

FOURTH
EDUCATIONAL PRODUCTS AND SERVICES
AGREEMENT

Between

Michigan Virtual Charter Academy

And

K12 Virtual Schools, L.L.C.

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EDUCATIONAL PRODUCTS AND SERVICES AGREEMENT

Between the

**MICHIGAN VIRTUAL CHARTER ACADEMY
And
K12 VIRTUAL SCHOOLS, L.L.C.**

This **EDUCATIONAL PRODUCTS AND SERVICES AGREEMENT** ("Agreement") is made and entered into, by and between the Michigan Virtual Charter Academy (the "School", "Academy" or "MVCA"), a Michigan public school academy, and K12 Virtual Schools, L.L.C. ("K12"), a Delaware limited liability company, as of July 1, 2019, and includes the following Exhibits:

- a. Exhibit A (Products and Services)
- b. Exhibit B (K12 Proprietary Marks)
- c. Exhibit C (Service Level Agreements)
- d. Exhibit D (Transparency Reporting Requirements)
- e. Exhibit E (K12 2019-2020 National Price List)

RECITALS

A. **WHEREAS**, Michigan Virtual Charter Academy, a Michigan non-profit corporation is operated by the Board of Directors of MVCA (the "Board");

B. **WHEREAS**, the mission of MVCA is to utilize research-based learning and technology applications, combined with teacher/student/parent involvement, to provide a new, innovative model of public charter school education adapted to the needs of elementary, middle and high school students throughout the State of Michigan;

C. **WHEREAS**, a renewed Charter Contract to operate a Michigan School of Excellence that is a cyber-school ("Charter Contract") from the Board of Trustees of the Grand Valley State University, pursuant to MCL 380.551 *et seq.* of the Michigan Revised School Code was effective from July 1, 2017 through June 30, 2019.

D. **WHEREAS**, a Charter Contract to operate a Michigan School of Excellence that is a cyber-school ("Charter Contract") from the Board of Education of the School District of the City of Hazel Park, pursuant to MCL 380.551 *et seq.* of the Michigan Revised School Code becomes effective on July 1, 2019.

E. **WHEREAS**, K12 and its Affiliates were established, among other things, for the following purposes:

- o promoting and encouraging new methods of effective education; and
- o implementing innovative and effective instructional systems in elementary and secondary education; and

F. **WHEREAS**, K12 has represented to the Academy Board of MVCA that it will provide MVCA with a variety of educational products and services in furtherance of the School's mission. These educational products and services include providing the K12 Curriculum, online school and learning management systems; teacher training, recruitment and management; financial and school administration services; technology services for a student account management system and other administrative and technology support services as more specifically set forth in Exhibit A of this Agreement and in accordance with the requirements of the Charter Contract.

NOW, THEREFORE, in consideration of the promises and mutual covenants made herein, the Parties mutually agree as follows:

1. **DEFINITIONS.**

For the purposes of this Agreement, capitalized terms used herein but not otherwise defined shall have the meaning ascribed to them in this Section 1 as follows:

1.1. Affiliates. An "Affiliate" of K12 is an entity that controls, is controlled by, or under common control with K12, where "control" means the possession, directly or indirectly, of the power to direct or cause the direction of the management policies of an entity, whether through the ownership of securities, by contract or otherwise. Each and every Affiliate is jointly and severally responsible to the School for the provision of all services contemplated hereunder and shall be likewise jointly and severally liable with K12 for any breach hereof.

1.2. Applicable Law. Applicable Law is defined herein as the Constitutions of the State of Michigan and the United States, the Revised Michigan School Code, as amended, the federal Elementary and Secondary Education-Act, the federal Individuals with Disabilities in Education Act, Michigan's Mandatory Special Education Act and the MARSE rules, and other applicable federal, state or local statutes, ordinances and regulations, any amendments to or recodification of the aforementioned laws, and executive orders, case law, court orders, other rulings applicable to public school academies in Michigan, and as defined in the School's Charter Contract.

1.3. Authorizing Body. The Authorizing Body is the Board of Education for the School District of the City of Hazel Park ("District Board").

1.4. Board. The Board is The Board of Directors of Michigan Virtual Charter Academy that governs and operates the School.

1.5. Charter Contract. The Charter Contract is the document entitled "Terms And Conditions Of Contract Dated on July 1, 2019, Issued By The Board of Education for the School District of the City of Hazel Park (Authorizing Body) To Michigan Virtual Charter Academy Confirming the Status Of Michigan Virtual Charter Academy As A School Of Excellence That Is A Cyber School."

1.6. Confidential Data and Information. Any personally identifiable student records covered by Applicable Law or any provision referenced in Section 2.6.2.-2.6.6.

1.7. Facility. The Facility(ies) is collectively the administrative offices that are owned or leased by K12 and/or MVCA or subleased by K12 to MVCA. Such Facility(ies) shall be used exclusively for

purposes of the MVCA Program, absent approval of the Board for other uses. It is contemplated that the Facilities will include administrative offices only. To the extent that K12 leases the Facility(ies) and enters into a sublease with MVCA, only the lease cost paid by K12 shall be passed through to the School for such Facility(ies). In the event, that the School seeks to lease or sublease a Facility(ies) for a Program learning center, the Parties shall amend this Agreement accordingly.

1.8. Fiscal Year. The Fiscal Year of the School shall run from July 1 through June 30.

1.9. Full-Time. Full-Time means Students in grades Kindergarten through 12th grade who have enrolled in at least six (6) Program courses and high school students who have enrolled in a minimum of five (5) Program courses or the minimum number of courses to graduate, whichever is greater.

1.10. “Positive Net Asset Position” means that total assets of the Program exceed total liabilities of the Program.

1.11. Program. The Program is MVCA's public online educational offering, as set forth in the Charter Contract which will utilize K12 products and services in accordance with this Agreement.

1.12. Program Expenses. Program Expenses are defined in Section 4.3.

1.13. Program Revenues. Program Revenues are all revenues and income generated or appropriated for and received by or on behalf of the School as attributed to any student in the Program which includes, but is not limited to, the following sources as applicable: State Foundation Grant funds and other public school state and local funding; federal funds specific to the Program and/or its students; other funding including but not limited to, Title 1 of the Elementary and Secondary Education Act of 1965, as amended (20 U.S.C. §6301 et seq., as amended); any special education funds, and other income or revenue sources provided by law and obtained by the School and/or K12 which are not specifically excluded herein and all contributions and grants (including but not limited to, Charter School Block Grants and other grants as applicable) received by or on behalf of the School and granted as a matter of right and/or practice or through competitive and non-competitive grant processes, which are to assist in the improvement of the Facility, the implementation or maintenance of the Program, and/or School operations, subject to the Pricing and Fees set forth in Section 6 of this Agreement.

1.14. School. The School is the Michigan Virtual Charter Academy (“MVCA”), a Michigan non-profit corporation and school of excellence that is a cyber-school.

1.15. School Year. The School Year is that period from July 1 to June 30.

1.16. Shareholder. A Shareholder is a holder of greater than one percent (1%) of K12's outstanding shares of common stock

1.17. Special Education Student. Any Student eligible for special education programs and related services.

1.18. State. The State is Michigan.

1.19. Student. A Student is any individual validly enrolled and/or otherwise taking any course(s) in the Program.

1.20. Term. The Term of the Agreement is defined in Section 5 below.

2. **K12 RESPONSIBILITIES, EDUCATIONAL PRODUCTS AND SERVICES.**

2.1. Educational Products. For each School Year during the Term, K12 and Affiliates shall license to the School, on a non-exclusive, non-assignable, non-sublicensable basis, the products and offerings, as described in Exhibit A, to include the K12 Curriculum, access to K12's online school ("OLS") and designated learning management system(s) ("LMS") and/or available third party curriculum, instructional tools and other products and offerings (collectively the "Educational Products"). During the Term, MVCA may agree to K12 and Affiliates licensing additional products (e.g., new curriculum, supplementary curriculum, and/or educational programs) beyond those listed in Exhibit A ("Additional Products"). Provision of Additional Products will be agreed to in writing as an addendum to this Agreement and shall be governed by the terms of this Agreement.

2.2. Administrative and Technology Services. For each School year during the Term, K12 and Affiliates shall provide "Administrative Services" to the School, as described and at the service levels set forth in Exhibit A, including teacher recruiting, training, management, professional development, hiring, firing, disciplining, evaluating, promoting, demoting, lay-offs and all personnel matters, curriculum, special education programs and related services, financial matters, including preparing school budgets, budget amendments, preparing and providing financial reports to the Academy Board of Directors, Michigan Department of Education, United State Department of Education, the Authorizer, District Board, and any other federal, state or local governmental agency, compliance reporting as required by federal, state and local laws, rules and regulations and the Authorizer, School operations and administration services. In addition, K12 and its Affiliates shall provide "Technology Services" to the School, as described and at the service levels set forth in Exhibit A to include a student account management system and related technical support and other educational services during the Term of this Agreement. The Administrative Services and Technology Services shall collectively be referred to as the "Services". During the Term, MVCA may agree to K12 and Affiliates providing the School with additional services beyond those listed in Exhibit A ("Additional Services"). Provision of Additional Services will be agreed to in writing as an addendum to this Agreement and shall be governed by the terms of this Agreement.

2.3. Compliance with MVCA Charter Contract. K12 acknowledges that it has received and reviewed a copy of the Charter Contract issued by the Authorizing Body. K12 agrees to perform its duties and responsibilities under this Agreement in a manner consistent with MVCA's obligations under the Charter Contract as if such obligations were incorporated herein by reference. The provisions of the Charter Contract shall supersede any competing or conflicting provisions contained in this Agreement. No provision of this Agreement shall interfere with the Board's duties under the Charter Contract and the Board's duties under the Charter Contract shall not be limited or rendered impossible by action or inaction of this Agreement.

2.4. Place of Performance. Performance of Services is not required to be rendered at the Facility(ies), unless specifically stated in this Agreement, Exhibit A or for compliance with Applicable Law or the Charter Contract.

2.5. Special Education, Related Services, Section 504, ELL, and the ADA. K12 shall provide to the School special education and related services to all enrolled students eligible for special education and related services, as required under federal and state laws, rules and regulations (including but not limited to, the Individuals with Disabilities in Education Act (IDEA), Michigan's Mandatory Special Education Act (MMSEA), Michigan Administrative Rules for Special Education (MARSE), and shall provide to all eligible enrolled students services as required for English Language Learners (ELL), and by Section 504 of the Rehabilitation Act of 1973, as amended, the Americans with Disabilities Act, as amended, (ADAAA) and the Charter Contract. In addition, K12 shall engage in Child Find as required under state and federal laws, rules and regulations. K12 shall provide monthly reports to the Academy Board setting forth the School's compliance with special education programs and related services under federal and state laws, rules, and regulations.

2.5.1. Competitive Bidding. K12 agrees that it will select related services providers that it contracts with for MVCA by a competitive bidding process. One or more vendors, in K12's reasonable judgment, will be selected through the bidding process for each of the different types of evaluations and therapy anticipated to be needed by MVCA students. Companies that submit bids will be required to meet certain requirements set by K12 which shall include, but not be limited to, licensure requirements, capacity requirements and requirements that the vendor input information into K12's related services manager system. K12 reserves the right to retain vendors outside of the competitive bidding process if, in K12's reasonable judgment, it is necessary to do so in order to timely meet the needs of students.

2.6. Standards of K12 Performance

2.6.1. K12 Compliance. K12 shall provide the Educational Products and Services set forth in this Agreement and any amendments hereto in accordance with Applicable Law, the Charter Contract, the service levels outlined in Exhibit A, as well as School and Board policies made known to K12 in writing. K12 shall also comply with changes in the Charter Contract, and School and Board policies within thirty (30) days of receipt of written notice and a copy thereof.

2.6.2. Confidentiality of Records. K12 shall maintain the confidentiality of Program personnel, student and other records in accordance with the requirements of Applicable Law. The School recognizes and agrees that for purposes of the Family Educational Rights and Privacy Act of 1974, 20 U.S.C. §1232g; 34 CFR Part 99 ("FERPA"), Michigan's student record keeping requirements under MCL §380.1136 and the State Open Records Act, certain K12 employees have a legitimate educational interest for purposes of the School disclosing a student's educational records to K12, and the parties will cooperate to satisfy the FERPA mandates related to such disclosure. K12 employees whose job responsibilities include activities related to K12's obligations under this Agreement shall be deemed an agent of the School for the sole limited purpose of its access to student education records necessary to carry out the legitimate educational program and provide services. Notwithstanding the foregoing, during the Term of this Agreement, the School may disclose Confidential Data and Information to K12 (its employees, agents, or contractors) to the extent permitted by Applicable Law, including without limitation,

FERPA, MCL §380.1136, The Individuals with Disabilities Education Act (IDEA), 20 USC § 1401 et. seq, 34 CFR 300.610-33.626; Section 504 of the Rehabilitation Act of 1973, 29 USC § 794a, 34 CFR 104.36, the Michigan Mandatory Special Education Act, MCL §380.1701 et. seq.; the Americans with Disabilities Act, 42 USC § 12101 et. seq.; the Health Insurance Portability and Accountability Act (HIPAA), 42 USC 1320d-13200d-8; 45 CFR 160, 162 and 164, and social security numbers, as protected by the federal Privacy Act of 1974, 5 USC § 552a; and the Michigan Social Security Number Privacy Act, MCL §445.84, and the Student Online Personal Protection Act, MCL §388.1291.

- 2.6.3. Licensure, Certification, Continuing Education and other Federal and State Requirements. Except as otherwise provided in this Agreement, all personnel, including but not limited to, administrators, teachers, and other professional staff performing Administrative Services for K12 on behalf of the School must comply with and obtain all applicable licenses, certifications, endorsements, continuing education, professional development and meet any other federal and State laws, rules, regulations and requirements applicable to individuals who perform such services or job duties and responsibilities.
- 2.6.4. Non-Discrimination. K12 prohibits discrimination and harassment in all its programs and activities consistent with the requirements of State, federal and local laws, rules and regulations, including, but not limited to, Michigan's Elliott-Larsen Civil Rights Act, Title IX of the Education Amendments of 1972, as amended, Title VI of the Civil Rights Act, Title VII of the Civil Rights Act of 1964, as amended, the Americans with Disabilities Act, as amended, the IDEA, MMSEA, federal and state Constitutions, and shall follow the School's and Academy Board's policies related to reporting and investigation of unlawful discrimination and harassment of students. K12 shall provide its own nondiscrimination policies and procedures relative to its employees, affiliated companies, subcontractors and the like.
- 2.6.5. Service Levels & Performance Metrics. K12 shall meet service levels set forth in Exhibits A and C and the performance metrics contained in the Charter Contract, including, but not limited to, the scorecard requirements of the District Board, NWEA achievement and growth requirements, the State of Michigan student assessment and any other federal, state or Authorizer required performance metrics or assessments. The parties acknowledge and agree that student academic performance is essential to the existence of the School and that student academic achievement and performance is material to this Agreement.

In addition to the monitoring requirements of K12 by the Academy Board, the Academy Board will monitor K12's performance in the following areas:

- Quarterly Assessment of Overall Student Achievement;
- Preparation, Implementation and Quarterly Progress of Individual Student Achievement Plans for each K12 student attending MVCA with measurable goals and objectives;

- Preparation, Implementation and Quarterly Progress of a Staff Achievement Plan with measurable goals and objectives;
- Preparation, Implementation and Quarterly Progress of a Diversity Plan for Staff with measurable goals and objectives;
- Preparation, Implementation and Quarterly Progress for Year to Year Academic Improvement of MVCA students;
- Preparation, Implementation and Quarterly Progress of A School Improvement Plan, updated annually; and
- Preparation, Implementation and Quarterly Progress adding STEM Initiatives to the MVCA curriculum.

2.6.6. Dashboard. On an annual basis, K12 and the Academy Board shall develop a mutually agreed upon dashboard of key indicators for the School that will be available to the Academy Board monthly as part of the Board meeting package. The list of topics in Exhibit C of the Agreement are examples of information that may be included in the dashboard. K12 shall submit a preliminary dashboard plan by May 1 of each year to be used for the following school year, and the Academy Board and K12 will finalize the dashboard for the following school year no later than September 1 of each year.

2.7. K12's Compliance with Section 553c. On an annual basis, K12 agrees to provide the Academy Board with the same information that a school district is required to disclose under Section 18(2) of the State School Aid Act of 1979, MCL §380.1618, for the most recent school fiscal year for which the information is available. Within thirty (30) days of the receipt of this information, K12 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 553c of the Code, MCL §380.553c, shall have the same meaning in this Agreement. K12 shall make the information concerning the operation and management of the Academy, including, without limitation, the information described in Exhibit D, "Transparency Reporting" available to the Academy as required by State law.

3. SCHOOL RESPONSIBILITIES.

3.1. Payment. The Academy Board shall be responsible for reviewing and approving the rates and terms of service for the Educational Products and Services as set forth in this Agreement, or as amended as mutually agreed in writing. The compensation provided for herein constitutes full consideration for the Educational Products and Services.

3.2. Oversight of K12. K12 agrees to comply with the requirements of the Charter Contract relative to the curriculum, student academic achievement, the District Board's performance metrics including, but not limited to, the NWEA and the State of Michigan Student Assessments and any other requirements contained in the Charter Contract that requires K12, as the Educational Service Provider, to comply with relative to the School. The Board shall be responsible for monitoring K12's performance under and in compliance with the terms of this Agreement in accordance with

Applicable Law and the Charter Contract. The Board shall also be responsible for overseeing the Program's quality, operational and financial performance. K12 shall cooperate with such monitoring and oversight. The School's failure to meet the District Board's student performance metrics, or satisfy its operational and financial performance obligations under this Agreement, if caused by K12's failure to perform pursuant the terms of the Charter Contract and this Agreement, shall constitute a material breach of this Agreement.

3.3. Adoption of Policies. MVCA and K12 acknowledge and agree that the Academy Board retains ultimate responsibility for adopting policies for implementation and oversight of the Educational Program. The Academy Board shall be responsible for approving policies relating to the budget, authorization of expenditures, curriculum, admissions procedures, student conduct, School calendars, procedures for resolution of parent or student complaints, and the responsible use of computer equipment and other instructional property. K12 may propose draft policies for the Academy Board's consideration and approval relative to the curriculum, School calendar, and admission procedures. The Academy Board shall provide K12 written copies of all policies adopted by the Board. The Academy Board shall promptly notify K12 in writing of any changes to Academy Board policies, and K12 shall comply with any changes in Academy Board Policies upon the effective date of the Academy Board Policy.

3.4. Legal Counsel. The Academy Board shall select and retain legal counsel to advise the Board regarding its rights and responsibilities under the Charter Contract, this Agreement and Applicable Law. The Academy Board has the sole authority to hire independent legal counsel to advise the School and the Academy Board. K12 agrees to cooperate with such counsel as may be instructed by the Academy Board from time-to-time.

3.5. Audit Services. The Academy Board shall select and retain an independent auditor to perform an audit in accordance with the Charter Contract, this Agreement and applicable State law. The Academy Board has the sole authority to hire independent legal auditors, and the cost of the audit shall be a Program Expense. K12 agrees to fully cooperate with such independent auditor(s) so that the auditor has the ability to complete a timely audit as required by State law. K12 shall pay the Auditor's invoice(s) from Program Revenues within thirty (30) days of receipt of the invoice. K12 shall respond to any written inquiry of the independent auditor within three (3) business days.

3.6. School Compliance. The School will perform its obligations under this Agreement and govern itself in a manner consistent with the requirements of Applicable Law, the Charter Contract and the Authorizer's Policies.

3.7. Student Enrollment. The Academy Board, in its sole discretion, shall establish the maximum number of students to be enrolled for the upcoming School year. Student academic achievement and performance shall be a significant factor in the Academy Board's decision whether to increase, decrease or maintain current student School enrollment levels.

4. **FINANCIAL MATTERS AND REPORTING OBLIGATIONS**

4.1. **Financial Risk Controls.** The School and K12 agree to all of the risk controls set forth below, each of which are material terms of this Agreement:

- 4.1.1. **Exclusivity.** K12 shall be the sole provider to the School of the Educational Products and Services unless otherwise waived in writing by an authorized officer of K12. If MVCA desires to purchase Educational Products and Services outside the scope of this Agreement, K12 shall have a thirty (30) day right of first refusal to provide the service or product on the same or similar terms for any product or service related to the Educational Program operated by the School. The right of first refusal does not apply to routine purchases of services or products not directly related to the educational programming. Notwithstanding the above, the Academy Board shall have the right to contract with an independent contractor or employ any person or entity to oversee K12's compliance with the terms of this Agreement, the Charter Contract and Applicable Law, in the Academy Board's sole discretion.
- 4.1.2. **Final Program Budgets.** The Academy Board shall adopt an annual Program Budget for each Fiscal Year during the Term of this Agreement no later than June 30 of the preceding fiscal year as required by State law. K12 shall present to the Academy Board a proposed Program Budget for the new Fiscal Year seven (7) to ten (10) days prior to the May Board meeting. The proposed Program Budget will be based on reasonable assumptions that are provided by K12, including the number of administrative staff to be employed, the number of teachers and the number of student support staff to be employed, and projected enrollment, funding and expenses. The Board shall have final authority and approval of the Program Budget as required by State law. In the event K12 does not timely present a proposed Program Budget to the Board or in the event the parties are unable to agree in a timely manner on a Program Budget based on K12's proposed budget, the Academy Board may propose and adopt its own budget based on its own assumptions. K12 understands and agrees that the Academy Board is required under State law to hold a public Budget Hearing before adopting the Program Budget for the new fiscal year.
- 4.1.3. **Budget Amendments.** During the Fiscal Year, K12 shall submit to the Academy Board budget amendments so that the Academy Board will retain a balanced budget for the then current fiscal year as required by State law. The Academy Board may initiate amendments to the Program Budget to take into account the actual Student enrollment for the Fiscal Year, changes in key budgetary assumptions or other changes deemed necessary or appropriate in order to maintain a balanced budget and judiciously account for and spend State and Federal funds.
- 4.1.4. **Balanced Budget Provision.** The Parties understand and agree that the Program will not end a Fiscal Year in a net negative asset position for that Fiscal Year.
- 4.1.5. **Financial Reports.** The Academy Board may request that K12: (i) prepare and submit reports on the Program's finances in addition to those financial reports required by granting organizations, Applicable Law or the Charter Contract, or (ii)

provide the Academy Board with such other information as, in the Academy Board's sole discretion, reasonably necessary and appropriate to enable the Academy Board to monitor K12's performance hereunder, including but not limited to, academic performance, student growth and achievement, and the effectiveness and efficiency of the Program's operations. Reports shall be prepared in the manner and form as directed by the Academy Board including, where applicable, in conformance with GAAP. The Academy Board shall make such requests, in writing, to the Head of School. The Head of School shall respond to all written Academy Board requests within the time frame indicated in the Academy Board's written request, but in no event later than thirty (30) calendar days after receipt of the written request. An email or facsimile request shall be deemed to be a request in writing for purposes of this provision. Failure to respond to a written request within the time allotted may be considered a material breach of this Agreement.

4.2. K12 Reports to the Board. In addition to the above, K12 shall provide the Academy Board with the following:

- All information the Academy's auditors request.
- Reports on Academy operations, finances and student and staff performance at each Board meeting, including the dashboard as annually defined pursuant Section 2.6.6.;
- Monthly financial statements in Michigan Chart of Accounts format that at a minimum include a balance sheet, a cash flow statement and 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;
- Amount of compensation, bonus and fringe benefits paid to each K12 employee or affiliate assigned to work at the School or provide services to the School for which K12 claims reimbursement as a Program Expense;
- Copies of any correspondence, documents, or other information from the Michigan Department of Education or United States Department of Education which requires a formal response by the Academy which the Charter Contract requires be forwarded to the Auditor, copies of any written notices of scheduled government audits, notices of fines, requests for the return of funds and requests for corrective action plans received on behalf of MVCA; and
- Other information on a periodic basis to enable the Academy Board to monitor K12's educational performance and the efficiency of its operations of the Academy.

4.3. Program Expenses. The School will be responsible for all debts, liabilities, and obligations incurred on behalf of the Program (collectively, "**Program Expenses**") under the terms of the Agreement. If K12 purchases equipment, materials and supplies on behalf of or as

the agent of the School, such equipment, materials and supplies shall be and remain the property of the School. K12 shall comply with the Revised School Code including, but not limited to, Sections 1267 and 1274, MCL §380.1267 and MCL §380.1274, as if the School were making these purchases directly from a third party supplier. If K12 purchases equipment, materials and supplies on behalf or as the agent of the School, K12 shall not include any added fees or charges with the cost of equipment, materials and supplies purchased from third parties. Program Expenses obtained from third parties at the request of or on behalf of the School, including procurement of equipment, materials, and supplies shall not include any added fees or charges. No corporate costs of K12 shall be charged to, or reimbursed by, the School. Marketing or development costs paid by or charged to the School shall be limited to those costs specific to the School program and shall not include any costs for the marketing and development of K12. Program Expenses shall be determined in accordance with the budget process, will be paid out of the Program Revenues and shall include, but are not limited to, the following Program-related costs:

- 4.3.1. Teacher salaries, benefits, reasonable work-related travel, phone, computer, printers and other teacher related reimbursable expenses;
- 4.3.2. Teacher training and professional development, including course/conference fees, facility rental and related reasonable travel expenses;
- 4.3.3. Offices for the School's administrative staff and work related reasonable travel, phone and internet reimbursable expenses;
- 4.3.4. Student Support Staff (defined in Section 8.4 below) salaries, benefits, reasonable costs for work related travel, phone, computer, printers, and other related non-labor expenses;
- 4.3.5. Related service expenses for Special Education Students;
- 4.3.6. Internet service provider subsidy for Full Time Students who demonstrate financial need and who request (on a one-subsidy per family basis) as set in the budget process and to Program teachers and agreed upon Program administrators consistent with Board policies;
- 4.3.7. Computers for each pupil's family and subsidized cost of internet access, and related expenses consistent with Academy Board policies;
- 4.3.8. Proctored examinations, student test preparation and related cost of exam administration to include facilities, equipment and proctors;
- 4.3.9. School outings, events, achievement incentive programs, face-to-face learning coach training sessions, back to School events, competitions, and graduation ceremonies;
- 4.3.10. Direct mail, printing and related expenses for enrolled Students as long as the information directly relates to MVCA;

- 4.3.11. Amounts due to K12 and its Affiliates pursuant to Section 9 of this Agreement, as approved by the Academy Board;
- 4.3.12. Supplemental curriculum and other academic services as agreed to by the Academy Board in writing;
- 4.3.13. Reasonable legal fees for representation of the School and Academy Board;
- 4.3.14. Insurance for the School, the Academy Board, and Academy Board employees, if applicable, including directors' and officers' liability insurance, general liability insurance, workers' disability compensation insurance, property insurance, and other School insurance coverages, as the Academy Board deems appropriate;
- 4.3.15. Accounting and reporting, payroll processing, audit, and/or tax preparation fees of the School directly associated with the Program;
- 4.3.16. Use, sales, income, property or other taxes, if any, incurred by the School;
- 4.3.17. Fees for required criminal history records checks and background investigations as required by State law;
- 4.3.18. Facility lease expenses (as defined in Section 1.7), to include Academy Board approved tenant improvements and equipment expenses (e.g., rent, maintenance, office furniture, supplies, computers, servers, learning and/or tutoring center(s), supplies to the extent that MVCA maintains a learning and/or tutoring center(s).and the like;
- 4.3.19. Other Program related expenses approved in the Academy budget, however, if any actual Program Expense line item is, as reasonably known, going to be incurred at a variance of two percent (2%) or more above the budgeted amount, the expense must be pre-approved in writing by the Academy Board; and
- 4.3.20. K12 shall be liable for all debts, liabilities, and obligations incurred on behalf of the Program by K12 which are not Program Expenses or which have not otherwise been approved in advance in writing by the Academy Board.

5. TERM OF AGREEMENT.

Term. This Agreement will become effective upon the date of full execution by the Parties, for commencement on July 1, 2019 ("Effective Date") and will terminate on June 30 2024, unless sooner terminated under Section 12 of this Agreement ("Initial Term"). Provided the School continues to have a valid Charter Contract, the Agreement shall renew for successive two (2) year terms (each a "Renewal Term") unless a Party notifies the other Party of an intent not to renew the Agreement at least twelve (12) months prior the end of the then current term. For a renewal term to take effect, K12 must notify the Academy Board in writing at least fourteen (14) months prior to the end of the then current term of its intent to proceed with a renewal term. For the sake of clarity, the Parties agree that the notice due at least fourteen (14) months prior to the end of the then current

term does not prejudice K12's right not to renew the Agreement at least twelve (12) months prior to the end of the then current term. The Initial Term and the Renewal Term are, collectively, the "Term."

6. PRICING, FEES AND PAYMENT.

6.1 Educational Product Prices. In consideration of the value of the Educational Products provided by K12 (including teaching support) as specified in detail in Exhibit A, the School will pay K12 and its Affiliates for the Educational Products during the Initial Term based on the then current K12 National Price List for similarly situated schools ("**Product Price List**"). A copy of the K12 2019-2020 National Price List is attached hereto as Exhibit E. Subsequent to the Initial Term, K12 shall propose any desired increase in the prices charged to the School during the annual Program budget process. Payment for the Educational Products shall be made in accordance with Section 9 below. For the term of this Agreement, as stated in Exhibit E – K12 2019-2020 National Price List, MVCA will receive a 50% credit of the upfront fee for course OLS/LMS fees for each student withdrawing or swapping courses within thirty (30) days after a course's OLS/LMS course start date. The School will make every reasonable effort to timely report student withdrawals so that the School receives appropriate credits. The Parties agree that during the Term of this Agreement, and notwithstanding anything to the contrary on the Product Price List, for any individual student MVCA will not be billed twice for the LMS Monthly Fee for the same month for a sequence of courses in which the second semester course is a continuation of the first semester course. By way of examples: (1) If a student takes AP Computer Science A in the fall semester of a school year and takes AP Computer Science B in the spring semester of the same school year, in no month will MVCA be billed the LMS Monthly Fee for both courses; and (2) If a student takes Civics in the fall semester of a school year and takes Digital Photography in the spring semester of the same school year, and the student is enrolled in both courses during the same month, MVCA will be billed the LMS Monthly Fee for both courses for that month. The Parties agree that during the Term of this Agreement, and notwithstanding anything to the contrary on the Product Price List, the K12 Provided Teacher per Student Fee for a course is only charged if the course is not taught by a teacher who has been assigned to solely serve MVCA.

6.2 Services Fees. In consideration of the value of the Administrative Services provided by K12, as specified in detail in Exhibit A, the School agrees to pay K12 and its Affiliates fourteen percent (14%) of the State Per Pupil Foundational Allowance (the "**Administrative Services Fee**") for each Fiscal Year of the Agreement. Payment for the Administrative Services Fee shall be made in accordance with Section 9 below. In consideration of the value of the Technology Services provided by K12 as specified in detail in Exhibit A, the School agrees to pay K12 and its Affiliates seven percent (7%) of the State Per Pupil Foundational Allowance for the Technology Services (the "**Technology Services Fee**") for each Fiscal Year of the Agreement. Payment for the Technology Service Fee shall be made in accordance with Section 9 below.

6.3 Priority of Payments. Payments from the State of Michigan per pupil state foundational allowance shall be paid in the following order of priority: (1) Program Expenses identified in Section 4.3 above to include all Program teacher salaries and fees for Educational Products; and (2) Management (Administrative) and Technology Service Fees payable to K12 and its Affiliates, including any fees for management, administrative or technology products and services purchased by the School in addition to those enumerated in Exhibit A.

6.4 Compliance with Applicable Law. As provided above, the Academy anticipates paying K12 the Management (Administrative) and Technology Fees from the State of Michigan per pupil state foundational allowance. To the extent, however, payment of such Fees out of the Foundational Allowance would constitute improper "success" or "contingency" fees pursuant to Applicable Law or a grant agreement(s), the Academy Board and K12 agree to negotiate an alternative method of calculation and payment of these fees.

7. GRANTS, DONATIONS AND RESTRICTED PROGRAM REVENUE.

7.1 Grants and Donations for the School. Subject to the Academy Board's written approval, the School and K12 may, together or independently, on behalf of the Program, solicit and receive grants and donations from public funds through competitive or non-competitive processes, and private sources consistent with the Program's objectives; provided, however, that any solicitation and/or receipt of such grants and donations by K12 will be subject to the written approval of the Academy Board.

To the extent permitted by applicable law, K12 shall be responsible for the administration of grant funds from third parties used in support of the Program. K12 shall ensure that such grant funds are used in accordance with applicable statutory and regulatory requirements and the terms of the pertinent grant agreements, including but not limited to, administrative and reporting requirements, and adherence to cost principles and audit requirements for federal awards, where applicable. Prior to delivery to respective granting organizations, K12 will provide the Academy Board with copies of all reports with respect to the administration and use of grant funds in such form and manner to permit adequate time for the Academy Board to review and comment.

For the avoidance of doubt, nothing in this Agreement shall authorize K12 to act as an agent of the School or Academy Board with respect to the solicitation or receipt of grant funds or public funds, although the Academy Board reserves the right to separately authorize such agency relationship in writing with respect to specific grant or funding opportunities.

7.2 Grants and Donations for K12. Nothing in this Agreement shall be construed to prohibit K12 from soliciting funds or grants solely for non-Program related purposes and using such funds or grants solely for such purposes. Such funds or Grants shall not be considered Program Revenues.

7.3 Restricted Program Revenue. If the Academy receives Program Revenue the use of which is restricted by Applicable Law, K12 shall use that portion of the revenue solely for the purposes permitted by Applicable Law.

8. PERSONNEL SUPPORTING THE PROGRAM.

8.1. K12 Staff Assigned to the Program. K12 shall employ all staff assigned to work at the School. The staff employed by K12 and assigned to work at the School shall be employees of K12 only, and shall not be employees of the School or Academy Board. At no time shall employees of K12 be considered employees or joint employees of the School or Academy Board. K12 shall employ, consistent with the Program Budget approved by the Academy Board, administrative personnel who may include a Head of School ("HOS") or equivalent administrative staff position, and such other staff, including teaching staff, necessary to deliver the Educational Products and

Services described in this Agreement. K12's responsibilities and performance of K12's staff will be in accordance with Applicable Law, the terms of this Agreement and Exhibit A. Administrative personnel may be assigned to the Program on a full or part-time basis, as determined by K12 and budgeted by the Academy Board. K12 will have the sole authority to select, hire, supervise, evaluate, transfer, promote, discipline, terminate and dismiss K12 staff assigned to work at the School. K12's evaluation of staff assigned to work at the School must meet the requirements of applicable Michigan law. K12 will provide training, counseling, mentoring, additional supervision or other support where it determines such is needed for its staff assigned to the Program.

8.1.1 The Head of School will ensure the MVCA office is appropriately staffed by operations and administrative personnel as necessary. The MVCA office will remain accessible to students, families, learning coaches, businesses and community during regular business hours in person and via normal communication lines including phone, fax, mail and email. The Head of School will determine administrative office schedules to ensure appropriate leadership accessibility. The Head of School will regularly schedule strategic and collaborative leadership sessions to drive operations, goal attainment and project management.

8.1.2. If K12 replaces the current HOS for MVCA, K12 will provide the Academy Board with the opportunity to ask questions of, at K12's discretion, finalists for the position. K12 will consider written input by the Academy Board on any candidate if K12 is given notice of that written input no more than seven (7) days after the Board is provided contact information about a candidate. This Section 8.1.2 does not apply to Heads of School appointed on an interim basis.

8.2 Complaints About K12 Staff. If the Board is dissatisfied or concerned about the job performance of the HOS or a direct report to the HOS, the Academy Board or its designee shall discuss the matter with the HOS or its equivalent, or to the extent the concern is with performance of the HOS, then with the Regional Vice President or Deputy Regional Vice President. In the event the Academy Board has a concern or is not satisfied with a K12 staff member's job performance, the Academy Board or its designee shall provide K12 with written notice and set forth the specific issues and requested action with supporting documentation, to the extent the Academy Board has such documentation. K12 shall respond within fifteen (15) calendar days to the Academy Board's written notice. The Academy Board may request K12 to reassign a K12 employee from providing services to the Academy.

8.3 Teachers. The Program teachers shall be employed by K12. All costs associated with their employment (including, but not limited to, salaries, benefits, reasonable work-related travel, professional development, and other Program-related reimbursable expenses) shall be a Program Expense in accordance with the Program Budget approved by the Academy Board or as amended by the Academy Board. Each teacher must be highly qualified, hold a valid teaching certificate or other certification, licenses, and endorsements as required by Applicable Law.

8.4 Student Support Staff. The Student Support Staff shall be employed by K12. All costs associated with their employment (including, without limitation, salaries, benefits, reasonable work-related travel and other Program related expenses) shall be a Program Expense in accordance with the Program Budget approved by the Academy Board or as amended by the Academy Board. Student Support Staff is defined as any position that provides direct services to teachers, students

and parents (which may include Special Education Coordinator(s), Registrar, Guidance Counselor(s), School Psychologist(s), Nurse(s), Community Relations Coordinator(s), Special Education Compliance Coordinator, Family Engagement Coordinator and Special Education Registrar, Truancy Officer, Related Services Coordinator, or similar positions). All student Support Staff must be properly licensed, certified, and possess the requirements for their position as required by Applicable Law.

8.5 Non-Compete Agreements between K12 and its Employees assigned to MVCA. K12 agrees not to enter into non-compete agreements with its employees assigned to MVCA that would prohibit them from employment at MVCA.

8.6. Criminal History Record Checks and Unprofessional Conduct Checks of K12 Employees. Criminal history record checks, unprofessional conduct checks and background checks for all staff of K12 and its Affiliates and subcontractors who regularly and continuously work under contract in or with Academy students shall be completed in accordance with Michigan Law. For purposes of this provision, the terms “in the Academy” and “at school” as defined by way of example in Sections 1230(15)(a) and 1230a(15)(a) of the Code (MCL §380.1230(15)(a) and MCL §380.1230a(15)(a) shall include the provision of instructional or counseling services to students or related and auxiliary services to special education students through online learning or otherwise on a computer or other technology, which instruction and learning may be remote from a school facility. All Criminal History Record Information as defined by Michigan law, must be retained in accordance with Michigan law.

Before hiring or engaging an applicant for assignment at the School under this Agreement, K12 shall conduct an Unprofessional Conduct Disclosure in a manner that mirrors the requirements of Section 1230b of the Code that would apply in the event the Academy were hiring the individual, MCL 380.1230b.

9. PAYMENT OF PRODUCT AND SERVICE FEES.

9.1. Invoicing and Payment of Fees. K12 will submit to the Academy Board a detailed invoice for the Educational Products and Management (Administrative) and Technology Services delivered or provided to the School for the prior calendar month. All Fees shall be calculated based upon the approved Academy Board Program Budget or subsequent Academy Board amendments to the Academy Program Budget. The Academy Board will be billed for services rendered on a monthly basis during the Term, even though the State Foundational Allowance may be received by the School beyond the expiration of the Term.

9.2. Location of Payment. All payments from MVCA to K12 shall be made payable to K12 at the address included herein, or such other address provided by K12 in writing. In the event K12 contracts with or obtains services for the School with one of its affiliates, K12 shall disclose same to the Academy Board prior to such services being provided to the School. The Academy Board, in its sole discretion, may decline to use K12's affiliate for such services. The Academy Board shall not be responsible for payment for services to K12's affiliate without the express written consent of the Academy Board.

9.3. Payment Date and Interest. All undisputed invoices payable to K12 and any K12 Affiliate, as approved by the Academy Board, are due within thirty (30) days from the later of the date of delivery, or a standard monthly payment amount that is mutually agreed on in order for the school to maintain a consistent cash balance for operations, or the date on which the School has received sufficient funding from the State of Michigan to pay all or a portion an invoice, notwithstanding any statement of earlier payment included in any invoice, and to the extent that K12 has followed the policies and procedures enacted by the Academy Board for the authorization and signing of checks at the Academy Board's monthly Board meeting. For the sake of clarity, if MVCA has only received funding from the State of Michigan sufficient to pay a portion of an invoice, the due date for that portion shall be thirty (30) days from the date on which the School has received sufficient funding from the State of Michigan and the due date for the remainder of the invoice shall be thirty (30) days from the date on which the School has received sufficient funding from the State of Michigan to pay that remainder, or in the case of mutually agreeing on a consistent payment amount that which is reconciled for a final outstanding payment to K12, on receipt of final funding from the State of Michigan.

9.4. Taxes. Except as otherwise stated herein, K12 is not responsible for any taxes or third-party charges related to the activities, or the ownership or operation of the Program. Without limiting the foregoing, the School agrees to pay any sales, use, property, excise, value-added, or other similar taxes, if any, imposed by Applicable Law, except for taxes based on K12's income. For the avoidance of doubt, all fees for the Educational Products and Services set forth herein are exclusive of such taxes. K12 is responsible for all withholding and payment of federal, state, local, Medicare, Medicaid and FICA taxes for all its employees assigned to work at the School. K12 is further responsible for all FUTA and SUTA unemployment taxes for its employees assigned to the School and workers' disability compensation coverage and payments.

9.5. Year-End Adjustments. Within thirty (30) days after completion of the School's audited financial statements for each Fiscal Year, K12 will prepare and submit to the Academy Board a statement of the total amounts of the Administrative Services and Technology Services Fees (collectively "Service Fees") payable with respect to such Fiscal Year, including the calculation of such amounts (which calculations will be based upon the School's audited financial statements for such Fiscal Year). If the total amount of the Service Fees calculated in accordance with the foregoing sentence exceeds the total amount invoiced by K12 pursuant to Section 9.1, then the excess amount will be payable to K12; if such total amount is less than the total amount invoiced by K12 pursuant to Section 9.1, then the shortfall amount will be payable to the School. Payment of any excess Service Fees payable to K12 will be due thirty (30) days after the submission of the statement thereof. Reimbursement to the School of any overpayment of Service Fees will be due thirty (30) days after the submission of the statement thereof.

9.6. Payment Out of School Funds Managed by K12. After the Board approves the undisputed invoices for K12 in writing, K12 shall be authorized by the Academy Board to prepare a check made payable to K12 for its Fees pursuant to this Agreement. The check to K12 must be signed by the Academy Board President or designee at the Academy Board's next regularly scheduled Board meeting.

9.7. Disputed Amounts. If the School disputes any charge invoiced by K12 ("Disputed Amounts"), the Academy Board (or its authorized designee) must submit a good faith claim in

writing regarding the Disputed Amount with documentation, to the extent available, to the Academy Board, reasonably necessary to support the claim no later than ninety (90) days beyond the then-current Fiscal Year audit regarding the Disputed Amount. If the Academy Board (or its authorized designee) does not submit a documented claim, to the extent documentation exists and is reasonably accessible to the Academy Board, to K12 within such time frame regarding such Disputed Amount, then notwithstanding anything in this Agreement to the contrary, the Academy Board waives all rights to dispute and file any claim, excluding a claim for a material breach of this Agreement or fraud, thereafter regarding such Disputed Amount (and the School also waives all rights to otherwise claim that it does not owe such Disputed Amount or to seek any credits or reimbursements or other amounts of any kind based upon or relating to such Disputed Amount); provided, however, such waiver shall not apply should documentation or other information supporting a claim first come to the attention of the Academy Board after expiration of the ninety (90) day period above.

10. **RELATIONSHIP OF THE PARTIES.**

10.1. Status of the Parties. K12 is not a division or any part of MVCA. MVCA is a body corporate authorized under Michigan law and is not a division or a part of K12. The relationship between MVCA and K12 is that of independent contracting parties, was developed and entered into through arms-length negotiations, and is based solely on the terms of this Agreement. Nothing herein shall be construed to create a partnership or joint venture by or between MVCA and K12. Neither MVCA nor K12 will be the agent of another except to the extent otherwise specifically provided by this Agreement. Neither MVCA nor K12 shall represent to third parties any ability to bind the other party to any duty imposed by contract, other than this Agreement, or as otherwise agreed in writing by K12 and the Academy Board.

10.2. Relationship between the Board and School. The School is a non-profit corporation organized under the laws of Michigan and governed by its Board.

10.3. No Related Parties or Common Control Certain Permitted Participations. Except as specifically provided by this Agreement, or any separate written agreement between the Academy Board and any Affiliate with respect to the provision of services described herein, K12 will not have any role or relationship with the Academy Board that, in effect, substantially limits the Academy Board's ability to exercise its rights, including termination rights, under this Agreement. None of the Academy Board's voting power shall be vested in K12 or its directors, trustees, members, managers, officers, Shareholders, or employees, and none of the voting power of K12's board of directors or Shareholders of K12 shall be vested in the Academy Board or its Authorizing Body's directors, trustees, members, managers, officers, shareholders, or employees. Each party agrees that it will not take any action that would cause the Academy Board and K12 to be members of the same control group, as defined in Section 1.150 et seq. of the regulations under the IRC, or related persons, as defined in Section 144(a)(3) of the IRC.

11. **OTHER SCHOOLS.**

The Parties acknowledge that K12 and its Affiliates will have the right to render similar services to other persons or entities including other public or private schools or institutions within and outside of the State ("Other Schools"). K12 shall maintain separate accounts for reimbursable expenses incurred on behalf of the School and Other Schools, if any. K12 shall not charge the

School any fee or cost for services of any nature whatsoever that are being provided to Other Schools. Failure to abide by this provision is a Material Breach of the Agreement. All grants or donations received by School, or by K12 for the specific benefit of the School, will be maintained in separate accounts and used solely for the Academy's Educational Program. Under no circumstances shall K12 use School monies to pay any expenses of another K12 school or academy that uses its services. K12 agrees that any transfer of monies from the School or Academy's account to another school or academy shall constitute a material breach of this Agreement and the Academy Board may terminate this Agreement immediately, notwithstanding the terms set forth in Section 12 below.

12. TERMINATION EVENTS.

This Agreement may be terminated as follows:

12.1. Termination for Cause. The Parties shall use good faith efforts to resolve all disputes relating to this Agreement as set forth in Section 21; however, either Party may terminate this Agreement at any time with ninety (90) days' prior written notice to the other Party for cause; and only after providing the alleged breaching party the opportunity to cure. Termination for cause shall mean the breach of any material term or failure to fulfill any material condition, term, provision, representation, warranty, covenant or obligation contained in this Agreement, and a failure to cure such a breach within forty-five (45) days after receiving written notification from the terminating Party. Upon termination of this Agreement, the non-breaching Party shall be entitled to seek any remedies for which it would be entitled at law or in equity.

12.2. Termination for Material Reduction in the State Foundational Allowance. Except when otherwise agreed to in the annual Program Budget, K12 may terminate this Agreement in the event that there is a reduction in the State Foundational Allowance of fifteen (15%) percent below the amount for the prior Fiscal Year through no fault of K12. K12 shall notify the Board of its intent to terminate under this provision and provide the Board ninety (90) days' written notice so that the Parties may work together to find alternative funding or other means to offset the reduction in the State Foundational Allowance. If the Parties are unable to find additional revenue or other means in the ninety (90) day time-frame, K12 may terminate this Agreement and such termination shall be effective: (i) immediately upon written notice by K12 to the Board, if notice or publication of such reduction is given at least ninety days (90) prior to the commencement of the School year to which such reduction is applicable; or (ii) at the end of the School year upon written notice to the Board if notice or publication of such reduction is given during the School year to which such reduction is applicable.

12.3. Revocation or Termination of Contract. If the Academy's Contract issued by the Board of Education for the School District of the City of Hazel Park is revoked, 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 revoked or terminated without further action of the Parties.

12.4. Amendment Caused by Academy Site Closure or Reconstitution. In the event that the Academy is required (i) to close an Academy site pursuant to a notice issued by the state school Reform/Redesign Officer under Section 561 of the Code, MCL §380.561, or (ii) to undergo a

reconstitution pursuant to Section 561 of the Code, MCL §380.561, and of the Contract Terms and Conditions, and such closure of an Academy site or reconstitution causes an amendment to or termination of this Agreement, the parties agree that this Agreement shall be amended or terminated to implement the Academy site closure or reconstitution, with no cost or penalty to the Academy, and the ESP shall have no recourse against the Academy or the District Board for implementing such site closure or reconstitution.

12.5. Change in Applicable Law. If any change in Applicable Law enacted after the date this Agreement is signed could reasonably be expected to have a material adverse effect on the ability of MVCA or K12 to carry out its obligations under this Agreement, MVCA or K12, upon written notice to MVCA or K12 (which notice may be given at any time following enactment of such change in Applicable Law, whether or not such change is effective on the date of such enactment or is effective at a later date), may request renegotiation of this Agreement. Such renegotiation will be undertaken in good faith. If MVCA or K12 are unable to renegotiate and agree upon revised terms within one hundred twenty (120) days after such notice of renegotiation, then this Agreement will be terminated effective at the end of the Fiscal Year in which such notice was given, unless earlier termination is necessary to protect the health, welfare, or safety of students.

13. TERMINATION EFFECTS.

13.1. Outstanding Payments Due. Except as otherwise agreed by MVCA and K12 in writing, termination does not relieve a Party of any obligations for payments outstanding to the other Party as of the date of termination or other obligations that continue upon termination as provided in this Agreement.

13.2. Fees Owed. In the event this Agreement terminates as provided for herein, or it expires pursuant to its terms, and unless otherwise agreed by MVCA and K12 in writing, the School shall owe for all products and services rendered, including the pro rata portion of the Management (Administrative) and Technology Services Fees, and fees for Educational Products and Services, in accordance with this Agreement for the period up to and including the date of termination or expiration.

13.3. Early Termination Pursuant to MCL §380.561 (8) and Section 9.3 of the Charter Contract. The Parties agree that there shall be no cost or penalty to the Academy and no recourse to the District or third party affiliated with or engaged by the District, by the ESP or any subcontracted person or entity of the ESP, in the event the District determines to exercise its prerogative under MCL 380.561 (8) and Section 9.3 of the Charter Contract to reconstitute the Academy by requiring the termination or amendment of this Agreement.

13.4. Transition. Upon the termination or expiration of this Agreement, or this Agreement is terminated due to a Charter revocation, reconstitution, termination or non-renewal, K12 shall, without additional charge: (i) close the financial records on the then-current school fiscal year which includes, but is not limited to, the completion and submission of the annual financial audit, state and federal grant reporting and all other associated reporting within required timelines established by the appropriate local, state or federal authority; (ii) organize and prepare student records for transition to the new educational management organization, self-management or in the case of a school closure, transfer to a student's new school as designated by the student's parent/legal guardian or to a person or entity authorized to hold such records;

(iii) provide for the orderly transition of employee compensation and benefits to the educational management organization 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 K12 to the School; (iv) organize and prepare the School's records, both electronic and hard-copy, for transition to the new educational management organization, self-management or dissolution; and (v) provide for the orderly transition to the new educational management organization, self-management or dissolution of all School-owned assets including, but not limited to furniture, fixtures, equipment, and real estate. This includes any keys, log-in information and passwords related to any School asset. K12 may work for a specified period of time for an agreed upon fee.

14. INTELLECTUAL PROPERTY RIGHTS.

14.1. Authority to Sublicense. The School acknowledges and agrees that K12 has the right to sublicense from its Affiliates to the School certain intellectual property rights and interests in and to K12 and its Affiliate's (and respective licensor's) intellectual property, including but not limited to, curriculum, trade secrets, know-how, proprietary data, documents and written materials in any format, artwork, graphics, charts, software, licenses, marketing materials, website design and domain numbers and names for K12, its Affiliates and the Program, the Program name and website design(s) and other materials created for the Program, and curricular materials and any and all customizations and derivative works thereof (collectively, "K12 Proprietary Materials"). The School further acknowledges and agrees that: (i) it has no intellectual property interest or claims in the K12 Proprietary Materials or any customizations and derivative works thereof or any other materials created for use in connection with the K12 Proprietary Materials, (ii) it has no right to use the K12 Proprietary Materials unless expressly agreed to in writing by K12, and (iii) K12 and its Affiliates (and respective licensors as the case may be) own all intellectual property rights in and to the K12 Proprietary Materials.

14.2. Sub-License of K12 Proprietary Materials. K12 hereby grants the School a royalty-free, non-exclusive, non-transferable sub-license during the Term, and for a period of thirty (30) days following the expiration or earlier termination of this Agreement, to use and distribute the K12 Proprietary Materials solely in connection with the Program operations as contemplated in this Agreement. Notwithstanding the foregoing, the School shall not: (i) modify or otherwise create, or permit third parties to modify or otherwise create derivative works from or using the K12 Proprietary Materials; (ii) sublicense any rights under this Agreement without the advance written approval of K12, which approval may be withheld by K12 in its sole discretion; or (iii) frame any website owned by K12. Upon the termination of such license, the School will cease use of the K12 Proprietary Materials, and will return all K12 Proprietary Materials to K12 promptly, including those in the possession of the Academy Board and Students participating in the Program.

14.3. Rights of K12 in K12 Proprietary Marks. The School acknowledges and agrees that, as between the School and K12, K12 only has the right to sublicense certain intellectual property rights and interests in and to K12 and its Affiliate's trademarks, service marks, and trade names (including K12, K12 (& Design), trade names, trade dress, and the logo names and design(s) for the Program as well as those featured in Exhibit B (collectively, "K12 Proprietary Marks"). The School further acknowledges and agrees that it has no intellectual property interest or claims in the K12 Proprietary Marks any customizations and derivative works thereof or any other materials created for use in

connection with the K12 Proprietary Marks and has no right to use the K12 Proprietary Marks except in the limited capacity as set forth in Section 14.1 or unless expressly agreed to in writing in advance by K12, which agreement K12 may withhold in its sole discretion.

14.4. Sub-License of K12 Proprietary Marks. K12 hereby grants the School a royalty-free, non-exclusive, non-transferable sublicense, during the Term and for a period of thirty (30) days following the expiration or earlier termination of this Agreement, to use the K12 Proprietary Marks relating to the Program solely in connection with the operations of Program as contemplated in this Agreement. Notwithstanding the foregoing, the School will not be permitted to sublicense any rights under this Agreement without the advance written approval of K12, which approval may be withheld by K12 in its sole discretion. Upon the termination of such license, the School will cease use of the K12 Proprietary Marks.

14.5. Limitations on Use of K12 Proprietary Materials and K12 Proprietary Marks by School. The School shall use the K12 Proprietary Materials and the K12 Proprietary Marks only as provided in this Agreement. Notwithstanding the foregoing license rights, the School also agrees not to not alter, copy, disassemble, reverse engineer or modify the K12 Proprietary Materials and/or the K12 Proprietary Marks in any way, nor will the School act or permit action in any way that would impair the rights of K12 in them. The School's authorized use will not create any right, title, or interest in or to the K12 Proprietary Materials or the K12 Proprietary Marks any customizations and derivative works thereof or any other materials created for use in connection with the foregoing. K12 will have the right to monitor the quality of the School's use of the K12 Proprietary Materials and the K12 Proprietary Marks, and the School will notify K12 promptly in writing of any known infringement thereof and of any use of K12's Intellectual Property (including the K12 Proprietary Materials, and/or the K12 Proprietary Marks) by an unauthorized party, other than set forth in, or contemplated by this Agreement, of which the School becomes aware. K12 and the School agree to reasonably assist each other in pursuing measures to prevent further use of K12's Intellectual Property by said unauthorized party. Any references to or use of the K12 Proprietary Materials or the K12 Proprietary Marks by the School will contain the appropriate trademark, copyright or other legal notice provided from time to time by K12 and will be subject to additional trademark usage standards developed by K12 and modified from time to time by K12 with advance notice in writing.

14.6. Publicity/Family Outreach. To the extent permitted by Applicable Law, K12 shall only use monies paid directly for advertising by MVCA for family outreach purposes on behalf of MVCA and on messaging or materials that specifically reference MVCA. General outreach for awareness of cyber school options or K12 services and products shall be paid solely by K12.

14.7. Marketing Plan. K12 will present an annual marketing plan to the Academy Board each Spring at an Academy Board meeting. The Academy Board will provide input to the marketing plan at that meeting. K12 will consider and respond to that input.

15. LIMITS ON LIABILITY AND DAMAGES.

15.1. CONSEQUENTIAL DAMAGES. EXCEPT IN CONNECTION WITH ITS INDEMNITY OBLIGATIONS EXPRESSLY SET FORTH HEREIN, NEITHER MVCA NOR K12 SHALL BE LIABLE FOR ANY INDIRECT, EXEMPLARY, PUNITIVE, SPECIAL, INCIDENTAL OR CONSEQUENTIAL DAMAGES, INCLUDING, WITHOUT LIMITATION, ANY LOST SAVINGS, LOST PROFITS, LOST SALES, BUSINESS INTERRUPTIONS, DELAY DAMAGES, DAMAGES FOR THIRD PARTY CLAIMS, LOST OR DESTROYED DATA, EVEN IF THAT PARTY HAS BEEN ADVISED OF THE POSSIBILITY OF SUCH DAMAGES. NEITHER OCCASIONAL SHORT-TERM INTERRUPTIONS OF SERVICE OR PRODUCTS, WHICH ARE NOT UNREASONABLE UNDER COMPARABLE INDUSTRY STANDARDS NOR INTERRUPTIONS OF SERVICE OR PRODUCTS RESULTING FROM EVENTS OR CIRCUMSTANCES BEYOND K12'S REASONABLE CONTROL SHALL BE CAUSE FOR ANY LIABILITY OR CLAIM AGAINST K12 HEREUNDER, NOR SHALL ANY SUCH OCCASION RENDER K12 IN BREACH OF TIES AGREEMENT. This Section does not impact the rights of any non-party to this Agreement.

16. ASSIGNMENT.

Except as otherwise provided in this Agreement, neither MVCA nor K12 may assign or delegate any rights or obligations under this Agreement without the prior written consent of the other Party, which shall not be unreasonably withheld. Except as prohibited by Applicable Law, the Charter, or the Academy Board, K12 may assign all of its rights and obligations under this Agreement to any Affiliate. K12 may delegate the performance of its duties hereunder to any person or entity, however, K12 shall be responsible for the performance, in accordance with the terms of this Agreement, of any services performed by its delegee. The Academy Board shall not incur any additional fees as a result of K12's assignment of any rights, services or obligations under this Agreement.

17. INDEMNITY.

The Party charged with indemnifying and/or defending under this provision (the "Indemnifying Party") shall conduct the defense in any such third party action arising as described herein and the Party claiming the benefits of this Section 17 (the "Indemnified Party") promises to cooperate with such defense, provided the Indemnifying Party reasonably consults with the Indemnified Party on any settlement (subject to the consent requirement in the last sentence of this paragraph). Notwithstanding the foregoing, the Indemnified Party may, at its own expense, assist in such defense if it so chooses, provided that the Indemnifying Party shall be entitled to control such defense and all negotiations relative to the settlement of any such claim. Any settlement that would admit any liability on the part of the Indemnified Party shall require such Indemnified Party's prior written consent. This Section does not apply to any indemnity obligation related to the District Board.

17.1. Indemnification of the School. K12 and its Affiliates will each jointly and severally indemnify, defend, and save and hold the School and the Academy Board and all of its employees, officers, directors, trustees, subcontractors, and agents, their respective successors and permitted assigns, harmless against any and all claims, demands, suits, or other forms of liability including

without limitation costs and reasonable attorneys' fees (each a "Claim") that may arise out of, or by reason of, any (a) breach of any expressed representation or warranty, covenant or agreement made or to be performed by K12 or its Affiliate pursuant to this Agreement, (b) noncompliance by K12 or its Affiliate with any Applicable Law in connection with the School's operations, but excluding any Claims that arise from conduct undertaken in accordance with the Authorizing Body's, the School's or the Academy Board's expressed written instructions, except where such instructions arise from and are in accordance with advice or recommendations provided by K12 or its Affiliate, and (c) act or omission of K12 or its Affiliate or any of its employees, officers, directors, trustees, subcontractors or agents in connection with the School's operations that results in injury, death, or loss to person or property except to the extent any Claims arise out of the gross negligence of a School employee.

17.2. Indemnification of K12. To the extent permitted by law, the School agrees to indemnify, defend, and save and hold K12 and each other Affiliate of K12 and all of their respective employees, officers, directors, trustees, subcontractors, and agents, their respective successors and permitted assigns, harmless against any and all Claims that may arise out of, or by reason of, any (a) breach or any expressed representation or warranty, covenant or agreement made or to be performed by the School pursuant to this Agreement, (b) noncompliance by or on behalf of the School or Academy Board with any Applicable Law in connection with School's governance, and (c) negligence of the Academy Board or any of its employees, officers, directors, trustees, subcontractors or agents in connection with the School's governance that results in injury, death, or loss to person or property except to the extent any Claims arise out of actions or omissions of K12.

17.3. Indemnification of The School District of the City of Hazel Park. The Parties acknowledge and agree that The Board of Education for the School District of the City of Hazel Park and its members, trustees, officers, employees, agents, or representatives are deemed to be third party beneficiaries for purposes of this Agreement. K12 and the Academy to the extent permitted by law hereby promise to indemnify, defend and hold harmless, as third party beneficiaries The Board of Education for the School District of the City of Hazel Park its members, officers, employees, agents, or representatives from all claims, demands or liability, including attorney fees, and related expenses on account of injury, loss or damage, including without limitation, claims arising from bodily injury, personal injury, sickness, disease, death, property loss or damage or any other losses of any kind whatsoever and not caused by the sole negligence of The School District of the City of Hazel Park, which arise out of or are in any manner connected with The School District of the City of Hazel Park's approval of the Application, the District Board's consideration or issuance of a Contract, the Academy's preparation for and operation of the School, or which are incurred as a result of the reliance by The School District of the City of Hazel Park and its Board of Education members, trustees, officers, employees, agents, or representatives upon information supplied by the Academy or the ESP, or which arise out of the Academy's failure to perform its obligations under the Contract issued to the Academy by The School District of the City of Hazel Park. The Parties expressly acknowledge and agree that The School District of the City of Hazel Park and its Board of Education members, trustees, officers, employees, agents, or representatives may commence legal action against either Party to enforce its rights as set forth in this Section of this Agreement.

17.4. Indemnification Procedures.

17.4.1. Notice Requirement. Each Indemnified Party must give written notice to the other of the existence of a Claim promptly after such Indemnified Party first receives notice of the existence of the potential Claim, provided that such Indemnified Party will not be foreclosed from seeking indemnification hereunder by any failure to provide such prompt notice except and only to the extent the Indemnified Party actually incurs an incremental expense or otherwise has been materially prejudiced as a result of such delay.

17.4.2. Defense and Settlement of Claims. Each Indemnified Party seeking indemnification hereunder will permit the Indemnifying Party (at the expense of the Indemnifying Party) to assume the defense of such Claim, provided, that (i) counsel for the Indemnifying Party who will conduct the defense of such Claim must be reasonably satisfactory to such Indemnified Party and (ii) such Indemnified Party may participate in such defense at such Indemnified Party's expense. Except with the prior written consent of the Indemnified Party seeking indemnification hereunder, the Indemnifying Party, in the defense of any Claim, will not consent to entry of any judgment or enter into any settlement. In the event that any Indemnified Party seeking indemnification hereunder has been advised by counsel for the Indemnifying Party that such Indemnified Party may have available to it one or more defenses or counterclaims that are different from or in addition to one or more of those that may be available to the Indemnifying Party in respect of such Claim and, in such counsel's reasonable opinion, such counsel could not assert such defenses or counterclaims without creating a conflict of interest, such Indemnified Party will have the right to take over and assume control over the defense of such claim at the sole cost of the Indemnifying Party, provided that if such Indemnified Party does so take over and assume control, such Indemnified Party will not settle such claim without the written consent of the Indemnifying Party. In the event that the Indemnifying Party does not accept the defense of any matter as above provided, the Indemnified Party seeking indemnification hereunder will have the right to defend against such Claim, provided that such Indemnified Party will not settle such Claim without the written consent of the Indemnifying Party. In any event, any Indemnified Party seeking indemnification hereunder and the Indemnifying Party will cooperate in the defense of any claim subject to this Section 17. This Section in no manner applies to the District Board.

18. INSURANCE.

18.1. K12 Insurance

K12 shall maintain such policies of insurance as required by the Charter Contract, Michigan Universities Self-Insurance Corporation ("MUSIC"), or applicable law. K12 shall name Michigan Virtual Charter Academy as an Additional Insured on K12's general liability and umbrella insurance coverage in amounts and on such terms as the District Board and the Academy Board may require in accordance with MUSIC, which amounts are set forth herein. K12 shall not modify its coverage hereunder without providing at least thirty (30) days' written notice to the Academy Board. Each Party shall maintain such insurance as shall be necessary to indemnify the other as required in this Agreement. Each Party shall, upon request, present evidence to the other that it maintains the requisite insurance in compliance with this Section, the Charter Contract and this Agreement.

As required by MUSIC, the Academy and the District Board, any policy of insurance maintained by K12 must include coverage for sexual molestation or abuse, must name the Academy and the District Board as additional named insureds and the named insured shall not be changed, revoked or modified absent thirty (30) days' written notice to the Academy Board and the District Charter Schools Office.

In the event MUSIC or the District Board modifies the level, scope or other aspects of the coverage, K12 shall undertake the like and similar modifications within thirty (30) days of written notice of such change. The Academy Board and K12 agree that as required by MUSIC, the District Board and the Academy Board, K12 shall maintain the following minimum insurance coverages:

- a) General Liability: \$1 million per occurrence, \$3 million aggregate;
- b) Automobile Liability: \$1 million per accident;
- c) Workers' Disability Compensation: Required to meet statutory limits with \$1 million Employers' Liability Limits;
- d) Errors and Omissions: \$1 million per occurrence, \$3 million aggregate;
- e) Crime (Including Employee Dishonesty Coverage): \$500,000 per occurrence and third party coverage; and
- f) Umbrella: Aggregate or unlimited aggregate at \$2 million limit, such insurance to be on an "occurrence" basis. The umbrella policy will be excess of the general liability and auto liability insurance. The District Board and The School District of The City of Hazel Park shall be included as an Additional Insured with Primary and Non-Contributory Coverage. In the event of a name change or merger or acquisition of K12, each name for the entities in that name change, merger or acquisition shall be an Insured under the umbrella policy, with the newest entity as the First Named Insured.

18.2. School Insurance. The School shall insure the real and personal property of the Academy and shall purchase general liability insurance. The School shall name the District on its insurance policies as an additional named insured. The School shall send to the Superintendent copies of its insurance policies. The School shall maintain at least the minimum insurance coverages required by District insurance providers, including, but not limited to MUSIC. The School shall obtain coverage for sexual molestation and abuse and the following insurance coverages:

- a). Property insurance covering all of the School's real and personal property, whether owned or leased;
- b). General/Public Liability: Minimum of \$1 million per occurrence, \$2 million aggregate (Occurrence Form); The School District of the City of Hazel Park Additional Insured;
- c). Automobile Liability (Owned and Non-Owned): Minimum \$1 million per accident, The School District of the City of Hazel Park Additional Insured;

d). Workers' Disability Compensation: Meeting statutory requirements if without employees; and Employer's Liability insurance with a minimum of \$500,000;

e). School Leaders Errors and Omissions (including coverage for sexual molestation and abuse); Minimum \$1 million per occurrence and \$3 million aggregate (Claims made or Occurrence Form); The School District of the City of Hazel Park Additional Insured;

f). Crime (Including Employee Dishonesty); Minimum \$500,000 per occurrence; and

g). Employment Practices Liability: Minimum \$1 million per claim/aggregate (Claims made or Occurrence); The School District of the City of Hazel Park Additional Insured.

The School shall have a provision in its policies of insurance requiring notice to the District at least thirty (30) days in advance, upon termination or non-renewal of the policy or changes in insurance carrier or policy limits. The School shall comply with any additional changes in the types and amounts of coverage requested by the District's insurance carrier within thirty (30) days after notice of the insurance coverage change.

18.3. Evidence of Insurance. K12 and the School shall furnish to the other the certificates of the required insurances at the time of the execution of this Agreement.

18.4. Workers' Disability Compensation Insurance. Each Party shall obtain and maintain workers' disability compensation insurance for its respective employees working at or for the Program, as required by Applicable Law.

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

19. REPRESENTATIONS AND WARRANTIES.

19.1. Representations and Warranties of K12. K12 hereby represents and warrants to the School:

19.1.1. Organization and Good Standing. K12 is a company duly organized, validly existing, and in good standing under the laws of the State of Delaware and is a wholly owned subsidiary of K12 Inc.

19.1.2. Power and Authority; Authorization; Binding and Enforceable Agreement. K12 has full limited liability company power and authority to execute and deliver this Agreement and to perform its obligations hereunder. This Agreement has been duly authorized and executed by K12 and constitutes the valid and legally binding obligation of K12, enforceable against K12 in accordance with its terms, except as such enforceability may be limited by bankruptcy, insolvency, reorganization, moratorium, fraudulent conveyance, and other laws of general applicability relating to or affecting creditors' rights and by general principles of equity.

19.1.3. Professional Services. K12 warrants that the Services will be performed in a professional and workmanlike manner in accordance with commercially reasonable industry standards, and deliverables, if any, will materially comply with the agreed upon functional

specifications set forth in Exhibit A. K12 and its Affiliates understand and agree that student growth, academic performance and other measurable performance goals required by the Charter Contract between the District Board and the School must be met by K12.

19.2. Representations and Warranties of the School. The School hereby represents and warrants to K12:

19.2.1. Organization and Good Standing. The School is a non-profit corporation duly organized, validly existing, and in good standing under the laws of Michigan.

19.2.2. Power and Authority; Authorization; Binding and Enforceable Agreement. The School has full power and authority to execute and deliver this Agreement and to perform its obligations hereunder. This Agreement has been duly authorized and executed by the School and constitutes the valid and legally binding obligation of the School, enforceable against it in accordance with its terms and conditions, except as such enforceability may be limited by bankruptcy, insolvency, reorganization, moratorium, fraudulent conveyance, and other laws of general applicability relating to or affecting creditors' rights and by general principles of equity, the Charter Contract or Applicable Law.

19.2.3. Authority Under Applicable Law. The School has the authority under Applicable Law to: (i) contract with a management company to obtain the Services, Administrative Services and/or Technological Services and all other programs and services under this Agreement; (ii) to execute, deliver, and perform this Agreement; and (iii) to incur the obligations provided for under this Agreement.

19.2.4. Non-Contravention. The execution, delivery and performance of this Agreement by the School will not constitute, under any other agreement, note, lease, or other instrument to which the Academy Board is a party or by which it or any of its assets is bound, any violation, breach or event of default by the School or any other party thereto. The School has delivered to K12 a true and complete copy of the Charter Contract.

19.2.5. Effectiveness and Enforceability of the Charter Contract. The Charter Contract is in full force and effect and constitutes a valid and binding obligation of each party thereto, enforceable in accordance with its terms except as such enforceability may be limited by bankruptcy, insolvency, reorganization, moratorium, fraudulent conveyance, and other laws of general applicability relating to or affecting creditors' rights and by general principles of equity.

19.2.6. Provisions of the Charter Contract. The Charter Contract authorizes the School to operate and receive the federal, state and local education funds permitted under law, other revenues identified herein. and otherwise vests the Academy Board with all powers necessary for carrying out the Educational Program and other activities set forth in this Agreement and the Charter Contract.

19.2.7. Renewal of the Charter Contract. The Academy Board will use its best efforts to renew the Charter Contract upon its expiration, unless the Academy Board determines that the student academic performance does not meet the Academy Board's expectations and/or the performance measurables required in the Charter Contract. In no way does the Academy Board's representation in this regard require the Academy Board or the School to contract with K12 as its Educational Service Provider.

20. OFFICIAL NOTICES.

All notices and other communications required by the terms of this Agreement will be in writing and sent to the Parties hereto at the addresses set forth below (and such addresses may be changed upon proper notice to such addressees). Notice may be given by: (i) certified or registered mail, postage prepaid, return receipt requested, (ii) reputable overnight carrier, postage prepaid, (iii) facsimile (with confirmation of transmission by sender's facsimile machine), or (iv) personal delivery (with written receipt confirming such delivery). Notice will be deemed to have been given (i) two (2) days after mailing as described in clauses (i) and (ii) of the foregoing sentence, (ii) on the date of personal delivery or (iii) on the date of transmission of a facsimile if on a business day during normal business hours (or, if not, the next succeeding business day). Electronic mail does not constitute official notice under this Agreement. The addresses of the Parties are:

For K12:
President, Academics, Policy and School Group
K12
2300 Corporate Park Drive, Suite 200
Herndon, Virginia 20171
Fax: (703) 483-7330

With Copy To:
General Counsel
K12
2300 Corporate Park Drive, Suite 200
Herndon, Virginia 20171
Fax: (703) 483-7496

For School:
Michigan Virtual Academy
Attention Board President
1620 E. Elza
Hazel Park, Michigan 48030

With Copy To:
Clark Hill, PLC
Attention Ann L. VanderLaan
151 S. Old Woodward Avenue, Suite 200
Birmingham, MI 48009
Fax: (248) 642-2174

21. DISPUTE RESOLUTION, VENUE AND GOVERNING LAW.

21.1. Dispute Resolution Procedure. The Parties agree that they will attempt in good faith to settle any and all disputes arising in connection with this Agreement amicably in the ordinary course of business. If a dispute is not resolved in the ordinary course of business, the aggrieved Party shall submit its dispute in writing to the HOS and the Academy Board President. If the dispute is not resolved after ten (10) calendar days from the receipt of such written notice, then the matter will be submitted to the EVP of School Management and Services for K12 for consideration and discussion with the Academy Board President.

21.2. Mediation and Arbitration. If the Parties are unable to resolve the dispute pursuant to Section 21.1.1, the Parties may attempt to mediate the dispute or proceed directly to arbitration. Arbitration shall take place in Oakland County, Michigan, before a single arbitrator, pursuant to the Commercial Rules of the American Arbitration Association. Each Party shall be responsible for its own costs and attorneys' fees for the mediation and/or arbitration, except that the Parties shall share equally any fees payable to a professional mediator and/or arbitrator. Judgment upon the award rendered may be entered by the Circuit Court of Oakland County, Michigan. The Parties acknowledge and agree that arbitration is the sole and exclusive remedy for the resolution of any and all disputes between the Parties.

21.3. Governing Law. The laws of the State of Michigan without regard to its conflict of law provisions will govern this Agreement, its construction, and the determination of any rights, duties, and remedies of the Parties arising out of or relating to this Agreement.

21.4. Governmental Immunity. No provision of this Agreement shall restrict the Academy Board from waiving its governmental immunity or require the Academy Board to assert, waive or not waive its governmental immunity.

22. MISCELLANEOUS.

22.1. Force Majeure. Notwithstanding any other sections of this Agreement, no Party shall be liable for any delay in performance or inability to perform due to acts of God or due to war, riot, terrorism, civil war, embargo, fire, flood, explosion, sabotage, accident, labor strike, Internet outage or other acts beyond its reasonable control and unrelated to its fault or negligence.

22.2. Entire Agreement. This Agreement, including Exhibits A, B, C, D, and E, referenced herein and attached hereto, and the Settlement Agreement and Release effective December 23, 2014, shall constitute the entire Agreement between the Parties and supersedes all previous and contemporaneous oral and written negotiations, commitments, agreements, warranties, representations and understandings. This Agreement will not be altered, amended, modified, or supplemented except in a written document executed by the Parties.

22.3. Counterparts, Facsimile Transmissions. This Agreement may be executed in counterparts, each of which will be deemed an original, but both of which will constitute one and the same instrument. Each Party may rely on facsimile signature pages as if such facsimile pages were originals.

22.4. Amendment. This Agreement will not be altered, amended, modified, or supplemented except in a written document executed by the Parties and as permitted by the Charter Contract.

22.5. Waiver. No waiver of any provision of this Agreement will be effective unless in writing, nor will such waiver constitute a waiver of any other provision of this Agreement, nor will such waiver constitute a continuing waiver unless otherwise expressly stated.

22.6. Interpretation. The Parties hereto acknowledge and agree that the terms and provisions of this Agreement, will be construed fairly as to Parties and not in favor of or against a Party, regardless of which Party was generally responsible for the preparation of this Agreement.

22.7. Severability. In the event any term, provision or restriction is held to be illegal, invalid or unenforceable in any respect, such finding shall in no way affect the legality, validity or enforceability of all other provisions of this Agreement. To the extent that any of the services to be provided by K12 are found to be overbroad or an invalid delegation of authority by the Academy Board, such services will be construed to be limited to the extent necessary to make the services valid and binding.

22.8. Successors and Assigns. This Agreement will be binding upon, and inure to the benefit of, the Parties and their respective successors and permitted assigns as permitted by the Charter Contract.

22.9. Third-Party Rights. This Agreement is made for the sole benefit of the School and K12 and their respective successors and permitted assigns. The Authorizer, the District Board is the only third-party beneficiary to this Agreement.

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

22.11. Headings and Captions. The headings and captions in this Agreement have been included only for convenience and shall not affect the interpretation of this Agreement.

IN WITNESS WHEREOF the Parties have entered into this Agreement as of the Effective Date set forth on Page 1 of this Agreement.

Michigan Virtual Charter Academy

By: Maura Jolt
Its: Board President
Dated: 3/25/19

K12 Virtual Schools, LLC

DocuSigned by:
By: [Signature]
11BF52F6E508463...
Its: Kevin Chavous
Dated: 3/27/2019

EXHIBIT A

Service Level Agreement (Products & Services)

This Service Level Agreement (“SLA”) is between the Academy and K12, the term of which shall run contemporaneously with the Educational Products & Service Agreement between the Parties dated as of July 1, 2019 (the “EPSA”). This SLA shall be incorporated with and made part of the EPSA. In the event of any conflict between the EPSA and this SLA, the terms of the EPSA shall control.

The purpose of this SLA is to document the delivery of the Educational Products, the Administrative Services, and the Technical Services. K12 shall license the Educational Products to the Academy and its Students, as well as deliver the Pupil Recruiting and Product-Related Services, the Administrative Services and the Technical Services as set forth in this SLA. The Academy shall pay for receipt of the Educational Product licenses, as well as the Pupil Recruiting and Product-Related Services, the Administrative Services and the Technical Services as set forth in the EPSA and herein this SLA.

Capitalized terms herein shall have the meanings assigned to them in the EPSA, unless defined otherwise herein this SLA. The Parties shall review this SLA no less than annually to determine if any modifications or amendments are needed to reflect the Academy’s support requirements and K12’s services.

I. **Educational Products, Pupil Recruiting and Product Related Services.** During the Term, K12 and its Affiliates will provide or cause to be provided to the School, its Students and its personnel the following Educational Products and related services in consideration of payment of the fees published on the Product Price List attached hereto:

1. **Online School (“OLS”):** For each School year during the Term, K12 will provide a license for and access to: (i) the K12 Curriculum and associated learning management system (“LMS”) for grades K through 8, in each case in any area required by Applicable Law, including, Language Arts, Math, Science, History, Art and Music, however, foreign language may be substituted for Music as agreed and allowable; (ii) K12 Curriculum and associated LMS for grades 9 through 12, in each case in any area required by Applicable Law, including Language Arts, Math, Science and History in addition to electives per the K12 course catalogue; and (iii) any third party curriculum K12 generally offers its Other Schools, in each case for such courses required by Applicable Law.
 - a. **Instructional Tools.** Such instructional tools and supplies, including without limitation textbooks and multi-media teaching tools, as K12 determines in its discretion to be necessary to deliver the Educational Program.
 - b. **Product Related Services.** Pupil Recruitment and related services are included in the fees for the curriculum and materials in the Product Price List:

- c. Additional Instructional Support. K12 will make available the necessary instructional support and teachers as mutually agreed upon in accordance with the Product Price List as the Program may require for the Educational Products and related offerings.
- d. Pupil Recruitment.
 - i. Recruitment of students to the School including creation;
 - ii. Design and preparation of MVCA-specific recruitment materials and advertisements; assist with demand creation for the Program and its information sessions and other events via mail, e-mail, newspapers, magazines, journals, radio, television, community forums, town hall meetings, and other forms of communication and outreach on School's behalf;
 - iii. Develop community outreach strategy and connect with local organizations;
 - iv. Design MVCA-specific recruitment materials, letterhead, business cards, and logos to create School identity; and
 - v. Develop, design, publish, and maintain the MVCA Program's interactive website.
- e. Admissions. Implementation of the School's admissions policy, as adopted by the Board, including management of the application and enrollment process; creation, design and publication of MVCA Program's applications and enrollment packages; and communicating with potential students and their families and assisting families through the enrollment process; conduct random lottery if required.
- f. Family Services.
 - i. Plan and arrange School orientation sessions. Represent the Academy at conferences and other events.
 - ii. Field and respond to incoming calls, letters, faxes, and e-mails about the MVCA Program, its curriculum, the application/enrollment process, instructional materials, etc.
 - iii. Conduct focus groups, surveys, interviews, observation sessions, and/or user testing on the learning management system to obtain feedback on how to improve the Program and curriculum, as appropriate.
 - iv. Create "feedback buttons" on lessons so that Students, their parents, and teachers may submit comments and suggestions; respond to suggestions and implement improvements where K12 deems them to be valuable.
 - v. Conduct exit interviews with those Program students and their parents who withdraw in order to learn more about how to improve the Program for students.
 - vi. Create and distribute a parent manual and/or student handbook which includes a starting kit for logging onto the learning management system.

- vii. Assist with the design and implementation of parent orientation sessions.
- g. Balanced Budget Provision. In consideration for the opportunity to provide School with the services and products set forth in this Agreement, the Parties agree that the Program will not end a Fiscal Year in a net negative asset position.
- h. Computers for Full Time Students. (see EPSA Section 4.3.7.) For Full Time Students' families computers, monitors, software and other hardware and subsidized cost of internet access unless such students opt out of such offering, as provided for in EPSA Section 4.3.7., computer distribution policies shall be set annually in the budget process.
- i. High School Services. As requested and as available, K12 shall provide the following for High School students:
 - i. Social Networking – K 12 may provide access to a monitored, private, virtual social community for students, parents and teachers to communicate and connect. Students benefit from exchanging ideas and information with students around the world using the K12 program and gaining a sense of connectedness within the boundaries of a contained but global community. K12 may provide MVCA with its own sub-community to generate School pride as well as provide its own content and clubs, a School calendar, announcements, and information on upcoming activities and outings.
 - ii. Counseling Tools - Web-based counseling tool(s) to support college, career planning and exploration. Specifically the tool(s) may include:
 1. Counselor's Office - Web-based system allows college and career counselors to collect and organize detailed information about Students' post-secondary plans;
 2. Course Manager - Fully automated system to help Students choose the courses they will need to achieve their post-secondary goals;
 3. Family Connection - Provides Students and families access to age/grade-appropriate resources for course, college, and career planning. Counselors can build multi-year course plans, conduct targeted college searches, research scholarships, and assist students with career and technical education, and other post-secondary career options.
 4. Career Planner - Integrated so Students and parents can see how career decisions relate to course and college planning activities, and counselors can guide and track student progress.

II. Administrative Services. During the Term, K12 and its Affiliates will provide or cause to be provided to School the administrative services (the "Administrative Services") at the services levels set forth herein. K12 will provide the Administrative Services at School's Facility and from K12's offices in Herndon, Virginia and elsewhere, as deemed necessary in K12's discretion.

Administrative Services fall into two areas: generic administrative service functions and specialized administrative service functions. For purposes of this SLA, generic administrative service functions are routine support provided by K12 to the School, the Academy Board and its Students in the form of general administrative, clerical and similar tasks.

Specialized administrative service functions, for purposes of this SLA, are those administrative functions listed below which require K12 to deploy specialized knowledge and experience, and to undertake some level of interpretation, calculation and analysis. Specialized administrative service functions are considered necessary for K12, on behalf of the School, to successfully provide in order to efficiently and effectively deliver the educational services contemplated by the EPSA and the Charter Contract as well as to facilitate Student and Authorizer Board satisfaction and to meet agreed standards and objectives.

The descriptions of the specialized administrative service functions below are not intended to be comprehensive. In addition to the services levels outlined in this SLA, K12 shall provide the Administrative Services in a professional, timely, and accurate manner to the Academy Board and the Students.

Service Catalog

Service Function	Service Activity
A1. Educational Program Consulting	Propose educational goals, curriculum, methods of pupil assessment, admissions policy, student recruitment policy, School calendar, School day schedule, and age and grade range of pupils to be enrolled in the Program. K12's recommendations for the Program shall be consistent with Applicable Law and the Charter Contract.
A2. Personnel	Services related to Program employees as outlined in EPSA Section 8.
A3. Facility Management	<p>Identify location of Facility, negotiate a lease and/or sub-lease to the School. Manage leasehold improvements and the Facility.</p> <ol style="list-style-type: none"> a. The performance of K12's Administrative Services will be based out of this Facility, with support from K12's corporate location in Virginia and or other locations as necessary. b. The Facilities shall also serve as the administrative offices for personnel assigned to the Program. c. Costs will be reviewed and established through the budget process prior to entering any agreements.
A4. Business Administration	<p>Administration of all business aspects and day-to-day management of the Program. These services shall include:</p> <ol style="list-style-type: none"> a. Consultation, and services as liaison for School with the Authorizing Body, and other governmental offices and agencies; b. Consultation and advice regarding special education programs, processes, support services and reimbursements;

Service Function	Service Activity
	<ul style="list-style-type: none"> c. Consistent with other provisions of the Agreement, provide School administrative staff as appropriate; d. Work with School's counsel, if any, on legal matters affecting the Program; e. Preparation of forms, operations manuals, handbooks, guides, and policies and procedures as necessary or required by the Charter Contract or Authorizing Body for review and approval, as necessary, by the Academy Board; f. Preparation of federal, state, Michigan Department of Education, and Authorizer Reports as required; g. Assist School in identifying and applying for grants and other funding opportunities; h. Administer federal entitlement programs (e.g., Title I, I.D.E.A.); i. Establish and implement policies and procedures to maintain proper internal controls, with Academy Board approval as required by Applicable Law, the Charter Contract, or this Agreement; j. Provision of such other administrative and consulting services as agreed in writing by the Parties from time to time; and k. Coordinate and provide special education services to the School's eligible special education and Section 504 students.
<p>A5. Budgeting and Financial Reporting</p>	<ul style="list-style-type: none"> a. Preparation of a proposed annual budget for the Program, including projected revenues, expenses and capital expenditures. <ul style="list-style-type: none"> 1. The proposed budget shall be submitted by K12 to the Academy Board seven (7) to ten (10) days prior to the May Board meeting for the upcoming fiscal year which begins July 1. 2. In or about January of each Fiscal Year during the Term, K12 shall submit to the Academy Board any proposed modifications to the annual budget for that Fiscal Year to take into account the actual student enrollment for such Fiscal Year and other changes in key assumptions. 3. K12 may also submit to the Academy Board, from time to time, requests for Budget Amendments to the annual Budget as K12 may deem to be necessary or desirable. 4. The Academy Board shall adopt or reject any such proposed Budget Amendments in a timely manner consistent with Applicable Law and this Agreement. b. On a monthly basis, provide the Academy Board with detailed statements of all revenues received, from whatever source by the Program, and detailed statements of all direct expenditures for services rendered to the Program. c. Provide to the Academy Board all financial reports in the manner and within the time frames required under Applicable Law, the Charter Contract, and by the Authorizing Body. d. Provide to the Academy Board such other information related to the

Service Function	Service Activity
	<p>School either (1) required by the Authorizing Body to be made available to School or the Authorizing Body; or (2) requested by the Academy Board, in each case promptly following such written request therefore, and in all cases consistent with Applicable Law.</p> <p>e. To the extent applicable, assist in the preparation of required non-profit filings, including form 990 tax returns. Notwithstanding the foregoing, K12 will not be responsible for filing the School's Form 1023 but will cooperate with School's legal counsel and/or accountant to prepare the application for tax-exempt status, as necessary.</p>
A6. Financial Management	<p>a. In accordance with the Academy Board's Expenditure Authorization Policy, K12 will, within commercially reasonable periods of time or as required by any agreement governing same, make payment for all Program Expenses out of the Program funds managed by K12.</p> <p>b. All Program funds will be maintained in an account(s) belonging to School. School will immediately transfer to such account(s) all funds received by the Program from any source, including but not limited to, per pupil payments or reimbursements received from the local school district, state, federal and/or any other source, and any and all contributions received by the Program. School will make relevant account statements available to K12.</p> <p>c. Perform necessary planning, forecasting, accounting and reporting functions.</p> <p>d. Assist and coordinate in any third-party audit(s) of the Educational Program.</p>
A7. Maintenance of Financial and Student Records	<p>a. K12 shall maintain and keep the records and books of the Program at the Facility(ies), in accordance with all Applicable Law related to the content, location, and all other matters related to student records. K12 may maintain electronic or paper copies of records and provide other services elsewhere, unless prohibited by Applicable Law. In either case, electronic and paper copies of records are school property and will be made available to the School upon request at the School's physical facilities. The School recognizes and agrees that for 'purposes of the Family Educational, Rights and Privacy Act and the State open records act, K12 has a legitimate educational interest for purposes of School disclosing to K12 the Program student's educational records.</p> <p>b. K12 will maintain accurate financial records pertaining to the operation of the Program and will retain all such records for a period of seven (7) years (or longer if required by Applicable Law) from the close of the Fiscal Year to which such books, accounts, and records relate.</p> <p>c. K12 will maintain accurate student records pertaining to students enrolled in the Program in the manner required by Applicable Law, and retain such records on behalf of School at the Facility until this Agreement is terminated, at which time such records will be retained by</p>

Service Function	Service Activity
	<p>and become the sole responsibility of School.</p> <p>d. Ensure accessibility of Program records to School, its independent auditor and the State for completion of audits required by Applicable Law. The Parties understand that all financial, educational and other records, regardless of source of origin, are the property of School. The Parties agree to maintain, retain, disclose, and withhold Program records as may be required and in the manner required by Applicable Law.</p>
A8. Student Discipline	<p>a. Provide necessary information to the Academy Board and appropriately handle all student disciplinary matters, including without limitation attendance and truancy matters, except those specifically designated to the Academy Board under Michigan law or Academy Board Policy.</p> <p>b. K12 will recommend policy and procedures for Academy Board adoption consistent with Applicable Law.</p>
A9. Annual Reports to Authorizing Body	Assist School with the creation, design, and arrangement for publication and dissemination of an annual report regarding the Educational Program.
A10. Teacher Effectiveness and Training	<p>a. Develop new teacher training and ongoing professional development for teachers, including Virtual National Teacher Training (VNTT), the initial training offered by the K12 Teacher Effectiveness Division to all teachers new to teaching at a virtual program using the K12 program.</p> <p>b. Develop and maintain the K12 Teacher Handbook, a resource guide with more than 200 pages of relevant information for teachers.</p> <p>c. Host the Teacher Support Website, an online community where teachers can interact with the K12 Teacher Effectiveness Division and other teachers from across the country to share resources and expertise.</p> <p>d. Host the Teacher Help Desk, a drop-in resource for teachers to receive real-time assistance from the K12 Teacher Effectiveness Division. Open via phone, Elluminate® drop-in, and email to teachers 24/7.</p> <p>e. Host ongoing teacher professional development sessions throughout the School year for new and returning teachers on topics related to teacher effectiveness in a virtual environment.</p> <p>f. Develop and deliver Online Synchronous Instructor training, which certifies teachers as effective instructors using Elluminate®, the virtual classroom tool used by K12 Virtual Academies for real-time virtual instruction with students.</p>
A11. Authorizing Body Policies and Charter Renewal	<p>a. Assist School in complying with all applicable Authorizing Body policies as reasonably interpreted to apply to the Educational Program.</p> <p>b. Assist School with drafting the Educational Program's Charter Contract renewal application, including working with the Academy Board and School to develop any necessary budgetary and curriculum information.</p> <p>c. Present and defend School's Charter Contract renewal application</p>

Service Function	Service Activity
	before the Authorizing Body/Agency.
A12. Instructional Property Management	<ul style="list-style-type: none"> a. Prepare and submit to the Academy Board proposed policies and procedures regarding the responsible use of computer equipment and other instructional property. b. Arrange for the distribution and re-shipment or return (as necessary) of computers, printers and instructional materials for families, administrators, and teachers.
A13. Public and Governmental Relations	Conduct public and governmental relations on the behalf of the Educational Program with the community, the media and relevant governmental offices and agencies, including drafting and distribution of Program press releases, subject to the Academy Board's consent.

II. Technology Services: During the Term, K12 and its Affiliates will provide or cause to be provided to the School the technology services (the "Technology Services") described below. K12 will provide the Technology Services at School's Facility (defined below) and from K12's offices, as deemed necessary and in K12's discretion.

Service Catalog

Service Function	Service Description
IT1. Reporting	<ul style="list-style-type: none"> a. Generate reports on pupil academic performance, attendance and progress b. Generate reports e.g., omnibus report, demographic reports, etc. c. Meet all local, state, and federal reporting requirements required by Applicable Law, the Charter Contract, and this Agreement. d. Prepare the School for audits related to local, state, and federal reporting requirements, Michigan Department of Education, use of state and federal funds, grants, donations, special education services, student attendance and other subjects that are subject to audit under Applicable law, rules and regulations, the Authorizer, and this Agreement.
IT2. Monitoring/Maintenance	<ul style="list-style-type: none"> a. 24-7 monitoring of production services, i.e., SAMS and the on-line learning management system b. Monitor and analyze system data to maintain system uptime and availability c. Promptly fix and production system issues as they arise d. Backup production system and data consistent with industry norms
IT3. Procurement	<ul style="list-style-type: none"> a. Seek, secure, and share with the Academy Board, in accordance with any applicable competitive bidding requirements, competitive pricing

Service Function	Service Description
	<p>and centralized purchase discounts for computers, monitors, printers, software and other peripherals for the School</p> <p>b. Establish Web hosting contracts and relationships with vendors across the State as needed</p>
IT4. Training	Develop and offer training programs for K12 staff, and School parents and students on technology systems
IT5. Website	<p>a. Develop, design, publish, and maintain the School's interactive website</p> <p>b. Develop community tools on the School's website and K12 platform (may include password protected threaded discussion and message boards, moderation functionality, directories, etc.)</p> <p>c. Provide a Web-filtering device to ensure that students do not have access to inappropriate materials on the Internet</p> <p>d. Maintain the School's website in accordance with Applicable Law, the Charter Contract and this Agreement.</p> <p>e. Maintain quality assurance of the School's website and make sure that there are no "version control" problems</p> <p>f. Coordinate security, creative, and content issues pertaining to the School's website</p> <p>g. Handle troubleshooting issues for the School's website and send issues to the appropriate person or division for resolution</p>
IT6. Support	<p>a. Install and maintain the School's computer network</p> <p>b. Determine hardware configurations (including software and operating systems) for the School's technology needs</p> <p>c. Provide onsite and telephone support for the School administration in troubleshooting system errors, and telephone support for students</p> <p>d. Support teachers and School care associates in answering technology-related questions from students, parents, teachers, and administrators</p> <p>e. Install software to generate master image of computer configurations for teachers, administrators, and students in order to standardize the user experience and lower costs and turn-around time for implementation and troubleshooting, Provide School email accounts for School employees</p> <p>f. Provide School care and technology support services on the learning management system, computer and software issues</p> <p>g. Prepare for, supervise, and implement all system roll-overs at the end of each academic year</p> <p>h. Design and implement inventory management systems with the School's distribution and hardware vendors, as well as reclamation programs, as needed</p> <p>i. Support and design the School's accounting system</p> <p>j. Provide online enrollment, registration and placement services</p>

Service Function	Service Description
	k. Provide 24/7 Help Desk for Teachers and Students
IT7. Security	a. Propose for the Academy Board adoption of policies and procedures regarding the responsible use of computer equipment and other School property b. Ensure electronic security of student records (through the use of encryption, firewalls, etc.)

EXHIBIT B

K12 Proprietary Marks



K¹²

Unleash the xPotential®
The xPotential®
A+nywhere Learning System®



Trademark Quality Control – Restricted Content: The Board shall not use the K12 Proprietary Marks in connection with harmful, threatening, unlawful, defamatory, infringing, abusive, inflammatory, harassing, vulgar, obscene, fraudulent, hateful or otherwise offensive material, or in any manner that would be likely to tarnish or adversely impact the reputation, quality, value and goodwill associated with K12 and/or the K12 Proprietary Marks.

EXHIBIT C
SERVICE LEVEL AGREEMENT MEASURABLES

In addition to Exhibit A and this Agreement, Exhibit C contains the specific, measurables agreed to between MVCA and K12 to be maintained during the Term of the Agreement. Any amendments to the SLAs must be mutually agreed upon in writing and duly executed by the parties authorized representatives. Capitalized terms shall have the meaning ascribed to them in the Agreement unless otherwise expressly defined in this Exhibit C.

The following SLA Measureables have been agreed upon:

A) Materials Shipping. K12 agrees that it will deliver ninety percent (90%) of materials and computers, if any, to MVCA families within at least fifteen (15) business days of MVCA' school start date, provided that K12 has been notified of an approved enrollment at least twenty-one (21) days prior to MVCA' start date. For those students approved twenty (20) days or less from MVCA' school start date (or even after MVCA' school start date), 90% of the materials and computers will be delivered as directed by MVCA within seven (7) days of the notification date of the approved enrollment.

B) Learning Management System Uptime and Outages. The K12 learning management system for MVCA' authorized users shall maintain a 95% "Uptime Percentage" level (defined below), which means that the K12 learning management system will be accessible 95% of the time during any calendar quarter, except as provided below. "Uptime" Percentage will be calculated per calendar quarter, as follows:

$$UPTIME\ PERCENTAGE = 100\% * \left(1 - \frac{\text{(Downtime During Business Hours)}}{\text{Total Business Hours}} \right)$$

*** "Downtime During Business Hours" is the total number of hours that the "Critical Components" of the K12 learning management system are materially "Unavailable" during the applicable calendar quarter that is not attributable to "Excluded Events" (defined below). "Unavailable" is hereby defined as any individual outage that impacts more than 2% of current MVCA Students in excess of one hour or a sum of outages that impact more than 2% of current MVCA students exceeding one and a half hours during a School Day which shall mean Monday through Friday 7:00 a.m. to 10:00 p.m. Eastern Standard Time, excluding U.S. bank holidays. "Critical Components" are those systems that an authorized MVCA student, learning coach or teacher must access in order to complete an assignment and excludes any flash, animation, graphics and third party links (to the extent not required for an assignment) as well as social communities, blogs, and informational web pages available to MVCA.

** "Total Business Hours" shall mean the total number of hours in the applicable calendar quarter.

For any partial calendar quarter covered by the Agreement, the Uptime Percentage for that quarter will be calculated based on the total number of actual business hours in the applicable partial calendar quarter. Uptime Percentage is tracked and regularly reported by K12 through a combination of monitoring activities, both internally and externally. Data from K12's monitoring and reporting shall be used to resolve any disputes between K12 and MVCA as to whether K12 has met or failed to meet the required Uptime Percentage. Upon request, but no more than

quarterly, K12 shall provide the Academy Board with a report containing statistics on Uptime Percentage.

Excluded Events: The occurrence of the following events are hereby excluded from K12’s learning management system’s availability and performance requirements set forth in this Exhibit C:

****Planned downtime to accommodate updates or edits to the system solely due to MVCA request.**

****Force Majeure events (as defined in the Agreement).**

****Neither the inability of MVCA or its Affiliates (including each of their respective students, families, learning coaches, teachers and administrators) to access the K12 learning management system due to Internet, telecommunications, hardware, software, user error, or other issues outside the control of K12, nor interruptions of service to access the K12 learning management system that are not solely and exclusively the fault of K12, shall be cause for an liability or claim against K12 (or its Affiliates) hereunder, nor shall any such occasion render K12 in breach of this Agreement.**

****Outages proven to be caused by MVCA or its Affiliates (including each of their respective students, families, learning coaches, teachers and administrators) which may involve but not be limited to Trojan horses, time-bombs, worms, viruses and spamming incidents or any other incident that could also result in a Denial of Service.**

C) Response Times for MVCA Inquiries: The K12 designated MVCA School Services Operations Manager (or other K12 representative) will respond to operations inquiries received from current MVCA’ Administrators within one (1) business day, 90% of the time per calendar quarter (hereafter “Response Percentage”), in accordance with commercially reasonable industry practices. The Response Percentage shall be calculated as follows:

$$RESPONSE\ PERCENTAGE = 100\% * \left(\frac{\text{Total Responses}}{\text{Total Inquiries}} \right)$$

**** “Total Responses” are the total number of responses sent by K12’s designated MVCA School Services Operations Manager (or other K12 representative) via mail, overnight carrier, e-mail, voice mail, in-person, fax or other reasonable means of delivery, within one (1) business day of receipt of an “Inquiry”. An Inquiry is a question or request sent by a current MVCA’ Administrator to K12’s designated MVCA School Services Operations Manager via mail, overnight carrier, e-mail, voice mail, in-person, fax or other reasonable means of delivery and received by K12’s designated MVCA School Services Operations Manager(s).**

*****Total Inquiries” are the total number of Inquiries sent by current MVCA’ Administrator(s) to K12’s designated MVCA School Services Operations Manager in a given calendar quarter via mail, overnight carrier, e-mail, voice mail, in-person, fax or other reasonable means of delivery and received by K12’s designated MVCA School Services Operations Manager(s).**

Responses shall be tracked by both parties in accordance with commercially reasonable industry practices which may include, but are not limited to, backing up e-mails and maintaining return receipts, fax confirmations and phone logs.

K12 shall not be liable for failure or delays to respond within the times set forth herein if any of the following occur:

- **A Force Majeure event (as defined in the Agreement);
- **MVCA does not provide sufficient or correct information in order for K12 to or its Affiliates to respond in the given time; and
- **Inquiries from those other than current MVCA Administrators.

Notwithstanding the foregoing provision, it shall count as only one failure in the event of a delayed or non-response to multiple Inquiries made on the same or a substantially similar topic within a three day period.

D) Financial Management and Reporting:

It is K12's responsibility to provide comprehensive and timely financial reporting to the Academy Board, the Authorizer, the Michigan Department of Education, and any other local, state, or federal entity requiring reports from the School. On a monthly basis, K12 will provide the following reports to the Academy Board:

- a. the balance sheet profit and loss statement
- b. actuals versus budget variance analysis
- c. open K12 invoices, cash flow
- d. teacher salaries invoices
- e. a teacher expense reports summary.

On an annual basis, K12 will prepare the annual budget, taxes, financial audit, and other governmental reports. K12 will also manage the School's bank accounts and ensure that Program Expenses are paid timely. K12 will maintain all financial records for the School.

E) Audit Assistance

It is K12's responsibility to manage the annual financial audit and ensure timely completion.

F) School Operations Reporting and Dashboard Creation and Maintenance

K12 agrees to provide specific reports to the Academy Board on the specific items and schedule specified below, in addition to the annual establishment of regular maintenance of the Dashboard as referenced in Section 2.6.6 of this Agreement. Each item to be reported upon is specifically cross-referenced to a service function in Exhibit A.

On a monthly basis the following reports:

- a. A1, A7, A11: Educational Program Consulting: Report on educational goals/policies/curriculum AS NEEDED. Policy Compliance: Propose compliance policies and processes AS NEEDED.

- b. A2: Personnel: Monthly Personnel report of all Program Staff: HS, K-8, Special Education. SLA: all staff vacancies filled within 6 weeks of vacancy.
- c. A3: Facility Management: Monthly report of facility status in terms of technology, supplies, any landlord maintenance needs/issues. SLA: 100% of technology working, office supplies in stock, landlord contacted within 2 hours of known issue.
- d. A4: Operations Metrics: Monthly report of operations metrics (see attached)
- e. A5 and A6: Budget and Finance Reports and Finance Management: Monthly finance report to include balance sheet, P&L, Budget to actual comparison in Michigan format, Open K12 payable, cash flow, Teacher salaries invoicing, teacher expense reports.
- f. A7: Finance/Student records management: A4 and A 5/6
- g. IT1: Reporting: Monthly report of student progress/attendance. SLA:
- h. IT2: Monitoring/Maintenance: Monthly report of OLS uptime: 99.9% uptime each month
- i. IT5: Monthly report on on-line enrollment status, (website support covered in IT6 Help Desk Tickets)
- j. IT6: Support: Monthly report of School Staff and Teacher Technology Issue Response Time; 4 hour maximum response time for Help Desk tickets entered during business hours - next day response for tickets entered after normal business hours.
- k. IT7: Monthly report of any security breach. SLA: 0 tolerance

On a Quarterly Report basis to the Academy Board
(September/December/March/June) the following:

- l. A10: Teacher training: Quarterly report of teacher completed PD including virtual national teacher training and school-based PD. SLA: 90% of teachers completed 100% assigned training within timeframe required

On an Annual report basis to the Academy Board the following:

- m. A8 and A11: Student Discipline: Presentation and approval of Student Handbook (includes responsible use of technology) by August 1st and 30th, respectively.
- n. A9: Annual Report: Presentation and approval of annual report by October 30 for preceding school year unless delayed by test scores.

- o. A12: Instructional Property Management: Presentation of reclamation processes and status by August 30th.
- p. A11: Charter Renewal: Submitted in accordance with the District requirements (TBD)
- q. IT5: Report on website status, updates, community tools (August 30th)

G) General: It is K12's responsibility to self-administer these metrics, however, in the event MVCA becomes aware of a violation of these SLAs MVCA shall provide sufficient detail in writing setting forth MVCA's good-faith basis for claiming any damages hereunder. Disputes shall be resolved in accordance with Section 21, Dispute Resolution, Venue and Governing Law provision of the Educational Products and Services Agreement, including mediation and arbitration. Notwithstanding anything to the contrary in this Agreement, any claims for failure to achieve the Uptime Percentage and the Response Percentage must be brought by MVCA within the calendar quarter immediately following the quarter in which the alleged violation was made.

Any obligations of K12 under Exhibit C will be null and void upon any material breach by MVCA of this Agreement.

EXHIBIT D
TRANSPARENCY REPORTING REQUIREMENTS

1. Copy of the Charter Contract with Attachments, Schedules and Amendments.
2. Copies of the executed Constitutional Oath of public office for each serving Director.
- 3 List of currently serving Directors with name, address and term of office.
4. Copy of the Academy Board's meetingcalendar.
5. Copy of the public notice for allAcademy Board meetings.
6. Copy of the Academy Board meetingagendas.
7. Copy of the Academy Board meeting minutes.
8. Copy of the Academy Board approved budget and amendments to budget.
9. List of bills paid for amounts of \$10,000.00 or more submitted to the Academy Board.
10. Copy of the quarterly financial reports submitted to the District Charter Schools Office.
11. Copy of the curriculum and other educational materials submitted to the District Charter Schools Office.
12. Copy of School Improvement Plan (if required).
13. Copies of facility leases, mortgages, modular leases and/or deeds.
14. Copies of equipment leases.
15. Proof of ownership for academy owned vehicles and portable buildings, if any.
16. Copy of Academy Board approved management contract with Educational Service Provider.
17. Copy of Academy Board approved services(s) contract(s).
18. Office of Fire Safety Certificate of Occupancy for all Academy Facilities.
19. MDE Letters of Continuous Use (if required).
20. Local County Health Department Food Service permits (if any).
21. Asbestos inspection report and asbestos management plan (if required).
22. Boiler inspection certificate and lead based paint survey (if required).
- 23 Phase I Environmental Report (if required).
24. List of current Academy teachers and school administrators with their individual salaries as submitted to the Registry of Educational Personnel.
25. Copies of administrator and teacher certificates or permits for all current administrative and teaching staff.
26. Evidence of fingerprinting, criminal background and record checks and unprofessional conduct check required by the Michigan School Code for all Academy teachers and administrators whether employed by the Academy or an Educational Service Provider.
27. Academy approved Board Policies.
28. Copy of the annual financial audit and any management letters issued to the Academy Board as part of the audit.
29. Proof of insurance as required by the Charter Contract.

30. Any other information specifically required under Public Act 277 of 2011 or any amendment thereto, and any other applicable law.

EXHIBIT E
K12 2019-2020 NATIONAL PRICE LIST