

**AMENDED AND RESTATED
MANAGEMENT AGREEMENT
BETWEEN
CREATIVE URBAN EDUCATION
AND
THE PUBLIC SCHOOL ACADEMIES OF DETROIT**

This Amended and Restated Educational Management Company Agreement ("Agreement") is made and entered into as of the 26th day of June, 2010 by and between Creative Urban Education, Inc., a Michigan non-profit corporation ("CUE"), and the Public School Academies of Detroit, a Michigan non-profit corporation (the "PSAD").

The following is a recital of facts underlying this Agreement:

The PSAD is organized to operate urban high school academies in Detroit pursuant to the Michigan Revised School Code, Part 6C (the "Code"). The PSAD has been issued a contract, as defined in the Code (the "Contract"), by the Board of Trustees of Grand Valley State University (the "Authorizer Board") on December 14, 2007, as amended, to organize and operate urban high school academies.

CUE is a nonprofit corporation founded with the purpose of bringing a new model of urban schools to the state of Michigan.

The PSAD and CUE desire to create an enduring educational partnership, whereby the PSAD and CUE will work together to bring educational excellence and innovation to one of the PSAD urban high school academies, The Henry Ford Academy: School for Creative Studies ("HFA:SCS"), based on CUE's school design and capacity to implement and manage a comprehensive educational program.

To pursue this purpose, the parties desire to implement an arrangement for HFA:SCS's management and operation.

PSAD and CUE are parties to the Management Agreement dated January 9, 2009. PSAD and CUE wish to amend and restate the terms of such Management Agreement in accordance with the terms below.

Therefore, it is mutually agreed as follows:

**ARTICLE I
CONTRACTING RELATIONSHIP**

A. Authority. The PSAD is authorized by law to contract with a private entity for the provision of educational management services. The PSAD further has been granted the Contract by the Authorizer Board to organize and operate an urban high school academy. The PSAD is therefore authorized by the Authorizer Board to supervise and control such academy, and is invested with the powers set forth under the Code to carry out the educational program contemplated in this Agreement. Notwithstanding anything to the contrary in this Agreement, the PSAD's Board of Directors ("PSAD Board"), pursuant to the Code and in accordance with

the Contract, shall be accountable for the HFA:SCS's overall oversight, monitoring and supervision; strategic planning; policies; and budgeting.

B. Contract. The PSAD contracts with CUE, to the extent permitted by law, the Contract, and as otherwise provided in the Contract Administration Agreement dated August 28, 2008 between PSAD and the Thompson Educational Foundation (the "Contract Administrator"), to provide all functions relating to the provision of educational services and the management and operation of the HFA:SCS as further set forth or limited herein.

C. Status of the Parties. CUE is a nonprofit corporation, organized and existing under the laws of the state of Michigan, and is not a division or a part of the PSAD. The PSAD is a nonprofit corporation, organized and existing under the laws of the state of Michigan. Pursuant to Code, the PSAD is a body corporate and governmental agency of the State of Michigan, and is not division or part of CUE. The relationship between CUE and the PSAD is based solely on the terms of this Agreement, and the terms of any other agreements between them. In performing its duties under this Agreement, it is mutually understood and agreed that CUE shall at all times be acting and performing as an independent contractor. Nothing in this Agreement is intended to create an employer/employee relationship, partnership or joint venture relationship between the parties.

ARTICLE II

TERM

A. Term. The term of this Agreement (the "Term") shall commence on July 1, 2009 or the corresponding commencement date of the term for HFA:SCS identified in the Contract, whichever is earlier, ("Commencement Date") and end on June 30, 2018, unless earlier terminated or further extended in accordance with this Agreement. For purposes of this Agreement, "academic year" or "school year" shall mean the fiscal year beginning July 1 and ending June 30 of the following year.

B. Renewal. This Agreement will be eligible for renewal at the time the Contract is eligible for renewal. In the event of renewal, the Management Fee will be reviewed and may be revised, subject to the written approval of PSAD and CUE.

ARTICLE III

CUE FUNCTIONS AND RESPONSIBILITIES

A. Responsibility. CUE shall be responsible and accountable to the PSAD Board and its Contract Administrator for the HFA:SCS's administration, operation and performance. On and after the Commencement Date, CUE shall be responsible for the HFA:SCS's day-to-day management and shall undertake such responsibilities in good faith and in the HFA:SCS's best interests. CUE is granted such power and authority on PSAD's behalf that is reasonably necessary or appropriate to perform its obligations under this Agreement, subject to the express limitations stated in this Agreement, the Code, and the Contract. Except as expressly stated herein, the descriptions of CUE's power and authority stated in this Article III are not intended to limit or restrict other powers and authority which may be necessary or appropriate for CUE to perform its obligations under this Agreement. Nothing in this Agreement shall be construed to confer upon CUE authority to act where the Code requires official action by the PSAD Board.

B. Educational Program. Consistent with the Code, the Contract and the HFA:SCS Goals (as defined in Section G of this Article III), the educational program(s) and program(s) of instruction (collectively, the "Educational Program") provided by CUE at the HFA:SCS may be adapted and modified by CUE from time to time, it being understood that an essential principle of this Educational Program is its flexibility, adaptability and capacity to change in the interest of continuous improvement and efficiency, and that PSAD and CUE are interested in results and not inflexible prescriptions; provided that any modification must be consistent with the Contract and any substantial changes to the Educational Program may require a Contract amendment. The PSAD Board, including its Contract Administrator, shall be consulted before any substantial adaptation or modification to the Educational Program. Where the Code requires PSAD action in connection with the Educational Program, CUE shall advise the PSAD Board, including its Contract Administrator, that such action is required and shall, consistent with the terms of this Agreement, carry out the direction of the PSAD Board.

C. Specific Functions. CUE shall be responsible for the HFA:SCS's management, operation, administration and Education Program. Such functions include, but are not limited to:

1. Implementation and administration of the Educational Program, including the selection and acquisition of instructional materials, equipment and supplies, and the administration of any and all extra-and co-curricular activities and programs approved by the PSAD Board;
2. Management of all personnel functions, including professional development for the School Administrator and all instructional personnel and the personnel functions outlined in Article VI;
3. Operation of the Subleased Premises (defined hereafter) and the installation of technology integral to school design;
4. All aspects of the HFA:SCS's business administration, including but not limited to, the administration of HFA:SCS's financial and bank accounts and the transfer of funds from such accounts for the payment of costs as provided in this Agreement until CUE establishes a dedicated bank account pursuant to Article V, Section M; and
5. Any other function necessary or expedient for the HFA:SCS's administration.

D. Subcontracts. CUE reserves the right to subcontract any and all aspects of services it agrees to provide to the HFA:SCS. However, CUE shall not subcontract the management, oversight or operation of the teaching and instructional program, except as specifically permitted in this Agreement or with the PSAD Board's prior written approval. Henry Ford Learning Institute ("HFLI") will provide to CUE services related to curriculum, technology, and all other services consistent with HFLI's rights and duties under the Education Network Services Agreement to be executed by CUE and HFLI (the "HFLI Network Services Agreement"). Without limiting CUE's rights under this section, CUE may subcontract to HFLI the development, creation, and modification of curricula, technology and procedures to be recommended for HFA:SCS. The total amount charged by CUE to PSAD for such services and

technology provided pursuant to the HFLI Network Services Agreement is depicted as part of the Management Fee in Exhibit A. CUE acknowledges that PSAD has no privity of contract with HFLI and shall hold PSAD harmless from claims of HFLI regarding the HFLI Network Services Agreement.

E. Placement of Performance. CUE reserves the right to perform functions other than instruction, such as purchasing, professional development, and administrative functions, offsite at other CUE locations, unless prohibited by the Code, the Contract, or other applicable law.

F. Student Recruitment. CUE shall be responsible for the recruitment of students subject to the PSAD's recruitment and admission policies. Students shall be selected in accordance with the procedures set forth in the Contract and in compliance with the Code and other applicable law.

G. Legal Requirements. The parties acknowledge that the Contract establishes certain educational goals ("HFA:SCS Goals") for the HFA:SCS to achieve and the methods to provide the Educational Program in a manner that will reasonably meet (i) all applicable federal, and state laws and rules and regulations applicable to the HFA:SCS ("Applicable Law"), and (ii) the requirements imposed upon PSAD under the Code and the Contract (unless such requirements are or have been waived) and (iii) the HFA:SCS Goals.

H. Due Process Hearings. CUE shall cooperate with the PSAD Board in meeting PSAD's obligations to provide students with all necessary due process hearings in conformity with Applicable Law, including matters relating to discipline, special education, confidentiality and access to records.

I. Rules & Procedures. CUE shall recommend reasonable rules, regulations and procedures applicable to the HFA:SCS and is authorized and directed to enforce such rules, regulations and procedures that are adopted by the PSAD Board.

J. School Year and School Day. In accordance with the Contract and applicable law, the school year and the school day shall be determined each year by the PSAD Board.

K. Authority. CUE shall have the authority and power necessary to undertake its responsibilities under this Agreement except in the case(s) wherein such power may not be delegated by law.

L. Compliance With Applicable Law and the Contract. In carrying out its responsibilities hereunder, CUE shall observe and comply with, and cooperate with the PSAD Board and its Contract Administrator in complying with the Contract and Applicable Law. CUE agrees to perform its duties and responsibilities under this Agreement in a manner consistent with the PSAD's obligations under the Contract issued by the Authorizer Board. The provisions of the Contract shall supersede any competing or conflicting provisions in this Agreement.

M. Building Facility. It is anticipated that the middle school and high school grades of the HFA:SCS will be located in suites 101, 102, 201, 301 and 401 in a renovated building facility, commonly known as the Argonaut Building, pursuant to a Sublease between TEF-SIX, LLC, a Michigan limited liability company ("TEF-SIX") and Argonaut Building Master Tenant,

LLC, a Michigan limited liability company (the "Master Tenant") located at 465-485 West Milwaukee, Detroit Michigan 48202 (the "Building Sublease"). TEF-SIX will also sublease the gymnasium from Master Tenant to be constructed adjacent to the Argonaut Building and CUE will sublease such gymnasium from TEF-SIX (the "Gymnasium Sublease"). The building and gymnasium are collectively referred to as the "Subleased Premises." TEF-SIX is a single member limited liability company whose single member is the Contract Administrator. The Contract Administrator will provide a limited guaranty of TEF-SIX's obligations under the Building Sublease. TEF-SIX will sublease the Subleased Premises to CUE and CUE is obligated, pursuant to Article III, Section N below, to provide the Subleased Premises to the PSAD for the operation of the HFA:SCS's middle school and high school grades.

N. Right of Entry. Pursuant to Article III, Section M, of this Agreement, CUE grants to PSAD and its agents, board members, employees, invitees, and students, unconditional permission for the Term of this Agreement to enter upon and use the Subleased Premises for the operation of the HFA:SCS for all purposes contemplated by the Contract issued by the Authorizer Board, including permission to bring upon the Subleased Premises any and all materials, supplies and furniture required to operate the HFA:SCS, and to conduct educational activities on the Subleased Premises, including without limitation, any and all activities which are principal, ancillary, customary and incidental to operating a public school; provided, however, that if the Gymnasium Sublease terminates before this Agreement terminates, PSAD's right of entry to the gymnasium likewise terminates. CUE shall not charge PSAD any License or Right of Entry Fee. The operation of all school activities shall be done in accordance with all applicable laws, this Agreement, and the Contract.

ARTICLE IV

OBLIGATIONS OF THE PSAD BOARD

The PSAD Board shall exercise good faith in considering the recommendations of CUE including, but not limited to, CUE's recommendations concerning policies, rules, regulations, procedures, curriculum, and budgets.

ARTICLE V

COMPENSATION FOR SERVICES

A. Compensation for Services. PSAD agrees that CUE shall be entitled to an annual fee for services provided each academic year under this Agreement, in accordance with the fee schedule set forth on the attached Exhibit A ("Management Fee"). During any academic year, CUE may irrevocably waive any or all of the Management Fee at its sole option. Payment or waiver of the Management Fee will not preclude the payment of Additional Compensation by PSAD if additional compensation is permitted or specified elsewhere in this Agreement or in any other agreements between the parties. "Additional Compensation" means additional funds paid by PSAD to CUE, or funds collected by PSAD and remitted to CUE, for services or programs conducted by CUE. Additional Compensation does not include funds to cover CUE's costs or expenses in conducting such services or programs, nor does it include the amount of funds collected directly by CUE from users of, or participants in, such services or programs. In no event will the Additional Compensation paid by PSAD to CUE in an academic year exceed 25% of the Management Fee for that same academic year.

B. Reasonable Compensation. PSAD acknowledges and agrees that compensation payable to CUE under this Agreement is reasonable compensation for the services to be rendered by CUE to PSAD under this Agreement. CUE's compensation for services under this Agreement will not be based, in whole or in part, on a share of net profits from the HFA:SCS's operation.

C. Payment of Costs. CUE will be solely responsible for preparing the annual budget and budget amendments thereto for CUE's operation of the HFA:SCS and timely submit the annual budget and amendments to the PSAD Board for consideration and approval. Except as otherwise provided in this Agreement, PSAD shall fully fund the budget, as may be amended, the PSAD Board approves for CUE's operation of the HFA:SCS. In addition to the compensation described in paragraph A of this Article, CUE shall receive reimbursement from PSAD for all costs and expenses incurred and paid by CUE in providing the Educational Services, administrative services and other goods and services pursuant to this Agreement. Such costs include, but are not limited to, salaries for all personnel, curriculum materials, instructional materials, textbooks, library books, computer and other equipment, software, supplies, transportation, special education, building, maintenance, psychological services and medical services, rent and other sums payable pursuant to the Building Sublease and Gymnasium Sublease, and the cost of maintaining, repairing and operating the Subleased Premises. In paying costs and expenses on PSAD's behalf, CUE shall not charge an added fee unless such fee is approved in advance by the PSAD Board and, provided further, that such fees shall be considered Additional Compensation as defined in Paragraph A of this Article. In the event that CUE requests reimbursement under this Agreement for expenses that are not identified in the approved budget, CUE shall timely present invoices to the PSAD Board. Until the PSAD Board approves a CUE reimbursement request under this Agreement for expenses that are not identified in the approved budget, PSAD will have no obligation to pay such reimbursement.

D. Time of Payment. CUE shall receive its compensation pursuant to Paragraph A of this Article in eleven (11) installments beginning in October of each academic year and ending in August of such academic year. Such installment amounts shall be due and payable within ten (10) days of receipt by PSAD of each of its state school aid payments. Payments due and owing to CUE for invoices submitted pursuant to Paragraph C of this Article and approved by the PSAD Board shall be made by PSAD to CUE on the last day of each month, after PSAD Board approval.

E. Priority of Payment. PSAD shall satisfy its payment obligation under this Article to CUE in the following order of priority: (1) to reimburse CUE pursuant to Paragraph C of this Article for sums due and owing for previous months; (2) to reimburse CUE pursuant to Paragraph C of this Article for sums due and owing for the current month; (3) to pay CUE pursuant to Paragraph A of this Article for installment payments due and owing for previous months; and (4) to pay CUE pursuant to Paragraph A of this Article for installment payments due and owing for the current month.

F. No Related Parties or Common Control. In interpreting this Agreement and in the provision of the required services, CUE shall not have any role or relationship with PSAD that, in effect, substantially limits PSAD's ability to exercise its rights, including cancellation rights, under this Agreement. As required by PSAD's Articles of Incorporation and Bylaws, the PSAD Board may not include any director, officer or employee of a management company that contracts with PSAD. In furtherance of such restriction it is agreed between PSAD and CUE

that none of the voting power or the governing body of PSAD will be vested in CUE or its directors, members, managers, officers, shareholders and employees, and PSAD and CUE will not be related parties as defined in Treas. Reg. § 1.150-1 (b).

G. Other Revenue Sources. To supplement and enhance the state school aid payments, and improve the quality of education at the HFA:SCS, PSAD and CUE shall endeavor to obtain revenue from other sources. In this regard:

1. PSAD may solicit and receive grants, and donations consistent with the HFA:SCS's mission;
2. PSAD and/or CUE may apply for and receive grant money, in the name of CUE or PSAD;
3. To the extent permitted under the Code and the Contract, CUE may, with the prior approval of the PSAD board, charge and retain fees from (a) HFA:SCS students for extra services such as summer programs and (b) non-HFA:SCS students and others who participate in programs or services provided by CUE. To the extent any such fees are paid directly to PSAD, PSAD will promptly remit such fees to CUE. The amount of such fees remitted by PSAD to CUE, less CUE's costs and expenses in providing the additional programs or services, will be considered Additional Compensation as defined in Paragraph A of this Article; and
4. Except for fees described in paragraph 3 above, all funds received by PSAD or by CUE on PSAD's behalf from such other revenue sources shall inure to and be deemed PSAD's property.

H. Start-up Funds. CUE and the PSAD Board shall, in good faith, work together to identify and agree upon funding sources to be used to cover the HFA:SCS's start-up costs. The parties acknowledge that such costs may include expenses related to the development of a curriculum, technology system and school operations plan; recruiting, selecting and pre-service training of staff members; purchasing of instructional materials and supplies and other materials deemed necessary to initiate the Educational Program. CUE and the PSAD Board agree that start-up costs that are incurred prior to July 1, 2009 will be paid by CUE using funds from the MDE grant received by CUE and PSAD and funds raised by CUE from other sources. If other start-up funds are received by PSAD before July 1, 2009, the PSAD Board must approve the use of such funds for start-up costs. Start-up costs incurred on or after July 1, 2009 will be made a part of the budget submitted for the PSAD Board's approval.

I. Other Public School Academies. PSAD acknowledges that CUE may enter into similar management agreements with other public school academies or traditional public schools in the future. CUE shall separately account for reimbursable expenses incurred on the HFA:SCS's behalf and other public school academies, and only charge PSAD for expenses incurred on the HFA:SCS's behalf. If CUE incurs reimbursable expenses on the HFA:SCS's behalf and other public school academies which are incapable of precise allocation between such academies, the CUE shall allocate such expenses among all such academies, including the

HFA:SCS, on a pro rata basis based upon the number of students enrolled at such academies, or upon such other equitable basis as is acceptable to the parties.

J. Financial and Other Reporting. CUE shall provide PSAD with:

1. A projected annual budget prior to each academic year;
2. Detailed statements of all revenues received, from whatever source, with respect to the HFA:SCS, and detailed statements of all direct expenditures for services rendered to or on the HFA:SCS's behalf, whether incurred on-site or off-site, upon request;
3. Assistance with the annual audits that the PSAD Board must conduct in compliance with state law and regulations showing the manner in which funds are spent at the HFA:SCS;
4. Quarterly detailed reporting of revenues and expenditures in the form of: detailed budget-to-actual and balance sheet;
5. Reports on HFA:SCS operations, finances and student performance, upon request, but not less frequently than four (4) times per year; and
6. Other information on a periodic basis to enable the PSAD Board and the Contract Administrator to monitor CUE's educational performance and the efficiency of its operation of the HFA:SCS.

K. Access to Records. CUE shall keep accurate financial records pertaining to its operation of the HFA:SCS, together with all HFA:SCS financial records prepared by or in the possession of CUE, and retain all such records in accordance with the State Record Retention Policy, Bulletin 522, as amended. CUE and PSAD shall maintain the proper confidentiality of personnel, students and other records as required by law. All HFA:SCS financial records retained by CUE shall be available to either PSAD or the Authorizer Board for inspection and copying upon reasonable request. CUE shall make information concerning the operation and management of the HFA:SCS, including without limitation, the information described in Schedule 6 of the Contract, available to the PSAD as deemed necessary by the PSAD Board in order to enable the PSAD to fully comply with Section 11.16 of the Terms and Conditions of the Contract.

L. Review of Budget. The PSAD Board shall be responsible for reviewing, revising, and approving the HFA:SCS's annual budget proposed by CUE. CUE shall provide the HFA:SCS budget information and other financial reports in a format required by the PSAD Board or its Contract Administrator.

M. Maintenance of Financial Accounts. The PSAD Board shall maintain one or more bank accounts for the receipt of funds from the state of Michigan or otherwise for the operation of the HFA:SCS ("HFA:SCS Accounts"). The PSAD Board shall appoint authorized signatories to HFA:SCS Accounts by board resolution, and no CUE agent shall be a signatory to the HFA:SCS accounts. CUE shall maintain a bank account solely to maintain funds for the operation of HFA:SCS ("CUE HFA:SCS Trust Account"), and no CUE corporate funds shall be

maintained in the CUE HFA:SCS Trust Account. Only CUE agents will be authorized signatories to the CUE HFA:SCS Trust Account, and no PSAD Board agent shall be a signatory to the CUE HFA:SCS Trust Account. PSAD and CUE will coordinate efforts to have funds transferred by wire transfer or other means from the HFA:SCS Accounts to the CUE HFA:SCS Trust Account to enable CUE to draw funds from the CUE HFA:SCS Trust Account to fund school operations consistent with the approved budget as amended. PSAD's payment of the Management Fee and Additional Compensation shall be made to CUE's corporate accounts and not the CUE HFA:SCS Trust Account. The funds held on deposit by CUE in its CUE HFA:SCS Trust Account shall be PSAD property, and CUE shall make the account records for the CUE HFA:SCS Trust Account available immediately on request by PSAD.

ARTICLE VI **PERSONNEL & TRAINING**

A. Personnel Responsibility. Subject to the Contract, CUE shall have the sole responsibility and authority to select, hire, evaluate, assign, discipline and transfer personnel, consistent with state and federal law.

B. School Administrator. Because the accountability of CUE to PSAD is an essential foundation of this partnership, and because the responsibility of the School Administrator of the HFA:SCS is critical to its success, CUE will have the authority, consistent with state law, to select and supervise the School Administrator and to hold him or her accountable for the HFA:SCS's success. The employment expectations of the School Administrator, and the duties and compensation of the School Administrator, shall be determined by CUE. The School Administrator and CUE, in turn, will have similar authority to select and hold accountable the teachers and other staff at HFA:SCS.

C. Teachers. CUE shall provide the HFA:SCS with such teachers, qualified in the grade levels and subjects required, as are required by PSAD; provided that the hiring of such teachers will be in accordance with the approved budgeted line item. The curriculum taught by such teachers will be the curriculum agreed upon by the PSAD Board and CUE, consistent with the Contract. Such teachers may, in CUE's discretion, work at the HFA:SCS on a full or part time basis. If assigned to the HFA:SCS on a part time basis, such teachers may also work at other schools operated by CUE in the future. Each teacher assigned to the HFA:SCS shall hold a valid teaching certificate issued by the state board of education under the Code, to the extent required under the Code.

D. Support Staff. CUE shall provide the HFA:SCS with such support staff, qualified in the areas required, as are required by PSAD; provided that the hiring of such support staff will be in accordance with the approved budgeted line item. Such support staff may, in CUE's discretion work at the HFA:SCS on a full or part time basis. If assigned to the HFA:SCS on a part time basis, such support staff may also work at other schools operated by CUE in the future.

E. Training. CUE shall provide training in its methods, curriculum, program, and technology, to all teaching personnel, on a regular and continuous basis. Non-instructional personnel shall receive such training as CUE determines as reasonable and necessary under the circumstances.

ARTICLE VII
TERMINATION OF AGREEMENT

A. Termination by the Parties. Either party may terminate this Agreement at any time without penalty or cause prior to the end of the Term by giving 120 days' written notice of termination to the other party. Unless otherwise agreed by the parties, the termination shall become effective on the day after the last day of the school year, not to extend beyond June 30th, in which the termination notice is given. This Agreement may also be terminated due to the failure to meet the standards set forth in Exhibit B, attached hereto. This Agreement will also be automatically terminated upon the termination of the Building Sublease. If this Agreement is terminated, CUE shall be paid amounts owed or accrued to CUE to complete school operations through the last day of the school year.

B. Termination Upon Revocation of Contract. If the Contract issued by the Authorizer Board is revoked, not reissued or terminated, this Agreement shall automatically terminate on the same date as the Contract is revoked or terminated without further action of the parties.

C. Expiration. Upon expiration of this Agreement at the completion of the Term and where there is no renewal, CUE shall have the right to reclaim any usable property or equipment (e.g., including but not limited to desks, computers, copying machines, fax machines, telephones) that were purchased for the HFA:SCS by CUE at its sole cost or expense. Any usable property or equipment (e.g., including but not limited to desks, computers, copying machines, fax machines, telephones) that were purchased for the HFA:SCS by CUE with PSAD funds (including any state school aid, but excluding Management Fee or Additional Compensation funds) or for which CUE received reimbursement from PSAD shall remain PSAD property.

D. Transition. In the event of termination of this Agreement for any reason by either party or upon revocation of the Contract as provided under Paragraph B before the end of this Agreement's term, CUE shall provide PSAD reasonable assistance for up to 90 days after the termination effective date to assist in the transition. All reasonable costs and expenses incurred by CUE in providing such assistance beyond the termination effective date will be promptly reimbursed by PSAD.

ARTICLE VIII
PROPRIETARY INFORMATION

To the extent permitted by law, PSAD agrees that CUE, or third parties from whom it may license any materials, methods, curriculum, or other content, shall own all copyright and other proprietary rights to all instructional materials, training materials, curriculum and lesson plans, and any other materials developed by CUE, its employees, agents or subcontractors, or by any individual working for or supervised by CUE, which is developed during the working hours or during time for which the individual is being paid. CUE, or its licensors, shall have the sole and exclusive right to license such materials for use by other school districts, public school academies, private schools, or customers or to modify and/or sell material to other schools and customers.

ARTICLE IX

INDEMNIFICATION

A. Indemnification of PSAD. CUE shall indemnify and save and hold PSAD and all of its employees (if any), 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 CUE with any agreement, covenants, warranties or undertakings of CUE contained in or made pursuant to this Agreement; and any misrepresentation or breach of the representations and warranties of CUE contained in or made pursuant to this Agreement. In addition, CUE shall reimburse PSAD for any and all legal expenses and costs associated with the defense of any such claim, demand or suit. The indemnification requirements of this paragraph may be met by the purchase of insurance in a form and amounts acceptable to PSAD.

B. Indemnification of CUE. To the extent permitted under applicable law, PSAD shall indemnify and save and hold CUE 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 claim that this Agreement or any part thereof is in violation of law; any noncompliance by PSAD with any agreements, covenants, warranties or undertakings of PSAD contained in or made pursuant to this Agreement; and any misrepresentation or breach of the representations and warranties of PSAD contained in or made pursuant to this Agreement. In addition, PSAD shall reimburse CUE for any and all legal expenses and costs associated with the defense of any such claim, demand or suit. The indemnification requirements of this paragraph may be met by the purchase of insurance in a form and amounts acceptable to CUE.

C. Inability to Open School. Should either party fail to perform the obligations of this Agreement prior to the beginning of the first academic year contemplated under this Agreement, it shall hold the other harmless for the reasonable expenses incurred by that party in preparing for the opening of school operations, provided that such other party has substantially fulfilled all its obligations necessary to the performance, including but not limited to securing such waivers as may be necessary for CUE to be in operation and approving CUE's recommendation for selection of the HFA:SCS's school personnel.

D. Indemnification for Negligence. Each party to this Agreement shall indemnify and hold harmless the other, and their respective boards of directors, partners, officers, employees, agents and representatives, from any and all claims and liabilities which they may incur and which arise out of the negligence of the other party, its trustees, directors, officers, employees, agents, or representatives.

E. Indemnification of Grand Valley State University. The parties acknowledge and agree that the Grand Valley State University Board of Trustees, Grand Valley State University and its members, officers, employees, agents or representatives are deemed to be third party beneficiaries for purposes of this Agreement. As third party beneficiaries, the parties hereby promise to indemnify and hold harmless Grand Valley State University Board of Trustees, Grand Valley State University and its members, officers, employees, agents or representatives from all claims, demands, or liability, including attorney fees, and related expenses, on account of injury, loss or damage, including, without limitation, claims arising from bodily injury, personal injury, sickness, disease, death, property loss or damage or any other losses of any kind whatsoever and

not caused by the sole negligence of Grand Valley State University, which arise out of or are in any manner connected with Grand Valley State University Board's approval of the urban high school academy application, the University Board's consideration of or issuance of a Contract, the PSAD's preparation for and operation of a public school, or which are incurred as a result of the reliance by Grand Valley State University and its Board of Trustees members, officers, employees, agents or representatives upon information supplied by the PSAD or CUE, or which arise out of the failure of the PSAD to perform its obligations under the Contract issued to the PSAD by Grand Valley State University Board of Trustees. The parties expressly acknowledge and agree that Grand Valley State University and its Board of Trustee members, officers, employees, agents or representatives may commence legal action against either party to enforce its rights as set forth in this Agreement.

ARTICLE X **INSURANCE**

A. Insurance Coverage. PSAD shall secure and maintain the normal general liability and umbrella insurance coverage's in the amounts required by the Contract, with CUE listed as an additional insured.

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

C. Cooperation. Each party will, upon request, present evidence to the other that it maintains the requisite insurance in compliance with the provisions of this Article. Each party shall comply with any information or reporting requirements required by the other party's insurer(s), to the extent reasonably practicable.

ARTICLE XI **WARRANTIES AND REPRESENTATIONS**

Each party 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, that its actions have been duly and validly authorized, and that it will adopt any and all resolutions or expenditure approvals required for execution of this Agreement.

ARTICLE XII **ALTERNATIVE DISPUTE RESOLUTION PROCEDURE**

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 first, by authorized representatives of PSAD and CUE. Second, if the good faith attempt of the parties to resolve the dispute is unsuccessful, the parties will seek mediation with the selected mediator approved by both parties and costs shared equally. And third, if mediation is unsuccessful or extends beyond ninety days from the parties' initial meeting to resolve the matter, by arbitration, which, at this point shall be the sole and exclusive remedy for such matters. Unless the parties agree upon a single arbitrator, the arbitration panel shall consist of three persons, one person selected by the PSAD Board, one person selected by CUE and one person selected by the other

two arbitrators. The arbitration shall be conducted in accordance with the rules of the American Arbitration Association, with such variations as the parties and arbitrator unanimously accept. A judgment on the award rendered by the arbitrators may be entered in any court having appropriate jurisdiction.

ARTICLE XIII
MISCELLANEOUS

A. Sole Agreement. This Agreement supersedes and replaces any and all prior agreements and understandings between PSAD and CUE on the subject matter hereof.

B. Force Majeure. Neither party shall be liable if the performance of any part or all of this Agreement is prevented, delayed, hindered or otherwise made impracticable or impossible by reason of any strike, flood, riot, fire, explosion, war or act of God.

C. Notices. All notices, demands, requests and consents under this Agreement shall be in writing, shall be delivered to each party and shall be effective when received by the parties or mailed to the parties at their respective addresses set forth below, or at such other address as may be furnished by a party to the other party:

If to CUE:

Creative Urban Education
c/o Henry Ford Learning Institute
P.O. Box 1935
20900 Oakwood Blvd.
Dearborn, MI 48121-1935

If to PSAD:

Public School Academies of Detroit Board
600 Antoinette
Detroit, MI 48202

With a copy to:

Public School Academies of Detroit
Contract Administrator
P.O. Box 6349
Plymouth, MI 48170

D. Severability. The invalidity of any of the covenants, phrases or clauses in this Agreement shall not affect the remaining portions of this Agreement, and this Agreement shall be construed as if such invalid covenant, phrase or clause had not been contained in this Agreement.

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

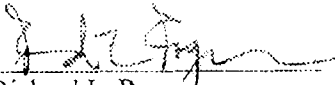
F. Entire Agreement. This Agreement is the entire agreement between the parties relating to the services provided by the parties and the compensation to be paid for such services. This Agreement supersedes any prior written or oral agreements between the parties, including the Management Agreement dated January 9, 2009.

G. Non-Waiver. The failure of a party in exercising any right, power or privilege under this Agreement shall not affect such right, power or privilege, nor shall any single or partial exercise thereof preclude any further exercise thereof or the exercise of any other right, power or privilege. The rights and remedies of the parties under this Agreement are cumulative and not exclusive of any rights or remedies which any of them may otherwise have.

H. Governing Law. This Agreement shall be governed by and enforced in accordance with the laws of the state of Michigan.

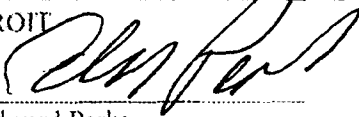
The parties have executed this Agreement as of the day and year first above written.

CREATIVE URBAN EDUCATION

By: 
Richard L. Rogers
Chairman, Board of Directors

Date: 6/22/10

PUBLIC SCHOOL ACADEMIES OF
DETROIT

By: 
Edward Parks
President, Board of Directors

Date: 6/26/10

EXHIBIT A

MANAGEMENT FEE

Year	Annual Management Fee	HFLI Services Agreement Cost Component of the Annual Management Fee
2009-10	\$40,000 plus HFLI Services Agreement Cost Component	\$112,487
2010-11	\$70,000 plus HFLI Services Agreement Cost Component	\$194,750
2011-12	\$85,000 plus HFLI Services Agreement Cost Component	\$245,000
2012-13	\$100,000 plus HFLI Services Agreement Cost Component	\$320,000
2013-14	\$100,000 plus HFLI Services Agreement Cost Component	\$320,000 plus the CPI Adjustment*
2014-15	\$100,000 plus HFLI Services Agreement Cost Component	\$320,000 plus the CPI Adjustment
2015-16	\$100,000 plus HFLI Services Agreement Cost Component	\$320,000 plus the CPI Adjustment
2016-17	\$100,000 plus HFLI Services Agreement Cost Component	\$320,000 plus the CPI Adjustment
2017-18	\$100,000 plus HFLI Services Agreement Cost Component	\$320,000 plus the CPI Adjustment

* "CPI Adjustment" means the product of \$320,000 and a fraction, the numerator of which is the CPI as of September of the school year in question less the CPI as of September 2012, and the denominator of which is the CPI as of September 2012. "CPI" means the Revised Consumer Price Index All Urban Consumers (All Items) for Detroit, Michigan (1982-1984 = 100). Notwithstanding the foregoing, in no event shall the HFLI Services Agreement Cost Component of the Annual Management Fee for any school year be more than 5% greater than the HFLI Services Agreement Cost Component of the Annual Management Fee for the immediately preceding year.

EXHIBIT B

Early Termination Based on Failure to Meet Educational Standards. If (i) CUE fails to meet in any school year during the Term any one or more of the standards relating to its operation of the HFA:SCS located within the Subleased Premises set forth in A, B or C below (those performance standard(s) which CUE fails to meet in such school year are collectively referred to herein as the "Failed Standards"), (ii) TEF-SIX, LLC, within thirty (30) days after it has been determined that CUE failed to meet such Failed Standards, gives CUE written notice that the Building Sublease will terminate if CUE fails to meet in the immediately succeeding school year any of the Failed Standards, and (iii) CUE fails to meet in such subsequent school year any of the Failed Standards (the "Second Failure"), the Building Sublease shall terminate effective as of the end of the school year in which the Second Failure occurs unless TEF-SIX, LLC otherwise revokes such termination:

A. Graduation Rate:

1. 80% of the freshman students entering the high school in the fall of 2009 shall graduate from the high school in June of 2013 or earlier;
2. 83.33% of the freshman students entering the high school in the fall of 2010 shall graduate from the high school in June of 2014 or earlier;
3. 86.67% of the freshman students entering the high school in the fall of 2011 shall graduate from the high school in June of 2015 or earlier;
4. 90% of the freshman students entering the high school in the fall of 2012 shall graduate from the high school in 2016 or earlier; and
5. With respect to any school year following the school year that began in the fall of 2012, either (a) 90% of the freshman students entering the high school in such school year shall graduate from the high school in four (4) years or earlier or (b) the average annual graduation rate (e.g., the percentage of students who graduate from the high school in four years or earlier) for such school year and the two immediately preceding school years is at least 90%;

B. Re-enrollment Rate:

1. For every freshman class subsequent to the class of 2009, the enrollment rate for the following school year and each year thereafter shall be at a rate such that the graduation rates specified in this subsection A above can be mathematically obtained; and

C. Post-Secondary Education Rate:

1. 80% of the graduates of the class of 2013 shall enroll in college or other post-secondary studies;
2. 83.3% of the graduates in the class of 2014 shall enroll in college or other post-secondary studies;

3. 86.67% of the graduates of the class of 2015 shall enroll in college or other post-secondary studies;
4. 90% of the graduates of the class of 2016 shall enroll in college or other post-secondary studies; and
5. With respect to the graduates of each class after the class of 2016, either (a) 90% of the graduates of such class shall enroll in college or other post-secondary studies or (b) the average annual percentage of the graduates of such class and the two immediately preceding classes that are enrolled in college or other post-secondary studies is at least 90%.

If (i) the enrollment of any incoming freshman class for any school year during the term of the Building Sublease shall be less than 100 students, (ii) the average daily attendance rate during any school year is less than 90% or (iii) any senior class at the high school shall have an average ACT score of less than 18, then an action plan will be developed by CUE and upon approval by the PSAD Board, will be pursued by CUE. In no event shall the occurrence of any of the events described in (i), (ii) or (iii) of the immediately preceding sentence or the failure to develop or pursue any action plan described above provide a basis for termination under this Agreement. The PSAD Board, the Contract Administrator and CUE shall develop mutually acceptable guidelines for calculating the Graduation, Re-enrollment and Post-Secondary Education Rates.