintenance services are consistent and up to the Academy's standards for quality, security, and safety. Universal Management will supervise the Academy's custodial personnel and manage the custodial department.

d. Food Service. Universal Management will supervise the Academy's food service program and will ensure that menus meet any applicable state or federal regulations or guidelines. Universal Management will also monitor the Academy's food service program and ensure compliance with contracts, and timely filing of any deposits of all food service funds.

e. Procurement Services. Universal Management will manage all purchasing for the Academy with regard to non-instructional supplies, equipment, and service contracts, and Universal Management will oversee and manage vendor relations. Universal Management will implement and maintain all purchase orders and ensure implementation of the Academy's financial policies and procedures. All acquisitions made by Universal Management for the Academy with funds Universal Management has received pursuant hereto including, but not limited to acquisitions of: 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 Universal Management purchases supplies, materials, or equipment from third parties as agent for or on behalf of the Academy, Universal Management shall comply with Section 1274 of the Code as if the Academy was making such purchases directly from a third party and such supplies, materials, or equipment shall be and remain the property of the Academy. Universal Management certifies that there shall be no markup or added fees or charges for

supplies, materials, or equipment procured by Universal Management 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.

f. IT Management. Universal Management will provide, at its own cost, at least a part-time technician who will oversee the Academy's information technology and computing infrastructure and ensure that the Academy's IT and computer systems are maintained in working order. Universal Management will serve as the interface with IT, computer system vendors and service providers and will ensure that the Academy's IT and computer systems are as effective and efficient as possible, given the Academy's budgetary limitations.

g. Athletic Programs Management. Universal Management will plan and oversee the Academy's athletic program in coordination with the Academy's leadership and staff and, as approved by the Board including, but not limited to, recruitment of coaches, performance of criminal background checks for athletic staff, maintenance of appropriate documentation, negotiation of game schedules, hiring of referees and officials as necessary, supervision of practice and game safety, and ensuring compliance with the Academy's budgetary and academic constraints.

h. Extra-Curricular Programs. Universal Management will assist the Academy's leader and staff in planning and supervising appropriate after school extra-curricular programs and activities as necessary to meet the needs of the students enrolled in the Academy as recommended by the Academy's leader and approved by the Board.

i. Parent and Family Services. Universal Management will provide a qualified site administrator who, among other duties, will serve, upon the academy leader's request, as a parent liaison for families with children enrolled in the Academy and will provide assistance and support to families that may face language or cultural barriers.

j. Data Security Breach. In the event the Academy experiences a data security breach of personally identifiable information ("PII") from the Academy's education records not suitable for public release, Universal Management shall notify the Academy and take action to remediate the security breach, in accordance with MCL 445.72, by taking appropriate action to assess the risk and notify affected individuals whose personal information may have been compromised.

k. Additional Duties. Universal Management will provide such additional services as are reasonably assigned to Universal Management by the Board from time to time. Such additional duties, if any assigned, will need to be documented as amendment to this Agreement or in a separate agreement, which will need to comply with the Contract and Authorizer policies, including review and non-disapproval procedures.

3. School Support

a. Curriculum and Instruction. Universal Management will provide professional support to the Academy's leader in regard to curriculum, materials, staffing, assessment, and evaluation, and providing analysis of student and staff data appropriate to achieve a program of high quality.

b. School Improvement. Universal Management will provide professional and technical support in developing and implementing school improvement plans and initiatives consistent with Board approved budgets and in complying with all laws and regulatory guidelines. Universal Management will further assist the Board in developing and completing all school improvement related reports required by the Michigan Department of Education and United States Department of Education guidelines.

c. Compliance Support. Universal Management will ensure compliance with all requirements of the Authorizer, the Michigan Department of Education, Washtenaw Intermediate School District, the Center for Educational Performance and Information, United States Department of Education, and any other relevant state or federal agency.

d. High School Development. Universal Management will provide appropriate professional support to the Academy's leader and staff to achieve a high quality high school program that makes optimum use of virtual resources while meeting the needs of the Academy's high school student body.

e. Reauthorization. Universal Management will provide professional/consultant and technical assistance to the academy leader and its Board in the reauthorization process.

f. Recruitment of Students. Universal Management and the Academy shall be jointly responsible for the lawful recruitment

and enrollment of students, subject to Board approved policies and the provisions of the Contract. Students shall be selected in accordance with the procedures set forth in the Contract and in compliance with applicable law. Universal Management shall follow all applicable Academy policies and procedures regarding student recruitment, enrollment, and lottery management and shall assist the Academy with the publication of appropriate public notices and scheduling open houses.

B. STAFFING AND PERSONAL MANAGEMENT

1. Provision of Qualified Personnel. Universal Management will provide qualified and certified personnel, that are employees of Universal Management including, but not limited to, school administrators, certified or permitted teachers, support and custodial staff, and accounting, bookkeeping, the academy leader, and other business management personnel per the Academy's Board or the Academy's leader's request. Universal Management will ensure that all Academy staff members provided by Universal Management receive timely criminal background and unprofessional behavior checks, and the Academy grants all necessary authority to Universal Management to have such inquires accomplished. The Board will determine staffing levels. The Academy's leader and the Board reserve the right to the final approval of personnel employment at the Academy.

2. Payroll, Salary, Wage, and Benefits Administration Services. Universal Management will provide payroll and other related accounting services, salary, wage, tax and benefits administration services to the Academy, including management of COBRA benefits where applicable. Consistent with the Board's approved budget, the Academy will determine the level of compensation and benefits for Universal Management employees provided to the Academy.

3. Personnel Management and Records Management. Universal Management will provide personnel management and records management services for the Academy, including compliance with Michigan Department of Education and Department of Labor requirements. Universal Management will maintain necessary certification and "highly qualified" status records for applicable personnel.

4. Personnel Reporting. Universal Management will complete all required Michigan Department of Education personnel reporting for

the Academy's staff provided by Universal Management during the term of this Agreement.

5. Personnel Evaluation. As required by the Code, Universal Management is responsible for, and will be involved in the periodical evaluation of, the performance of the teaching and or administrative staff at the Academy, including the obligations under MCL 380.1249 and 380.1249a. The Academy's leader shall periodically report to Universal Management on the performance of Universal Management employees assigned to the Academy and make recommendations that will assist Universal management in the evaluation of its employees' performance at the Academy. The academy leader shall be evaluated by the Board President and the Chief Administrative Officer ("CAO").

6. No Non-Compete Clauses. Universal Management understands and agrees that Universal Management's personnel who perform work at the Academy shall not be required to sign a non-competition, no-hire, or any similar provision prohibiting or restricting the Academy from hiring Universal Management staff that perform work at the Academy.

C. BUSINESS SERVICES.

1. Accounting Services. Universal Management will manage or will contract, at its own cost, a firm approved by the Board who will manage all of the Academy's accounts receivable and accounts payable and will issue checks for the Academy payroll and business as necessary. No Academy funds shall be commingled or under the dominion or control of Universal Management or its contractors. No Universal Management officer or employee may be a signatory to any Academy bank account. Universal Management or its contractors will also reconcile all Academy bank statements and provide such reconciliations to the Board at its monthly regular meetings or upon a specific time request.

2. Budget Monitoring. Universal Management shall prepare and present a proposed annual budget in accordance with a timeline that permits the Academy to meet its obligations to complete its budget review and approval in accordance with the Contract and applicable law. The Board shall be responsible for reviewing, revising, and approving the annual budget of the Academy. Universal Management may not make expenditures or commitments which deviate from the amounts or purposes of appropriations contained in

the approved budget without the prior approval of the Board in the form of an approved amendment of the budget in accordance with applicable law and the Contract. In addition, the Board is responsible for determining the budget reserve amount included as part of the Academy's annual budget, for implementing fiscal policies that will assist the Academy in attaining the stated budget reserve amount, and for approving necessary amendments to the budget to reflect necessary deviations, if any, from the adopted budget. The budget may be amended from time to time as deemed necessary by the Board. Universal Management or its contractors will monitor the Academy's budgets and financial reports to ensure availability of funds, oversee and ensure the timely submission of purchase orders, invoices, and receipts as necessary, and generally administer and ensure compliance with all financial controls as may be adopted by the Board and report at least monthly to the Board on the Academy's financial status. Universal Management shall present to the Board monthly financial statements that (at a minimum) 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. The foregoing presentations shall be in a form and format acceptable to the Board and are to be provided to all Board members not less than five (5) working days prior to the Board meeting at which the information will be presented and discussed.

D. ASSISTANCE WITH BUDGETING AND STATE AID

1. Universal Management, or its contractors, will actively and professionally participate in the development of annual budget and periodic budget amendments and will assist the Board in the preparation of the Academy's annual budget and independent audits. Universal Management will assist the Academy in preparing applications for state aid anticipation loans, and/or state aid bridge loans and shall not charge a separate fee for preparing such applications.

II. Service Fees. The Academy will pay Universal Management as follows:

A. Cost of Services Annual Fee: Universal Management is not a costs only management company and does charge additional per pupil state aid percentage which will amount to 12% of the state fund. Currently calculated as such based on both proposed and amended budget 2023-2024 and 2024-2025 the Management fee is calculated based on 12% of \$3,400,000 allocated stated fund which equals \$408,000.00 Annually/12=\$34,000 monthly. This

calculation will be reviewed after each count day based on any changes in student enrollment. Services included in the fee are as follows:

1. An on campus, full-time employee who will supervise all services as listed and specified in this Agreement ("Site Administrator");
2. An on-campus, at least part-time, executive administrator who will assume complete responsibility for all issues of governance and compliance and monitor the Academy's educational reporting requirements;
3. Services to support the Academy's information technology systems and computing infrastructure needs;
4. The entire financial operation management system including, but not limited to, all Academy accounting needs, Academy payroll, management, loan processing, and reporting requirements;
5. Marketing and development expenses (provided that such marketing and development costs charged to the Academy shall be limited to those costs specific to the Academy and shall not include any costs for the marketing and development of Universal Management), except in the circumstance in which a grant is utilized by Universal Management for such services and the grant provisions allow outside funding / reimbursement by the Academy;
6. Grant consulting services including grant writing, grant research, and grant application services; except in the circumstance in which a grant is utilized by Universal Management for such services and the grant provisions allow outside funding / reimbursement by the Academy;
7. Management and coordination of Board meetings, including postings, notices, agendas, and Board meeting minutes;
8. Management and operational consulting services provided to the Board, as needed. Such additional services shall be approved in advance by the Board and Universal Management, and shall be set forth in an amendment to this Agreement which shall be presented to the Authorizer for non-disapproval in accordance with the Contract and applicable law;

9. Planning and board support services;
10. Maintaining security of educational facilities;
11. Procurement services;

B. Reimbursable Costs. The Academy will reimburse Universal Management only for all costs reasonably incurred, approved in advance by the Board, properly documented by Universal Management and paid by Universal Management in providing the services specifically related to the Academy ("Reimburse Costs Fee"). Services which are to be reimbursed under the Reimburse Costs Fee are as follows:

1. An on-campus, at least part-time, qualified technician who will monitor and service the Academy's information technology systems and computing infrastructure needs;
2. Transportation oversight;
3. Food service;
4. Other expenses not listed in Section A as agreed to by both Parties.

Universal Management will invoice the Academy for the reimbursement of all such costs with a detailed receipt of materials or services provided. The Academy shall only reimburse for costs included in the Academy's annual operating budget approved by the Board or as amended during the academic year. In paying such costs on behalf of the Academy, Universal Management shall not charge an added fee (or mark-up). No corporate costs of Universal Management shall be charged to or reimbursed by the Academy. If desired, the Board may advance funds to Universal Management for such costs before such costs are incurred (rather than reimburse Universal Management after the expense is incurred).

Universal Management shall provide to the Academy or the Board proper documentation and accounting of any advanced funds or reimbursement, and such accounting shall be ratified by the Board at its next regularly scheduled meeting.

All items acquired with Academy funds including, but not limited

to, instructional materials, equipment, supplies, furniture, computers, and other technology shall be owned by and remain the property of the Academy.

C. Additional Services. If the Academy requests Universal Management to provide any services in addition to the Services (including consulting services) set forth in this Agreement, the parties will negotiate an appropriate fee prior to the time services are rendered reflecting the actual cost of the services to be provided, and such agreement shall be in writing and approved by the Board and Universal Management as an amendment to this Agreement.

III. Payment of Salaries by Academy. The Academy will be responsible for the payment of salaries, fringe benefits, worker's compensation, unemployment compensation, and local, state, and federal taxes for all individuals employed by the Academy, if any.

IV. Payment of Salaries by Universal Management. Universal Management will be solely responsible for the payment of salaries, fringe benefits, worker's compensation, unemployment compensation, liability insurance, and local, state, and federal taxes for all individuals employed by Universal Management that participate in the provision of services to the Academy whether specified or not specified under this Agreement. Universal Management is responsible for paying employees leased to the Academy or working on Academy operations irrespective of whether Universal Management receives an advancement of its costs or the payment of services from the Academy. Universal Management shall not seek or be reimbursed or paid for its corporate expenses and overhead except for the costs specifically outlined in the Reimbursable Costs Section II(B)(1)-(4) above. Corporate expenses and overhead include, but are not limited to: Universal Management's rent, utilities, equipment, supplies, central office staff, corporate payroll, vehicles, corporate travel, and other such costs incurred as a result of Universal Management's operation in servicing the Academy. Universal Management, to the extent it utilizes third parties to perform its obligations pursuant to this Agreement, shall not seek reimbursement for the costs of those services.

V. Unusual Events. Both parties agree to notify each other immediately of any known health, safety, or other violations and of any anticipated labor, employee, or funding problems or other problems or issues that could adversely affect Universal Management or the Academy complying with their respective responsibilities hereunder. Universal Management and the Academy mutually agree to contact each other immediately of any threatened or actual revocation,

termination, non-renewal, or non-reauthorization of the Contract. Universal Management shall notify the Board if any principal or officer of Universal Management, or Universal Management (including any related organizations or organizations in which a principal or officer of Universal Management served as a principal or officer) as a corporate entity, files for bankruptcy protection.

VI. Confidential Information and Proprietary Rights. The Academy and its Board hereby agree and acknowledge that in the course of performance of this Agreement, the Academy may be exposed to certain confidential information or trade secrets of Universal Management including, but not limited to, know-how, technical information, computer software, training materials, training methods, practices and related information, and computer software considered to be confidential in nature ("Confidential Information"). Subject to the limitations of MCL 380.505(3), the Freedom of Information Act, other applicable law and the Contract with the Authorizer, the Academy agrees that any Confidential Information communicated to or received or observed by the Academy will be held in confidence and not disclosed to others without Universal Management's prior written consent. All Confidential Information disclosed to or observed or received by the Academy will at all times remain the property of Universal Management, and all documents, together with any copies or excerpts thereof, will be promptly returned to Universal Management upon request. Notwithstanding the foregoing, the parties understand and agree that all Universal Management's educational materials and teaching techniques used by the Academy are subject to disclosure under the Code and the Freedom of Information Act. The provisions of this section will survive the termination of or the expiration of this Agreement. The provisions of this section will not apply to curriculum or other materials developed and paid for by the Academy or developed by Universal Management at the direction of the Academy or its Board with Academy funds or to any information subject to disclosure under the law. The Academy will own all proprietary rights to curriculum or educational materials that: (1) are both directly developed and paid for by the Academy; or (2) were developed by Universal Management at the direction of the Academy or its Board with Academy funds dedicated for the specific purpose of developing such curriculum or materials.

VII. Indemnification

A. **By the Academy.** To the extent permitted by applicable law, the Academy shall indemnify, save and hold Universal Management and all of its employees, officers, directors, subcontractors, and agents (collectively "Universal Management 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 the Academy with any agreements, covenants, warranties, or undertakings of the Academy contained in or made pursuant to this Agreement, and/or any misrepresentation or breach of the representations and warranties of the Academy contained in or made pursuant to this Agreement. In addition, the Academy shall reimburse Universal Management for any and all legal expenses and costs associated with the defense of any such claim, demand, or suit.

B. By Universal Management. Universal Management shall indemnify, save and hold the Academy and all of 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 Universal Management or any of its Universal Management employees in the event of any claim that this Agreement or any part thereof is in violation of law, any noncompliance by Universal Management with any agreements, covenants, warranties, or undertakings of Universal Management contained in or made pursuant to this Agreement, and/or any misrepresentation or breach of the representations and warranties of Universal Management contained in or made pursuant to this Agreement. In addition, Universal Management shall reimburse the Academy for any and all legal expenses and costs associated with the defense of any such claim, demand, or suit

C. Of Bay Mills. The parties acknowledge and agree that the Bay Mills Community College Board of Regents, Bay Mills Community College and its respective members, officers, employees, agents or representatives (all collectively referred to as "Bay Mills Community College") are deemed to be third party beneficiaries for purposes of this Agreement. As third party beneficiaries, Universal Management hereby promises to indemnify, defend, and hold harmless Bay Mills Community College against all claims, demands, actions, suits, causes of action, losses, judgments, damages, fines, penalties, forfeitures, or any other liabilities or losses of any kind, including costs, attorney fees, and related expenses, imposed upon or incurred by Bay Mills Community College 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 Bay Mills Community College, which arise out of or are in any manner connected with Bay Mills Community College Board of Regents' approval of the Academy's application, Bay Mills Community College Board of Regents' consideration of or issuance of a Contract, Universal Management's preparation for and operation of the Academy, or which are incurred as a result of the reliance by Bay Mills Community College upon information supplied by Universal Management, or which arise out of the failure of Universal Management to perform its obligations under the Contract, the Agreement or Applicable Law, as applicable. The parties expressly acknowledge and agree that Bay Mills Community College, Bay Mills Community College Board of Regents and its members, and their respective officers, employees, agents or representatives, or any of them, may commence legal action against Universal Management to enforce its rights as set forth in this Agreement.

VIII. Insurance

A. **Insurance of the Academy.** The Academy shall maintain insurance coverage in the amounts required by the Contract, including the indemnification of Universal Management provided by this Agreement. In the event that the insurance carrier for the Academy's Authorizer requests changes in the coverage identified in the Contract, the Academy agrees to comply within thirty (30) days after written notice of the insurance coverage change. The Academy shall, upon request, present evidence to Universal Management that it maintains the requisite insurance in compliance with the provisions of this paragraph. Universal Management shall comply with any information or reporting requirements applicable to the Academy under the Academy's policy with its insurer(s) or the Contract.

B. **Insurance of Universal Management.** Universal Management shall secure and maintain general liability insurance, with the Academy listed as an additional insured. Universal Management shall maintain, at a minimum, insurance coverage amounts and policies which the Academy is required to obtain under the Contract, including the indemnification of the Academy provided by this Agreement and including coverage for sexual molestation or abuse. Universal Management's insurance is separate from and in addition to the insurance the Board is required to obtain under the Contract. Universal Management's cost of procuring insurance coverage under this Agreement is a corporate cost to be paid by Universal Management. Universal Management shall, upon request, present evidence

to the Academy that it maintains the requisite insurance in compliance with the provisions of this paragraph. The Academy shall comply with any information or reporting requirements applicable to Universal Management under Universal Management's policy with its insurer(s).

C. **Worker's Compensation Insurance.** Each party shall maintain worker's compensation insurance, when and as required by law, covering their respective employees.

IX. Term and Termination. Except as otherwise set forth in this Agreement, the term of this Agreement will commence as of the effective date hereof and will expire on June 30, 2028. The Academy may terminate this Agreement for cause at any time prior to the expiration of the term by providing written notice of such termination to Universal Management, specifying the reason for such termination, fourteen days (14) prior to the effective date of such termination, subject to the provisions below. For purposes of this Agreement, "causes" shall include the following: (a) material breach of this Agreement, criminal activity, or violations of any law or statute that provides for criminal penalties by any of Universal Management's employees, officers, or directors; (b) failure to perform Universal Management's duties under this Agreement at a level that meets the Academy's expectations as determined by a majority vote of the Board; (c) financial misconduct of any kind by any of Universal Management's employees, whether relating to the Academy or otherwise; or (d) significant repeated violations of the Academy's policies and procedures by any of Universal Management's employees. If either party terminates the Agreement, all records, property, and assets shall be accounted for and transferred to their rightful owners within thirty (30) days of the effective date of termination, subject to the provisions below. If the Academy's Contract issued by the Authorizer is suspended, revoked, or terminated or a new charter contract is not issued to the Academy after expiration of the Contract, this Agreement shall automatically be suspended or terminated, as the case may be, on the same date as the Academy's Contract is suspended, revoked, terminated or expires without further action of the parties. Anything to the contrary herein notwithstanding, and in the event the Agreement is extended, renewed, or a new agreement is entered into, the Academy Board shall have the right to terminate the Agreement after three years if the Agreement's term is otherwise in excess of three years. The term of this Agreement shall not exceed the term of the Academy's Contract.

Any termination of this Agreement for cause or without cause shall not take effect until the earlier of (i) an approved agreement by the Academy with another Educational Service Provider ("ESP") (or self-management) is in effect; or (ii) the end of the current school year in which the termination is invoked. A change in ESP (or a decision to self-manage) in mid school year is strongly discouraged and will be disapproved by the Authorizer absent compelling circumstances and a clear demonstration that the new ESP (or transition to self-management) can seamlessly assume management and

operations of the school without disrupting the school's operations.

Upon termination or expiration of the Agreement, or when the Agreement is terminated due to a Contract revocation, reconstitution, termination or non-renewal, Universal Management shall, without charge: (i) close the books on the then-current school fiscal year; (ii) organize and prepare the Academy's records for transition to the new ESP, self-management or dissolution; (iii) provide the Academy with an updated fixed asset schedule showing all property owned by the Academy; (iv) provide an updated list of outstanding vendor invoices with total amount owed (including the total outstanding owed by the Academy to Universal Management, if any); (v) the amount owed by Universal Management to the Academy, if any; (vi) organize and prepare student records for transition to the new ESP, self-management or in the case of a school closure, transfer to a student's new school as designated by the student's parent / legal guardian or to a person or entity authorized to hold such records; (vii) ensure the closeout of existing grants and the transfer of grant funded property to the Academy, if applicable; and (viii) 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 Universal Management to the Academy.

- X. **Condition Precedent.** The parties expressly agree and acknowledge that the effectiveness of this Agreement is expressly contingent on the continued validity of the Contract or the issuance, prior to the expiration of the Contract, of a new or renewed Contract with the Authorizer or a new authorizer, such that the Academy is able to continue operations without violating Michigan laws governing public school academies and without losing any necessary sources of funding. If this condition fails at any time and for any reason, the parties agree that this Agreement will become immediately terminable by either party upon written notice to the other, and that the Board will remain responsible for payment of any services rendered by Universal Management up to the date of such termination.

Further, by signing this Agreement Universal Management acknowledges that it has provided the Academy with the following information, whether provided herein or in separate documentation, such that the Academy is able to perform sufficient due diligence to establish that Universal Management and its key personnel have the appropriate financial resources, educational background, and managerial experience to provide the contracted services:

- A. A list of all Universal Management owner(s), directors and/or officers which discloses any conflicts of interest that any Universal Management owner, director, and/or office may have in regard to Board members, administrators and employees associated with the Academy, as well as other vendors contracting with the Academy. Conflicts of interest include, but are not limited to, familial and/or social relationships;

- B. Notification if any principal or officer of Universal Management, or Universal Management (including related organization or organizations in which a principal or officer of Universal Management served as a principal or officer) as a corporate entity, has filed for bankruptcy within the last five (5) years.
- C. Type or form of entity (for-profit corporation, non-profit corporation, limited liability company, etc.);
- D. Name of Universal Management's primary banking institution;
- E. Legal counsel for Universal Management. Name, address, and telephone number of firm and name of contact person;
- F. Accounting firm for Universal Management. Name, address, and telephone number of firm and name of contact person;
- G. A written statement regarding Universal Management's experience in providing educational services, and the types of educational services to be provided by Universal Management;
- H. A mission, vision, and values statement of Universal Management;
- I. List of all persons or entities with whom Universal Management plans to subcontract for services provided to the Academy, along with a disclosure of Universal Management's ownership in any such subcontractor;
- J. List of the public school academies or other schools (public or private) to which Universal Management provides services;
- K. List of any lease, license, contract, or other agreement between Universal Management (or its affiliates) and the Academy;
- L. Identification of any start-up funding being provided by Universal Management;
- M. List of any services Universal Management plans to provide to the Academy with regard to cash flow borrowings, including any fees from such services;
- N. List of any materials equipment or supplies the Academy will purchase or lease from Universal Management; and
- O. Criminal history of Universal Management's owners, officers, directors, managers and employees.

XI. Records and Reporting Requirements. Universal Management will, upon request of the Academy, provide detailed statements of all costs incurred in providing the Services under this Agreement in sufficient detail to allow the Academy to account for all expenditures. Universal Management shall keep accurate records pertaining to its operation of the Academy, together with all Academy records prepared by or in the possession of Universal Management, and, retain all of said records to which such books, accounts, and records relating to the Academy shall be retained in accordance with the Records Retention and Disposal Schedule for Michigan Public Schools, approved December 7, 2010,

as amended. 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. Except as permitted under the Contract and applicable law, this Agreement shall not restrict the Authorizer's or the public's access to the Academy's records. 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 Academy facility. Universal Management and the Academy shall maintain the proper confidentiality of personnel, student, and other records as required by law. Universal Management shall make all finance and other Academy records available to the Academy, the Authorizer and the Academy's independent auditor upon request. The Board shall be solely responsible for selecting and retaining the Academy's independent auditor. The Academy's independent auditor shall not be from the same firm or accounting entity providing financial or auditing services to Universal Management. Universal Management shall not be permitted to select, retain, evaluate, or replace the independent auditor for the Academy.

XII. Dispute Resolution. Universal Management and the Academy agree to act immediately and in good faith to mutually resolve any disputes involving 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.

XIII. Relationship of Parties. Universal Management is a Michigan limited liability company as described above and is not a division or part of the Academy. The Academy is a corporate body and governmental entity authorized by the Code and is not a division or a part of Universal Management. The parties to this Agreement intend that the relationship of Universal Management to the Academy is that of an independent contractor and not as an employee of the Academy. The relationship between the parties was developed and entered into through arms-length negotiations and is based solely on the terms of this Agreement.

Notwithstanding anything in this Agreement to the contrary, no provision of this Agreement shall interfere with the Board's exercise of its statutory, contractual, and fiduciary responsibilities governing the operation of the Academy. Furthermore, no provision of this Agreement shall prohibit the 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. No provision of this Agreement shall be interpreted as waiving any governmental immunities of the Academy.

Board members, Academy employees, and their respective spouses and immediate family members¹ may not have direct or indirect ownership, employment, contractual, or management interest in Universal Management. The relationship between the Academy and Universal Management shall be consistent with the conflicts of interest and prohibited familial relationship provisions set forth in the Contract.

Pursuant to the Uniform Budget and Accounting Act, MCL 141.422b, the Board is responsible for designating the CAO for the Academy. No Universal Management or Universal Management owner, officer, director, employee, or agent shall be designated as the CAO of the Academy, but a Universal Management employee may assist a Board member who is the CAO in carrying out their responsibilities.

No agent or employee of Universal Management shall be determined to be an agent or employee of the Academy for any reason or purpose. No agent or employee of the Academy shall be determined to be an agent or employee of Universal Management, except as follows:

- A. Universal Management and its respective officers, directors, employees, and designated agents are each hereby authorized by the Academy to serve as agents of the Academy, having a legitimate educational interest in the Academy and its students, for purposes of the Family Educational Right and Privacy Act, 20 U.S.C. §1232g et seq., 34 C.F.R. Part 99 ("FERPA"), such that they are jointly and severally entitled to access the educational records of the Academy for all purposes related to FERPA.
- B. During the term of this Agreement, the Academy may disclose confidential data and information to Universal Management and its respective officers, directors, employees, and designated agents to the extent permitted by applicable law including, without limitation, the Individuals with Disabilities Education Act ("IDEA"), 20 U.S.C. § 1401 et seq., 34 C.F.R. 300.610 - 300.626; Section 504 of the Rehabilitation Act of 1973, 29 U.S.C. §794a, 34 C.F.R. 104.3 6; the Michigan Mandatory Special Education Act, MCL 380.1701, et seq., the Americans with Disabilities Act, 42 U.S.C. §12101 et seq., the Health Insurance Portability and Accountability Act ("HIPAA"), 42 U.S.C. 1320d - 13200d-8: 45 C.F.R. 160, 162 and 164; and social security numbers, as protected by the federal Privacy Act of 1974, 5 U.S.C. §552a; and the

¹ Family members include mother, mother-in-law, father, father-in-law, son, son-in-law, daughter, daughter-in-law, sister, sister-in-law, brother, brother-in-law, spouse or same-sex domestic partner, aunt, uncle, niece, or nephew.

Michigan Social Security Number Privacy Act, MCL 445.84.

- C. As otherwise expressly designated by the written agreement of Universal Management with consent from the Board.

XIV. Payment of Academy Funds. The Board shall determine the depository of all funds received by the Academy. All funds received by the Academy shall be initially deposited in the Academy's depository account. Signatories on the depository account shall be current Board members properly designated annually by Board resolution. All interest or investment earnings on Academy deposits shall accrue to the Academy. The Board shall provide Academy funding on a consistent and timely basis to Universal Management to fulfill its obligations under this Agreement.

XV. Compliance with Section 12.17 of Contract Terms and Conditions. Universal Management shall make information concerning the operation and management of the Academy, including without limitation the information in the Contract, including all exhibits, schedules, and the like, available to the Academy as deemed necessary by the Board in order to enable the Academy to fully satisfy its obligations under the Contract. Except as permitted under the Contract and applicable law, this Agreement shall not restrict the Authorizer's, the Authorizer's Charter Schools Office ("CSO"), or the public's access to the Academy records.

XVI. Compliance with Section 503c. On an annual basis, Universal Management agrees to provide the Board with the same information that a school district is required to disclose under Section 18(2) of the State 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 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

XVII. Other Financial Relationships. Any lease, promissory notes, or other negotiable instruments, lease-purchase agreements, or other financing agreements between the Academy and Universal Management shall be contained in a document separate from this Agreement, shall be separately approved by the College Board, and shall comply with all applicable law, the Contract issued by the College Board, and any applicable policies created by the College Board and/or the Bay Mills Community College Charter Schools Office.

XVIII. Miscellaneous Provisions

A. **Section Headings.** The Section headings used herein are for reference and convenience only and will not enter into the interpretation of this Agreement.

B. **Compliance with Academy's Contract.** Universal Management agrees to perform its duties and responsibilities under this Agreement in a manner that is inconsistent with the Academy's obligations under the Academy's Contract issued by the Authorizer. The provisions of the Academy's Contract shall supersede any competing or conflicting provisions contained in this Agreement.

C. **No Waiver.** No delay or omission by either party hereto to exercise any right or power occurring upon any noncompliance, violation, or default by the other party with respect to any of the terms of this Agreement will impair any such right or power or be construed to be a waiver thereof or of any covenant, condition, or agreement contained herein.

D. **Governing Law.** This Agreement will be governed by and construed in accordance with the laws of the State of Michigan.

E. **Entire Agreement: Amendments.** This Agreement constitutes the entire agreement between the parties and contains the entire understanding of the parties with respect to its subject matter and supersedes all prior and contemporaneous agreements, understandings, and negotiations and the parties agree that they shall have no further rights or obligations under such prior agreements. No change, waiver, modification, or discharge hereof will be valid unless in writing and is executed by the party against whom such change, waiver, modification, or discharge is sought to be enforced. The Board and Universal Management may not substantially amend this Agreement without notification to the College Board pursuant to the Contract and applicable CSO policies. Said amendment shall not be contrary to the Contract and it must be accompanied by a legal opinion. The Academy is responsible for submitting any and all amendments to the College Board or the CSO, consistent with applicable CSO policies, for review under the Contract.

F. **Notices.** Under this Agreement, if one party is required to give notice to the other, such notice will be deemed given if hand delivered or mailed by U.S. registered mail, return receipt requested, first-class, postage pre-paid, and addressed as

follows:

To Universal Management: President
Universal Management Company
LLC
250 Seminole
Ann Arbor, MI 48018

To the Academy: Board President
Multicultural Academy
5550 Platt Road
Ann Arbor, MI 48108

With a copy to: Aimee Gibbs
Dickinson Wright PLLC
350 S. Main Street Suite 300
Ann Arbor, MI 4810

G. **No Assignment.** Neither party may, without prior written consent of the other party, assign or transfer this Agreement nor any obligations incurred hereunder except as provided. Any attempt to do so in contravention of this provision will be void and of no force and effect.

H. **Partial Invalidity.** If any provision of this Agreement is held by a court of competent jurisdiction to be invalid, void, or unenforceable in any manner, the remaining provisions of this Agreement will nonetheless continue in full force and effect without being impaired or invalidated in any way. In addition, if a court of competent jurisdiction modifies any provision of this Agreement such that it may be fully enforced, then that provision will be so modified and fully enforced as modified.

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

J. **Board Independence.** No provision of this Agreement shall predetermine the Board's course of action in choosing to assert or not assert,

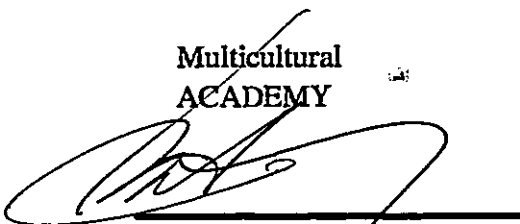
waive or not waive, governmental immunity or any other applicable defense.

K. **Delegation of Authority.** Nothing in this Agreement shall be construed as delegating to Universal Management any of the powers or authority of the Board that are not subject to delegation by the Board under Michigan law or the Contract.


L. **Amendment Caused By Academy Site Closure or Reconstitution.** In the event that the Academy is required (i) to close an Academy site pursuant to a notice issued by the Michigan Department of Education under Section 507 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, and such closure of an Academy site or reconstitution causes an amendment 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 Universal Management shall have no recourse against the Academy or the Authorizer for implementing such site closure or reconstitution.

IN WITNESS WHEREOF, the Academy and Universal Management have caused this Agreement to be signed and delivered by their duly authorized representatives effective as of the day and year first set forth above.

Multicultural
ACADEMY


08/21/2025

UNIVERSAL MANAGEMENT COMPANY, LLC


08/21/2025



UNIVERSAL MANAGEMENT COMPANY, LLC

Providing Educational Services with Helping Hands

2141 S. State Street Ann Arbor, MI 48108 Phone: (734) 320-9411 Fax: 734 677-0740

TO: CAO and Board of Directors

RE: Universal Management Representative

As of this date July 21, 2025, Mr. Tarek A Farha will be authorized representative of Universal Management Company. All documents and contracts will be issued and signed by himself personally.

Thank You


Tarek Farha

Universal Management Company

President

UNIVERSAL