

MANAGEMENT AGREEMENT

-between-

Data Driven EDUCATIONAL SERVICES

-and-

**BARACK OBAMA LEADERSHIP ACADEMY
2024-2025**

This agreement (“Agreement”) is effective as of the 1st day of July 2024, by and between: Data Driven Educational Services, a Michigan non-profit corporation (“Data Driven”), and Barack Obama Leadership Academy, a Michigan public school academy (“Academy”) formed under Part 6A of the Michigan Revised School Code (the “Code”), as amended, being Sections 380.501 to 380.507 of Michigan Compiled Laws.

WHEREAS, the Academy Board is a public school academy organized under the Code. The Academy Board has entered into a Contract to Charter a Public School Academy and Related Documents (the “Charter”) between the Academy Board and the Detroit Public Schools Community District Board of Education (“Detroit”), as an authorizer.

WHEREAS, the Code permits a public school academy to contract with persons and entities for the operation and management of the public school academy.

WHEREAS, the Academy and Data Driven have previously enjoyed a contractual relationship whereby Data Driven provided certain management services to the Academy.

WHEREAS, the Academy Board and Data Driven wish to begin a management arrangement for Data Driven to provide the Services, as defined below, to the Academy Board on the terms and condition set forth herein.

THEREFORE, in order to facilitate the continuation of the Academy Board and the implementation of an innovative educational program at the Academy, the parties desire to establish this arrangement for the management and operation of the Academy Board and mutually agree as follows:

ARTICLE I. Contractual Relationship

1.1 Authority. The Academy Board represents that it is authorized by law to contact a private entity to provide educational management services to the Academy. The Academy Board further

represents that it has been granted the Charter by Detroit to organize and operate a public school academy. The Academy Board is authorized by Detroit under the Code and is invested with all powers necessary or desirable for carrying out the educational program contemplated in this Agreement.

1.2 Contract. The Parties hereto agree that Data Driven, to the extent permitted by law, shall provide the following services (the "Services"):

- A. Implement the educational goals and methods to be used to monitor compliance with performance of targeted educational outcomes adopted by the Academy Board.
- B. Perform as the sole employer of staff assigned to work at the Academy Board ("Covered Employees"), vested with control and responsibility over all terms and conditions of employment of Covered Employees.
- C. Provide budgeting, procurement, financial forecasting and curriculum development, all in the manner generally set forth by the Academy Board in its governance documents, budget and policies. Advise on the selection and procurement of instructional materials, equipment and supplies.
- D. Administer any and all extracurricular and co-curricular activities and programs.
- E. Operate the school building to the extent consistent with any and all leases pertaining to the Academy Board site, including installed technology integral to the school design.
- F. Perform all aspects of the business administration for the Academy Board, including preparation of all budgets and amendments thereto consistent with the general direction of the Academy Board.
- G. Provide pupil transportation for students enrolled at the Academy Board in the manner and form set forth by the Academy Board.
- H. Operate the Academy's food service program.
- I. Perform any other function or service necessary or expedient for the administration of the Academy Board as may be required by the Academy Board.

1.3 The Parties. Data Driven is not Division or any part of the Academy. The Academy Board is a body corporate and governmental entity authorized under the Code and is not a division or a part of Data Driven. The relationship between the parties here to was developed and entered into through arm's length negotiations and is based solely on the terms of this Agreement and those of any other agreements that may exist from time to time between parties hereto.

1.4 Independent Contractor Status. The parties to this Agreement intend that the relationship between them created by the Agreement is that of an independent contractor, and not employer – employee. No agent or employee of Data Driven shall be determined to be the agent or employee of the Academy Board except as expressly acknowledged in writing by the Academy. Notwithstanding the foregoing, Data Driven's Covered Employees are designated as "school officials" as that term is defined under the Family Educational Rights and Privacy Act, 20 USC 1232g ("FERPA") to the extent that they must access student education records as defined in

FERPA. Data Driven shall be solely responsible for its acts and those of its agents, employees, and subcontractors.

1.5 Access. The Academy Board hereby grants to Data Driven all access and occupancy to the Academy's physical building as necessary or convenient to Data Driven for purposes of its rights and responsibilities under this Agreement.

1.6 Academy Board responsibilities.

- A. No provision of this Agreement shall predetermine the Academy Board's course of action in choosing to assert or not to assert governmental immunity. Further, no provision of this Agreement shall interfere with the Academy Board's duties under the Contract and the Academy's duties under the contract shall not be limited or rendered impossible by action or inaction of Data Driven.
- B. No provision of this Agreement shall interfere with the Academy Board's duties under the Charter, and the Academy's duties under Charter shall not be limited or rendered impossible by action or inaction of Data Driven.
- C. No Covered Employee or employee of Data Driven shall be designated as the Chief Administrative Officer, as that term is defined in Section 2(b)(3) of the Uniform Budgeting and Accounting Act, MCL 141.1421, although the Academy Board's Chief Administrative Officer may delegate his/her duties to a Covered Employee; however such Chief Administrative Officer shall be and remain responsible for all duties that adhere to that position.
- D. Data Driven shall notify the Academy Board if any principal or officer of Data Driven, or Data Driven (including any related organization or organizations in which a principal or officer of Data Driven served as a principal or officer) as a corporate entity, has filed for bankruptcy protection in the last six (6) months or within any applicable preference period, whichever is longer.
- E. Data Driven understands that Detroit shall review any and all proposed Management Agreements, and no Management Agreement shall be effective until the Academy Board is notified in writing that Detroit does not disapprove of such Management Agreement.

ARTICLE II

Term

2.1 Term. This Agreement shall become effective as of the date of the Agreement first above written and end on June 30, 2025.

ARTICLE III.

Functions of Data Driven

3.1 Responsibility. Data Driven shall be responsible and accountable to the Academy Board for providing the Services, provided, however, that Data Driven's responsibility is expressly limited

by the budget adopted by the Academy Board . Neither Data Driven nor the Academy Board are required to expend Academy Board funds on services in excess of the amount set fourth in Academy Board budget. Data Driven shall provide the Academy Board with financial reports and reports on student performance, upon request, but not less frequently than quarterly.

3.2 Educational Goals and Programs. Data Driven agrees to implement the educational goals and programs set forth in the Charter. Should Data Driven determine it is necessary to modify the educational goals or programs set for the in the Charter, Data Driven will inform the Academy Board of the proposed changes. As required by the Charter, Data Driven may implement the new educational goals or program changes only after they have been approved by the Academy Board.

3.3 At the end of each semester, Data Driven will provide the Board with updated reports on progress toward implanting each of the Academy's educational goals and programs as set forth in the Contract.

3.4 Specific Functions. Data Driven shall be responsible for providing the Services.

3.5 Subcontractors. Data Driven reserves the right to subcontract any and all aspects of the Services, including, but not limited to transportation and/or food service. Such subcontracting shall not relieve Data Driven of the responsibility for such Services described hereunder. Data Driven shall not subcontract the management, oversight operation of the teaching an instructional program, except as specifically permitted in this Agreement or with approval of Academy Board.

3.6 Place of Performance. Data Driven reserves the right to perform functions other than instruction, such as purchasing professional development and administrative functions, at other locations, unless prohibited by applicable.

3.7 Academy Board Records. All financial, education, and student records pretending to the Academy Board are Academy Board property and such records are subject to the provisions of Michigan's Freedom of Information Act. All such records must be stored, in physical form, on site at the Academy Board facility or be directly assessable at the Academy's facility. All records pertaining to teacher and administrator evaluation and certification, as well as a copy of the employee handbook regarding Covered Employees, shall be maintained physically on site or be directly accessible at the Academy Board facility.

3.8 Data Driven Records. All of the financial and other records related to Data Driven will be made available to the Academy's independent auditor and Data Driven staff will cooperate with said auditor, and Data Driven shall not select or retain the Academy Board 's independent auditor.

3.9 Student recruitment. The Academy Board shall be responsible for establishing the recruitment and admission policies. Data Driven shall implement such policies. Students shall be selected in accordance with the procedures set forth in the Charter and in compliance with the Code and other applicable law.

3.10 Due Process Hearings. Data Driven shall provide student due process hearings in conformity with the requirements of the policies set forth by the Academy Board and applicable law.

3.11 Legal Requirement. Data Driven shall provide educational programs that meet the requirements of applicable law. Without relinquishing its authority to act as an independent, self governing body, the Academy Board shall interpret state and local regulations liberally to give Data Driven flexibility and freedom to implement its educational and management programs.

3.12 Rules and Procedures. Data Driven shall recommend reasonable rules, regulations and procedures applicable to the Academy Board and is authorized and directed to enforce such rules, regulations and procedures adopted by the Academy Board.

3.13 School year and School Day. The school year and the school day shall be as provided in the Charter. The number of days of pupil instruction and the number of hours of pupil instruction shall not be extended by the Academy Board beyond the minimum number of hours and days of pupil instruction required under applicable law unless Data Driven consents to such extension.

3.15 Authority. Data Driven shall have all authority and power necessary to undertake its responsibilities described in this Agreement, except in cases where such power may not be delegated by law and the exercise of such authority would prevent the Academy Board from acting as an independent, self governing body..

3.16 Pupil Performance Standards and Evaluation. Data Driven shall implement pupil performance evaluations which permit evaluation of education progress of each Academy Board student. Data Driven shall be responsible for and accountable to the Board for the performance of students who attend the Academy. At a minimum, Data Driven will utilize assessment strategies required by the Charter. The Board and Data Driven will cooperate in good faith to identify other measures of and goals for students in school performance, including but not limited to parent satisfaction.

3.17 Services to Students and Special Education. Data Driven shall provide special education and related services to students who attend the Academy Board in conformity with the requirements of applicable law. Data Driven may subcontract as necessary and appropriate for the provision of such services.

3.18 Contract between the Academy Board and Detroit. Data Driven will not act in a manner which will cause Academy Board to be breach of the Charter.

3.19 Disclosure of Records. Data Driven shall make information available to the Academy Board as deemed necessary by Academy Board in order to enable the Academy Board to fully satisfy its Transparency Reporting under Contract and also at least the information that a school district is

required to disclose under MCLA 388.1618 for the most recent fiscal year for which the information is available.

3.20 Other Institutions. The Academy Board acknowledges that Data Driven may enter into similar management agreements with other public or provide educational schools or institutions which are incapable of precise allocation between the Academy, on a pro-rata basis based upon the number of students enrolled at the Academy Board and the Institutions, or upon such other equitable basis as is acceptable to the parties. All grants or donations received by the Academy, or by Data Driven for the specific benefit of the Academy, shall be maintained in separate accounts and used solely for the Academy.

ARTICLE IV.

Obligations of the Academy Board.

4.1 Good Faith Obligation. Subject to constraints of applicable law, the requirements of the Charter, and its fiduciary obligations to the Academy, the Academy Board shall exercise good faith in considering the recommendations of Data Driven, including but not limited to, Data Driven's recommendations considering policies, rules and regulations, procedures, curriculum, and budgets. Data Driven shall not adopt or implement such recommendations without obtaining prior Academy Board approval. The Academy Board shall retain any authority it may possess to make reasonable policies relative to anything necessary for the proper establishment, maintenance, management, and carrying on the Academy, including policies relative to conduct of pupils in attendance at the Academy Board or enroute to and from the Academy. The Board shall further retain the obligation, as provided in Section 1274 of the Code, to adopt written policies governing the procurement of supplies, materials and equipment; nevertheless, unless otherwise prohibited by law, all procurement of supplies, materials and equipment shall be through Data Driven provided that Data Driven complies with Section 1274 of the Code and the Board's policy promulgated pursuant to Section 1274. There shall be no markup of the costs of supplies, materials, or equipment procured by Data-Driven on the Academy's behalf on such procurement of supplies, materials or equipment by Data Driven for the Academy. All supplies, materials and equipment at the Academy Board shall be inventoried by an acceptable method of inventory; inventory of the Academy's supplies, materials and equipment shall be maintained so that it can be clearly established which property .

4.2 Performance under Agreement. In performing the Services, Data Driven shall comply with the requirements of the Charter to the extent Data is performing services on behalf of the Academy.

4.3 Academy Board Duties Under Charter. No provision of this Agreement shall interfere with the Academy Board 's duties under the Charter, and the Academy's duties under the Charter shall not be limited or rendered impossible by action or inaction of Data.

ARTICAL V

Financial arrangements

5.1 Compensation for services. For the term of this Agreement, the Board shall pay Data Driven an annual fee, based on Academy's monthly student count, as described on the State of Michigan's monthly State Aid Status Report. Data Driven shall receive as compensation for its services a fee of 10% of the Academy's state school aid per month .

5.2 Reasonable Compensation. Data Driven's compensation under this Agreement is reasonable compensation for provision of the Services. Data Driven's compensation for services under this Agreement will not be based, in the whole or in part, on a share of net profits from operation of the Academy. The Academy Board will compensate Data Driven at the rate of 10% of all funds raised through grants or fund raisers not to exceed \$50,000 per event/grant.

5.3 Payment of Costs. In addition to the fee described in section 5.1, the Academy Board shall reimburse Data Driven for all cost incurred and pay by Data Driven in providing the educational program and other goods and services to the Academy Board. Such costs include but are not limited to salaries of Data Driven employees, curriculum and instructional materials, textbooks, library books, computer and other equipment, software supplies, food service, transportation, special education, psychological services and medical services. In paying costs on behalf of Academy, Data Driven shall not charge an added fee unless such fee is approved in advance by the Board. The Academy Board shall not reimburse Data Driven for any costs incurred or pay by Data Driven as a result of services provided or actions taken pursuant to articles I, II, IV, VI (except as otherwise specifically indicated) VII, VIII, IX, X, XI and XIII of this Agreement. All acquisitions made by Data Driven for the Academy Board versus the funds Data Driven received pursuant to Section 5.3, 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.

5.4 Time and Priority of Payments. The fee due to Data Driven pursuant to section 5.1 so we calculated for each school year at the same time as State of Michigan calculates the SSA, and adjustments to such calculation shall occur at the same time as the State of Michigan adjusts the SSA, Data Driven shall receive its fee under section 5.1 as – calculated pursuant to proceeding sentence, in (11) monthly installments beginning on October of each school year and ending in August of each school year. For the first year of the term of this Agreement only, Data Driven shall receive its fee under section 5.1 in equal monthly installments, beginning of the month following the effective date of this Agreement ending in June 2025. Installments amount still be due and payable within ten (10) days of receipt by Academy Board in its monthly SSA. Payments due and owing to Data Driven pursuant to section 5.3 shall be made by the Academy Board to Data Driven on the last day of each month.

5.5 Other Revenue Sources. 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, the Board and Data Driven shall endeavor to obtain revenue from other sources. The Academy Board and/or Data Driven shall solicit and receive grants and donations consistent with the mission of Academy.

Academy Board or Data Driven may apply for an receive grant money, in the name Data Driven or the Academy. To the extent permitted under the Code and the specific grant in question, Data Driven may charge fees to students for extra services such as summer and after school programs, athletics, etc., and charge non-Academy students who participate in such programs; and all funds received by the Academy Board or by Data Driven on behalf of the Academy, from such other revenue sources shall insure to and be deemed the property of the Academy.

5.6 Order of Payment Obligations. The Academy Board shall satisfy its payment obligations under this Article of Data Driven in the following order or priority (1) to reimburse Data Driven pursuant to section 5.3 for sums due and owing for previous months; (2) to reimburse Data Driven pursuant to section 53 for sums due and owing for karma; (3) to pay Data Driven for installment payments due and owing pursuant to Section 5.1 for previous months; and (4) to pay Data Driven for installment payments due and always pursuant to section 5.1 for the current month.

5.7 No Related Parties or Common Control. Data Driven will not have any role or relationship with the Academy Board that, in effects, substantially limits the Academy's ability to exercise its rights, including cancellation rights, under this Agreement.

5.8 Tax Matters. The following provisions apply to the Academy Board 's relationship to Data Driven hereunder.

- A. Data Driven shall not share in any net profits of the Academy Board.
- B. Data Driven shall not bear any net losses of the Academy Board facility.
- C. Compensation hereunder shall not be treated as providing a share of net profits or requiring Data Driven to bear a share of net losses if the compensation for services is:
 - (a) based solely on a capitation fee, periodic fixed fee or a per-unit fee;
 - (b) incentive compensation; or
 - (c) a combination of both types of compensation.
- D. Deferral due to insufficient net cash flows from the operation of the Academy Board 's facility of the payment of compensation that otherwise meets the requirements of Revenue Procedure 2017-13 will not cause the deferred compensation to be treated as contingent upon net profits or net losses under the Revenue Procedure if the contract includes requirements that:
 - (a) The compensation is payable at least annually;
 - (b) The qualified user is subject to reasonable consequences for late payment, such as reasonable interest charges or late payment fees; and
 - (c) The qualified user will pay such deferred compensation (with interest or late payment fees) no later than the end of five years after the original due date of the payment.
- E. The term of this Agreement, including all renewal options, is not greater than the lesser of 30 years or 80 percent of the weighted average reasonably expected economic life of the Academy Board 's facility.
- F. The Academy Board shall exercise a significant degree of control over the Academy Board 's facility.

- G. The Academy Board bears all risk of loss for damage or destruction of the Academy Board 's facility.
- H. Data Driven shall not take any tax position that is inconsistent with being a service provider to the Academy Board with respect to the Academy Board 's facility.
- I. No circumstances shall exist that substantially limit the exercise of the Academy Board 's rights, as follows:
 - i. Data Driven must not have any role or relationship with the Academy Board that, in effect, substantially limits the Academy Board 's ability to exercise its rights under this Agreement, based on all facts and circumstances.
 - ii. Data Driven will not be treated as having a role or relationship prohibited by the Revenue Procedure if:
 - a. no more than 20% of the voting power of the Academy Board is vested in the directors, officers, shareholders, partners, members and employees of Data Driven;
 - b. the Academy Board does not include the chief executive officer of Data Driven or the chairperson (or equivalent executive) of Data Driven's governing body;
 - c. the chief executive officer of Data Driven is not the chief executive officer of the Academy Board or any of the Academy's related properties.
- J. The Academy Board and Data Driven will not be members of the same controlled group, as defined in section 1.150-1 (f) of the regulations under Internal Revenue Code of 1986, as amended or related persons as defined in section 144 (A(3)) of Internal Revenue Code of 1986, as amended.

5.9 Financial Reporting. Data Driven shall provide the Board with a projected annual budget for the Academy Board prior to each school year in accordance with the terms of the Charter and detailed statements of all revenues received, from whatever source, with respect to the Academy, and detailed statements of all direct expenditures for services rendered to or on behalf of the Academy Board upon request, whether incurred on-site or off-site.

5.10 Operating Reports. Reports on Academy Board operations finances and student performance, upon the request of the Academy, Detroit, or the State of Michigan, but not less frequently than four (4) times per year.

5.11 Supplemental Reports. Other information on a periodic basic to enable the Board to monitor Data Driven's educational performance and the efficiency of its operations of the Academy.

5.12 Access to Records. Data Driven shall keep accurate financial records pertaining to its operation of the Academy Board together with all Academy Board financial records prepared by or in the possession of Data Driven and retain all of said records for the period required under Michigan's Record Retention guidelines. Data Driven and the Academy Board shall maintain the

proper confidentiality of personnel, students and other records as required by law. All Academy Board financial records retained by Data Driven pertaining to the Academy Board shall be available to either the Academy Board or Detroit for inspection and copying upon reasonable request.

5.13 Independent Auditor. The Board shall retain an independent auditor to audit the books of the Academy. Data Driven shall make all records relevant to such independent audit available to the independent auditor. Data Driven's staff shall cooperate with the Academy Board's independent auditor.

ARTICLE VI.

Personnel and Training

6.1 Personnel Responsibility. Subject to the Charter and Board policies, Data Driven shall have the sole responsibility and authority to determine staffing levels, and to select, evaluate, assign, discipline and transfer personnel consistent with state and federal law, and consistent with the educational program.

6.2 Principal. Because the accountability of Data Driven to the Academy Board is an essential foundation of this partnership, and because the responsibility of a principal ("Principal") is critical to its success, the Principal will be an employee of Data Driven and Data Driven will have authority, consistent with state law, to select and supervise with the Principal, and the duties and Compensation of the Principal shall be determined by Data Driven. As part of the consideration of candidates for the Principal position by Data Driven, the Academy Board shall have an opportunity to interview and examine the credentials of the candidate selected by Data Driven to be assigned to the position. The Principal shall, at the time of employment, hold the appropriate certification. If, at any time, the Academy Board becomes dissatisfied with the Principal, it shall notify Data Driven in writing. Such candidate shall not be at any time, the Board is dissatisfied with the performance of the Principal, it shall notify Data Driven of such in writing, in which case Data Driven will consider the Academy Board's request.

6.3 Teachers. Data Driven shall determine the number of teachers and the applicable levels and subjects required for the operation of the Academy. Data Driven shall provide the Academy Board with such teachers fully certified and qualified in the grade levels and subjects required by the Academy. The curriculum taught by such teachers shall be the curriculum prescribed by the Academy. Such teachers may, at the discretion of Data Driven, work at the Academy Board on a full or part-time basis. If assigned to the Academy Board on a part-time basis; such teachers may also work at other schools managed or operated by Data Driven. Each teacher assigned or retained to the Academy Board must hold a valid teaching certificate issued by the state board of education under the Code, to the extent required under the Code.

6.4 Support staff. Data Driven shall determine the number and functions of support staff required for the operation of the Academy. The parties anticipate that such support may include clerical staff, administrative assistance to the Principal, bookkeeping staff, maintenance personnel, etc.

Data Driven shall provide the Academy Board with such support staff, qualified in areas required, as are required by the Academy. Any administrators provided to the Academy Board shall be appropriately certified as required by applicable law. Certain support staff may, at the discretion of Data Driven, work at the academy on a full or part-time basis. If aside from the Academy Board on a part-time basis, such support staff may also work at other schools managed or operated by Data Driven.

6.5 Employer of Personnel. Except as specified in this Agreement, all Covered Employees shall be employees of Data Driven. Compensation of all employees of Data Driven shall be paid by Data Driven. For purposes this Agreement, "Compensation" shall include salary, fringe benefits, and state federal, local, and social security tax withholdings. Data Driven shall be responsible for paying Social Security, unemployment, and any other taxes required by law to be paid on behalf of its employees. Unless required by applicable law, Data Driven shall not make payments to the Michigan Public school employees retirement system or any other public retirement system on behalf of his employees.

6.6 Teachers employed by Data Driven shall not be considered teachers for purposes of continuing tenure under MCLA and 38.71 et seq. No individual contract between Data Driven and a staff member assigned to the Academy Board shall contain a noncompete agreement of any nature.

6.7 Training. Data Driven shall provide training and its methods, curriculum, program, and technology, to our teaching personnel, on a regular and continuous basis. Such methodology shall at a minimum utilize Data Driven's teaching staff to utilize their own professional abilities to provide in service training to each other. Non-instructional personnel shall receive such training as Data Driven determines as reasonable and necessary under the circumstances.

6.8 Education Consultant. The Board may appoint an education consultant to review the operations of the Academy Board in the performance of Data Driven under the Agreement. Such educational consultant shall be selected by the Academy Board Board. Data Driven shall cooperate with such educational consultant and the performance of his or her responsibility to the Academy Board Board. Data Driven shall have no authority to select, evaluate, assign or supervise or control any educational consultant selected by the Academy Board.

6.9 Criminal Background and Unprofessional Conduct Checks. Data Driven shall conduct all criminal background and unprofessional conduct checks required by applicable law.

Article VII Termination

7.1 By Data Driven. Data Driven may terminate this Agreement prior to the end of the term specified the article in the event the board fails to remedy a material breach within 60 days after notice from Data Driven. A material breach includes but is not limited to, failure to receive any reasonable fee or reimbursement as required by the terms of disagreement. Data Driven may also

terminate this Agreement if the Academy Board makes decisions regarding the personnel, curriculum or program substantially inconsistent with the recommendations of Data Driven. Termination does not relieve the Academy Board of any obligations for payment outstanding to Data-Driven as of the date of termination.

7.2 By Academy. The Academy Board may terminate this Agreement prior to the end of the term, specify Article 2 in the event that Data Driven shall fail to remedy a material breach within 60 days after notice from the board. The material breach includes but is not limited to failure to account for its expenditures or to pay Academy operating costs as required under this Agreement, provided funds are available to do so to failure to substantially follow policies, procedures, rules, and regulations for curriculum duly adopted by the Academy Board which are not in violation of the Charter, this Agreement, applicable law, or failure to abide by the meet educational goals forth in the contract.

7.3 Termination by either party. If Data Driven and the Academy Board are unable to agree on education programs, curriculum, or other educational policies that affect the Academy Board in a significant way, either party may elect to terminate this Agreement at the end of the fiscal year, provided the terminating party gives the other party at least 90 days' notice prior to termination and the opportunity within 90 days to negotiate an agreement on the amendment of policies at issue.

7.4 Termination Due to Reconstitution. In the event Detroit exercises its prerogative under the Charter to reconstitute the Academy, Data Driven, and its employees, agents, subcontractors, and contractors shall hold the Academy, Detroit, and all other third parties harmless and without recourse for such termination or amendment.

7.5 Change in Law. If any federal, state, or local law or regulation, court or administrative decision, or Attorney General's opinion has a material adverse impact on the ability of either party to carry out its obligations under this Agreement. Either party, upon written notice, may request renegotiations of this Agreement, and if the parties are unable or unwilling to renegotiate the terms within 90 days after the notice and after making good faith efforts, which shall include the use of a third-party arbitrator for alternative dispute resolution pursuant to Article the party requiring the renegotiation may terminate this Agreement as of the end of the academic year.

7.6 Effective Date of Termination. If this Agreement is terminated by either party prior to the end of the term specified, absent unusual and compelling circumstances, the termination will become effective at the end of the academic year following the notice of termination.

7.7 Personal Property. Upon termination or expiration of this Agreement, for any reason, Data Driven shall have the option to reclaim any personal property that has been purchased or leased with Data Driven funds, provided Data Driven did not receive such funds from the Academy. All personal property purchased or leased by the Academy Board with funds from the Academy.

7.8 Future Advances/Out-of-Pocket Expenses. Upon termination or expiration of this Agreement, for any reason, all future advances or out-of-pocket expenses paid by Data Driven with Data Driven's own funds, shall be immediately repaid by the Academy Board unless otherwise agreed in writing by Data Driven, provided such advances and expenses relate to Data Driven's services and performance under this Agreement, as specified in Section

7.9 Transition. In the event of termination of this Agreement for any reason by either party prior to the end of this Agreement's term, Data Driven shall provide the Academy Board reasonable assistance, for up to 90 days to assist in the transition back to a regular school program.

Upon termination, Data Driven shall, without charge, (i) close the books on the then-current fiscal quarter; (ii) organize and prepare the Academy's records for transition to the new ESP; (iii) organize and prepare student records for transition to the new ESP; and (iv) provide for the orderly transition of employee compensation and benefits to the new ESP without disruption to staffing.

ARTICLE VIII.

Proprietary Information

8.1 Required Disclosure. The Academy Board shall be permitted to report any new teaching techniques or methods or significant revisions to known teaching techniques or methods to Detroit and to the State Board of Education, which teaching techniques or methods may thereafter be made available to the public, as provided in Sections 505(3) and 515 (3) of the code. To the extent required under the Code and the Freedom of Information Act MCLA 15.231 et seq., Data Driven's educational materials and teaching techniques used at the Academy Board are subject to public disclosure.

9.2 Ownership. Curriculum or other educational materials designed or developed by Data Driven with funds from the Academy for such purpose shall be considered property of the Academy.

ARTICLE IX.

Indemnification

9.1 Indemnification of Data Driven. To the extent permitted by law, the Academy Board shall indemnify and save and hold Data Driven 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 any noncompliance by the Academy Board with any agreements, covenants, warranties or undertakings of the Academy Board contained in or made pursuant to this Agreement, and any misrepresentations or breach of the representations and warranties of the Academy Board contained in or made pursuant to this Agreement. In addition, the Academy Board shall reimburse Data Driven for any and all reasonable attorney's fees and costs associated with the defense of any such claim, demand or suit. The indemnification requirements of this section may be met by the purchase of insurance.

9.2 Indemnification of the Academy. To the extent permitted by law, Data Driven shall indemnify and save and hold the Academy Board 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 any noncompliance by Data Driven with any agreements, covenants, warranties or undertakings of Data Driven contained in or made pursuant to this Agreement, and any misrepresentations or breach of the representations and warranties of Data Driven contained in or made pursuant to this Agreement. In addition, Data Driven shall reimburse the Academy Board for any and all reasonable attorney's fees and costs associated with the defense of any such claim, demand or suit. The indemnification requirements of this section may be met by the purchase of insurance.

9.3 Indemnification of Detroit. In consideration for the grant of the Charter to the Academy Board, which is of material value to Data Driven and the Academy Board, to the extent permitted by law, the parties hereby promise to indemnify and hold harmless Detroit and the members of its Board of Education (collectively and individually), officers, employees, agents or representatives from all claims, demands, or liability, including attorney fees, and related expenses, on account of injury, loss or damage, including, without limitation, claims arising from bodily injury, personal injury, sickness, disease, death, property loss or damage or any other losses of any kind whatsoever and not caused by the sole negligence of Detroit, which arise out of or are in any manner connected with Detroit's approval of the Academy Board's Application, the Detroit Board of Education's consideration of or issuance of a Charter, the Academy's preparation for and operation of a public school academy, or which are incurred as a result of the reliance by Detroit and the members of its Board of Education, officers, employees, agents or representatives upon information supplied by the Academy Board or Data Driven, or which arise out of the failure of the Academy Board to perform its obligations under the Charter issued to the Academy Board by the Detroit Board of Education. Data Driven expressly acknowledges and agrees that Detroit and the members of its Board of Education, officers, employees, agents or representatives may commence legal action against Data Driven to enforce their rights as set forth in this Agreement.

ARTICLE X. INSURANCE

10.1 Insurance Coverage. The Academy Board shall maintain general liability insurance and umbrella insurance coverage in the amounts required by the Charter, as set forth below. Data Driven shall be listed as an additional insured. Data Driven shall comply with any information or reporting requirements applicable to the Academy Board under the Academy Board's policy with its insurer(s) to the extent practicable. Each party shall, upon request, present evidence to the other that it maintains the requisite insurance in compliance with the Charter. Each party shall comply with any information or reporting requirements required by the other party's insurer(s) to the extent reasonably practicable.

The insurance coverage that Data Driven shall procure shall be as follows:

POLICY TYPE	MINIMUM REQUIREMENTS COVERAGE
<i>Commercial Property Policy</i> This shall be an all risk policy covering real and personal property of the PSA both on premises and in transit.	At least actual cash value of the PSA's real and personal property on premises and in transit.

Replacement cost coverage is preferred but shall in no circumstances be less than actual cash value based.	
<i>Comprehensive General Liability</i> This shall include, but not be limited to, personal injury and property damage for premises and operations product liability, fire legal liability, non-owned Detroit Public Schools Community District must be named as an additional insured with a minimum 30-day notice	\$1,000,000
cancellation provision. This coverage shall include coverage for sexual	
<i>Automobile Liability/Statutory No-Fault</i> This coverage must be provided on all licensed vehicles owned, leased, or rented by the PSA.	\$500,000
<i>Umbrella Excess Liability</i> This coverage must provide a minimum of follow form excess liability coverage.	\$2,000,000
<i>Workers Compensation</i> Statutory benefits for the State of Michigan. This coverage must provide wage and medical benefits of work-related injuries and employer's liability coverage.	As required by Michigan law Employer's Liability coverages of \$500,000
<i>Employee Fidelity Bond or Equivalent</i> This policy must include, but not be limited to, employee theft, forgery, burglary, and robbery both on and off	\$250,000/\$500,000
<i>PSA Board Directors Liability</i> This policy should cover the PSA Board, executive staff, and employees for "wrongful acts" errors or omissions not typically covered by general liability policies.	\$1,000,000 (Suggested but not required)

10.2 Workers' Compensation Insurance. Each party shall maintain workers' compensation insurance as required by law, covering their respective employees.

ARTICLE XI

Warranties and Representations

11.1 Academy Board Warranties and Representations. The Academy Board represents that it has the authority under law to execute, deliver, and perform this Agreement and to incur the obligations provided for under this Agreement. The Academy Board warrants that its actions have been duly

and validly authorized and that it will adopt any and all resolutions or expenditure approvals required for the execution of this Agreement.

11.2 Data Driven Warranties and Representations. Data Driven warrants and represents that it is a corporation in good standing and is authorized to conduct business in Michigan. Data Driven represents that it has the authority under law to execute, deliver, and perform this Agreement and to incur the obligations provided for under this Agreement. Data Driven warrants that its actions have been duly and validly authorized and that it will adopt any and all resolutions or expenditure approvals required for the execution of this Agreement.

11.3 Mutual Warranties. Each party to the Agreement warrants to the other that there are no pending actions, claims, suits, or proceedings, to its knowledge, threatened or reasonably anticipated against or affecting it, which, if adversely determined, would have a material adverse effect on its ability to perform its obligations under this Agreement.

Data Driven shall comply with the requirements under the Charter to the extent Data Driven is performing services on behalf of the Academy.

ARTICLE XII

Alternate Dispute Resolution Procedure

12.1 Any and all disputes between the parties concerning any alleged breach of this Agreement or arising out of or relating to the interpretation of the Agreement or the parties' performance of their respective obligations under this Agreement shall be resolved by binding arbitration, and such procedure shall be the sole and exclusive remedy for such matters. A single arbitrator shall be engaged. The Arbitration shall be conducted in accordance with the rules of the American Arbitration Association, with such variations as the arbitrator shall require. The arbitrator's award shall be a "cause award," with a written opinion and shall be final and binding. A judgment on the award rendered by the arbitrators may be entered in any court having appropriate jurisdiction. Each party shall pay its own costs for arbitration.

ARTICLE XIII

Miscellaneous

13.1 Sole Agreement. This Agreement supersedes and replaces any and all prior agreements and understandings between the Academy Board and Data Driven.

13.2 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, flood, embargo, fire explosion sabotage, accident labor strike, or accident or other acts beyond its reasonable control; provided either party may terminate this Agreement if sufficient grounds exist as required herein.

13.3 Governing Law, the rights of all parties hereto shall be subject to the jurisdiction of and be construed according to the laws of the State of Michigan.

13.4 Agreement in Entirety. This Agreement (including any attachments) constitutes the entire agreement of the parties.

13.4 Official Notices. All notices and other communications required by the terms of this Agreement shall be in writing and sent to the parties hereto at the address set forth below. Notice may be given by (1) certified or registered mail, postage prepaid return receipt requested, or (2) personal delivery. Notice shall be deemed given on the date of personal delivery if given by mail.

The addresses of the parties hereto for the purpose aforesaid shall be:

A. Barack Obama Leadership Academy Board 10800 E. Canfield Detroit, Michigan 48214

B. Data Driven Educational Services 5555 Conner, Suite 3235 Detroit, Michigan 48213

13.5 Assignment. Data Driven shall not assign this Agreement without the prior consent in writing of the Academy Board (which consent shall not be reasonably withheld) and Detroit, provided that Data Driven may, without the consent of the Academy Board, delegate the performance of but not responsibility for any duties and obligations of Data Driven hereunder to any independent contractor, expert or professional advisor.

13.6 Amendment. This Agreement shall not be altered, modified, or supplemented except by a memorandum approved by the Board and Signed by the President of the Academy Board and authorized officer of Data Driven. The Academy Board shall submit any such requested amendment to Detroit for review prior to implementation and no amendment shall be effective until Detroit notifies the Academy Board that it does not disapprove of such amendment. No amendment shall be contrary to the Charter and accompanied by an opinion of counsel as required therein. The parties acknowledge that Detroit shall review any and all proposed agreements between them, and no such agreement shall be effective until the Academy Board is notified in writing that Detroit does not disapprove of such agreement.

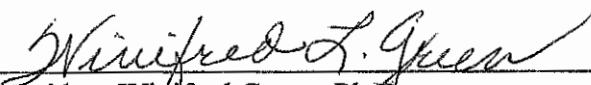
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In Witness Whereof, the undersigned have executed this Agreement as of the date and year first above written.

Data Driven Educational Services

By: 
Its: President
Edna Bell

Barack Obama Leadership Academy, a Michigan Public School Academy

By: 
Its: President Winifred Green, Ph.D.