

SERVICES AGREEMENT

This Services Agreement (the "Agreement") is made and entered into by and between **Integrity Educational Services**, a Michigan nonprofit corporation (IES), and **Lighthouse Academy**, a Michigan public school academy (the "Academy") formed under Part 6(A) of the Revised School Code (the "Code"), as amended, being MCL §380.1311b to §380.1311l.

The Academy is a charter school organized as a public school academy under the Code. The Academy has been granted a contract (the "Contract") by the **BOARD OF TRUSTEES OF FERRIS STATE UNIVERSITY** ("the "Authorizer") to organize and operate a public school academy. The Authorizer is the statutory authorizing body. The Code permits a public school academy to contract with persons and entities for the operation and management of the public school academy.

The Academy and IES desire to create an enduring educational partnership whereby the Academy and IES will work together to develop and bring about systems of educational excellence and services to the Academy based on IES's vision of school design, IES's management principles, and the Educational Program (defined below).

THEREFORE, the parties hereby agree as follows:

ARTICLE I

Relationship of the Parties and Other Matters

Section 1. Authority. The Academy represents that (a) it is authorized by law to contract with a private entity for the provision of management and operational services to the Academy, (b) it has executed the Contract with the Authorizer to organize and operate a public school academy, (c) it is authorized by the Authorizer to supervise and control such academy, and (d) it is vested with all powers necessary or desirable for carrying out the Educational Program (defined below) contemplated in this Agreement.

To the extent provided by applicable laws, the Academy hereby authorizes and grants to IES, the authority and power necessary to perform under this Agreement. This authorization and grant of authority and power also is intended to include any

additional authority or power which is subsequently granted to the Academy by the Board, or by applicable laws.

Section 2. Services; Educational Program. The parties agree that IES, to the extent permitted by applicable laws, shall provide all labor, materials, and supervision necessary for the provision of the management and operational services contemplated by this Agreement as specifically set forth on the attached Exhibit A to the Academy (the "Services").

IES shall provide the Services in accordance with the educational goals, curriculum, method of pupil assessment, admissions, policy and criteria, school calendar and school day schedule, and age and grade range of pupils to be enrolled, educational goals and methods to be used to monitor compliance with performance of targeted educational outcomes, as previously adopted by the Board of Directors of the Academy (the "Board"), and as included in the Contract (collectively, the "Educational Program").

Section 3. Relationship of the Parties. IES is not a division or any part of the Academy. The Academy is a corporate and governmental entity authorized under the Code. The Academy is not a division or any part of IES. IES is a supporting organization for the Academy under Section 509(a) of the Internal Revenue Code.

Section 4. IES as Independent Contractor; Agency. The parties to this Agreement intend that the relationship of IES to the Academy is that of an independent contractor, and not an employee of the Academy. No agent or employee of IES shall be determined to be an agent or employee of the Academy, except as expressly acknowledged, in writing, by the Academy. Notwithstanding the foregoing, IES and its employees are hereby irrevocably designated as agents of the Academy for the limited purpose of allowing them access to educational records under the Family Educational Rights and Privacy Act, 20 U.S.C. §1232(g), during the Term of this Agreement (defined below). IES will be solely responsible for its acts, the acts of its agents, employees, and those subcontractors who are contracted through IES.

Section 5. Common Control. The parties hereby agree that none of the voting power of the governing body of the Academy or the Board will be vested in IES or its directors, members, managers, officers, shareholders, or employees. IES is a

ing organization for the Academy under Section 509(a) of the Internal Revenue Code.

Section 6. Teachers and Other Staff. Teachers and other staff employed by IES shall not be considered teachers for purposes of continuing tenure under MCL §38.71 et. seq., if IES elects to execute contracts with administrative, teaching or other staff that have a term of longer than one (1) year, the Board has the right to have the School Leader, Teachers or other staff placed elsewhere by IES if the Board is reasonably dissatisfied with their performance at the end of a fiscal year.

Section 7. School Leader. IES shall identify and appoint a School Leader at each school site to administer the Educational Program at the Academy (the "School Leader"). Each School Leader will be an employee of IES that may be disciplined and/or terminated by IES in its sole discretion. The Board will be given an opportunity to provide input in the selection of each School Leader. IES will have the authority, consistent with applicable laws, to select and supervise each School Leader and to hold each School Leader accountable for the success of the Academy. IES will empower each School Leader with the authority to select and hold accountable the teachers and other staff in the Academy. If the Board becomes dissatisfied with the performance of a School Leader, it shall state the causes of such dissatisfaction in writing and deliver it to IES, and IES shall have a reasonable period of time to remedy the dissatisfaction; however, if it cannot remedy the dissatisfaction, IES shall remove and replace the School Leader at the Academy as soon as practicable. Additionally, it is agreed that any dissatisfaction of the Board shall be reasonable in nature and related specifically to the duties and responsibilities of each School Leader at the Academy.

Section 8. Criminal Background Checks. IES agrees that it shall not assign any of its employees, agents or other individuals to perform any services under this Agreement except as permitted under Sections 1230, 1230a and related provisions of the Revised School Code pertaining to criminal background checks and criminal conduct. IES shall require that the results of the criminal background check are received, reviewed, and used (subject to a verification process), only as permitted by law to confirm that the individual does not have a criminal history and to evaluate the qualifications of the individual for his/her assignment.

Section 9. Bankruptcy. IES shall notify the Academy Board if any principal or officer of IES, or IES (including any related organizations or organizations in which a principal or officer of IES served as a principal or officer) as a corporate entity, files for bankruptcy protection or, at the time this Agreement is executed, has filed for bankruptcy protection within the last five (5) years.

Section 10. The Board. The Board is the governing body with oversight responsibilities over the Academy. The parties acknowledge that throughout this Agreement the term "Board" and the term "Academy" are sometimes used interchangeably in some sections for the sole purpose of readability based on the nature and subject-matter of the article/section. This Agreement is executed by a duly authorized member of the Board (on behalf of the Academy), and by so executing this Agreement the Board acknowledges and accepts all obligations and responsibilities related to the Board as set forth in this Agreement.

Section 11. Availability of Funds. Notwithstanding any other term or provision in this Agreement to the contrary, IES shall not be, directly or indirectly, liable to any third party for any cost or expense incurred by the Academy, and IES shall only be required to perform its responsibilities under this Agreement to the extent that IES has received such revenues from the Academy pursuant to the terms of this Agreement.

ARTICLE II

Term

This Agreement shall be effective for an initial period beginning July 1, 2025 and ending June 30, 2026, subject to earlier termination as provided in Article VI and Article IV, section 1.

ARTICLE III

Obligations of the Academy

Section 1. Good Faith Obligation. The Academy shall exercise good faith in considering IES's recommendations relative to the Educational Program and/or the Services. IES shall not adopt or implement such recommendations without obtaining prior Board or Academy approval. The Board retains its authority to make reasonable regulations relative to anything necessary for the proper establishment, maintenance,

management, and carrying on of the Academy, including regulations relative to the conduct of pupils while in attendance at the Academy or traveling to and from the Academy, consistent with applicable laws.

Section 2. Academy Funds. The Board shall determine the depository of all funds received by the Academy including, but not limited to, the aid (referenced in Article IV) and any Additional Revenue (as defined in Exhibit A). All funds received by the Academy shall be deposited in the Academy's depository account. Signatories on the depository account shall be members of the Board or properly designated Board employees or agents, which may include employees of IES. All interest or investment earnings on Academy deposits shall accrue to the Academy.

Section 3. ESP Review. The Board shall conduct an annual review of IES to determine the Academy's progress towards goals, and the status of meeting the conditions of the Contract.

ARTICLE IV

Compensation and Reimbursement of Costs

Section 1. Compensation for Services. During the Term of this Agreement, the Board shall pay IES a fee equal to nine percent (9.0%) of the general aid foundation allowance received from the State of Michigan, pursuant to the State School Aid Act of 1979, as amended, for the particular number of students enrolled in the Academy, along with other state funds considered to be a part of the State School Aid, including but not limited to Sections 23a, 25e and 25g for services provided. Section 25f will not be subject to the IES fee. The fee may be adjusted if mutually agreed upon by both parties in writing. The Fee may also apply to any Additional Revenue (as defined in Exhibit A) provided that IES discloses that the Fee also applies to said Additional Revenue and the Board approves the same in the Academy's annual budget, or any revised budget, prior to the application of such Fee. At this time, no Additional Revenue has been agreed upon for which additional fee would be charged. The parties agree that the Fee amount is reasonable compensation for the provision of the Services. As necessary, the Academy and IES agree to make adjustments to the Fee as necessary because of factors such as differences in actual and projected enrollments, differences between actual and projected operating expenses and funding changes mandated by federal,

state or municipal sources. At no time shall the annual Fee hereunder be less than \$345,000. The Fee shall be IES's sole compensation under this Agreement.

Section 2. Reimbursement of Costs. In addition to the Fee, the Academy shall reimburse IES for all costs reasonably incurred and paid by IES in providing the Services specifically related to the Academy. Such costs include, but are not limited to, all employment costs of IES employees assigned to the Academy, other expenses for equipment, software, supplies, food service, transportation, special education, psychological services, and medical services. Such costs are to be included in the annual budget approved by the Board of the Academy. In paying such costs on behalf of the Academy, IES shall not charge an added fee (or mark-up). Further, IES shall not request reimbursement for the management company's corporate costs or "central office" personnel costs or IES marketing costs as those costs shall be paid by the management fee.

If desired, the Board may advance funds to IES for such costs before such costs are incurred (rather than reimburse IES after the expense is incurred).

IES shall provide to the Academy or the Board proper documentation and accounting of any advanced funds or reimbursement, and such accounting shall be periodically ratified by the Board.

All items acquired with Academy funds including, but not limited to, instructional materials, equipment, supplies, furniture, computers, and other technology, shall be owned by and remain the property of the Academy.

Section 3. Other Institutions. The Academy acknowledges that IES may enter into agreements similar to this Agreement with other public or private educational schools or institutions (the "Institutions"). IES shall maintain separate accounts for reimbursable expenses incurred on behalf of the Academy and for reimbursable expenses incurred on behalf of the Institutions. IES shall only charge the Academy for expenses incurred on behalf of the Academy.

If IES incurs reimbursable expenses on behalf of the Academy and the Institutions which are incapable of precise allocation between the Academy and the Institutions, then IES shall allocate such expenses among the Institutions and the Academy, on a pro-rata basis, based on the number of students enrolled at the

Academy and the Institutions, or upon such other equitable basis as agreed by the parties.

Section 4. Review of Budget. IES working with the School Leader shall propose an annual budget for the Academy, and the Board shall review, revise, and timely approve the annual budget.

Section 5. Written Policies. The Board hereby retains the obligation, as provided in Section 1274 of the Code, to adopt written policies governing the procurement of supplies, materials, and equipment to the Academy. Unless otherwise prohibited by law, IES shall directly procure all supplies, materials, and equipment provided that IES complies with Section 1274 of the Code, and the Board's written policies promulgated thereunder related to such items.

ARTICLE V

Proprietary Information

Section 1. Academy's Rights to Curriculum and Educational Materials. The Academy shall own, without restriction, all proprietary rights to curriculum and educational materials that: (a) are or were directly developed by the Academy and paid for with Academy funds; or (b) are or were developed by IES at the direction of the Board using Academy funds for the specific purpose of developing such curriculum or educational materials.

Section 2. IES's Rights to Curriculum and Educational Materials. IES shall own, without restriction, all curriculum and educational materials, and all other proprietary information owned by, developed by or otherwise in the possession of IES, except as set forth in this Article.

Section 3. Non-Disclosure of Proprietary Information; Remedy for Breach. Except as specifically required by the Code or the Michigan Freedom of Information Act, the proprietary information and materials of either party shall be held in strict confidence by the other party to this Agreement.

During the Term of this Agreement, and continuing forever thereafter, both parties hereby agree that they will not use or disclose to anyone, directly or indirectly, for any purpose whatsoever, any such proprietary information without the prior written consent of the other party.

If a party uses or discloses such proprietary information in violation of this Section 3, the disclosing party shall (a) be liable to the other party for all damages, including, but not limited to, lost profits resulting from the breach, and (b) be obligated to reimburse the non-disclosing party for its legal costs and reasonable attorney fees related to the enforcement of this Section 3.

ARTICLE VI

Termination

Section 1. Termination by IES. IES may terminate this Agreement prior to the end of the Term in the event the Academy fails to remedy a material breach within ten (10) days after written notice of the same from IES. For purposes of this Section 1, a material breach includes, but is not limited to, (a) the Academy's failure to timely remit the Fee, all payroll costs, or any reimbursement due to IES, and/or (b) the Academy's action or decision-making that is deemed by IES, in IES's sole discretion, to be substantially inconsistent with the recommendations of IES relative to the Educational Program or the Services.

Termination prior to the end of the Term shall not relieve the Academy of any financial or other obligations to IES outstanding as of the date of termination. Failure by IES to (a) declare a breach, (b) place the Academy on notice thereof, or (c) fail to exercise or exert any remedy available to IES under this Agreement or applicable laws, shall not be deemed a waiver of IES's right and remedies whatsoever.

Any termination of the ESP Agreement by IES for cause or without cause shall not take effect until the earlier of (i) an approved agreement by the Academy with another ESP (or self-management) is in effect; or (ii) the end of the current school year in which the termination is invoked. The Academy Board and IES should make all efforts necessary to remedy a breach of this Agreement in order to continue school operations until completion of the then-current school fiscal year. If a breach cannot be remedied, the Academy Board and IES agree to work cooperatively to transition management and operations of the school without disrupting the school's operations.

Notwithstanding the foregoing, IES shall not be obligated to provide such reasonable assistance if the reason for the termination was the documented willful

misconduct of the Academy Board which resulted in significant financial damages to IES.

Section 2. Termination by Academy. The Academy may terminate this Agreement prior to the end of the Term in the event that IES fails to remedy a material breach within sixty (60) days after written notice of the same from the Academy. For purposes of this Section 2, a material breach includes, but is not limited to:

- a. failure by IES to reasonably account for its expenditures;
- b. failure by IES to pay Academy operating expenses as required under this Agreement (provided funds were timely made available to IES by the Academy to do so);
- c. failure by IES to substantially follow policies, procedures, rules, regulations, or curriculum duly adopted by the Board which are not in violation of applicable laws or this Agreement; and/or
- d. failure by IES to provide the services as required by this Agreement.
- e. without limiting the remedies available to the Academy or the University by this Agreement, the Contract, or under applicable law, any action or inaction by IES that is not cured within 60 days of notice which causes the Contract to be revoked, terminated, suspended or which causes the Contract to be put in jeopardy of revocation, termination or suspension is a material breach.
- f. If the Academy's Contract issued by the Ferris State University Board of Trustees is suspended, revoked or terminated, or a new charter contract is not issued to the Academy after expiration of the Contract, this Agreement shall automatically be suspended or terminated, as the case may be, on the same date as the Academy's Contract is suspended, revoked, terminated or expires without further action of the parties.
- g. In the event that the Academy is required (i) to close an Academy site pursuant to a notice issued by the Department under Section 507 of the Code, MCL 380.507; or (ii) to undergo a reconstitution pursuant to Section 507 of the Code, MCL 380.507 and the

Contract Terms and Conditions, and such closure of an Academy site or reconstitution causes an amendment to or termination of this ESP Agreement, the parties agree that this ESP Agreement shall be amended or terminated to implement the Academy site closure or reconstitution, with no cost or penalty to the Academy, and IES shall have no recourse against the Academy or the University for implementing such site closure or reconstitution.

Except as permitted under the Code, IES shall not sell or otherwise provide to a business entity any personally identifiable information that is a party of an Academy student's education records. If IES receives information that is party of an Academy student's education records, IES shall not sell or otherwise provide the information to any other person except as permitted under the code. For purposes of this section, the terms "education records" and "personally identifiable information" shall have the same meaning as those terms in Section 1136 of the Code, MCL 380.1136.

Section 3. Termination by the Authorizer. The Authorizer reserves the right to terminate an ESP Agreement for cause, in accordance with the terms of the Contract, relevant state law, and this policy. The Authorizer may exercise this authority when it is determined that IES is failing to meet the academic, financial, or operational expectations outlined in the Contract, or if IES is in violation of applicable laws, regulations, or the terms of the Agreement. Any action or inaction by IES which causes the Contract of the Academy to be revoked, terminated or suspended, or which results in the Academy receiving official notification from the CSO, University Board, Superintendent of Public Instruction, or other authorized body or official, of the commencement or an intent to initiate proceedings for the termination, revocation or suspension of the Contract, shall be designated a material breach, which shall be grounds for termination of the Agreement by the Academy or the University.

Section 4. Change in Law. If any federal, state or local law or regulation, or court or administrative decision, or attorney general's opinion (collectively referred to in

this Agreement as the “applicable laws”) has a substantial and material adverse impact (as reasonably determined by the party suffering the impact) on the ability of the impacted party to carry out its obligations under this Agreement, then the impacted party, upon written notice, may request a renegotiation of this Agreement. If the parties are unable or unwilling to successfully renegotiate the terms of this Agreement within ninety (90) days after the notice, and after making good faith efforts which shall include, but not be limited to, the use of a third-party arbitrator and/or alternative dispute resolution process, the impacted party may terminate this Agreement as of the end of the then-current academic year.

Section 5. Personal Property upon Termination or Expiration. All personal property purchased or leased by IES using Academy funds shall remain the personal property of the Academy.

Section 6. Obligations Upon Termination or Expiration. Upon any termination or the expiration of this Agreement, the parties shall remain obligated for all financial or other obligations due at the time of the termination or expiration. Upon termination or expiration of the Agreement, or the Agreement is terminated due to a Contract revocation, reconstitution, termination or non-renewal, IES shall, without charge: (i) close the books on the then-current school fiscal year; (ii) organize and prepare the Academy’s records for transition to the new ESP, self-management or dissolution; (iii) provide the Academy with an updated fixed asset schedule showing all property owned by the Academy; (iv) provide an updated list of outstanding vendor invoices with total amount owed (including the total outstanding owed by the Academy) to IES, if any; (v) the amount owed by IES to the Academy, if any; (vi) organize and prepare student records for transition to the new ESP, self-management or in the cause of a school closure, transfer to a student’s new school as designated by the student’s parent / legal guardian or to a person or entity authorized to hold such records; (vii) ensure the closeout of existing grants and the transfer of grant funded property to Academy, if applicable; and (viii) provide for the orderly transition of employee compensation and benefits to the new ESP or self-management without disruption to staffing, or in the case of school closure, final payment of all employee compensation, benefit and tax obligations related to services provided by IES to the Academy. This includes any keys, login information and passwords related to any Academy asset.

After any termination or the expiration of this Agreement, and once all such obligations referenced above are satisfied, the parties shall have no further obligations to each other under this Agreement whatsoever except for the continuing obligations under (a) Article V (confidentiality and non-use/non-disclosure of proprietary information) and (b) Article VII (indemnification)

ARTICLE VII

Indemnification & Cooperation

Section 1. Indemnification of IES. During the Term and continuing forever after any termination or the expiration of this Agreement, to the extent permitted by law, the Academy shall indemnify and save and hold IES and all of its employees, officers, directors, subcontractors and agents, harmless against any and all claims, demands, suits or other forms of liability that may arise out of, or by reason of:

- a. any non-compliance by the Academy with any agreements, covenants, warranties or undertakings of the Academy contained in or made pursuant to this Agreement;
- b. any misrepresentation or any breach of the representations and warranties of the Academy contained in or made pursuant to this Agreement; and/or
- c. the negligence of the Academy's directors, officers, employees, agents or representatives.

In addition, to the extent permitted by law, the Academy shall indemnify and reimburse IES for all legal costs and reasonable attorney fees associated with the defense of any such claim, demand or suit. If desired, all or part of the indemnification obligations set forth in this Section 1, may be met by the purchase of insurance by the Academy. The indemnification in this Section shall also specifically apply, without limitation, to any current claims or litigation at the time this Agreement is executed, as well as any future or additional claims or litigation regarding any prior activities of the Academy. This provision shall survive expiration or termination of this Agreement.

Section 2. Immunities and Limitations. The Academy may assert all immunities and statutory limitations of liability in connection with any claims arising under this Agreement.

Section 3. Indemnification of the Academy. During the Term and continuing forever after any termination or the expiration of this Agreement, IES shall indemnify and save and hold the Academy and all of its employees, officers, directors, subcontractors and agents harmless against any and all claims, demands, suits or other forms of liability that may arise out of, or by reason of:

- a. non-compliance by IES with any agreements, covenants, warranties or undertakings of IES contained in or made pursuant to this Agreement;
- b. IES's breach of the Agreement; and/or
- c. the negligence of IES's directors, officers, employees, agents or representatives.

In addition, IES shall reimburse the Academy for all legal costs and reasonable attorney fees associated with the defense of any such claim, demand or suit. If desired, all or part of the indemnification obligations set forth in this Section 2 may be met by the purchase of insurance by IES.

Section 4. Mutual Duty to Cooperate. The parties acknowledge that each party has a duty and obligation to cooperate with the other party, and further that such duty to cooperate is a material part of this Agreement. The purpose of the duty to cooperate is to enable each party to perform its obligations as efficiently as possible. The duty to cooperate shall include all areas of the business of the Academy and the Services, including but not limited to potential and actual issues related to employees or teachers as they arise. The duty to cooperate also includes reasonable assistance in the event of litigation or a dispute involving a party related to the Academy of the Services, such as provision of testimony, records and/or documents reasonably related to the litigation or dispute (which are not otherwise protected from disclosure).

Section 5. Representation and Warranty Instructional Staff. IES represents and warrants to the Academy that no non-competition, no-hire, or similar provisions are included in IES's employment contracts or other agreements with instructional staff that

are assigned to the Academy, nor will any such provisions be included in any such contracts or agreements for the duration of this Agreement.

Section 6. Indemnification of Ferris State University. The parties acknowledge and agree that the Ferris State University Board of Trustees, Ferris State University and its members, officers, employees, agents or representatives (collectively referred to as "the University") are deemed to be third party beneficiaries for purposes of this Agreement. As third party beneficiaries, IES hereby promise to indemnify, defend, and hold harmless the University from and against all claims, demands, actions, suits, causes of action, losses, judgments, damages, fines penalties, forfeitures, or any other liabilities or losses of any kind, including costs, attorney fees, and related expenses imposed upon or incurred by the University, 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 gross negligence of the University, which arise out of or are in any manner connected with Ferris State University Board of Trustees' approval of the Academy's application, Ferris State University Board of Trustees' consideration of or issuance of a Contract, IES's preparation for and operation of the Academy, or which are incurred as a result of the reliance by the University upon information supplied by the IES, or which arise out of the failure of IES to perform its obligations under the Contract, the Agreement or Applicable Law, as applicable. The parties expressly acknowledge and agree that the University, Ferris State University Board of Trustees and its members, and their respective officers, employees, agents or representatives, or any of them, may commence legal action against IES to enforce its rights as set forth in this Agreement.

ARTICLE VIII

Insurance

Section 1. Academy Insurance. The Academy shall maintain general liability insurance and umbrella insurance coverage in the amounts as required by the Contract and the Michigan University South-Insurance Corporation (MUSIC), with IES listed as an additional insured on all policies. IES shall comply with any reasonable information or recording requirements under the Academy's policies of insurance.

Section 2. IES Insurance. IES shall maintain separate general liability and umbrella insurance coverage in the amounts as required by the Contract and the Michigan University South-Insurance Corporation (MUSIC), with the Academy listed as an additional insured on all policies. In the event the Authorizer or M.U.S.I.C. requests any change in coverage by ESPs, IES agrees to comply with any change in the type of or amount of coverage, as requested, within thirty (30) days after notice of the insurance coverage change. IES's insurance will be separate from and in addition to the insurance the Academy Board is required to obtain under the Contract.

Section 3. Evidence and Notices. Each party shall, upon request, present evidence to the other that it maintains the requisite insurance as required in this Article VIII. The policies of insurance of each party shall also provide that the other party receive from the insurer(s) a minimum thirty (30) day written notice of any termination of said policies.

Section 4. Workers' Compensation Coverage. Additionally, each party shall maintain workers' compensation insurance, as required by state law, covering their respective employees.

ARTICLE IX

Warranties and Representations

Section 1. Warranties and Representations of the Academy. The Academy represents to IES that (a) it has the authority under law to execute, deliver and perform this Agreement and to incur the obligations provided for under this Agreement, (b) its actions have been duly and validly authorized, and (c) it will adopt any and all resolutions or expenditure approval required for execution of this Agreement.

Section 2. Warranties and Representations of IES. IES represents and warrants to the Academy that (a) it is a Michigan nonprofit corporation in good standing duly authorized to conduct business in the State of Michigan, (b) it has the authority under applicable laws to execute, deliver and perform this Agreement and to incur the obligations provided for under this Agreement, (c) its actions have been duly and validly authorized, and (d) it will adopt any and all resolutions required for execution of this Agreement.

Section 3. Mutual Representations and Warranties. Each party represents and warrants to the other party that, to its knowledge, there are no pending actions, claims, suits, or proceedings, whether threatened or reasonably anticipated, against or effecting it, which if adversely determined would have a material adverse effect (as might be reasonably determined by the non-affected party if disclosed) on its ability to perform its obligations under this Agreement.

ARTICLE X

Alternative Dispute Resolution

Any and all disputes between the parties concerning any alleged breach of this Agreement or arising out of or relating to the interpretation of this Agreement or the parties' performance of their respective obligations under this Agreement shall be resolved by arbitration, and such procedure shall be the sole and exclusive remedy for such matters.

The Parties agree that any dispute hereunder shall be resolved exclusively by binding arbitration within the State of Michigan pursuant to rules consistent with those of the American Arbitration Association with a panel of three (3) arbitrators selected one each by each of the Parties and the third by the other two (2) arbitrators. If the amount in dispute is less than \$100,000 then the Parties shall use a single mutually acceptable arbitrator. The Parties submit to the jurisdiction of the State of Michigan for all purposes. The Parties shall split evenly the cost of the arbitrators and shall be individually responsible for their own respective costs in the arbitration. The arbitrators shall not be permitted to enter an award for punitive or exemplary damages. An arbitration award may be enforced in any court of competent jurisdiction. A cause opinion (written explanation) as to the final arbitration decision is required. The Authorizer shall be notified of such decision, and the cause opinion shall be made available to the University Board and/or CSO upon request.

ARTICLE XI

Miscellaneous

Section 1. Entire Agreement. This Agreement supersedes and replaces any and all prior written or oral agreements and understandings between the Academy and IES

regarding the subject matter hereof. This Agreement, including Exhibit A, constitutes the entire agreement of the parties.

Section 2. Force Majeure. Notwithstanding any other sections of this Agreement, neither party shall be liable for any delay in performance or inability to perform due to acts of God or due to war, riot, embargo, fire, explosion, sabotage, accident, labor strike, flood, terrorism, or other acts beyond its reasonable control.

Section 3. Governing Law. This Agreement and the rights of the parties hereto shall be interpreted according to the laws of the State of Michigan.

Section 4. Official Notices. All notices or other communications required by the terms of this Agreement shall be in writing and sent to the parties at the addresses set forth below. Notice may be given by certified or registered mail, postage prepaid, return receipt requested, or personal delivery. Notices shall be deemed to have been given on the date of personal delivery, or, if given by mail, the postmark date. Unless amended or updated in writing, the addresses of the parties hereto for the purposes of this Agreement shall be:

The Academy:	Board President Lighthouse Academy 3300 36 th Street, SE Grand Rapids. MI 49512
with a copy to:	School Leader Lighthouse Academy 3300 36 th Street, SE Grand Rapids. MI 49512
	Superintendent 3300 36 th Street SE Grand Rapids, MI 49512
	Robert Dietzel, Esq THRUN LAW FIRM, PC 2900 West Road, Suite 400 E. Lansing, MI 48226
	Ferris State University Charter Schools Office 1020 Maple St. Big Rapids, MI 49307

IES: Board President
Integrity Educational Services
3300 36th Street, SE
Grand Rapids. MI 49512

Section 5. Assignment. This Agreement shall not be assigned (a) by IES, without prior consent of the Board and Ferris State University, in writing, which consent shall not be unreasonably withheld; or (b) by the Academy, without the prior consent of IES and Ferris State University, in writing, which consent shall not be unreasonably withheld. If IES assigns the agreement, any assigned party should follow the requirements set forth in this Agreement, including all due diligence and vetting requirements as set forth by the Authorizer.

Section 6. Amendment; Effect of Headings. This Agreement may only be amended in writing, signed by a duly authorized representative of each party. Such amendment may only occur after review and comment by the Ferris State University Schools Office.

The underlined headings are included for convenience of the reader, and if the underlined headings are inconsistent with the other text the underlined text shall be disregarded.

Section 7. Tax Exempt Financing. If at any time the Academy determines that it is in the best interests of the Academy to obtain financing from the Michigan Public Educational Facilities Authority or any other type of financing that is tax-exempt pursuant to the IRS Code, then the parties hereby agree that this Agreement shall be automatically amended for the sole and limited purpose of compliance with Revenue Procedure 97-13, and/or its progeny. Any such automatic amendment shall be as limited as practicable, and the parties shall promptly execute a written agreement reflecting such amendment, but the failure of the parties to do so shall not affect the effectiveness of the automatic amendment referenced above.

Section 8. Waiver. No waiver of any portion of this Agreement shall be deemed or shall constitute a waiver of any other provision, nor shall such waiver constitute a continuing waiver unless otherwise expressly stated in writing.

Section 9. Severability. The invalidity of any portion or term of this Agreement shall not affect the remaining portions or terms of this Agreement. In the event a portion

or a term of this Agreement is deemed invalid, the parties shall cooperatively work together to modify the invalid portion or term as minimally as possible to cure the invalidity, while at all times preserving the spirit and purpose of the applicable portion or term.

Section 10. Successors and Assigns. This Agreement shall be binding upon and inure to the benefit of the parties and their respective successors and permitted assigns.

Section 11. No Third-Party Rights. This Agreement is made for the sole benefit of the Academy and IES. Except as otherwise expressly provided herein, nothing in this Agreement shall create or be deemed to create a relationship between the parties, or either of them individually with any third person, third party beneficiary, fiduciary, or the Authorizer.

Section 12. Survival of Termination. All representations, warranties, indemnities, and non-disclosures/confidentiality obligations made in this Agreement shall survive any termination or expiration of this Agreement without limitation.

Section 13. Delegation of Authority; Compliance with Laws. Nothing in this Agreement shall be construed as delegating to IES any of the powers or authority of the Board which are not subject to delegation by the Board in accordance with all applicable laws. The parties agree to comply with all applicable laws.

Section 14. Execution. The parties may execute this Agreement by facsimile or in counterparts. A facsimile or photographic copy of this Agreement may be relied upon by either party, or any third party, as if it were an original signature copy. If this Agreement is executed in counterparts, the separate counterpart signature pages shall be combined and treated by the parties, or any third party, as if the separate counterpart signature pages were part of one original signature copy.

Section 15. Review by Independent Counsel. The parties agree that each has reviewed, or had the opportunity to review, this Agreement with its own independent legal counsel prior to the execution of this Agreement.

The undersigned hereby execute this Agreement as of the date set forth first above.

The Academy:

Lighthouse Academy

By: Aaron M. Toffoli

Name: Aaron Toffoli

Its: Secretary

Date: 4/29/05

IES:

Integrity Educational Services

By: Heidi Cate

Name: Heidi Cate

Its: Superintendent

Date: 5/12/2005

Exhibit A
to
SERVICES AGREEMENT

The purpose of this Exhibit A is to set forth and define the Services to be provided by IES pursuant to the Agreement.

IES may subcontract any and all aspects of the Services, including, but not limited to, food, educational management services, human resource and financial services. However, IES shall not subcontract the services, except as specifically permitted in this Agreement, or without prior written approval of the Board.

**EDUCATIONAL MANAGEMENT SERVICES
TO BE PROVIDED BY INTEGRITY EDUCATIONAL SERVICES**

A. Subject to the oversight and authority of the Board, IES shall implement the Educational Program determined by the Academy through IES staff (defined in Article I, Section 2 of the Agreement). Modification of the Educational Program may only occur with the prior written consent of the Board.

B. IES may perform functions other than Instruction, including but not limited to purchasing and administrative functions off-site (i.e., not on the Academy property), unless prohibited by applicable laws.

C. In order to supplement and enhance the school aid payments received from the State of Michigan, and improve the quality of education at the Academy, IES shall assist the Academy's endeavors to obtain revenue from other sources (the "Funding Sources"), and in this regard:

- 1) the Academy and/or IES may solicit and receive grants and donations in the name of the Academy from various Funding Sources consistent with the mission of the Academy;
- 2) the Academy and/or IES may apply for and receive grant money in the name of the Academy from various Funding Sources;

- 3) to the extent possible under the Code and Contract, and with the approval of the Board, IES or the Academy may charge fees for those services and/or programs that fall outside of the regular school calendar and/or school day; and
- 4) all funds received by the Academy from such other revenue sources (generally, the "Additional Revenue") shall inure to and be the deemed property of the Academy (however, as provided in the Article IV, Section 1 of the Agreement, the Fee of 9% may apply against all such Additional Revenue provided that IES discloses that the Fee also applies to said Additional Revenue and the Board approves the same in the Academy's annual budget, or any revised budget, prior to the application of such Fee.).

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

E. On an annual basis, IES agrees to provide the Academy Board with the same information that a school district is required to disclose under Section 18(2) of the State School Aid Act of 1979, MCL 388.1618, for the most recent school fiscal year for which the information is available. Within fifteen (15) days of receipt of this information, the Academy Board shall make the information available through a link on the Academy's website homepage, in a form and manner prescribed by the Michigan Department of Education. The defined terms in Section 503c of the Code, MCL 380.503c, shall have the same meaning in this agreement.

F. As IES is responsible for both administrative services, staff and educational and instructional services, IES will ensure that the names of the Authorizer and IES will appear and be verbally provided, as applicable, on (i) signage that is on the Academy's property erected, repaired or installed after April 2, 2025, (ii) promotional material

created, modified, or distributed after April 2, 2025 (including billboards, internet advertisements, television advertisements, and radio advertisements), (iii) the footer of the Academy's website pages, and (iv) the school application that the student must submit to enroll in the public school academy.

**BUSINESS/FINANCE SERVICES
TO BE PROVIDED BY INTEGRITY EDUCATIONAL SERVICES**

G. IES shall be directly responsible and accountable to the Board for the business administration, management and performance of the Academy in accordance with the Contract. IES's obligation to provide the Services is expressly limited by the budget approved by the Board pursuant to the terms of this Agreement. The Services shall be funded by the Academy budget, and neither IES nor the Academy shall be required to expend Academy funds on the Services in excess of the amount set forth in the Academy Budget.

1. IES shall be responsible for all of the management, operation, administration and education at the Academy which includes, but is not limited to: management of all personnel functions, including professional development for all instructional personnel and the personnel functions outlined in this Agreement;
2. all aspects of the business administration (as determined as generally understood in the industry) of the Academy;
3. any function necessary or expedient for the administration of the Academy consistent with the Educational Program, or otherwise approved by the Board.

H. Except as otherwise provided in this Agreement, IES shall keep all financial records relating to the Academy at the Academy site, and the same shall be available for public inspection upon reasonable request consistent with applicable laws. All financial records will remain the property of the Academy.

I. IES shall provide the Board with:

1. a projected annual budget prior to July 1st of each school year, related to the Services in accordance with the Contract and the Educational Program;
2. detailed monthly financial statements including a balance sheet, an object-level detailed statement of revenues, expenditures and changes in fund balance that includes a comparison of budget to actual information and an explanation of variances. The foregoing financial statements shall be in a form and format acceptable to the Academy Board and are to be provided to all Academy Board members not less than five (5) working days prior to the Academy Board meeting at which the information will be presented and discussed;
3. annual audits in compliance with applicable laws showing the manner in which funds are spent at the Academy, however, it is acknowledged that only the Academy shall select and retain auditors and the Academy shall contract directly with any auditor of its choice, and IES will cooperate with the Academy's selected auditor and shall ensure that the Academy's financial and other records related to the Academy are be made available to the Academy's independent auditor. In no event shall IES select or retain the Academy's independent auditor for any financial services provided to IES. Any such audit shall be the property of the Academy; and
4. other information as reasonably requested by the Board to enable the Board to monitor IES's performance under the Agreement

J. In accordance with the Academy's data breach response plan, the Academy and IES will consult with and implement recommendations from the Academy's legal counsel in the event of a data breach of personally identifiable information (PPI) from Academy education records or other information not suitable for public release.

**HUMAN RESOURCE SERVICES
TO BE PROVIDED BY INTEGRITY EDUCATIONAL SERVICES**

K. IES shall select and hire qualified personnel to perform services at the Academy. IES shall have the responsibility and authority to select, hire, evaluate, assign, transfer, and terminate personnel consistent with the budget, Educational Program, and applicable law. IES shall work with the School Leader in the selection, evaluation, assignment, discipline and transfer of personnel.

L. As set forth in the Agreement, IES shall identify and appoint a School Leader to administer the Educational Program at the Academy (the "School Leader"). The School Leader will be an employee of IES.

M. Prior to the commencement of the 2025-2026 academic year of the Academy, and from time to time thereafter, IES shall recommend the number of teachers, based on the applicable grade levels and subjects required for the operation of the Academy, consistent with the parameters adopted and included in the Educational Program. IES shall work with the School Leader to provide the Academy with such teachers, qualified in the applicable grade levels and subjects. IES shall ensure that the curriculum taught by the Academy's teachers is the curriculum prescribed by the Academy. Such teachers may, in the discretion of IES, provide instruction at the Academy on a full or part time basis. If assigned to the Academy on a part-time basis, such teachers may also provide instruction at another institution, or other locations approved by IES. For teachers assigned to more than one location, the Academy will be billed for its portion of the hours that the teacher is assigned to the Academy. Each teacher assigned or retained to the Academy shall hold a valid teaching certificate issued by the State Board of Education under the Code, to the extent required under the Code and all other requirements as established by the Michigan Department of Education, the Academy's authorizer, and state and federal law.

N. Prior to the commencement of the 2025-2026 academic year of the Academy, and from time to time thereafter, IES shall recommend the number and functions of support staff required for the operation of the Academy, consistent with the parameters adopted and included in the Educational Program. The parties anticipate that such support staff may include clerical staff, administrative assistants and director,

bookkeeping staff, maintenance personnel, and the like. IES shall work with the School Leader to provide the Academy with such support staff, qualified in the areas required. Such support staff may, in the discretion of IES, provide services at the Academy on a full or part time basis. If assigned to the Academy on a part-time basis, said support staff may also provide services at another institution, or other locations approved by IES. For staff assigned to more than one location, the Academy will be billed for its portion of the hours that the staff is assigned to the Academy.

O. Since, except as specified in this Agreement, all teaching, support staff and other non-teaching personnel performing functions on behalf of the Academy, shall be employees of IES, compensation of all employees of IES shall be paid by IES and be reimbursed by the Academy as described in Article IV, Section 2. For purposes of the Agreement and this Exhibit, "compensation" shall include salary and benefits, social security, unemployment, and any other taxes required by law to be paid on behalf of its employees assigned to the Academy. Unless required by applicable laws, IES shall not make payments to the Michigan Public School Employees' Retirement System or any other public retirement system on behalf of its employees.

P. IES shall conduct criminal background checks and unprofessional conduct checks on its employees that are assigned to the Academy and all subcontractors assigned to regularly and continuously work under contract in the Academy as required by law, as if it were a public school academy under the Code.

Q. The Academy shall designate the Chief Administrative Officer (CAO) at its annual organizational meeting.

R. Not later than November 1, of each year, the following information must be posted by IES on the Academy's website that is available to the public; (i) the average salary for new teachers (i.e., an individual who has held a teaching certificate for less than 5 years) and for veteran teachers (i.e., an individual who has held a teaching certificate for 5 or more years) employed by IES and assigned to the Academy, or if there are fewer than 5 new teachers or 5 veteran teachers at the Academy, the average salary for all teachers employed by IES and assigned to the Academy, and (ii) average

salary for support staff (including but not limited to student-facing paraprofessionals, food service workers, bus drivers, and literacy coaches) employed by IES and assigned to the Academy.

