

CLIENT SERVICES AGREEMENT

This AGREEMENT is signed this 5TH day of August and is effective August 1, 2013 by and between Detroit Achievement Academy, whose address is 15000 Southfield, Detroit, MI 48223, and HR CHARTER CONSULTING, LLC, a Michigan limited liability company located at 801 Broadway NW, Suite 200, Grand Rapids, MI 49504.

RECITALS

- A. Detroit Achievement Academy is a public school academy organized to provide public school instruction as a charter school located at, 15000 Southfield, Detroit, MI 48223 pursuant to a contract ("Contract") issued by the Grand Valley State University Board of Trustees ("GVSU"). The contract is authorized to carry out the educational program set forth in the Contract. Detroit Achievement Academy is authorized by law to contract with a private entity to provide employee administration and management services.
- B. Detroit Achievement Academy operates as a public school academy under the direction of the Detroit Achievement Academy Board of Directors ("Board").
- C. HR CHARTER CONSULTING, LLC is a Michigan Corporation with its offices at 801 Broadway NW, Suite 200, Grand Rapids, MI 49504.
- D. HR CHARTER CONSULTING, LLC offers to Michigan public school academies employee administration and management services including, but not limited to, staff employment, payroll, benefit administration, business management and other similar services.
- E. Detroit Achievement Academy desires to engage HR CHARTER CONSULTING, LLC to perform certain services upon the terms and conditions set forth in this Agreement and pursuant to its authority, Detroit Achievement Academy hereby contracts with HR CHARTER CONSULTING, LLC, to the extent permitted by law, specified functions relating to the administration and management services.
- F. Detroit Achievement Academy shall designate those employees of HR CHARTER CONSULTING, LLC assigned to Detroit Achievement Academy ("Covered Employees") and having a legitimate need to access

educational records as “school officials” under 20 U.S.C. Section 1232g, the Family Educational Rights and Privacy Act (“FERPA”). HR CHARTER CONSULTING, LLC will comply with FERPA requirements regarding access to, possession and disposition of, educational records.

THEREFORE, the parties agree as follows:

1. Services Provided by HR CHARTER CONSULTING, LLC. HR CHARTER CONSULTING, LLC shall provide contract personnel services as outlined in this Agreement. It is understood by the parties that the response to the RFP by Axios, Inc. dated _____ are considered the same responses by HR CHARTER CONSULTING, LLC as though HR CHARTER CONSULTING, LLC submitted the response to the RFP.

a) Selection of Employees. HR CHARTER CONSULTING, LLC shall employ and assign to Detroit Achievement Academy all such qualified and certified classroom teachers, instructors, and support staff as may be necessary to accomplish the educational mission of Detroit Achievement Academy consistent with the Board approved budget. HR CHARTER CONSULTING, LLC shall comply with all Federal and State statutes and administrative requirements including, but not limited to, the Immigration Reform and Control Act, certification and “highly qualified” requirements for teachers, paraprofessionals and such other staff as necessary and criminal background and unprofessional conduct checks mandated by the Michigan Revised School Code.

b) Selection of Employees. All work force positions of Detroit Achievement Academy shall be covered under this Agreement unless Detroit Achievement Academy decides to employ the Principle.

c) Employee Agreements and Compensation. Detroit Achievement Academy Board of Directors shall establish a budget to fund the costs and fees associated with Covered Employees, as those costs and fees are detailed herein, and those parts of the budget that are subject to this Agreement shall be implemented by HR CHARTER CONSULTING, LLC. The terms and conditions of the employment of each Covered Employee shall be set forth in an employment agreement or other appropriate document or documents between HR CHARTER CONSULTING, LLC and that Covered Employee. In addition to the payroll information detailed herein, information regarding all costs, including the employment costs, annual salary and benefit costs, detailed by Covered Employee, will be provided to the Board by HR

CHARTER CONSULTING, LLC upon request. No employee shall be subject to a noncompete or non-solicitation agreement as a condition of employment by HR CHARTER CONSULTING, LLC as a Covered Employee.

HR CONSULTING, LLC shall be wholly responsible for paying all of its own taxes, including Federal and State Income Taxes, FICA, FUTA, Workers' Compensation, Unemployment to the extent that any or all of the foregoing are applicable. HR CHARTER CONSULTING, LLC shall defend, indemnify and hold harmless the Academy from and against any losses, assessments, taxes, costs, penalties, interest, premiums and attorneys' fees incurred by the Academy (a) related to any failure by HR CHARTER CONSULTING, LLC and/or its employees to pay federal, state or local income, social security, worker's compensation, unemployment compensation or other taxes or premiums and/or file returns in connection therewith, and/or (b) due to the determination by the federal, state or local government or other regulatory body having jurisdiction over any part of the Academy's operations to classify one or more of HR CHARTER CONSULTING, LLC's employees as an employee of the Academy or a joint employee of the Academy and HR CHARTER CONSULTING, LLC due to the actions or inactions of HR CHARTER CONSULTING, LLC or its agents and employees which shall be a proximate cause of such classification. Should such classification occur, the Academy shall have the option to pay any resulting tax and/or premium obligations and offset such payments against any amount coming due and owing to HR CHARTER CONSULTING, LLC under this Agreement. HR CHARTER CONSULTING, LLC shall acquire, as required by law, workers' compensation insurance for itself, its employees or agents and shall defend, indemnify and hold harmless the Academy from and against any claim for workers' compensation brought by or an account of HR CHARTER CONSULTING, LLC or by any of its employees and/or agents. HR CHARTER CONSULTING, LLC agrees it will make all payments for benefits, salaries, workers' compensation, unemployment compensation and liability insurance for its employees subject to the Academy's payment obligations set forth in this Agreement.

d) Health Care Insurance. HR CHARTER CONSULTING, LLC shall provide all Covered Employees, with comprehensive medical care insurance on terms and conditions set forth in the employment documents pertaining to said Covered Employees. HR CHARTER CONSULTING, LLC will be the policy holder and plan sponsor for such insurance. In addition, HR CHARTER CONSULTING, LLC shall be

responsible for COBRA compliance and continuation of health benefit plans to employees and qualified dependents experiencing a qualifying event, subject to the continuation of this Agreement.

e) Retirement Plan. HR CHARTER CONSULTING, LLC shall make available to Detroit Achievement Academy a retirement plan pursuant to IRC Section 401(k) for all qualified employees.

f) Payroll Taxes. HR CHARTER CONSULTING, LLC shall report and pay all applicable federal, state and local employee and employer payroll taxes from HR CHARTER CONSULTING, LLC's own accounts. HR CHARTER CONSULTING, LLC will act as the W-2 employer for record keeping purposes.

g) Payroll Records. HR CHARTER CONSULTING, LLC shall maintain and verify all required payroll and benefit records.

h) Policies and Procedures. All payroll, benefit and personnel policies and procedures shall be established by HR CHARTER CONSULTING,. Input by the Detroit Achievement Academy Board shall be considered.

i) Worker's Compensation Insurance. HR CHARTER CONSULTING, LLC shall maintain Worker's Compensation insurance during the term of this Agreement on all employees assigned to work for Detroit Achievement Academy under this Agreement. Upon written request, HR CHARTER CONSULTING, LLC shall provide a Certificate of Insurance verifying coverage of Worker's Compensation insurance.

j) At-Will Employment Relationship. HR CHARTER CONSULTING, LLC retains the right to not hire any candidate for employment and to terminate any Covered Employee with or without cause. Upon termination of a Covered Employee, HR CHARTER CONSULTING, LLC shall provide the Principal and Academy Board with written notice of said termination.

k) Implementation and Supervision of Policies and Procedures. During the term of this Agreement, HR CHARTER CONSULTING, LLC shall have the right and authority to implement and supervise personnel policies and procedures relating to the Covered Employees. HR CHARTER CONSULTING, LLC shall make good faith reasonable efforts to act in the best interest of Detroit Achievement Academy with regard to its policy and procedure in exercising control over Covered Employees. Detroit Achievement Academy agrees to cooperate and assist HR CHARTER CONSULTING, LLC in the implementation and supervision of all such policies and procedures.

l) Hiring, Evaluating, Supervising, Disciplining and Firing. HR CHARTER CONSULTING, LLC shall have the ultimate authority and control over hiring, evaluating, supervising, disciplining and firing of Covered Employees consistent with the Detroit Achievement Academy approved budget. HR CHARTER CONSULTING, LLC shall consult and take input from Principle on hiring, evaluating, supervising, discipline and firing Covered Employees but HR CHARTER CONSULTING, LLC will ultimately make all final recommendations and decisions in regards to all Covered Employees. Detroit Achievement Academy may recommend termination of the assignment of a Covered Employee to Detroit Achievement Academy, it being understood that HR CHARTER CONSULTING, LLC retains full control over all personnel decisions involving Covered Employees, and ultimate authority to resolve and decide employee issues and/or concerns subject to the budgetary limitations established by Detroit Achievement Academy . HR CHARTER CONSULTING, LLC shall consult with the Principle concerning any hiring, evaluating, supervising, disciplining, and firing before formal action is taken. Detroit Achievement Academy Board will have input on the selection and evaluation of the Principle when the board does not directly hire the Principle.

i. Evaluation Systems. The Academy is required to ensure that it and CHARTER CONSULTING, LLC comply with the following:

a) Administrator and Teacher Evaluation Systems. HR CHARTER CONSULTING, LLC shall adopt and implement for all teachers and school administrators a rigorous, transparent, and fair performance evaluation system that complies with sections 1249 and 1250 of the Code.

b) Parent Notification of Ineffective Teacher Ratings. Beginning with the 2015-2016 school, if a pupil is assigned to be taught by a teacher who has been rated as ineffective on his or her 2 most recent annual year-end evaluations under section 1249, the Academy Board is required to shall notify the pupil's parent or legal guarding that the pupil has been assigned to a teacher who has been rated as ineffective on the teacher's 2 most recent annual year-end evaluations. The notification shall be in writing and shall be

delivered to the pupil's parent or legal guardian by U.S. mail not later than July 15th immediately preceding the beginning of the school year for which the pupil is assigned to the teacher, and shall identify the teacher who is the subject of the notification. HR CHARTER CONSULTING, LLC shall provide the Academy Board with information necessary to discharge this obligation.

c) Teacher and Administrator Job Performance Criteria. HR CHARTER CONSULTING, LLC shall implement and maintain a method of compensation for its teachers and school administrators that includes job performance and job accomplishments as a significant factor in determining compensation and additional compensation earned and paid in accordance with Applicable Law. The assessment of job performance shall incorporate a rigorous, transparent, and fair evaluation system that evaluates a teacher's or school administrator's performance at least in part based upon data on student growth as measured by assessments and other objective criteria.

ii) HR CHARTER CONSULTING, LLC shall provide to the Academy Board copies of all evaluation tools and notices implemented in accordance with this section.

m) On-site Supervision. HR CHARTER CONSULTING, LLC shall be responsible for on-site employee supervision directly and through its On-Site HR Consultant assigned to Detroit Achievement Academy. The On-Site HR Administrator will serve as the liaison to the Detroit Achievement Academy Principle on employment matters on behalf of HR CHARTER CONSULTING, LLC. The Principle will administer the overall operation of Detroit Achievement Academy and report to the Board on all other operational matters. The On-Site HR Administrator will administer all personnel issues and keep the Principle informed of employment related matters. The On-Site HR Administrator shall be the on-site consultant for HR CHARTER CONSULTING, LLC and shall assist HR CHARTER CONSULTING, LLC with its administrative and personnel

responsibilities on Detroit Achievement Academy premises. As to all administrative and personnel matters, the On-Site HR Administrator shall coordinate with and report to designated HR CHARTER CONSULTING, LLC managers and officers at HR CHARTER CONSULTING, LLC's home office. HR CHARTER CONSULTING, LLC, after consulting with the On-Site HR Administrator, shall determine the procedures to be employed by Covered Employees in the day-to-day performance of their job responsibilities. HR CHARTER CONSULTING, LLC shall make good faith reasonable efforts to act in the best interests of Detroit Achievement Academy with regard to Detroit Achievement Academy policy and procedure in exercising control over the Covered Employees. HR CHARTER CONSULTING, LLC shall make certain that all appropriate guidelines concerning HR CHARTER CONSULTING, LLC's oversight of Covered Employees is followed by said On-Site HR Administrator and that its On-Site HR Administrator shall comply with all HR CHARTER CONSULTING, LLC directives dealing with its responsibilities herein above set forth.

2. HR CHARTER CONSULTING, LLC Requirements.

a) Compliance with Applicable Criteria. HR CHARTER CONSULTING, LLC assumes sole responsibility for assuring that all services set forth in Paragraph 1 provided by HR CHARTER CONSULTING, LLC are provided in compliance with and conform to (i) all applicable federal, state and local government laws, rules and regulations, including, but not limited to all civil rights laws, Bullard-Plawecki Employee Right to Know Act, Whistleblower's Protection Act, Fair Labor Standards Act, and Fair Credit Reporting Act; (ii) all pertinent policies of those accrediting agencies from which Detroit Achievement Academy has secured or is seeking accreditation, including but not limited to GVSU and the Michigan Department of Education; and (iii) all other applicable written policies of Detroit Achievement Academy as communicated to HR CHARTER CONSULTING, LLC through the Principle, the Board President or Board minutes. HR CHARTER CONSULTING, LLC shall promptly provide to Detroit Achievement Academy , within twenty four hours of receipt, all notices, reports or correspondence from individuals or governmental agencies that assert claims, deficiencies or charges against Detroit Achievement Academy or HR CHARTER CONSULTING, LLC that otherwise threaten the suspension, revocation, or any other action adverse to any approval, authorization, certificate, determination, finances, license or permit required or necessary to own or operate Detroit Achievement Academy .

b) Employment Laws. HR CHARTER CONSULTING, LLC shall comply with all applicable federal, state and local employment laws. HR CHARTER CONSULTING, LLC shall comply with the Fair Labor Standards Act and control all overtime.

c) Records. HR CHARTER CONSULTING, LLC shall maintain actual time records and verify the accuracy of all wage hour information provided to HR CHARTER CONSULTING, LLC at the end of each pay period. HR CHARTER CONSULTING, LLC shall verify the accuracy of all wage and salary reports which shall be supplied to Detroit Achievement Academy by HR CHARTER CONSULTING, LLC at the end of each pay period. Detroit Achievement Academy shall not pay any wages, salaries or other compensation, including employee benefits, to Covered Employees subject to Section 1b above.

3. Detroit Achievement Academy Requirements. Detroit Achievement Academy shall provide the following:

a) Personnel Requirements. Advise HR CHARTER CONSULTING, LLC, through the Principle, of the staffing levels, by classification required by Detroit Achievement Academy, consistent with its approved budget, to perform its mission.

b) Financial Reports. Prepare annual budgets and periodic financial reports as required by GVSU, the School Code, and/or statute or as desired by the Board.

c) Safety Requirements. Detroit Achievement Academy and HR CHARTER CONSULTING, LLC shall comply with all safety, health and work laws, regulations and rules at its their own respective expense. Detroit Achievement Academy and HR CHARTER CONSULTING, LLC shall also comply with all safe work practices and use of protective equipment required by federal, state or local law. All accidents involving employees shall be reported promptly upon detection to HR CHARTER CONSULTING, LLC by the Principle. Detroit Achievement Academy shall reasonably cooperate with HR CHARTER CONSULTING, LLC's Worker's Compensation carrier and liability insurance carrier who shall have the right to inspect Detroit Achievement Academy 's property in a manner and at such times as not to be disruptive of the Academy's business.

d) Confidential Information. Detroit Achievement Academy shall be solely responsible for instituting and maintaining safeguards and procedures for personnel handling confidential information, money or other items of value owned or

possessed by the Academy. HR CHARTER CONSULTING, LLC may require bonding of such individuals. In the event HR CHARTER CONSULTING, LLC requires such bonding, it shall be at the sole cost and expense of HR CHARTER CONSULTING, LLC. Detroit Achievement Academy shall give HR CHARTER CONSULTING, LLC written notice of such individuals it desires to be bonded, in which case, Detroit Achievement Academy shall bear such cost.

e) Discipline, Layoff, or Termination of Employees. Detroit Achievement Academy agrees to comply with all HR CHARTER CONSULTING, LLC personnel directives, both general and specific, regarding the discipline, layoff, or termination of Covered Employees. Detroit Achievement Academy further agrees to immediately notify HR CHARTER CONSULTING, LLC of any material change in the current business operations of Detroit Achievement Academy .

f) Personnel Issues. In the event Detroit Achievement Academy becomes dissatisfied with the performance of any individual HR CHARTER CONSULTING, LLC employee assigned to Detroit Achievement Academy , HR CHARTER CONSULTING, LLC shall be notified, in writing, setting forth the nature of the dissatisfaction, the proposed remedial action, and any specific action requested.

g) Applicant/Employee Background Checks. HR CHARTER CONSULTING, LLC shall be responsible for performing all pre-employment, and any employment related background, license and eligibility review and other screening and investigation required by federal, state or local law, including the Michigan Revised School Code (the "Code"), of all Covered Employees. The results of the screening and investigation will be reported to HR CHARTER CONSULTING, LLC which will notify the Board President or his/her designee should there be any action proposed or necessitated by the Board according to applicable statute or if there is a conviction that could result in an issue, including a negative public perception of the Academy or its staff and programs or anticipated adverse consequences with GVSU. All direct costs or fees incurred by HR CHARTER CONSULTING, LLC in connection with the screening and investigation shall be billed to and paid by Detroit Achievement Academy without markup. The results of the screening and investigation of pre-employment records must be made available for review by the GVSU Charter Schools Office. It is understood that HR CHARTER CONSULTING, LLC may choose to assign the applicant and employee background checks to an employee(s) of HR CHARTER CONSULTING, LLC assigned and located at Detroit Achievement Academy. At a minimum, HR CHARTER

CONSULTING, LLC shall undertake the following related to school safety background checks:

- A. Compliance with School Safety Initiative. HR CHARTER CONSULTING, LLC acknowledges and agrees that unless the Academy notifies it that it is not subject to the provisions of Michigan Public Act 84 of 2006, as amended (hereafter "PA 84 of 2006"), HR CHARTER CONSULTING, LLC will, either directly or through a subcontractor, have any of its agents, employees or representatives who will be on the Academy's premises, fingerprinted and subjected to criminal history and background checks through the Michigan State Police and Federal Bureau of Investigation, as detailed in PA 84 of 2006, prior to commencing any work under this Agreement. HR CHARTER CONSULTING, LLC further agrees to provide the Academy with a copy of all fingerprinting and criminal history background reports prior to commencing any work under this Agreement. The cost of this undertaking shall be borne by the Academy for those staff who are included within the Description of Staff Responsibilities appended to the Academy's charter and at cost to HR CHARTER CONSULTING, LLC, as the case may be, for staff providing services at the Academy but not listed in the Description of Staff Responsibilities. The Academy acknowledges that no individual may begin work as an employee or otherwise undertake any performance hereunder prior to the time such employee is legally permitted to begin employment pursuant to applicable law and such individual is approved by HR CHARTER CONSULTING, LLC.
- B. Compliance with PA 84 of 2006. In addition, unless notified it is not subject to PA 84 of 2006, HR CHARTER CONSULTING, LLC represents and warrants to the Academy that it will at all times during the term of this Agreement be in compliance with the provisions of PA 84 of 2006, including, but not limited to, reporting to the Academy within 3 business days of when they (severally), or any of their agents, employees or representatives who will be on the Academy's premises, are charged with a crime listed in Section 1535a(1) or 1539b(1) of the Revised School Code, being MCL 380.1535a(1) and 380.1539b(1), a substantially similar law, or other crimes required to be reported under PA 84 of 2006, and to immediately report to the Academy if that person is subsequently convicted, pleads guilty or pleads no contest to that crime.

- C. Unprofessional Conduct Checks. HR CHARTER CONSULTING, LLC further acknowledges and agrees that it or a subcontractor will conduct unprofessional conduct checks, in accordance with MCL 380.1230b, before hiring an employee assigned at the Academy, the cost of which will be reimbursed by the Academy.
- D. Although CHARER CONSULTING, LLC may use a subcontractor to perform the tasks listed in subparagraphs A and C above, regardless of the entity which conducts such tasks, HR CHARTER CONSULTING, LLC shall be and remain responsible and accountable to the Academy Board for all such tasks and interpretations thereof.

4. Term of Agreement. This Agreement shall commence on July 1, 2013 and continue for a period of thirty six months, through June 30, 2016. If, as a result of a change in the law, Detroit Achievement Academy and/or HR CHARTER CONSULTING, LLC becomes obligated for MPERS or an unexpected fee or tax is instituted, (e.g. State service tax fee) either party may immediately invoke the 90 day termination notice provision at any time during the contract. Termination of this Agreement shall not affect the continuation of the obligations of either party incurred during the term of the Agreement. The parties acknowledge that as part of any contract reauthorization with GVSU, GVSU may require Detroit Achievement Academy and HR CHARTER CONSULTING, LLC to submit an entirely new Agreement for review by GVSU.

5. Fees. Detroit Achievement Academy shall pay HR CHARTER CONSULTING, LLC the following fees for the services rendered under this Agreement:

- a) Service Fee. A Service Fee shall be charged to Detroit Achievement Academy equal to the total gross pay of all Covered HR CHARTER CONSULTING, LLC employees assigned to Detroit Achievement Academy multiplied times .03 (the Service Fee_Multiplier). The Service Fee shall be applied as follows: each pay period, the Service Fee Multiplier shall be applied to the gross payroll for that pay period, itemized and collected by wire transfer as detailed herein.

- b) Payroll Costs. Payroll costs will be charged, in addition to the service fee, equal to Gross Payroll and associated payroll costs including

FICA, FUTA, SUTA, Workers Compensation and any additional taxes passed by the State and/or Federal government during the term of this Agreement.

c) Timing. Client agrees all payments will be made via ACH transfer 48 hours in advance of each pay day starting the 2nd pay period in October 2013 and ending no later than the final pay day in July 2014.

All benefits provided per 1.) d. and e. will be billed to Detroit Achievement Academy on a pay period basis. HR CHARTER CONSULTING, LLC will provide written notice within 5 business days of receiving notice of an increase to any of the costs other than the service fee costs and include said increase as of the effective date of the increase however, this provision shall not apply to a change in payroll costs which may vary because of a change in hours worked by employees. Detroit Achievement Academy, at its election, may respond to the written notice of cost increase by issuing notice to cancel effective 90 days after the date of cost increase.

HR Charter Consulting, LLC agrees that all costs for payroll and benefits shall, for the period of August 1, 2013 through October 15, 2013, be billed to the Academy and payable no later than July 31, 2013. Although Client may pay the outstanding billed accrued balance at any time, Client may also elect the following: payment of 10% of any outstanding balance within 48 hours of receiving its first installment of state school aid funds from the State of Michigan for the 2013-14 school year, currently estimated to be made on October 20, 2013, with the remaining balance to be paid between November 15, 2013 and July 31, 2014 in 18 equal installments of 1/18th of the outstanding balance on each payroll cycle occurring between November 15 and July 31. Client agrees the balance of all outstanding invoices will be paid in full no later than July 31, 2014. Client also agrees HR Charter Consulting, LLC will charge 6% per annum interest in the outstanding balance of all pre-funded payroll and benefit costs outstanding after thirty days.

6. Additional Costs, Fees and Expenses. Detroit Achievement Academy shall pay all additional costs or expenses incurred by HR CHARTER CONSULTING, LLC that are incidental to the performance of this Agreement provided such costs are detailed in advance to the Academy Board. These additional costs, fees or expenses may include, but are not limited to, employee replacement costs, applicant/employee background check fees as detailed herein, direct costs for hiring temporary personnel,

direct cost for substitute teachers, fidelity bonding in accordance with the terms of this Agreement, and Detroit Achievement Academy approved training programs.

7. Payment of Costs, Fees and Expenses. Detroit Achievement Academy shall execute a Wire Transfer to HR CHARTER CONSULTING, LLC at least 48 hours prior to each payroll date, from the designated Detroit Achievement Academy account in an amount equal to the Services Fees, Payroll costs described in Paragraph 5 and Costs, Fees and Expenses described in Paragraph 6 of this Agreement, upon receipt of a detailed billing. If there is any disputed amount to an invoice, the non-disputed amount shall be ratified. If there is a disputed amount, whether ratified by the Detroit Achievement Academy Board or not, the parties shall meet within fourteen (14) days to discuss and attempt to resolve the disputed amount prior to submitting the matter to arbitration as addressed in Paragraph 11. Any errors in payment of costs, fees and expenses will be promptly corrected with the parties acting in good faith and with reasonable efforts.

8. Insurance: The Academy will obtain and maintain insurance as required in the Charter Agreement and will name HR CHARTER CONSULUTING, LLC as an additional insured on its general liability insurance policy. HR CHARTER CONSULUTING, LLC shall maintain such policies of insurance as required by Michigan University Self Insurance Corporation, the Academy's Charter Agreement and applicable law. Additionally, HR CHARTER CONSULUTING, LLC shall name the Academy as an additional insured on a separate general liability and umbrella insurance coverage in amounts and on such terms as the Authorizing Body and Board may require. Each party shall ensure that its relevant policies of insurance do not exclude abuse or sexual molestation.

9. Termination of Agreement.

a) This Agreement shall terminate and HR CHARTER CONSULTING, LLC shall be relieved of all responsibility under this Agreement as of the effective date of any of the following events:

- i) Detroit Achievement Academy files for bankruptcy or becomes insolvent;
- ii) The facility where employees are engaged in work for Detroit Achievement Academy is closed and no successor facility is identified and approved by GVSU;

- iii) Detroit Achievement Academy and its successors and assigns discontinue operation;
- iv) Detroit Achievement Academy meets the definition of a financially distressed business as set forth in the Worker Assistance and Retraining Notification Act, to the extent the WARN act applies to a Michigan Public School Academy, in which case, the parties shall negotiate an orderly transition of services to ensure educational continuity for the Academy's students;
- v) Detroit Achievement Academy 's Contract with GVSU is discontinued or not renewed;
- vi) Any other reason set forth in this Agreement, including as identified in Paragraph 4 of this Agreement, which constitutes a default under the Agreement or allows HR CHARTER CONSULTING, LLC to terminate this Agreement.
- vii) Failure of Detroit Achievement Academy to timely make payment(s) required by this;
- viii) For any of the reasons identified in Section 4, subject to Section 4 notice periods.

b) Detroit Achievement Academy may terminate this Agreement prior to the end of the term specified in Paragraph 4 or in the event (a) an order of reconstitution is issued by GVSU mandating the termination of this Agreement or (b) that HR CHARTER CONSULTING, LLC shall fail to remedy a material breach within 60 days after notice from the Board, provided however that if the nature of the breach is such that the cure cannot be reasonably accomplished within 60 days, then the cure period should be extended so long as HR CHARTER CONSULTING, LLC proceeds to cure with reasonable dispatch. Material breach includes, but is not limited to: (1) HR CHARTER CONSULTING, LLC's failure to account for its expenditures or to pay its obligations as specifically noted in this agreement (provided funds are available to do so), (2) failure of HR CHARTER CONSULTING, LLC to follow policies, procedures, rules, regulations or curriculum duly adopted by the Detroit Achievement Academy Board and communicated to HR CHARTER CONSULTING, LLC, provided that such policies, procedures, rules, regulations or curriculum are not inconsistent with the Contract, as amended, this Agreement, or in violation of applicable law, (3) receipt by the Board of unsatisfactory reports from HR CHARTER CONSULTING, LLC or from an

educational consultant retained by the Board about matters concerning HR CHARTER CONSULTING, LLC's performance or the performance of the staff which are not reasonably corrected or explained; or (4) HR CHARTER CONSULTING, LLC's failure to abide by all applicable laws in its administration of this Agreement. In ordinary circumstances, however, notwithstanding a material breach, the parties will endeavor to plan a method by which the relationship may be terminated at the end of the instructional year or in a manner that does not educationally disadvantage the students of the Academy.

c) In the event Detroit Achievement Academy terminates this Agreement pursuant to this Paragraph, Detroit Achievement Academy shall pay all charges due under this Agreement through the last date of services provided by HR CHARTER CONSULTING, LLC.

10. Indemnification.

To the extent permitted by law, HR CHARTER CONSULTING, LLC shall indemnify, defend and hold harmless the Academy and all of its Directors and agents from and against all taxes, penalties, fines, damages, sanctions, losses, assessments, liabilities, claims, demands, judgments, or other forms of liability, costs, obligations and other expenses, including reasonable attorneys' fees and costs of litigation, whether or not resulting from third party claims, arising out of any act, omission, negligence or misconduct of HR CHARTER CONSULTING, LLC or any of its directors, owners, agents or employees and any breach or other default or noncompliance with any agreement, representation, warranty or covenant on the part of HR CHARTER CONSULTING, LLC, its directors, owners, agents or employees contained in this Agreement or the provision of any of the services contained in or made pursuant to this Agreement. HR CHARTER CONSULTING, LLC also agrees to defend, indemnify and hold harmless the Academy and all of its agents and Directors from any claims made by HR CHARTER CONSULTING, LLC's internal staff employees including, but not limited to charges of discrimination brought through the State Department of Labor, the Equal Employment Opportunity Commission, the Workers' compensation Bureau (or such similar department, commission or board other than State), fees and lawsuits alleging failure to comply with Federal and State wage and hour laws, wrongful termination, discrimination, denial of due process or other labor-related causes of actions resulting from employee discipline or termination. HR CHARTER CONSULTING, LLC shall notify its insurance company, recognize and name the Academy and its Directors, as additional insureds on all applicable policies of insurance, including, but not limited to, general liability and umbrella policies

To the extent permitted by law, the Academy hereby agrees to indemnify and hold harmless HR CHARTER CONSULTING, LLC and its respective officers,

directors, employees, agents and representatives, from and against any and all liabilities, costs, causes of action, damages and expenses (including reasonable attorney's fees and costs of litigation) which HR CHARTER CONSULTING, LLC may incur as a result of the grossly negligent acts or omissions of the Academy or its board members, directors, officers, employees (if any) vendors, agents and representatives. The Academy will notify its insurance company, recognize and name HR CHARTER CONSULTING, LLC as an additional insured on all applicable policies (with the exception of EPLI, which HR CHARTER CONSULTING, LLC shall obtain; the premium of which shall be billed through (without markup) to the Academy by HR CHARTER CONSULTING, LLC). The Academy Board will follow all reasonable directives of the HR CHARTER CONSULTING, LLC's designated agent, the School Leader, in the management and minimization of any and all risks, provided such directives do not abrogate the Academy's extant policies, at the time of the directive in question, or place the Academy in breach of its Charter or other contractual undertakings.

Indemnification of Grand Valley State University . The parties acknowledge and agree that Grand Valley State University , its Board of Trustees and its members, officers, employees, agents or representatives (collectively "University") are deemed to be third party beneficiaries for purposes of this Agreement. As third party beneficiaries, HR CHARTER CONSULTING, LLC hereby promises to indemnify, defend and hold harmless the University from and against all demands, claims, actions, suits, causes of action, losses, judgments, liabilities, damages, fines, penalties, demands, forfeitures, or any other liabilities or losses of any kind whatsoever, including costs and expenses (not limited to reasonable attorney fees, expert and other professional fees), of settlement and prosecution imposed upon or incurred by the University, and not caused by the sole negligence of the University, which arise out of or are in any manner connected with the University Board's approval of the Academy's application, the University Board's consideration of or issuance of a Contract, HR CHARTER CONSULTING, LLC preparation for or operation of the Academy, or which are incurred as a result of the reliance by the University upon information supplied by HR CHARTER CONSULTING, LLC, or which arise out of HR CHARTER CONSULTING, LLC failure to comply with the Contract or applicable law. The parties expressly acknowledge and agree that the University may commence legal action against HR CHARTER CONSULTING, LLC to enforce its rights as set forth in this section of the Agreement.

11. Arbitration. In the event of a dispute regarding a breach, alleged breach, validity or interpretation of any provision of this Agreement, both Detroit Achievement Academy and HR CHARTER CONSULTING, LLC agree to submit such disputes, except as either party may be seeking injunctive relief, to final and binding arbitration as the sole and exclusive remedy for such disputes. Said disputes shall be governed by the rules of the American Arbitration Association for Commercial Arbitration. The matter may be privately arbitrated at the election of the parties using an arbitrator acceptable to the parties who has experience in human resources, contract interpretation and

educational issues. Judgment on the Arbitrator's award may be entered in a court of competent jurisdiction.

The arbitration hearing will be held in Wayne County and will be the exclusive remedy for resolving the disagreement. Either party may demand arbitration but must do so within one hundred twenty (120) calendar days of the event precipitating the disagreement.

If arbitration is requested by either Detroit Achievement Academy or HR CHARTER CONSULTING, LLC, the parties shall be entitled to be represented by attorneys and/or counsel of their choice. The parties shall equally split the filing fee, and any administrative fees or costs assessed by MMAS, regardless of who requests the arbitration. The parties will split the arbitrator's compensation, and each party will pay its own costs and attorney fees in connection with the arbitration.

If arbitration is requested, the arbitrator may, at his/her discretion and only if germane to the issues at hand, allow both parties the right to conduct limited and reasonable discovery, which may include depositions, and for a period of time necessary for the parties to reasonably prepare for the arbitration hearing.

The arbitrator may award any and all remedies allowable under this Agreement, including but not limited to equitable relief and money damages. The arbitrator shall issue a written decision, containing his/her findings of fact and conclusions of law.

12. Entire Agreement. This document, being executed in multiple and identical counterparts all of which shall constitute part of the Agreement, contain the entire Agreement between the parties with regard to the subject matter of this Agreement. All previous negotiations, statements and preliminary instruments of the parties and their respective representatives are merged into this Agreement. No modification of this Agreement shall be valid or binding unless such modification is in writing, dated and signed by the authorized representative of each party. The conditions of this Agreement extend to and bind the subsidiaries, successors and assigns of each party.

13. Notices. All notices required or permitted by this Agreement shall be in writing and delivered personally or by first class mail, postage prepaid to the address of each party as follows:

Detroit Achievement Academy:

HR CHARTER CONSULTING, LLC:

Detroit Achievement Academy
15000 Southfield
Detroit, MI 48223

HR CHARTER CONSULTING, LLC
801 Broadway NW, Suite 200
Grand Rapids, MI 49504

With a copy to:

Clark Hill PLLC
Att'n Joseph B. Urban
151 S. Old Woodward Avenue
Suite 200
Birmingham, MI 48009
jurban@clarkhill.com

If one of the parties to this Agreement changes his/her or its address, they shall within thirty (30) days notify the other party, in writing, of the new address. Notice shall be deemed received on the date it is delivered or mailed.

14. Responsibility For Performance of Agreement. Each party, their successors and assigns shall be jointly and severally responsible for the performance of their obligations under this Agreement.

15. Severability and Validity. The invalidity or unenforceability of any provision or part of this Agreement shall not affect the validity or enforceability of any other provision or part of this Agreement.

16. Contract Interpretation. The Parties acknowledge that this Agreement and the language contained in this Agreement are the result of negotiations between the parties and no part of this Agreement shall be construed against either party by virtue of authorship.

17. No Third-Party Rights. This Agreement is intended solely for the benefit of HR CHARTER CONSULTING, LLC and Detroit Achievement Academy , and, except as it relates to GVSU as specifically detailed herein, it shall not be construed to create any benefits for or rights in any other person or entity, including employees, students, or their representatives.

18. Waiver of Breach. The waiver by one party to this Agreement of a breach of this Agreement by the other party shall not operate as or be construed as a waiver of any subsequent breach or breaches by the other party.

19. Caption Headings. The captions headings for each provision of this Agreement are not part of this Agreement nor shall they be use to construe the provision more broadly or narrowly then the text would indicate.

20. Necessary Documents. The parties shall execute all necessary documents required to carry out the terms and intent of this Agreement.

21. Governing Law. The Agreement shall be construed under the law of the State of Michigan.

22. Counterparts. This Agreement may be executed in identical counterparts, each of which shall be deemed an original.

23. Assignment. The Agreement may not be assigned by either party without the written consent of the other party, prior approval of the Detroit Achievement Academy Board, except that HR CHARTER CONSULTING, LLC may assign its rights and duties to an entity within the HR CHARTER CONSULTING, LLC organization upon 60 days' written notice to the Detroit Achievement Academy Board and provided the Detroit Achievement Academy Board approves said assignment.

24. Detroit Achievement Academy Board's Constitutional Duty. No provision of this Agreement shall or is intended to interfere with the Detroit Achievement Academy Board's duty to exercise its statutory, contractual and fiduciary responsibilities governing the operation of Detroit Achievement Academy as provided under Michigan law. This Agreement does not prohibit the Detroit Achievement Academy Board from acting as an independent, self-governing public body, or allow public decisions to be made other than in compliance with the Open Meetings Act.

It is acknowledged and agreed by HR CHARTER CONSULTING, LLC that the Academy, as a public body, acts only through its Board, convened in accordance within the requirements of the Michigan Open Meetings Act. While direction may, from time to time, be available through individual members of the Board of Directors or its agents, the Board will not be bound except through its official actions when convened as a public body.

25. Governmental Immunity. No provision of this Agreement is intended to restrict the Detroit Achievement Academy Board from waiving or requiring it to assert its governmental immunity. Nothing in this paragraph shall prohibit HR CHARTER CONSULTING, LLC from asserting any defense that may be available to it under this Agreement or under Michigan law. Detroit Achievement Academy shall not waive or assert any rights to the sole detriment of HR CHARTER CONSULTING, LLC related to Detroit Achievement Academy 's obligations to HR CHARTER CONSULTING, LLC

under this agreement unless said actions are the result of an alleged breach of this Agreement by HR CHARTER CONSULTING, LLC.

26. Financial, Educational, and Student Records. Financial, educational, and student records pertaining to Detroit Achievement Academy are Detroit Achievement Academy property, and such records may be subject to the provisions of the Michigan Freedom of Information Act. All Detroit Achievement Academy records shall be physically or electronically available, upon request, at Detroit Achievement Academy's physical facilities and shall be kept in accordance with applicable state and federal requirements. Except as permitted under applicable law, HR CHARTER CONSULTING, LLC shall not restrict the authorizer's, the public's, or the independent auditor's access to Detroit Achievement Academy's records consistent with applicable statutes.

27. Independent Auditor. HR CHARTER CONSULTING, LLC shall not select or designate the independent auditor, accounting firm or legal counsel for Detroit Achievement Academy. All finance and other records of HR CHARTER CONSULTING, LLC relating to Detroit Achievement Academy will be made available to Detroit Achievement Academy's independent auditor at the request of Detroit Achievement Academy or the auditor.

28. Procurement of Equipment, Materials, and Supplies. If HR CHARTER CONSULTING, LLC procures equipment, materials, and supplies at the request of or on behalf of Detroit Achievement Academy, HR CHARTER CONSULTING, LLC shall not include any added fees or charges with the cost of the equipment, materials, and supplies purchased from third parties. Any equipment, materials, or supplies purchased by HR CHARTER CONSULTING, LLC on behalf of or as the agent of Detroit Achievement Academy are the property of Detroit Achievement Academy. When making a purchase on behalf of or as agent of Detroit Achievement Academy, HR CHARTER CONSULTING, LLC shall comply with Section 1274 of the Code as if Detroit Achievement Academy were making a purchase directly from a third party.

29. Detroit Achievement Academy Proprietary Rights. Detroit Achievement Academy owns all proprietary rights to curriculum or educational materials that:

- a) are both directly developed and paid for by Detroit Achievement Academy;
- b) were developed by HR CHARTER CONSULTING, LLC at the direction of the Detroit Achievement Academy Board with Detroit Achievement Academy funds dedicated for the specific purpose of developing such curriculum or educational materials.

All educational materials and teaching techniques used by Detroit Achievement Academy may be subject to disclosure under the Revised School Code and the Freedom of Information Act.

30. Charter HR Educational Services LLC Proprietary Rights. HR CHARTER CONSULTING, LLC owns all proprietary rights over curriculum, educational or Detroit Achievement Academy management materials:

a) previously developed or copyrighted by HR CHARTER CONSULTING, LLC or

b) previous materials to this agreement that are not otherwise dedicated for the specific purpose of developing Detroit Achievement Academy curriculum, educational or Detroit Achievement Academy management materials.

All educational materials and teaching techniques used by Detroit Achievement Academy are subject to disclosure under the Code and the Freedom of Information Act.

31. Employment Liability. HR CHARTER CONSULTING, LLC is the employer of record for employee compensation, collection of payroll taxes and withholdings, worker's compensation and unemployment liability and payment of benefits, all of which are set forth in this Agreement.

32. Marketing and Development. Should HR CHARTER CONSULTING, LLC provide marketing and development services to Detroit Achievement Academy, the cost paid by or charged to Detroit Achievement Academy shall be limited to those costs specific to the Detroit Achievement Academy program and shall not include any costs for the marketing and development of HR CHARTER CONSULTING, LLC.

33. Compliance with GVSU Contract. Detroit Achievement Academy and HR CHARTER CONSULTING, LLC intend for this Agreement to comply with the Contract issued by GVSU to Detroit Achievement Academy and the Education Service Provider Policies issued by GVSU's Charter Schools Office. To the extent any provision of this Agreement is inconsistent with the Contract or Policies, that provision is invalid and the Contract and Policies shall govern. Any additional costs of compliance because of changes mandated by GVSU will be borne by Detroit Achievement Academy and subject to HR CHARTER CONSULTING, LLC's ability to perform. If the additional costs are deemed excessive by the Detroit Achievement Academy Board, and the matter cannot be resolved, it may opt out of this Agreement by giving 90 days written notice.


This Agreement is executed as of the date first written above and shall only be effective upon notification by GVSU of the Academy Board that GVSU has not disapproved of its terms and conditions.

Detroit Achievement Academy

By: _____

Its President – _____

HR CHARTER CONSULTING, LLC

By:  _____

Its President – Daniel S. Barcheski

Detroit Achievement Academy