

**BUSINESS, PERSONNEL AND  
ADMINISTRATIVE SERVICES AGREEMENT**

This Agreement is made effective as of July 1, 2020 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”) ( the “Contract”) pursuant to Part 6A of the Revised School Code (the “Code”). Universal Management provides administrative services, staffing, and personnel management and business services. The Academy desires to contract with Universal Management to provide administrative services, staffing, and 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:

**I. 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 independent contractors or employees of Universal Management, at the discretion of Universal Management.

A. **ADMINISTRATIVE SERVICES**

1. **Planning and Board Support**

- a. **Regulatory Compliance.** Universal Management will assist the Academy in maintaining compliance with statutory requirements governing 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 communication between the Academy’s Board of Directors (“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 Academy's Board and will produce Board meeting agenda 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 Academy's Board 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 in regard to issues that result in the course of operation of a Michigan public school academy including, but not limited to, student, staff, curriculum, fiscal, and 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 report at every regular or special Board meeting.

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 review performance in order 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 guideline, monitor and ensure compliance with contracts, and timely filing of any deposit 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 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, 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 were making such purchases directly from a third party. Universal Management certifies that there shall be no markup or costs 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 and 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 when facing issues that may impair the success of their children who are enrolled in the Academy.
- j. Additional Duties. Universal Management will provide such additional services as are reasonably assigned to Universal Management by the Academy's Board from time to time.

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, 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 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, accounting, bookkeeping, and other business management personnel per the Academy's Board or the Academy's leader's request. Universal Management will insure 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 inquiries accomplished. The Academy will determine staffing levels. The Academy's Board and or the Academy's leader reserves 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, and benefits administration services to the Academy, including management of COBRA benefits where applicable. Consistent with the Academy's 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.
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. 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. 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.

6. No Non-Compete Clauses. Universal Management understands and agrees that Universal Management's personnel who perform work at the Academy may not be required to sign a non-competition, no-hire, or 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 accepted by the Academy 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. However, only Academy representatives will have the authority to handle and disburse Academy funds, which will not be coming, led, or submitted to the dominion or control of Universal Management or its contractors. Universal Management or its contractors will also reconcile all Academy bank statements and provide such reconciliations to the Academy's Board at its monthly regular meetings or upon a specific time request.
2. Budget Monitoring. Universal Management shall prepare and present 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 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 Academy's Board of

Directors and report at least monthly on the Academy's financial status. Universal Management shall present to the Board, at least every three (3) months, a detail of budget to actual revenues and expenditures with an explanation of variances. Also, Universal Management shall present to the Board, at least every three (3) months, a detailed schedule of expenditures at object level detail for review and approval by the Board. 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 three (3) working days prior to the Board meeting at which the information will be considered.

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 Academy's 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: The Academy will reimburse Universal Management only for all costs reasonably incurred and paid by Universal Management in providing the services specifically related to the Academy ("Annual Fee"). Such costs include, but are not limited to:

1. An on campus, full-time Site Administrator who will supervise all services as listed and specified in this Agreement;
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. An on-campus, at least part-time, qualified technician who will monitor and service the Academy's information technology systems and computing infrastructure needs;
4. The entire financial operation management including, but not limited to, all Academy accounting needs, Academy payroll, management, various 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 Educational Program and shall not include any costs for the marketing and development of Universal Management);
6. Consulting services provided to the Academy's Board and the operational consulting as needed;
7. Other expenses as specified in this Agreement.

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 an 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 periodically ratified by the Board.

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.

- B. Additional Services. If the Academy requests Universal Management to provide any services in addition to the 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 Academy's Board 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.

**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 shall not seek or be reimbursed or paid for its corporate expenses and overhead; all such expenses and overhead are included in the Annual Fee. 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, expenses attributable to Universal Management pursuant to Paragraph II, Section A(a) through A(g), and other such costs incurred as a result of its 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 and, to the extent it procures any goods or services, the cost for which the Academy is responsible, there shall be no markup of the cost of those goods and services by Universal Management.

- 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 Academy Contract.
- 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, and 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, and other applicable law and Academy's 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 materials.

## VII. **Indemnification**

- A. **By the Academy.** To the extent permitted by applicable law, the Academy shall indemnify and 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 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 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 and 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 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 of College Board of Regents (the “College Board”), Bay Mills Community College and its members, officers, employees, agents, or representatives are deemed to be third party beneficiaries for purposes of this Agreement pursuant to the Contract. As third party beneficiaries, the parties hereby promise to indemnify and hold harmless Bay Mills Community College Board of Regents, Bay Mills Community College and its members, and their respective officers, employees, agents, or representatives from all claims, demands, or liability, including attorney fees and related expenses, on account of injury, loss, or damage including, without limitation, claims arising from bodily injury, personal injury, sickness, disease, death, property loss or damage, or any other losses of any kind whatsoever and not caused by the sole negligence of Bay Mills Community College, which arise out of or are in any manner connected with College Board’s approval of the Academy’s application, the College Board’s consideration of or issuance of a Contract, the Academy’s or Universal Management’s preparation for and operation of a public school, or which are incurred as a result of the reliance by Bay Mills Community College, the College Board, or its members, and their respective officers, employees, agents, or representatives upon information supplied by the Board or Universal Management, or which arise out of the failure of the Board or Universal Management to perform its obligations under the Contract or applicable law. The parties expressly acknowledge and agree that Bay Mills Community College and the College Board and its members and their respective officers, employees, agents, or representatives or any of them may commence legal action against either party to enforce its rights as set forth in this Agreement.

### 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, Bay Mills Community College, 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 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.** This Agreement will commence as of the effective date hereof and will expire on June 30, 2023. 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. For purposes of this Agreement, "causes" shall include the following: 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 director, 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 Academy's Board of Directors, financial misconduct of any kind by any of Universal Management's employees, whether relating to the Academy or otherwise, or 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 said termination. If the Academy's Contract issued by the Bay Mills Community College Board of Regents 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 terminate 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 otherwise in excess of three years.

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.

- 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 Michigan Department of Education's record retention policy. 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. 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. 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 and the Academy's independent auditor upon request. The Board shall be solely responsible for selecting the Academy's independent auditor.
- 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 body corporate 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 Academy 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 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.

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 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 - 1320d-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 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. Available Information.** Universal Management shall make information concerning the operation and management of the Academy including, but not limited to, information in the Contract, including all exhibits, schedules, and the like, available to the Academy as deemed necessary by the Academy Board in order to enable the

Academy to fully satisfy its obligations under the Contract.

**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 consistent with the Academy's obligations under the Academy's Contract issued by Bay Mills Community College Board of Regents. 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.** 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 including, but not limited to, that certain Business, Personnel, and Administrative Services Agreement



dated effective as of September, 1 2011 (which shall automatically terminate as of the effective date hereof), 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 is in writing and is executed by the party against whom such change, waiver, modification, or discharge is sought to be enforced.

- 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:

If to Universal Management: President  
Universal Management Company LLC  
2570 Seminole  
Ann Arbor, MI 48108

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

With a copy to: George P. Butler III  
Dickinson Wright PLLC  
500 Woodward Avenue, Suite 4000  
Detroit, MI 48226

- 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.

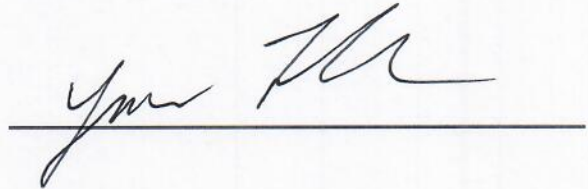
**IN WITNESS WHEREOF**, the Academy and Universal Management have caused this Agreement to be signed and delivered by their duly authorized representatives effective as of the day and year first set forth above.

**MULTICULTURAL ACADEMY**



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**UNIVERSAL MANAGEMENT  
COMPANY, LLC**



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