



CONTRACT TO CHARTER A PUBLIC SCHOOL ACADEMY
AND RELATED DOCUMENTS

ISSUED TO

FLEX HIGH SCHOOL OF MICHIGAN
(A PUBLIC SCHOOL ACADEMY)

BY THE

CENTRAL MICHIGAN UNIVERSITY
BOARD OF TRUSTEES
(AUTHORIZING BODY)

JULY 1, 2023

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REAUTHORIZING RESOLUTION

REAUTHORIZATION OF PUBLIC SCHOOL ACADEMY

Flex High School of Michigan

Recitals:

1. At its April 19, 2018, meeting this board authorized the issuance of a contract to charter as a public school academy to Flex High School of Michigan. On May 15, 2018, the contract was effective.
2. The contract of this academy expires June 30, 2023.
3. The Governor John Engler Center for Charter Schools has completed its evaluation and assessment of the operation and performance of Flex High School of Michigan.
4. The university president or designee has recommended the reissuance of a contract to charter as a public school academy to Flex High School of Michigan. The term of the contract is recommended for a term not to exceed five (5) years.

BE IT RESOLVED, That this board approves and authorizes the execution of a contract to charter as a public school academy to Flex High School of Michigan for a term not to exceed five (5) years and authorizes the chair of the board to execute a contract to charter as a public school academy and related documents between Flex High School of Michigan and the Central Michigan University Board of Trustees, provided that, before execution of the contract, the university president or designee affirms that all terms of the contract have been agreed upon and Flex High School of Michigan is able to comply with all terms and conditions of the contract.

CMU BDT APPROVED

Date: April 20, 2023

Signature: Mary Jane Flanagan



BOARD OF TRUSTEES

PROPOSAL FOR BOARD ACTION: CONSENT AGENDA

Public School Academy Board of Directors: Method of Selection, Appointment, and Removal

Project Description:

After reviewing the exigent appointment process, the Center for Charter Schools believes that this process cannot adequately protect the University Board from a situation where an academy governing board and the educational service provider simultaneously resign. The challenges in recruiting, interviewing and appointing a new board (or at least three members who could meet as a quorum), and have the new board contract with a new educational service provider, is time consuming and cannot be accomplished quickly. Accordingly, the Center recommends that the University Board charter contracts include a revision to a provision regarding the appointment of a conservator/manager on a temporary basis to address situations such as the en masse resignation of an academy governing board.

The conservator/manager would have all the powers and duties of the academy’s governing board and would function in the board’s place upon appointment. The conservator/manager would be designated by the University President or his or her designee upon consultation with the University Board Chair. The current conservator/manager provision required the action of the full University Board to appoint a conservator/manager. In order for this change to occur, the University Board’s Method of Selection, Appointment and Removal Policy must be amended.

Proposed by: Provost Gealt

PROPOSED RESOLUTION: CONSENT AGENDA

Public School Academy Board of Directors: Method of Selection, Appointment, and Removal

BE IT RESOLVED, That the policy titled Public School Academy Board of Directors: Method of Selection, Appointment, and Removal as amended and dated February 15, 2018, is adopted and replaces the Public School Academy Board of Directors: Method of Selection, Appointment and Removal approved and dated December 7, 2006, July 12, 2007 and July 14, 2011; and Be it further

RESOLVED, That these provisions shall be implemented with new charter contracts and shall be phased in as existing charter contracts are reissued. This applies to new and existing charter contracts issued under Part 6A, Part 6E or MCL 380.1311b to MCL 380.1311m of the Revised School Code. The charter schools office is authorized to negotiate changes in the terms and conditions of charter contracts to fully implement these provisions.

CMU BDT APPROVED

Date: 2/15/18

Signature: M. J. Mangano

Public School Academy Board of Directors: Method of Selection, Appointment and Removal

The Central Michigan University Board of Trustees declares that the method of selection, length of term, and number of board members shall be as follows.

Method of Selection and Appointment

The Central Michigan University Board of Trustees ("University Board") shall prescribe the method of appointment for members of an academy's board of directors. The director of the charter schools office is authorized to develop and administer an academy board selection and appointment process that includes an *Application for Public School Academy Board Appointment* and is in accord with these policies:

- a. The University Board shall appoint the initial and subsequent academy board of directors by resolution, except as prescribed by subparagraphs d and e. The director of the charter schools office shall recommend qualified individuals to the University Board, and ensure that the board of directors includes representation from the local community where the academy is located.
- b. The academy board of directors, by resolution and majority vote, shall nominate its subsequent members, except as provided otherwise. The academy board of directors shall recommend to the director of the charter schools office at least one nominee for each vacancy. Nominees shall submit the *Application for Public School Academy Board Appointment* for review by the charter schools office. The director of the charter schools office may or may not recommend the appointment of a nominee submitted by the academy board. If the director of the charter schools office does not recommend the appointment of a nominee submitted by the academy board, he/she may select and recommend another nominee or may request the academy board submit a new nominee for consideration.
- c. An individual appointed to fill a vacancy created other than by the expiration of a term shall be appointed for the unexpired term of that vacant position.
- d. Under exigent conditions, and with the approval of the University Board's chair and the president, the director of the charter schools office may appoint a qualified individual to an academy's board of directors. All appointments made under this provision must be presented to the University Board for final determination at its next regularly scheduled meeting. The University Board reserves the right to review, rescind, modify, ratify, or approve any appointments made under this provision.
- e. In the event that the health, safety and welfare of an academy's students, property or funds are at risk, the president, after consulting with the University Board's chair, may appoint a person to serve as a conservator for the academy. Upon appointment, the conservator shall have all the powers of the academy's board of directors and shall act in the place and stead of the academy's board of directors. After the President appoints a conservator, the full Board of Trustees shall receive notice of the appointment as soon as possible. The president shall appoint the conservator for a definite term which may be extended in writing. During the conservator's appointment, the academy's board of directors, and all powers of the academy's board of directors, are suspended. The charter contract shall set forth any additional powers granted to the conservator during their appointment. All appointments made under this

Date: 2/15/18

Signature: MJ Henegar

provision must be presented to the University Board for final determination at its next regularly scheduled meeting.

Length of Term

The director of an academy board shall serve at the pleasure of the University Board. Terms of the initial positions of the academy board of directors shall be staggered in accordance with *The Academy Board of Directors Table of Staggered Terms and Appointments* established and administered by the director of the charter schools office. Subsequent appointments shall be for a term of office not to exceed four (4) years, except as prescribed by *The Academy Board of Directors Table of Staggered Terms and Appointments*.

Removal and Suspension

If the University Board determines that an academy board member's service in office is no longer necessary, then the University Board may remove an academy board member with or without cause and shall specify the date when the academy board member's service ends. An academy board member may also be removed as part of a reconstitution under the charter contract or from office by a two-thirds (2/3) vote of the academy's board of directors for cause.

With the approval of the University Board's chair and the president, the director of the charter schools office may suspend an academy board member's service, if in his/her judgment the person's continued presence would constitute a risk to persons or property, or would seriously impair the operation of the academy. Any suspension made under this provision must be presented to the University Board for final determination at its next regularly scheduled meeting. The University Board reserves the right to review, rescind, modify, ratify, or approve any suspensions made under this provision.

Number of Directors

The number of members of the academy board of directors shall not be less than five (5) nor more than nine (9). If the academy board of directors fails to maintain its full membership by making appropriate and timely nominations, the University Board or its designee may deem that failure an exigent condition.

Qualifications of Academy Board Members

To be qualified to serve on an academy's board of directors, a person shall, among other things: (a) be a citizen of the United States; (b) be a resident of the State of Michigan; (c) submit all materials requested by the charter schools office including, but not limited to, the *Application for Public School Academy Board Appointment* which must include authorization to process a criminal background check; and (d) annually submit a conflict of interest disclosure as prescribed by the charter schools office.

The members of an academy board of directors shall not include: (a) employees of the academy; (b) any director, officer, or employee of an educational management organization or educational management corporation that contracts with the academy; (c) a Central Michigan University official or employee, as a representative of Central Michigan University.

CMU BDT APPROVED

Date: 2/15/18

Signature: m J. Flanagan

Oath of Public Office

All members of the academy board of directors must take the constitutional oath of office and sign the *Oath of Public Office* before beginning their service. No appointment shall be effective prior to the filing of the *Oath of Public Office* with the charter schools office.

Note: These provisions shall be implemented with new charter contracts and shall be phased in as existing charter contracts are reissued or amended. The charter schools office is authorized to negotiate changes in the terms and conditions of charter contracts to fully implement these provisions.

Amended by Board of Trustees: 18-0215

Adopted by Board of Trustees: 98-0918, 06-1207, 07-0712 and 11-0714

CMU BDT APPROVED

Date: 2/15/18

Signature: my Haneja

TERMS AND CONDITIONS OF CONTRACT

**TERMS AND CONDITIONS
OF CONTRACT**

DATED: JULY 1, 2023

ISSUED BY

CENTRAL MICHIGAN UNIVERSITY BOARD OF TRUSTEES

CONFIRMING THE STATUS OF

FLEX HIGH SCHOOL OF MICHIGAN

AS A

PUBLIC SCHOOL ACADEMY

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WHEREAS, the People of Michigan through their Constitution have provided that schools and the means of education shall forever be encouraged and have authorized the Legislature to maintain and support a system of free public elementary and secondary schools; and

WHEREAS, all public schools are subject to the leadership and general supervision of the State Board of Education; and

WHEREAS, the Legislature has authorized an alternative form of public school designated a "public school academy" to be created to serve the educational needs of pupils and has provided that pupils attending these schools shall be eligible for support from the State School Aid Fund; and

WHEREAS, the Legislature has delegated to the governing boards of state public universities, community college boards, intermediate school district boards and local school district boards, the responsibility for authorizing the establishment of public school academies; and

WHEREAS, the Central Michigan University Board of Trustees has considered and has approved the issuance of a contract to Flex High School of Michigan;

NOW, THEREFORE, pursuant to the Revised School Code, the Central Michigan University Board of Trustees issues a Charter Contract conferring certain rights, franchises, privileges, and obligations and confirms the Flex High School of Michigan's status as a public school academy. In addition, the parties agree that the issuance of this Charter Contract is subject to the following terms and conditions:

ARTICLE I DEFINITIONS

Section 1.1. Certain Definitions. For purposes of this Charter Contract, and in addition to the terms defined throughout this Contract, each of the following words or expressions, whenever initially capitalized, shall have the meaning set forth in this section:

- (a) "Academy" means the Michigan nonprofit corporation named Flex High School of Michigan which is established as a public school academy pursuant to this Charter Contract.
- (b) "Academy Board" means the Board of Directors of the Academy.
- (c) "Applicable Law" means all state and federal law applicable to public school academies, including all rules, regulations, and orders promulgated thereunder.
- (d) "Application" means the public school academy application and supporting documentation submitted to the University for the establishment of the Academy.
- (e) "Code" means the Revised School Code, Act No. 451 of the Public Acts of 1976, as amended, being Sections 380.1 to 380.1852 of the Michigan Compiled Laws.
- (f) "Community District" means a community school district created under part 5B of the Code, MCL 380.381 et seq.
- (g) "Conservator" means an individual appointed by the President of Central Michigan University in accordance with Section 10.8 of these Terms and Conditions of Contract.

- (h) "Contract" means, in addition to the definition set forth in the Code, these Terms and Conditions of Contract, the Reauthorizing Resolution, the Method of Selection, Appointment, and Removal Resolution, the Charter Contract Schedules 1-8, as defined below, the Educational Service Provider Policies, the Master Calendar of Reporting Requirements and the Application.
- (i) "Department" means the Michigan Department of Education.
- (j) "Director" means a person who is a member of the Academy Board.
- (k) "Educational Service Provider" or "ESP" means an educational management organization, or employee leasing company, as defined under section 503c of the Code, MCL 380.503c, that has entered into a contract or agreement with the Academy Board for operation or management of the Academy, and which agreement has been submitted to the Center for review, has not been disapproved by the director of The Governor John Engler Center for Charter Schools, is consistent with the Educational Service Provider Policies, as they may be amended from time to time, and with Applicable Law.
- (l) "Educational Service Provider Policies" or "ESP Policies" means the Educational Service Provider Policies, adopted by The Governor John Engler Center for Charter Schools at Central Michigan University that apply to an agreement that has been entered into between an ESP and the Academy Board. The Educational Service Provider Policies may be amended from time to time. Upon amendment, changes to the ESP Policies shall automatically be incorporated into this Contract and shall be exempt from the amendment procedures under Article IX of these Terms and Conditions of Contract.
- (m) "Fund Balance Deficit" means the Academy has more liabilities than assets at the end of any given school fiscal year, and includes any fiscal year where the Academy would have had a budget deficit but for a financial borrowing by the Academy or a monetary contribution by an Educational Service Provider or other person or entity to the Academy. If the Academy receives a gift or grant of money or financial support from an Educational Service Provider or other person or entity that does not require repayment by the Academy, and is not conditioned upon the action or inactions of the Academy or the Academy Board, then such gift or grant shall not constitute a borrowing or contribution for purposes of determining a Fund Balance Deficit.
- (n) "Management Agreement" or "ESP Agreement" means an agreement as defined under section 503c of the Code, MCL 380.503c, that has been entered into between an ESP and the Academy Board for the operation and/or management of the Academy and that has been submitted to The Governor John Engler Center for Charter Schools for review and has not been disapproved by the director of The Governor John Engler Center for Charter Schools.
- (o) "Master Calendar" means the Master Calendar of Reporting Requirements as annually issued by The Governor John Engler Center for Charter Schools setting forth reporting and document submission requirements for the Academy.
- (p) "Method of Selection, Appointment, and Removal Resolution" means the policy adopted by resolution of the University Board on September 18, 1998, and amended on February 15, 2018, establishing the standard method of selection and appointment, length of term, removal and suspension, number of directors and qualifications of Academy Board members for public school academies issued a Contract by the University Board.

- (q) "Reauthorizing Resolution" means the resolution adopted by the Central Michigan University Board of Trustees on April 20, 2023, approving the issuance of a Contract to the Academy.
- (r) "Schedules" means the following Contract documents: Schedule 1: Articles of Incorporation, Schedule 2: Amended Bylaws, Schedule 3: Fiscal Agent Agreement, Schedule 4: Oversight, Compliance and Reporting Agreement, Schedule 5: Description of Staff Responsibilities, Schedule 6: Physical Plant Description, Schedule 7: Required Information for a Public School Academy, and Schedule 8: Information Available to the Public and the Center.
- (s) "State Board" means the State Board of Education, established pursuant to Article 8, Section 3 of the 1963 Michigan Constitution and MCL 388.1001 et seq.
- (t) "State School Aid Fund" means the State School Aid Fund established pursuant to Article IX, Section 11 of the Michigan Constitution of 1963, as amended.
- (u) "State School Reform/Redesign Office" means the office created within the Michigan Department of Technology Management and Budget by Executive Reorganization Order 2015-02 codified at MCL 18.445, and transferred from the Michigan Department of Technology Management and Budget to the Michigan Department of Education by Executive Reorganization Order 2017-02, codified at MCL 388.1282.
- (v) "Superintendent" means the Michigan Superintendent of Public Instruction.
- (w) "Terms and Conditions" means this document entitled "Terms and Conditions of Contract, Dated July 1, 2023, Issued by the Central Michigan University Board of Trustees Confirming the Status of Flex High School of Michigan as a Public School Academy."
- (x) "The Governor John Engler Center for Charter Schools" or "the Center" means the office designated by the Central Michigan University Board of Trustees as the initial point of contact for public school academy applicants and public school academies authorized by the Central Michigan University Board of Trustees. The Center is also responsible for administering the Central Michigan University Board of Trustees' responsibilities with respect to the Contract.
- (y) "The Governor John Engler Center for Charter Schools Director" or "the Center Director" means the person designated at Central Michigan University to administer the operations of the Center.
- (z) "University" means Central Michigan University, established pursuant to Article 8, sections 4 and 6 of the 1963 Michigan Constitution and MCL 390.551 et seq.
- (aa) "University Board" means the Central Michigan University Board of Trustees.
- (bb) "University Charter Schools Hearing Panel" or "Hearing Panel" means such persons as designated by the University President.
- (cc) "University President" means the President of Central Michigan University or his or her designee. In section 1.1(bb) above, "University President" means the President of Central Michigan University.

Section 1.2. Captions. The captions and headings used in this Contract are for convenience only and shall not be used in construing the provisions of this Contract.

Section 1.3. Gender and Number. The masculine, feminine, or neuter pronouns in this Contract shall be interpreted without regard to gender, and the use of the singular shall be deemed to include the plural (and vice versa) wherever applicable.

Section 1.4. Statutory Definitions. Statutory terms defined in the Code shall have the same meaning in this Contract.

Section 1.5. Schedules. All Schedules to this Contract are incorporated into, and made part of, this Contract.

Section 1.6. Application. The Application submitted to the University Board for the establishment of the Academy is incorporated into, and made part of, this Contract. To the extent there is a difference between the Contract and the Application, the Contract shall control.

Section 1.7. Conflicting Contract Provisions. In the event that there is a conflict between language contained in the provisions of this Contract, the Contract shall be interpreted as follows: (i) the Method of Selection, Appointment, and Removal Resolution shall control over any other conflicting language in the Contract; (ii) the Reauthorizing Resolution shall control over any other conflicting language in the Contract with the exception of language in the Method of Selection, Appointment, and Removal Resolution; (iii) the Terms and Conditions shall control over any other conflicting language in the Contract with the exception of language in the Method of Selection, Appointment, and Removal Resolution and the Reauthorizing Resolution; and (iv) the Articles of Incorporation shall control over any other conflicting language in the Contract with the exception of language in the Method of Selection, Appointment, and Removal Resolution, Reauthorizing Resolution and these Terms and Conditions.

ARTICLE II RELATIONSHIP BETWEEN THE ACADEMY AND THE UNIVERSITY BOARD

Section 2.1. Constitutional Status of Central Michigan University. Central Michigan University is a constitutionally established body corporate operating as a state public university. The University Board is an authorizing body as defined by the Code. In approving this Contract, the University Board voluntarily exercises additional powers given to the University under the Code. Nothing in this Contract shall be deemed to be any waiver of Central Michigan University's powers or independent status and the Academy shall not be deemed to be a part of Central Michigan University. If applicable, the University Board has provided to the Department the accreditation notice required under the Code.

Section 2.2. Independent Status of the Academy. The Academy is a body corporate and governmental entity authorized by the Code. It is organized and shall operate as a public school academy and a nonprofit corporation. It is not a division or part of Central Michigan University. The relationship between the Academy and the University Board is based solely on the applicable provisions of the Code and the terms of this Contract or other agreements between the University Board and the Academy.

Section 2.3. Financial Obligations of the Academy Are Separate From the State of Michigan, University Board and the University. Any contract, mortgage, loan or other instrument of indebtedness entered into by the Academy and a third party shall not in any way constitute an obligation, either general, special, or moral, of the State of Michigan, the University Board, or the University. Neither the full faith and credit nor the taxing power of the State of Michigan or any agency of the State, nor the full faith and credit of the University Board or the University shall ever be pledged for the payment of any Academy contract, mortgage, loan or other instrument of indebtedness.

Section 2.4. Academy Has No Power To Obligate or Bind the State of Michigan, the University Board or the University. The Academy has no authority whatsoever to enter into any contract or other agreement that would financially obligate the State of Michigan, the University Board or the University, nor does the Academy have any authority whatsoever to make any representations to lenders or third parties, that the State of Michigan, the University Board or the University in any way guarantee, are financially obligated, or are in any way responsible for any contract, mortgage, loan or other instrument of indebtedness entered into by the Academy.

Section 2.5. New Public School Academies Located Within the Boundaries of a Community District. If the circumstances listed below in (a) or (b) apply to the Academy's site, the Academy represents to the University Board, intending that the University Board rely on such representation as a precondition to issuing a contract for a new public school academy, that the Academy will have substantially different governance, leadership and curriculum than the public school previously operating at the site:

- (a) The Academy's proposed site is the same location as a public school that (i) is currently on the list under Section 1280c(1), MCL 380.1280c(1) or Section 1280g(3), MCL 380.1280g(3) of the Code, as applicable; or (ii) has been on the list under Section 1280c(1) or 1280g(3) of the Code, as applicable, during the immediately preceding 3 school years.
- (b) The Academy's proposed site is the same location of another public school academy, urban high school academy, school of excellence or strict discipline academy whose contract was revoked or terminated by an authorizing body.

ARTICLE III ROLE OF THE UNIVERSITY BOARD AS AUTHORIZING BODY

Section 3.1. University Board Resolutions. The University Board has adopted a resolution, hereinafter the Method of Selection, Appointment, and Removal Resolution, providing for the method of selection and appointment, length of term, removal and suspension, number of Directors and the qualifications of Directors. The University Board has adopted a Reauthorization Resolution which approves the issuance of this Contract. The Reauthorization Resolution and the Method of Selection, Appointment, and Removal Resolution are hereby incorporated into this Contract. The University Board may, from time to time, amend the Method of Selection, Appointment, and Removal Resolution changing the method of selection, length of term, number of Directors and the qualifications of Directors. Any subsequent resolution of the University Board changing the Method of Selection, Appointment, and Removal Resolution shall automatically be incorporated into this Contract without the need for an amendment under Article IX of the Terms and Conditions.

Section 3.2. University Board as Fiscal Agent for the Academy. The University Board is the fiscal agent for the Academy. As fiscal agent, the University Board assumes no responsibility for the financial condition of the Academy. The University Board is not liable for any debt or liability incurred by or on behalf of the Academy Board, or for any expenditure approved by or on behalf of the Academy Board. Except as provided in the Oversight, Compliance and Reporting Agreement and Article X of these Terms and Conditions, the University Board shall promptly, within ten (10) business days of receipt, forward to the Academy all state school aid funds or other public or private funds received by the University Board for the benefit of the Academy. The responsibilities of the University Board, the State of Michigan, and the Academy are set forth in the Fiscal Agent Agreement incorporated herein as Schedule 3.

Section 3.3. Oversight Responsibilities of the University Board. The University Board has the responsibility to oversee the Academy's compliance with the Contract and all Applicable Law. The

responsibilities of the Academy and the University Board are set forth in the Oversight, Compliance and Reporting Agreement and incorporated herein as Schedule 4.

Section 3.4. University Board Administrative Fee. The Academy shall pay the University Board an administrative fee to compensate the University Board for overseeing the Academy's compliance with the Contract and all Applicable Law.

Section 3.5. University Board Approval of Condemnation. In the event that the Academy desires to acquire property pursuant to the Uniform Condemnation Procedures Act or other applicable statutes, it shall obtain express written permission for such acquisition from the University Board. The Academy shall submit a written request to the Center describing the proposed acquisition and the purpose for which the Academy desires to acquire the property. Provided the Academy Board submits the written request to the Center at least sixty (60) days before the University Board's next regular meeting, the University Board may vote on whether to give express written permission for the acquisition at its next regular meeting.

Section 3.6. Authorization to Employ or Contract. The University Board authorizes the Academy Board to employ or contract for personnel according to the position information outlined in Schedule 5. The Academy Board shall prohibit any individual from being employed by the Academy or an Educational Service Provider in more than one (1) full-time position and simultaneously being compensated at a full-time rate for each of these positions. An employee hired by the Academy shall be an employee of the Academy for all purposes and not an employee of the University for any purpose. With respect to Academy employees, the Academy shall have the power and responsibility to (i) recruit, select and engage employees; (ii) pay their wages, benefits, and applicable taxes; (iii) evaluate performance; (iv) discipline and dismiss employees; and control the employees' conduct, including the method by which the employee carries out his or her work. The Academy Board shall be responsible for carrying workers' compensation insurance and unemployment insurance for its employees.

The Academy Board may contract with an Educational Service Provider to provide comprehensive educational, administrative, management, or instructional services or staff to the Academy. Before entering into a Management Agreement with an Educational Service Provider, the Academy Board shall first comply with the Educational Service Provider Policies issued by the Center. Any Management Agreement entered into by the Academy shall also comply with Section 11.2 and 12.10 of these Terms and Conditions. A copy of the Management Agreement between the Academy Board and the Educational Service Provider shall be incorporated into this Contract under Schedule 5. Any changes to the Management Agreement shall be incorporated into this Contract by amendment in accordance with Article IX, as applicable.

Section 3.7. Teacher Certification. Except as otherwise provided by law, the Academy shall use certificated teachers according to State Board rule.

Section 3.8. Administrator and Teacher Evaluation Systems. The Academy Board shall adopt, implement and maintain a rigorous, transparent, and fair performance evaluation system for its teachers and school administrators that complies with Applicable Law. If the Academy enters into a Management Agreement with an Educational Service Provider, the Academy Board shall ensure that the Educational Service Provider complies with this section.

Section 3.9. Reimbursement of University Board Services. The University Board shall be reimbursed for the actual cost of University services associated with responding to third party subpoenas and freedom of information act (FOIA) requests under the following circumstances:

If the University receives a subpoena or FOIA request from a third party (including the Academy, its counsel, the Academy's ESP or its counsel) demanding the production of Academy documents related

to pending litigation or proceedings involving the Academy, the Academy's ESP (or any subcontractor of the ESP or other contractors of the Academy) or a third party, the University may charge the Academy for the actual cost of the services associated with the University's response to the subpoena or FOIA request(s) (including actual attorney's fees in fulfilling the request). The parties agree that the Academy may reduce or avoid the obligation to pay for services by the University Board associated with such responses by directly producing Academy documents to the requesting party.

ARTICLE IV REQUIREMENT THAT THE ACADEMY ACT SOLELY AS GOVERNMENTAL ENTITY

Section 4.1. Limitation on Actions in Performance of Governmental Functions. The Academy shall act exclusively as a governmental entity and shall not undertake any action inconsistent with its status as a governmental entity authorized to receive state school aid funds pursuant to Section 11 of Article IX of the State Constitution of 1963.

Section 4.2. Other Permitted Activities.

- (a) Nothing in this Contract shall prohibit the Academy from engaging in other lawful activities that are not in derogation of the Academy's status as a public school or that would not jeopardize the eligibility of the Academy for state school aid funds. Except as provided for the agreements identified below in Section 4.2(b), the Academy may enter into agreements with other public schools, governmental units, businesses, community and nonprofit organizations where such agreements contribute to the effectiveness of the Academy or advance education in this state.
- (b) The Academy shall submit to the Center for prior review the following agreements:
 - (i) In accordance with the Educational Service Provider Policies, a draft copy of any ESP Agreement and any subsequent amendments;
 - (ii) In accordance with the Master Calendar, a draft copy of any Academy deed or lease, amendments to existing leases or any new leasing agreements for any Academy facility; and
 - (iii) In accordance with the Master Calendar, draft long-term or short-term financing closing documents and intercept requests.

Section 4.3. Academy Board Members Serve In Their Individual Capacity. All Directors of the Academy Board shall serve in their individual capacity, and not as a representative or designee of any other person or entity. A person who does not serve in their individual capacity, or who serves as a representative or designee of another person or entity, shall be deemed ineligible to continue to serve as a Director of the Academy Board. A Director who violates this section shall be removed from office, in accordance with the removal provisions found in the Method of Selection, Appointment and Removal Resolution and Contract Schedule 2: Amended Bylaws. As set forth in the Method of Selection, Appointment and Removal Resolution, a Director serves at the pleasure of the University Board, and may be removed with or without cause at any time.

Section 4.4. Incompatible Public Offices and Conflicts of Interest Statutes. The Academy shall comply with the Incompatible Public Offices statute, being MCL 15.181 et seq. of the Michigan Compiled Laws, and the Contracts of Public Servants with Public Entities statute, being MCL 15.321 et seq. of the Michigan Compiled Laws. The Academy Board shall ensure compliance with Applicable Law relating to conflicts of interest. Notwithstanding any other provision of this Contract, the following shall be deemed prohibited conflicts of interest for purposes of this Contract:

- (a) An individual simultaneously serving as an Academy Board member and an owner, officer, director, employee or consultant of an Educational Service Provider or an employee leasing company, or a subcontractor to an Educational Service Provider or an employee leasing company that has an ESP Agreement with the Academy;
- (b) An individual simultaneously serving as an Academy Board member and an Academy employee;
- (c) An individual simultaneously serving as an Academy Board member and an independent contractor to the Academy;
- (d) An individual simultaneously serving as an Academy Board member and a member of the governing board of another public school;
- (e) An individual simultaneously serving as an Academy Board member and a University official, employee, or paid consultant, as a representative of the University; and
- (f) An individual simultaneously serving as an Academy Board member and having an ownership or financial interest in any real or personal property leased or subleased to the Academy.

Section 4.5. Prohibition of Identified Family Relationships. The Academy Board shall prohibit specifically identified family relationships pursuant to applicable law and the Terms and Conditions of this Contract. Language in this Section controls over section 1203 of the Code. Notwithstanding any other provision of this Contract, the following shall be deemed prohibited familial relationships for the purposes of this Contract:

- (a) No person shall be appointed or reappointed to serve as an Academy Board member if the person's mother, mother-in-law, father, father-in-law, son, son-in-law, daughter, daughter-in-law, sister, sister-in-law, brother, brother-in-law, spouse or domestic partner:
 - (i) Is employed by the Academy;
 - (ii) Works at or is assigned to work at the Academy;
 - (iii) Has an ownership, officer, policymaking, managerial, administrative non-clerical, or other significant role with the Academy's Educational Service Provider or employee leasing company;
 - (iv) Has an ownership or financial interest in any school building lease or sublease agreement with the Academy; or
 - (v) Is a current Academy Board member.
- (b) The Academy Board shall require each individual who works at the Academy to annually disclose any familial relationship with any other individual who works at, or provides services to, the Academy. For purposes of this subsection, familial relationship means a person's mother, mother-in-law, father, father-in-law, son, son-in-law, daughter, daughter-in-law, sister, sister-in-law, brother, brother-in-law, spouse or domestic partner.

Section 4.6. Oath of Public Office. Before entering upon the duties of a public school board member, each Academy Board member shall take the constitutional oath of office as required by the Code and as set forth in the Method of Selection, Appointment and Removal Resolution.

Section 4.7. Academy Counsel. The Academy Board shall select, retain and pay legal counsel to represent the Academy. The Academy shall not retain any attorney to represent the Academy if the attorney

or the attorney's law firm also represents the Academy's Educational Service Provider or any person or entity leasing real property to the Academy, if any.

ARTICLE V CORPORATE STRUCTURE OF THE ACADEMY

Section 5.1. Nonprofit Corporation. The Academy shall be organized and operate as a public school academy corporation organized under the Michigan Nonprofit Corporation Act, as amended, Act No. 162 of the Public Acts of 1982, being Sections 450.2101 to 450.3192 of the Michigan Compiled Laws. Notwithstanding any provision of the Michigan Nonprofit Corporation Act, as amended, the Academy shall not take any action inconsistent with the provisions of Part 6A of the Code or other Applicable Law.

Section 5.2. Articles of Incorporation. The Articles of Incorporation of the Academy, as set forth in Schedule 1, shall be the Articles of Incorporation of the Academy.

Section 5.3. Bylaws. The Amended Bylaws of the Academy, as set forth in Schedule 2, shall be the Bylaws of the Academy.

ARTICLE VI OPERATING REQUIREMENTS

Section 6.1. Governance Structure. The Academy shall be organized and administered under the direction of the Academy Board and pursuant to the Governance Structure as set forth in Schedule 7a. The Academy shall have four officers: President, Vice-President, Secretary and Treasurer. The officer positions shall be filled by persons who are members of the Academy Board. A description of their duties is included in Schedule 2.

Section 6.2. Educational Goal and Related Measures. The Academy shall achieve, or demonstrate measurable progress for all groups of pupils toward the achievement of, the educational goal and related measures identified in Schedule 7b and the results of the academic assessments identified in Schedule 7e. Upon request, the Academy shall provide the Center with a written report, along with supporting data, assessing the Academy's progress toward achieving this goal.

Section 6.3. Educational Programs. The Academy shall implement, deliver and support the educational programs identified in Schedule 7c.

Section 6.4. Curriculum. The Academy shall implement, deliver and support the curriculum identified in Schedule 7d.

Section 6.5. Methods of Pupil Assessment. The Academy shall properly administer the academic assessments identified in Schedule 7e and in accordance with the requirements detailed in the Master Calendar. The Academy also shall assess pupil performance using all applicable testing that the Code or the Contract require. The Academy shall provide the Center direct access to the results of these assessments, along with any other measures of academic achievement reasonably requested by the Center.

Section 6.6. Application and Enrollment of Students. The Academy shall comply with the application and enrollment requirements identified in Schedule 7f.

Section 6.7. School Calendar and School Day Schedule. The Academy shall comply with the school calendar and school day schedule requirements as set forth in Schedule 7g.

Section 6.8. Age or Grade Range of Pupils. The Academy shall comply with the age or grade ranges as stated in Schedule 7h.

Section 6.9. Collective Bargaining Agreements. Collective bargaining agreements, if any, with employees of the Academy shall be the responsibility of the Academy.

Section 6.10. Accounting Standards. The Academy shall at all times comply with generally accepted public sector accounting principles and accounting system requirements that comply with the State School Aid Act of 1979, as amended, the Uniform Budgeting and Accounting Act, MCL 141.421, et seq., and applicable State Board and Michigan Department of Education rules.

Section 6.11. Annual Financial Statement Audit. The Academy shall conduct an annual financial statement audit prepared and reviewed by an independent certified public accountant. The Academy Board shall select, retain and pay the Academy's independent auditor. The Academy Board shall not approve the retention of any independent auditor if that independent auditor or auditor's firm is also performing accounting and/or auditing services for the Academy's Educational Service Provider, if applicable. The Academy shall submit the annual financial statement audit and auditor's management letter to the Center in accordance with the Master Calendar. The Academy Board shall provide to the Center a copy of any responses to the auditor's management letter in accordance with the Master Calendar.

Section 6.12. Address and Description of Physical Plant. The address and description of the physical plant for the Academy is set forth in Schedule 6. With the approval of the University Board, the Academy Board may operate the same configuration of age or grade levels at more than one (1) site if each configuration of age or grade levels and each site identified in Schedule 6 are under the direction and control of the Academy Board. University Board consideration regarding requests to add additional site(s) shall include, but not be limited to, the Academy Board's demonstration that it meets all statutory requirements under the Code.

Section 6.13. Contributions and Fund Raising. The Academy may solicit and receive contributions and donations as permitted by law. No solicitation shall indicate that a contribution to the Academy is for the benefit of Central Michigan University.

Section 6.14. Disqualified Organizational or Contractual Affiliations. The Academy shall comply with all state and federal law applicable to public schools concerning church-state issues. To the extent disqualified under the state or federal constitutions, the Academy shall not be organized by a church or other religious organization and shall not have any organizational or contractual affiliation with or constitute a church or other religious organization. Nothing in this Section shall be deemed to diminish or enlarge the civil and political rights, privileges and capacities of any person on account of his or her religious belief.

Section 6.15. Method for Monitoring Academy's Compliance with Applicable Law and its Targeted Educational Outcomes. The Academy shall perform the compliance certification duties required by the University Board as outlined in the Oversight, Compliance and Reporting Agreement set forth as Schedule 4. In addition to the University Board's oversight responsibilities and other Academy compliance and reporting requirements set forth in this Contract, the Academy's compliance with the annual Master Calendar shall serve as one means by which the University will monitor the Academy's compliance with Applicable Law.

Section 6.16. Matriculation Agreements. Before the Academy Board approves a matriculation agreement with another public school, the Academy shall provide a draft copy of the agreement to the Center for review. Any matriculation agreement entered into by the Academy shall be added to Schedule 7f through a contract amendment approved in accordance with the Contract.

Section 6.17. Postings of Accreditation Status. The Academy shall post notices to the Academy's homepage of its website disclosing the accreditation status of each school as required by the Code.

ARTICLE VII TUITION PROHIBITED

Section 7.1. Tuition Prohibited; Fees and Expenses. The Academy shall not charge tuition. The Academy may impose fees and require payment of expenses for activities of the Academy where such fees and payments are not prohibited by Applicable Law.

ARTICLE VIII COMPLIANCE WITH APPLICABLE LAWS

Section 8.1. Compliance with Applicable Law. The Academy shall comply with all applicable state and federal laws. Nothing in this Contract shall be deemed to apply any other state or federal law to the Academy.

ARTICLE IX AMENDMENT

Section 9.1. Amendments. The University Board and the Academy acknowledge that the operation and administration of a public school academy and the improvement of educational outcomes over time will require appropriate amendment of this Contract. In order to assure a proper balance between the need for independent development of the Academy and the statutory responsibilities of the University Board as an authorizing body, the parties have established a flexible process for amending this Contract.

Section 9.2. Process for Amendment Initiated by the Academy. The Academy, by a majority vote of its Board of Directors, may, at any time, propose specific changes in this Contract or may propose a meeting to discuss potential revision of this Contract. The proposal will be made to the University Board through its designee. The University Board delegates to the Center Director the review and approval of changes or amendments to this Contract. In the event that a proposed change is not accepted by the Center Director, the University Board may consider and vote upon a change proposed by the Academy following an opportunity for a presentation to the University Board by the Academy.

Section 9.3. Process for Amendment Initiated by the University Board. The University Board, or an authorized designee, may, at any time, propose specific changes in this Contract or may propose a meeting to discuss potential revision of this Contract. The University Board delegates to the Center Director the review and approval of changes or amendments to this Contract. The Academy Board may delegate to a Director of the Academy the review and negotiation of changes or amendments to this Contract. The Contract shall be amended as requested by the University Board upon a majority vote of the Academy Board.

Section 9.4. Final Approval of Amendments. Amendments to this Contract take effect only after they have been approved by the Academy Board and by the University Board or the Center Director. If the proposed amendment conflicts with any of the University Board's general policies on public school academies, the proposed amendment shall take effect only after approval by the Academy Board and the University Board.

Section 9.5. Change in Existing Law. If, after the effective date of this Contract, there is a change in Applicable Law which alters or amends the responsibilities and obligations of either the Academy or the University Board, this Contract shall be altered or amended to reflect the change in existing law as of the effective date of such change. To the extent possible, the responsibilities and obligations of the Academy and the University Board shall conform to and be carried out in accordance with the change in Applicable Law.

Section 9.6. Emergency Action on Behalf of University Board. Notwithstanding any other provision of this Contract to the contrary, the contents of this Section shall govern in the event of an emergency situation that arises between meetings of the University Board. An emergency situation shall be deemed to occur if the University President, in his or her sole discretion, determines that the facts and circumstances warrant that emergency action take place before the next meeting of the University Board. Upon the determination that an emergency situation exists, the University President may temporarily take action on behalf of the University Board with regard to the Academy or the Contract, so long as such action is in the best interest of the University Board and the University President consults with the University Board Chairperson prior to taking the intended actions. When acting during an emergency situation, the University President shall have the authority to act in place of the University Board, and such emergency action shall only be effective in the interim before the earlier of (a) rejection of the emergency action by the Chairperson of the University Board; or (b) the next meeting of the University Board. The University President shall immediately report such action to the University Board for confirmation at the next meeting so that the emergency action continues or, upon confirmation by the University Board, becomes permanent.

ARTICLE X CONTRACT REVOCATION, TERMINATION, AND SUSPENSION

Section 10.1. Statutory Grounds for Revocation. In addition to the other grounds for revocation in Section 10.2 and the automatic revocation in Section 10.3 of these Terms and Conditions, the University Board may revoke this Contract, pursuant to the procedures set forth in Section 10.6, upon a determination that one or more of the following has occurred:

- (a) Failure of the Academy to demonstrate improved pupil academic achievement for all groups of pupils or abide by and meet the educational goal and related measures set forth in this Contract;
- (b) Failure of the Academy to comply with all Applicable Law;
- (c) Failure of the Academy to meet generally accepted public sector accounting principles and to demonstrate sound fiscal stewardship; or
- (d) The existence of one or more other grounds for revocation as specified in this Contract.

Section 10.2. Other Grounds for Revocation. In addition to the statutory grounds for revocation set forth in Section 10.1 and the grounds for an automatic revocation set forth in Section 10.3, the University

Board may revoke this Contract, pursuant to the procedures set forth in Section 10.6, upon a determination that one or more of the following has occurred:

- (a) The Academy fails to achieve or demonstrate measurable progress toward achieving the educational goal and related measures identified in this Contract;
- (b) The Academy fails to properly implement, consistently deliver, and support the educational programs or curriculum identified in this Contract;
- (c) The Academy is insolvent, has been adjudged bankrupt, or has operated for two or more school fiscal years with a Fund Balance Deficit;
- (d) The Academy has insufficient enrollment to successfully operate a public school academy, or the Academy has lost more than fifty percent (50%) of its student enrollment from the previous school year;
- (e) The Academy fails to fulfill the compliance and reporting requirements or defaults in any of the terms, conditions, promises or representations contained in or incorporated into this Contract or, during the term of this Contract, it is discovered by the Center that the Academy failed to fulfill the compliance and reporting requirements or there was a violation of a prior Contract issued by the University Board;
- (f) The Academy files amendments to its Articles of Incorporation with the Michigan Department of Licensing and Regulatory Affairs, without first obtaining the Center's approval;
- (g) The Center Director discovers grossly negligent, fraudulent or criminal conduct by the Academy's applicant(s), directors, officers, employees or agents in relation to their performance under this Contract; or
- (h) The Academy's applicant(s), directors, officers, employees or agents have provided false or misleading information or documentation to the Center in connection with the University Board's approval of the Application, the issuance of this Contract, or the Academy's reporting requirements under this Contract or Applicable Law.

Section 10.3. Automatic Amendment Of Contract; Automatic Termination of Contract If All Academy Sites Closed; Economic Hardship Termination. Except as otherwise provided in this Section 10.3, if the University Board is notified by the Department that an Academy site is subject to closure under section 507 of the Code, MCL 380.507 ("State's Automatic Closure Notice"), then this Contract shall automatically be amended to eliminate the Academy's authority to operate certain age and grade levels at the site or sites identified in the State's Automatic Closure Notice. If the State's Automatic Closure Notice includes all of the Academy's existing sites, then this Contract shall automatically be terminated at the end of the current school year in which either the State's Automatic Closure Notice is received without any further action of the University Board or the Academy.

Following receipt of the State's Automatic Closure Notice, the Center Director shall forward a copy of the notice to the Academy Board and request a meeting with the Academy Board representatives to discuss the Academy's plans and procedures for the elimination of certain age or grade levels at the identified site or sites, or if all of the Academy's existing sites are included in that notice, then wind-up and dissolution of the Academy corporation at the end of the current school year. All Academy inquiries and requests for reconsideration of the State's Automatic Closure Notice, including the granting of any hardship exemption by the Department rescinding the State's Automatic Closure Notice ("Pupil Hardship

Exemption”), shall be directed to the Department, in a form and manner determined by the Department. If the Department rescinds the State’s Automatic Closure Notice for an Academy site or sites by granting a Pupil Hardship Exemption, the Academy is not required to close the identified site(s), but shall present to the Center a proposed Contract amendment incorporating the Department’s school improvement plan, if applicable, for the identified site(s).

If the Department elects not to issue a Pupil Hardship Exemption and the Center Director determines, in his or her discretion, that the closure of one or more sites as directed by the Department creates a significant economic hardship for the Academy as a going concern or the possibility of a mid-year school closure, then the Center Director may recommend to the University Board that the Contract be terminated at the end of the current school year (hereinafter “Economic Hardship Termination”). If the University Board approves the Economic Hardship Termination recommendation, then this Contract shall terminate at the end of the current school year without any further action of the parties.

The University Board’s revocation procedures set forth in Section 10.6 do not apply to an automatic termination initiated by the State’s Automatic Closure Notice or an Economic Hardship Termination under this Section 10.3.

Section 10.4. Grounds and Procedures for Academy Termination of Contract. The Academy Board, by majority vote of its Directors, may, at any time and for any reason, request termination of this Contract. The Academy Board’s request for termination shall be made to the Center Director not less than six (6) calendar months in advance of the Academy’s proposed effective date of termination. Upon receipt of an Academy request for termination, the Center Director shall present the Academy Board’s request for termination to the University Board. A copy of the Academy Board’s resolution approving of the Contract termination, including a summary of the reasons for terminating the Contract, shall be included with the Academy Board’s request for termination. Upon receipt of the Academy Board’s request for termination, the University Board shall consider and vote on the proposed termination request. The University Board may, in its sole discretion, waive the six (6) month advance notice requirement for terminating this Contract.

Section 10.5. Grounds and Procedures for University Termination of Contract. The University Board, in its sole discretion, reserves the right to terminate the Contract (i) for any reason or for no reason provided that such termination shall not take place less than six (6) months from the date of the University Board’s action; or (ii) if there is a change in Applicable Law that the University Board, in its sole discretion, determines impairs its rights and obligations under the Contract or requires the University Board to make changes in the Contract that are not in the best interest of the University Board or the University, then such termination shall take effect at the end of the current Academy fiscal year. Following University Board approval, the Center Director shall provide notice of the termination to the Academy. If during the period between the University Board action to terminate and the effective date of termination, the Academy has violated the Contract or Applicable Law, the Contract may be revoked or suspended sooner pursuant to this Article X. If this Contract is terminated pursuant to this Section 10.5, the revocation procedures in Section 10.6 shall not apply.

Section 10.6. University Board Procedures for Revoking Contract. Except for the automatic revocation and procedures initiated by the State of Michigan set forth in Section 10.3, the University Board’s process for revoking the Contract is as follows:

- (a) Notice of Intent to Revoke. The Center Director, upon reasonable belief that grounds for revocation of the Contract exist, shall notify the Academy Board of such grounds by issuing the Academy Board a Notice of Intent to Revoke for non-compliance with the Contract or Applicable Law. The Notice of Intent to Revoke shall be in writing and shall set forth in sufficient detail the alleged grounds for revocation.

- (b) Academy Board's Response. Within thirty (30) days of receipt of the Notice of Intent to Revoke, the Academy Board shall respond in writing to the alleged grounds for revocation. The Academy Board's response shall be addressed to the Center Director, and shall either admit or deny the allegations of non-compliance. If the Academy's response includes admissions of non-compliance with the Contract or Applicable Law, the Academy Board's response must also contain a description of the Academy Board's plan and timeline for correcting the non-compliance with the Contract or Applicable Law. If the Academy's response includes a denial of non-compliance with the Contract or Applicable Law, the Academy's response shall include sufficient documentation or other evidence to support a denial of non-compliance with the Contract or Applicable Law. A response not in compliance with this Section shall be deemed to be non-responsive. As part of its response, the Academy Board may request that a meeting be scheduled with the Center Director prior to a review of the Academy Board's response.
- (c) Plan of Correction. Within fifteen (15) days of receipt of the Academy Board's response or after a meeting with Academy Board representatives, the Center Director shall review the Academy Board's response and determine whether a reasonable plan for correcting the deficiencies can be formulated. If the Center Director determines that a reasonable plan for correcting the deficiencies set forth in the Notice of Intent to Revoke can be formulated, the Center Director shall develop a plan for correcting the non-compliance ("Plan of Correction") which may include Reconstitution pursuant to 10.6(d) of these Terms and Conditions. In developing a Plan of Correction, the Center Director is permitted to adopt, modify or reject some or all of the Academy Board's response for correcting the deficiencies outlined in the Notice of Intent to Revoke. The Notice of Intent to Revoke shall be closed if the Center Director determines any of the following: (i) the Academy Board's denial of non-compliance is persuasive; (ii) the non-compliance set forth in the Notice of Intent to Revoke has been corrected by the Academy Board; or (iii) the Academy Board has successfully completed the Plan of Correction.
- (d) University Board's Contract Reconstitution Provision. The Center Director may reconstitute the Academy in an effort to improve student educational performance or to avoid interruption of the educational process. Reconstitution may include, but is not limited to, one of the following actions: (i) removal of 1 or more members of the Academy Board; (ii) termination of at-will board appointments of 1 or more Academy Board members in accordance with the Method of Selection, Appointment and Removal Resolution; (iii) withdrawing approval of a contract under Section 506 of the Code; or (iv) the appointment of a new Academy Board or a Conservator to take over operations of the Academy.

Except as otherwise provided in this subsection, reconstitution of the Academy does not prohibit the Department from issuing an order under section 507 of the Code, MCL 380.507, directing the automatic closure of the Academy's site(s).

- (e) Request for Revocation Hearing. The Center Director may initiate a revocation hearing before the University Charter Schools Hearing Panel if the Center Director determines that any of the following has occurred:
- (i) the Academy Board has failed to respond to the Notice of Intent to Revoke as set forth in Section 10.6(b);
 - (ii) the Academy Board's response to the Notice of Intent to Revoke is non-responsive;
 - (iii) the Academy Board's response admits violations of the Contract or Applicable Law which the Center Director deems cannot be remedied or cannot be remedied in an appropriate

- period of time, or for which the Center Director determines that a Plan of Correction cannot be formulated;
- (iv) the Academy Board's response contains denials that are not supported by sufficient documentation or other evidence showing compliance with the Contract or Applicable Law;
 - (v) the Academy Board has not complied with part or all of a Plan of Correction established in Section 10.6(c);
 - (vi) the Academy Board has engaged in actions that jeopardize the financial or educational integrity of the Academy; or
 - (vii) the Academy Board has been issued multiple or repeated Notices of Intent to Revoke.

The Center Director shall send a copy of the request for revocation hearing to the Academy Board at the same time the request is sent to the Hearing Panel. The request for revocation shall identify the reasons for revoking the Contract.

- (f) Hearing before the University Charter Schools Hearing Panel. Within thirty (30) days of receipt of a request for revocation hearing, the Hearing Panel shall convene a revocation hearing. The Hearing Panel shall provide a copy of the notice of hearing to the Center and the Academy Board at least ten (10) days before the hearing. The purpose of the Hearing Panel is to gather facts surrounding the Center Director's request for Contract revocation, and to make a recommendation to the University Board on whether the Contract should be revoked. The revocation hearing shall be held at a location, date and time as determined by the Center Director and shall not last more than three hours. The hearing shall be transcribed and the cost shall be divided equally between the University and the Academy. The Center Director or his or her designee, and the Academy Board or its designee, shall each have equal time to make their presentation to the Hearing Panel. Although each party is permitted to submit affidavits and exhibits in support of their positions, the Hearing Panel will not hear testimony from any witnesses for either side. The Hearing Panel may, however, question the Center Director and the Academy Board. Within thirty (30) days of the revocation hearing, the Hearing Panel shall make a recommendation to the University Board concerning the revocation of the Contract. For good cause, the Hearing Panel may extend any time deadline set forth in this subsection. A copy of the Hearing Panel's recommendation shall be provided to the Center and the Academy Board at the same time that the recommendation is sent to the University Board.
- (g) University Board Decision. If the Hearing Panel's recommendation is submitted to the University Board at least fourteen (14) days before the University Board's next regular meeting, the University Board shall consider the Hearing Panel's recommendation at its next regular meeting and vote on whether to revoke the Contract. The University Board reserves the right to modify, reject or approve all or any part of the Hearing Panel's recommendation. The University Board shall have available to it copies of the Hearing Panel's recommendation and the transcript from the hearing. The University Board may waive the fourteen (14) day submission requirement or hold a special board meeting to consider the Hearing Panel's recommendation. A copy of the University Board's decision shall be provided to the Center, the Academy Board and the Department.
- (h) Effective Date of Revocation. If the University Board votes to revoke the Contract, the revocation shall be effective on the date of the University Board's act of revocation, or at a later date as determined by the University Board.
- (i) Disposition of State School Aid Funds. Notwithstanding any other provision of the Contract, any state school aid funds received by the University Board after a recommendation is made

by the Hearing Panel to revoke the Contract, or a decision by the University Board to revoke the Contract, may be withheld by the University Board or returned to the Michigan Department of Treasury upon request. The University Board may also direct that a portion of the Academy's state school aid funds be directed to fund the Academy's Dissolution account established under Section 10.9 of these Terms and Conditions.

Section 10.7. Contract Suspension. The University Board's process for suspending the Contract is as follows:

- (a) The Center Director Action. If the Center Director determines, in his or her sole discretion, that certain conditions or circumstances exist such that the Academy Board:
 - (i) has placed staff or students at risk;
 - (ii) is not properly exercising its fiduciary obligations to protect and preserve the Academy's public funds and property;
 - (iii) has lost its right to occupancy of the physical facilities described in Schedule 6, and cannot find another suitable physical facility for the Academy prior to the expiration or termination of its right to occupy its existing physical facilities;
 - (iv) has failed to secure or has lost the necessary fire, health, and safety approvals as required by Schedule 6;
 - (v) has willfully or intentionally violated this Contract or Applicable Law; or
 - (vi) has violated Section 10.2(g) or (h),

then the Center Director may immediately suspend the Contract, pending completion of the procedures set forth in Section 10.6. A copy of the suspension notice, setting forth the grounds for suspension, shall be sent to the Academy Board and to the Hearing Panel. If this subsection is implemented, the notice and hearing procedures set forth in Section 10.6 shall be expedited as much as possible.

- (b) Disposition of State School Aid Funds. Notwithstanding any other provision of the Contract, any state school aid funds received by the University Board after a decision by the Center Director to suspend the Contract, shall be retained by the University Board for the Academy until the Contract is reinstated, or shall be returned to the Michigan Department of Treasury upon the State's request.
- (c) Immediate Revocation Proceeding. If the Academy Board, after receiving a notice of Contract suspension from the Center Director, continues to engage in conduct or activities that are covered by the suspension notice, the Hearing Panel may immediately convene a revocation hearing in accordance with the procedures set forth in section 10.6(e) of this Contract. The Hearing Panel has the authority to accelerate the timeline for revoking the Contract, provided that notice of the revocation hearing shall be provided to the Center and the Academy Board at least five (5) days before the hearing. If the Hearing Panel determines that the Academy Board has continued to engage in conduct or activities that are covered by the suspension notice, the Hearing Panel may recommend revocation of the Contract. The University Board shall proceed to consider the Hearing Panel's recommendation in accordance with sections 10.6(f) through (h).

Section 10.8. Conservator; Appointment By University President. Notwithstanding any other provision of the Contract, in the event that the University President, in his or her sole discretion, determines that the health, safety and welfare of Academy students, property or funds are at risk, the University President, after consulting with the University Board Chairperson, may appoint a person to serve as the

Conservator of the Academy. Upon appointment, the Conservator shall have all the powers and authority of the Academy Board under this Contract and Applicable Law and shall act in the place and stead of the Academy Board. The University President shall appoint the Conservator for a definite term which may be extended in writing at his or her sole discretion. During the appointment, the Academy Board members and their terms in office are suspended and all powers of the Academy Board are suspended. All appointments made under this provision must be presented to the University Board for final determination at its next regularly scheduled meeting. During their appointment, the Conservator shall have the following powers:

- (a) take into his or her possession all Academy property and records, including financial, board, employment and student records;
- (b) institute and defend actions by or on behalf of the Academy;
- (c) continue the business of the Academy including entering into contracts, borrowing money, and pledging, mortgaging, or otherwise encumbering the property of the Academy as security for the repayment of loans. However, the power shall be subject to any provisions and restrictions in any existing credit documents;
- (d) hire, fire, evaluate and discipline employees of the Academy;
- (e) settle or compromise with any debtor or creditor of the Academy, including any governmental or taxing authority;
- (f) review all outstanding agreements to which the Academy is a party and to take those actions which the Academy Board may have exercised to pay, extend, rescind, renegotiate or settle such agreements as needed; and
- (g) perform all acts necessary and appropriate to fulfill the Academy's purposes as set forth under this Contract or Applicable Law.

Section 10.9. Academy Dissolution Account. If the University Board terminates, revokes or fails to issue a new Contract to the Academy, the Center Director shall notify the Academy that, beginning thirty (30) days after notification of the University Board's decision, the University Board may direct up to \$10,000 from each subsequent State School Aid Fund payment, not to exceed a combined total of \$30,000, to a separate Academy account ("Academy Dissolution Account") to be used exclusively to pay the costs associated with the wind-up and dissolution responsibilities of the Academy. Within five (5) business days of the Center Director's notice, the Academy Board Treasurer shall provide the Center Director, in a form and manner determined by the Center, with account detail information and authorization to direct such funds to the Academy Dissolution Account. The Academy Dissolution Account shall be under the sole care, custody and control of the Academy Board, and such funds shall not be used by the Academy to pay any other Academy debt or obligation until such time as all the wind-up and dissolution expenses have been satisfied. An intercept agreement entered into by the Academy and a third-party lender or trustee shall include language that the third party lender or trustee acknowledges and consents to the funding of the Academy's dissolution account in accordance with this Contract. Any unspent funds remaining in the Academy's dissolution account after payment of all wind-up and dissolution expenses shall be returned to the Academy.

ARTICLE XI
PROVISIONS RELATING TO PUBLIC SCHOOL ACADEMIES

Section 11.1. The Academy Budget; Transmittal of Budgetary Assumptions; Budget Deficit; Enhanced Deficit Elimination Plan. The Academy agrees to comply with all of the following:

- (a) The Academy Board is responsible for establishing, approving, and amending an annual budget in accordance with the Uniform Budgeting and Accounting Act, MCL 141.421, et seq. The Academy Board shall submit to the Center a copy of its annual budget for the upcoming fiscal year in accordance with the Master Calendar. The budget must detail budgeted expenditures at the object level as described in the Department's Michigan School Accounting Manual. In addition, the Academy Board is responsible for approving all revisions and amendments to the annual budget. In accordance with the Master Calendar, revisions or amendments to the Academy's budget shall be submitted to the Center following Academy Board approval.
- (b) Unless exempted from transmitting under section 1219 of the Code, MCL 380.1219, the Academy, on or before July 7th of each school fiscal year, shall transmit to the Center for Educational Performance and Information ("CEPI") the budgetary assumptions used when adopting its annual budget pursuant to the Uniform Budgeting and Accounting Act, MCL 141.421 et seq.
- (c) The Academy shall not adopt or operate under a deficit budget, or incur an operating deficit in a fund during any fiscal year. At any time during the term of this Contract, the Academy shall not have an existing deficit fund balance, incur a deficit fund balance, or adopt a current year budget that projects a deficit fund balance. If the Academy has an existing deficit fund balance, incurs a deficit fund balance in the most recently completed school fiscal year, or adopts a current year budget that projects a deficit fund balance, all of the following apply:
 - (i) The Academy shall notify the Superintendent and the State Treasurer immediately upon the occurrence of the circumstance, and provide a copy of the notice to the Center;
 - (ii) Within 30 days after making notification under subdivision (i), the Academy shall submit to the Superintendent in the form and manner prescribed by the Department an amended budget for the current school fiscal year and a deficit elimination plan approved by the Academy Board, with a copy to the State Treasurer. The Academy shall transmit a copy of the amended budget and the deficit elimination plan to the Center; and
 - (iii) After the Superintendent approves Academy's deficit elimination plan, the Academy shall post the deficit elimination plan on the Academy's website.
- (d) If the Academy is required by the State Treasurer to submit an enhanced deficit elimination plan under section 1220 of the Code, MCL 380.1220, the Academy shall do all of the following:
 - (i) The enhanced deficit elimination plan shall be approved by the Academy Board before submission;
 - (ii) After the State Treasurer approves an enhanced deficit elimination plan for the Academy, the Academy shall post the enhanced deficit elimination plan on the Academy's website; and
 - (iii) As required, submit to the Superintendent and State Treasurer an enhanced monthly monitoring reports in a form and manner prescribed by the State Treasurer and post such monthly reports on the Academy's website.

Section 11.2. Insurance. The Academy Board shall secure and maintain in its own name, as the "first named insured," insurance coverage as required by the University's insurance carrier.

The insurance must be obtained from a licensed mutual, stock, or other responsible company licensed to do business in the State of Michigan. The Academy may join with other public school academies to obtain insurance if the Academy Board finds that such an association provides economic advantages to the Academy, provided that each Academy maintains its identity as first named insured. The Academy shall list the University on the insurance policies as an additional insured as required by the University's insurance carrier. The coverage provided to the University as an additional covered person or organization will be primary and non-contributory with the University's insurance carrier. The Academy shall have a provision included in all policies requiring notice to the University, at least thirty (30) days in advance, upon termination or non-renewal of the policy for any reason other than nonpayment which would require a ten (10) day advance notice to the University. In addition, the Academy shall provide the Center copies of all insurance policies required by this Contract.

When changing insurance programs or carriers, the Academy must provide copies of the proposed policies to the Center at least thirty (30) days prior to the proposed change. The Academy shall not cancel or change its existing carrier without the prior review of the Center.

The University's insurance carrier periodically reviews the types and amounts of insurance coverage that the Academy must secure in order for the University to maintain insurance coverage for the authorization and oversight of the Academy. In the event that the University's insurance carrier requests additional changes in coverage identified in this Section 11.2, the Academy agrees to comply with any additional changes in the types and amounts of coverage requested by the University's insurance carrier within thirty (30) days after notice of the insurance coverage change.

The Academy may expend funds for payment of the cost of participation in an accident or medical insurance program to insure protection for pupils while attending school or participating in a school program or activity. Other insurance policies and higher minimums may be required depending upon academic offerings and program requirements.

Pursuant to Section 3.6 of these Terms and Conditions, the University requires that any Educational Service Provider or employee leasing company that enters into a contract with the Academy must obtain insurance coverage similar to the insurance coverage that is currently required for the Academy. Accordingly, any agreement between the Academy and an Educational Service Provider or employee leasing company shall contain a provision requiring the Educational Service Provider or employee leasing company to comply with the coverage requirements recommended by the University's insurance carrier. Furthermore, the agreement between the Educational Service Provider or employee leasing company and the Academy shall contain a provision stating that "in the event that the University's insurance carrier recommends any change in coverage by the Educational Service Provider or employee leasing company, the Educational Service Provider or employee leasing company agrees to comply with any changes in the type and amount of coverage as requested by the University or the University's insurance carrier within thirty (30) days after notice of the insurance coverage change."

Section 11.3. Legal Liabilities and Covenant Against Suit. The Academy acknowledges and agrees that it has no authority to extend the faith and credit of the University or to enter into a contract that would bind the University. The Academy also is limited in its authority to contract by the amount of funds obtained from the state school aid fund, as provided hereunder, or from other independent sources. The Academy hereby covenants not to sue the University Board, the University or any of its Trustees, officers, employees, agents or representatives for any matters that arise under this Contract. The University does not assume any obligation with respect to any director, employee, agent, parent, guardian, student, or independent

contractor of the Academy, and no such person shall have the right or standing to bring suit against the University Board, the University or any of its Trustees, employees, agents, or independent contractors as a result of the issuance, non-issuance, oversight, revocation, termination or suspension of this Contract.

Section 11.4. Lease or Deed for Proposed Site. The Academy shall provide to the Center copies of its proposed lease or deed for the premises in which the Academy shall operate. Following the Center's review, a copy of the Academy's lease or deed shall be incorporated into this Contract under Schedule 6 and in accordance with Article IX, as applicable.

Section 11.5. Certificate(s) of Use and Occupancy. The Academy Board shall: (i) ensure that the Academy's physical facilities comply with all fire, health and safety standards applicable to schools; and (ii) possess the necessary occupancy certificates for the Academy's physical facilities. The Academy Board shall not occupy or use any facility until approved for occupancy by the Michigan Department of Licensing and Regulatory Affairs, Bureau of Construction Codes. Copies of these Certificate(s) of Use and Occupancy shall be incorporated into this Contract under Schedule 6 and in accordance with Article IX, as applicable.

Section 11.6. New Building Construction or Renovations. The Academy shall not commence construction on a new school building or the major renovation of an existing school building unless the Academy consults on the plans of the construction or major renovation regarding school safety issues with the law enforcement agency that is or will be the first responder for that school building. School building includes either a building intended to be used to provide pupil instruction or a recreational or athletic structure or field used by pupils.

Section 11.7. Criminal Background and History Checks; Disclosure of Unprofessional Conduct. The Academy shall comply with section 1230 and 1230a of the Code concerning criminal background and criminal history checks for its teachers, school administrator(s), and for any other position requiring State Board approval. In addition, the Academy shall comply with section 1230b of the Code concerning the disclosure of unprofessional conduct by persons applying for Academy employment. This Section 11.7 shall apply to such persons irrespective of whether they are employed by the Academy or employed by another entity contracting with the Academy.

Section 11.8. Special Education. Pursuant to Section 1701a of the Code, the Academy shall comply with Article III, Part 29 of the Code, MCL 380.1701 et seq., concerning the provision of special education programs and services at the Academy as referenced in Contract Schedule 7c. Upon receipt, the Academy shall notify the Center of any due process or state complaint filed against the Academy or notice of state audit.

Section 11.9. Information Available to the Public and the Center.

- (a) Information to be provided by the Academy. In accordance with Applicable Law, the Academy shall make information concerning its operation and management, including, without limitation, information in Schedule 8 available to the public and the Center.
- (b) Information to be provided by Educational Service Provider. The agreement between the Academy and the Educational Service Provider shall contain a provision requiring the Educational Service Provider to make information concerning the operation and management of the Academy, including the information in Schedule 8, available to the Academy as deemed necessary by the Academy Board in order to enable the Academy to fully satisfy its obligations under paragraph 11.9 (a) above.

Section 11.10. Deposit of Public Funds by the Academy. The Academy Board agrees to comply with Section 1221 of the Revised School Code, being MCL 380.1221, regarding the deposit of all public or private funds received by the Academy. Such deposit shall be made within three (3) days after receipt of the funds by the Academy. Only Academy Board members or designated Academy Board employees may be a signatory on any Academy bank account.

Section 11.11. Nonessential Elective Course. If the Academy Board elects to provide nonessential elective courses to part-time pupils at a nonpublic school building, the Academy shall comply with Section 166b of the State School Aid Act of 1979, as amended, MCL 388.1766b. Prior to providing instruction, the Academy Board shall ensure that the Academy has sufficient documentation to qualify for part-time pupil funding under the State School Aid Act. The provision of nonessential elective courses by the Academy shall be incorporated into Schedule 7c of this Contract by amendment pursuant to Article IX of these Terms and Conditions, as applicable.

ARTICLE XII GENERAL TERMS

Section 12.1. Notices. Any and all notices permitted or required to be given hereunder shall be deemed duly given: (i) upon actual delivery, if delivery is by hand; or (ii) upon receipt by the transmitting party of confirmation or answer back if delivery is by facsimile or electronic mail; or (iii) upon delivery into United States mail if delivery is by postage paid first class mail. Each such notice shall be sent to the respective party at the address indicated below or to any other address or person as the respective party may designate by notice delivered pursuant hereto:

| | |
|-----------------------------|---|
| If to the University Board: | The Governor John Engler Center for Charter Schools Attn: Executive Director Central Michigan University EHS 200 Mt. Pleasant, MI 48859 |
| General Counsel: | General Counsel Central Michigan University Mt. Pleasant, MI 48859 |
| Chief Financial Officer: | Vice President for Finance and Administrative Services Central Michigan University Mt. Pleasant, MI 48859 |
| If to the Academy: | Academy Board President Flex High School of Michigan 4945 Clio Rd. Flint, MI 48504 |

Section 12.2. Severability. If any provision in this Contract is held to be invalid or unenforceable, it shall be ineffective only to the extent of the invalidity, without affecting or impairing the validity and enforceability of the remainder of the provision or the remaining provisions of this Contract. If any provision of this Contract shall be or become in violation of any local, state or federal law, such provision shall be considered null and void, and all other provisions shall remain in full force and effect.

Section 12.3. Successors and Assigns. The terms and provisions of this Contract are binding on and shall inure to the benefit of the parties and their respective successors and permitted assigns.

Section 12.4. Entire Contract. Except as specifically provided in this Contract, this Contract sets forth the entire agreement between the University Board and the Academy with respect to the subject matter of this Contract. All prior contracts, representations, statements, negotiations, understandings, and undertakings are superseded by this Contract.

Section 12.5. Assignment. This Contract is not assignable by the Academy.

Section 12.6. Non-Waiver. Except as provided herein, no term or provision of this Contract shall be deemed waived and no breach or default shall be deemed excused, unless such waiver or consent shall be in writing and signed by the party claimed to have waived or consented. No consent by any party to, or waiver of, a breach or default by the other, whether expressed or implied, shall constitute consent to, waiver of, or excuse for any different or subsequent breach or default.

Section 12.7. Governing Law. This Contract shall be governed and controlled by the laws of the State of Michigan as to interpretation, enforcement, validity, construction, and effect, and in all other respects.

Section 12.8. Counterparts. This Contract may be executed in any number of counterparts. Each counterpart so executed shall be deemed an original, but all such counterparts shall together constitute one and the same instrument.

Section 12.9. Term of Contract. This Contract is for a fixed term and shall terminate at the end of the Contract term without any further action of either the University Board or the Academy. This Contract shall commence on the date first set forth above and shall remain in full force and effect for a period of three (3) academic years and shall terminate on June 30, 2026, unless sooner revoked, terminated, or suspended pursuant to Article X of these Terms and Conditions. Pursuant to University Board policy, the standards by which the Academy may be considered for the issuance of a new contract will be guided by the following core questions:

Is the Academy's academic program successful?

Is the Academy's organization viable?

Is the Academy demonstrating good faith in following the terms of its charter and applicable law?

The Center shall establish the process and timeline for the issuance of a new contract. The standards for the issuance of a new contract shall include increases in academic achievement for all groups of pupils as measured by assessments and other objective criteria established by the University Board as the most important factor of whether to issue or not issue a new contract. Consistent with the Code, the University Board in its sole discretion may elect to issue or not issue a new contract to the Academy.

Section 12.10. Indemnification of University. As a condition to receiving a grant of authority from the University Board to operate a public school pursuant to the Terms and Conditions of this Contract, the Academy agrees to indemnify, defend and hold harmless the University Board, the University and its officers, employees, agents or representatives from and against all demands, claims, actions, suits, causes of action, losses, judgments, liabilities, damages, fines, penalties, forfeitures, or any other liabilities or losses of any kind whatsoever, including costs and expenses (not limited to reasonable attorney fees, expert and other professional fees) settlement and prosecution imposed upon or incurred by the University, and not caused by the sole negligence of the University, which arise out of or are in any manner connected with the University Board's approval of the public school academy application, the University Board's consideration of or issuance of a Contract, the Academy's preparation for or operation of a public school, or which are incurred as a result of the reliance by the University Board, the University and its officers, employees, agents or representatives upon information supplied by the Academy, or which arise out of the

Academy's failure to comply with this Contract or Applicable Law. The foregoing provision shall not be deemed a relinquishment or waiver of any kind of Section 7 of the Governmental Liability for Negligence Act, being Act No. 170, Public Acts of Michigan, 1964.

Section 12.11. Construction. This Contract shall be construed fairly as to both parties and not in favor of or against either party, regardless of which party prepared the Contract.

Section 12.12. Force Majeure. If any circumstances occur which are beyond the control of the parties, which delay or render impossible the obligations of one or both of the parties, the parties' obligations to perform such services shall be postponed for an equivalent period of time or shall be canceled, if such performance has been rendered impossible by such circumstances.

Section 12.13. No Third Party Rights. This Contract is made for the sole benefit of the Academy and the University Board. Except as otherwise expressly provided, nothing in this Contract shall create or be deemed to create a relationship between the parties hereto, or either of them, and any third person, including a relationship in the nature of a third party beneficiary or fiduciary.

Section 12.14. Non-agency. It is understood that the Academy is not the agent of the University.

Section 12.15. University Board or the Center's General Policies on Public School Academies Shall Apply. Notwithstanding any provision of this Contract to the contrary, and with the exception of existing University Board or the Center policies regarding public school academies which shall apply immediately, University Board or the Center general policies clarifying procedure and requirements applicable to public school academies under this Contract, as from time to time adopted or amended, will automatically apply to the Academy, provided they are not inconsistent with provisions of this Contract. Before issuing general policies under this section, the University Board or the Center shall provide a draft of the proposed policies to the Academy Board. The Academy Board shall have at least thirty (30) days to provide comment to the Center on the proposed policies before such policies shall become effective.

Section 12.16. Survival of Provisions. The terms, provisions, and representations contained in Section 11.2, Section 11.3, Section 11.9, Section 12.10, Section 12.13 and any other provisions of this Contract that by their sense and context are intended to survive termination of this Contract shall survive.

Section 12.17. Termination of Responsibilities. Upon termination or revocation of the Contract, the University Board or its designee shall have no further obligations or responsibilities under this Contract to the Academy or any other person or persons in connection with this Contract. Upon termination or revocation of the Contract, the Academy may amend its articles of incorporation or bylaws as necessary to allow the Academy Board to: (a) take action to appoint Academy Board members in order to have a quorum necessary to take Academy Board action; or (b) effectuate a dissolution, provided that the Academy Board may not amend the articles of incorporation with regard to the disposition of assets upon dissolution.

Section 12.18. Disposition of Academy Assets Upon Termination or Revocation of Contract. Following termination or revocation of the Contract, the Academy shall follow the applicable wind-up and dissolution provisions set forth in the Academy's articles of incorporation, the Code, and Applicable Law.

Section 12.19. Student Privacy. In order to protect the privacy of students enrolled at the Academy, the Academy Board, subject to Section 12.22, shall not:

- (a) Sell or otherwise provide to a for-profit business entity any personally identifiable information that is part of a pupil's education records. This subsection does not apply to any of the following situations:

- (i) for students enrolled in the Academy, providing such information to an ESP that has a contract with the Academy and whose contract has not been disapproved by the University;
 - (ii) providing the information as necessary for standardized testing that measures a student's academic progress and achievement; or
 - (iii) providing the information as necessary to a person that is providing educational or educational support services to the student under a contract with either the Academy or an educational management organization that has a contract with the Academy and whose contract has not been disapproved by the University.
- (b) The terms "education records" and "personally identifiable information" shall have the same meaning as defined in MCL 380.1136.

Section 12.20. Disclosure of Information to Parents and Legal Guardians, subject to Section 12.22.

- (a) Within thirty (30) days after receiving a written request from a student's parent or legal guardian, the Academy shall disclose without charge to the student's parent or legal guardian any personally identifiable information concerning the student that is collected or created by the Academy as part of the student's education records.
- (b) Except as otherwise provided in this subsection (b) and within thirty (30) days after receiving a written request from a student's parent or legal guardian, the Academy shall disclose to a student's parent or legal guardian without charge any personally identifiable information provided to any person, agency or organization. The Academy's disclosure shall include the specific information that was disclosed, the name and contact information of each person, agency, or organization to which the information has been disclosed; and the legitimate reason that the person, agency, or organization had in obtaining the information. The parental disclosure requirement does not apply to information that is provided:
 - (i) to the Department or CEPI;
 - (ii) to the student's parent or legal guardian;
 - (iii) by the Academy to the University Board, University, Center or to the ESP with which the Academy has a Management Agreement that has not been disapproved by the Center Director;
 - (iv) by the Academy to the Academy's intermediate school district or another intermediate school district providing services to Academy or the Academy's students pursuant to a written agreement;
 - (v) to the Academy by the Academy's intermediate school district or another immediate school district providing services to pupils enrolled in the Academy pursuant to a written agreement;
 - (vi) to the Academy by the University Board, University, Center;
 - (vii) to a person, agency, or organization with written consent from the student's parent or legal guardian, or from the student if the student is 18 years of age;
 - (viii) to a person, agency, or organization seeking or receiving records in accordance with an order, subpoena, or ex parte order issued by a court of competent jurisdiction;
 - (ix) to a person, agency, or organization as necessary for standardized testing that measures a student's academic progress and achievement; or
 - (x) in the absence of, or in compliance with, a properly executed opt-out form, as adopted by the Academy in compliance with section 1136(6) of the Code, pertaining to uses for which the Academy commonly would disclose a pupil's "directory information."

- (c) If the Academy considers it necessary to make redacted copies of all or part of a student's education records in order to protect personally identifiable information of another student, the Academy shall not charge the parent or legal guardian for the cost of those redacted copies.
- (d) The terms "education records," "personally identifiable information," and "directory information" shall have the same meaning as defined in MCL 380.1136.

Section 12.21. List of Uses for Student Directory Information; Opt Out Form; Notice to Student's Parent or Legal Guardian.

- (a) Subject to Section 12.22, the Academy shall do all of the following:
 - (i) Develop a list of uses (the "Uses") for which the Academy commonly would disclose a student's directory information;
 - (ii) Develop an opt-out form that lists all of the Uses and allows a student's parent or guardian to elect not to have the student's directory information disclosed for one (1) or more Uses;
 - (iii) Present the opt-out form to each student's parents or guardian within the first thirty (30) days of the school year and at other times upon request; and
 - (iv) If an opt-out form is signed and submitted to the Academy by a student's parent or guardian, then the Academy shall not include the student's directory information in any of the Uses that have been opted out of in the opt-out form.
- (b) The term "directory information" shall have the same meaning as defined in MCL 380.1136.

Section 12.22. Confidential Address Restrictions.

- (a) The Academy shall not disclose the confidential address of a student if the student or the student's parent or legal guardian has obtained a participation card issued by the department of the attorney general under the address confidentiality program act and the parent or legal guardian provides notice of the issuance of the participation card, in a form and manner prescribed by the Michigan Department of Education.
- (b) The term "confidential address" shall have the meaning as defined in MCL 380.1136.

Section 12.23. Partnership Agreement. If the Department and State School Reform/Redesign Office impose a partnership agreement on the Academy, the Academy shall work collaboratively with the Department, the State School Reform/Redesign Office and other partners to implement the partnership agreement. In the event that a provision in the partnership agreement is inconsistent with a provision in this Contract, this Contract shall control.

As the designated representative of the Central Michigan University Board of Trustees, I hereby issue this Contract to the Academy on the date first set forth above.

CENTRAL MICHIGAN UNIVERSITY BOARD OF TRUSTEES

By: _____
Isaiah M. Oliver, Chair

Date: _____

As the authorized representative of the Academy, I hereby certify that the Academy is able to comply with the Contract and all Applicable Law, and that the Academy, through its governing board, has approved and agreed to comply with and be bound by the Terms and Conditions of this Contract and all Applicable Law.

FLEX HIGH SCHOOL OF MICHIGAN

By: _____
Board President

Date: 06/12/23

As the designated representative of the Central Michigan University Board of Trustees, I hereby issue this Contract to the Academy on the date first set forth above.

CENTRAL MICHIGAN UNIVERSITY BOARD OF TRUSTEES

By:  _____
Isaiah M. Oliver, Chair

Date: 06/09/2023

As the authorized representative of the Academy, I hereby certify that the Academy is able to comply with the Contract and all Applicable Law, and that the Academy, through its governing board, has approved and agreed to comply with and be bound by the Terms and Conditions of this Contract and all Applicable Law.

FLEX HIGH SCHOOL OF MICHIGAN

By: _____
Board President

Date: _____

CONTRACT SCHEDULES

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CONTRACT SCHEDULE 1

ARTICLES OF INCORPORATION



Form Revision Date 07/2016

CERTIFICATE OF AMENDMENT TO THE ARTICLES OF INCORPORATION

For use by DOMESTIC NONPROFIT CORPORATION

Pursuant to the provisions of Act 162, Public Acts of 1982, the undersigned corporation executes the following Certificate:

| | |
|--|---|
| The identification number assigned by the Bureau is: | <input type="text" value="802188057"/> |
| The name of the corporation is: | <input type="text" value="FLEX HIGH SCHOOL OF MICHIGAN"/> |

The Articles of Incorporation is hereby amended to read as follows:

ARTICLE II

The purpose or purposes for which the corporation is formed are:

The corporation is organized for the purpose of operation as a public school academy in the state of Michigan.

The authorizing body for the corporation is: Central Michigan University Board of Trustees.

The corporation is organized and shall be operated exclusively for charitable and educational purposes, within the meaning of Section 501 (c)(3) of the United States Internal Revenue Code ("IRC") or any successor law, and all activities incident to its purposes shall at all times be conducted so as to be a governmental entity pursuant to Section 115 of the IRC. Notwithstanding any other provision of these Articles, the corporation shall not carry on any other activity not permitted to be carried on by a nonprofit corporation or governmental instrumentality exempt from federal income tax under Section 501(c)(3) or 115 of the IRC or by a nonprofit corporation organized under the laws of the State of Michigan and subject to a Contract authorized under the Code.

Use the space below for additional Articles or for continuation of previous Articles. Please identify any Article being continued or added.

ARTICLE XI IS AMENDED AS FOLLOWS:

THE CORPORATION SHALL OPERATE EXCLUSIVELY FOR CHARITABLE AND EDUCATIONAL PURPOSES WITHIN THE MEANING OF SECTION 501 (C)(3) OF THE IRC, IN THE COURSE OF WHICH OPERATION:

(A) NO PART OF THE NET EARNINGS OF THE CORPORATION SHALL INURE TO THE BENEFIT OF, OR BE DISTRIBUTABLE TO, ANY PRIVATE SHAREHOLDER OR INDIVIDUAL, INCLUDING, BUT NOT LIMITED TO, ANY DIRECTOR, OFFICER, MANAGER, OR OTHER RELATED PERSON OF THE CORPORATION, EXCEPT THAT THE CORPORATION SHALL BE AUTHORIZED AND EMPOWERED TO PAY REASONABLE COMPENSATION FOR SERVICES RENDERED, AND TO MAKE PAYMENTS AND DISTRIBUTIONS IN FURTHERANCE OF THE PURPOSES OF THE CORPORATION SET FORTH HEREIN.

(B) NO SUBSTANTIAL PART OF THE ACTIVITIES OF THE CORPORATION SHALL BE THE CARRYING ON OF PROPAGANDA, OR OTHERWISE ATTEMPTING TO INFLUENCE LEGISLATION, AND THE CORPORATION SHALL NOT PARTICIPATE IN, OR INTERVENE IN (INCLUDING THE PUBLISHING OR DISTRIBUTION OF STATEMENTS) ANY POLITICAL CAMPAIGN ON BEHALF OF OR IN OPPOSITION TO ANY CANDIDATE FOR PUBLIC OFFICE, EXCEPT AS AUTHORIZED UNDER THE IRC.

(C) NOTWITHSTANDING ANY OTHER PROVISION SET FORTH IN THESE ARTICLES OF INCORPORATION, THE CORPORATION SHALL NOT CARRY ON ANY ACTIVITY NOT PERMITTED TO BE CARRIED ON BY A CORPORATION EXEMPT FROM FEDERAL INCOME TAX UNDER SECTION 501(C)(3) OF THE IRC, OR A CORPORATION, CONTRIBUTIONS TO WHICH ARE DEDUCTIBLE UNDER SECTION 170(C)(2) OF THE IRC, OR A GOVERNMENTAL ENTITY EXEMPT FROM FEDERAL INCOME TAX UNDER SECTION 115 OF THE IRC, OR COMPARABLE PROVISIONS OF ANY SUCCESSOR LAW.

(D) NOTWITHSTANDING ANY OTHER PROVISION SET FORTH IN THESE ARTICLES OF INCORPORATION, AT ANY TIME THAT THE CORPORATION IS A PRIVATE FOUNDATION WITHIN THE MEANING OF SECTION 509 OF THE IRC, THE CORPORATION WILL NOT ENGAGE IN ANY ACT OF SELF-DEALING AS DEFINED IN SECTION 4941 OF THE IRC, WILL DISTRIBUTE ITS INCOME FOR EACH TAX YEAR AT A TIME AND IN A MANNER AS NOT TO BECOME SUBJECT TO THE TAX ON UNDISTRIBUTED INCOME IMPOSED BY SECTION 4942 OF THE IRC, WILL NOT RETAIN ANY EXCESS BUSINESS HOLDINGS AS DEFINED IN SECTION 4943(C) OF THE IRC, WILL NOT MAKE ANY INVESTMENTS IN A MANNER AS TO SUBJECT IT TO TAX UNDER SECTION 4944 OF THE IRC, AND WILL NOT MAKE ANY TAXABLE EXPENDITURES AS DEFINED IN SECTION 4945 OF THE IRC.

UPON THE DISSOLUTION OF THE CORPORATION, OR THE LIQUIDATION OF ITS ASSETS, THE BOARD OF DIRECTORS SHALL, AFTER PAYING OR MAKING PROVISION FOR THE PAYMENT OF ALL DEBTS AND OBLIGATIONS OF THE CORPORATION, DISTRIBUTE ALL REMAINING ASSETS EXCLUSIVELY TO THE UNIVERSITY BOARD FOR THE PURPOSE OF FORWARDING SUCH ASSETS TO THE STATE SCHOOL AID FUND ESTABLISHED UNDER ARTICLE IX, SECTION 11 OF THE CONSTITUTION OF THE STATE OF MICHIGAN OF 1963, AS AMENDED. ANY SUCH ASSETS NOT SO DISPOSED SHALL BE DISPOSED OF BY A COURT OF COMPETENT JURISDICTION OF THE COUNTY IN WHICH THE PRINCIPAL OFFICE OF THE CORPORATION IS THEN LOCATED, EXCLUSIVELY FOR SUCH EXEMPT PURPOSES OR TO AN ORGANIZATION OR

ORGANIZATIONS, AS SAID COURT SHALL DETERMINE, WHICH ARE ORGANIZED AND OPERATED EXCLUSIVELY FOR SUCH EXEMPT PURPOSES, PROVIDED ALWAYS THAT NONE OF THE ASSETS OF THE CORPORATION SHALL BE DISTRIBUTED TO OR FOR THE BENEFIT OF ANY DIRECTOR OR OFFICER OF THE CORPORATION OR ANY OTHER PRIVATE INDIVIDUAL.

Effective Date: 10/23/2018

2. The foregoing amendment to the Articles of Incorporation was duly adopted on: 10/15/2018 by the

directors at a meeting in accordance with Section 611(3) of the Act.

This document must be signed by an authorized officer or agent:

Signed this 23rd Day of October, 2018 by:

| Signature | Title | Title if "Other" was selected |
|------------------|------------------|-------------------------------|
| Gregory M. Meihn | Authorized Agent | |

By selecting ACCEPT, I hereby acknowledge that this electronic document is being signed in accordance with the Act. I further certify that to the best of my knowledge the information provided is true, accurate, and in compliance with the Act.

Decline Accept

MICHIGAN DEPARTMENT OF LICENSING AND REGULATORY AFFAIRS

FILING ENDORSEMENT

This is to Certify that the CERTIFICATE OF AMENDMENT TO THE ARTICLES OF
INCORPORATION

for

FLEX HIGH SCHOOL OF MICHIGAN

ID Number: 802188057

received by electronic transmission on October 23, 2018 ***, is hereby endorsed.***

Filed on October 23, 2018 ***, by the Administrator.***

The document is effective on the date filed, unless a subsequent effective date within 90 days after received date is stated in the document.



In testimony whereof, I have hereunto set my hand and affixed the Seal of the Department, in the City of Lansing, this 23rd day of October, 2018.

Julia Dale, Director

Corporations, Securities & Commercial Licensing Bureau

03 E.4
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|---|--------------|--|------------|
| MICHIGAN DEPARTMENT OF LICENSING AND REGULATORY AFFAIRS CORPORATIONS, SECURITIES & COMMERCIAL LICENSING BUREAU | | | |
| Date Received APR 19 2018 | | | |
| | | This document is effective on the date filed, unless a subsequent effective date within 90-days after received date is stated in the document. | |
| Name Gregory Meihn | | FILED APR 20 2018 ADMINISTRATOR CORPORATIONS DIVISION EFFECTIVE DATE | |
| Address 130 East Nine Mile Road | | | |
| City | State | | Zip |
| Ferndale | MI | | 48220 |
| <div style="border: 1px solid black; width: 200px; height: 20px; margin: 0 auto;"></div> | | | |

ARTICLES OF INCORPORATION
For Use by Domestic Nonprofit Corporations

OF

FLEX HIGH SCHOOL OF MICHIGAN

Pursuant to the provisions of the Michigan Nonprofit Corporation Act (Act 162) of 1982, as amended (the "Act"), being MCL 450.2101 *et seq.* and Revised School Code (the "Code") as amended, being Sections 380.501 to 380.507 of the Michigan Compiled Laws, the undersigned corporation executes the following Articles:

ARTICLE I

The name of the corporation is: Flex High School of Michigan.

f
\$70.00 CC/CAB 1831594

ARTICLE II

The purpose or purposes for which the corporation is organized are:

1. The corporation is organized for the purpose of operating as a public school academy in the state of Michigan pursuant to the Code.
2. The authorizing body for the corporation is: Central Michigan University Board of Trustees.
3. The corporation, including all activities incident to its purposes, shall at all times be conducted so as to be a governmental entity pursuant to Section 115 of the United States Internal Revenue Code ("IRC") or any successor law. Notwithstanding any other provision of these Articles, the corporation shall not carry on any other activity not permitted to be carried on by a governmental instrumentality exempt from federal income tax under Section 115 of the IRC or by a nonprofit corporation organized under the laws of the State of Michigan and subject to a Contract authorized under the Code.

ARTICLE III

The corporation is organized on a non-stock basis.

The description and value of its real property assets are: none.

The description and value of its personal property assets are: none.

The corporation is to be financed under the following general plan:

- a. State school aid payments received pursuant to the State School Aid Act of 1979 or any successor law.
- b. Federal funds.
- c. Donations.
- d. Fees and charges permitted to be charged by public school academies.
- e. Other funds lawfully received.

The corporation is organized on a directorship basis.

ARTICLE IV

The name of the resident agent at the registered office is: Gregory Meihn.

The address of its registered office in Michigan is: 130 East Nine Mile Road, Ferndale, MI 48220.

The mailing address of the registered office in Michigan is the same.

ARTICLE V

The name and address of the incorporator is as follows:

Valerie Chase
177 Holston Drive
Lancaster, CA 93535

ARTICLE VI

The corporation is a governmental entity.

ARTICLE VII

The corporation and its incorporators, board members, officers, employees, and volunteers have governmental immunity as provided in section 7 of Act No. 170 of the Public Acts of 1964, being section 691.1407 of the Michigan Compiled Laws.

ARTICLE VIII

Before execution of a Contract to charter a public school academy between the corporation and Central Michigan University Board of Trustees (the "University Board"), the method of selection, length of term, and the number of members of the Board of Directors of the corporation shall be approved by a resolution of the University Board as required by the Code.

ARTICLE IX

The Board of Directors shall have all the powers and duties permitted by law to manage the business, property and affairs of the corporation.

ARTICLE X

The officers of the corporation shall be a President, Vice-President, Secretary and a Treasurer, each of whom shall be a member of the Board of Directors and shall be selected by the Board of Directors. The Board of Directors may select one or more assistants to the Secretary or Treasurer, and may also appoint such other agents as it may deem necessary for the transaction of the business of the corporation.

ARTICLE XI

No part of the net earnings of the corporation shall inure to the benefit of or be distributable to its board, directors, officers or other private persons, or organization organized and operated for a profit (except that the corporation shall be authorized and empowered to pay reasonable compensation for services rendered and to make payments and distributions in the furtherance of the purposes set forth in Article II hereof). Notwithstanding any other provision of these Articles, the corporation shall not carry on any other activities not permitted to be carried on by a governmental entity exempt from federal income tax under section 115 of the IRC, or comparable provisions of any successor law.

To the extent permitted by law, upon the dissolution of the corporation, the board shall after paying or making provision for the payment of all of the liabilities of the corporation, dispose of all of the assets of the corporation to the University Board for forwarding to the state school aid fund established under article IX, section 11 of the Constitution of the State of Michigan of 1963, as amended.

ARTICLE XII

These Articles of Incorporation shall not be amended except by the process provided in Article IX of the Terms and Conditions incorporated as part of the Contract. This process is as follows:

The corporation, by a majority vote of its Board of Directors, may, at any time, propose specific changes to these Articles of Incorporation or may propose a meeting to discuss potential revision to these Articles of Incorporation. The proposal will be made to the University Board through its designee. The University Board delegates to The Governor John Engler Center for Charter Schools' ("The Center") Executive Director the review and approval of changes or amendments to these Articles of Incorporation. In the event that a proposed change is not accepted by The Center's Executive Director, the University Board shall consider and vote upon a change proposed by the corporation following an opportunity for a written and oral presentation to the University Board by the corporation.

At any time and for any reason, the University Board or an authorized designee may propose specific changes to these Articles of Incorporation or may propose a meeting to discuss potential revision. The corporation's Board of Directors may delegate to an officer of the corporation the review and negotiation of changes or amendments to these Articles of Incorporation. The Articles of Incorporation shall be amended as requested by the University Board or an authorized designee upon a majority vote of the corporation's Board of Directors.

Amendments to these Articles of Incorporation take effect only after they have been approved by the corporation's Board of Directors and by the University Board or The Center's Executive Director, and the amendments are filed with the Michigan Department of Licensing and Regulatory Affairs, Bureau of Commercial Services. In addition, the corporation shall file with the amendment a copy of the University Board's or The Center's Executive Director's approval of the amendment.

Upon termination or revocation of the Contract, the Academy may amend its articles of incorporation as necessary to allow the Academy Board to: (a) take action to appoint Academy Board members in order to have a quorum necessary to take Academy Board action; or (b) effectuate a dissolution, provided that the Academy Board may not amend the articles of incorporation with regard to the disposition of assets upon dissolution.

ARTICLE XIII

The definitions set forth in the Terms and Conditions incorporated as part of the Contract shall have the same meaning in these Articles of Incorporation.

These Articles of Incorporation are hereby signed by the incorporator on this 19th day of April, 2018. These Articles of Incorporation shall become effective upon filing. However, the corporation shall not carry out the purposes set forth in Article II unless the University Board issues to the corporation a Contract to operate as a public school academy, and the Contract is executed by both the corporation and the University Board.

By: Valerie Chase
Valerie Chase, Incorporator

CONTRACT SCHEDULE 2

AMENDED BYLAWS

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AMENDED BYLAWS
OF
FLEX HIGH SCHOOL OF MICHIGAN

ARTICLE I
NAME

This organization shall be called Flex High School of Michigan (the "Academy" or the "corporation").

ARTICLE II
FORM OF ACADEMY

The Academy is organized as a non-profit, non-stock, directorship corporation.

ARTICLE III
OFFICES

Section 1. Principal Office. The principal office of the Academy shall be located in the state of Michigan.

Section 2. Registered Office. The registered office of the Academy may be the same as the principal office of the Academy, but in any event must be located in the state of Michigan, and be the business office of the resident agent, as required by the Michigan Non-Profit Corporation Act. Changes in the resident agent and registered address of the Academy must be reported to the Michigan Department of Licensing and Regulatory Affairs and to The Governor John Engler Center for Charter Schools (“the Center.”)

ARTICLE IV
BOARD OF DIRECTORS

Section 1. General Powers. The business, property and affairs of the Academy shall be managed by the Academy Board of Directors ("Academy Board"). The Academy Board may exercise any and all of the powers granted to it under the Michigan Non-Profit Corporation Act or pursuant to Part 6A of the Revised School Code ("Code"). The Academy Board may delegate such powers to the officers and committees of the Academy Board as it deems necessary, so long as such delegation is consistent with the Articles, these Amended Bylaws, the Contract and Applicable Law.

Section 2. Method of Selection and Appointment. The Central Michigan University Board of Trustees (“University Board”) shall prescribe the method of appointment for members of an Academy’s Board. The Center Director is authorized to develop and administer an academy board selection and appointment process that includes an *Application for Public School Academy Board Appointment* and is in accord with these policies:

- a. The University Board shall appoint the initial and subsequent Academy Board by resolution, except as prescribed by subparagraph d. The Center Director shall recommend qualified individuals to the University Board.
- b. The Academy Board, by resolution and majority vote, shall nominate its subsequent members, except as provided otherwise. The Academy Board shall recommend to the Center Director at least one nominee for each vacancy. Nominees shall submit the *Application for Public School Academy Board Appointment* for review by the Center. The Center Director may or may not recommend the appointment of a nominee submitted by the Academy Board. If the Center Director does not recommend the appointment of a nominee submitted by the Academy Board, he/she may select and recommend another nominee or may request the Academy Board submit a new nominee for consideration.
- c. An individual appointed to fill a vacancy created other than by the expiration of a term shall be appointed for the unexpired term of that vacant position.
- d. Under exigent conditions, and with the approval of the University Board's chair and the University President, the Center Director may appoint a qualified individual to the Academy Board. All appointments made under this provision must be presented to the University Board for final determination at its next regularly scheduled meeting. The University Board reserves the right to review, rescind, modify, ratify, or approve any appointments made under this provision.

Section 3. Length of Term. A Director of the Academy Board shall serve at the pleasure of the University Board. Terms of the initial positions of the Academy Board shall be staggered in accordance with *The Academy Board of Directors Table of Staggered Terms and Appointments* established and administered by the Center Director. Subsequent appointments shall be for a term of office not to exceed four (4) years, except as prescribed by *The Academy Board of Directors Table of Staggered Terms and Appointments*.

Section 4. Number of Director Positions. The number of director positions on the Academy Board shall not be less than five (5) nor more than nine (9) as determined by the University Board. If the Academy Board fails to maintain its full membership by making appropriate and timely nominations, the Center Director may deem that failure an exigent condition.

Section 5. Qualifications of Academy Board Members. To be qualified to serve on the Academy Board, a person shall, among other things: (a) be a citizen of the United States; (b) be a resident of the State of Michigan; (c) submit all materials requested by the Center including, but not limited to, the *Application for Public School Academy Board Appointment* which must include authorization to process a criminal background check; and (d) annually submit a conflict of interest disclosure as prescribed by the Center.

The members of the Academy Board shall not include (a) employees of the Academy; (b) any director, officer, or employee of a service provider that contracts with the Academy; (c) a Central Michigan University official or employee, as a representative of Central Michigan University.

Section 6. Oath of Public Office. All members of the Academy Board must take the constitutional oath of office and sign the *Oath of Public Office* before beginning their service. The *Oath of Public Office* shall be filed with the Center.

Section 7. Tenure. Each Director shall hold office until the Director's replacement, death, resignation, removal or until the expiration of the term, whichever occurs first.

Section 8. Removal and Suspension. If the University Board determines that the service in office of a Director of the Academy Board is no longer necessary, then the University Board may remove the Academy Board member with or without cause and shall specify the date when the Academy Board member's service ends. The Academy Board member may also be removed from office for cause by a two-thirds (2/3) vote of the Academy's Board.

With the approval of the University Board's chair and the University President, the Center Director may suspend the service of a Director of the Academy Board if, in his/her judgment, the person's continued presence would constitute a risk to persons or property, or would seriously impair the operation of the Academy. Any suspension made under this provision must be presented to the University Board for final determination at its next regularly scheduled meeting. The University Board reserves the right to review, rescind, modify, ratify, or approve any suspensions made under this provision.

Section 9. Resignation. Any Director may resign at any time by providing written notice to the corporation or by communicating such intention (orally or in writing) to the Center. Notice of resignation will be effective upon receipt or at a subsequent time if designated in a written notice. A successor shall be appointed as provided in Section 2 of this Article.

Section 10. Board Vacancies. A Director vacancy shall occur because of death, resignation, removal, failure to maintain residency in the State of Michigan, disqualification or as otherwise specified in the Code. Any vacancy shall be filled as provided in Section 2 of this Article.

Section 11. Compensation. A Director of the Academy Board shall serve as a volunteer Director. By resolution of the Academy Board, the Directors may be reimbursed for their reasonable expenses incident to their duties.

ARTICLE V MEETINGS

Section 1. Annual and Regular Meetings. The Academy Board shall hold an annual meeting each year. The Academy Board must provide, by resolution, the time and place, within the State of Michigan, for the holding of regular monthly meetings. The Academy Board shall provide notice of the annual and all regular meetings as required by the Open Meetings Act.

Section 2. Special Meetings. Special meetings of the Academy Board may be called by or at the request of any Director. The person or persons authorized to call special meetings of the Academy Board may fix the place within the State of Michigan for holding any special meeting of the Academy Board called by them, and, if no other place is fixed, the place of meeting shall be the principal business office of the corporation in the state of Michigan. The corporation shall provide notice of all special meetings as required by the Open Meetings Act.

Section 3. Notice; Waiver. The Academy Board must comply with the notice provisions of the Open Meetings Act. In addition, notice of any meeting shall be given to each Director stating the time and place of the meeting, delivered personally, mailed, or sent by facsimile or electronic mail to the Director's business address. Any Director may waive notice of any meeting by written statement, facsimile or electronic mail sent by the Director, signed before or after the holding of the meeting. The attendance of a Director at a meeting constitutes a waiver of notice of such meeting, except where a Director attends a

meeting for the express purpose of objecting to the transaction of any business because the meeting is not lawfully called or convened.

Section 4. Quorum. In order to legally transact business, the Academy Board shall have a quorum physically present at a duly called meeting of the Academy Board. A “quorum” shall be defined as follows:

| <u># of Academy Board Positions</u> | <u># Required for Quorum</u> |
|-------------------------------------|------------------------------|
| Five (5) | Three (3) |
| Seven (7) | Four (4) |
| Nine (9) | Five (5) |

A Director of the Academy Board who is absent from a meeting of the Academy Board due to military duty may participate in the meeting virtually, and that member’s virtual presence will count towards quorum and allow the absent member to participate in and vote on business before the Academy Board.

Section 5. Manner of Acting. The act of the majority of the Directors present at a meeting at which a quorum is present shall be the act of the Academy Board. No member of the Academy Board may vote by proxy, by way of a telephone conference or any other electronic means of communication.

Section 6. Open Meetings Act. All meetings of the Academy Board shall at all times be in compliance with the Open Meetings Act.

Section 7. Presumption of Assent. A Director of the Academy Board who is present at a meeting of the Academy Board at which action on any corporate matter is taken shall be presumed to have assented to the action taken unless that Director's dissent shall be entered in the minutes of the meeting or unless that Director shall file a written dissent to such action with the person acting as the Secretary of the meeting before the adjournment thereof or shall forward such dissent by registered mail to the Secretary of the corporation immediately after the adjournment of the meeting. This right to dissent shall not apply to a Director who voted in favor of such action.

ARTICLE VI COMMITTEES

Section 1. Committees. The Academy Board, by resolution, may designate one or more committees. Each committee is to consist of one or more Directors selected by the Academy Board. As provided in the resolution as initially adopted, and as thereafter supplemented or amended by further resolution, the committees shall have such powers as delegated by the Academy Board, except (i) filling of vacancies in the officers of the Academy Board or committees created pursuant to this Section; (ii) amending the Articles of Incorporation or Amended Bylaws; or (iii) any action the Academy Board cannot lawfully delegate under the Articles, Amended Bylaws or Applicable Law. All committee meetings shall at all times be in compliance with the Open Meetings Act. Each committee shall fix its own rules governing the conduct of its activities and shall make such reports to the Academy Board of its activities as the Academy Board may request.

ARTICLE VII OFFICERS OF THE BOARD

Section 1. Number. The officers of the Academy Board shall be a President, Vice-President, Secretary, Treasurer, and such assistant Treasurers and assistant Secretaries as may be selected by the Academy Board.

Section 2. Election and Term of Office. The Academy Board shall elect the initial officers at its first duly noticed meeting. Thereafter, the officers of the Academy Board shall be elected annually by the Academy Board. If the election of officers is not held at the annual meeting, the election shall be held as soon thereafter as may be convenient. Each officer shall hold office while qualified or until the officer resigns or is removed in the manner provided in Section 3.

Section 3. Removal. Any officer or agent elected or appointed by the Academy Board may be removed by the Academy Board whenever in its judgment the best interests of the corporation would be served thereby.

Section 4. Vacancies. A vacancy in any office shall be filled by appointment by the Academy Board for the unexpired portion of the term.

Section 5. President. The President of the Academy Board shall be a member of the Academy Board. The President of the corporation shall preside at all meetings of the Academy Board. If there is not a President, or if the President is absent, then the Vice-President shall preside. If the Vice-President is absent, then a temporary chair, chosen by the members of the Academy Board attending the meeting shall preside. The President shall, in general, perform all duties incident to the office of President of the Academy Board as may be prescribed by the Academy Board from time to time.

Section 6. Vice-President. The Vice-President of the Academy Board shall be a member of the Academy Board. In the absence of the President or in the event of the President's death, inability or refusal to act, the Vice-President shall perform the duties of President, and when so acting, shall have all the powers of and be subject to all the restrictions upon the President. The Vice-President shall perform such other duties as from time to time may be assigned to the Vice-President by the President or by the Academy Board.

Section 7. Secretary. The Secretary of the Academy Board shall be a member of the Academy Board. The Secretary shall: (a) keep the minutes of the Academy Board meetings in one or more books provided for that purpose; (b) see that all notices, including those notices required under the Open Meetings Act, are duly given in accordance with the provisions of these Amended Bylaws or as required by law; (c) be custodian of the corporate records and of the seal of the corporation and see that the seal of the corporation is affixed to all authorized documents; (d) keep a register of the post office address of each Director; and (e) perform all duties incident to the office of Secretary and other duties assigned by the President or the Academy Board.

Section 8. Treasurer. The Treasurer of the Academy Board shall be a member of the Academy Board. The Treasurer shall: (a) have charge and custody of and be responsible for all funds and securities of the corporation; (b) keep accurate books and records of corporate receipts and disbursements; (c) deposit all moneys and securities received by the corporation in such banks, trust companies or other depositories as shall be selected by the Academy Board; (d) complete all required corporate filings; (e) assure that the responsibilities of the fiscal agent to the corporation are properly carried out; and (f) in general perform all of the duties incident to the office of Treasurer and such other duties as from time to time may be assigned by the President or by the Academy Board.

Section 9. Assistants and Acting Officers. The Assistants to the officers, if any, selected by the Academy Board, shall perform such duties and have such authority as shall from time to time be delegated or assigned to them by the Secretary or Treasurer or by the Academy Board. The Academy Board shall have the power to appoint any member of the Academy Board to perform the duties of an officer whenever, for any reason, it is impractical for such officer to act personally. Such acting officer so appointed shall have the powers of and be subject to all the restrictions upon the officer to whose office the acting officer is so appointed except as the Academy Board may by resolution otherwise determine.

Section 10. Salaries. Officers of the Academy Board, as Directors of the corporation, may not be compensated for their services. By resolution of the Academy Board, officers may be reimbursed for reasonable expenses incident to their duties.

Section 11. Filling More Than One Office. Subject to the statute concerning the Incompatible Public Offices, Act No. 566 of the Public Acts of 1978, being Sections 15.181 to 15.185 of the Michigan Compiled Laws, any two offices of the corporation except those of President and Vice-President may be held by the same person, but no officer shall execute, acknowledge or verify any instrument in more than one capacity.

ARTICLE VIII CONTRACTS, LOANS, CHECKS AND DEPOSITS; SPECIAL CORPORATE ACTS

Section 1. Contracts. The Academy Board may authorize any officer or officers, agent or agents, to enter into any contract, to execute and deliver any instrument, or to acknowledge any instrument required by law to be acknowledged in the name of and on behalf of the corporation. Such authority may be general or confined to specific instances, but the appointment of any person other than an officer to acknowledge an instrument required by law to be acknowledged should be made by instrument in writing. When the Academy Board authorizes the execution of a contract or of any other instrument in the name of and on behalf of the corporation, without specifying the executing officers, the President or Vice-President, and the Secretary or Treasurer may execute the same and may affix the corporate seal thereto. No contract entered into, by or on behalf of the Academy Board, shall in any way bind Central Michigan University or impose any liability on Central Michigan University, its trustees, officers, employees or agents.

Section 2. Loans. No loans shall be contracted on behalf of the Academy and no evidences of indebtedness shall be issued in its name unless authorized by a prior resolution of the Academy Board. Such authority shall be confined to specific instances. No loan, advance, overdraft or withdrawal by an officer or Director of the corporation, shall be made or permitted unless approved by the Academy Board. No loan entered into, by or on behalf of the Academy Board, shall in any way be considered a debt or obligation of Central Michigan University or impose any liability on Central Michigan University, its trustees, officers, employees or agents.

Section 3. Checks, Drafts, etc. All checks, drafts or other orders for the payment of money, notes or other evidences of indebtedness issued in the name of the Academy, shall be signed by Academy Board members or Academy Board employees, which shall not include employees of the Academy Board's Educational Service Provider, and in such manner as shall from time to time be determined by resolution of the Academy Board.

Section 4. Deposits. All funds of the Academy shall be deposited from time to time to the credit of the corporation in such banks, trust companies or other depositories as the Academy Board may

select, provided that such financial institution is eligible to be a depository of surplus funds under Section 1221 of the Revised School Code, being Section 380.1221 of the Michigan Compiled Laws.

Section 5. Voting of Gifted, Bequested or Transferred Securities Owned by this Corporation. Subject always to the specific directions of the Academy Board, any shares or other securities issued by any other corporation and owned or controlled by this corporation may be voted at any meeting of security holders of such other corporation by the President of this corporation or by proxy appointed by the President, or in the absence of the President and the President's proxy, by the Secretary or Treasurer of this corporation or by proxy appointed by the Secretary or Treasurer. Such proxy or consent in respect to any shares or other securities issued by any other corporation and owned by this corporation shall be executed in the name of this corporation by the President, the Secretary or the Treasurer of this corporation without necessity of any authorization by the Academy Board, affixation of corporate seal or countersignature or attestation by another officer. Any person or persons designated in the manner above stated as the proxy or proxies of this corporation shall have full right, power and authority to vote the shares or other securities issued by such other corporation and owned by this corporation the same as such shares or other securities might be voted by this corporation. This section shall in no way be interpreted to permit the corporation to invest any of its surplus funds in any shares or other securities issued by any other corporation. This section is intended to apply, however, to all gifts, bequests or other transfers of shares or other securities issued by any other corporation which are received by the corporation.

Section 6. Contracts Between Corporation and Related Persons. As required by Applicable Law, any Director, officer or employee of the Academy, who enters into a contract with the Academy, that meets the definition of contract under the statute on Contracts of Public Servants with Public Entities, Act No. 317 of the Public Acts of 1968, being sections 15.321 to 15.330 of the Michigan Compiled Laws, shall comply with the public disclosure requirements set forth in Section 3 of the statute.

The University Board authorizes the Academy Board to employ or contract for personnel according to the position information outlined in Schedule 5. However, the Academy Board shall prohibit any individual from being employed by the Academy, an Educational Service Provider or an employee leasing company involved in the operation of the Academy, in more than one (1) full-time position and simultaneously being compensated at a full-time rate for each of these positions. An employee hired by the Academy Board shall be an employee of the Academy for all purposes and not an employee of the University for any purpose. With respect to Academy Board employees, the Academy shall have the power and responsibility to (i) select and engage employees; (ii) pay their wages, benefits, and applicable taxes; (iii) dismiss employees; and (iv) control the employees' conduct, including the method by which the employee carries out his or her work. The Academy Board shall be responsible for carrying workers' compensation insurance and unemployment insurance for its employees. The Academy Board may contract with an Educational Service Provider or an employee leasing company to provide services or to provide personnel to perform services or work at the Academy. Before entering into an agreement with an Educational Service Provider or an employee leasing company to perform services or to provide personnel to perform services or work at the Academy, the Academy Board must first comply with the Educational Service Provider Policies issued by the Center. A copy of the agreement between the Academy Board and the Educational Service Provider or employee leasing company shall be included as part of Schedule 5.

The Academy shall comply with the Incompatible Public Offices statute, Act No. 566 of the Public Acts of 1978, of the Michigan Compiled Laws, and the Contracts of Public Servants With Public Entities statute, Act No. 371 of the Public Acts of 1968, of the Michigan Compiled Laws. The Academy Board shall ensure compliance with Applicable Law relating to conflicts of interest. Language in this Section controls over section 1203 of the Code. The following shall be deemed prohibited conflicts of interest:

- (a) An individual simultaneously serving as an Academy Board member and an owner, officer, director, employee or consultant of an Educational Service Provider or an employee leasing company, or a subcontractor to an Educational Service Provider or an employee leasing company that has an ESP Agreement with the Academy;
- (b) An individual simultaneously serving as an Academy Board member and an Academy Board employee;
- (c) An individual simultaneously serving as an Academy Board member and an independent contractor to the Academy;
- (d) An individual simultaneously serving as an Academy Board member and a member of the governing board of another public school;
- (e) An individual simultaneously serving as an Academy Board member and a University official, employee, or paid consultant, as a representative of the University; and
- (f) An individual simultaneously serving as an Academy Board member and having an ownership or financial interest in any real or personal property leased or subleased to the Academy.

No person shall be appointed or reappointed to serve as an Academy Board member if the person's mother, mother-in-law, father, father-in-law, son, son-in-law, daughter, daughter-in-law, sister, sister-in-law, brother, brother-in-law, spouse or domestic partner:

- (a) Is employed by the Academy Board;
- (b) Works at or is assigned to work at the Academy;
- (c) Has an ownership, officer, policymaking, managerial, administrative non-clerical or other significant role with the Academy's Educational Service Provider or employee leasing company; and
- (d) Has an ownership or financial interest in any school building lease or sublease agreement with the Academy.

The Academy Board shall require each individual who works at the Academy to annually disclose any familial relationship with any other individual who works at, or provides services to, the Academy. For purposes of this sub-section, familial relationship means a person's mother, mother-in-law, father, father-in-law, son, son-in-law, daughter, daughter-in-law, sister, sister-in-law, brother, brother-in-law, spouse or domestic partner.

ARTICLE IX INDEMNIFICATION

To the extent permitted by Applicable Law, each person who is or was a Director, officer or member of a committee of the Academy and each person who serves or has served at the request of the Academy as a trustee, director, officer, partner, employee or agent of any other corporation, partnership, joint venture, trust or other enterprise, may be indemnified by the Academy. The corporation may purchase

and maintain insurance on behalf of any such person against any liability asserted against and incurred by such person in any such capacity or arising out of his status as such, whether or not the corporation would have power to indemnify such person against such liability under the preceding sentence. The corporation may, to the extent authorized from time to time by the Academy Board, grant rights to indemnification to any employee or agent of the corporation.

ARTICLE X FISCAL YEAR

The fiscal year of the corporation shall begin on the first day of July in each year.

ARTICLE XI AMENDMENTS

These Amended Bylaws may be altered, amended or repealed and new Amended Bylaws may be adopted by obtaining (a) the affirmative vote of a majority of the Academy Board at any regular or special meeting of the Academy Board, if a notice setting forth the terms of the proposal has been given in accordance with the notice requirements of these Amended Bylaws and applicable law, and (b) the written approval of the changes or amendments by the Center Director. In the event that a proposed change is not accepted by the Center Director, the University Board may consider and vote upon a change proposed by the corporation following an opportunity for a written presentation to the University Board by the Academy Board. These Amended Bylaws and any amendments to them take effect only after they have been approved by both the Academy Board and by the Center Director.

Upon termination or revocation of the Contract, the corporation may amend its Amended Bylaws as necessary to allow the Academy Board to: (a) take action to appoint Academy Board members in order to have a quorum necessary to take Academy Board action; or (b) effectuate a dissolution, provided that the Academy Board may not amend the Amended Bylaws with regard to the disposition of assets upon dissolution.

ARTICLE XII TERMS AND CONDITIONS DEFINITIONS

The definitions set forth in the Terms and Conditions incorporated as part of the Contract shall have the same meaning in these Amended Bylaws.

CERTIFICATION

The Board certifies that these Amended Bylaws were adopted as and for the Bylaws of a Michigan corporation in an open and public meeting, by the Academy Board on the 13 day of June, 2023.



Academy Board Secretary/President

CONTRACT SCHEDULE 3
FISCAL AGENT AGREEMENT

SCHEDULE 3

FISCAL AGENT AGREEMENT

This Fiscal Agent Agreement is part of the Contract issued by the Central Michigan University Board of Trustees ("University Board"), an authorizing body as defined by the Revised School Code, as amended (the "Code"), to Flex High School of Michigan ("Academy"), a public school academy.

Preliminary Recitals

WHEREAS, pursuant to the Code and the Contract, the University Board, as authorizing body, is the Fiscal Agent for the Academy, and

WHEREAS, the University Board is required by law to forward any State School Aid Payments received from the State of Michigan ("State") on behalf of the Academy to the Academy,

NOW, THEREFORE, in consideration of the premises set forth below, the parties agree to the following:

ARTICLE I **DEFINITIONS AND INTERPRETATIONS**

Section 1.1. Definitions. Unless otherwise provided, or unless the context requires otherwise, the following terms shall have the following definitions:

"Academy Account" means an account established by the Academy Board for the receipt of State School Aid Payments at a bank, savings and loan association, or credit union which has not been deemed ineligible to be a depository of surplus funds under Section 6 Act No. 105 of the Public Acts of 1855, being Section 21.146 of the Michigan Compiled Laws.

"Agreement" means this Fiscal Agent Agreement.

"Fiscal Agent" means the University Board or an officer or employee of Central Michigan University as designated by the University Board.

"Other Funds" means any other public or private funds which the Academy receives and for which the University Board voluntarily agrees to receive and transfer to the Academy.

"State School Aid Payment" means any payment of money the Academy receives from the State School Aid Fund established pursuant to Article IX, Section 11 of the Michigan Constitution of 1963 or under the State School Aid Act of 1979, as amended.

"State" means the State of Michigan.

"State Treasurer" means the office responsible for issuing funds to public school academies for State School Aid Payments pursuant to the State School Aid Act of 1979, as amended.

ARTICLE II
FISCAL AGENT DUTIES

Section 2.1. Receipt of State School Aid Payments and Other Funds. The University Board is the Fiscal Agent for the Academy for the limited purpose of receiving State School Aid Payments. By separate agreement, the University Board and the Academy may also agree that the University will receive Other Funds for transfer to the Academy. The Fiscal Agent will receive State School Aid Payments from the State, as provided in Section 3.2.

Section 2.2. Transfer to Academy. Except as provided in Article X of the Terms and Conditions of Contract and in the Oversight, Compliance and Reporting Agreement, the Fiscal Agent shall transfer all State School Aid Payments and all Other Funds received on behalf of the Academy to the Academy within ten (10) business days of receipt or as otherwise required by the provisions of the State School Aid Act of 1979 or applicable State Board rules. The State School Aid Payments and all Other Funds shall be transferred into the Academy Account designated by a resolution of the Academy Board and by a method of transfer acceptable to the Fiscal Agent.

Section 2.3. Limitation of Duties. The Fiscal Agent has no responsibilities or duties to verify the Academy's pupil membership count, as defined in the State School Aid Act of 1979, as amended, or to authorize, to approve or to determine the accuracy of the State Aid School Payments received on behalf of the Academy from the State Treasurer. The duties of the Fiscal Agent are limited to the receipt and transfer to the Academy of State School Aid Payments and Other Funds received by the Academy. The Fiscal Agent shall have no duty to monitor, account for or approve expenditures made by the Academy Board.

Section 2.4. Academy Board Requests for Direct Intercept of State School Aid Payments. If the Academy Board (i) authorizes a direct intercept of a portion of its State School Aid Payments from the State to a third party account for the payment of Academy debts and liabilities; or (ii) assigns or directs that a portion of its State School Aid Payments be forwarded by the Fiscal Agent to a third party account for the payment of Academy debts and liabilities, then Academy shall submit to The Governor John Engler Center for Charter Schools at Central Michigan University for review and consideration: (i) a copy of the Academy Board's resolution authorizing the direct intercept or the assignment or direction of State School Aid Payments; (ii) a State School Aid Payment Agreement and Direction document that is in a form and manner acceptable to the Fiscal Agent; and (iii) other documents as required. The Center reserves the right to not acknowledge in writing any State School Aid Payment Agreement and Direction that is not in a form and manner acceptable to the Fiscal Agent. The State School Aid Payment and Direction document shall include language that the third party lender or trustee acknowledges and consents to the transfer of State School Aid Payments into the Academy's dissolution account, as set forth in Article X of the Terms and Conditions. Any unspent funds remaining in the Academy dissolution account after payment of all wind-up and dissolution expenses shall be returned to the Academy.

ARTICLE III
STATE DUTIES

Section 3.1 Eligibility for State School Aid Payments. The State, through its Department of Education, has sole responsibility for determining the eligibility of the Academy to receive State School Aid Payments. The State, through its Department of Education, has sole responsibility for determining the amount of State School Aid Payments, if any, the Academy shall be entitled to receive.

Section 3.2. State School Aid Payment Overpayments and Penalties. The State, through its Department of Education, has sole responsibility for determining State School Aid Payment overpayments to the Academy and the method and time period for repayment by the Academy. The State, through its Department of Education, has sole responsibility for assessing State School Aid penalties against the Academy for noncompliance with the Code and the State School Aid Act of 1979, as amended.

Section 3.3. Method of Payment. Each State School Aid Payment for the Academy will be made to the Fiscal Agent by the State Treasurer by issuing a warrant and delivering the warrant to the Fiscal Agent by electronic funds transfer into an account specified by the Fiscal Agent, or by such other means deemed acceptable to the Fiscal Agent. The State shall make State School Aid Payments at the times specified in the State School Aid Act of 1979, as amended.

ARTICLE IV **ACADEMY DUTIES**

Section 4.1. Compliance with State School Aid Act. In order to assure that funds are available for the education of pupils, the Academy shall comply with all applicable provisions of the State School Aid Act of 1979, as amended.

Section 4.2. Academy Account. The Academy is authorized to establish an account in the name of the Academy. Signatories to the Academy Account shall be current Academy Board members and/or Academy Board employees, which shall not include employees of the Academy Board's Educational Service Provider, as shall from time to time be determined by resolution of the Academy Board. The Academy Board is authorized to approve withdrawals and transfers from any Academy Account. Any authorization approved by the Academy Board for automatic withdrawals or transfers from an Academy Account may only be terminated or amended by the Academy Board.

Section 4.3. Expenditure of Funds. The Academy may expend funds that it receives from the State School Aid Fund for any purpose permitted by the State School Aid Act of 1979 and may enter into contracts and agreements determined by the Academy as consistent with the purposes for which the funds were appropriated.

Section 4.4. Mid-Year Transfers. Funding for students transferring into or out of the Academy during the school year shall be in accordance with the State School Aid Act of 1979 or applicable State Board rules.

Section 4.5. Repayment of Overpayment. The Academy shall be directly responsible for reimbursing the State for any overpayment of State School Aid Payments or any State School Aid penalties. At its option, the State may reduce subsequent State School Aid Payments by the amount of the overpayment or penalty or seek collection of the overpayment or penalty from the Academy.

ARTICLE V **RECORDS AND REPORTS**

Section 5.1. Records. The Fiscal Agent shall keep books of record and account of all transactions relating to the receipts, disbursements, allocations and application of the State School Aid Payments and Other Funds received, deposited or transferred for the benefit of the Academy, and these books shall be available for inspection at reasonable hours and under reasonable conditions by the Academy and the State.

Section 5.2. Reports. Annually, the Fiscal Agent shall prepare and send to the Academy within thirty (30) days of September 1, a written report dated as of August 31. This report shall summarize all receipts, deposits and transfers made on behalf or for the benefit of the Academy during the period beginning on the latter of the date hereof or the date of the last such written report and ending on the date of the report, including without limitation, State School Aid Payments received on behalf of the Academy from the State Treasurer and any Other Funds which the University Board receives under this Agreement.

ARTICLE VI

CONCERNING THE FISCAL AGENT

Section 6.1. Representations. The Fiscal Agent represents that it has all necessary power and authority to enter into this Agreement and undertake the obligations and responsibilities imposed upon it in this Agreement and that it will carry out all of its obligations under this Agreement.

Section 6.2. Limitation on Liability. The liability of the Fiscal Agent to transfer funds to the Academy shall be limited to the amount of State School Aid Payments as are from time to time delivered by the State and the amount of Other Funds as delivered by the source of those funds.

The Fiscal Agent shall not be liable for any action taken or neglected to be taken by it in good faith in any exercise of reasonable care and believed by it to be within the discretion or power conferred upon it by this Agreement, nor shall the Fiscal Agent be responsible for the consequences of any error of judgment; and the Fiscal Agent shall not be answerable except for its own action, neglect or default, nor for any loss unless the same shall have been through its gross negligence or willful default.

The Fiscal Agent shall not be liable for any deficiency in the State School Aid Payments received from the State Treasurer to which the Academy was properly entitled. The Fiscal Agent shall not be liable for any State School Aid overpayments made by the State Treasurer to the Academy for which the State subsequently seeks reimbursement.

ACKNOWLEDGMENT OF RECEIPT

The undersigned, on behalf of the State of Michigan, Department of Treasury, acknowledges receipt of the foregoing Fiscal Agent Agreement that is part of the Contract issued by the Central Michigan University Board of Trustees to Flex High School of Michigan.

BY: Alyson Hayden
Alyson Hayden, Director
Bureau of State and Authority Finance
Michigan Department of Treasury

Date: February 14, 2023

CONTRACT SCHEDULE 4
OVERSIGHT, COMPLIANCE
AND REPORTING AGREEMENT

SCHEDULE 4

OVERSIGHT, COMPLIANCE AND REPORTING AGREEMENT

This Oversight, Compliance, and Reporting Agreement is part of the Contract issued by the Central Michigan University Board of Trustees ("University Board"), an authorizing body as defined by the Revised School Code, as amended (the "Code"), to Flex High School of Michigan ("Academy"), a public school academy.

Preliminary Recitals

WHEREAS, the University Board, subject to the leadership and general supervision of the State Board of Education over all public education, is responsible for overseeing the Academy's compliance with the Contract and all Applicable Law.

NOW, THEREFORE, in consideration of the premises set forth below, the parties agree to the following:

ARTICLE I **DEFINITIONS AND INTERPRETATIONS**

Section 1.1. Definitions. Unless otherwise provided, or unless the context requires otherwise, the following terms shall have the following definitions:

"Agreement" means this Oversight, Compliance and Reporting Agreement.

"Oversight Responsibilities" means the University Board's oversight responsibilities set forth in Section 2.1 of this Agreement.

"Compliance and Reporting Duties" means the Academy's duties set forth in Section 2.2 of this Agreement.

"State School Aid Payment" means any payment of money the Academy receives from the state school aid fund established pursuant to Article IX, Section 11 of the Michigan Constitution of 1963 or under the State School Aid Act of 1979, as amended.

ARTICLE II **OVERSIGHT, COMPLIANCE AND REPORTING RESPONSIBILITIES**

Section 2.1. Oversight Responsibilities. The Governor John Engler Center for Charter Schools ("the Center") at Central Michigan University, as it deems necessary to fulfill the University Board's Oversight Responsibilities, may undertake the following:

- a. Monitor and evaluate if the Academy Board is properly governing the Academy and following the Amended Bylaws set forth in the Contract.
- b. Monitor and evaluate the Academy's academic performance and progress toward achieving the educational goal and related measures set forth in Contract Schedule 7b.

- c. Monitor and evaluate the Academy's implementation, delivery, and support of the educational program and curriculum as set forth in Contract Schedules 7c and 7d, respectively.
- d. Monitor and evaluate the Academy's application and enrollment procedures as set forth in Contract Schedule 7f.
- e. Monitor and evaluate the Academy's organizational and financial viability.
- f. Monitor and evaluate the Academy's fiscal stewardship and use of public resources.
- g. Monitor and evaluate the records, internal controls or operations of the Academy.
- h. Monitor and evaluate if the Academy is staffed with qualified personnel and that appropriate background checks have been conducted.
- i. Monitor and evaluate if the Academy is providing a safe learning environment.
- j. Request evidence that the Academy has obtained the necessary permits and certificates to operate as a public school from the applicable governmental agencies, including, without limitation, the Michigan Department of Licensing and Regulatory Affairs' Bureau of Construction Codes and local health departments.
- k. Conduct comprehensive on-site reviews to assess and/or evaluate the Academy's performance.
- l. Monitor and evaluate if the Academy is demonstrating good faith in complying with the Contract, the Revised School Code, and all other Applicable Law.
- m. Request periodic reports from the Academy regarding any aspect of its operation including, but not limited to, information identified in Schedule 8 of the Contract.
- n. Initiate action pursuant to the Terms and Conditions of Contract to amend, revoke, reconstitute, terminate or suspend the Contract.
- o. Provide information and support to the Academy.

Section 2.2. Compliance and Reporting Duties. The Academy agrees to fulfill the following Compliance and Reporting Duties:

- a. Adopt and properly maintain governing board policies in accordance with Applicable Law.
- b. Comply with the reporting and document submission requirements set forth in the Master Calendar of Reporting Requirements issued annually by the Center.
- c. Comply with any Academy-specific reporting and document submission requirements established by the Center.
- d. Comply with the insurance requirements set forth in Article XI, Section 11.2 of the Terms and Conditions of Contract.

- e. Comply with the Center’s Educational Service Provider Policies, as may be amended.
- f. Report any litigation or formal proceedings to the Center including, but not limited to, litigation initiated by or against the Academy alleging violation of any Applicable Law. If the University is a named party, notify the general counsel for the University Board as set forth in Article XII, Section 12.1 of the Terms and Conditions.
- g. The Academy shall not occupy or use any school facility set forth in Schedule 6 of the Contract until such facility has received all fire, health and safety approvals required by Applicable Law and has been approved for occupancy by the Michigan Department of Licensing and Regulatory Affairs’ Bureau of Construction Codes.
- h. Permit the Center to inspect the records, internal controls, operations or premises of the Academy at any reasonable time.
- i. Authorize the Center to perform audit and conduct systematic investigations, including research development, testing and evaluation studies, designed to develop and contribute to generalizable knowledge using Academy data including, but not limited to, personally identifiable information about the Academy’s students and staff submitted by the Academy to agencies including, but not limited to, Center for Educational Performance and Information (“CEPI”), Office of Educational Assessment and Accountability (“OEAA”) and the Michigan Department of Education (“MDE”). Pursuant to this authorization, the Center shall abide by the regulations that govern the use of student data within the Family Educational Rights and Privacy Act (FERPA - 34 CFR Part 99), the Michigan Identity Theft Protection Act of 2004, and the Privacy Act of 1974.
- j. Upon request, the Academy Board shall provide the Center with a written report, along with supporting data, assessing the Academy’s progress toward achieving the educational goal and related measures outlined in Contract Schedule 7b.
- k. Upon request, provide the Center with copies or view access to data, documents or information submitted to MDE, the Superintendent of Public Instruction, the State Board of Education, CEPI or any other state or federal agency.
- l. If the Academy operates an online or other distance learning program, it shall submit a monthly report to the MDE, in the form and manner prescribed by the MDE, that reports the number of pupils enrolled in the online or other distance learning program, during the immediately preceding month.

Section 2.3. Waiver of Compliance and Reporting Duties. The University Board, or the Center Director as its authorized designee, may modify or waive any of the Academy’s Compliance and Reporting Duties.

ARTICLE III **RECORDS AND REPORTS**

Section 3.1. Records. The Academy will keep complete and accurate records and reports of its governance and operations. These records and reports shall be available for inspection by the Center at reasonable hours and under reasonable conditions.

ARTICLE IV
MISCELLANEOUS

Section 4.1. Administrative Fee. The Academy agrees to pay to the University Board an administrative fee of 3% of the Academy's State School Aid Payments. This fee shall be retained by the University Board from each State School Aid Payment received for forwarding to the Academy. This fee shall compensate the University Board for overseeing the Academy's compliance with the Contract and all Applicable Law and other related activities for which compensation is permissible. By agreement between the Center and the Academy, the University may charge additional fees beyond the administrative fees for services rendered.

Section 4.2. Time of the Essence. Time shall be of the essence in the performance of obligations from time to time imposed upon the Academy and the University Board by this Agreement.

Section 4.3. Audit and Evaluation. The Academy:

- a. Hereby authorizes the Center to perform audit and evaluation studies using Academy data including, but not limited to, personally identifiable information about the Academy's students and staff submitted by the Academy to agencies including, but not limited to, CEPI, OEAA and the MDE. Pursuant to this authorization, the Center shall abide by regulations that govern the use of student data within the FERPA, the Michigan Identity Theft Protection Act of 2004 and the Privacy Act of 1974.
- b. Shall upon request, provide the Center with copies or view access to data, documents or information submitted to the MDE, the Superintendent of Public Instruction, the State Board of Education, CEPI, the Michigan DataHub or any other state or federal agency.

Section 4.4. Fiscal Stress Notification from State Treasurer. If the State Treasurer notifies the Academy that the State Treasurer has declared the potential for Academy financial stress exists, the Academy shall provide a copy of the notice to the Center. Within fifteen (15) days of receipt of the notification from the Academy, the Center Director shall notify the Academy whether the Center is interested in entering into a contract to perform an administrative review for the Academy. The parties shall consult with the Department of Treasury on the development of the contract and the contract for administrative review shall comply with the Code. If the Center is not interested in performing an administrative review or if the parties are unable to reach agreement on an administrative review, the Academy shall consider entering into a contract for an administrative review with an intermediate school district. Nothing in this Section 4.4 shall prohibit the Academy for electing to enter into a contract for an administrative review with an intermediate school district. Nothing in this Section 4.4 shall require the Academy to elect to enter or not enter into a contract for an administrative review with the Center or an intermediate school district.

CONTRACT SCHEDULE 5

DESCRIPTION OF STAFF RESPONSIBILITIES

DESCRIPTION OF STAFF RESPONSIBILITIES

Pursuant to Applicable Law and the Terms and Conditions of this Contract, including Article III, Section 3.6., the Academy is authorized to employ or contract for personnel according to the position information outlined in this schedule. Before entering into an agreement with an Educational Service Provider, as defined in the Terms and Conditions of this Contract, to provide comprehensive educational, administrative, management or instructional services or staff to the Academy, the Academy Board must first comply with the Educational Service Provider Policies adopted by the Center.

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|--|-----|
| Qualifications | 5-1 |
| Administrator and Teacher Evaluation Systems | 5-1 |
| Performance Evaluation System | 5-1 |
| Teacher and Administrator Job Performance Criteria | 5-1 |
| Reporting Structure | 5-1 |
| Position Responsibilities | 5-1 |
| School Administrator(s) | 5-1 |
| Instructional Staff | 5-2 |
| Non-Instructional Staff | 5-2 |
| Educational Service Provider Agreement | 5-3 |

Qualifications. The Academy shall comply with all Applicable Law regarding requirements affecting personnel employed by or assigned to the Academy including (but not limited to): qualifications, evaluation systems, criminal background checks and unprofessional conduct disclosures. All administrators or other person whose primary responsibility is administering instructional programs or as a chief business official shall meet the certification and continuing education requirements as described in MCL 380.1246. Except as otherwise provided by law, the Academy shall use certificated teachers according to state board rule.

Administrator and Teacher Evaluation Systems. The Academy Board shall adopt and implement for all teachers and school administrators a rigorous, transparent, and fair performance evaluation system that complies with the Code. If the Academy enters into an agreement with an Educational Service Provider, then the Academy Board shall ensure that the Educational Service Provider adopts a performance evaluation system that complies with MCL 380.1249.

Performance Evaluation System. During the term of this Contract, the Academy shall not assign a pupil to be taught in the same subject area for 2 consecutive years by a teacher who has been rated as ineffective on his or her 2 most recent annual year-end evaluations per the Code. If the Academy is unable to comply with this provision of the Code and plans to assign a pupil to be taught in the same subject area for 2 consecutive years by a teacher who has been rated as ineffective on his or her 2 most recent annual year-end evaluations per the Code, the Academy Board shall notify the pupil's parent or legal guardian that the pupil has been assigned to be taught in the same subject area for a second consecutive year by a teacher who has been rated as ineffective on his or her 2 most recent annual year-end evaluations. The notification shall be in writing, shall be delivered to the parent or legal guardian not later than July 15th immediately preceding the beginning of the school year for which the pupil is assigned to the teacher, and shall include an explanation of why the pupil is assigned to the teacher. MCL 380.1249a.

Teacher and Administrator Job Performance Criteria. The Academy Board shall implement and maintain a method of compensation for its teachers and school administrators that includes job performance and job accomplishments as a significant factor in determining compensation and additional compensation. The assessment of job performance shall incorporate a rigorous, transparent, and fair evaluation system that evaluates a teacher's or school administrator's performance at least in part based upon data on student growth as measured by assessments and other objective criteria. If the Academy enters into an agreement with an Educational Service Provider, then the Academy Board shall ensure that the Educational Service Provider complies with this section. MCL 380.1250.

Reporting Structure

All positions are employed by U.S. Learning Corporation and are outlined in the Educational Service Provider Agreement included in this Schedule.

Position Responsibilities

Following are the categories into which Academy staff fall. Descriptions for all positions employed by or assigned to the Academy are available at the Academy.

School Administrator(s)

As stated above, all administrators or other person whose primary responsibility is administering instructional programs or as a chief business official shall meet the certification and continuing education requirements as described in MCL 380.1246. In addition to the position titles identified in MCL 380.1246, the Michigan Department of Education ("MDE") will deem an administrator working

at a district or school level to be “administering instructional programs” if the person’s position description or day-to-day duties include any or all of the following elements *:

1. Responsibility for curriculum. This includes final or executive decisions which directly impact what should be taught to students and how it should be delivered, as well as what learning outcomes are expected, often following a philosophy of research, best practices, and continuous improvement providing equitable access to all students.
2. Responsibility for overseeing district or school improvement plan design or implementation. This includes a vision and a method for execution of plans regarding incorporating student assessment, using student performance and school safety data to drive decision-making, the use of information technology to support improvement, professional development, and overall student achievement.
3. Oversight of instructional policies. This includes the creation, modification, and recommendation of final policy regarding any aspect of how teachers implement, deliver, and support curriculum. Whether or not making specific financial decisions in support of these policies is part of the oversight role, this person still has final decision-making responsibility for instruction.
4. Executive-level reporting on academic progress to a governing authority. This includes providing updates, documentation, data, or presentations in an official or executive capacity to a governing body regarding progress on student learning goals—whether or not these reports are tied to expenditures related to the successful delivery of the instruction.
5. Supervision and evaluation of direct reports responsible for instruction. This includes providing executive leadership for employees who report to the individual, and providing direction to establish work priorities and decision-making. This involves evaluation of educator efficacy as well as general work performance of staff.

(*This statement and numbered items that follow it were taken directly from the February 23, 2017, Memorandum issued by the MDE.)

Instructional Staff

As stated above, except as otherwise provided by law, the Academy shall use certificated teachers according to state board rule. Individuals that are considered instructional staff are responsible for implementing the Academy’s curriculum, developing assessments and monitoring student progress. Instructional staff whose main responsibility is working with students with disabilities must modify instructional techniques in order to enhance learning for all students.

Non-Instructional Staff

The staff that fall into this category are not required to hold an administrator certificate or a teaching certificate. The individuals in this category support the Academy’s pursuit of its mission, vision, and educational goals.

SERVICES AGREEMENT

This Services Agreement (this "Agreement") by and between Flex High School of Michigan (the "Board") and U.S. Learning Corporation (USLC) is effective the 1st day of July, 2023 (the "Effective Date"). The Board and USLC are sometimes collectively referred to herein as the "Parties".

RECITALS

WHEREAS, the Board was issued a Charter Contract by the Central Michigan University Board of Trustees (the "Authorizer") to operate a public school academy pursuant to Part 6a of the Michigan Revised School Code (the "Authorizing Law"); and

WHEREAS, the Parties desire to work together to promote educational excellence and innovation based on USLC's comprehensive educational program and management principles; and

WHEREAS, the Parties desire to set forth the terms and conditions upon which USLC shall furnish services, as described herein, to the Board.

NOW, THEREFORE, for good and valuable consideration, including the mutual promises and benefits contained in this Agreement, the receipt and sufficiency of which are hereby acknowledged, the Parties agree as follows:

ARTICLE I

CONTRACTING RELATIONSHIP

A. Services. Subject to the terms and conditions of this Agreement, and as permitted by applicable law, the Board hereby contracts with USLC for the provision of certain personnel, educational, business administration, facility, and management services, including without limitation, all labor, equipment, and materials necessary for the provision of the same, as described more fully herein (collectively, the "Services").

B. Charter. This Agreement shall: (i) be subject to and comply with the terms and conditions of the Charter Contract and the Charter Application (collectively, the "Charter"); and (ii) not be construed to interfere with the constitutional, statutory, or fiduciary duties of the Board of Directors (the "Board"). USLC agrees to perform its duties and responsibilities under this Agreement in a manner that is consistent with the Board's obligations under the Charter issued by the Authorizer. The provisions of the Charter shall supersede any competing or conflicting provisions contained in this Agreement.

C. Independent Contractor. USLC shall provide the Services as an independent contractor, and not as an employee, partner, agent, or associate of the Board. This independent contractor relationship shall extend to the officers, directors, employees, and representatives of USLC. Consistent with the status of an independent contractor, USLC reserves to itself the right to designate the means and methods of accomplishing the objectives and purposes of this Agreement consistent with Board policy, applicable law and the Charter. USLC shall be solely responsible for its acts and the acts of its agents, employees and subcontractors. The relationship

between the Parties is based solely on the terms and conditions of this Agreement, and the terms and conditions of any other written agreement between the Parties.

D. Designations and Appointments.

1. The Board shall by Board resolution appoint the Board Treasurer, or such other officer as determined by the Board, to serve as the chief administrative officer of the school (the "CAO") under the Uniform Budgeting and Accounting Act, MCL 141.421 et seq. (the "Budgeting and Accounting Act") Notwithstanding any other provision of the Agreement to the contrary, the Board resolution shall designate USLC such officer or employee as is mutually agreed upon by USLC and the Board, as the designated agent of the CAO to assist the CAO with the performance of the CAO's duties under the Budgeting and Accounting Act.

2. USLC, including its directors, officers, and employees are hereby designated as "School Officials" for purposes of the Family Educational Right and Privacy Act, and its implementing regulations, 20 U.S.C. §1232g et seq. (FERPA); 34 CFR § 99.31(a)(1)(i)(B). Additionally:

(a) USLC agrees that it shall observe Board policies and applicable law regarding the confidentiality of Covered Data and Information. Covered Data and Information ("CDI") includes paper and electronic student education record information and includes, without limitation, "education records" as defined under FERPA, 34 CFR § 99.1. CDI also includes any new records created and maintained by USLC under this Agreement using CDI.

(b) USLC shall not use or disclose CDI received from or on behalf of the Board except as permitted or required by this Agreement and/or applicable law. Except as permitted under the Revised School Code, USLC shall not sell or otherwise provide to a for-profit business entity or any other person any personally identifiable information that is part of a student's education records. For purposes of this provision, the terms "personally identifiable information" and "education records" shall have the same meaning as those terms in section 1136 of the Revised School Code, MCL 380.1136.

(c) Upon termination or other conclusion of this Agreement, USLC shall return all CDI to the Board.

(d) USLC shall develop, implement, maintain and use appropriate administrative, technical and physical security measures to preserve the confidentiality, integrity and availability of all CDI received from, or on behalf of, the school or its students. These measures will be extended by contract to include subcontractors used by USLC.

(e) USLC, within three business days of discovery, shall report to the Board any use or disclosure of CDI not authorized by this Agreement. USLC's report shall identify: (i) the nature of the unauthorized use or disclosure, (ii) the CDI used or disclosed, (iii) who made the unauthorized use or received the unauthorized disclosure, (iv) what USLC has done or shall do to mitigate any deleterious effect of the unauthorized use or disclosure, and (v) what corrective action USLC has taken or shall take to prevent future similar unauthorized use or disclosure. USLC

shall provide such other information, including a written report, as reasonably requested by the Board.

(f) In the event that CDI is accessed or obtained by an unauthorized party, USLC shall appoint a member of the company's technology department to investigate the occurrence and take any necessary steps to identify and remedy any system vulnerabilities; provide notification in the form and manner consistent with local, state and federal laws then in effect to any individuals whose personal information was accessed; notify law enforcement if appropriate; and take any further steps required by local, state and federal law then in effect.

ARTICLE II

TERM & TERMINATION

A. Term. This Agreement shall commence on the Effective Date, and unless terminated as set forth herein, shall continue until the revocation, termination or expiration of the Charter currently in effect expiring June 30, 2026, or June 30, 2028 if School meets its obligations under the charter renewal for the two more years ("Term").

B. Termination.

1. By USLC. USLC may terminate this Agreement prior to the end of the Term if the Board fails to remedy a material breach of this Agreement within thirty (30) days after receiving a notice from USLC of such breach. For purposes of this Subsection, a material breach (which for the sake of clarity is a default hereunder) includes, but is not limited to: (i) USLC 's failure to timely receive any compensation or reimbursement required by this Agreement; or (ii) a suspension, termination, revocation, or non-renewal of the Charter.

2. By the Board. The Board may terminate this Agreement prior to the end of the Term if USLC fails to remedy a material breach of this Agreement within (30) days after receiving notice from the Board of such breach. For purposes of this Subsection, a material breach includes, but is not limited to: (i) USLC 's failure to account for expenditures or pay operating costs pursuant to the Budget (as defined below); (ii) USLC 's failure to follow policies, procedures, rules, regulations or curriculum adopted by the Board, provided they do not violate the Charter, applicable law, or this Agreement; (iii) a determination that this Agreement or its implementation would serve as grounds for suspension, termination, revocation, or non-renewal of the Charter; (iv) a determination that this Agreement or its implementation would jeopardize material tax exemptions of the Board or its non-profit status; or (v) any action or inaction by USLC that places the Charter in jeopardy of termination, suspension or revocation.

3. By Either Party. Either party may terminate this Agreement prior to the end of the Term, with or without cause, by providing the other party with at least ninety (90) days' prior written notice.

4. Mid-Year Termination. The Board and USLC shall make all efforts necessary to remedy a breach of this Agreement in order to continue school operations until completion of the then-current fiscal year. If a breach cannot be remedied, the parties agree to

work cooperatively to transition management and operations of the school without disrupting the school's operations. USLC shall perform this transition in a similar manner as described under Article II, Section C of this Agreement.

5. Revocation or Termination of Charter. If the Board's Charter issued by the Authorizer is revoked, terminated, not extended or a new charter contract is not issued to the Board after expiration of the Charter, this Agreement shall automatically terminate on the same date as the Board's Charter is revoked, terminated or expires without further action of the parties.

6. Closure of School Site. In the event that the Board is required (i) to close a school site pursuant to a notice issued by Michigan Department of Education under Section 507 of the Revised School Code, MCL 380.507; or, (ii) to undergo a reconstitution pursuant to Section 507 of the Revised School Code, MCL 380.507 and the Contract, and such closure of a school site or reconstitution causes an amendment to or termination of this Agreement, the parties agree that this Agreement shall be amended or terminated to implement the school site closure or reconstitution, with no cost or penalty to the Board, and USLC shall have no recourse against the Board or the University Board for implementing such site closure or reconstitution.

C. Effect of Termination. Upon the effective date of termination or expiration of this Agreement, USLC shall without additional charge:

1. Close the financial records on the then-current fiscal year which includes, but is not limited to, the completion and submission of the annual financial audit, state and federal grant reporting and all other associated reporting within required timelines established by the appropriate local, state and federal authority; (ii) organize and prepare student records for transition to a new Education service provider, self-management, or in the case of a school closure, transfer to a student's new school as designated by the student's parent/legal guardian or to a person or entity authorized to hold such records; (iii) provide for the orderly transition of employee compensation and benefits to the new Education Service Provider or self-management without disruption to staffing , or in the case of school closure, final payment of all employee compensation, benefit and tax obligations related to services provided by USLC to the Board; (iv) organize and prepare the school's records, both electronic and hard copy, for transition to the new Education Service Provider, self-management or dissolution; and (v) provide for the orderly transition to the new Education Service Provider, self-management or dissolution of all Board owned assets including, but not limited to, furniture, fixtures, equipment and real estate. This includes any keys, log-in information and passwords related to any Board asset.

Subject to any provisions contained in a lease between the Parties, the Parties shall have the right to remove from the school any equipment or other assets owned or leased by the respective Party;

2. The Board shall pay or reimburse USLC through the Fee (as defined below) for the prepaid portion of any expenses or liabilities incurred by USLC pursuant to the Budget as of the date of such termination or expiration, provided USLC supplies the Board with documentation of all such expenses and liabilities;

3. USLC may agree, in its sole discretion, to assist the Board with additional services beyond those included in Article II, C-1 for a reasonable amount of time, not to exceed ninety (90) days, and for a reasonable fee, with the Board's transition to another administrative, managerial, or services arrangement;

4. USLC shall, if applicable, reasonably assist the Board in the execution of a closure and dissolution plan and cooperate in the closure and dissolution process, including without limitation, in any audits and court or other proceedings related thereto; and

5. The party to whom Confidential Information (as defined below) has been disclosed shall, upon request and at the direction of the disclosing party: (i) return such Confidential Information within thirty (30) days, including any copies thereof, and cease its use except as otherwise required by applicable law; or (ii) destroy such Confidential Information and certify such destruction to the disclosing party, except for a single copy thereof which may be retained for the sole purpose of determining the scope of any obligations incurred under this Agreement, and except where disclosure or retention is required by applicable law.

ARTICLE III

OBLIGATIONS OF USLC

A. Manager at Risk. USLC shall be responsible and accountable to the Board for providing the Services. During the Term, USLC shall provide the Services regardless of whether actual revenue meets the level projected in the Budget, and USLC hereby assumes the risk of funding shortfalls during the Term. Notwithstanding the foregoing, USLC shall not be required to expend funds on Services in excess of the amount set forth in the Budget.

B. Comprehensive Educational Program. The Board has determined to adopt USLC's proprietary educational and academic programs and goals, as set forth in the Charter (the "Educational Program"). Subject to the oversight of the Board, USLC shall implement and administer the Educational Program, provided, however, that the Board shall be responsible for selecting, approving or changing the curriculum to be used and provided by USLC as well as the Authorizer's approval if required by the Charter or applicable law. The Parties acknowledge and agree that an essential principle of the Educational Program is its flexibility, adaptability and capacity to change in the interest of continuous improvement and efficiency. Not less than annually or as reasonably requested by the Board, USLC shall provide the Board with a report detailing progress made on each of the educational goals set forth in the Educational Program. The school year calendar and the school day schedule shall be approved by the Board as required under the Charter.

C. All Children Welcome. USLC places a high value on diversity, and the school shall welcome students of all races, ethnicity, religion, gender and economic backgrounds.

D. Services to Students with Disabilities. USLC welcomes students with disabilities at the school. USLC shall provide special education and related services, in conformity with the requirements of applicable law, to students who attend the school.

E. Educational and Administrative Services. Subject to the oversight of the Board, USLC shall implement operational practices and procedures that are consistent with Board policy, the Charter and applicable law. Such practices and procedures may include, but are not limited to:

1. Student recruitment and student admissions.
2. Student assessments, including testing, promotion, and retention.
3. The acquisition of instructional materials, equipment and supplies, and the administration of any and all extra-curricular and co-curricular activities and programs approved by the Board and USLC.
4. Employment of personnel working at the school and management of all personnel functions, as set forth herein.
5. All aspects of the school's business administration.
6. All aspects of the school's accounting operation, including general ledger management, financial reporting, payroll, employee benefits and payroll tax compliance.
7. Food service and transportation approved by the Board and USLC.
8. All aspects of facilities administration and maintenance.
9. Student behavior management and discipline.

F. Location of Services. Other than instruction, and unless prohibited by the Charter or applicable law, USLC may provide the Services, including but not limited to, purchasing, professional development and administrative services, off-site.

G. Subcontracts. USLC reserves the right to subcontract any and all aspects of the Services. USLC shall not subcontract the oversight of the Educational Program, except as specifically permitted in this Agreement or with prior written approval of the Board. Notwithstanding the foregoing, the Board specifically acknowledges and agrees that from time-to-time USLC may use third parties or independent contractors to assist in the creation and development of Educational Materials (as defined below) that may be used as a part of the Educational Program.

H. Pupil Performance Standards and Evaluation. USLC shall implement pupil performance evaluations that permit evaluation of the academic progress of each student. USLC shall be responsible and accountable to the Board for the academic performance of students who are enrolled at the school. USLC shall utilize assessment strategies required by the Charter and applicable law. The Board and USLC shall cooperate in good faith to identify academic goals and methods to assess such academic performance. USLC shall provide the Board with timely reports regarding student performance.

I. Unusual Events. USLC shall timely notify the Board and the Administrator (as defined below) of any anticipated or known material: (i) health or safety issues, including all mandatory reporting required by applicable law; (ii) labor, employee or funding issues; or (iii)

other issues that may reasonably and adversely impact the Board's ability to comply with the Charter, applicable law or this Agreement.

J. School Records. The financial and education records pertaining to the school (collectively, the "School Records"), are property of the Board. Except as may be prohibited or limited by the Charter or applicable law, the School Records shall be available to the Board and the Authorizer for their review, and are subject to inspection and copying to the same extent that records of public schools are subject to inspection and copying pursuant to applicable law. All School Records shall be physically or electronically available at the School's physical facility upon request made by the Board or the Authorizer. USLC shall provide the Board on a timely basis all information that is required to be disclosed under section 22f of the State School Aid Act of 1979, MCL 388.1622f.

On an annual basis, USLC agrees to provide the Board the same information that a school district is required to disclose under section 18(2) of the State School Aid Act of 1979, MCL 388.1618, for the most recent fiscal year for which the information is available. Within thirty (30) days of receipt of this information, the Board shall make the information available on the school's website homepage, in a form and manner prescribed by the Michigan Department of Education. The defined terms in section 503c and 553c of the Code, MCL 380.503c and MCL 380.553c, whichever is applicable, shall have the same meaning in this Agreement.

USLC shall make information concerning the operation and management of the school, including without limitation the information described in the Charter, available to the Board as deemed necessary by the Board in order to enable the Board to fully satisfy its obligations under the Charter.

The Board designates the employees of USLC as agents of the Board having legitimate educational interest such that they are entitled to access to educational records under 20 U.S.C. Section 1232g, the Family Educational Rights and Privacy Act ("FERPA").

K. Facility. USLC shall use reasonable efforts to secure a facility to be leased or otherwise provided to the Board on terms mutually agreeable to USLC and the Board. Obligations of the Board created under the terms of such lease are to be fulfilled by USLC unless otherwise agreed to in writing by USLC and the Board. The facility shall comply with the requirements of the Charter and applicable law. USLC shall also use reasonable efforts to cause the facility to be furnished with equipment and technology as is reasonably necessary to implement the Educational Program.

L. Rules and Procedures. USLC will recommend to the Board reasonable rules, regulations, policies and/or procedures applicable to the school. The Board hereby authorizes and directs USLC to enforce such rules, regulations and procedures consistent with Board policy, and make such rules, regulations and procedures available to the Board upon request.

M. Assistance to the Board. USLC shall cooperate with the Board and, to the extent consistent with the Charter and applicable law, timely furnish the Board with all documents and information necessary for the Board to properly perform its responsibilities under this Agreement.

O. Compliance with Board's Contract. USLC agrees to perform its duties and responsibilities under this Agreement in a manner that is consistent with the Board's obligations under the Board's Contract with the Authorizer issued by the Central Michigan University Board of Trustees. The provisions of the Board's Contract shall supersede any competing or conflicting provisions contained in this Agreement. Any unauthorized action or inaction by USLC that is not cured within sixty (60) days of notice thereof which causes the Board's Contract to be revoked, terminated, suspended, or which causes the Board's Contract to be put in jeopardy of revocation, termination or suspension by the Authorizer is a material breach of this Agreement.

ARTICLE IV OBLIGATIONS OF THE BOARD

A. Board Policies. The Board shall be responsible for setting the fiscal and academic policies of the school, including the selection of curriculum. The Board shall exercise good faith in considering the recommendations of USLC, including but not limited to, USLC's recommendations regarding policies, rules, regulations and the Budget (as defined below).

B. Academy Budget. The Board is responsible for establishing, approving and amending the Budget in accordance with the Budgeting and Accounting Act.

C. Governance Oversight. The Board shall provide governance level oversight of the school in accordance with the Charter and applicable law. The Board shall cooperate with USLC and, to the extent consistent with applicable law, timely furnish USLC all documents and information necessary for USLC to properly perform its responsibilities under this Agreement.

D. Unusual Events. The Board shall timely notify USLC of any anticipated or known material: (i) health or safety issues; (ii) labor, employee or funding issues; or (iii) other issues that may reasonably and adversely impact USLC's ability to comply with the Charter, applicable law, or this Agreement.

E. Office Space. The Board shall provide USLC with suitable office space at the school, provided the requested space is: (i) available and can be provided without materially prejudicing the Educational Program; and (ii) used only for activities related to the school. The space shall be provided at no cost to USLC.

F. Notwithstanding anything to the contrary set forth in this Agreement, the Board shall remain solely responsible for exercising its statutory, contractual and fiduciary responsibilities governing operation of the school and no provision herein shall be construed to interfere with said responsibilities. Nothing contained in this Agreement shall prohibit the Board from acting as an independent self-governing public body, or allow public decisions to be made other than in compliance with the Open Meetings Act.

ARTICLE V

INTELLECTUAL PROPERTY

A. Definitions.

1. "Educational Materials" means all curriculum, print and electronic textbooks, instructional materials, lesson plans, teacher guides, workbooks, tests, and other curriculum-related materials licensed, developed or otherwise owned by the Board or USLC.

2. "Confidential Information" means any confidential and non-public trade, technical or business knowledge, information and materials regarding the Board or USLC (or their respective affiliates), which is given by one party to the other, or any of their respective representatives, in any form, whether printed, written, oral, visual, electronic or in any other media or manner. Confidential Information includes, but is not limited to, research, operations and procedures, financial projections, pricing, sales, expansion plans and strategies, services data, trade secrets and other intellectual property, or the results of any mediation or private adjudication, as well as information with respect to each party's or its affiliates' plans for market expansion, except for information which a party can show by contemporaneous written records was developed or formulated independently of work or services performed for, or in connection with performance of, this Agreement. Notwithstanding the foregoing, the disclosure of the other party's Confidential Information as required to be disclosed by law, rule or regulation or by reason of subpoena, court order or government action shall not constitute a breach of this Agreement; however, in such event the party required to disclose such information will reasonably cooperate with the party whose information is required to be disclosed in order to obtain a protective order applicable to such disclosure. All Confidential Information will remain the sole property of the party disclosing such information or data.

B. School Materials. The Board shall own all right, title and interest in and to Educational Materials that are: (i) licensed or owned by the Board as of the Effective Date; (ii) developed by USLC at the direction of the Board with school funds; or (iii) licensed, developed, characterized, conceived, derived, generated, identified, or otherwise made by the Board during the Term, provided such materials do not reference the USLC Materials (as defined below), or incorporate any Confidential Information of USLC (collectively, the "School Materials"). The School Materials shall include all intellectual property rights associated therewith.

C. USLC Materials. USLC shall own all right, title and interest in and to Educational Materials that are: (i) licensed or owned by USLC as of the Effective Date; (ii) licensed, developed, characterized, conceived, derived, generated, identified, or otherwise made by USLC during the Term, provided such materials do not reference School Materials or incorporate any Confidential Information of the school; and (iii) any and all Educational Materials and non-curriculum materials provided to the Board by USLC relating to the Educational Program, including all changes and derivatives thereof (collectively, the "USLC Materials").

D. Derivative Works. The Parties acknowledge that to the extent any Educational Materials created by the Board are derivative of the USLC Materials, use of such derivative materials during the Term is subject to the license granted herein, and the license to use such derivative materials shall cease as of the date of expiration or termination of this Agreement.

E. No Transfer or Sale. The Board acknowledges and agrees that USLC is not transferring or selling, and the Board is not receiving, purchasing or acquiring, any intellectual property or proprietary rights in or to the USLC Materials.

F. Licenses. USLC hereby grants the Board a non-exclusive, non-transferable license (without the right to sublicense) to use the USLC Materials, and any Educational Materials created by the school which are derivative of the USLC Materials, solely in furtherance of the Educational Program during the Term, including without limitation, the right to reproduce, publicly display, distribute and create derivative works of the same, in hard copy format or electronically, within the United States. The Board represents and warrants that during the Term, and following the expiration or termination of this Agreement, the Board will not exploit or assist any third party to exploit any of the USLC Materials for commercial purposes. Subject to applicable law, the Board grants USLC a non-exclusive, non-transferable license (without the right to sublicense) to use the School Materials, solely in furtherance of the Educational Program during the Term, including without limitation, the right to reproduce, publicly display, distribute and create derivative works of the same, in hard copy format or electronically, within the United States.

G. USLC Marks. During the Term, USLC grants the Board a non-exclusive, revocable, non-transferable license (without the right to sublicense) to use USLC's trade name(s) and USLC's trademark(s) (the "USLC Marks") as well as the "Flex" tradename and related marks (the "Flex Marks") solely for the purposes of promoting and advertising the school. USLC shall have the opportunity to review and approve all artwork, copy or other materials utilizing the USLC Marks and Flex Marks prior to any production or distribution thereof. All uses of the USLC Marks and Flex Marks require USLC's prior written permission. The Board shall acquire no rights in or to the USLC Marks or the Flex Marks, and all goodwill associated with the USLC Marks and Flex Marks shall inure to the benefit of and remain with USLC. Upon expiration or termination of this Agreement, the Board shall immediately discontinue use of the USLC Marks and Flex Marks and shall remove the USLC Marks and Flex Marks from its locations, vehicles, websites, telephone directory listings and all other written or electronic promotional materials.

ARTICLE VI

SOLICITATION AND USE OF PRIVATE FUNDS

USLC shall seek the Board's approval prior to soliciting any non-governmental grants, donations or contributions on behalf of the Board. Any such funds received shall be used solely in accordance with the purpose for which they were solicited, applicable donor restrictions, or as otherwise approved by the Board. Subject to applicable donor restrictions, the Board shall determine the allocation of any such funds subject to this Article that remain unexpended following completion of the project or purpose for which they were originally designated.

ARTICLE VII

FINANCIAL ARRANGEMENTS

A. Revenues. Except as provided herein, all monies received by the Board shall be deposited in the Board's depository account within three (3) business days with a financial

institution acceptable to the Board; provided, however, that upon receipt of a notice from USLC, the Board shall pay all such funds owing under this Agreement directly to the account or party specified in such notice. The signatories on the Board's accounts shall solely be Board members or properly designated Board employees (if any). Interest income earned on the Board's accounts shall accrue to the Board. Except as specifically excluded by this Agreement, the term "Revenues" shall include all funds received by or on behalf of the Board, including but not limited to:

1. Funding for public school students enrolled at the school.
2. Special education funding provided by the federal and/or state government that is directly allocable to special education students enrolled at the school.
3. Gifted and talented funding provided by the federal and/or state government that is directly allocable to gifted and talented students enrolled at the school.
4. At-risk funding provided by the federal and/or state government that is directly allocable to at-risk students enrolled at the school.
5. Funding provided by the federal and/or state government that is directly allocable to students enrolled at the school with limited English proficiency.
6. All other federal and/or state grant sources, including, but not limited to, Title I and any start-up funding allocable to the Board.
7. Grants and donations received by the Board to support or carry out programs at the school (except to the extent USLC is not required or involved in soliciting, administering or managing the grant, contribution and/or donation, in which case such funds shall be deposited in the Board Spending Account (as defined below)).
8. Fees charged to students as permitted by law for extra services provided by USLC as approved by the Board.

The expenditure of any Revenues received from governmental entities shall be consistent with all applicable regulations and policies. The expenditure of any Revenues received from non-governmental grants, contributions and donations shall be made consistent with the provisions of Article VI.

B. Budget. USLC shall provide the Board with an annual proposed Budget prepared and maintained in accordance with the Charter, the Michigan Uniform Budgeting and Accounting Act, and applicable law (the "Budget"). The Budget shall include all of the Board's projected revenues and expenses at the object level as described in the Michigan Department of Education's Michigan School Accounting Manual. For the school's first school year, the Budget shall be submitted prior to the beginning of the school year. Thereafter, the Budget shall be submitted to the Board prior to June 1 for the next school year.

C. Review and Approval of Budget. The Board shall be responsible for reviewing, revising and approving the Budget in accordance with the Charter and applicable law. At the

direction of either USLC or the Board, with the approval of the Board, the Budget shall be amended from time to time as necessary.

D. Board Spending Account. Each school year during the Term, USLC shall allocate to an account controlled by the Board an amount equal to the lesser of: (i) 2% of state per pupil aid reflected in the Budget for that respective school year, or (ii) \$35,000 (the "Board Spending Account"). The aforesaid amount shall be deposited by USLC into the Board Spending Account pro-rata during the course of the school year as Revenues are received. All funds in the Board Spending Account are the property of the Board and may be used by the Board at the discretion of the Board. Funds in the Board Spending Account that are not spent by the Board during the school year shall carryover annually. Items purchased by USLC for the school and paid for by the Board with funds from the Board Spending Account, such as non-proprietary instructional and/or curriculum materials, books, supplies and equipment, shall be the property of the Board. The property of the Board excludes items leased, financed or purchased by USLC with the Fee (as defined below). USLC agrees not to add any fees or charges to the cost of equipment, materials or supplies purchased by USLC at the request of or on behalf of the school with funds from the Board Spending Account. USLC, in making such purchases for the school pursuant to this subsection, shall comply with applicable law, including sections 1267 and 1274 of the Revised School Code, MCL 380.1267 and MCL 380.1274 as if the Board were making such purchases itself from a third party, and shall provide the Board, upon request, available documentation evidencing the costs associated with such purchases. USLC shall maintain a listing of all assets owned by the Board and shall provide the list to the Board annually upon request. Notwithstanding the foregoing, in the event that the School is not able to meet its annual obligations with solely its revenues, the Board will forgo that year's Board Spending Account allocation.

E. Fee. USLC shall receive all Revenues as its services fee (the "Fee"), from which it shall pay all operating costs of the Board as detailed in the Budget. USLC and the Board acknowledge that operating costs includes an administrative fee payable to the Authorizer as set forth in the Charter. Payment of the Fee shall be made on the same frequency that the Board receives its Revenues. USLC shall be entitled to retain as compensation for the Services the difference, if any, between the Fee and the amount actually expended by USLC in operation and/or management of the School during the fiscal year. USLC agrees not to add any fees or charges to the cost of equipment, materials or supplies purchased by USLC at the request of or on behalf of the Board. No corporate costs of USLC shall be charged to, or reimbursed by, the Board. Marketing and development costs paid by or charged to the Board shall be limited those specific to the school program and shall not include any costs for the marketing and development of USLC.

F. No Loans. USLC shall not make or extend loans to the Board.

G. Financial Reporting. USLC shall provide the Board with:

1. At least annually, the proposed Budget as required by this Agreement.
2. Monthly, financial statements no more than forty-five (45) days in arrears and at least one week prior to each Board meeting. These financial statements will include a Balance Sheet, Statement of Revenues, Expenditures and Changes in Fund Balance at object level

detail with a comparison of budget to actual revenue and expenditures and explanations of variances and cash flow statement.

3. Quarterly, or as reasonably requested by the Board, a report on school operations and student performance. As reasonably requested, other information to enable the Board to: (i) evaluate the quality of the Services; and (ii) timely provide all reports and information that are required by the Charter and applicable law.

I. Access to Financial Records. USLC shall keep accurate financial records pertaining to its operation of the school, together with all school financial records prepared by or in possession of USLC, and shall retain all of the afore-referenced records according to the Charter and applicable law to which such books, accounts, and records relate. USLC and the Board shall maintain the proper confidentiality of personnel, students, and other records as required by law. All financial, educational, and student records shall be and remain Board property and are subject to the provisions of the Michigan Freedom of Information Act. All such records shall be made available to the Board, the Board's independent auditor and to the Authorizer upon request and shall otherwise all be physically or electronically available, upon request, at the school's physical facility(ies).

J. Accounting Standards; Annual Audit.

1. The Board shall at all times comply with generally accepted public sector accounting principles, accounting system requirements of the State School Aid Act of 1979, as amended, applicable Michigan Department of Education rules, and applicable law.

2. The Board shall select and retain an independent auditor to conduct an annual audit of the Board's financial matters in accordance with the Charter and applicable law. The independent auditor may not be selected by USLC.

3. Subject to applicable law, all records in the possession or control of USLC that relate to the Board, including but not limited to, financial records, shall be made available to the Board, the Board's independent auditor and the Authorizer upon request. The expense of the annual audit shall be included in the Budget.

K. Start-up Funds; Contributions; Repayment.

1. USLC shall provide start-up funds for: (i) the development of curriculum, a technology system and a school operations plan; (ii) recruiting, selecting and training of staff members; and (iii) to the extent necessary as reasonably determined by USLC, cleaning, renovating and equipping of the school facility (the "Start-Up Funds").

2. USLC shall make contributions to the Board in the event expenses for the Services exceed Revenues (the "Contributions"). The Contributions, if any, shall be in amounts acceptable to the Parties and, once made, shall be included in the Budget.

3. The Board shall not be legally obligated to repay USLC for the Start-Up Funds or the Contributions. USLC's agreement to make such Contributions shall not be deemed to

negate or mitigate the need for the Board to apply for or solicit state or federal start-up funds, grants or sub-grants which the Board, as a public school, may be eligible to receive.

ARTICLE VIII

PERSONNEL & TRAINING

A. Qualified Personnel. USLC shall select and hire qualified personnel to perform the Services. USLC shall have the responsibility and authority, subject to this Article, to select, hire, evaluate, assign, discipline, transfer, and terminate personnel consistent with the Budget, the Charter and applicable law. Personnel working at the school shall be employees of USLC unless otherwise expressly agreed by USLC and the Board. USLC and the Board each shall be responsible for their respective employees. However, the compensation of all employees working at the school shall be included in the Budget. Upon Board request, USLC shall disclose to the Board the level of compensation and fringe benefits provided by USLC-to-USLC employees working at the school. A criminal background and records check and unprofessional conduct search in compliance with applicable law shall be conditions for the hiring of or services provided by any person assigned by USLC under this Agreement to regularly and continuously work in any of the Board's facilities or at program sites where the services are delivered. USLC shall pay all salaries, wages, benefits, payroll and other taxes to or on account of its employees as well as worker's compensation, unemployment compensation and liability insurance. The Board shall not be liable for the payment of any such salaries, wages, benefits, payroll or taxes thereon for or on behalf of any USLC employee, contractor or agent. USLC acknowledges and agrees that it is the sole and exclusive responsibility of USLC to make the requisite tax filings, deductions and payments to the appropriate federal, state and local tax authorities for and on behalf of all persons employed or engaged by USLC to provide Services under this Agreement. As applicable, USLC shall conduct employee evaluations consistent with Section 1249 and 1250 of the Code.

B. School Administrator. The School administrator (the "Administrator") shall be an employee of USLC and not the Board. The duties and tenets of the Administrator's employment shall be determined by USLC. The Administrator shall work with USLC in the operation and management of the school. The Administrator shall attend meetings of the Board and shall provide reports to the Board. The accountability of USLC to the Board is an essential foundation of this Agreement. USLC shall have the authority, consistent with this Article, to select, hire, evaluate, assign, discipline, transfer and terminate the Administrator, and to hold the Administrator accountable for the performance of the school. Without limiting the foregoing, USLC shall consult with the Board prior to the placement and/or removal of the Administrator. Absent compelling circumstances, the consultation shall commence at least ninety (90) days prior to USLC placing and/or removing the Administrator. USLC shall give due consideration to the input of the Board or the Board's designated representative prior to making a formal decision regarding placement and/or removal of the Administrator. USLC shall remove the Administrator if the Board is reasonably dissatisfied with the Administrator's performance. Absent compelling circumstances, however, the Board shall give USLC and the Administrator six (6) months to correct the basis for the Board's reasonable dissatisfaction. The parties agree that the purpose of the above provisions is not to deny the Administrator the opportunity for growth and/or promotion within USLC.

Notwithstanding any of the foregoing, the placement of the initial Administrator for the school in its first year of operation shall be made by USLC.

As the employer, USLC shall be solely responsible for the performance evaluation of the Administrator. USLC shall seek feedback from the Board prior to completing an annual Administrator performance evaluation.

C. Teachers. USLC shall, consistent with this Article, assign to perform services at the school, teachers qualified to teach their assigned subjects and grade level. The curriculum taught by the teachers shall be consistent with the Educational Program. The teachers may, at the discretion of USLC, be assigned to work at the school on a full or part time basis. If assigned to work at the school on a part time basis, the teacher(s) may also be assigned to work at other schools for which USLC provides services. The cost for such teacher(s) shall be shared proportionately among the schools at which USLC has assigned the teacher(s) to work. Each teacher assigned to work at the school shall hold a valid teaching certificate issued by the state board of education or applicable state agency to the extent required by the Authorizing Law.

D. Support Staff. USLC shall, consistent with this Article, assign to perform Services at the School, qualified support staff as needed for USLC to operate the school in an efficient manner. The support staff may, at the discretion of USLC, be assigned to work at the school on a full or part time basis. If assigned to work at the school on a part time basis, the support staff may be assigned to work at other schools for which USLC provides services. The cost for such support staff shall be shared proportionately among the schools at which USLC has assigned the support staff to work. An individual assigned to work at the school that is not teaching, but for which a license is required under applicable law, shall have the appropriate license.

E. Training. USLC shall provide or procure training in its methods, curriculum, program, and technology to all teaching personnel on a regular basis. Instructional personnel shall be required to obtain at least the minimum hours of professional development as required by applicable law. Non-instructional personnel shall receive training as USLC determines reasonable and necessary under the circumstances.

F. Background Checks and Qualifications. USLC shall comply with applicable law regarding background checks, unprofessional conduct searches and certification/licensure, as applicable, for all persons working in the school, the costs of which shall be included in the Budget.

G. Terms of Employment. No member of the staff at the school shall be subject to any covenant not to compete or other employment restriction as part of the terms of his or her employment with USLC for the Services.

H. Limitations on Discretion. All decisions made by USLC, and any discretion exercised by USLC, in its selection, hiring, evaluation, assignment, discipline, transfer, and termination of personnel, shall be consistent with the Budget, the Charter, the parameters adopted and included in the Educational Program, and applicable law.

ARTICLE IX

INDEMNIFICATION

A. Indemnification of Parties. To the extent not prohibited by the Charter or applicable law, the Parties hereby agree to indemnify, defend, and hold the other (the "Indemnified Party"), harmless from and against any and all third-party claims, actions, damages, expenses, losses or awards which arise out of (i) the negligence or intentional misconduct of the indemnifying party, (ii) any action taken or not taken by the indemnifying party, or (iii) any noncompliance or breach by the indemnifying party of any of the terms, conditions, warranties, representations, or undertakings contained in or made pursuant to this Agreement. As used herein, Indemnified Party shall include the party's trustees, directors, officers, employees, agents, representatives and attorneys. The Parties may purchase general liability, property, or other insurance policies. Notwithstanding anything in this Agreement to the contrary, the Board shall not be precluded by the terms of this Agreement from asserting or declining to assert a claim of governmental immunity.

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

ARTICLE X

INSURANCE

A. Insurance Coverage. USLC shall maintain such policies of insurance as required by the Charter, the Michigan Universities Self-Insurance Corporation ("M.U.S.I.C."), and applicable law. Each party shall, upon request, present evidence to the other that it maintains the requisite insurance in compliance with the provisions of this Article. In the event that the Authorizer or M.U.S.I.C. requests any change in coverage, USLC agrees to comply with any change in the type and amount of coverage as requested within thirty (30) days after notice of the insurance coverage change is provided to USLC. Each party shall comply with any information or reporting requirements required by the other party's insurer(s), to the extent reasonably practicable.

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

ARTICLE XI

REPRESENTATIONS & WARRANTIES

A. Board and School. The Board represents and warrants, for itself and on behalf of the School, that: (i) it is legally vested with all power and authority necessary to operate a charter school under the Authorizing Law; (ii) it is legally vested with all power and authority necessary to execute, deliver and perform this Agreement, including without limitation, the power and authority to contract with a private entity for the provision of educational, business administration and management services; (iii) its actions have been duly and validly authorized, and it has adopted any and all resolutions or expenditure approvals required for the execution of this Agreement; and (iv) there are no pending actions, claims, suits or proceedings, or, to its knowledge, threatened or reasonably anticipated against or affecting either the Board or the school, which if adversely determined, would have a material adverse effect on its ability to perform under this Agreement.

B. USLC. USLC represents and warrants that: (i) it is a corporation in good standing and is authorized to conduct business in the State of Michigan; (ii) it is legally vested with all power and authority necessary to execute, deliver and perform this Agreement; (iii) there are no pending actions, claims, suits or proceedings, or, to its knowledge, threatened or reasonably anticipated against or affecting USLC, which if adversely determined, would have a material adverse effect on its ability to perform its obligations under this Agreement; and (iv) it will comply with all registration and licensing requirements relating to conducting business under this Agreement, which the Board agrees to assist USLC in applying for such licenses and permits and in obtaining such approvals and consents.

ARTICLE XII

MISCELLANEOUS

A. Entire Agreement. This Agreement and any attachments hereto shall constitute the entire agreement of the Parties on the subject matter set forth herein. This Agreement supersedes and replaces any and all prior agreements and understandings regarding the subject matter set forth herein between the School and USLC.

B. Force Majeure. Except for payment obligations, and notwithstanding any other provisions of this Agreement, neither party shall be liable for any delay in performance or inability to perform due to acts of God, war, riot, embargo, fire, explosion, sabotage, flood, accident, labor strike, or other acts beyond its reasonable control; provided either party may terminate this Agreement in accordance with provisions contained herein if sufficient grounds exist as provided in the Article governing termination.

C. State Governing Law; Waiver of Jury Trial. This Agreement shall be construed, interpreted, governed and enforced pursuant to the laws of the State of Michigan, without regard

to its conflict-of-laws principles. The Parties hereby waive the right to a jury trial in any action, proceeding or counterclaim brought by either USLC or the Board against the other.

D. Notices. All notices and other communications required by this Agreement shall be in writing and sent to the Parties at the address set forth below. Notice may be given by: (i) written evidence of confirmed receipt by the receiving party of the entire notice; (ii) certified or registered mail, postage prepaid, return receipt requested; or (iii) personal delivery. Notice shall be deemed to have been given on the date of transmittal if given by personal delivery, or upon the date of postmark if sent by certified or registered mail. For purposes of the foregoing, "personal delivery" shall include delivery by nationally recognized overnight courier (such as FedEx), if signed for by the recipient or a delegate thereof. Notices to the school shall be sent to the current address of the then current Board President, with a copy to the then current Board attorney. The addresses of the Parties for the purposes aforesaid, including the address of the initial Board President, are as follows:

The Board:

Matthew Clark
4945 Clio Road
Flint, MI 48504

USLC:

CHAD GRAY
177 Holston Drive
Lancaster CA 93535

WITH A COPY TO:

Charyn Hain
Varnum Law
Bridgewater Place PO Box 352
Grand Rapids, MI 49501

WITH A COPY TO:

Adam Miller
Miller Law Office, PC
25000 Ave Stanford Suite 94
Valencia CA 91355

E. Assignment. USLC may assign this Agreement with the prior written approval of the Board and in a manner consistent with the Authorizer's policies; provided, however, this Agreement shall not be assignable without prior written notification to Authorizer.

F. Amendment. This Agreement shall not be altered, amended, modified or supplemented except by memorandum approved by the Board and signed by both an authorized officer of the Board and USLC and in manner consistent with the Authorizer's policies.

G. Waiver. No waiver of any provision of this Agreement shall be deemed or shall constitute a waiver of any other provision. Nor shall such waiver constitute a continuing waiver unless otherwise expressly stated.

H. Costs and Expenses. If any Party commences an action against another Party as a result of a breach or alleged breach of this Agreement, the prevailing Party shall be entitled to have and recover from the losing Party reasonable attorneys' fees and costs of suit.

I. Severability. If any term or provision of this Agreement is held by a court of competent jurisdiction to be invalid, void or unenforceable, the remainder of the terms and provisions set forth herein shall remain in full force and effect and shall in no way be affected, impaired or invalidated, and the Parties shall use their best efforts to find and employ an alternative

means to achieve the same or substantially the same result as that contemplated by such term or provision.

J. Delegation of Authority. Nothing in this Agreement shall be construed as delegating to USLC powers or authority of the Board which are not subject to delegation by the Board under the Charter or applicable law.

K. Compliance with Law. Each party will comply with the Charter and laws applicable to the performance of such party's obligations hereunder.

L. Time of Essence. The Parties understand and agree that time is of the essence in performing their respective responsibilities under this Agreement.

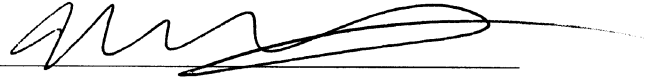
IN WITNESS WHEREOF, the undersigned have executed this Agreement as of the Effective Date.

USLC:
U.S. Learning Corporation a California corporation

Valerie J. Chase

By: Valerie J. Chase
Its: Secretary

BOARD:
Flex High School of Michigan,
a Michigan domestic nonprofit corporation



By Matthew Clark
Its: Board President

CONTRACT SCHEDULE 6

PHYSICAL PLANT DESCRIPTION

PHYSICAL PLANT DESCRIPTION

Pursuant to Applicable Law and the Terms and Conditions of this Contract, including Article XI, Section 11.5, the Academy is authorized to operate at the physical facility or facilities outlined in this schedule. The Academy shall not occupy or use any facility until approved for occupancy by the Michigan Department of Licensing and Regulatory Affairs' Bureau of Construction Codes.

| | |
|---|-------|
| Physical Plant Description | 6-1 |
| a. North Flint Site | |
| Site Plan | 6-3 |
| Floor Plan..... | 6-4 |
| First Amendment to Sublease | 6-5 |
| Sublease | 6-6 |
| Certificate of Use and Occupancy | 6-45 |
| b. Burton Site | |
| Site Plan | 6-46 |
| Floor Plan..... | 6-47 |
| Second Amendment of Real Estate Lease | 6-48 |
| Amendment of Real Estate Lease | 6-50 |
| Sublease | 6-51 |
| Certificate of Use and Occupancy | 6-107 |

1. Applicable Law requires that a public school academy application and contract must contain a description of and the address for the proposed physical plant in which the public school academy will be located. See MCL 380.502(3)(i) and 380.503(6)(f);

2. The address and a description of the site and physical plant (the "Site") of Flex High School of Michigan (the "Academy") is as follows:

a. Flex High North Flint

Address: 4945 Clio Rd.
Flint, MI 48504

Description: The Academy subleases approximately 8,779 square feet of space in the Hallwood Plaza at Clio Rd. and Pierson Rd. The space shares walls with neighboring businesses that are located in the Hallwood Plaza. The space utilized by the Academy includes one large open classroom, three smaller classrooms, several offices, a conference room, breakroom, a reception area, one staff restroom, two student restrooms, a storage area, server room, and a mechanical room. There is no exterior space that the Academy will be using outside of the parking lot.

Configuration of Grade Levels: Ninth through Twelfth Grade.

Term of Use: Term of Contract.

Name of School District and Intermediate School District:

Local: Westwood Heights School District
ISD: Genesee

b. Flex High Burton

Address: 1245 S. Center Rd.
Burton, MI 48509

Description: The Academy leases approximately 8,619 square feet of space in the Park Place shopping center at Center Rd. and Interstate 69. The facility is a standalone building that includes one large open classroom, two smaller classrooms, five offices, two staff bathrooms, two student bathrooms, a front office/lobby, three storage areas, a server room, and a staff breakroom. There is no exterior space that the Academy will be using outside of a parking lot that is shared with the other Park Place tenants.

Configuration of Grade Levels: Ninth through Twelfth Grade.

Term of Use: Term of Contract.

Name of School District and Intermediate School District:

Local: Atherton Community Schools

ISD: Genesee

3. It is acknowledged and agreed that the information identified below, about this Site, is provided on the following pages, or must be provided to the satisfaction of the University Board or its designee, before the Academy may operate as a public school in this state.

- A. Narrative description of physical facility
- B. Size of building
- C. Scaled floor plan
- D. Copy of executed lease or purchase agreement

4. In addition, the Academy and the University Board hereby acknowledge and agree that this Contract is being issued to the Academy with the understanding that the Academy cannot conduct classes as a public school academy in this state until it has obtained the necessary fire, health and safety approvals for the above-described physical facility. These approvals must be provided and be acceptable to the University Board or its designee prior to the Academy operating as a public school. In cases of disagreement, the Academy may not begin operations without the consent of the University Board or its designee.

5. If the Site described above is not used as the physical facilities for the Academy, then Schedule 6 of this Contract between the Academy and the University Board must be amended pursuant to Article IX of the Terms and Conditions of Contract, to designate, describe, and agree upon the Academy's physical facilities. The Academy must submit to the University Board or its designee complete information about the new site to be actually used. This information includes that described in paragraphs 2, 3 and 4 of this Schedule 6. It is acknowledged and agreed that the public school academy cannot conduct classes as a public school in this state until it has submitted all the information described above, to the satisfaction of the University Board or its designee, and the amendment regarding the new site has been executed.

6. Any change in the configuration of grade levels at the Site requires an amendment to this Schedule 6 pursuant to Article IX of the Terms and Conditions of Contract set forth above.

Flex High North Flint



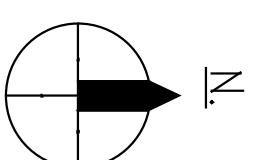
N
 SITE LAYOUT
 SCALE: 1/4" = 50'-0"

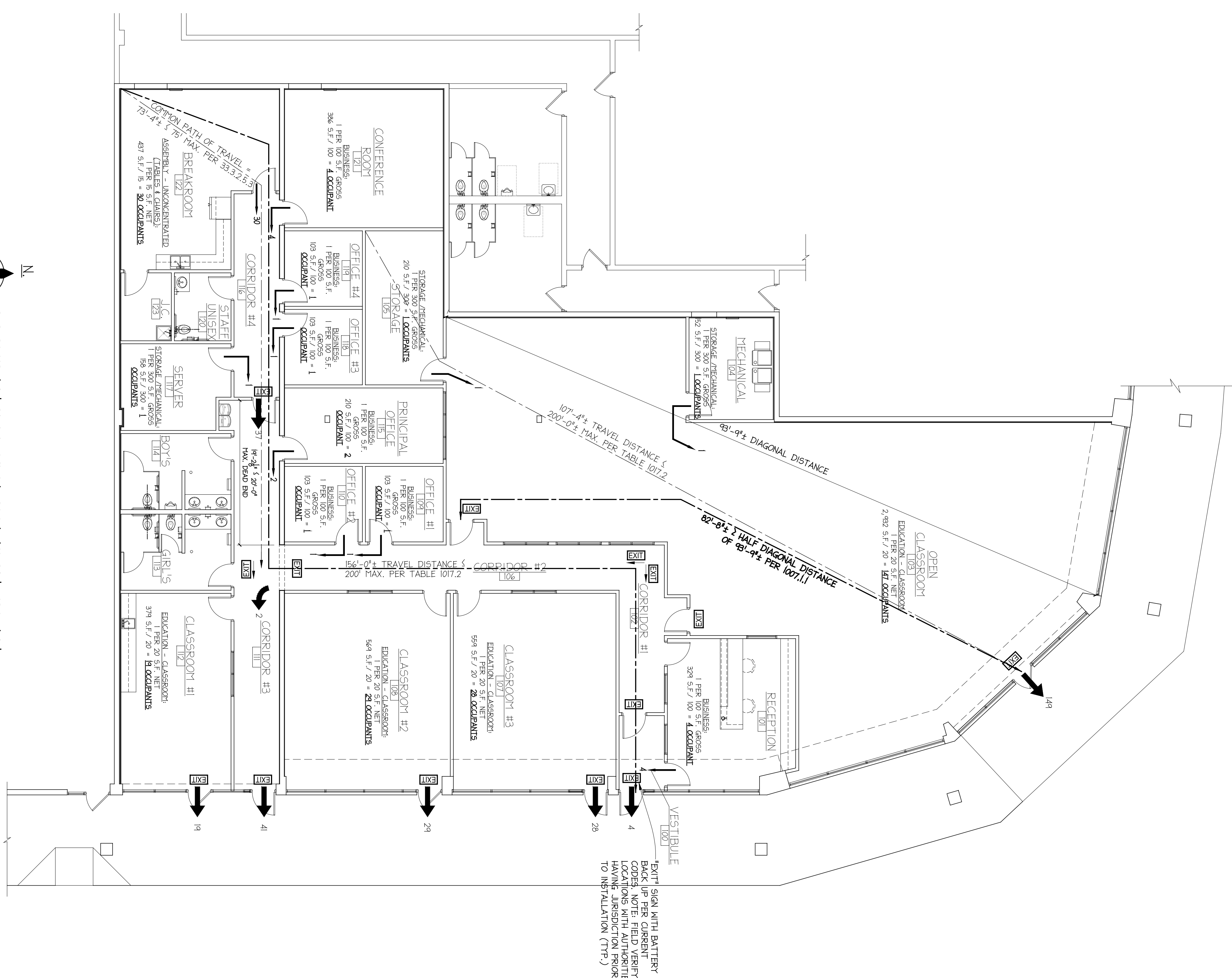
| DATE: | DESCRIPTION: |
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| 05/01/19 | PERMIT & CONSTRUCTION |
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| | |

FLEX HIGH CLIO ROAD
 4939 & 4945 CLIO ROAD
 FLINT, MI 48504
 SITE LAYOUT


ANDRUS ARCHITECTURE
 11629 NORTHLAND DRIVE - SUITE 200
 ROCKFORD, MI 49341
 PHONE: 616.863.8850
 WWW.ANDRUSARCHITECTURE.COM

PROJECT NO: 19-430
 SHEET: **C-10**
HIG DRAWING OF THE SITE COPYRIGHT PROPERTY OF ANDRUS ARCHITECTURE AND SHALL NOT BE LOANED OR REPRODUCED WITHOUT WRITTEN CONSENT.

N

OCCUPANCY / EVACUATION PLAN
 SCALE: 1/8" = 1'-0"




"EXIT" SIGN WITH BATTERY BACK UP PER CURRENT CODES. NOTE: FIELD VERIFY LOCATIONS WITH AUTHORITIES HAVING JURISDICTION PRIOR TO INSTALLATION (TTP).

| OCCUPANCY LOAD | |
|---|-------------------|
| MICHIGAN BUILDING CODE 2015 (TABLE 1004.1.2) AND NFPA 101 LIFE SAFETY CODE 2012 (TABLE 7.3.1.2) | |
| ASSEMBLY AREA | |
| A) STANDING | 1 PER 5 S.F. NET |
| B) CONCENTRATED | 1 PER 7 S.F. NET |
| C) UNCONCENTRATED | 1 PER 15 S.F. NET |
| BUSINESS AREAS | |
| A) PER 100 S.F. GROSS | 1 PER 20 S.F. NET |
| B) PER 200 S.F. GROSS | 1 PER 20 S.F. NET |
| C) PER 300 S.F. GROSS | 1 PER 20 S.F. NET |
| LIBRARY: 1 PER 20 S.F. GROSS | |
| STORAGE/MECHANICAL: 1 PER 300 S.F. GROSS | |
| EGRESS DOOR CAPACITY | |
| 1. MICHIGAN BUILDING CODE 2015 | |
| A. SIZE OF DOOR: (SECTION 1001.11) | |
| 3'-0" NOMINAL DOOR = 32" MIN. NET CLEAR | |
| B. EGRESS WIDTH PER OCCUPANT SERVED: | |
| 0.20" FOR OTHER COMPONENTS (SECTION 1005.3.2) | |
| 0.30" FOR STAIRWAYS (SECTION 1005.3.1) | |
| C. DOOR CAPACITY: 32 NET | |
| 32" NET / 0.20" = 160 PEOPLE PER LEAF (320 PER DOOR PAIR) | |
| 2. NFPA 101 LIFE SAFETY CODE 2012 | |
| A. SIZE OF DOOR: SECTION 7.21.2.3.2 | |
| 3'-0" NOMINAL DOOR = 32" MIN. NET CLEAR | |
| B. EGRESS WIDTH PER OCCUPANT SERVED: SECTION 7.3.1 | |
| 1) STAIRS: 0.3" / PERSON | |
| 2) NONSTAIRS: 0.2" / PERSON | |
| 3) DOOR CAPACITY | |
| A) 3'-0" DOOR: 32" / 0.2" = 160 PER DOOR LEAF | |
| B) 3'-6" DOOR: 38" / 0.2" = 190 PER DOOR LEAF | |
| C) 4'-0" DOOR: 44" / 0.2" = 220 PER DOOR LEAF | |

| DATE: | DESCRIPTION: |
|----------|-----------------------|
| 05/01/19 | PERMIT & CONSTRUCTION |
| | |
| | |
| | |
| | |

FLEX HIGH CLIO ROAD
 4939 & 4945 CLIO ROAD
 FLINT, MI 48504
 OCCUPANCY /EVACUATION PLAN



ANDRUS ARCHITECTURE
 11629 NORTHLAND DRIVE - SUITE 200
 ROCKFORD, MI 49341
 PHONE: 616.863.8850
 WWW.ANDRUSARCHITECTURE.COM

PROJECT NO: 19-030
 SHEET: 1-20
 THE DRAWING IS THE SOLE COPYRIGHT PROPERTY OF ANDRUS ARCHITECTURE AND SHALL NOT BE REPRODUCED WITHOUT WRITTEN CONSENT.

FIRST AMENDMENT TO SUBLEASE

THIS AMENDMENT OF SUBLEASE AGREEMENT (“First Amendment”) is made and entered into as of the 18th day of April, 2023 by and between **US Learning Corporation**, a non-profit corporation (“**SubLessor**”) and **FLEX HIGH SCHOOL OF MICHIGAN, Inc**, a non-profit corporation (“**SubLessee**”).

RECITALS

- A.** SubLessor own a lease on the real property located at 4945 Clio Road Flint MI 48076 (the “**Property**”) consisting of approximately 8,779 square feet;
- B.** SubLessor and SubLessee entered into that certain Real Estate SubLease on January 31, 2020 (the “**SubLease**”);
- C.** SubLessor and SubLessee desire to amend the SubLease to extend its termination date to June 30, 2028;
- D.** Lessor and Lessee desire to amend the Lease as set forth herein.

NOW, THEREFORE, on the basis of the foregoing recitals, and in consideration of the covenants, conditions and representations hereinafter set forth, the parties hereto agree to amend the SubLease as follows:

- 1.** **Term.** The term of the SubLease shall be extended to June 30, 2028 (the “**Term**”).
- 2.** **Early Termination.** Sublessor and Subleasee acknowledge that Subleasee operates pursuant to a Charter issued by Central Michigan University, which has been granted for 5 years if Subleasee meets the requirements outlined in the Charter reauthorization. If for any reason the Subleasee does not meet the requirements outlined in the Charter reauthorization and the Charter ends, the Sublease will terminate pursuant to Article 3a of the SubLease.
- 3.** **Remaining Terms.** Except as modified herein, all terms and conditions of the Lease shall remain in full force and effect.

Signatures on Next Page

IN WITNESS WHEREOF, the parties hereto have executed this First Amendment as of the date set forth above.

“SubLessor”

US Learning Corporation

By: *Valerie J. Chase*

Valerie J. Chase, Secretary

“SubLessee”

Flex High School of Michigan, Inc.

By:

Matthew Clark

Matthew Clark, President

SUBLEASE

THIS SUBLEASE (this "Sublease") is entered into this 31st day of January, 2020, to be effective March 1, 2020, ("Effective Date"), by and between US Learning Corporation, a California Non Profit corporation ("SubLessor"), having an address of 177 Holston Drive, Lancaster, CA 93536, and Flex High School of Michigan, a Michigan Non Profit corporation, having a registered address of 130 East Nine Mile Road, Ferndale, Michigan 48220 ("SubLessee").

RECITALS

- A. Under that certain Lease dated June 25, 2019 and attached hereto as Exhibit A and made a part hereof (referred to herein as the "*Lease*"), wherein Clio & Pierson, LLC, a Delaware LLC, the Landlord (herein referred to as "*Prime Landlord*") and US Learning Corporation, a California nonprofit corporation, Landlord in this Sublease is the Tenant (as such, referred to herein as the "*Prime Tenant*") of certain property located at 4945 & 4939 Clio Road, Flint MI, 48076 and owned by the Prime Landlord, as more particularly described in the Lease ("*Leased Premises*"). Prime Landlord has leased the Leased Premises to SubLessor for purposes of occupancy as a public charter school.
- B. Pursuant to that certain Lease dated June 25, 2019 (the "*Lease*"), SubLessor is Manager of Flex High School of Michigan ("*Charter School*").
- C. SubLessee desires to lease the Leased Premises from SubLessor for operation of a public charter school.
 1. **THE LEASED PREMISES.** The SubLessor hereby does let and lease to SubLessee the Leased Premises.
 2. **OCCUPANCY.**
 - a. Except as set forth in this paragraph below, SubLessee is to have full and exclusive occupancy of the Leased Premises at all times.
 - b. SubLessee shall have shared use of the parking lot.
 3. **TERM.** The term of the SubLease begins February 1, 2020, and ends June 30, 2023, ("*Term*"), subject to extension and early termination as provided for in this SubLease.
 - a. **TERMINATION OF CHARTER CONTRACT.** SubLessee is a party to a Charter School Contract with the Central Michigan University Board of Trustees for, inter alia, the operation of a school in the Leased Premises ("*Charter Contract*"). If for any reason whatsoever the Charter Contract is terminated, revoked or is not renewed or extended, prior to the expiration of the Term hereof, then this SubLease shall terminate simultaneously with such termination, revocation, non-renewal or non-extension, as the case may be, without further action of the parties and without penalty for early termination and neither party shall have any right or cause of action against the other by reason of such termination.

b. **AMENDMENT CAUSED BY ACADEMY SITE CLOSURE OR RECONSTITUTION.** In the event that the SubLessee is required (i) to close an Academy site pursuant to a notice issued by the Michigan Department of Education under Section 507 of the Code, MCL 380.507; or (ii) to undergo a reconstitution pursuant to Section 507 of the Code, MCL 380.507, and the Charter Contract, and such closure of an Academy site or reconstitution causes an amendment to or termination of this SubLease Agreement, the parties agree that this SubLease Agreement shall be amended or terminated to implement the Academy site closure or reconstitution, with no cost or penalty to the SubLessee, and the SubLessor shall have no recourse against the SubLessee or the Central Michigan University Board of Trustees for implementing such site closure or reconstitution.

4. **USE.** The Leased Premises are to be used and occupied solely for the purpose of operating a public charter school as defined in Part 6A of the Michigan Revised School Code, MCL 380.501 *et seq.*, (as amended) and for no other purpose.

5. **SUBLESSEE'S OBLIGATIONS.** The SubLessee hereby hires the Leased Premises for the term aforesaid, and covenants:

a. **RENT.** To pay the SubLessor, as rental for the Leased Premises, without demand, offset or deduction (except as expressly provided for in this SubLease), a monthly payment equal to the sum of the rent in the lease that SubLessor has with Prime Landlord (currently \$9,144.79). SubLessor and SubLessee acknowledge and confirm that SubLessee has been making month to month rent payments since February 1, 2019.

b. Rent payments and all other payments required to be made by SubLessee to SubLessor under the terms of this SubLease are due on the first day of each and every month, in advance, provided, however that the first month's rent shall be due on the date of execution of this SubLease. If any payment of the monthly rental amount reserved under this Section is more than five (5) days past due, SubLessee shall pay SubLessor a late fee in the amount of ten percent (10%) of the amount past due. The parties agree that such a late fee represents a fair and reasonable estimate of the costs SubLessor will incur by reason of a late payment. In the event that any monthly rental payment is more than ten (10) days past due, in addition to the late fee, SubLessee shall pay SubLessor interest on the unpaid amount at the rate of ten percent (10%) per annum commencing on the tenth (10th) day after such payment was due, until such payment is made. Acceptance of the late fee or interest under this Section shall in no event constitute a waiver of SubLessee's default with respect to the overdue amount, nor prevent SubLessor from exercising any of his rights and remedies.

c. To use and occupy the Leased Premises only for the purposes for which they are let.

d. To comply promptly with all lawful laws, orders, regulations, and ordinances of all municipal, county, state and federal authorities affecting the Leased Premises and the cleanliness, safety, occupation, and use of same, including without limitation the Americans with Disabilities Act of 1990, 42 U.S.C. 12101-12213 (1991), as amended.

e. To observe all reasonable regulations and requirements of underwriters concerning the use and condition of the Leased Premises tending to reduce fire hazards and insurance rates, and not permit nor allow any rubbish, waste material or products to accumulate on the Leased Premises. In addition, SubLessee shall not do or permit anything to be done in or about the Leased Premises that will in any way obstruct or interfere with the rights of other tenants,

if any, or use or allow the Leased Premises to be used for any improper, immoral, unlawful or objectionable purpose, nor shall SubLessee cause, maintain or permit any nuisance in, on or about the Leased Premises.

f. Except for the express obligations of SubLessor set forth in this SubLease ("SubLessor's Obligations"), during the entire term of the SubLease, including any extension period, SubLessee agrees, at its sole cost and expense, to maintain the entire Leased Premises and fixtures in good order, condition and repair (including any replacements, except no replacements of structural components, thereof if necessary in the event such item or component of the Leased Premises or fixture cannot be repaired) at all times, including, but not limited to, the interior and exterior, structural and nonstructural components (including by way of example only and not as a limitation, doors, door frames, window glass, casings, and frames, or any appliances, plumbing, equipment, hardware and furnishings of the Leased Premises) and boiler. SubLessee shall keep the Leased Premises in a clean, sanitary and safe condition at all times.

g. If the nature of the SubLessee's business requires licensure, SubLessee shall keep in effect a valid license to operate the Leased Premises for that purpose and provide SubLessor with a current copy of the required license.

6. SUBLESSOR'S OBLIGATIONS. The SubLessor covenants that:

a. The SubLessee, on payment of the rental at the time and in the manner aforesaid and performing all the foregoing covenants, shall and may peacefully and quietly have, hold, and enjoy the Leased Premises for the term aforesaid.

b. The SubLessor, after receiving notice from the SubLessee, agrees to cause Prime Landlord to keep in good order and repair the roof and four outer walls of the Leased Premises (excluding by way of example only and not as a limitation, doors, door frames, window glass, casings, and frames, fixtures or any appliances, equipment, hardware and furnishings of the Leased Premises) except the repair of outer walls which have been defaced or damaged by SubLessee or anyone SubLessee permits to use the Leased Premises (other than SubLessor or its invitees), which shall be the obligation of the SubLessee.

7. INSURANCE.

a. INDEMNIFICATION/LIABILITY:

i. To the extent permitted by law, SubLessee shall indemnify, defend (using counsel satisfactory to SubLessor in its sole discretion) and hold harmless SubLessor, Prime Landlord, and their employees, managers, partners, officers, directors, contractors and agents from and against all claims, demands, liabilities, obligations, damages, penalties, causes of action, suits, judgments, and expenses (including attorneys' fees) arising from or related to (i) the occupancy, condition, operation or use of the Leased Premises, (ii) any accident, occurrence, injury to or death of persons, or loss of or damage to property occurring on or about the Leased Premises except, as to the parties other than SubLessor, to the extent caused by the negligence of Prime Landlord arising in connection with Prime Landlord's use of the Leased Premises, (iii) use or misuse of any portions of the Leased Premises by a SubLessee or any of SubLessee's respective agents, contractors, employees, visitors, and invitees, or (iv) SubLessee's failure to perform its obligations under this SubLease. The obligations of SubLessee under this paragraph arising by reason of any occurrence taking place during the term of this SubLease shall survive any termination of this SubLease.

ii. The SubLessee will procure and keep in effect during the term

hereof commercial general liability insurance on an occurrence basis with limits of at least One Million Dollars (\$1,000,000.00) per occurrence, with a Two Million Dollar (\$2,000,000.00) annual general aggregate. Such policy shall include coverage for bodily injury, property damage, premises and operations, personal and advertising injury and contractual liability insurance that covers the indemnification obligations of this SubLease. Not more frequently than every three (3) years, if, in the reasonable opinion of SubLessor, the amount of liability insurance required hereunder is not adequate, SubLessee shall promptly increase said insurance coverage as reasonably required by SubLessor.

iii. In addition, such policies shall name the SubLessor and Prime Landlord, as additional named insureds on a primary and noncontributory basis and shall contain a provision that it may not be canceled without at least thirty (30) days prior written notice being given by the insurer to SubLessor. SubLessee agrees to deliver certificates of all insurance required under this paragraph to SubLessor prior to any entry upon the Leased Premises, and not less than thirty (30) days before the expiration of any such policy. Further, SubLessee agrees to provide complete copies of all policies to the SubLessor upon receipt of the same; provided, however, the receipt by SubLessor of such policies shall not be deemed by SubLessor to be an acceptance of such coverage to the extent it conflicts with the requirements of this SubLease. Upon SubLessee's failure to deliver a Certificate of Insurance, the SubLessor may, at its option, immediately cancel this SubLease upon written notice to SubLessee.

b. FIRE: SubLessor shall cause Prime Landlord to provide for such standard form fire insurance on the building in which the Leased Premises are located as Prime Landlord shall deem advisable, which insurance is solely for the benefit of the SubLessor and is not available for the benefit of the SubLessee.

c. CONTENTS/SUBLESSEE IMPROVEMENTS: SubLessee shall be responsible for securing any insurance it deems advisable on contents and SubLessee improvements or for business interruption and neither SubLessor nor Prime Landlord shall have liability with respect to any loss which might have been covered by such insurance.

8. ALTERATIONS.

a. SubLessee may make no alterations, additions, or improvements to the Leased Premises without the SubLessor's and Prime Landlord's prior written consent. All such alterations, additions and improvements shall be at the expense of the SubLessee and, to the extent permitted by law, SubLessee hereby indemnifies and holds SubLessor and Prime Landlord harmless from all costs, liability and loss of any kind and all claims of loss or liability, in any way arising out of or by reason of any such alterations, additions or improvements. Upon vacation of the Leased Premises, said improvements, additions and alterations shall, at SubLessor's option, become the property of the SubLessor. SubLessee shall promptly remove all such alterations, additions and improvements required by SubLessor to be removed and SubLessee shall restore the premises after such removal to substantially their condition prior to the time such alteration, addition or improvement was made. All furnishings and equipment which are not attached or affixed to the Leased Premises made or placed by SubLessee upon the Leased Premises shall be the property of the SubLessee, and the SubLessee shall be permitted to remove the same at the end of the term of this SubLease, but only if such removal causes no molestation or injury to the Leased Premises or the building in which the Leased Premises are located. If SubLessor and Prime Landlord consent to SubLessee's performance of any alteration or addition to the Leased Premises ("Work"), SubLessee shall ensure that the Work shall be made in accordance with the Plans and

Drawings (as defined below) and all: applicable laws, regulations and building codes, in a good and workmanlike manner and in quality satisfactory to SubLessor and Prime Landlord. In addition, prior to commencement of any Work, SubLessee must submit to SubLessor and Prime Landlord for approval, which approval shall not be unreasonably withheld, conditioned, or delayed:

- i. a complete set of plans and specifications ("Plans") prepared and sealed by a registered architect or engineer,
- ii. a complete set of drawings and specifications for mechanical, electrical and plumbing systems ("Drawings"); and
- iii. a list of the contractors and subcontractors ("Contractors") who will perform the Work, together with proof of insurance and performance and labor bonds, in such amounts and with such carriers or sureties as SubLessor may require in its sole and absolute discretion.

b. SubLessor's and Prime Landlord's approval of the Plans and Drawings for SubLessee's alterations shall create no responsibility or liability on the part of SubLessor or Prime Landlord for their completeness, design sufficiency or compliance with all laws, rules and regulations of governmental agencies or authorities.

c. No person shall be entitled to any lien on the Leased Premises because of any labor or material furnished to SubLessee in connection with any alterations or improvements by SubLessee, and nothing in the SubLease shall be construed to constitute a consent by SubLessor to the creation of any lien. If any lien is filed against the Leased Premises as a result of a claim against SubLessee for labor or material furnished to SubLessee, SubLessee shall cause the lien to be discharged of record within fifteen days after filing. If SubLessee fails to cause the lien to be discharged within such time, SubLessor or Prime Landlord may, without the obligation to do so, payoff the lien and SubLessee shall reimburse SubLessor or Prime Landlord, as applicable, for all costs and expenses incurred by SubLessor or Prime Landlord to pay and discharge such lien, including, but not limited to, reasonable attorney fees ("Lien Expense"). To the extent permitted by law, SubLessee shall indemnify SubLessor from any costs, including, but not limited to, reasonable attorney fees, in connection with any such lien. In the event SubLessee fails to reimburse SubLessor within thirty (30) days after receipt of SubLessor's demand for reimbursement for any Lien Expense incurred by SubLessor with respect to any lien ("Delinquency Date"), SubLessee shall be required to pay to SubLessor, on the Delinquency Date and every thirty (30) days thereafter until SubLessor receives such reimbursement, in addition to the amount of such Lien Expense, a late fee in the amount of ten percent (10%) of the outstanding amount of the Lien Expense. Acceptance of the late fee or interest under this Section shall in no event constitute a waiver of SubLessee's default with respect to the overdue amount, nor prevent SubLessor from exercising any of his rights and remedies.

d. Notwithstanding anything to the contrary contained herein, in the event that SubLessor does not consent to any alterations, additions, or improvements required by any governmental agency as a condition precedent to SubLessee's occupancy of the Leased Premises as a public charter school, SubLessee shall have the right to terminate this SubLease.

9. **EMINENT DOMAIN.** In the event of a taking of the Leased Premises during the term of this SubLease by a proceeding in eminent domain which results in the eviction of the SubLessee, this SubLease shall terminate upon the date of such eviction. All awards shall be the sole property of SubLessor, except for SubLessee's award for relocation expense or loss of business, if any.

10. **ASSIGNMENT AND SUBLETTING.** SubLessee covenants that it will not assign, sell, mortgage or in any manner transfer or encumber this SubLease or any interest herein, or sublet the Leased Premises or any part or parts thereof or grant any concession or license or otherwise permit occupancy of all or any part thereof by others without in each case first obtaining the prior written consent of SubLessor. The consent by SubLessor to an assignment or subletting shall not in any way be construed to release SubLessee from obtaining the express consent of the SubLessor to any further assignment or subletting of any part of the Leased Premises nor shall the collection of rent by SubLessor from any assignee, sub-SubLessee or other occupant be deemed a waiver of this covenant or the acceptance of the assignee, sub-SubLessee or occupant as a SubLessee hereunder or a release of SubLessee from the further performance by SubLessee of the covenants in this SubLease on SubLessee's part to be performed. If SubLessee is a corporation or a partnership, the sale or transfer of fifty percent (50%) or more of such corporation's voting shares or of such partnership's general partnership interests, as the case may be, shall be deemed to be an assignment of this SubLease.

11. **DEFAULT.** The occurrence of any one or more of the following events (hereinafter referred to as "Events of Default") shall constitute a breach of this SubLease by SubLessee:

a. if SubLessee shall fail to pay rent or any other sum within five (5) days of when and as the same becomes due and payable;

b. if SubLessee shall fail to perform or observe any other term hereof to be performed or observed by SubLessee under this SubLease which is not cured within fifteen (15) days after receipt of written notice of such failure;

c. if SubLessee shall make a general assignment for the benefit of creditors, or shall admit in writing its inability to pay its debts as they become due or shall file a petition in bankruptcy, or shall be adjudicated as insolvent or shall file a petition in any proceeding seeking any reorganization, arrangements, composition, readjustment, liquidation, dissolution or similar relief under any present or future statute, law or regulation, or shall file an answer admitting or fail timely to contest or acquiesce in the appointment of any trustee, receiver or liquidator of SubLessee or any material part of its properties;

d. if this SubLease or any estate of SubLessee hereunder shall be levied upon under any attachment or execution and such attachment or execution is not vacated within ten (10) days;

e. if SubLessee vacates, abandons or deserts the Leased Premises or SubLessee fails to occupy the Leased Premises for more than ninety (90) consecutive days; or

f. if there is a revocation, termination or other invalidation of any permit, license or authorization with respect to SubLessee's use and/or occupancy of the Leased Premises, including, but not limited to, certificates of occupancy, business licenses or charters.

12. **REMEDIES.** Upon the occurrence of an Event of Default, in addition to any other remedies which may be available to SubLessor, SubLessor may, at his option, after providing to SubLessee any notice required under Michigan Law, do one or more of the following:

a. Terminate this SubLease and, upon such termination, this SubLease shall come to an end and expire upon SubLessor's termination, but SubLessee shall remain liable for any damages SubLessor may incur by reason of any default of the SubLessee to comply with the terms and conditions of this SubLease; or

b. Either with or without terminating this SubLease, SubLessor may immediately or at any time after the Event of Default or after the date upon which this SubLease shall expire, reenter the Leased Premises or any part thereof, without notice, either by summary proceedings or by any other applicable action or proceeding, (without being liable to indictment, prosecution or damages therefore), and may repossess the Leased Premises and remove any and all of SubLessee's property and effects from the Leased Premises; or

c. Either with or without terminating this SubLease, SubLessor may relet the whole or any part of the Leased Premises from time to time, either in the name of SubLessor or otherwise, to such tenant or tenants, for such term or terms ending before, on or after the expiration of this SubLease, at such rental or rentals and upon such other conditions, which may include concessions and free rent periods, as SubLessor, in its sole discretion, may determine. In the event of any such reletting, SubLessor shall not be liable for the failure to collect any rental due upon any such reletting, and no such failure shall operate to relieve SubLessee of any liability under this SubLease or otherwise to affect any such liability; and SubLessor may make such repairs, replacements, alterations, additions, improvements, decorations and other physical changes in and to the Leased Premises as SubLessor, in its sole discretion, considers advisable or necessary in connection with any such reletting or proposed reletting, without relieving SubLessee of any liability under the SubLease or otherwise affecting such liability; or

d. Accelerate all rental due for the balance of the term of this SubLease and declare the same to be immediately due and payable; or

e. SubLessor shall have the right to recover all amounts payable by SubLessee hereunder as they become due and all other damages incurred by SubLessor as a result of an Event of Default including, without limitation, attorney's fees and costs.

13. CONTROLLING LAW; NO OTHER SUBLEASE OR REPRESENTATIVES. This SubLease shall be governed by the laws of the State of Michigan. There are no understandings, SubLeases, representations, or warranties, expressed or implied, other than those set forth in a written addendum or supplement executed simultaneously herewith, or as herein set forth fully or incorporated by specific reference, respecting this SubLease or any real or personal property leased hereunder.

14. NON-WAIVER; MODIFICATIONS. No waiver of any provision of this SubLease, or a breach thereof, shall be construed as a continuing waiver, nor shall it constitute a waiver of any other provision or breach. The acceptance of part (but not all) of a rent installment(s) due SubLessor hereunder shall not constitute a waiver of default hereunder for nonpayment of rent. The acceptance of all or part of a rent installment(s) due SubLessor hereunder shall not constitute a waiver of any other type of default hereunder. No modification, alteration and/or amendment of this SubLease shall be binding upon the other party hereto, unless the same shall be reduced to writing and signed by the party against whom it is sought to be enforced.

15. NOTICES. All notices and communications required under this Sublease shall be served personally or by registered or certified mail or by prepaid courier service or express mail service as long as in each case there is written evidence of the person to whom delivery was made and the date of delivery signed by the person delivering the notice, on the Landlord and on Tenant at the address indicated on page 1 hereof, or at such other address as may be designated in writing to the other party hereto by notice in accordance with this Section. Notices to SubLandlord shall

be addressed to US Learning Corporation, care of Valerie Chase, 177 Holston Drive, Lancaster, CA 93535. Notices to Tenant shall be addressed to Board President.

16. **SURRENDER.** The SubLessee shall return said Leased Premises peaceably and promptly to the SubLessor at the end of the term of this SubLease, or at any earlier termination thereof, in as good condition as the same are now in or may hereafter to be put in, except for ordinary wear and tear. Upon termination of this SubLease, whether by expiration of the term, abandonment or surrender by SubLessee, process of law or otherwise, any personal property belonging to SubLessee and left on the Leased Premises shall be deemed to be abandoned and may be removed and disposed of by SubLessor at SubLessee's expense.

17. **RIGHT TO TERMINATE.**

a. If the Leased Premises shall be totally destroyed through damage or destruction, this SubLease shall terminate as of the date of such damage or destruction.

b. If the Leased Premises are partially destroyed through damage or destruction, then the damage to the Leased Premises shall be promptly repaired by SubLessor, unless SubLessor shall elect not to rebuild as hereinafter provided, and the monthly rent shall be abated in proportion to the amount of the Leased Premises rendered untenable until so repaired. In no event shall SubLessor be required to repair or replace SubLessee's merchandise, trade fixtures, furnishings or equipment. If more than fifty percent (50%) of the floor area of the building in which the Leased Premises are located shall be damaged or destroyed by fire or other casualty or if during the last one (1) years of the Term more than twenty five percent (25%) of the Leased Premises or of the floor area of the building in which the Leased Premises are located shall be damaged or destroyed by fire or other casualty then either party may either elect terminate this Lease by providing the other party with written notice of its election to so terminate, such notice to be given within ninety (90) days after the occurrence of such damage or destruction. If SubLessor is required or elects to repair or rebuild or requires the SubLessee to repair or rebuild the Leased Premises as herein provided. SubLessee shall repair or replace its merchandise, trade fixtures, furnishings and equipment in a manner and to at least a condition equal to that prior to its damage or destruction.

c. In case the Leased Premises and/or the entrance(s), passageways, hallways and/or lavatories shall be sufficiently damaged so as to unreasonably impede SubLessee's use of the Leased Premises for a period likely to exceed sixty (60) days, SubLessee may, at its option, terminate this SubLease forthwith by written notice to the SubLessor, in which event any unabsorbed advance rental forthwith upon SubLessee's surrendering the Leased Premises shall be repaid to SubLessee.

d. Anything in this SubLease to the contrary notwithstanding, subject to SubLessor's rights under this SubLease, this SubLease may be terminated at any time by SubLessor upon one hundred twenty (120) days written notice to SubLessee ("Termination Notice") in the event Prime Landlord makes the determination to close the Leased Premises (as defined below), which termination shall be effective as of the end of the current school year as of the date the notice is provided it being understood by the parties that a school year runs from July 1 to the following June 30; provided, however, in the event the Termination Notice is delivered by SubLessor to SubLessee after April 1 of any year, the termination shall be effective as of the end of the next full school year.

18. **SUCCESSORS AND ASSIGNS.** This SubLease and each of the covenants, conditions, and SubLeases contained herein shall be binding upon each of the parties and upon their respective successors, representatives and assigns, and the benefits shall inure to each of the parties and to their respective permitted successors, representatives and assigns.

19. **NO REPRESENTATIONS.** SubLessee acknowledges that no representation, verbal or written, has been made by any broker, agent or employee of SubLessor regarding the condition of the improvements on the premises. This SubLease is not made in reliance upon any representation whatsoever.

20. **SECURITY DEPOSIT -- Intentionally Omitted.**

21. **HOLD OVER.** It is hereby agreed that in the event the SubLessee herein holds over after the termination of this SubLease, that thereafter the tenancy will be from month-to-month in the absence of a written SubLease to the contrary. All terms of the previous SubLease will remain the same, except that the rent amount shall be increased to 150% of the previous rent amount.

22. **OPTION TO EXTEND.** Provided an Event of Default has not occurred, and SubLessor has the right to an extension, SubLessee shall have two (2) successive options to extend the term of this SubLease for an additional five (5) years each from and after the expiration of the original term or the first extension term, as applicable. SubLessee shall exercise each option by giving SubLessor written notice of the intention to extend, no later than six (6) months prior to the expiration of the original term or the current option term. The terms and conditions of any extension term shall be the same terms and conditions of the original term of this SubLease.

23. **HEADINGS.** The headings of this SubLease are for purposes of reference only and shall not limit or define the meaning of any provisions of this SubLease.

24. **HAZARDOUS MATERIALS.**

a. SubLessee shall be fully responsible, at its own expense, for compliance with all laws and/or regulations governing the handling of Hazardous Materials or other substances used or stored on the Premises in connection with SubLessee's business conducted therein. All hazardous or potentially Hazardous Materials shall be stored in proper containers and shall be further protected against spills by secondary containment facilities. SubLessee shall not spill, introduce, discharge or bury any Hazardous Materials, substance or contaminant of any kind in, on, or under the Premises or any portion thereof or any adjacent premises or into the ambient air. SubLessee shall not permit the discharge of any Hazardous Materials into the sanitary or storm sewer or water system serving the Premises or any adjacent premises or into any municipal or other governmental water system or storm and/or sanitary sewer system. SubLessee shall employ all appropriate safeguards and procedures necessary or appropriate to protect such systems from contamination. SubLessee shall undertake, at its expense, any necessary and/or appropriate cleanup process in connection with any breach of the foregoing covenants, and without limiting SubLessee's other indemnity or insurance obligations under this SubLease. To the extent permitted by law, SubLessee shall indemnify and hold harmless SubLessor from and against all liability whether direct, indirect, consequential or otherwise, arising from any incident or occurrence on or

about the Premises or any adjacent premises pertaining to Hazardous Materials which results from the acts or omissions of SubLessee, its agents, employees or invitees, during the term hereof. The obligations of SubLessee under this section shall survive the termination of this SubLease.

b. SubLessor represents and warrants that (i) to the best of its knowledge, no Hazardous Materials are present on the Leased Premises in violation of Environmental Laws, and (ii) it will not cause or permit any Hazardous Materials to be introduced onto, used, or stored on the Leased Premises in violation of Environmental Laws. For the purposes of this SubLease, "to the best of its knowledge" and words of similar import shall mean the actual knowledge of Valerie Chase, without any duty of inquiry or investigation.

c. "Hazardous Materials" shall include, without limitation, any chemical or other material which is or may become injurious to the public health, safety or welfare, or to the environment, flammable explosives, petroleum fractions, pesticides, radioactive materials, Hazardous Materials, regulated substances, hazardous or toxic substances, contaminating pollutants or related or similar materials, including by way of example, substances or materials defined by any federal, state or local environmental law, ordinance, rule or regulation, including, without limitation, the Comprehensive Environmental Response, Compensation and Liability Act of 1980, the Hazardous Materials Transportation Act, the Resource Conservation and Recovery Act, the Federal Insecticide, Fungicide, and Rodenticide Act or the Michigan Environmental Response Act, and the regulations adopted and publications promulgated pursuant thereto, all as amended.

25. SUBLESSOR'S RIGHTS AND NON-LIABILITY.

a. SubLessor shall have the right from time to time, without notice to SubLessee, to inspect the Leased Premises to confirm SubLessee's compliance with this SubLease

b. SubLessor shall not be responsible or liable to SubLessee for:

i. any loss or damage that may be occasioned by or through the acts or omissions of persons occupying adjoining areas or any part of the area adjacent to or connected with the Leased Premises or any part of the structures or improvements on the Leased Premises; or

ii. any loss or damage resulting to SubLessee or his property from theft or a failure of the security systems, if any, in the structures or improvements on the Leased Premises; or

iii. any damage or loss of property within the Leased Premises from any cause other than solely by reason of the willful act of SubLessor, and no such occurrence shall be deemed to be an actual or constructive eviction from the Leased Premises or result in an abatement of rents.

26. SUBORDINATION. This SubLease and the rights of the SubLessee hereunder are hereby made subject to and subordinate to all mortgages now or hereafter placed upon the Leased Premises. SubLessee covenants and agrees to execute and deliver on demand an instrument or instruments subordinating this SubLease to the lien of any such mortgage or mortgages and hereby irrevocably appoints SubLessor the attorney-in-fact of SubLessee to execute and deliver any such instrument or instruments in the name of SubLessee. In addition, SubLessee agrees that, upon the request of SubLessor or any mortgagee of SubLessor or Prime Landlord, SubLessee shall execute an estoppel certificate in form satisfactory to SubLessor or any mortgagee of SubLessor or Prime Landlord.

27. **ATTORNEYS' FEES.** If SubLessor or SubLessee commences a court proceeding in connection with any breach or default in the performance of any of the provisions of this SubLease, to recover damages, or to terminate the SubLease, the prevailing party shall be entitled to a reasonable award of attorney fees and expenses from the non-prevailing party.

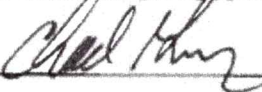
28. **ADDITIONAL RENT.** All taxes, insurance, utility charges, costs and expenses that the SubLessee assumes or agrees to pay under this SubLease, together with all interest and late charges that may accrue thereon in the event of failure of SubLessee to pay these items, and all other damages that SubLessor may incur by reason of any default of the SubLessee to comply with the terms and conditions of this SubLease shall be deemed additional rent, and in the event of non- payment, SubLessor shall have all the rights as herein provided for failure to pay rent.

29. **JURY WAIVER.**

SUBLESSOR AND SUBLESSEE ACKNOWLEDGE THAT THE RIGHT TO TRIAL BY JURY IS A CONSTITUTIONAL ONE, BUT THAT IT MAY BE WAIVED. EACH PARTY, AFTER CONSULTING (OR HAVING HAD THE OPPORTUNITY TO CONSULT) WITH COUNSEL OF THEIR CHOICE KNOWINGLY AND VOLUNTARILY, AND FOR THEIR MUTUAL BENEFIT, WAIVES ANY RIGHT TO TRIAL BY JURY IN THE EVENT OF LITIGATION REGARDING THE PERFORMANCE OR ENFORCEMENT OF, OR IN ANY WAY RELATED TO THIS SUBLEASE.

IN WITNESS WHEREOF, the parties hereto have executed this Sublease as of the day and year first above written.

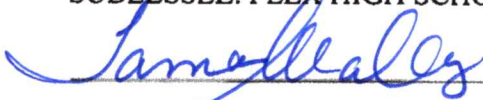
SUBLESSOR: US LEARNING CORPORATION, a California nonprofit corporation



Name: Chad Gray

Its: CEO

SUBLESSEE: FLEX HIGH SCHOOL OF MICHIGAN, a Michigan nonprofit corporation



Name: Tamara Valley

Its: Board President

LEASE

DATE OF EXECUTION: June 25, 2019 (the “Effective Date”)

TENANT: **US LEARNING CORPORATION**
177 Holston Drive
Lancaster, California 93535

GUARANTOR: **LIFELONG LEARNING ADMINISTRATION CORPORATION**
177 Holston Drive
Lancaster, California 93535

LANDLORD: **CLIO & PIERSON, LLC**
a Delaware limited liability company
c/o Signature Associates
One Towne Square
Suite 1200
Southfield, Michigan 48076

PREMISES: Approximately 8,779 square feet (“SF”), located at 4945 Clio Road & 4939 Clio Road, Flint, Michigan 48504 (the “Premises”).

NAME OF CENTER: Hallwood Plaza (the “Center”)

RENT COMMENCEMENT DATE: Sixty (60) days after substantial completion of improvements.

DELIVERY DATE: Possession shall occur upon BCC and BFS approvals through the State of Michigan.

LEASE COMMENCEMENT DATE: Rent Commencement Date

TERM: The period commencing on the Rent Commencement Date and expiring sixty (60) months thereafter (the “Term”) However, if Tenant or its operating partners lose the legal right to operate the intended charter school, lease terminates upon 60 day notice. In such event that Tenant terminates the Lease pursuant to this section, Tenant shall repay the portion of the Tenant Improvements and Broker Commissions which had been paid by Landlord but are unamortized. Such unamortized amount shall be figured by taking the total costs of \$260,627 multiplied by the fraction consisting of the number of months remaining on the lease as the numerator and 60 as the denominator.

LEASE EXPIRATION DATE: 60 months from the Lease Commencement Date

MINIMUM MONTHLY RENT: 1 – 60 months \$12.50 per sf or \$9,144.79 per month

ADDITIONAL RENT:

One Thousand Nine Hundred Seventy Five and 28/100 Dollars (\$1,975.28) to be paid monthly, as an estimate only, for Tenant's proportionate share of those operating expenses applicable to Real Estate Taxes (see Paragraph 10 below), multi-peril insurance (see Paragraph 11 below) and Common Area Maintenance (see Paragraph 9 below).

Tenant's proportionate share of Real Estate Taxes, insurance premiums and common area maintenance expenses (collectively, the "Operating Expenses") shall be that amount determined by the ratio which the total first floor area of the Premises bears to the total first floor area of the leaseable space of the Center ("Tenant's Proportionate Share"). Tenant's proportionate share is subject to reduction and or credit if Tenant is successful in securing a real property tax exemption. Tenant's Real Estate Tax obligation will not be reduced by a personal property tax exemption.

Tenant's proportionate share of additional rent is estimated to be 3.59%.

SECURITY DEPOSIT:

First month's rent and one month's security deposit equal to last month's rent upon lease execution: \$ 22,240.14.

TENANT'S USE:

Resource Center for Independent Study Charter School.

BROKER:

Signature Associates and Carrie Weiss of NAI Farbman. If Tenant terminates the Lease for government requirement of a fire curtain as described in section 5(c), Landlord shall not be responsible for a commission to either Signature Associates or NAI Farbman.

1. LEASE.

Landlord, in consideration of the rents to be paid and the undertakings to be performed by Tenant, leases to Tenant the Premises for the Term, together with the non-exclusive right to use the parking areas and other common areas which may be designated by Landlord from time to time for use in connection with the Premises (the "Common Areas"), in common with others entitled to use the same. Tenant, upon paying the Rent and performing its obligations under this Lease, may peacefully and quietly enjoy the Premises during the Term, subject to the provisions of this Lease.

Landlord and Tenant agree, within seven (7) days after the Lease Commencement Date, to execute a letter to confirm the Lease Commencement Date, the Rent Commencement Date, and the Lease Expiration Date.

2. RENT.

A. Rent. Tenant leases the Premises for the Term and agrees to pay the Minimum Monthly Rent in advance on the first day of each month during the Term beginning on the Rent Commencement Date and continuing until the expiration of the Term, as it may be extended, and Additional Rent as hereinafter provided, without demand, setoff or deduction, and to perform the undertakings herein set forth. The first

installment of Minimum Monthly Rent shall be payable upon execution of this Lease. The term “Additional Rent” shall include all other charges which become due to Landlord hereunder. The Minimum Monthly Rent and Additional Rent collectively referred to herein as “Rent”. Rent shall be paid at the address of the Landlord set forth above or at such other place as Landlord may designate from time to time. In all instances the monthly rent as set forth herein shall be the determinant of the obligation for rent set forth herein, irrespective of any reference to the approximate square foot area demised hereunder. If the Rent Commencement Date is other than the first day of the month, rent will be paid for the fractional days of a month on a per diem basis.

B. Setoffs. Notwithstanding anything to the contrary herein, Tenant acknowledges and agrees that its obligation to pay rent under this Lease is an independent covenant, and that such obligation to pay rent is not subject to setoff or recoupment in connection with any action for summary proceedings to recover possession of the Premises, unless required by court rule.

C. Accord and Satisfaction. No payment by Tenant or receipt by Landlord of a lesser amount than the Rent or any other amounts due hereunder shall be deemed to be other than on account of the earliest and/or other amounts due, nor shall any endorsement or statement on any check or any letter accompanying any check or payment under this Lease be deemed an accord or satisfaction. Landlord may accept such check or payment without prejudice to its right to recover the balance of the amount due hereunder or pursue any other remedy for Tenant default.

3. **LEASE YEAR DEFINED.** – *Intentionally Deleted.*

4. **USE AND CARE OF THE PREMISES.**

Tenant may use and occupy the Premises only for the purposes stated above, and for no other purpose without the prior written consent of Landlord. Tenant will not use or occupy, or permit any portion of the Premises to be used or occupied without first obtaining all necessary permits and a certificate of occupancy from the municipal authority, nor:

- (i) in violation of any law, ordinance, order, rule, regulation, certificate of occupancy, building and use restriction or other governmental requirement;
- (ii) for any disreputable business or purpose, or;
- (iii) in any manner or for any business or purpose that creates risks of fire or other hazards, or that would in any way violate, suspend, void or increase the rate of fire or liability or any other insurance of any kind at any time carried by Landlord upon all or any part of the building within which the Premises are located or its contents.

Tenant shall not use the sidewalks or parking facilities of the Premises for business purposes without the written consent of Landlord. Tenant, its employees and invitees, shall comply with all laws, ordinances and regulations of all public authorities and all requirements of fire insurance underwriters or rating bureaus, relating to the Premises and the use and occupancy thereof. Tenant shall not use nor permit the use of the Premises or the Common Areas in any manner that will create waste or a nuisance or disturbance to other tenants/patrons of the Center. Tenant, its employees and invitees, shall comply with the regulations set forth in Exhibit A attached, as they may be modified by Landlord from time to time (the “Regulations”), and with such other reasonable regulations as Landlord may establish from time to time.

In the event of any breach of any of these covenants, Landlord may at its option, terminate this Lease forthwith and re-enter and repossess the Premises.

5. CONDITION OF PREMISES; LANDLORD'S WORK; TENANT'S WORK

A. As Is. Tenant acknowledges that it has examined the Premises prior to the making of this Lease and knows the condition thereof. No representations have been made by Landlord, its agents or employees, express or implied, written or oral, as to the condition or state of repairs of the Premises and/or its components. Except for the performance of Landlord's Work, Tenant accepts Premises in "as is" condition.

B. ADA Compliance. As of the Effective Date, Landlord has not received: (i) any notices from any governmental or quasi-governmental agencies alleging violations of Title III of the Americans with Disabilities Act of 1990 (ADA) or any regulation issued thereunder; (ii) any notices of claims made or threatened regarding noncompliance with the ADA; or (iii) any notices of any governmental or regulatory actions or investigations instituted or threatened regarding noncompliance with the ADA as to any portions of the Premises. Tenant will comply with any requirement of the Americans with Disabilities Act of 1990 and regulations issued thereunder.

C. Tenant's Work. Tenant, at its cost, agrees to commence and expeditiously complete in a workmanlike manner, such work, if any, as may be required to ready the Premises for Tenant's occupancy ("Tenant's Work"). Without limiting the generality of the foregoing, Tenant's Work shall include the build out of a first class school space. The plans and specifications for Tenant's Work shall be approved by Landlord prior to the commencement of Tenant's Work. However, notwithstanding the foregoing, if governmental authority requires a curtain firewall or rejects the Tenant's proposal to just build a barrier wall, this will be a substantial unexpected expense to Tenant, and Tenant will therefore be able to terminate this lease upon 10 days written notice.

D. Landlord's Work. Landlord's work shall consist of constructing a restroom as required by code, ensuring required power is brought into the suite, any structural upgrades as required by code, working HVAC (not distributed), any site ADA upgrades as required by code as an existing building, verification of plumbing main being in good working condition. In lieu of providing a restroom Landlord will pay to tenant a sum of Twenty Five Thousand and 00/100 Dollars (\$25,000) to be paid within thirty (30) days in accordance with TIA Conditions set forth in the next section 5(E). If governmental authority requires a curtain firewall or rejects the Tenant's proposal to just build a barrier wall which results in Tenant's termination of the lease, Tenant shall reimburse Landlord for the electrical system inspection, up to Two Thousand and 00/100 Dollars (\$2,000).

E. Tenant Improvement Allowance. Exclusively upon Tenant's request and in consideration of Tenant performing Tenant's Work, provided that Tenant is not in default under this Lease and the Tenant Improvement Allowance Conditions (as hereinafter defined) are satisfied within ninety (90) days after the Lease Commencement Date, Landlord shall pay to Tenant a cash construction allowance (the "TI Allowance") equal to Two Hundred Nineteen Thousand Four Hundred Seventy Five and 00/100 Dollars (\$219,475.00). The TI Allowance shall be paid to Tenant within thirty (30) days after the last to occur of the following ("TIA Conditions"): (i) the opening of the Premises for business; (ii) the issuance of a certificate of occupancy and all other permits and/or licenses that may be required for the conduct of its business; (iii) Tenant has substantially completed Tenant's Work and provided evidence of payment, including a sworn statement and final waivers of lien from Tenant's general contractor and all subcontractors who provided goods or services in connection with any portion of Tenant's Work; and (iv) Landlord's receipt of Rent from Tenant. Tenant's Work, other than Tenant's furniture, trade fixtures, equipment, inventory and signs, shall be deemed to have attached to the leasehold and to have become the property of Landlord upon such attachment.

6. POSSESSION.

Landlord shall have no liability to Tenant if Landlord shall be unable to deliver possession of the Premises on the date of the beginning of the Term of this Lease by reason of the holding over of the prior occupant, or for any other cause beyond the reasonable control of Landlord, but in such event, the Term and Minimum Monthly Rent shall not commence until possession of the Premises is tendered (tender shall have occurred at such time as BCS and BFS approvals from the State of Michigan are received); provided that the expiration of the Term shall be extended by the number of days after the beginning of the Term that possession is delivered to Tenant. If Tenant shall occupy the Premises prior to the Lease Commencement Date with the consent of Landlord, such occupancy shall be subject to all of the terms and conditions of this Lease, including payment of Minimum Monthly Rent and all other charges. Notwithstanding the foregoing, if Landlord does not deliver possession of the Premises within 120 days of Date of Execution barring a delay caused by Tenant or BCS and BFS approvals from the State of Michigan, the Lease terminates upon 30 days written notice by Tenant.

7. UTILITIES.

A. Transfer of Utilities. Tenant shall cause all utility service to be transferred into its name on or before the Lease Commencement Date. If Tenant fails, or is unable, to transfer utility service into its name on or before the Lease Commencement Date, Landlord shall pay the expense for such utility bill for the account of Tenant and such expense shall become Additional Rent hereunder, payable upon demand. If the failure or inability to transfer utility service into Tenant's name shall continue beyond thirty (30) days or one billing cycle, Tenant shall be assessed a One Hundred Dollar (\$100.00) utility bill processing fee for every bill thereafter received by Landlord.

B. Tenant's Utility Obligation. Tenant shall pay when due for the use of all utilities provided to the Premises, including water, sewer, gas and electricity charges consumed by it, to include fuel for the heating and energy for air conditioning. If Landlord shall elect to supply any of the foregoing utilities used upon or furnished to the Premises, Tenant agrees to purchase and pay for same as Additional Rent, within ten (10) days of the presentation by Landlord to Tenant of bills therefor, at the rates which would be applicable to Tenant as a direct customer of the local public utility company, as such rates are filed by the local utility company serving the area with the proper regulating authority and in effect from time to time covering such services. If any utilities are not separately metered or assessed or are only partially separately metered or assessed and are used in common with other tenants of the building in which the Premises are located, Tenant shall pay to Landlord Tenant's share of such utility charges (based upon an allocation determined by usage), or such other metered measure of use as Landlord may obtain, together with Tenant's payments of the separately metered charges. The obligation of Tenant to pay for water, sewer, gas and electricity, and heating and air conditioning, as herein provided, commences on the date possession of the Premises is first delivered to Tenant without regard to the Minimum Monthly Rent or the Lease Commencement Date. Landlord shall have no liability to Tenant, its employees or invitees and there shall be no abatement of rent by reason of any failure to furnish any utility unless caused by the willful misconduct of Landlord.

8. MAINTENANCE AND ALTERATIONS.

A. Landlord's Maintenance Obligation. Landlord shall keep in good repair the structural elements of the outer walls and the structural elements of the roof of the Premises but not the doors, door frames, overhead doors and frames, glass, window casings, window frames, windows or any of the appliances or appurtenances of said doors or windows, or any attachment thereto or attachments to said building used in connection therewith. Notwithstanding the foregoing, to the extent repairs to the structural elements of the roof or outer walls of the Premises are caused by Tenant, Tenant's employees, invitees or contractors, Tenant shall be responsible for reimbursing Landlord for the cost of such repairs as Additional Rent payable upon demand.

Landlord shall not be called upon to make any other improvements, replacements or repairs of any kind upon the Premises and appurtenances except as provided in Paragraphs 18 (Fire or Other Casualty) and

19 (Eminent Domain) hereof. Tenant shall promptly notify Landlord of any repairs which are the responsibility of the Landlord to perform.

B. Tenant's Maintenance Obligation. Tenant agrees that it will, at all times during the term of this lease, or any extension, at its own expense, keep the Premises and improvements servicing the Premises, and the betterments, furnishings, equipment and contents therein, in good order, condition, and repair (and replace as needed) including, without limitation, all plumbing, electrical, heating, ventilation, air conditioning and any other equipment installed in or on or servicing the Premises, doors, door frames, overhead doors and frames, glass, window casings, window frames, windows or any of the appliances or appurtenances of said doors or windows, light fixtures, bulbs and tubes, and maintain the Premises in a clean, sanitary and safe condition, so as to conform and comply with all existing and future statutes, laws, orders, ordinances, rulings and regulations of any lawful authority having jurisdiction thereof. Upon expiration of the Term, or the sooner termination as hereinafter provided, Tenant will surrender the Premises to Landlord in like condition as when taken, reasonable wear and tear excepted, with all components and systems fully operational and in good working order.

C. Heating, Ventilation and Air Conditioning ("HVAC"). Tenant shall enter into a contract with a licensed mechanical contractor for service not less frequent than bi-annually to conduct preventive maintenance and repair of all HVAC equipment servicing the Premises, and a copy of said contract shall be delivered to Landlord at least fifteen days prior to Tenant's occupancy of the Premises. Tenant shall continue said contract or like contract in force throughout the Term or any extensions thereto. Any change of contract or mechanical contractor shall be made known to Landlord by Tenant and a copy of Tenant's new contract shall be delivered to Landlord so that Landlord shall at all times have a copy of the contract currently in effect. Upon request by Landlord, Tenant shall provide Landlord with evidence of the most recent service invoice and report of the mechanical contractor indicating date of service and services performed. If Tenant refuses or neglects to enter into a contract with a mechanical contractor for the quarterly maintenance and repair of all HVAC equipment servicing the Premises, then Landlord may, but shall not be required to, perform and complete said maintenance and repair and Tenant shall pay the cost to Landlord as Additional Rent hereunder, upon demand. Tenant shall pay annual repair costs up to fifteen hundred and 00/100 (\$1,500) per HVAC unit. However, if HVAC unit repair costs exceed this amount, Landlord will pay to repair or replace such units above that amount.

D. Plumbing Facilities. If Landlord determines that Tenant or its employees, agents or invitees have abused the plumbing facilities or the adjoining or connecting sewer lines or mains or used them for any purpose other than that for which they were constructed, or disposes of grease or any other foreign substance therein, the expense of any breakage, stoppage, damage or additional repairs and consequential damages resulting therefrom shall be borne solely by Tenant and charges incurred shall be payable by Tenant upon demand as Additional Rent.

E. Alterations. Tenant shall not make any structural alterations, improvements or additions to the Premises without the prior written consent of Landlord, not to be unreasonably withheld, and then only by such contractors as may be approved in writing by Landlord. All alterations, improvements or additions, including any floor covering fastened to the floor by nails or adhesive, whether temporary or permanent in character, made by Landlord or Tenant in or upon the Premises, shall, unless Landlord requests removal, become the property of Landlord and shall remain upon and be surrendered with the Premises at the termination of this Lease without compensation to Tenant, except that Tenant may remove all movable office furniture and equipment installed by Tenant. Tenant shall remove such other alterations and additions installed by Tenant as Landlord may direct. Tenant shall, at its expense, repair any damage to the Premises caused by the installation or removal of such furniture, fixtures, alterations or additions and restore the Premises to the condition existing at the Lease Commencement Date, reasonable wear and tear excepted. If Tenant fails to remove all of Tenant's property and the property of others in the possession of Tenant from the Premises at the termination or expiration of this Lease, Landlord may remove and dispose of such property, deemed abandoned, in any manner, without liability therefor, and Tenant shall pay all charges for

such removal and/or disposal upon demand by Landlord. Tenant shall indemnify and hold harmless Landlord on account of any claim by other persons with respect to such property.

F. Mechanic's Liens. In the event a mechanic's lien shall be filed against the Premises or Tenant's interest therein as a result of improvements made to the Premises undertaken or contracted for by Tenant, with or without Landlord's consent, Tenant shall, within seven (7) days after receipt of notice, discharge such lien by payment of the indebtedness or by filing a bond (as provided by statute) as security therefor. In the event Tenant shall fail to discharge or bond such lien, Landlord shall have the right to discharge the lien by any means it elects, and Tenant shall pay any cost incurred to Landlord as Additional Rent upon the first day that minimum rent shall be next due.

9. COMMON AREAS; OPERATING EXPENSES.

A. Common Areas. Landlord hereby grants to Tenant and Tenant's employees, agents, licensees and invitees the right, during the term of this Lease, to use in common with others entitled to the use of the Common Areas of the Center; provided, that such use shall be subject to the Regulations. Landlord may temporarily close any of the common areas for maintenance purposes or to prevent a public dedication, and that Landlord may make changes to the common areas including, without limitation, changes in the location of driveways, entrances, exits, parking spaces, parking areas or direction of traffic flow.

Landlord agrees to maintain the Common Areas of the Center during the term of this Lease and any extension. The term "Common Areas" shall include, without limitation, all parking areas, access roads, driveways, truckways, loading areas, retaining walls, lighting facilities, sidewalks, landscaped and planting areas and facilities which may be furnished by Landlord in or at the Center and all other areas and improvements which may be provided for by Landlord for the general use and convenience of Tenant and in common with other tenants of the Center and their respective officers, agents, employees, licensees and invitees.

B. Operating Expenses. Tenant agrees to pay to Landlord, as "Additional Rent", within 7 days from the invoice date, Tenant's Proportionate Share of all amounts paid by Landlord for which Landlord is obligated to pay or incurred during the Term, or any extension, in connection with the ownership, management, maintenance and operation of the Center and its Common Areas to which shall be added an amount equal to fifteen percent (15%) thereof for the administration of Landlord's undertakings which amount is agreed to be a reasonable charge for Landlord services provided, however, no administrative charge shall be applicable to Real Estate Taxes.

Tenant's obligation for Additional Rent pursuant to this Paragraph 9 shall commence on the Lease Commencement Date and continue until the expiration of the Term, as it may be extended. Operating Expenses shall include, without limitation, the cost and expense of the following: Real Estate Taxes (subject to tax exemption obtained by Tenant), assessments, utilities not separately metered, materials and supplies, sewer and debt retirement for the installation of utilities or the like, snow removal, ice salting, gardening, landscaping, planting, replanting and replacing flowers and shrubbery; contract and legal liability, public liability, property damage, boiler, loss of rent, umbrella, sign and fire insurance with such extended coverage and vandalism endorsements as Landlord may, from time to time, deem necessary, repairs to fascia, painting and decorating, signage, striping, lighting (including cost of electricity and maintenance and replacement of fixtures and bulbs), policing and regulating automobile and pedestrian traffic, sanitary control, traffic signals, extermination, sump maintenance and improvements, removal of rubbish, garbage and other refuse, security, security systems, machinery, equipment, vehicles and supplies used in the operation and maintenance of the Common Areas (including the costs of inspection and depreciation thereof), maintenance, repairs, replacements and refurbishing of mechanical, electrical, plumbing, roof and building components, repair and replacement of paving and blacktopping, curbs and walkways, drainage facilities, cleaning, cost of personnel involved in the management, maintenance and operation of the Center (including fringe benefits and workmen's compensation insurance covering personnel), management fees and other similar direct and

indirect costs of the type incurred in the operation of comparable properties (none of the foregoing shall be deemed capital improvements). Operating Expenses shall not include (a) building depreciation, (b) mortgage interest and principal payment, (c) real estate brokers commissions paid with respect to the leasing of the Center and (d) income taxes.

At Landlord's option, Landlord may estimate all or any portion of the Operating Expenses for each Lease Year or Partial Lease Year and will notify Tenant of its proportionate share, one-twelfth (1/12) of which shall be paid monthly in advance along with the Basic Monthly Rent. In the event Landlord is required under any mortgage covering the Center to escrow any Real Estate Taxes, Insurance or other operating expense Landlord may, but shall not be required to, use the amount required to be so escrowed as a basis for its estimate of the monthly installments due from Tenant hereunder. As often, and at such time as Landlord funds Tenant obligations hereunder, Landlord shall deliver to Tenant a statement for the Additional Rent due and payable by Tenant with respect to such estimated Operating Expenses, together with a statement of the computation thereof, however, Landlord's failure to provide such statement by the date provided hereinabove shall in no way excuse Tenant from its obligation to pay its pro rata share of such costs or constitute a waiver of Landlord's right to invoice and collect such pro rata share of Operating Expenses from Tenant in accordance with this Paragraph. If Additional Rent is due Landlord for Operating Expenses, Tenant shall, within seven (7) days following delivery of such statement, pay to Landlord the amount of such Additional Rent, less the portion thereof, if any, already paid on the estimated basis. If the amount previously paid hereunder for any Lease Year shall exceed the amount determined in Landlord's annual statement, the excess shall be credited to the installments of Additional Rent next maturing. If upon expiration of the Lease the amount of any estimated payments of Additional Rent made by Tenant with respect to the final Lease Year shall exceed the amount of Additional Rent payable by Tenant with respect to such final Lease Year, Landlord shall refund such excess to Tenant with the mailing of the final reconciled statement for Additional Rent. If Landlord shall receive a refund on account of any amount which Tenant has previously paid, Tenant shall be credited for the net amount received by Landlord after deduction for all expenses in connection therewith. Notwithstanding the foregoing, real estate taxes and hazard insurance premiums may be invoiced to Tenant at each obligation incurred date. Tenant acknowledges that in the Lease Year in which the term commences, the real estate tax component of Operating Expenses will cause Landlord's initial reconciliation to reflect a shortage in the Operating Expense Account for which the Tenant will be invoiced, to be paid within seven (7) days as set forth herein.

10. REAL ESTATE TAXES.

A. Payment of Real Estate Taxes. Landlord will pay all taxes, including, without limitation, for real estate and personal property owned by the Center, and assessments assessed, levied, confirmed or imposed upon the Center during the term of this Lease or any extensions. "Real Estate Taxes" shall be all (a) real property taxes and assessments which become due during the Lease Term or any extension (including installments of special assessments required to be paid during the Lease Year although levied prior to the Lease Term) and other charges which may be levied, assessed or charged against the Center; and (b) all other taxes and other charges imposed by the State in which the Premises are located, or any subdivision thereof which: (i) are enacted after the date of this Lease or, if previously enacted, are increased in any manner after the date of this Lease (but only to the extent of such increase); (ii) are a replacement of or in addition to all or any part of ad valorem taxes as sources of revenue, and (iii) are based in whole or in part upon the Center of which the Premises is a part or any interest therein or the ownership or operation thereof, or the rents, profits or other income therefrom. Unless otherwise provided herein, real estate taxes shall be pro-rated on the due date basis of the taxing authority, it being presumed that taxes and assessments are payable in advance and cover an ensuing twelve (12) month period

B. Partial Lease Years. Real Estate Taxes and Assessments for the first and last years of the Term will be prorated between Landlord and Tenant so as to cause Tenant to be responsible for any tax or assessment installment attributable to the period during which Tenant's lease term has commenced. Partial Lease Years are years in which fewer than twelve months fall within a full Lease Year.

C. Tax Appeals. Landlord may at its option seek a reduction in the assessed valuation of the Buildings and land which make up the Center and/or contest any real estate taxes, assessments or other charges described in this Paragraph 10. All attorneys fees, costs and other expenses incurred as a result of a successful reduction (including any surety bond, cash deposit or other security reasonably satisfactory to Landlord) shall be deemed Real Estate Taxes payable. Any refunds received by Landlord as a result of any such contest shall be paid to Tenant (to the extent of Tenant's proportionate share) in an amount not to exceed the amount Tenant actually paid with respect to the amount refunded.

D. Tax Exemption. Tenant may seek a property tax exemption for its use of the Premises as a nonprofit corporation. If such exemption is granted, the amount of reduction in taxes attributable to the Premises shall be immediately credited to Tenant's Proportionate Share of Additional Rent. Tenant shall not be granted a credit for exemptions granted for personal property tax amounts.

11. INSURANCE – LANDLORD.

Landlord will obtain and keep in force, during the term of this Lease and any extension, Special Form coverage insuring for property damage on a replacement cost basis and, general liability insurance for the Center naming Landlord and its mortgagee, if any, as loss payee(s) as their interests may appear and other parties that Landlord may designate as additional insureds for buildings and improvements now or after this date located in the Center. Landlord may elect to include and provide, as it deems appropriate, not limited to: boiler and machinery coverage, loss of rent insurance, umbrella liability insurance and workers' compensation insurance. Insurance premiums payable hereunder by Tenant shall be those premiums which apply to the Term or any partial Lease Year, whether paid or accrued prior to the commencement of the Term, during the Term or after the expiration of the Term, using the policy year for pro ration. The total insurance premium for each policy year is deemed payable in advance.

12. INSURANCE – TENANT.

Tenant, at its sole cost and expense, shall maintain at all times during the Term and any extension thereof, a comprehensive policy of general liability insurance in which the Landlord, Landlord's managing agents (Clio & Pierson, LLC and Signature Associates) and any mortgagee designated by Landlord, are named additional insureds with limits of not less than One Million Dollars (\$1,000,000.00) for a single occurrence, Two Million Dollars (\$2,000,000.00) in the aggregate, and Three Hundred Thousand (\$300,000.00) for damage to property. Such insurance, with deductibles in an amount reasonably satisfactory to Landlord, shall include a fire legal liability rider, and contractual liability coverage. Tenant shall deliver policies of such insurance, or certified copies thereof required by Landlord, and provide that the insurer will give Landlord not less than thirty (30) days prior written notice of the cancellation or change in any material term of the policy. All insurance provided for in this Paragraph may be in the form of a general coverage, floater policy, or so-called blanket policies which may be furnished by Tenant, Tenant's designee(s) or sublessee(s) designated in writing by Tenant. All policies of insurance required under this Paragraph shall be with a company or companies with a policy rating of A- or better and a financial rating of at least a Class XV in the most current edition of Best's Key Rating Guide and authorized to do business in the state in which the Premises are located.

Tenant will not do, nor permit to be done, anything to the Premises or on the Premises, including carrying any stock of goods or bringing anything into said Premises, or permit anything to be brought into, kept or used in said Premises which will in any way tend to increase the insurance rates on the Premises and/or the Center. Tenant agrees to pay as Additional Rent any increase in premiums for insurance that may be charged during the term of this Lease on the amount of insurance to be carried by Landlord on the Premises and/or Center resulting from any of the acts or occurrences as hereinabove stated in this Paragraph, whether or not Landlord has consented to the same.

13. ASSIGNMENT AND SUBLETTING.

Except with regards to entities that lawfully operate under the Learn4Life Federal Trademark, Tenant may not assign this Lease or any interest therein or sublet the Premises or any part thereof without the prior written consent of Landlord. An existing tenant of the Center is not permitted to become a subtenant or assignee, nor may a proposed subtenant or assignee be a person or entity with whom Landlord or its agent has been or is then negotiating for space in the Center. In the event Landlord's consent is obtained, Tenant shall remain liable for all of its obligations under this Lease. **Except with regards to entities that lawfully operate under the Learn4Life Federal Trademark,** One half of any sums and any other economic consideration received by or due to Tenant as a result of any subletting or which become due as the result of an assignment (except rental or other payments received which are reimbursement for the amortization of the cost of leasehold improvements made by Tenant as a requirement of the sublease), whether denominated as rent or otherwise, which exceed, in the aggregate, the total sums which Tenant is obligated to pay Landlord under this Lease (prorated, in the event of a partial sublease), shall be due and payable to Landlord without affecting or reducing any obligation of Tenant hereunder. **Except with regards to entities that lawfully operate under the Learn4Life Federal Trademark,** Tenant will pay to Landlord or its agent a processing and review fee of Two Hundred Fifty Dollars (\$250.00) for each such assignment or sub-lease submitted to Landlord for its review due at the time of submission.

14. MORTGAGE SUBORDINATION AND NON-DISTURBANCE.

A. *Subordination and Non-Disturbance.* Tenant acknowledges that this Lease is, and shall be subordinate to any mortgage covering the Center. The holder of any mortgage may also elect to have this Lease superior or subordinate to its mortgage, provided the mortgagee or trustee named in said mortgage or trust deed shall agree to recognize the lease interest of the Tenant so long as Tenant is not in default. If, in connection with financing for the Center of which the Premises is a part, the proposed lender shall request reasonable modifications of this Lease as a condition to such financing, Tenant shall not unreasonably withhold or delay its agreement to such modifications, provided that such modifications do not materially increase the obligations, or adversely affect the rights of Tenant under this Lease. Tenant shall attorn to any purchaser of the Premises at foreclosure sale as Landlord under this Lease subject to all of the terms and conditions of this Lease. Tenant shall, from time to time, within seven (7) days after request by Landlord, execute and deliver to Landlord a Non-Disturbance and Attornment Agreement in such form as Landlord may reasonably request.

B. *Mortgagee Notification of Default.* Anything in this Lease to the contrary notwithstanding, Tenant agrees that it will not terminate this Lease because of Landlord's default in the performance hereof until Tenant has first given written notice to Landlord and to the holder of any mortgage (provided tenant has been notified of such mortgagee's name and address) specifying the nature of any such default by Landlord and allowing Landlord and such mortgage holder, or either of them, thirty (30) days after receipt of such notice to cure such default or a reasonable period of time in addition thereto if circumstances are such that said default cannot reasonably be cured within said thirty (30) day period.

15. ESTOPPEL CERTIFICATES.

Tenant shall, within seven (7) days after request by Landlord, execute and deliver to Landlord an estoppel certificate confirming the existence of a valid lease. The certificate shall, among other things, identify the commencement and expiration dates of the Term, state that this Lease is unmodified and in full force and effect, or is in full force and effect as modified, stating the modifications, and confirm that Tenant does not claim that Landlord is in default, or specify the nature of any such claimed default. Tenant shall not be entitled to withhold such certificate on the basis of any claimed default by Landlord hereunder. The certificate also will confirm the amount of Minimum Monthly Rent at the date of the certificate, the date to which the rent has been paid in advance, and the amount of any security deposit or prepaid rent, if any. If

Tenant fails to deliver the executed certificate to Landlord within the seven (7) day period, the accuracy of a Landlord executed certificate will be deemed conclusively confirmed as correct.

16. ACKNOWLEDGEMENTS BY TENANT.

Tenant covenants and agrees to execute and deliver upon demand such further instruments as may be required to carry out the intent of Paragraphs 14 and 15 above. Upon Tenant's failure or refusal to execute and deliver any such instruments within seven (7) days after Landlord's written request therefor, Tenant hereby irrevocably appoints Landlord its attorney-in-fact with full power and authority to execute and deliver such instrument(s) for and in the name of Tenant. In addition to the right of Landlord to act as attorney-in-fact for Tenant upon its failure to execute and deliver any such instrument(s) as provided herein, the Tenant shall be obligated to pay Two Hundred Dollars (\$200.00) per day, for each day beyond the seven (7) day period, provided the Tenant fails to deliver the Subordination and Non-Disturbance Agreement and/or Estoppel Letter as required in Paragraphs 14 and 15. Tenant acknowledges that the charge is not a penalty and that it best reflects the loss and expense incurred by the Landlord during the period that it is unable to consummate a mortgage or sale as a result of Tenant's failure or refusal to deliver the requested instrument(s) timely. Furthermore, Landlord may treat such failure as a Tenant default for which all Landlord remedies are available.

17. ACCESS BY LANDLORD.

Landlord and Landlord's mortgagee shall have the right to enter upon the Premises (upon 24-hours advance notice, except in the case of an emergency), at any reasonable time for the making of inspections, repairs, or alterations the Landlord may deem necessary, to exhibit the Premises to others, and for any purpose related to the safety, protection, operation, or improvement of the Center.

18. FIRE OR OTHER CASUALTY.

So long as Tenant is not in default and is in possession and doing business at the Premises, if the Premises is damaged or destroyed by fire or other casualty which is insured under standard fire and extended coverage insurance, to the extent insurance proceeds are available, and provided, Landlord's lender does not require such insurance proceeds (or a significant portion thereof) be applied to the mortgage debt, then, in that event, Landlord shall repair and restore the same with reasonable dispatch. If fire or other casualty makes the Premises untenable, rent shall abate pro rata in proportion to the area taken to the extent of untenability. If the casualty loss occurs within the last twenty-four (24) months of any Lease Term, renewal or extensions, Landlord, at its option, may elect not to rebuild or reconstruct the Premises, in which event, after a thirty (30) day written notice to the Tenant, this Lease will terminate at the expiration of the notice period and Tenant shall have re-delivered the Premises to Landlord, broom-clean. If the loss exceeds twenty-five percent (25%) of the Premises, or of the Center in square foot area, Landlord may elect to demolish the Premises and/or part or all of the Center and if Landlord so elects, whether or not the Premises have been damaged, this Lease may be terminated by Landlord upon thirty (30) days written notice to Tenant which will cause the termination to occur at the end of the notice period. If repair of the building is delayed by Tenant's failure to adjust its own insurance claim or to remove its equipment or property within a reasonable time, there shall be no abatement of rent during the period of such delay.

19. EMINENT DOMAIN.

If all of the Premises or the use and occupancy thereof are taken under the power of eminent domain, this Lease shall terminate at the time of such taking. If any portion of the Center or the use and occupancy thereof shall be taken under the power of eminent domain, Landlord may, at Landlord's sole option, at any time after the entry of the verdict or order for such taking, terminate this Lease on not less than thirty (30) days notice in writing to Tenant. If twenty-five percent (25%) or more of the Premises shall be taken and the remainder is unsuitable for Tenant's Use, Tenant may terminate this Lease by notice in writing to Landlord

within thirty (30) days after the taking and, in such event, Tenant shall vacate within thirty (30) days after such termination; if Tenant does not terminate, rent shall be reduced in proportion to the area of the Premises taken. All damages and compensation awarded for any taking under the power of eminent domain shall belong to and be the property of Landlord whether such damage or compensation be awarded for the leasehold or the fee or other interest of Landlord or Tenant in the Premises.

20. WAIVER OF SUBROGATION.

Landlord and Tenant and their assignees hereby release each other and their respective agents and employees from any and all liability to each other or anyone claiming through or under them by way of subrogation or otherwise for any loss or damage to property or bodily or personal injuries caused by or resulting from risks insured against under fire or extended coverage casualty insurance carried by the parties hereto and in force at the time of any such loss or damage; provided, however, that this release shall be applicable and in force and effect only with respect to loss or damage occurring during such time as the releasor's policies contain a clause or endorsement to the effect that any such release shall not adversely affect or impair such policies or prejudice the right of the releasor to recover thereunder. Landlord and Tenant agree that they will request their respective insurance carriers to include in its policies such a clause or endorsement, and will include such a clause only so long as it is includable without additional cost, or if additional cost is chargeable therefor, only so long as the other party pays such additional cost. Each party will notify the other of any such additional cost, and such other party at its election may pay the same, but shall not be obligated to do so.

21. COVENANTS TO HOLD HARMLESS.

Tenant shall indemnify and hold Landlord harmless from and against any and all claims, demands, actions, damages, liability and expenses in connection with the loss or damage to property, or for bodily or personal injuries to persons or loss of life or damage to property occurring in, on, or about, or arising out of, the Premises occasioned wholly or in part by any act or omission of Tenant, Tenant's agents, contractors or employees, except for those occasioned by the gross negligence or willful misconduct of Landlord, Landlord's agents, contractors or employees.

Landlord shall indemnify and hold Tenant harmless from and against any and all claims, demands, actions, damages, liability and expenses in connection with the loss or damage to property or injuries to persons or loss of life or damage to property arising in connection with the acts or omissions of Landlord, Landlord's agents, contractors or employees, or arising in connection with the use or operation of the Common Areas, except for those occasioned by the gross negligence or willful misconduct of Tenant or Tenant's agents, contractors or employees.

22. HAZARDOUS MATERIALS.

A. *Definition.* The term "hazardous materials" means any hazardous or toxic substance, material or waster, pollutant or contaminant which was, is or becomes regulated by any local government authority, the state in which the Premises is located, or the United State Government, including, without limitation, any material or substance which is (i) asbestos; (ii) designated as a "Hazardous Substance" pursuant to Section 311 of the Federal Water pollution Control Act, 33 U.S.C. 1317; (iii) defined as a Hazardous waste" pursuant to Section 1004 of the Federal Resource Conservation and Recovery Act, 42 U.S.C. 6901 et seq. ("RCRA"); (iv) defined as a "Hazardous substance" pursuant to Section 101 of the Comprehensive Environmental Response Compensation and Liability Act, 42 U.S.C. 9601 et seq. ("CERCLA"); or, (v) designated as a "Hazardous material" pursuant to Section 1803 of the Hazardous Materials Transportation Act, 49 U.S.C. 1801 et seq.

The term "Hazardous Materials" means any hazardous material as defined above, but not including any such substance, material or waste which is on the Premises on and prior to the Lease Commencement

Date (except to the extent that such substances or materials are thereafter used in the ordinary course of Tenant's business during the Lease Term) or any such items placed or permitted to exist on the Premises by Landlord, its affiliates, successors (other than Tenant) and permitted assigns and their respective agents and employees, or any such items placed or permitted to exist on the Premises after the Lease Term.

The term "Material Contamination" means the presence or release (as defined in CERCLA) of any Hazardous Materials or unlawful contamination of the Premises, however caused, the reporting, investigation, remediation or other response to which is required by environmental law.

B. *Tenant's Covenants.* Tenant shall not cause or permit any Hazardous Materials to be brought upon, kept or used in, on or about the Premises except Hazardous Materials as is or will be necessary to Tenant's business and will be transported, kept, stored, used, discharged, generated, released and disposed of in a manner that materially complies with all laws regulating any such Hazardous Materials. To the extent Tenant manages any other Hazardous Materials at the Premises, it will do so in compliance with all such laws. Tenant shall obtain and maintain any environmental permits, approvals, certificates or registrations required by any governmental agency in connection with its occupancy or operations at the Premises. Tenant will not install any underground storage tank, PCB containing equipment, or asbestos containing material at the Premises without the advance written permission of Landlord, and will not dispose or release any Hazardous Material on the Premises.

Tenant represents and warrants that it shall at all times comply with all state, federal, and local health, safety, environmental, hazardous waste and other similar laws and regulations, now established or promulgated during the term hereof, dealing with the storing, handling, usage, transport, and disposal of chemicals, pesticides, asbestos products, petroleum products or any other type of material, whether in the liquid, solid, or gaseous form, the use or misuse of which is, or becomes, regulated by any state, federal or local law or regulation or which could cause damage to property and/or harm to any person or the environment. Tenant shall immediately notify Landlord, in writing, of any release or discharge of any hazardous substance or of any notice or demand by Federal, State or local governmental action or investigation of Tenant's operations or the Premises for compliance with any of the above referenced laws.

Tenant shall and does hereby agree to indemnify, save, and hold Landlord harmless from and against any and all actions, claims, damages, costs, expenses of any kind, or liabilities including, without limitation, clean up, court costs and attorney's fees, which may result from Tenant's, its employees, agents, contractors, or licensees use or misuse, storage, handling, transport or disposal of any of the foregoing described substances. The provisions of this paragraph shall survive the expiration or termination of this Lease.

Tenant shall certify to Landlord, upon reasonable cause, at each annual anniversary date of this Lease and thirty (30) days prior to the termination of this Lease that Tenant is in compliance with the foregoing described laws. Landlord shall have the right to conduct an environmental audit of the Premises or any surrounding areas on an annual basis and upon expiration of the Term, the cost of which shall be paid for by Tenant. In the event upon expiration of the Term or Lease termination, there exists any hazardous material on the Premises or any immediately surrounding area, then at Landlord's option, Tenant shall be deemed to be holding over the Premises on a month-to-month basis in accordance with Paragraph 22, until such time as such contamination is remedied by Tenant and a favorable environmental certification is received by Landlord from any regulatory agency which has jurisdiction. The provisions of this Paragraph shall survive the Lease expiration or its termination.

C. *Breach.* Breach of any provision of Paragraph 22, shall be deemed material for which all Landlord remedies for Tenant default shall be available.

23. DAMAGE.

Except for Landlord or Landlord's agents, employees, contractors, directors, gross negligence, Landlord shall have no liability for any loss or damage that may be occasioned by or through the acts or omissions of others, including persons occupying other premises in the Center. Landlord shall have no liability for any loss or damage from water leakage from any source, or from leakage, overflow, stoppage or backing up or other condition of any facilities or utilities, or from fire, explosion of any other casualty, or for any loss or damage from any other cause whatsoever, including theft, unless such loss is occasioned solely by the unlawful act or omission of the Landlord, its agents or employees.

24. SURRENDER OF PREMISES.

On or before the expiration of the Term or upon earlier termination of this Lease with the written consent of Landlord, Tenant shall surrender the Premises to the Landlord by delivering the keys to the office of the Landlord, at this date. The Premises shall be in broom clean condition, and all of Tenant's alterations, additions, improvements and fixtures in good order and condition (reasonable wear and tear excepted), except for alterations, additions, improvements or fixtures that Tenant has the right to remove or is obligated to remove pursuant to Paragraph 8 hereof. Tenant shall remove all its trade fixtures and other removable personal property and perform all restoration made necessary by the removal of any such alterations, additions, improvements, fixtures or other property prior to the expiration of the Term. All property not removed shall be deemed to have been abandoned by Tenant and may be retained by Landlord as its sole property or removed and disposed of in such manner as Landlord may see fit, and Tenant shall be liable to Landlord for any and all costs and expenses incurred in connection with any such removal and disposal, including court costs, attorneys' fees and storage charges for such property. If Tenant fails to surrender the Premises to Landlord at the expiration or earlier termination of the Term, in addition to the amounts payable pursuant to Paragraph 28, Tenant shall indemnify and hold Landlord harmless from all damages resulting from Tenant's failure to surrender the Premises, including, without limitation, claims made by a succeeding Tenant resulting therefrom.

25. HOLDING OVER.

In the event that, upon expiration of the Term or earlier termination of the lease with the written consent of Landlord, Tenant fails to surrender the Premises in accordance with the provisions of this lease, Tenant shall be deemed to be a Holdover Tenant. In the event Tenant holds over, absent a written agreement with Landlord to the contrary, the tenancy shall thereafter be from month-to-month, on the same terms and conditions as are herein set forth, except that the Minimum Monthly Rent shall be equal to 125% of the expiring monthly rate, as scheduled in this Lease. Either Landlord or Tenant shall have the right to terminate Tenant's month-to-month tenancy with thirty (30) days written notice, to be sent certified mail, return receipt requested.

26. DELINQUENCY.

If Tenant fails to pay or perform any obligation of Tenant hereunder, Landlord may, at Landlord's option, pay or perform Tenant's obligation, in which event the amount expended by Landlord therefor shall be Additional Rent due and payable forthwith, plus Late Charges as provided in Paragraph 31.

27. BANKRUPTCY.

If the tenancy shall be taken in execution or by other process of law, or if Tenant shall file a petition in bankruptcy or insolvency, or if Tenant shall be declared bankrupt or insolvent, or if a receiver shall be appointed for Tenant's property, or if an assignment shall be made of Tenant's property for the benefit of creditors, Tenant shall be in default under this Lease, and, to the extent permitted by applicable law, Landlord shall be entitled to exercise any or all remedies set forth in Paragraph 28 of this Lease. This Lease shall be deemed to have been rejected and terminated unless the trustee or Tenant assumes this Lease within 60 days after the filing of a proceeding under the Federal bankruptcy laws or within such other time period as

may be provided by the Bankruptcy Court. Tenant acknowledges that, in entering into this Lease, Landlord relied upon a determination that Tenant would be able to perform its obligations under the Lease and that the character of Tenant's occupancy and use of the Premises would be compatible with the character of the Center and the other tenants therein. No election by a trustee or Tenant to assume this Lease shall be effective unless the trustee or Tenant cures, or gives adequate assurance of a prompt cure of, any existing default, compensates or gives adequate assurance of compensation for any pecuniary loss incurred by Landlord arising out of any default of Tenant, and gives further assurance of future performance under this Lease, including but not limited to a reasonable security deposit as determined by Landlord. This Lease may be assigned by the trustee or Tenant only if Landlord and the intended assignee acknowledge in writing that the intended assignee's use of the Premises will not be dissimilar to Tenant's permitted and existing use hereunder, and that the assignee has provided further assurance of future performance of all of the terms and conditions of this Lease, including but not limited to the submission of satisfactory current, audited financial statements.

28. DEFAULT – TENANT.

A. *Default; Notice; Remedies.* If Tenant shall default in the payment of Rent or other amounts due hereunder, or in the performance of any other obligation of Tenant hereunder and such monetary default shall continue for seven (7) days after written notice to Tenant, or such non-monetary default shall continue for thirty (30) days after written notice to Tenant, or if the Premises are vacated, or if any of the events recited in Paragraph 22 shall occur, Landlord may, in addition to all other remedies permitted by law: (a) terminate this Lease by notice to Tenant and recover Landlord's damages from Tenant; and (b) with or without terminating this Lease, reenter and repossess the Premises and remove and put out Tenant and each and every occupant, preserving Landlord's right of damages; provided, however, the termination of Tenant's possession of the Premises shall not terminate any of Tenant's obligations under this Lease, including, without limitation, the obligation to pay Rent. Any termination by Landlord pursuant to this paragraph shall be immediately effective and Landlord shall be entitled to forthwith commence an action in Summary Proceedings to recover possession of the Premises. Except as set forth herein, Tenant waives all notice in connection with such termination, including, without limitation, notice of intent to terminate, demand for possession or payment, and notice of re-entry. Should Landlord at any time terminate this Lease for any breach, in addition to any other remedies it may have, it may recover from the Tenant all damages it may incur by reason of such breach, including the cost of recovering the Premises, reasonable attorney fees, and including the worth (computed by discounting the future rent to become due hereunder to the date of termination at the rate of six percent [6%] per annum) at the time of such termination of the excess, if any, in the amount of rent and other charges reserved in this Lease for the remainder of the stated term over the then reasonable rental value of the Premises for the remainder of the stated term, all of which amounts shall be immediately due and payable from the Tenant to the Landlord. Landlord's damages shall include, without limitation, the cost of recovering possession of the Premises, reasonable attorneys' fees, unpaid Rent currently due, past due or due in the future, brokerage commissions, the Rent which would have accrued during any free rental period and the amount of any other rental concessions and, if Landlord incurred any costs or expenditures to fit the Premises to the needs of Tenant, Tenant agrees to reimburse Landlord such costs and expenditures, plus the estimated cost to Landlord of restoring the Premises to its original condition.

B. *Releasing.* In the event that Landlord elects to re-enter without terminating this Lease, Landlord may from time to time, without terminating this Lease, make such alteration and repairs as may be necessary in order to relet the Premises, and relet the Premises or any part thereof for such term or terms (which may be for a term extending beyond the Term) and at such rental and upon such other terms and conditions as Landlord in its sole discretion deems advisable. Upon each such reletting all rentals and other sums received by Landlord from such reletting shall be applied, first, to the payment of any indebtedness other than Rent due hereunder from Tenant to Landlord; second, to the payment of any costs and expenses of such reletting, including, without limitation, brokerage commissions, attorneys' fees and costs of alterations and repairs; third, to the payment of Rent and other charges due from Tenant, and the residue, if any, shall be held by Landlord and applied in payment of future Rent as the same may become due and payable. If the

amount received or to be received from reletting shall be insufficient to pay the total amount remaining due from Tenant hereunder, Tenant shall immediately pay such deficiency to Landlord. Notwithstanding any reletting without termination of this Lease, Landlord may at any time thereafter elect to terminate this Lease for such previous breach. In any action to collect any amount payable by Tenant hereunder, Landlord shall have rights and powers equal to those granted to any other type of creditor, or a trustee in bankruptcy, under any law of the United States or the State of Michigan, whether or not such creditor or trustee exists. Notwithstanding anything herein contained to the contrary, if Tenant shall be in default in the performance of any non-monetary obligation of this Lease and such default shall continue for thirty (30) days after written notice to Tenant (no notice or opportunity to cure shall be required if an emergency exists), then Landlord may, in addition to its other remedies, cure such default at the cost and expense of Tenant and the sums so expended by Landlord, plus interest at two percent (2%) over the Prime Rate of Comerica Bank, shall be deemed to be Additional Rent and shall be paid by Tenant on the day when Rent shall next become due. No receipt of money by Landlord from Tenant after the termination of this Lease shall reinstate, continue or extend the Term, nor affect or waive any notice given by Landlord to Tenant prior to such receipt of money.

D. Right to Terminate. In the event Tenant defaults in the payment of rent or any other charge provided for in this Lease on three (3) or more occasions within any twelve month period, such default shall be deemed material, giving rise to the right of the Landlord, but not the obligation, to terminate the Tenant's Lease upon written notice, certified mail, return receipt requested, in which event, Tenant shall remove itself and its owned contents within thirty (30) days after receipt of such notice; failing so to do, the Landlord may commence the appropriate legal proceedings to enforce this provision.

29. DEFAULT – LANDLORD.

If Landlord shall fail to perform any covenant, term or condition of this Lease upon Landlord's part to be performed, and if as a consequence of such default, Tenant shall recover a money judgment against Landlord, such judgment shall be satisfied only out of the proceeds of sale received upon execution of such judgment and levied thereon against the right, title and interest of Landlord in the Center and out of the rents or other income from such property receivable by Landlord, or out of the consideration received by Landlord from the sale or other disposition of all or any part of Landlord's right, title and interest in the Center. Landlord and its members, partners, agents, employees and any other persons holding interests under or through Landlord shall not otherwise be liable for any deficiency claimed to be due.

30. RIGHT TO JURY TRIAL.

LANDLORD AND TENANT WAIVE THEIR RIGHTS TO TRIAL BY JURY IN ANY ACTION, PROCEEDING, OR COUNTERCLAIM, EACH AGAINST THE OTHER, OR WITH RESPECT TO ANY ISSUE OR DEFENSE RAISED THEREIN, INCLUDING THE RIGHT TO AN ADVISORY JURY (EXCEPT FOR PERSONAL INJURY OR PROPERTY DAMAGE), ON ANY MATTERS WHATSOEVER ARISING OUT OF, OR IN ANY WAY CONNECTED WITH THIS LEASE, THE RELATIONSHIP OF LANDLORD AND TENANT, TENANT'S USE AND OCCUPANCY WITHIN SAID PREMISES, INCLUDING SUMMARY PROCEEDINGS AND POSSESSORY ACTIONS, AND ANY EMERGENCY STATUTORY OR OTHER STATUTORY REMEDY.

31. INTEREST AND DELINQUENCY CHARGES.

Tenant acknowledges that late payment by the Tenant of the Minimum Monthly Rent or Additional Rent which become due hereunder will cause the Landlord to incur costs not contemplated by this Lease, the exact amount of such costs being extremely difficult and impractical to fix with certainty. Such costs include, without limitation, processing and accounting charges, late charges that may be imposed by the Landlord's bank as the result of "returned items", and additional interest imposed upon the Landlord by the terms of any borrowings and mortgage obligations, new borrowings which become necessary to fund

Landlord's obligation by reason of Tenant's default. Therefore, if any amount due from Tenant is not received by the Landlord within seven (7) days after the due date thereof as set forth in this Lease, or in the event payment is received by check which is dishonored by the Tenant's bank, Tenant shall pay to the Landlord (in addition to the interest set forth herein) an amount equal to five percent (5%) of the total amount due to Landlord at such time (but not less than One Hundred Dollars [\$100.00] ["Late Charge"]). Such Late Charge will be due and payable as Additional Rent upon demand from Landlord or, on or before the next rent due date, whichever occurs first. Any rent, late charges, or other sums payable by Tenant to Landlord under this Lease which are not paid within seven (7) days after the same shall become due, will also bear interest at a per annum rate equal to two percent (2%) above the effective prime rate announced as such by Comerica Bank (the "Default Rate") from the date when the Rent, Late Charge or other sums became due, but in any event not in excess of the maximum interest rate permitted by law. The parties agree that the Late Charge represent a fair and reasonable estimate of costs that the Landlord may or will incur by reason of the Tenant's late payment. Payment of any such late charge shall not excuse, cure or constitute a waiver of any default nor prevent the Landlord from exercising any of its rights and/or remedies otherwise available to it under the terms of this Lease.

32. WAIVER.

No default in the payment of Rent or any other amount set forth herein, nor the failure of Landlord to enforce the provisions of this Lease upon any default by Tenant shall be construed as creating a custom of deferring payment or as modifying in any way the terms of this Lease or as a waiver of Landlord's right to terminate or cancel, or otherwise to enforce the provisions hereof. No express waiver by Landlord of any provision, condition, or term shall affect any other than the provisions, condition or term specified, and then only as specifically stated, and shall not be deemed to constitute a subsequent waiver of such provisions, condition or term. No breach of a covenant or condition of this Lease shall be deemed to have been waived by Landlord, unless in writing by Landlord.

33. WAIVER OF COUNTERCLAIMS.

In the event Landlord commences any proceedings arising out of Tenant default for non-payment of any Rent or other charges or as a result of the holding over by Tenant after the expiration or termination of the term of this Lease, Tenant will not interpose any counterclaim of whatever nature or description in any such proceedings, which shall not be construed as a waiver of Tenant's right to assert such claims in any separate action brought by Tenant.

34. LEGAL EXPENSES.

In the event proceedings shall be brought by either party for breach of any lease covenant and/or to enforce any provision of this Lease, the non-prevailing party shall pay to the other all reasonable expenses incurred therefor, including any reasonable attorneys fees.

35. SECURITY DEPOSIT.

Landlord shall hold the amount recited as a security deposit on the first page of this Lease as security for the performance of all of the obligations of Tenant under this Lease. Landlord shall not be obligated to apply the security deposit to any Rent or other charges and Landlord's right to terminate this Lease and to take possession of the Premises in the event of default shall not be affected by the fact that Landlord holds such security. Landlord may at any time apply the security deposit upon Rent, Additional Rent or other charges theretofore suffered and may retain the security deposit to apply upon such damages as may accrue thereafter. If the security deposit is not applied to the payment of Rent, Additional Rent or other charges, the same shall be returned to Tenant upon expiration of the Lease and when Tenant shall have vacated the Premises and delivered possession to Landlord in the condition required hereunder. Landlord shall not be obligated to keep the security deposit as a separate fund, but may commingle the same with Landlord's

funds, and no interest shall accrue thereon. Tenant agrees not to look to the holder of a mortgage of the Center as mortgagee, mortgagee in possession, or successor in title to the property, for accountability for any security deposit required by the Landlord hereunder, unless said sums have actually been received by said mortgagee as security for the Tenant's performance of this Lease. Tenant shall at all times maintain a security deposit in an amount not less than one month's Minimum Rent. In the event Landlord shall convey the Center to any other person or entity, Landlord may assign this Lease and pay any Tenant security deposit to the grantee, and thereupon shall be relieved from all future Landlord obligations under this Lease.

36. NOTICES.

All notices provided herein shall be in writing. A notice (including a notice of default) to and by either Landlord or Tenant shall be delivered to the address of Landlord or Tenant as the case may be as set forth hereinabove on page one (1) by certified mail, return receipt requested, or express overnight delivery (i.e. Federal Express or DHL) or by hand delivery. Service shall be deemed conclusively made on the second (2nd) day after posting in U.S. mails, the day following overnight delivery or the day of hand delivery, as the case may be.

37. SIGNS AND ADVERTISING.

Tenant will, at its cost, have installed within three (3) months of the date hereof, signage approved by Landlord in writing as permitted by local code and ordinance, in conformance with Landlord's sign specifications set forth in Exhibit B attached hereto. Tenant shall not erect or install any exterior or interior roof, wall, window or door signs, advertising media, lettering or placards without the prior written consent of Landlord, not to be unreasonably withheld. Landlord reserves the right to the use of the exterior walls and roof of the Center and the right to designate and redesignate the location of all exterior and pylon signs in the Center. Tenant agrees not to use any advertising media that shall be deemed objectionable to Landlord or other tenants, such as search lights, flashing lights, loudspeakers, phonographs or radio broadcasts in a manner to be seen or heard outside the Premises. Tenant shall not install any exterior lighting or plumbing fixtures, shades or awnings, any exterior decorations or painting, or build any fences or make any changes to the Center without the prior written consent of Landlord. Tenant will be provided space on the existing monument sign and all artwork subject to Landlord approval.

38. NAME AND ADDRESS OF THE CENTER.

Landlord reserves the right to change the name or street address of the Center or the address of the Premises.

39. BROKER.

Except for the person or company listed on page two (2) as "Broker", for which Landlord shall be responsible, each party hereto represents that it has had no dealings with any real estate broker, finder or other person with respect to this Lease in any manner. Each party hereto shall indemnify and hold the other party harmless from all damages resulting from any claim which may be asserted against the other party by any broker, finder or other person with whom the indemnifying party has or purportedly has dealt.

40. VEHICULAR PARKING.

A. *Parking Rights.* Tenant and its employees shall have the right to use in common with the other Tenants of the Center, their employees, patron and invitees, the parking areas provided in the Center, subject, however, to such reasonable rules and regulations as Landlord has adopted or may hereafter adopt. Landlord may designate certain parking areas set aside for tenants, their employees, contractors and licensees. Landlord may recover damages sustained by Landlord for Tenant's failure to park as regulations

provide. Tenant and its licensees, agents, and employees shall use, in common with other Tenants of the Center, only those sections of the common areas specifically set aside for Tenant parking. The parking spaces shall be used only for parking by vehicles no larger than full size passenger automobiles, vans, or pick-up trucks. Tenant shall not permit any vehicles owned or controlled by Tenant, its employees, suppliers, shippers, licensees or invitees to be loaded, unloaded or parked in areas other than those designated by Landlord for such activities, nor permit or allow any vehicle to remain parked overnight, except in the case of emergency.

B. *Enforcement.* In the event Tenant or its licensees, agents or employees fail to park their vehicles in the designated areas, then Landlord may, at its option, cause any such car to be towed from the Center and Tenant shall reimburse Landlord for costs upon demand and otherwise indemnify and hold Landlord harmless with respect thereto. Upon Landlord's request Tenant agrees to furnish to Landlord the automobile license numbers assigned to it and the cars of all its employees. Tenant shall be responsible for any violation by its employees of the provisions of this Paragraph. It is agreed that a fair charge assessed to Tenant, not as a penalty, for violation of this covenant, which is otherwise difficult to measure, shall be \$200 per day when, and as often as any single violation of this provision shall occur if violation is not corrected within two hours of notice.

41. RE-RENTING.

For the period commencing one-hundred eighty (180) days prior to the termination of the Term of this Lease, Landlord may show the Premises to prospective tenants upon prior reasonable notice, and may display in or about the building the usual and ordinary "TO RENT/LEASE" signs.

42. FORCE MAJEURE.

In the event that either party hereto shall be delayed or hindered or prevented from performance of any act required hereunder by reason of strikes, lockouts, labor troubles, inability to procure materials, failure of power, riots, insurrection, war or reasons of a similar nature, not the fault of the party delayed in performing the work or doing the acts requires under the terms of this Lease, other causes beyond the control of the party so delayed, then the performance of such act shall be excused for the period of the delay (not greater than ninety [90] days) caused by the foregoing. Failure or inability of Landlord, despite its reasonably prompt and diligent efforts to settle and obtain insurance proceeds to which it is entitled, shall constitute a force majeure delay for purposes of Landlord's obligations under this Lease. The provisions of this Article shall not excuse Landlord from the timely delivery of possession of the Premises. Financial inability shall not excuse performance by either party.

43. LANDLORD'S USE OF THE COMMON AREAS.

Landlord reserves the right, from time to time, to utilize portions of the Common Areas for exhibits, entertainment, displays or product shows, the placement of kiosks, or such other uses in Landlord's judgment will attract the purchasing public. Further, Landlord reserves the right to utilize the lighting standards and other parts of the Common Areas for advertising purposes.

44. EXECUTION OF LEASE.

If either party hereto is a partnership, co-partnership or other joint venture or association, the individual executing this Lease on behalf of such entity warrants and represents that such entity is validly organized and existing and authorized to do business under the laws of the State of Michigan, that the form of entity has full power and lawful authority to enter into this Lease in the manner and form herein set forth, and that the execution of this Lease by such individual is proper and sufficient to legally bind such entity in accordance with the terms and conditions hereof. If Tenant consists of more than one person or entity, then the obligations imposed on Tenant shall be joint and several.

46. **OPTIONS TO RENEW.**

A. *Option.* Provided Tenant is not in default at the date for exercise, Landlord grants to Tenant the one-time right and option to extend the term of this Lease for two (2) five (5) years (the "Option"). Tenant must notify Landlord of its exercise of Option in accordance with the notice provisions herein not less than six (6) months prior to the expiration of the preceding term of the Lease. Failure to give timely notice shall extinguish the right to the Option. Provided Tenant is not in default at the date for exercise, Landlord grants to Tenant the right and option to extend the term of this Lease for one (1) consecutive period of five (5) years (the "Second Option"). Tenant must notify Landlord of its exercise of the Second Option in accordance with the notice provisions herein not less than six (6) months prior to the expiration of the preceding term of the Lease. Failure to give timely notice shall extinguish all remaining Options. The Option and Second Option are personal to the Tenant or its authorized assignees and may not be assigned or transferred to any assignee or transferee other than Tenant or its authorized assignees. **Except with regards to entities that lawfully operate under the Learn4Life Federal Trademark,** This Option and Second Option shall automatically terminate and become null and void upon the unauthorized assignment of this Lease by Tenant or the sublet of the Premises.

B. *Terms.* The Extended terms shall be on the same terms, covenants, and conditions as the expiring term, except that the Minimum Monthly Rent shall be at Fair Market Value with a minimum of \$13.75 psf during the Option and at Fair Market Value with a minimum of \$15.13 psf during the Second Option.

47. **MISCELLANEOUS.**

A. *Interpretation and Use of Pronouns.* Nothing contained herein shall be deemed or construed by the parties hereto, nor by any other third party, as creating the relationship of principal and agent or of partnership or of joint venture between the parties hereto, it being understood and agreed that neither the method of computation of Rent, nor any other provision contained herein, nor any acts of the parties herein, shall be deemed to create any relationship between the parties other than the relationship of Landlord and Tenant. Whenever herein the singular number is used, the same shall include the plural, and the masculine gender shall include the feminine and neuter genders.

B. *Laws of the State of Michigan.* This Lease shall be governed by and construed in accordance with the laws of the State of Michigan. The unenforceability, invalidity or illegality of any term or provision of this Lease shall not render any other term or provision unenforceable, invalid, or illegal.

C. *Binding Effect.* This Lease shall inure to the benefit of the successors, assigns, heirs, transferees, and administrators of Landlord and Tenant. The invalidity of any provision of this Lease shall not affect the validity and enforceability of any other provision or of the same provision in any other respect. This Lease may only be amended by written agreement signed by both Landlord and Tenant.

D. *Cumulative Rights.* The rights and remedies provided herein shall be cumulative and shall not be exclusive of any other rights or remedies or any rights or remedies provided by law. One or more waivers of any covenant, term, condition or provision of this Lease by either party shall not be construed as a waiver of a subsequent breach of the same covenant, term, condition or provision, and the consent or approval by Landlord to or of any act by Tenant shall not be deemed a waiver of Landlord's consent or approval to or of any subsequent similar act by Tenant.

E. *Entire Agreement.* All of the agreements, conditions, covenants, terms, warranties, understandings, obligations, limitations, representations, and provisions of this lease of the premises or the Tenant's occupancy in the Center are expressly contained in this Lease, and none shall be implied.

F. Written Amendment. This Lease may be amended only by subsequent written instrument signed by the Landlord and Tenant.

G. Time is of the Essence. The parties agree that time is of the essence.

H. No Inducement; Independent Investigation. Tenant acknowledges and agrees that no prior information provided or statements made by the Landlord or its agent(s), including, without limitation, financial matters and matters related to: (i) any of the other tenants expected in the Center; (ii) the Center; or (iii) the number or types of tenants in the Center, have in any way induced the Tenant to enter into this Lease. The Tenant acknowledges it has conducted its own independent inquiry and investigation of all matters related to the Center, including, but not limited to, its tenancies and the surrounding area.

I. Counterparts. This Lease may be executed by the parties on separate counterparts or separate signature pages, all of which, taken together, shall constitute one and the same instrument. Photocopies of signatures and signatures delivered electronically or by facsimile shall be deemed to be originals for purposes of enforcement of this Lease.


IN WITNESS WHEREOF, the parties have executed this Lease as of the day and year first above written.

“TENANT”

“LANDLORD”

US LEARNING CORPORATION

CLIO & PIERSON, LLC
a Delaware limited liability company

By: 
Its: CFO / Secretary

By: 
Its: Officer 
Authorized Representative

GUARANTY

The undersigned, Lifelong Learning Administration Corporation whose address is 177 Holston Drive, Lancaster, California 93535, in consideration of the leasing of the leased premises described in that certain Lease (hereinafter referred to as the "Lease"), dated June 25, 2019, between CLIO & PIERSON LLC, a Delaware limited liability company, whose address is c/o Signature Associates One Towne Square, Suite 1200, Southfield, Michigan 48076, as Landlord (hereinafter referred to as "Landlord"), and US LEARNING CORPORATION whose address is 177 Holston Drive, Lancaster, California 93535, as Tenant (hereinafter referred to as "Tenant"), does hereby covenant and agree as follows:

The undersigned does hereby guarantee the full, faithful and timely payment and performance by Tenant of all of the payments, covenants and other obligations of Tenant under or pursuant to the Lease. If Tenant shall default at any time in the payment of any rent or any other sums, costs or charges whatsoever, or in the performance of any of the other covenants and obligations of Tenant, under or pursuant to the Lease, then the undersigned, at its expense, shall on demand of Landlord fully and promptly, and well and truly, pay all rent, sums, costs and charges to be paid by Tenant, and perform all the other covenants and obligations to be performed by Tenant, under or pursuant to the Lease, and in addition shall on Landlord's demand pay to Landlord any and all sums due to Landlord, including (without limitation) all interest on past due obligations of Tenant, costs advanced by Landlord, and damages and all expenses (including attorneys' fees and litigation costs), that may arise in consequence of Tenant's default. The undersigned hereby waives all requirements of notice of the acceptance of this Guaranty and all requirements of notice of breach or nonperformance by Tenant.

The obligations of the undersigned hereunder are independent of the obligations of Tenant. A separate action or actions may, at Landlord's option, be brought and prosecuted against the undersigned, whether or not any action is first or subsequently brought against Tenant, or whether or not Tenant is joined in any such action, and the undersigned may be joined in any action or proceeding commenced by Landlord against Tenant arising out of, in connection with or based upon the Lease. The undersigned waives any right to require Landlord to proceed against Tenant or pursue any other remedy in Landlord's power whatsoever, any right to complain of delay in the enforcement of Landlord's rights under the Lease, and any demand by Landlord and/or prior action by Landlord of any nature whatsoever against Tenant, or otherwise.

This Guaranty shall remain and continue in full force and effect and shall not be discharged in whole or in part notwithstanding (whether prior or subsequent to the execution hereof) any alteration, renewal, extension, modification, amendment or assignment of, or subletting, concession, franchising, licensing or permitting under the Lease. The undersigned hereby waives notices of any of the foregoing, and agrees that the liability of the undersigned hereunder shall be based upon the obligations of Tenant set forth in the Lease as the same may be altered, renewed, extended, modified, amended or assigned. For the purpose of this Guaranty and the obligations and liabilities of the undersigned hereunder, "Tenant" shall be deemed to include any and all licensees, assignees, subtenants, permittees or others directly or indirectly operating or conducting a business in or from the Premises, as fully as if any of the same were the named Tenant under the Lease.

The undersigned's obligations hereunder shall remain fully binding although Landlord may have waived one or more defaults by Tenant, extended the time of performance by Tenant, released, returned or misapplied other collateral at any time given as security for Tenant's obligations (including other guaranties) and/or released Tenant from the performance of its obligations under the Lease.

This Guaranty shall remain in full force and effect notwithstanding the institution by or against Tenant, of bankruptcy, reorganization, readjustment, receivership or insolvency proceedings of any nature, or the disaffirmance of the Lease in any such proceedings or otherwise.

If this Guaranty is signed by more than one party, their obligations shall be joint and several, and the release of one of such guarantors shall not release any other of such guarantors.

Neuter terms should also refer, where applicable, to the feminine gender and the masculine gender; the singular

CALIFORNIA ACKNOWLEDGMENT

CIVIL CODE § 1189

A notary public or other officer completing this certificate verifies only the identity of the individual who signed the document to which this certificate is attached, and not the truthfulness, accuracy, or validity of that document.

State of California }
County of Los Angeles }

On 6/25/19 before me, Lalita Ragoobar-Share, Notary Public
Date Here Insert Name and Title of the Officer
personally appeared Peter Faraglia
Name(s) of Signer(s)

who proved to me on the basis of satisfactory evidence to be the person(s) whose name(s) is/are subscribed to the within instrument and acknowledged to me that he/she/they executed the same in his/her/their authorized capacity(ies), and that by his/her/their signature(s) on the instrument the person(s), or the entity upon behalf of which the person(s) acted, executed the instrument.



I certify under PENALTY OF PERJURY under the laws of the State of California that the foregoing paragraph is true and correct.

WITNESS my hand and official seal.

Signature [Signature]
Signature of Notary Public

Place Notary Seal and/or Stamp Above

OPTIONAL

Completing this information can deter alteration of the document or fraudulent reattachment of this form to an unintended document.

Description of Attached Document

Title or Type of Document: _____

Document Date: _____ Number of Pages: _____

Signer(s) Other Than Named Above: _____

Capacity(ies) Claimed by Signer(s)

Signer's Name: _____

Corporate Officer – Title(s): _____

Partner – Limited General

Individual Attorney in Fact

Trustee Guardian or Conservator

Other: _____

Signer is Representing: _____

Signer's Name: _____

Corporate Officer – Title(s): _____

Partner – Limited General

Individual Attorney in Fact

Trustee Guardian or Conservator

Other: _____

Signer is Representing: _____

Exhibit A

RULES AND REGULATIONS

1. Except as otherwise stated in the Lease, Tenant shall not, without prior written consent of Landlord (i) paint, decorate or make any changes to the store front of the Leased Premises; or (ii) install any exterior lighting, awning or protrusions, signs, advertising matter, decoration or painting visible from the exterior of the Leased Premises or any coverings on exterior windows and doors, excepting only dignified displays of customary type in store windows. If Landlord objects in writing to any of the foregoing, Tenant shall immediately discontinue such use.
2. Tenant shall not (i) conduct or permit any fire, bankruptcy or auction sale (whether real or fictitious) unless directed by order of a court of competent jurisdiction, or conduct or permit any legitimate or fictitious "Going Out of Business" sale nor represent or advertise that it regularly or customarily sells merchandise at "manufacturer's", "distributor's", or "wholesale", "warehouse", or similar prices or other than at "off-price" or at "retail" prices; (ii) without Landlord's prior written consent, use, or permit to be used, the sidewalks adjacent to such Leased Premises, or any other area outside the Leased Premises for solicitation or for the sale or display of any merchandise or for any other business, occupation or undertaking, or for outdoor public meetings, circus or other entertainment (except for promotional activities in cooperation with the management of the Shopping Center or an association of merchants within the Shopping Center); (iii) use or permit to be used any sound broadcasting or amplifying device which can be heard outside of the Leased Premises or any flickering lights; or (iv) use or permit to be used any portion of the Leased Premises for any unlawful purpose or use or permit the use of any portion of the Leased Premises as regular living quarters, sleeping apartments or lodging rooms or for the conduct of any manufacturing business.
3. Tenant shall at all times keep the Leased Premises at a temperature sufficiently high to prevent freezing of water pipes and fixtures. Tenant shall not nor shall Tenant at any time, permit any occupant of the Leased Premises to: (i) use, operate or maintain the Leased Premises in such manner that any rates for any insurance carried by Landlord, or the occupant of any Leased Premises within the Shopping Center, shall thereby be increased; or (ii) commit waste, perform any acts or carry on any practices which may injure the Shopping Center or be a nuisance or menace to other tenants in the Shopping Center.
4. Tenant shall not obstruct any sidewalks, passages, exits, entrances, truck ways, loading docks, package pick-up stations, or pedestrian sidewalks and ramps of the Shopping Center. No tenant and no employee or invitee of any tenant shall go upon the roof of the Shopping Center without notifying the Landlord.
5. Landlord will furnish Tenant free of charge with two keys to each door lock in the Leased Premises. Landlord may make a reasonable charge for any additional keys. Tenant, upon the termination of its tenancy, shall deliver to Landlord the keys of all doors which have been furnished to Tenant, and in the event of loss of any keys so furnished, shall pay Landlord therefor.
6. If Tenant requires telegraphic, telephonic, burglar alarm or similar services, it shall first obtain and comply with Landlord's instructions in their installation.
7. Tenant shall not place a load upon any floor, which exceeds the designed load per square foot or the load permitted by law. Heavy objects shall stand on such platforms as determined by Landlord to be necessary to properly distribute the weight. Business machines and mechanical equipment belonging to Tenant which cause noise or vibration that may be transmitted to the structure of Tenant's store or to any other space to such a degree as to be objectionable to Landlord or to any tenants shall be placed and maintained by Tenant, at Tenant's expense, on vibration eliminators or other similar devices. Landlord will not be responsible for loss of, or damage to, any equipment or other property from any cause, and

all damage done to the Shopping Center by maintaining or moving such equipment or other property shall be repaired at the expense of Tenant.

8. The toilet rooms, toilets, urinals, wash bowls and other apparatus shall not be used for any purpose other than that for which they were constructed. No foreign substance of any kind whatsoever shall be thrown therein, and the expense of any breakage, stoppage or damage resulting from the violation of this rule shall be borne by the tenant who, or whose employees or invitees, shall have caused it.
9. Except as otherwise stated in the Lease, Tenant shall not install any radio or television antenna, loudspeaker or other device on the roof or exterior walls of Tenant's store. Tenant shall not interfere with radio or television broadcasting or reception from or in the Shopping Center or elsewhere.
10. Except as approved by Landlord, Tenant shall not damage partitions, woodwork or walls or in any way deface the Leased Premises. Tenant shall not cut or bore holes for wires. Tenant shall not affix any floor covering to the floor of the Leased Premises in any manner except as approved by Landlord. Tenant shall repair any damage resulting from noncompliance with this rule.
11. Tenant shall store all its trash and garbage in containers within its Leased Premises and/or in the portion of the Common areas designated by Landlord. Tenant shall not place in any trash box or receptacle any material, which cannot be disposed of in the ordinary and customary manner of trash and garbage disposal. All garbage and refuse disposal shall be made in accordance with directions issued from time to time by Landlord.
12. No cooking shall be done or permitted by Tenant on the Leased Premises without Landlord's prior written consent, except for brewing coffee and similar beverages and use of a single microwave oven by employees only and in any event will not permit odors to emanate from the Leased Premises provided that such use is in accordance with all applicable federal, state and city laws, codes, ordinances, rules and regulations.
13. Tenant shall not use in any space any hand trucks except those equipped with rubber tires and side guards or such other material-handling equipment as Landlord may approve. Tenant shall not bring any other vehicles of any kind into Tenant's store.
14. Employees of Landlord shall not perform any work or do anything outside of their regular duties unless under special instructions from Landlord.
15. All loading of goods shall be done only at such times, in the areas, and through the entrances, designated for such purposes by Landlord. The delivery or shipping of merchandise, supplies and fixtures to and from the Leased Premises shall be subject to such rules and regulations as in the judgment of the Landlord are necessary for the proper operation of the Leased Premises or the Shopping Center.
16. Tenant and Tenant's employees shall park their cars only in such portion of the parking area designated for those purposes by the Landlord, if any. Tenant shall furnish Landlord with state automobile license numbers assigned to Tenant's employees if so requested by Landlord. In the event that the Tenant or its employees fail to park their cars in designated parking areas as aforesaid, then the Landlord, at its option, shall charge the Tenant Ten Dollars (\$10.00) per day or partial day per car parked in any area other than that designated.
17. Landlord may waive any one or more of these Rules and Regulations for the benefit of any particular tenant or tenants, but no such waiver by Landlord shall be construed as a waiver of such Rules and Regulations in favor of any other tenant or tenants, nor prevent Landlord from thereafter enforcing any such Rules and Regulations against any or all of the tenants of the Shopping Center.

18. These Rules and Regulations are in addition to, and shall not be construed to in any way modify or amend, in whole or in part, the terms, covenants, agreements and conditions of any lease of premises in the Shopping Center. The terms of the Lease shall take precedence over these Rules and Regulations.
19. Tenant shall be responsible for the observance of all of the foregoing rules by Tenant's employees, agents, clients, customers, invitees and guests.
20. Tenant shall use, at Tenant's cost, such pest extermination contractor as Landlord may direct and at such reasonable intervals as Landlord may require.
21. No vehicle shall be permitted to remain parked overnight in any area of the Shopping Center, whether loaded, unloaded or partially loaded. No parking shall be permitted of any trailer, truck or other vehicle in any area of the shopping Center at any time for purposes of advertising or promotion without Landlord's written permission.

Tenant agrees to comply with all additional and supplemental Rules and Regulations upon notice of same from Landlord.

Exhibit B

SIGN SPECIFICATIONS

1. The design, size, materials and location of all signs must be approved by the Landlord whose decision in such matters shall be final. Signs shall be made up of individual or script type dimensional letters, backlighted or internally illuminated and mounted on a metal raceway not to exceed 6 inches square in cross section which shall be painted to match the color of the background material of the building to which it is mounted. Tenant shall submit drawings for written approval of Landlord or Landlord's architect prior to Tenant's installation of any sign.

2. Tenant may have its business name, address and business hours applied to the front and service doors, as applicable, using professionally and individually painted white, Helvetica style letters not to exceed 2 1/2 inches in height. No other type of signage will be permitted for this purpose.

3. As often, and at such time as the Landlord shall elect, at its cost, to remodel and/or reface the Center within which the premises demised hereunder are located, Landlord shall have the option to remove Tenant's existing signage and require new signage to conform to Landlord's then current signage requirements, all at Tenant's sole cost.

4. At the expiration of the Lease term or any extension thereof, Tenant will, at its cost, remove its signage and repair any damage sustained to the fascia as a result of the removal, including, but not limited to, filling holes and repainting any discolored portions of the fascia.

5. If the Landlord elects to make alternations, additions, or changes to the Center within which the Premises are located, Tenant, at its sole cost and expense, upon Landlord's request agrees to (i) remove its exterior signage and provide temporary signage during the period of Landlord's construction period and, upon completion, the Tenant will place new signage to conform to the Landlord's signage criteria then in effect, provided such requirements are uniformly applied; (ii) the Tenant's new signage shall at all times comply with all applicable ordinances and statutes.

CERTIFICATE OF USE AND OCCUPANCY
PERMANENT

Michigan Department of Licensing and Regulatory Affairs

Bureau of Construction Codes/Building Division

P.O. Box 30254

Lansing, MI 48909

Authority: 1972 PA 230

(517) 241-9317

Building Permit No: BLDG19-00917

4939 CLIO RD

FLINT, MI 48504

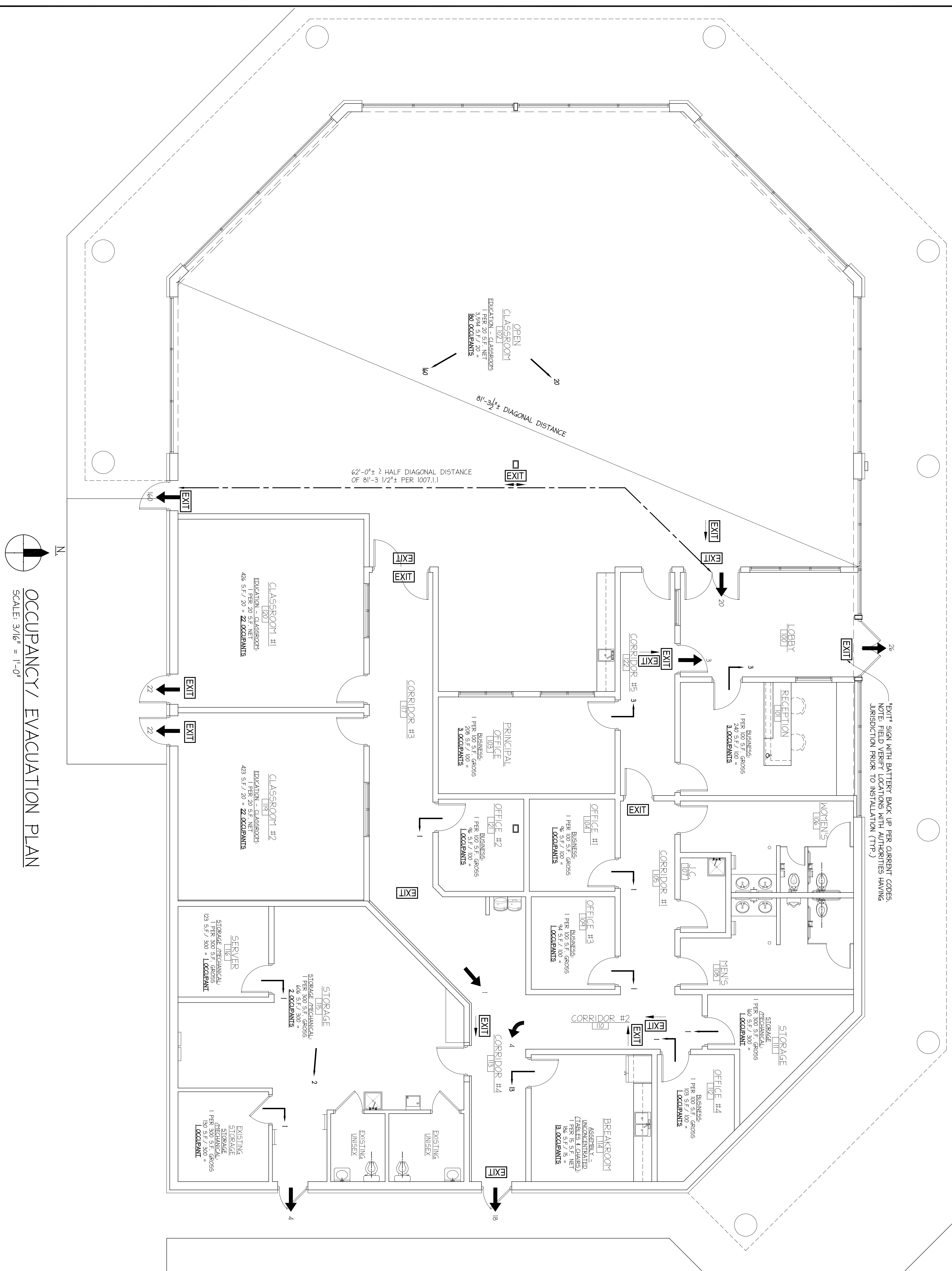
COUNTY: GENESEE

The above named building of Use Group E, Education and Construction Type 3B is approved for use and occupancy.

THIS APPROVAL IS GRANTED UNDER THE AUTHORITY OF SECTIONS 13 OF ACT 230 OF THE PUBLIC ACTS OF 1972, AS AMENDED, BEING §125.1513 OF THE MICHIGAN COMPILED LAWS, AND, IN ACCORDANCE WITH SECTION 111.0 OF THE STATE BUILDING CODE. THIS SHALL SUPERSEDE AND VOID ANY PREVIOUS APPROVAL OF USE AND OCCUPANCY.

Print Date: 03/27/2020

Flex High Burton



EXIT SIGN WITH BATTERY BACK, UP PER CURRENT CODES. NOTE FIELD VERIFY LOCATIONS WITH AUTHORITIES HAVING JURISDICTION PRIOR TO INSTALLATION (T-17)

OCCUPANCY LOAD

MICHIGAN BUILDING CODE 2015 (TABLE 1004.1.2) AND NFPA 101 LIFE SAFETY CODE 2012 (TABLE 7.3.1.2)

ASSEMBLY AREA
 A) STANDING 1 PER 5 S.F. NET
 B) CONCENTRATED 1 PER 7 S.F. NET
 C) UNCONCENTRATED 1 PER 15 S.F. NET

BUSINESS AREAS: 1 PER 100 S.F. GROSS
 CLASSROOM AREA: 1 PER 20 S.F. NET
 KITCHEN: 1 PER 200 S.F. GROSS
 LIBRARY: 1 PER 50 S.F. NET FOR READING ROOMS
 STORAGE/MECHANICAL: 1 PER 300 S.F. GROSS

EGRESS DOOR CAPACITY

1. MICHIGAN BUILDING CODE 2015
 A. SIZE OF DOOR: (SECTION 1001.1)
 3'-0" NOMINAL DOOR = 32' MIN. NET CLEAR
 B. EGRESS WIDTH PER OCCUPANT SERVED: 0.20' FOR OTHER COMPONENTS (SECTION 1005.3.2) 0.30' FOR STAIRWAYS (SECTION 1005.3.1)
 C. DOOR CAPACITY: 32' NET 32' NET
 32' NET / 0.20' = 160 PEOPLE PER LEAF (320 PER DOOR PAIR)

2. NFPA 101 LIFE SAFETY CODE 2012
 A. SIZE OF DOOR: SECTION 7.2.1.2.3.2
 3'-0" NOMINAL DOOR = 32' MIN. NET CLEAR
 B. EGRESS WIDTH PER OCCUPANT SERVED: SECTION 7.3.1.1
 1) STAIRS: 0.3' /PERSON
 2) NONSTAIRS: 0.2' /PERSON
 3) DOOR CAPACITY
 A) 3'-0" DOOR: 32' / 0.2' = 160 PER DOOR LEAF
 B) 3'-6" DOOR: 36' / 0.2' = 180 PER DOOR LEAF
 C) 4'-0" DOOR: 48' / 0.2' = 240 PER DOOR LEAF

OCCUPANCY / EVACUATION PLAN
 SCALE: 3/16" = 1'-0"

| DATE: | DESCRIPTION: |
|----------|-----------------------|
| 12/28/18 | PERMIT & CONSTRUCTION |
| 03/04/19 | REVISED |
| 03/21/19 | REVISED |
| 04/17/19 | REVISED |

PROJECT NO: 18-131
 SHEET: 1-2.0

HIG THOMAS IS THE SOLE CROWN REVEALY OF RANDO ARCHITECTURE AND SHALL NOT BE COB OR REPRODUCED WITHOUT WRITTEN CONSENT.

FLEX HIGH CENTER ROAD

1245 S. CENTER ROAD
 BURTON, MI 48509

OCCUPANCY /EVACUATION PLAN

ANDRUS ARCHITECTURE

11629 NORTHLAND DRIVE - SUITE 200
 ROCKFORD, MI 49341

PHONE: 616.863.8850
 WWW.ANDRUSARCHITECTURE.COM

SECOND AMENDMENT OF REAL ESTATE LEASE

THIS AMENDMENT OF LEASE AGREEMENT (“Agreement”) is made and entered into effective as of the 8th day of November, 2022 by and between **US Learning Corporation**, a non-profit corporation (“**SubLessor**”) and **FLEX HIGH SCHOOL OF MICHIGAN, Inc**, a non-profit corporation (“**SubLessee**”).

RECITALS

- A.** SubLessor own a lease on the real property located at 1245 S Center Street Burton Michigan (the “**Property**”);
- B.** SubLessor and SubLessee entered into that certain Real Estate Lease on November 6, 2018 (the “**Lease**”);
- C.** SubLessor and SubLessee desire to amend the SubLease to extend its termination date to February 29, 2024
- D.** Lessor and Lessee desire to amend the Lease as set forth herein.

NOW, THEREFORE, on the basis of the foregoing recitals, and in consideration of the covenants, conditions and representations hereinafter set forth, the parties hereto agree to amend the SubLease as follows:

- 1. Amendment of Real Estate Lease.** The Amendment of Real Estate Lease signed as of November 8, 2022 is hereby terminated.
- 2. Term.** The term of the Lease shall be extended to February 29, 2024 (the “**Term**”).
- 3. Remaining Terms.** Except as modified herein, all terms and conditions of the Lease shall remain in full force and effect.

IN WITNESS WHEREOF, the parties hereto have executed this Second Amendment as of the dated as of February 3, 2023.

“**SubLessor**”

US Learning Corporation

By: *Valerie J. Chase*

Valerie Chase, Secretary

“**SubLessee**”

Flex High School of Michigan, Inc.

By: 

Wanda Brown, Treasurer






Burton Lease Amendment 2

Final Audit Report

2023-02-24

| | |
|-----------------|--|
| Created: | 2023-02-23 |
| By: | Andy Holmes (aholmes@llac.org) |
| Status: | Signed |
| Transaction ID: | CBJCHBCAABAAiN9Ole71g633-mzOCIEqyORYiLc1unle |

"Burton Lease Amendment 2" History

-  Document created by Andy Holmes (aholmes@llac.org)
2023-02-23 - 2:33:24 PM GMT- IP address: 73.161.48.230
-  Document emailed to Valerie Chase (vchase@llac.org) for signature
2023-02-23 - 2:33:47 PM GMT
-  Email viewed by Valerie Chase (vchase@llac.org)
2023-02-24 - 5:46:25 AM GMT- IP address: 65.200.13.131
-  Document e-signed by Valerie Chase (vchase@llac.org)
Signature Date: 2023-02-24 - 5:47:17 AM GMT - Time Source: server- IP address: 65.200.13.131
-  Agreement completed.
2023-02-24 - 5:47:17 AM GMT

AMENDMENT OF REAL ESTATE LEASE

THIS AMENDMENT OF LEASE AGREEMENT (“Agreement”) is made and entered into as of the 8th day of November, 2022 by and between **US Learning Corporation**, a non-profit corporation (“SubLessor”) and **FLEX HIGH SCHOOL OF MICHIGAN, Inc**, a non-profit corporation (“SubLessee”).

RECITALS

- A. SubLessor own a lease on the real property located at 1245 S Center Street Burton Michigan (the “Property”);
- B. SubLessor and SubLessee entered into that certain Real Estate Lease on November 6, 2018 (the “Lease”);
- C. SubLessor and SubLessee desire to amend the SubLease to extend its termination date to February 29, 2024
- D. Lessor and Lessee desire to amend the Lease as set forth herein.

NOW, THEREFORE, on the basis of the foregoing recitals, and in consideration of the covenants, conditions and representations hereinafter set forth, the parties hereto agree to amend the SubLease as follows:


- 1. **Term.** The term of the Lease shall be extended to February 29, 2024 (the “Term”).
- 2. **Change in ESP.** If Flex High School of Michigan, Inc. terminates its management agreement with US Learning Corporation, this lease shall be terminated with the termination of the management agreement.
- 3. **Remaining Terms.** Except as modified herein, all terms and conditions of the Lease shall remain in full force and effect.

IN WITNESS WHEREOF, the parties hereto have executed this Fourth Amendment as of the date set forth above.

“SubLessor”

US Learning Corporation

By:


Valerie Chase, Secretary

“SubLessee”

Flex High School of Michigan, Inc.

By:


Molly Bruzewski, Treasurer

SUBLEASE

THIS SUBLEASE (this "Sublease") is entered into this 3rd day of September, 2019, to be effective October 1, 2019, ("Effective Date"), by and between US Learning Corporation, a California Non Profit corporation ("SubLessor"), having an address of 177 Holston Drive, Lancaster, CA 93536, and Flex High School of Michigan, a Michigan Non Profit corporation, having an address of 130 East Nine Mile Road, Ferndale, Michigan 48220 ("SubLessee").

RECITALS

- A. Under that certain Lease dated November 6, 2018 and attached hereto as Exhibit A and made a part hereof (referred to herein as the "*Lease*"), wherein MI Burton Retail Center, LLC the Landlord (herein referred to as "*Prime Landlord*") and Landlord in this Sublease is the Tenant (as such, referred to herein as the "*Prime Tenant*") of certain property located at 1245 N. Center Road, Burton, MI, 48506 and owned by the Prime Landlord, Prime Landlord has leased the Leased Premises to SubLessor for purposes of occupancy as a public charter school.
 - B. Pursuant to that certain Lease dated November 6, 2018 (the "*Lease*"), SubLessor is Manager of Flex High School of Michigan ("*Charter School*").
 - C. SubLessee desires to lease the Leased Premises from SubLessor for operation of a public charter school.
1. **THE LEASED PREMISES.** The SubLessor hereby does let and lease to SubLessee the Leased Premises.
 2. **OCCUPANCY.**
 - a. Except as set forth in this paragraph below, SubLessee is to have full and exclusive occupancy of the Leased Premises at all times.
 - b. SubLessee shall have shared use of the parking lot.
 3. **TERM.** The term of the SubLease begins October 1, 2019, and ends June 30, 2023, ("*Term*"), subject to extension and early termination as provided for in this SubLease.
 - a. **TERMINATION OF CHARTER CONTRACT.** SubLessee is a party to a Charter School Contract with the Central Michigan University Board of Trustees for, inter alia, the operation of a school in the Leased Premises ("*Charter Contract*"). If for any reason whatsoever the Charter Contract is terminated, revoked or is not renewed or extended, prior to the expiration of the Term hereof, then this SubLease shall terminate simultaneously with such termination, revocation, non-renewal or non-extension, as the case may be, without further action of the parties and without penalty for early termination and neither party shall have any right or cause of action against the other by reason of such termination.
 - b. **AMENDMENT CAUSED BY ACADEMY SITE CLOSURE OR RECONSTITUTION.** In the event that the SubLessee is required (i) to close an Academy site pursuant to a notice issued by the Michigan Department of Education under Section 507 of the Code, MCL 380.507; or (ii) to undergo a reconstitution pursuant to Section 507 of the Code, MCL 380.507, and the Charter Contract, and such closure of an Academy site or reconstitution causes an amendment to or termination of this SubLease Agreement, the parties agree that this SubLease Agreement shall be amended or terminated to implement the Academy site closure or reconstitution, with no cost or penalty to the SubLessee, and the SubLessor shall have no recourse against the SubLessee or the

Central Michigan University Board of Trustees for implementing such site closure or reconstitution.

4. **USE.** The Leased Premises are to be used and occupied solely for a public charter school as defined in Part 6A of the Michigan Revised School Code, MCL 380.501 *et seq.*, (as amended) and for no other purpose.

5. **SUBLESSEE'S OBLIGATIONS.** The SubLessee hereby hires the Leased Premises for the term aforesaid, and covenants:

a. **RENT.** To pay the SubLessor, as rental for the Leased Premises, without demand, offset or deduction (except as expressly provided for in this SubLease), a monthly payment equal to the sum of the rent in the lease that SubLessor has with Primary Landlord (currently \$12,462). SubLessor and SubLessee acknowledge and confirm that SubLessee has been making month to month rent payments since February 2019.

b. Rent payments and all other payments required to be made by SubLessee to SubLessor under the terms of this SubLease are due on the first day of each and every month, in advance, provided, however that the first month's rent shall be due on the date of execution of this SubLease. If any payment of the monthly rental amount reserved under this Section is more than five (5) days past due, SubLessee shall pay SubLessor a late fee in the amount of ten percent (10%) of the amount past due. The parties agree that such a late fee represents a fair and reasonable estimate of the costs SubLessor will incur by reason of a late payment. In the event that any monthly rental payment is more than ten (10) days past due, in addition to the late fee, SubLessee shall pay SubLessor interest on the unpaid amount at the rate of ten percent (10%) per annum commencing on the tenth (10th) day after such payment was due, until such payment is made. Acceptance of the late fee or interest under this Section shall in no event constitute a waiver of SubLessee's default with respect to the overdue amount, nor prevent SubLessor from exercising any of his rights and remedies.

c. To use and occupy the Leased Premises only for the purposes for which they are let.

d. To comply promptly with all lawful laws, orders, regulations, and ordinances of all municipal, county, state and federal authorities affecting the Leased Premises and the cleanliness, safety, occupation, and use of same, including without limitation the Americans with Disabilities Act of 1990, 42 U.S.C. 12101-12213 (1991), as amended.

e. To observe all reasonable regulations and requirements of underwriters concerning the use and condition of the Leased Premises tending to reduce fire hazards and insurance rates, and not permit nor allow any rubbish, waste material or products to accumulate on the Leased Premises. In addition, SubLessee shall not do or permit anything to be done in or about the Leased Premises that will in any way obstruct or interfere with the rights of other tenants, if any, or use or allow the Leased Premises to be used for any improper, immoral, unlawful or objectionable purpose, nor shall SubLessee cause, maintain or permit any nuisance in, on or about the Leased Premises.

f. Except for the express obligations of SubLessor set forth in this SubLease ("SubLessor's Obligations"), during the entire term of the SubLease, including any extension period, SubLessee agrees, at its sole cost and expense, to maintain the entire Leased Premises and fixtures in good order, condition and repair (including any replacements, except no replacements of structural components, thereof if necessary in the event such item or component of the Leased Premises or fixture cannot be repaired) at all times, including, but not limited to, the interior and exterior, structural and nonstructural components (including by way of example only and not as a limitation, doors, door frames, window glass, casings, and frames, or any appliances, plumbing, equipment, hardware and furnishings of the Leased Premises) and boiler. SubLessee shall keep the Leased Premises in a clean, sanitary and safe condition at all times.

g. If the nature of the SubLessee's business requires licensure, SubLessee shall keep in effect a valid license to operate the Leased Premises for that purpose and provide SubLessor with a current copy of the required license.

6. **SUBLESSOR'S OBLIGATIONS.** The SubLessor covenants that:

a. The SubLessee, on payment of the rental at the time and in the manner aforesaid and performing all the foregoing covenants, shall and may peacefully and quietly have, hold, and enjoy the Leased Premises for the term aforesaid.

b. The SubLessor, after receiving notice from the SubLessee, agrees to cause Prime Landlord to keep in good order and repair the roof and four outer walls of the Leased Premises (excluding by way of example only and not as a limitation, doors, door frames, window glass, casings, and frames, fixtures or any appliances, equipment, hardware and furnishings of the Leased Premises) except the repair of outer walls which have been defaced or damaged by SubLessee or anyone SubLessee permits to use the Leased Premises (other than SubLessor or its invitees), which shall be the obligation of the SubLessee.

7. INSURANCE.

a. INDEMNIFICATION/LIABILITY:

i. To the extent permitted by law, SubLessee shall indemnify, defend (using counsel satisfactory to SubLessor in its sole discretion) and hold harmless SubLessor, Prime Landlord, and their employees, managers, partners, officers, directors, contractors and agents from and against all claims, demands, liabilities, obligations, damages, penalties, causes of action, suits, judgments, and expenses (including attorneys' fees) arising from or related to (i) the occupancy, condition, operation or use of the Leased Premises, (ii) any accident, occurrence, injury to or death of persons, or loss of or damage to property occurring on or about the Leased Premises except, as to the parties other than SubLessor, to the extent caused by the negligence of Prime Landlord arising in connection with Prime Landlord's use of the Leased Premises, (iii) use or misuse of any portions of the Leased Premises by a SubLessee or any of SubLessee's respective agents, contractors, employees, visitors, and invitees, or (iv) SubLessee's failure to perform its obligations under this SubLease. The obligations of SubLessee under this paragraph arising by reason of any occurrence taking place during the term of this SubLease shall survive any termination of this SubLease.

ii. The SubLessee will procure and keep in effect during the term hereof commercial general liability insurance on an occurrence basis with limits of at least One Million Dollars (\$1,000,000.00) per occurrence, with a Two Million Dollar (\$2,000,000.00) annual general aggregate. Such policy shall include coverage for bodily injury, property damage, premises and operations, personal and advertising injury and contractual liability insurance that covers the indemnification obligations of this SubLease. Not more frequently than every three (3) years, if, in the reasonable opinion of SubLessor, the amount of liability insurance required hereunder is not adequate, SubLessee shall promptly increase said insurance coverage as reasonably required by SubLessor.

iii. In addition, such policies shall name the SubLessor and Prime Landlord, as additional named insureds on a primary and noncontributory basis and shall contain a provision that it may not be canceled without at least thirty (30) days prior written notice being given by the insurer to SubLessor. SubLessee agrees to deliver certificates of all insurance required under this paragraph to SubLessor prior to any entry upon the Leased Premises, and not less than thirty (30) days before the expiration of any such policy. Further, SubLessee agrees to provide complete copies of all policies

to the SubLessor upon receipt of the same; provided, however, the receipt by SubLessor of such policies shall not be deemed by SubLessor to be an acceptance of such coverage to the extent it conflicts with the requirements of this SubLease. Upon SubLessee's failure to deliver a Certificate of Insurance, the SubLessor may, at its option, immediately cancel this SubLease upon written notice to SubLessee.

b. FIRE: SubLessor shall cause Prime Landlord provide for such standard form fire insurance on the building in which the Leased Premises are located as Prime Landlord shall deem advisable, which insurance is solely for the benefit of the SubLessor and is not available for the benefit of the SubLessee.

c. CONTENTS/SUBLESSEE IMPROVEMENTS: SubLessee shall be responsible for securing any insurance it deems advisable on contents and SubLessee improvements or for business interruption and neither SubLessor or Prime Landlord shall have liability with respect to any loss which might have been covered by such insurance.

8. ALTERATIONS.

a. SubLessee may make no alterations, additions, or improvements to the Leased Premises without the SubLessor's and Prime Landlord's prior written consent. All such alterations, additions and improvements shall be at the expense of the SubLessee and, to the extent permitted by law, SubLessee hereby indemnifies and holds SubLessor and Prime Landlord harmless from all costs, liability and loss of any kind and all claims of loss or liability, in any way arising out of or by reason of any such alterations, additions or improvements. Upon vacation of the Leased Premises, said improvements, additions and alterations shall, at SubLessor's option, become the property of the SubLessor. SubLessee shall promptly remove all such alterations, additions and improvements required by SubLessor to be removed and SubLessee shall restore the premises after such removal to substantially their condition prior to the time such alteration, addition or improvement was made. All furnishings and equipment which are not attached or affixed to the Leased Premises made or placed by SubLessee upon the Leased Premises shall be the property of the SubLessee, and the SubLessee shall be permitted to remove the same at the end of the term of this SubLease, but only if such removal causes no molestation or injury to the Leased Premises or the building in which the Leased Premises are located. If SubLessor and Prime Landlord consent to SubLessee's performance of any alteration or addition to the Leased Premises ("Work"), SubLessee shall ensure that the Work shall be made in accordance with the Plans and Drawings (as defined below) and all: applicable laws, regulations and building codes, in a good and workmanlike manner and in quality satisfactory to SubLessor and Prime Landlord. In addition, prior to commencement of any Work, SubLessee must submit to SubLessor and Prime Landlord for approval, which approval shall not be unreasonably withheld, conditioned, or delayed:

- i. a complete set of plans and specifications ("Plans") prepared and sealed by a registered architect or engineer,
- ii. a complete set of drawings and specifications for mechanical, electrical and plumbing systems ("Drawings"); and
- iii. a list of the contractors and subcontractors ("Contractors") who will perform the Work, together with proof of insurance and performance and labor bonds, in such amounts and with such carriers or sureties as SubLessor may require in its sole and absolute discretion.

b. SubLessor's and Prime Landlord's approval of the Plans and Drawings for SubLessee's alterations shall create no responsibility or liability on the part of SubLessor or Prime

Landlord for their completeness, design sufficiency or compliance with all laws, rules and regulations of governmental agencies or authorities.

c. No person shall be entitled to any lien on the Leased Premises because of any labor or material furnished to SubLessee in connection with any alterations or improvements by SubLessee, and nothing in the SubLease shall be construed to constitute a consent by SubLessor to the creation of any lien. If any lien is filed against the Leased Premises as a result of a claim against SubLessee for labor or material furnished to SubLessee, SubLessee shall cause the lien to be discharged of record within fifteen days after filing. If SubLessee fails to cause the lien to be discharged within such time, SubLessor or Prime Landlord may, without the obligation to do so, payoff the lien and SubLessee shall reimburse SubLessor or Prime Landlord, as applicable, for all costs and expenses incurred by SubLessor or Prime Landlord to pay and discharge such lien, including, but not limited to, reasonable attorney fees ("Lien Expense"). To the extent permitted by law, SubLessee shall indemnify SubLessor from any costs, including, but not limited to, reasonable attorney fees, in connection with any such lien. In the event SubLessee fails to reimburse SubLessor within thirty (30) days after receipt of SubLessor's demand for reimbursement for any Lien Expense incurred by SubLessor with respect to any lien ("Delinquency Date"), SubLessee shall be required to pay to SubLessor, on the Delinquency Date and every thirty (30) days thereafter until SubLessor receives such reimbursement, in addition to the amount of such Lien Expense, a late fee in the amount of ten percent (10%) of the outstanding amount of the Lien Expense. Acceptance of the late fee or interest under this Section shall in no event constitute a waiver of SubLessee's default with respect to the overdue amount, nor prevent SubLessor from exercising any of his rights and remedies.

d. Notwithstanding anything to the contrary contained herein, in the event that SubLessor does not consent to any alterations, additions, or improvements required by any governmental agency as a condition precedent to SubLessee's occupancy of the Leased Premises as a public charter school, SubLessee shall have the right to terminate this SubLease.

9. **EMINENT DOMAIN.** In the event of a taking of the Leased Premises during the term of this SubLease by a proceeding in eminent domain which results in the eviction of the SubLessee, this SubLease shall terminate upon the date of such eviction. All awards shall be the sole property of SubLessor, except for SubLessee's award for relocation expense or loss of business, if any.

10. **ASSIGNMENT AND SUBLETTING.** SubLessee covenants that it will not assign, sell, mortgage or in any manner transfer or encumber this SubLease or any interest herein, or sublet the Leased Premises or any part or parts thereof or grant any concession or license or otherwise permit occupancy of all or any part thereof by others without in each case first obtaining the prior written consent of SubLessor. The consent by SubLessor to an assignment or subletting shall not in any way be construed to release SubLessee from obtaining the express consent of the SubLessor to any further assignment or subletting of any part of the Leased Premises nor shall the collection of rent by SubLessor from any assignee, sub-SubLessee or other occupant be deemed a waiver of this covenant or the acceptance of the assignee, sub-SubLessee or occupant as a SubLessee hereunder or a release of SubLessee from the further performance by SubLessee of the covenants in this SubLease on SubLessee's part to be performed. If SubLessee is a corporation or a partnership, the sale or transfer of fifty percent (50%) or more of such corporation's voting shares or of such partnership's general partnership interests, as the case may be, shall be deemed to be an assignment of this SubLease.

11. **DEFAULT.** The occurrence of any one or more of the following events (hereinafter referred to as "Events of Default") shall constitute a breach of this SubLease by SubLessee:

a. if SubLessee shall fail to pay rent or any other sum within five (5) days of when and as the same becomes due and payable;

b. if SubLessee shall fail to perform or observe any other term hereof to be performed or observed by SubLessee under this SubLease which is not cured within fifteen (15) days after receipt of written notice of such failure;

c. if SubLessee shall make a general assignment for the benefit of creditors, or shall admit in writing its inability to pay its debts as they become due or shall file a petition in bankruptcy, or shall be adjudicated as insolvent or shall file a petition in any proceeding seeking any reorganization, arrangements, composition, readjustment, liquidation, dissolution or similar relief under any present or future statute, law or regulation, or shall file an answer admitting or fail timely to contest or acquiesce in the appointment of any trustee, receiver or liquidator of SubLessee or any material part of its properties;

d. if this SubLease or any estate of SubLessee hereunder shall be levied upon under any attachment or execution and such attachment or execution is not vacated within ten (10) days;

e. if SubLessee vacates, abandons or deserts the Leased Premises or SubLessee fails to occupy the Leased Premises for more than ninety (90) consecutive days; or

f. if there is a revocation, termination or other invalidation of any permit, license or authorization with respect to SubLessee's use and/or occupancy of the Leased Premises, including, but not limited to, certificates of occupancy, business licenses or charters.

12. **REMEDIES.** Upon the occurrence of an Event of Default, in addition to any other remedies which may be available to SubLessor, SubLessor may, at his option, after providing to SubLessee any notice required under Michigan Law, do one or more of the following:

a. Terminate this SubLease and, upon such termination, this SubLease shall come to an end and expire upon SubLessor's termination, but SubLessee shall remain liable for any damages SubLessor may incur by reason of any default of the SubLessee to comply with the terms and conditions of this SubLease; or

b. Either with or without terminating this SubLease, SubLessor may immediately or at any time after the Event of Default or after the date upon which this SubLease shall expire, reenter the Leased Premises or any part thereof, without notice, either by summary proceedings or by any other applicable action or proceeding, (without being liable to indictment, prosecution or damages therefore), and may repossess the Leased Premises and remove any and all of SubLessee's property and effects from the Leased Premises; or

c. Either with or without terminating this SubLease, SubLessor may relet the whole or any part of the Leased Premises from time to time, either in the name of SubLessor or otherwise, to such tenant or tenants, for such term or terms ending before, on or after the expiration of this SubLease, at such rental or rentals and upon such other conditions, which may include concessions and free rent periods, as SubLessor, in its sole discretion, may determine. In the event of any such reletting, SubLessor shall not be liable for the failure to collect any rental due upon any such reletting, and no such failure shall operate to relieve SubLessee of any liability under this SubLease or otherwise to affect any such liability; and SubLessor may make such repairs, replacements, alterations, additions, improvements, decorations and other physical changes in and to the Leased Premises as SubLessor, in its sole discretion, considers advisable or necessary in connection with any

such reletting or proposed reletting, without relieving SubLessee of any liability under the SubLease or otherwise affecting such liability; or

d. Accelerate all rental due for the balance of the term of this SubLease and declare the same to be immediately due and payable; or

e. SubLessor shall have the right to recover all amounts payable by SubLessee hereunder as they become due and all other damages incurred by SubLessor as a result of an Event of Default including, without limitation, attorney's fees and costs.

13. CONTROLLING LAW; NO OTHER SUBLEASE OR REPRESENTATIVES. This SubLease shall be governed by the laws of the State of Michigan. There are no understandings, SubLeases, representations, or warranties, expressed or implied, other than those set forth in a written addendum or supplement executed simultaneously herewith, or as herein set forth fully or incorporated by specific reference, respecting this SubLease or any real or personal property leased hereunder.

14. NON-WAIVER; MODIFICATIONS. No waiver of any provision of this SubLease, or a breach thereof, shall be construed as a continuing waiver, nor shall it constitute a waiver of any other provision or breach. The acceptance of part (but not all) of a rent installment(s) due SubLessor hereunder shall not constitute a waiver of default hereunder for nonpayment of rent. The acceptance of all or part of a rent installment(s) due SubLessor hereunder shall not constitute a waiver of any other type of default hereunder. No modification, alteration and/or amendment of this SubLease shall be binding upon the other party hereto, unless the same shall be reduced to writing and signed by the party against whom it is sought to be enforced.

15. NOTICES. All notices and communications required under this Sublease shall be served personally or by registered or certified mail or by prepaid courier service or express mail service as long as in each case there is written evidence of the person to whom delivery was made and the date of delivery signed by the person delivering the notice, on the Landlord and on Tenant at the address indicated on page 1 hereof, or at such other address as may be designated in writing to the other party hereto by notice in accordance with this Section. Notices to SubLandlord shall be addressed to US Learning Corporation, care of Valerie Chase, 177 Holston Drive, Lancaster, CA 93535 Notices to Tenant shall be addressed to Board President.

16. SURRENDER. The SubLessee shall return said Leased Premises peaceably and promptly to the SubLessor at the end of the term of this SubLease, or at any earlier termination thereof, in as good condition as the same are now in or may hereafter to be put in, except for ordinary wear and tear. Upon termination of this SubLease, whether by expiration of the term, abandonment or surrender by SubLessee, process of law or otherwise, any personal property belonging to SubLessee and left on the Leased Premises shall be deemed to be abandoned and may be removed and disposed of by SubLessor at SubLessee's expense.

17. RIGHT TO TERMINATE.

a. If the Leased Premises shall be totally destroyed through damage or destruction, this SubLease shall terminate as of the date of such damage or destruction.

b. If the Leased Premises are partially destroyed through damage or destruction, then the damage to the Leased Premises shall be promptly repaired by SubLessor, unless SubLessor

shall elect not to rebuild as hereinafter provided, and the monthly rent shall be abated in proportion to the amount of the Leased Premises rendered untenable until so repaired. In no event shall SubLessor be required to repair or replace SubLessee's merchandise, trade fixtures, furnishings or equipment. If more than fifty percent (50%) of the floor area of the building in which the Leased Premises are located shall be damaged or destroyed by fire or other casualty or if during the last one (1) years of the Term more than twenty five percent (25%) of the Leased Premises or of the floor area of the building in which the Leased Premises are located shall be damaged or destroyed by fire or other casualty then either party may either elect terminate this Lease by providing the other party with written notice of its election to so terminate, such notice to be given within ninety (90) days after the occurrence of such damage or destruction. If SubLessor is required or elects to repair or rebuild or requires the SubLessee to repair or rebuild the Leased Premises as herein provided. SubLessee shall repair or replace its merchandise, trade fixtures, furnishings and equipment in a manner and to at least a condition equal to that prior to its damage or destruction.

c. In case the Leased Premises and/or the entrance(s), passageways, hallways and/or lavatories shall be sufficiently damaged so as to unreasonably impede SubLessee's use of the Leased Premises for a period likely to exceed sixty (60) days, SubLessee may, at its option, terminate this SubLease forthwith by written notice to the SubLessor, in which event any unabsorbed advance rental forthwith upon SubLessee's surrendering the Leased Premises shall be repaid to SubLessee.

d. Anything in this SubLease to the contrary notwithstanding, subject to SubLessor's rights under this SubLease, this SubLease may be terminated at any time by SubLessor upon one hundred twenty (120) days written notice to SubLessee ("Termination Notice") in the event Prime Landlord makes the determination to close the Leased Premises (as defined below), which termination shall be effective as of the end of the current school year as of the date the notice is provided it being understood by the parties that a school year runs from July 1 to the following June 30; provided, however, in the event the Termination Notice is delivered by SubLessor to SubLessee after April 1 of any year, the termination shall be effective as of the end of the next full school year.

18. SUCCESSORS AND ASSIGNS. This SubLease and each of the covenants, conditions, and SubLeases contained herein shall be binding upon each of the parties and upon their respective successors, representatives and assigns, and the benefits shall inure to each of the parties and to their respective permitted successors, representatives and assigns.

19. NO REPRESENTATIONS. SubLessee acknowledges that no representation, verbal or written, has been made by any broker, agent or employee of SubLessor regarding the condition of the improvements on the premises. This SubLease is not made in reliance upon any representation whatsoever.

20. SECURITY DEPOSIT -- Intentionally Omitted.

21. HOLD OVER. It is hereby agreed that in the event the SubLessee herein holds over after the termination of this SubLease, that thereafter the tenancy will be from month-to-month in the absence of a written SubLease to the contrary. All terms of the previous SubLease will remain the same, except that the rent amount shall be increased to 150% of the previous rent amount.

22. OPTION TO EXTEND. Provided an Event of Default has not occurred, and SubLessor has the right to an extension, SubLessee shall have two (2) successive options to extend the term of this

SubLease for an additional five (5) years each from and after the expiration of the original term or the first extension term, as applicable. SubLessee shall exercise each option by giving SubLessor written notice of the intention to extend, no later than six (6) months prior to the expiration of the original term or the current option term. The terms and conditions of any extension term shall be the same terms and conditions of the original term of this SubLease.

23. HEADINGS. The headings of this SubLease are for purposes of reference only and shall not limit or define the meaning of any provisions of this SubLease.

24. HAZARDOUS MATERIALS.

a. SubLessee shall be fully responsible, at its own expense, for compliance with all laws and/or regulations governing the handling of Hazardous Materials or other substances used or stored on the Premises in connection with SubLessee's business conducted therein. All hazardous or potentially Hazardous Materials shall be stored in proper containers and shall be further protected against spills by secondary containment facilities. SubLessee shall not spill, introduce, discharge or bury any Hazardous Materials, substance or contaminant of any kind in, on, or under the Premises or any portion thereof or any adjacent premises or into the ambient air. SubLessee shall not permit the discharge of any Hazardous Materials into the sanitary or storm sewer or water system serving the Premises or any adjacent premises or into any municipal or other governmental water system or storm and/or sanitary sewer system. SubLessee shall employ all appropriate safeguards and procedures necessary or appropriate to protect such systems from contamination. SubLessee shall undertake, at its expense, any necessary and/or appropriate cleanup process in connection with any breach of the foregoing covenants, and without limiting SubLessee's other indemnity or insurance obligations under this SubLease. To the extent permitted by law, SubLessee shall indemnify and hold harmless SubLessor from and against all liability whether direct, indirect, consequential or otherwise, arising from any incident or occurrence on or about the Premises or any adjacent premises pertaining to Hazardous Materials which results from the acts or omissions of SubLessee, its agents, employees or invitees, during the term hereof. The obligations of SubLessee under this section shall survive the termination of this SubLease.

b. SubLessor represents and warrants that (i) to the best of its knowledge, no Hazardous Materials are present on the Leased Premises in violation of Environmental Laws, and (ii) it will not cause or permit any Hazardous Materials to be introduced onto, used, or stored on the Leased Premises in violation of Environmental Laws. For the purposes of this SubLease, "to the best of its knowledge" and words of similar import shall mean the actual knowledge of Valerie Chase, without any duty of inquiry or investigation.

c. "Hazardous Materials" shall include, without limitation, any chemical or other material which is or may become injurious to the public health, safety or welfare, or to the environment, flammable explosives, petroleum fractions, pesticides, radioactive materials, Hazardous Materials, regulated substances, hazardous or toxic substances, contaminating pollutants or related or similar materials, including by way of example, substances or materials defined by any federal, state or local environmental law, ordinance, rule or regulation, including, without limitation, the Comprehensive Environmental Response, Compensation and Liability Act of 1980, the Hazardous Materials Transportation Act, the Resource Conservation and Recovery Act, the Federal Insecticide, Fungicide, and Rodenticide Act or the Michigan Environmental Response Act, and the regulations adopted and publications promulgated pursuant thereto, all as amended.

25. SUBLESSOR'S RIGHTS AND NON-LIABILITY.

a. SubLessor shall have the right from time to time, without notice to SubLessee, to inspect the Leased Premises to confirm SubLessee's compliance with this SubLease

b. SubLessor shall not be responsible or liable to SubLessee for:

i. any loss or damage that may be occasioned by or through the acts or omissions of persons occupying adjoining areas or any part of the area adjacent to or connected with the Leased Premises or any part of the structures or improvements on the Leased Premises; or;

ii. any loss or damage resulting to SubLessee or his property from theft or a failure of the security systems, if any, in the structures or improvements on the Leased Premises; or

iii. any damage or loss of property within the Leased Premises from any cause other than solely by reason of the willful act of SubLessor, and no such occurrence shall be deemed to be an actual or constructive eviction from the Leased Premises or result in an abatement of rents.

26. SUBORDINATION. This SubLease and the rights of the SubLessee hereunder are hereby made subject to and subordinate to all mortgages now or hereafter placed upon the Leased Premises. Lessee covenants and agrees to execute and deliver on demand an instrument or instruments subordinating this SubLease to the lien of any such mortgage or mortgages and hereby irrevocably appoints SubLessor the attorney-in-fact of SubLessee to execute and deliver any such instrument or instruments in the name of SubLessee. In addition, SubLessee agrees that, upon the request of SubLessor or any mortgagee of SubLessor or Prime Landlord, SubLessee shall execute an estoppel certificate in form satisfactory to SubLessor or any mortgagee of SubLessor or Prime Landlord.

27. ATTORNEYS' FEES. If SubLessor or SubLessee commences a court proceeding in connection with any breach or default in the performance of any of the provisions of this SubLease, to recover damages, or to terminate the SubLease, the prevailing party shall be entitled to a reasonable award of attorney fees and expenses from the non-prevailing party.

28. ADDITIONAL RENT. All taxes, insurance, utility charges, costs and expenses that the SubLessee assumes or agrees to pay under this SubLease, together with all interest and late charges that may accrue thereon in the event of failure of SubLessee to pay these items, and all other damages that SubLessor may incur by reason of any default of the SubLessee to comply with the terms and conditions of this SubLease shall be deemed additional rent, 'and in the event of non-payment, SubLessor shall have all the rights as herein provided for failure to pay rent.

29. JURY WAIVER.

SUBLESSOR AND SUBLESSEE ACKNOWLEDGE THAT THE RIGHT TO TRIAL BY JURY IS A CONSTITUTIONAL ONE, BUT THAT IT MAY BE WAIVED. EACH PARTY, AFTER CONSULTING (OR HAVING HAD THE OPPORTUNITY TO CONSULT) WITH COUNSEL OF THEIR CHOICE KNOWINGLY AND VOLUNTARILY, AND FOR THEIR MUTUAL BENEFIT, WAIVES ANY RIGHT TO TRIAL BY JURY IN THE EVENT OF LITIGATION REGARDING THE PERFORMANCE OR ENFORCEMENT OF, OR IN ANY WAY RELATED TO THIS SUBLEASE.

IN WITNESS WHEREOF, the parties hereto have executed this Sublease as of the day and year first above written.

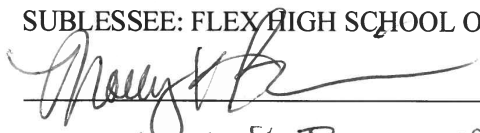
SUBLESSOR: US LEARNING CORPORATION, a California nonprofit corporation



Name: *Chris Hodge*

Its: *Officer*

SUBLESSEE: FLEX HIGH SCHOOL OF MICHIGAN, a Michigan nonprofit corporation



Name: *Molly K. Bruzewski*

Its: *Treasurer*

EXHIBIT

BUILDING LEASE

**1245 South Center Rd
Burton, Michigan 48509**

MI BURTON RETAIL CENTER, LLC

AS LANDLORD

AND

LIFELONG LEARNING ADMINISTRATION CORPORATION

and

**US LEARNING CORPORATION
INDIVIDUALLY AND COLLECTIVELY AS TENANT**

DATED: November 6, 2018

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Exhibit "A" - Site Plan

Exhibit "B" - Legal Description

Exhibit "C" - Scope of Tenant's Work and Space Plan and Landlord's Work

Exhibit "D" - Rules and Regulations

Exhibit "E" - Unamortized Tenant Improvements and Leasing Commission Paid By Landlord

1245 South Center Rd
Burton, Michigan 48509

LEASE

THIS LEASE is made this day of November 6, 2018 between **MI BURTON RETAIL CENTER, LLC**, a Michigan limited liability company ("Landlord"), whose address is 7373 W. Saginaw Highway, PO Box 30400, Lansing, Michigan 48909, and **LIFELONG LEARNING ADMINISTRATION CORPORATION**, a California non-profit corporation and **US LEARNING CORPORATION**, a California non-profit corporation (individually and collectively "Tenant") whose address is 177 Holston Dr., Lancaster, CA 93535.

1. Basic Lease Terms and Provisions: The following is intended to summarize the principal terms of this Lease, but is not intended to be all inclusive. In the event that anything contained in this Paragraph 1 conflicts with other provisions hereinafter contained in this Lease, the latter shall be deemed to control in the absence of express statements to the contrary.

- A. **Building:** Park Place 1245 South Center Rd, Burton, MI 48509
- B. **Leased Premises:** Approximately **8,619 rentable square feet**, as said term is defined in Paragraph 34 of the Lease, and subject to the final measurement of the Premises in accordance with Section 34 of the Lease.
- C. **Lease Term:** Five (5) years and Two (2) months, commencing January 1, 2019 ("Commencement Date"), and terminating at 12:00 midnight on February 29, 2024 ("Termination Date") unless sooner terminated pursuant to this Lease. Landlord shall reasonably cooperate with Tenant for the issuance of a final certificate of occupancy.
- D. **Base Rent:**

| | <u>Monthly</u> | <u>Annually</u> |
|----------------|----------------|-----------------|
| First 2 Months | \$0.00 | |
| Months 3 - 62 | \$10,055.50 | \$120,666.00 |

- E. **Operating Expenses:** Beginning with the Commencement Date Landlord's estimate of the sum of Tenant's monthly Pro Rata Share of Operating Expenses is \$2,406.14 per month and may be adjusted annually. Controllable operating expenses cannot increase more than the greater of 3% per year or the annual increases in the Consumer Price Index ("CPI") (as hereinafter defined) on a cumulative basis (uncontrollable operating expenses are not subject to the limitation described herein).
- F. **Use:** The operation of a resource center for independent study charter school and for no other purpose without the prior written consent of Landlord.
- G. **Maximum Occupancy:** Not Applicable **[to be confirmed]**
- H. **Security Deposit:** \$12,461.64 payable upon execution of this Lease
- I. **Brokers:** Neither the Tenant nor the Landlord are represented by brokers.

2. **Premises:** Landlord hereby leases to Tenant those certain premises designated on the Site Plan attached hereto as Exhibit "A" (the "Premises"), as more particularly defined in subparagraph B of Paragraph 1 hereof, together with a non-exclusive right, subject to the provisions hereof, to use all appurtenances thereunto. The legal description of the Building is attached hereto as Exhibit "B." The Building, real property on which the same is situated, parking areas, other areas and appurtenances are hereinafter collectively sometimes called the "Building Complex". This Lease is subject to the terms, covenants and conditions set forth herein and Tenant and Landlord each covenant as a material part of the consideration for this Lease to keep and perform each and all of said terms, covenants and conditions by it to be kept and performed and that this Lease is made upon the condition of such performance. Landlord hereby reserves the right to designate portions of the parking areas for the exclusive use of tenants or occupants of the Building

3. **Term:**

- (a) The term of this Lease shall be for a period of five (5) years and two (2) months commencing upon January 1, 2019 (the "Lease Commencement Date") and terminating at 12:00 midnight on February 29, 2024 (the "Termination Date"), unless sooner terminated pursuant to this Lease.

Landlord acknowledges that Tenant shall be afforded access to the Premises starting December 1, 2018 (the "Early Occupancy Period") for the purpose of installing telephone and telecommunications equipment, office furniture and trade fixtures and performing such other work as Tenant deems reasonably necessary for the operation of its business. Tenant shall not be obligated to pay rent or other charges during the Early Occupancy Period, but all other terms of this Lease shall apply during

such Early Occupancy Period. Tenant's obligation to pay rent and other charges shall begin on the Commencement Date.

- (b) Provided that Tenant shall not be in default, beyond any applicable notice and cure periods, under the terms of this Lease, Tenant shall have the right to extend the term of this Lease for two (2) additional period of five (5) lease years (a "Renewal Term") by delivering written notice of the exercise thereof to Landlord not earlier than nine (9) months nor later than six (6) months before the expiration of the Initial Term. The Base Rent payable for each year during the first renewal term shall be at \$11.00 per square foot each year during the first Renewal Term and at \$12.00 per square foot each year during the second Renewal Term.

Tenant's rights under this Section 3(b) shall terminate if (1) this Lease or Tenant's right to possession of the Premises is terminated, (2) Tenant assigns any of its interest in this Lease or sublets any portion of the Premises, or (3) Tenant fails to timely exercise its option under this Section 3(b), time being of the essence with respect to Tenant's exercise thereof.

4. **Rent:** Tenant shall pay to Landlord, as Base Rent for the Premises, the rental set forth in subparagraph D of Paragraph 1 hereof. All rent shall be payable on the 1st day of each calendar month and a 5% late charge will be due and payable if rent is not paid by the 10th day of each calendar month during the term hereof. All such rent shall be paid in advance without deduction or offset, except as otherwise provided herein, at the office of Landlord or to such other person or at such other place as Landlord may designate in writing.

5. Rent Adjustment:

- (a) The following terms shall have the following meanings with respect to the provisions of this Paragraph 5:

- (1) [INTENTIONALLY OMITTED].

- (2) "Tenant's Pro Rata Share" shall mean that proportion of Operating Expenses (as hereinafter defined) as the total number of rentable square feet of the Premises compares to the total number of rentable square feet in the Building. At such time, if ever, any space is added to the Premises pursuant to the terms of this Lease, Tenant's Pro Rata Share shall be increased by the percentage calculated by dividing the number of additional rentable square feet by the total number of rentable square feet in the Building.

- (3) "Operating Expenses" shall:

- A. Mean all operating expenses of any kind or nature with respect to the Building Complex as determined in accordance with generally accepted accounting principles and shall include, but not

be limited to, all general and special real estate or ad valorem taxes or special assessments levied against the Building Complex by any governmental or quasi-governmental authority or any taxes or assessments which shall be levied on the Building Complex in lieu of or in addition to all or any portion of any such real estate taxes or assessments, or which shall be levied on the rentals of the Building Complex (other than net income taxes) in lieu of or as a substitute for ad valorem real property taxes, but in this case, the computation shall be made as if this were Landlord's only building, or which shall be levied on Landlord as a result of the use, ownership or operation of the Building Complex (to the extent the Tenant is able to get all general and special real estate or ad valorem taxes or special assessments exempted for their space, 24.5% of Building Complex, due to their 501(c)(3) nonprofit tax status then all general and special real estate or ad valorem taxes or special assessments will be exempted from operating expenses during the period of exemption), the cost of Building Complex supplies; costs incurred in connection common areas of the Building Complex and in connection the costs of water and sewer services; general maintenance and normal repair of the Building Complex, including landscaping maintenance; maintenance, repair, striping and replacement of all parking areas; the cost of rubbish removal, snow removal and service contracts; the cost to repair, alter, remove, reconstruct or improve any part of the Building Complex as required by governmental requirements in the form of laws, ordinances, regulations, or otherwise, except if such work is required as a result of Landlord's negligence or failure to comply with such requirements during any construction, repair or maintenance of the Building Complex; the cost of general maintenance and normal repair of the Building Complex; insurance in amounts and coverage reasonably determined by Landlord (including commercially reasonable deductibles), including fire and extended coverage, rental interruption, sprinkler leakage, plate glass and public liability insurance (but Tenant shall have no interest in such insurance or the proceeds thereof); labor costs incurred in the operation and maintenance of the Building Complex, including wages and other payments, costs to Landlord of Workers' Compensation and disability insurance; payroll taxes, and welfare fringe benefits; professional building management fees, plus an amount equal to Tenant's proportionate share of fifteen (15%) percent of the Operating Expenses to cover Landlord's administrative costs, legal, accounting, inspection and consultation fees incurred in connection with the Building Complex to the extent required by any governmental authority or any other inspection or consultation fees required for the normal prudent operation of the Building Complex and not normally the responsibility of the managing agent; the cost

of any capital improvements to the Building Complex or of any machinery or equipment installed in the Building Complex which costs shall be amortized over the useful life of the capital improvement (as reasonably estimated by Landlord's accountant); and all other common area costs and expenses relating to the Building Complex and all other charges properly allocable to the repair, operation and maintenance of the Building Complex in accordance with generally accepted accounting principles.

B. Expressly exclude: Landlord's income taxes; leasing commissions, interest on debt or amortization payments on any mortgages or deeds of trust and rental under any ground or underlying leases or lease; advertising and promotional expenditures; and any other expense which under generally accepted accounting principles would not be considered a normal maintenance or operating expense, except as otherwise specifically provided herein.

C. Notwithstanding anything to the contrary in this Lease, the following expenses shall be excluded from Operating Expenses:

(i) historical costs incurred in connection with the original construction of the Building;

(ii) costs of alterations or improvements of Tenant's Premises;

(iii) costs of correcting defects in or inadequacy of the initial design or construction of the Building, and costs of construction and alterations made to comply with the Americans with Disabilities Act of 1990 ("ADA") and the Clean Air Act of 1990, and the regulations thereunder as amended from time to time only in order to obtain the temporary Certificate of Occupancy for the Premises;

(iv) expenses directly resulting from the negligence of Landlord, its agents, servants or employees;

(v) legal fees, space planners' fees, real estate brokers' leasing commissions, and advertising expenses incurred in connection with the original development or original leasing of the Building or future leasing of the Building;

(vi) costs for which Landlord is reimbursed by insurance by its carrier or Tenant's carrier;

(vii) any bad debt loss, rent loss, or reserves for bad debts or rent loss;

(viii) the wages of any employee who does not devote substantially all of his or her time to the Building;

(ix) fines, penalties, and interest expenses charged by Landlord's mortgagee, if any;

(x) INTENTIONALLY OMITTED

(xi) The costs of removal, abatement or encapsulation of any asbestos-containing materials or tiles or other materials located in the Building;

(xii) The costs of any improvement necessary to have the Building comply with any applicable law, ordinance or governmental code, regulation or requirement with which the Building does not comply; unless necessitated by Tenant's use.

It is understood that capital items (to the extent not otherwise excluded) will not be included in their entirety in the year such costs are incurred, but will be amortized in accordance with generally accepted accounting principles at the time such capital costs are incurred consistently applied over the useful life of the item so capitalized.

- (b) It is hereby agreed that during each calendar year of the term hereof, Tenant shall pay to Landlord Tenant's Pro Rata Share. Beginning with the first calendar year in which this Lease commences, the monthly rent to be paid by Tenant to Landlord shall be increased by an amount equal to 1/12th of the estimate of Tenant's Pro Rata Share of the Operating Expenses for such calendar year, with an adjustment to be made between the parties at a later date as hereinafter provided. However, in computing the increases in the monthly rental for Tenant's Pro Rata Share of the Operating Expenses for any subsequent calendar year based upon the estimated increase thereof, there shall be taken into account any prior increases in the monthly rent attributable to Tenant's Pro Rata Share of the estimated Operating Expenses. Within one hundred twenty (120) days following the end of each calendar year during the term of this Lease, Landlord shall submit to Tenant a statement setting forth the exact amount of Tenant's Pro Rata Share of the Operating Expenses for the calendar year just completed, and the difference, if any, between Tenant's actual Pro Rata Share of the Operating Expenses for the calendar year just completed and the estimated amount of Tenant's Pro Rata Share of the Operating Expenses (on which its rent was based) for such year. Prior to the end of each calendar year during the term hereof, Landlord shall submit to Tenant a statement setting forth the amount reasonably estimated by Landlord as the increase, if any, in the Operating Expenses for the subsequent year and the amount of the increased monthly rent to be paid by Tenant for such subsequent year computed in accordance with the foregoing provisions. To the extent that Tenant's Pro Rata Share of the actual Operating Expenses for the period covered by such statement

is different from the estimated increases upon which Tenant paid rent during the calendar year just completed, Landlord shall credit to Tenant the amount of the overpayment against the Base Rent next falling due, or Tenant shall pay to Landlord, as the case may be, the amount of the underpayment within thirty (30) days following receipt of said statement from Landlord. In addition, with respect to the monthly rent, until Tenant receives such statement, Tenant's monthly rent for the new calendar year shall continue to be paid at the then current rate, but Tenant shall commence payment to Landlord of the monthly installments of rent on the basis of the statement beginning on the first day of the month following the month in which Tenant receives such statement. Moreover, Tenant shall pay to Landlord, or shall receive a credit against the next installment due hereunder, as the case may be, on the date required for the first payment of rent as adjusted, the difference, if any, between the monthly installments of rent so adjusted and the monthly installments of rent actually paid during the new calendar year. In no event shall any adjustment hereunder result in a decrease in the Base Rent or additional rent payable pursuant to any other provision of this Lease (except escalation pursuant to this Paragraph 5), it being agreed that the payments under this Paragraph 5 are an obligation supplemental to Tenant's obligation to pay the Base Rent.

- (c) Tenant's Pro Rata Share of Operating Expenses associated with Landlord's operation and maintenance of the Building (excluding the costs of snow and ice removal, ice and snow melt, parking lot sweeping, utilities, insurance and real estate taxes, collectively, the "uncontrollable expenses"), shall not be increased each calendar year more than the greater of three (3%) percent annually, or the annual increase in the CPI (as hereinafter defined), on a cumulative basis.
- (d) Landlord's failure during the Lease term to prepare and deliver any statements or bills, or Landlord's failure to make a demand under this Paragraph or under any other provision of this Lease shall not in any way be deemed to be a waiver of, or cause Landlord to forfeit or surrender, its rights to collect any items of additional rent which may have become due pursuant to this Paragraph during the term of this Lease. Tenant's liability for all additional rent due under this Paragraph 5 shall survive the expiration or earlier termination of this Lease.
- (e) Landlord shall, on request, provide Tenant with any applicable financial records and, as required, permit Tenant or Tenant's auditors, with reasonable notice, to inspect all records for Operating Expenses and any other expense passed on to Tenant under this Lease. Landlord shall promptly credit Tenant for any overpayments or unsupported costs which Tenant or its auditors identify. Landlord shall reimburse Tenant the lesser of (i) One Thousand and 00/100 (\$1,000.00) Dollars; or (ii) the reasonable costs of Tenant's audit, if overpayments or unsupported costs exceed

actual costs by five percent (5%) or more as long as such audit is not performed on a contingent fee basis.

6. Use and Occupancy:

The Premises are to be used only for those purposes set forth in subparagraph F of Paragraph 1 hereof and for no other purpose or purposes without the prior written consent of Landlord. If any governmental license or permit shall be required for the proper and lawful conduct of Tenant's business or other activity carried on in the Premises or if a failure to procure such a license or permit might or would, in any way, affect Landlord or the Building, then Tenant, at its sole expense, shall duly procure and thereafter maintain such license or permit and submit the same for inspection by Landlord. If such charter is revoked or Tenant is otherwise no longer allowed to legally operate due to events out of its control, the Tenant shall have 30 days to notify Landlord of its intent to terminate the Lease. Upon termination of the Lease the Tenant is required to make a lump sum payment to Landlord for six months base rent and unamortized Tenant Improvement and Leasing Commission paid by Landlord per the schedule attached in Exhibit E.

- (b) Tenant shall not suffer nor permit the Premises nor any part thereof to be used in any manner, nor anything to be done therein, nor suffer or permit anything to be brought into or kept therein, which would in any way (i) make void or voidable any fire or liability insurance policy then in force with respect to the Building; (ii) make unobtainable from reputable insurance companies authorized to do business in Michigan any fire insurance with extended coverage, or liability, elevator, boiler or other insurance required to be furnished by Landlord under the terms of any lease or mortgage to which this Lease is subordinate at standard rates provided Tenant is not deprived of its intended use of the Premises; (iii) cause or in Landlord's reasonable opinion be likely to cause physical damage to the Building or any part thereof; (iv) constitute a public or private nuisance; (v) materially impair, in the reasonable opinion of Landlord, the appearance, character or reputation of the Building; (vi) discharge objectionable fumes, vapors or odors into the Building air conditioning system or into the Building flues or vents not designed to receive them or otherwise in such manner as may unreasonably offend other occupants; (vii) materially impair or interfere with any of the Building services, any such impairment or interference to be determined in the reasonable judgment of Landlord; or (viii) constitute waste;.
- (c) Tenant shall not use the Premises nor permit anything to be done in or about the Premises which will in any way conflict with any law, statute, ordinance or governmental rule or regulation now in force or which may hereafter be enacted or promulgated. Tenant shall give prompt notice to Landlord of any notice it receives of the violation of any law or requirement

of any public authority with respect to the Premises or the use or occupation thereof. Landlord shall give prompt notice to Tenant of any notice it receives relative to the violation by Tenant of any law or requirement of any public authority with respect to the Premises or the use or occupation thereof. Further, Tenant shall not use the Premises or permit anything to be done on or about the Premises which will in any way conflict with or violate any private covenant, condition, or restriction recorded against the Building Complex.

7. Services and Utilities:

- (a) Landlord shall furnish such snow removal services to the Building Complex as may, in the judgment of Landlord, be reasonably required for safe access to the Building Complex, and the cost for such snow removal shall be included as an Operating Expense.
- (b) The Premises shall be separately metered for public utilities use (electrical and gas services, however, water and sewage usage is not separately metered and Tenant's proportionate use of water and sewage services shall be included as a component of reimbursable Operating Expenses). Tenant hereby agrees to pay all charges with respect to such public utilities furnished to or used within the Premises. Tenant shall directly pay to the applicable public utility all such charges for public utilities usage.
- (c) If Tenant requires water and sewage services in excess of that usually furnished or supplied for use in the Premises as a hearing clinic and general office space, Tenant shall first procure the consent of Landlord for the use thereof. Tenant agrees to pay to Landlord the actual cost paid by Landlord to the utility provider for the increased use of water, including any cost incurred in connection with the installation of a meter required to measure such use.
- (d) Except in connection with Landlord's gross negligence or intentional misconduct, Tenant agrees that Landlord shall not be liable for failure to supply any heating, air conditioning, elevator, electrical, janitorial, lighting or other services during any period when Landlord uses reasonable diligence to supply such services, or during any period Landlord is required to reduce or curtail such services pursuant to any applicable laws, rules or regulations, now or hereafter in force or effect, it being understood that Landlord may discontinue, reduce or curtail such services, or any of them (either temporarily or permanently), at such times as it may be necessary by strikes, lockouts, riots, acts of God, application of applicable laws, statutes, rules and regulations, or due to any other happening beyond the control of Landlord. In the event of any such interruption, reduction or discontinuance of Landlord's services (either temporary or permanent), Landlord shall not be liable for damages to persons or property as a result thereof, nor shall the occurrence of any

such event in any way be construed as an eviction of Tenant or cause or permit an abatement, reduction or setoff of rent, or operate to release Tenant from any of Tenant's obligations hereunder. Interruption or curtailment of any service maintained in the Building, if caused by reasons stated above, shall not entitle Tenant to any claim against Landlord or to any abatement in rent, nor shall the same constitute constructive or partial eviction, unless Landlord fails to take such measures as may be reasonable under the circumstances to restore the service without undue delay. If the Premises are rendered untenable in whole or in part, for a period in excess of three (3) days, by such interruption or curtailment or by the making of repairs, replacements or additions, other than those made with Tenant's consent or caused by misuse or neglect by Tenant or Tenant's agents, servants, visitors or licensees, there shall be a proportionate abatement of rent during the period of such untenability beginning on the first day of such untenability.

8. Quiet Enjoyment: Landlord warrants and agrees to defend Tenant in the quiet enjoyment and possession of the Premises from any acts of the Landlord, its agents, employees, contractors, or representatives, during the term of this Lease so long as Tenant complies with the provisions hereof. In the event of any transfer or transfers of Landlord's interest in the Premises or in the real property of which the Premises are a part, other than a transfer for security purposes only, the transferor shall be automatically relieved of any and all obligations and liabilities on the part of Landlord accruing from and after the date of such transfer.

9. Maintenance and Repairs: Landlord shall make all necessary repairs and replacements to the non leasable areas of the Building, to the common areas, including parking areas, and Landlord shall also make all repairs to the Premises and Building which are structural in nature (including the roof); provided, however, that Tenant shall make all repairs to the heating, air conditioning (subject to Landlord's warranty for the first three months of the Lease Term) and electrical systems servicing the Premises. Landlord shall conduct all work and keep the Building in compliance with all applicable laws. Tenant is responsibility to maintain and repair the heating and air conditioning units as long as the costs to repair a single unit is half the cost of replacement the unit or less, otherwise the Landlord shall replace the unit. In the event that Landlord replaces a unit under this provision, Tenant will pay the monthly amortized value of the useful life of the unit.

In the event that the Landlord shall deem it necessary, or be required by any governmental authority to repair, alter, remove, reconstruct or improve any part of the Premises or of the Building (unless the same result from Tenant's act, neglect, default or mode of operation in which event Tenant shall make all such repairs, alterations and improvements), then the same shall be made by Landlord with reasonable dispatch, and should the making of such repairs, alterations or improvements cause any

interference with Tenant's use of the Premises, such interference shall not relieve Tenant from the performance of its obligations hereunder. Notwithstanding the foregoing, if said repairs, alterations or improvements prevent Tenant from conducting its business for a consecutive period of seven (7) days, then Tenant shall receive an abatement of Rent for the entire period of time that Tenant cannot conduct its business.

Landlord shall be responsible for all repairs and/or replacements of all mechanical, electrical and plumbing systems servicing the Premises unless said repair is due to Tenant's act of negligence.

- (b) Tenant, at Tenant's sole cost and expense, except for services furnished by Landlord pursuant to Paragraph 7 hereof, shall keep and maintain in good order, condition and repair (including any such replacement and restoration as is required for that purpose) the Premises and every part thereof and any and all appurtenances thereto wherever located, including, but without limitation, the exterior and interior portion of all doors, door checks, windows, plate glass, store front, all plumbing and sewage facilities within the Premises including free flow up to common main sewer line, fixtures, heating and air conditioning (subject to Landlord's warranty for the first three months of the Lease Term) and electrical systems (whether or not located in the Premises) sprinkler system, walls, floors and ceilings, Landlord's personal property, meters applicable to the Premises and all installations made by Tenant under the terms of this Lease and any exhibits thereto, as herein provided; any repairs required to be made in the Premises due to burglary of the Premises or other illegal entry into the Premises or any damage to the Premises caused by a strike involving the Tenant or its employees. Any charges to furnish service to the Premises made by any utility company or municipality shall be paid by Tenant within the time limit specified by each utility company. In addition, during the entire term hereof, Tenant shall maintain, with a reputable service maintenance company reasonably acceptable to Landlord, a contract to provide service on all HVAC systems not less than twice annually, wherein all manufacturers' service or maintenance schedules are timely and properly kept with written service records and provide evidence to Landlord of same (all of which are collectively referred to herein as the "Systems"). If Landlord shall provide any services to the Systems, then Tenant shall be obligated to use same and shall pay, as Additional Rent, a proportionate share of the actual cost thereof, plus an amount equal to Tenant's proportionate share proportionate share of fifteen (15%) percent of the total of all of the foregoing costs and expenses to cover Landlord's administrative costs, all within seven (7) days after being billed therefor. In the event Tenant fails to maintain service on all Systems as required herein, Landlord may enter upon the Premises and have such Systems serviced, in which event Tenant agrees to pay all charges incurred by Landlord therefor. In the event Tenant fails to maintain the Premises in good order, condition and

repair, Landlord shall give Tenant notice to do such acts as are reasonably required to so maintain the Premises. In the event Tenant fails to promptly commence such work and diligently prosecute it to completion, then Landlord shall have the right, but shall not be required, to do such acts and expend such funds at the expense of Tenant as are reasonably required to perform such work. Landlord shall have no liability to Tenant for any damage, inconvenience or interference with the use of the Premises by Tenant as a result of performing any such work, unless caused by Landlord's negligence.

- (c) Landlord and Tenant shall each do all acts required to comply with all applicable laws, ordinances, regulations and rules of any public authority relating to their respective maintenance obligations as set forth herein.

10. Alterations and Additions:

Tenant shall make no alterations, additions or improvements to the Premises or any part thereof without obtaining the prior written consent of Landlord, such consent not to be unreasonably withheld or delayed. Landlord may impose, as a condition to the aforesaid consent, such requirements as Landlord may deem necessary in its reasonable judgment, including without limitation the manner in which the work is done, and the times during which it is to be accomplished. Tenant further agrees not to connect with Building systems, including electric wires, water pipes, fire safety and mechanical systems, any apparatus, machinery or device without the prior written consent of Landlord.

- (b) All alterations and additions to the Premises (whether performed with or without Landlord's consent as provided herein), shall be deemed a part of the real estate and the property of Landlord and shall remain upon and be surrendered with the Premises as a part thereof without molestation, disturbance or injury at the end of said term, whether by lapse of time or otherwise. All movable partitions, machines and equipment which are installed in the Premises by or for the account of Tenant, without expense to Landlord, and can be removed without permanent structural damage to or defacement of the Building or the Premises, and all furniture, furnishings and other articles of personal property owned by Tenant and located in the Premises (all of which are herein called "Tenant's Property"), shall be and remain the property of Tenant and may be removed by it at any time during the term of this Lease. However, if any of Tenant's Property is removed, Tenant shall repair or pay the cost of repairing any damage to the Building or the Premises resulting from such removal. All additions or improvements which are to be surrendered with the Premises shall be surrendered with the Premises, as a part thereof, at the end of the term or the earlier termination of this Lease.

- (c) If Landlord authorizes persons requested by Tenant to perform any alterations, repairs, modifications or additions to the Premises, then prior to the commencement of any such work, Tenant shall on request of Landlord deliver to Landlord certificates issued by insurance companies qualified to do business in the State of Michigan evidencing that Workers' Compensation, public liability insurance and property damage insurance, all in amounts, with companies and on forms reasonably satisfactory to Landlord, are in force and effect and maintained by all such contractors and subcontractors engaged by Tenant to perform such work. All such policies shall name Landlord as an additional insured. Each such certificate shall provide that the same may not be cancelled or modified without thirty (30) days' prior written notice to Landlord.
- (d) Tenant, at its sole cost and expense, shall cause any permitted alterations, decorations, installations, additions or improvements in or about the Premises to be performed in compliance with all applicable requirements of insurance bodies having jurisdiction, and in such manner as not to interfere with, delay, or impose any additional expense upon Landlord in the construction, maintenance or operation of the Building, and so as to maintain harmonious labor relations in the Building.
- (e) Tenant shall have the obligation to remove any alterations (required by Landlord) upon the expiration of the Lease, and the Premises shall be returned in "As Built" condition, broom clean, with normal wear and tear accepted. Notwithstanding the foregoing, in the event that Landlord notifies Tenant in writing, at the time that Tenant requests consent for alterations, that Landlord conditions said consent on Tenant's obligation to remove the alterations at Lease expiration, then Tenant shall be obligated to remove the alterations at that time.

11. Entry by Landlord: Landlord and its agents shall have the right to enter the Premises at all reasonable times and upon reasonable notice, but in no event less than seventy-two (72) hours, for the purpose of examining or inspecting the same, to supply any services to be provided by Landlord for Tenant hereunder, to show the same to prospective purchasers of the Building, to make such alterations, repairs, improvements or additions to the Premises or to the Building of which they are a part as Landlord may deem necessary or desirable, and to show the same to prospective tenants of the Premises during the last six (6) months of the term of the Lease (provided that in the event of a bona fide emergency, Landlord may enter the Premises without advance notice solely for the purpose of taking emergency action). If, during the last sixty (60) days of the term hereof, Tenant shall have removed substantially all of its property from the Premises, Landlord may immediately enter and alter, renovate and redecorate the Premises without elimination or abatement of rent or incurring liability to Tenant for any compensation. Tenant shall not, without the prior consent of Landlord, change the locks or install additional locks on any entry door or doors to the Premises.

12. Construction Liens: Tenant shall pay or cause to be paid all costs for work done by Tenant or caused to be done by Tenant on the Premises of a character which will or may result in liens on Landlord's interest therein and Tenant will keep the Premises free and clear of all mechanic's liens and other liens on account of work done for Tenant or persons claiming under it. Tenant and Landlord each hereby agree to indemnify, defend and save each other harmless of and from all liability, loss, damage, costs or expenses, including reasonable attorneys' fees, incurred on account of any claims of any nature whatsoever for work performed for, or materials or supplies furnished to Tenant, including lien claims of laborers, materialmen or others. Should any such liens be filed or recorded against the Premises with respect to work done or for materials supplied to or on behalf of Tenant or any action affecting the title thereto be commenced, Tenant shall cause such liens to be removed of record within thirty (30) days after notice or from Landlord or Tenant shall obtain a bond over such liens. If Tenant desires to contest any such claim of lien, it shall furnish Landlord with security which is deemed adequate by Landlord, at Landlord's sole discretion. If Tenant shall be in default in paying any charge for which such a mechanic's lien or suit to foreclose such a lien has been recorded or filed and shall not have given Landlord security as aforesaid, Landlord may (but without being required to do so) pay such lien or claim and any costs, and the amount so paid, together with reasonable attorneys fees incurred in connection therewith, shall be immediately due from Tenant to Landlord. In addition, any failure by Tenant to comply with the provisions of this Paragraph shall be deemed, following all notice and cure periods, an event of default entitling Landlord to pursue all remedies available to Landlord pursuant to the terms of this Lease or otherwise. Landlord acknowledges and agrees that it shall be responsible for the payment to all contractors that provide work or materials in connection with Landlord's Work (defined below) up to Landlord's Maximum Cost, and if applicable, the Additional Improvement Allowance and Tenant shall have no liability to Landlord for any liens against the Premises as a result of Landlord failing to timely make such payments.

13. Damage to Property, Injury to Persons: Tenant, as a material part of the consideration to be rendered to Landlord under this Lease, hereby waives all claims of liability Tenant or Tenant's successors or assigns may have against Landlord, and Tenant hereby indemnifies and agrees to hold Landlord harmless from and to defend Landlord against any and all claims of liability for any injury or damage to any person or property whatsoever: (1) occurring in, on or about the Premises or any part thereof; and (2) occurring in, or about the Building Complex, when such injury or damage is caused in part or in whole by the act, neglect, fault or omission of any duty with respect to the same by Tenant, its agents, contractors,

employees or invitees. Tenant further indemnifies and agrees to hold Landlord harmless from and against any and all claims arising from any breach or default in the performance of any obligation on Tenant's part to be performed under the terms of this Lease, or arising from any act or negligence of Tenant, or any of its agents, contractors, employees or invitees, from and against all costs, attorneys' fees, expenses and liabilities incurred in or about any such claim or any action or proceeding brought thereon. Notwithstanding the foregoing, Tenant does not release Landlord (or any of their agents, employees, contractors, or invitees) from liability and does not indemnify Landlord for any claims arising from Landlord's negligence or intentional misconduct.

- (b) Landlord hereby indemnifies and agrees to hold Tenant harmless from and to defend Tenant against any and all claims of liability for any injury or damage to any person or property whatsoever: (1) occurring in, on or about the Building or any part thereof, other than the Premises; and (2) occurring in, or about the Building Complex, when such injury or damage is caused in part or in whole by the act, neglect, fault or omission of any duty with respect to the same by Landlord, its agents, contractors, employees or invitees. Landlord further indemnifies and agrees to hold Tenant harmless from and against any and all claims arising from any breach or default in the performance of any obligation on Landlord's part to be performed under the terms of this Lease, or arising from any act or negligence of Landlord, or any of its agents, contractors, employees or invitees, from and against all costs, attorneys' fees, expenses and liabilities incurred in or about any such claim or any action or proceeding brought thereon.
- (c) Landlord shall not be liable to Tenant for any damage by or from any act or negligence of any owner or occupant of adjoining or contiguous property, unless caused by Landlord's gross negligence or intentional misconduct. To the extent not covered by normal fire and extended coverage insurance, Tenant agrees to pay for all damage to the Building Complex caused by Tenant's misuse or neglect of the Premises or any portion of the Building Complex.
- (d) Neither Landlord nor its agents shall be liable for any damage to property entrusted to Landlord, its agents or employees of the building manager, if any, nor for the loss or damage to any property by theft or otherwise, by any means whatsoever, nor for any injury or damage to persons or property resulting from fire, explosion, falling plaster, steam, gas, electricity, sprinkler system leakage, water or rain which may leak from any part of the Building or from the pipes, appliances or plumbing works therein or from the roof, street or subsurface or from any other place or resulting from dampness or any other cause whatsoever; provided, however, nothing contained herein shall be construed to relieve Landlord from liability for any personal injury resulting from its negligence or that of

its agents, servants or employees or its failure to otherwise comply with the terms of this Lease. Landlord or its agents shall not be liable for interference with the lights, view or other incorporeal hereditaments, nor shall Landlord be liable for any latent defect in the Premises or in the Building. Tenant shall give prompt notice to Landlord in case of fire or accidents in the Premises or in the Building or of defects therein or in the fixtures or equipment.

- (e) In case any action or proceeding is brought against Landlord or Tenant by reason of any obligation on their respective parts to be performed under the terms of this Lease, or arising from any of their acts or negligence of them, respectively, or of their agents or employees, such party, upon notice from the other party shall defend the same at its expense by counsel reasonably satisfactory to the party giving such notice.
- 14. Insurance:** Tenant shall procure and keep in effect public liability and property damage insurance, naming the Landlord as an additional insured, with companies and in a form satisfactory to Landlord, in the sum of Five Hundred Thousand and 00/100ths Dollars (\$500,000.00) for damages resulting to one person, and Two Million and 00/100ths Dollars (\$2,000,000.00) for damages resulting from one casualty, and Two Million and 00/100ths Dollars (\$2,000,000.00) for damage to property resulting from any one occurrence and shall deliver said policies or certificates to Landlord prior to initial occupancy and continuously maintain such coverage thereafter. Landlord shall have the right, upon not less than thirty (30) days' prior written notice, to raise the limits hereinabove set forth not more often than annually during the term of this Lease. Landlord may, at its option, procure the same for the account of Tenant, and the cost thereof shall be paid to Landlord upon receipt by Tenant of bills therefor.
- (b) Tenant shall procure and maintain at its own cost during the term of this Lease and any extension hereof fire and extended coverage insurance on property of Tenant.
 - (c) Each party agrees to use its best efforts to include in each of its policies insuring against loss, damage or destruction by fire or other casualty (insuring the Building and Landlord's Property therein and rental value thereof, in the case of Landlord, and insuring Tenant's Property and business interest in the Premises [interruption insurance] in the case of Tenant), a waiver of the insurer's right of subrogation against the other party, or if such waiver should be unobtainable or unenforceable (i) an express agreement that such policy shall not be invalidated if the insured waives the right of recovery against any party responsible for a casualty covered by the policy before the casualty, or (ii) any other form of permission for the release of the other party. If such waiver, agreement or permission shall not be, or shall cease to be, obtainable without additional

charge or at all, the insured party shall so notify the other party promptly after learning thereof. In such case, if the other party shall so elect and shall pay the insurer's additional charge therefor, such waiver, agreement or permission shall be included in the policy, or the other party shall be named as an additional insured in the policy. Each such policy which shall so name a party hereto as an additional insured shall contain, if obtainable, agreements by the insurer that the policy will not be cancelled without at least thirty (30) days' prior notice to both insureds and that the act or omission of one insured will not invalidate the policy as to the other insured. The failure by Tenant, if named as an additional insured, promptly to endorse to the order of Landlord, without recourse, any instrument for the payment of money under or with respect to the policy of which Landlord is the owner or primary insured, shall be deemed a default under this Lease.

- (d) Each party hereby releases the other party with respect to any claim (including a claim for negligence) which it might otherwise have against the other party for loss, damage or destruction with respect to its property (including the Building, Building Complex, the Premises and rental value or business interruption) occurring during the term of this Lease to the extent to which it is insured under a policy or policies containing a waiver of subrogation or permission to release liability or naming the other party as an additional insured as provided above.
- (e) Any Building employee to whom property shall be entrusted by or on behalf of Tenant shall be deemed to be acting as Tenant's agent with respect to such property and neither Landlord nor its agents shall be liable for any damage to the property of Tenant or others entrusted to employees of the Building, nor for the loss of or damage to any property of Tenant by theft or otherwise.

15. Damage or Destruction to Building:

In the event the Premises or the Building are damaged by fire or other insured casualty, the damage shall be repaired by and at the expense of Landlord, provided such repairs and restoration can, in Landlord's reasonable opinion, be made within one hundred eighty (180) days after the occurrence of such damage without the payment of overtime or other premiums, and until such repairs and restoration are completed the rent shall be abated in proportion to the part of the Premises which is unusable by Tenant in the conduct of its business. Landlord agrees to notify Tenant within thirty (30) days after such casualty if it estimates that it will be unable to repair and restore the Premises within said one hundred eighty

(180) day period. Such notice shall set forth the approximate length of time Landlord estimates will be required to complete such repairs and restoration. Notwithstanding anything to the contrary contained herein, if Landlord cannot or estimates it cannot make such repairs and restoration within said one hundred eighty (180) day period, then Tenant may, by written notice to Landlord, cancel this Lease as of the date of the occurrence of such damage, provided such notice is given to Landlord within thirty (30) days after Landlord notifies Tenant of the estimated time for completion of such repairs and restoration. Except as provided in this Paragraph 15, there shall be no abatement of rent and no liability of Landlord by reason of any injury to or interference with Tenant's business or property arising from the making of any such repairs, alterations or improvements in or to fixtures, appurtenances and equipment. Tenant understands that Landlord will not carry insurance of any kind on Tenant's furniture and furnishings or on any fixtures or equipment removable by Tenant under the provisions of this Lease, and that Landlord shall not be obligated to repair any damage thereto or replace the same. Except for the restoration of Landlord's Work, Landlord shall not be required to repair any injury or damage by fire or other cause, or to make any repairs or replacements of improvements installed in the Premises by or for Tenant.

(b) In case the Building throughout shall be so injured or damaged, whether by fire or otherwise (though the Premises may not be affected, or if affected, can be repaired within said one hundred eighty [180] days) that Landlord, within sixty (60) days after the happening of such injury, shall decide not to reconstruct or rebuild the Building, then notwithstanding anything contained herein to the contrary, upon notice in writing to that effect given by Landlord to Tenant within said sixty (60) days, Tenant shall pay the rent, properly apportioned up to date of such occurrence, this Lease shall terminate from the date of delivery of said written notice, and both parties hereto shall be freed and discharged from all further obligations hereunder.

16. **Condemnation:** If the whole of the Premises or so much thereof as to render the balance unusable by Tenant for the proper conduct of its business, as determined by Tenant in its sole discretion, shall be taken under power of eminent domain or transferred under threat thereof, then this Lease, at the option of either Landlord or Tenant exercised by either party giving notice to the other of such termination within thirty (30) days after such conveyance or taking possession whichever is earlier, shall forthwith cease and terminate and the rent shall be duly apportioned as of the date of such taking or conveyance. No award for any partial or entire taking shall be apportioned, and Tenant hereby assigns to Landlord any award which may be made in such taking or condemnation, together with any and all rights of Tenant now or hereafter arising in or to the same or any part thereof; provided, however, that nothing contained herein shall be deemed to give Landlord any interest in or to require Tenant to assign to

Landlord any award made to Tenant for the taking of personal property and fixtures belonging to Tenant and/or for expenses of moving to a new location or for Tenant's interest in the leasehold estate, or Tenant's right to make a claim for such award provided that any award to Tenant shall not otherwise reduce Landlord's award. In the event of a partial taking which does not result in a termination of this Lease, rent shall be reduced in proportion to the reduction in the size of the premises so taken and this Lease shall be modified accordingly. Promptly after obtaining knowledge thereof, Landlord or Tenant, as the case may be, shall notify the other of any pending or threatened condemnation or taking affecting the Premises or the Building.

- (b) If all or any portion of the Premises shall be condemned or taken for governmental occupancy for a limited period, this Lease shall not terminate and Tenant shall be entitled to receive the entire award therefor (whether paid as damages, rent or otherwise) unless the period of governmental occupancy extends beyond the expiration of this Lease, in which case Landlord shall be entitled to such part of such award as shall be properly allocable to the cost of restoration of the Premises to the extent any such award is specifically made for such purpose, and the balance of such award shall be apportioned between Landlord and Tenant as of the date of such expiration.
- (c) If the Lease is not terminated as provided in this Section 16, Landlord shall, at its sole cost, promptly and diligently repair, alter, raze and restore the remaining part of the Premises, replace the parking area taken and/or replace the points of ingress and egress taken, so the improvements are made into a complete architectural unit, and the Premises, parking areas and points of ingress and egress are returned to, as nearly as reasonably possible, the condition existing prior to the taking or condemnation. Tenant shall not be obligated to make any payment or contribution toward the repair or restoration work.

17. Assignment and Subletting: Tenant covenants not to assign or transfer this Lease or hypothecate, or mortgage the same or sublet the Premises or any part thereof or use or permit them to be used for any purpose other than above-mentioned without Landlord's prior written consent.

18. Estoppel Certificate: Tenant further agrees at any time and from time to time, on or before ten (10) days after written request by Landlord, to execute, acknowledge and deliver to Landlord an estoppel certificate certifying (to the extent it believes the same to be true) that this Lease is unmodified and in full force and effect (or if there have been modifications, that the same is in full force and effect as modified, and stating the modifications), that, to the best of Tenant's knowledge, there have been no defaults thereunder by Landlord or Tenant (or if there have been defaults, setting forth the nature thereof), and the date to which the rent and other charges have been paid, if any, it being intended that any such statement delivered pursuant to this

Paragraph may be relied upon by any prospective purchaser of all or any portion of Landlord's interest herein, or a holder of any mortgage encumbering any portion of the Building Complex. Tenant's failure to deliver such statement within such time shall be a default under this Lease and shall be conclusive upon Tenant that:

- (a) This Lease is in full force and effect without modification except as may be represented by Landlord;
- (b) There are no uncured defaults in Landlord's performance;
- (c) Not more than one (1) month's rent has been paid in advance; and
- (d) The amount of any security deposit paid to, and held by, Landlord.

19. Default: (a) The following events (herein referred to as an "Event of Default") shall constitute defaults of Tenant hereunder:

- (1) Tenant shall default in the due and punctual payment of rent, or any other amounts payable hereunder, and such default continues for a period of ten (10) days after the amounts payable hereunder were due;
- (2) This Lease or the estate of Tenant hereunder shall be transferred to or shall pass to or devolve upon any other person or party in violation of this Lease except as permitted herein;
- (3) This Lease or the Premises or any part thereof shall be taken upon execution or by other process of law directed against Tenant, or shall be taken upon or subject to any attachment at the instance of any creditor or claimant against Tenant, and said attachment shall not be discharged or disposed of within fifteen (15) days after the levy thereof;
- (4) Tenant shall file a petition in bankruptcy or insolvency or for reorganization or arrangement under the bankruptcy laws of the United States or under any insolvency act of any state, or shall voluntarily take advantage of any such law or act by answer or otherwise, or shall be dissolved or shall make an assignment for the benefit of creditors, unless such action will permit Tenant to continue performance of this Lease;
- (5) Involuntary proceedings under any such bankruptcy law or insolvency act or for the dissolution of Tenant shall be instituted against Tenant, or a receiver or trustee shall be appointed of all or substantially all of the property of Tenant, and such proceeding shall not be dismissed or such receivership or trusteeship vacated within sixty (60) days after such institution or appointment unless

such action will permit Tenant to continue performance of this Lease;

- (6) Tenant shall fail to take possession of the Premises on or prior to the Commencement Date; and
 - (7) Tenant shall fail to perform any of the other agreements, terms, covenants or conditions hereof on Tenant's part to be performed, and such non-performance shall continue for a period of thirty (30) days after notice thereof by Landlord to Tenant, or if such performance cannot be reasonably had within such thirty (30) day period, Tenant shall not in good faith have commenced such performance within such thirty (30) day period and shall not diligently proceed therewith to completion.
- (b) Upon the occurrence of an event of default, Landlord shall have the right, at its election, then or at any time thereafter and while any such event of default shall continue, either:
- (1) To give Tenant written notice of Landlord's intention to terminate this Lease on the date of such given notice or on any later date specified therein, whereupon on the date specified in such notice, Tenant's right to possession of the Premises shall cease and this Lease shall thereupon be terminated, except as to Tenant's liability, as if the expiration of the term fixed in such notice were the end of the term herein originally demised; or
 - (2) To the extent authorized by Michigan Law re-enter and take possession of the Premises or any part thereof, and repossess the same as Landlord's former estate and expel Tenant and those claiming through or under Tenant, and remove the effects of both or either, using such force for such purposes as may be reasonably necessary, without being liable for prosecution thereof, without being deemed guilty of any manner of trespass, and without prejudice to any remedies for arrears of rent or preceding breach of covenants or conditions, provided Landlord complies with all applicable laws. Should Landlord elect to re-enter as provided in this Paragraph 19(b)(2) or should Landlord take possession pursuant to legal proceedings or pursuant to any notice provided for by law, Landlord may, from time to time, without terminating this Lease, relet the Premises or any part thereof in Landlord's or Tenant's name, but for the account of Tenant, for such term or terms (which may be greater or less than the period which would otherwise have constituted the balance of the term of this Lease) and on such conditions and upon such other terms (which may include concessions of free rent and alteration and repair of the Premises) as Landlord, in its commercially reasonable discretion,

may determine, and Landlord may collect and receive the rents therefor. Landlord shall in no way be responsible or liable for any failure to relet the Premises, or any part thereof, or for any failure to collect any rent due upon such reletting. No such re entry or taking possession of the Premises by Landlord shall be construed as an election on Landlord's part to terminate this Lease unless a written notice of such intention is given to Tenant. No notice from Landlord hereunder or under a forcible entry and detainer statute or similar law shall constitute an election by Landlord to terminate this Lease unless such notice specifically so states. Landlord reserves the right following any such re-entry and/or reletting to exercise its right to terminate this Lease by giving Tenant such written notice, in which event this Lease will terminate as specified in said notice.

- (c) In the event that Landlord does not elect to terminate this Lease as permitted in Paragraph 19(b)(1) hereof, but on the contrary, elects to take possession as provided in Paragraph 19(b)(2), Tenant shall pay to Landlord: (i) the rent and other sums as herein provided, which would be payable hereunder if such repossession had not occurred, less (ii) the net proceeds, if any, of any reletting of the Premises after deducting all Landlord's expenses in connection with such reletting, including, but without limitation, all repossession costs, brokerage commissions, legal expenses, attorneys' fees, expenses of employees, alteration and repair costs and expenses of preparation for such reletting. If, in connection with any reletting, the new lease term extends beyond the existing term, or the premises covered thereby include other premises not part of the Premises, a fair apportionment of the rent received from such reletting and the expenses incurred in connection therewith as provided aforesaid will be made in determining the net proceeds from such reletting. Notwithstanding anything to the contrary in this Lease, Landlord agrees to mitigate its damages as a result of Tenant's default according to applicable law.
- (d) [INTENTIONALLY OMITTED].
- (e) Suit or suits for the recovery of the amounts and damages set forth above may be brought by Landlord, from time to time, at Landlord's election and nothing herein shall be deemed to require Landlord to await the date whereon this Lease or the term hereof would have expired by limitation had there been no such default by Tenant or no such termination, as the case may be. Each right and remedy provided for in this Lease shall be cumulative and shall be in addition to every other right or remedy provided for in this Lease or now or hereafter existing at law or in equity or by statute or otherwise, including, but not limited to, suits for injunctive relief and specific performance. The exercise or beginning of the exercise by Landlord of any one or more of the rights or remedies provided for in this Lease or now or hereafter existing at law or in equity or by statute or

otherwise shall not preclude the simultaneous or later exercise by Landlord of any and all other rights or remedies provided for in this Lease or now or hereafter existing at law or in equity or by statute or otherwise. All costs incurred by Landlord in connection with collecting any amounts and damages owing by Tenant pursuant to the provisions of this Lease or to enforce any provision of this Lease, including reasonable attorneys' fees from the date any such matter is turned over to an attorney, shall also be recoverable by Landlord from Tenant.

- (f) No failure by Landlord to insist upon the strict performance of any agreement, term, covenant or condition hereof or to exercise any right or remedy consequent upon a breach thereof, and no acceptance of full or partial rent during the continuance of any such breach, shall constitute a waiver of any such breach of such agreement, term, covenant or condition. No agreement, term, covenant or condition hereof to be performed or complied with by Tenant, and no breach thereof, shall be waived, altered or modified except by written instrument executed by Landlord. No waiver of any breach shall affect or alter this Lease, but each and every agreement, term, covenant and condition hereof shall continue in full force and effect with respect to any other then existing or subsequent breach thereof. Notwithstanding any unilateral termination of this Lease, this Lease shall continue in force and effect as to any provisions hereof which require observance or performance of Landlord or Tenant subsequent to termination.
- (g) Any amounts paid by Landlord to cure any defaults hereunder, shall, if not paid by Tenant within ten (10) days of the date such payment was due shall bear interest at the rate of eighteen (18%) percent , until paid.
- (h) If Landlord shall fail to perform any of the other agreements, terms, covenants or conditions hereof on Landlord's part to be performed, and such non-performance shall continue for a period of thirty (30) days after notice thereof by Tenant to Landlord, or if such performance cannot be reasonably had within such thirty (30) day period, Landlord shall not in good faith have commenced such performance within such thirty (30) day period and shall not diligently proceed therewith to completion, Tenant may cure such Landlord default, at Landlord's cost and expense, and Landlord shall reimburse Tenant for all costs upon demand. If Landlord does not reimburse Tenant for such costs within fifteen (15) days following demand, Tenant may offset such costs against the next installment or installments of rent due until such costs are recovered by Tenant in full.

20. Completion of Premises: Prior to the Rent Commencement Date, Tenant, at its sole cost and expense, shall provide build out of the Premises using Building standard finishes pursuant (the "Tenant's Work") and pursuant to the mutually approved Plans and Specifications which have been signed by Tenant's architect and are attached hereto as Exhibit "C". Tenant shall, construct

or install in the Premises all improvements and work required. The Premises shall be deemed substantially completed and possession delivered to Tenant when the Building Department of the City of Burton has acquiesced to Tenant's occupancy by conducting a final building inspection and approving same and/or issuing a Temporary Certificate of Occupancy is received for the Premises.

21. Removal of Tenants Property: All movable furniture and personal effects of Tenant not removed from the Premises after the vacation or abandonment thereof or upon the termination of this Lease for any cause whatsoever shall conclusively be deemed to have been abandoned and may be appropriated, sold, stored, destroyed or otherwise disposed of by Landlord without notice to Tenant and without obligation to account therefor, and Tenant shall pay Landlord for all expenses incurred in connection with the disposition of such property.

22. Holding Over: Should Tenant, with or without Landlord's written consent, hold over after the termination of this Lease, Tenant shall become a tenant from month to month only upon each and all of the terms herein provided as may be applicable to such month to month tenancy and any such holding over shall not constitute an extension of this Lease. During such holding over, Tenant shall pay rent equal to one hundred fifty percent (150%) of the last monthly rental rate and the other monetary charges as provided herein. Such tenancy shall continue until terminated by Landlord or Tenant by a written notice of its intention to terminate such tenancy given at least thirty (30) days prior to the date of termination of such monthly tenancy. Nothing in this paragraph shall give Tenant any right to hold over beyond the term of the Lease or give Tenant any expectation that Tenant will be permitted or suffered to do so.

23. Parking Areas: Tenant, its employees, agents and visitors agree to obey and abide by all rules and regulations established, modified and amended from time to time by Landlord for the safety, protection, cleanliness and preservation of order in connection with such parking ingress and egress and other automobile and pedestrian use of the Building Complex.

24. Surrender and Notice: Upon the expiration or earlier termination of this Lease and except as otherwise provided in Paragraph 10 of this Lease, Tenant shall promptly quit and surrender to Landlord the Premises broom clean, in good order and condition, ordinary wear and tear excepted, and Tenant shall remove all of its movable furniture and other effects and such alterations, additions and improvements as Landlord shall require Tenant to remove pursuant to Paragraph 10. In the event Tenant fails to vacate the Premises on a timely basis as required, Tenant shall be responsible to Landlord for all costs incurred by Landlord as a result of such failure.

25. Acceptance of Premises by Tenant: Taking possession of the Premises by Tenant shall be conclusive evidence as against Tenant that the Premises were in the condition agreed upon between Landlord and Tenant, and acknowledgment of satisfactory completion of the fix-up work which Landlord has agreed in writing to perform, except as otherwise set forth herein.

26. Subordination and Attornment: This Lease, and all rights of Tenant hereunder, are and shall be subject and subordinate in all respect to all present and future ground leases, overriding leases and underlying leases and/or grants of term of the land and/or the Building or the Building Complex now or hereafter existing and to all mortgages, deeds of trust and building loan agreements, including leasehold mortgages, deeds of trust and building loan agreements, which may now or hereafter affect the Building or the Building Complex or any of such leases, whether or not such mortgages or deeds of trust shall also cover other lands or buildings, to each and every advance made or hereafter to be made under such mortgages or deeds of trust, and to all renewals, modifications, replacements and extensions of such leases and such mortgages or deeds of trust. In confirmation of such subordination, Tenant shall promptly execute and deliver at its own cost and expense any instrument, in recordable form if required, that Landlord, the lessor of any such lease or the holder of any such mortgage or deed of trust, or any of their respective successors in interest may request to evidence such subordination in a form reasonably acceptable to Tenant.

- (b) Tenant shall take no steps to terminate this Lease, without giving written notice to such superior party, and a reasonable opportunity to cure (without such superior party being obligated to cure), any default on the part of Landlord under this Lease.
- (c) In the event any proceedings are brought for the foreclosure of, or in the event of the conveyance by deed in lieu of foreclosure of, or in the event of the exercise of the power of sale under, any superior mortgage, Tenant hereby attorns to, and covenants and agrees to execute an instrument in writing reasonably satisfactory to the new owner and Tenant whereby Tenant attorns to, such successor in interest and recognizes such successor as the Landlord under this Lease.
- (d) [INTENTIONALLY OMITTED].
- (e) If, in connection with the procurement, continuation or renewal of any financing for which the Building or the Building Complex, or of which the interest of the lessee therein under a superior lease, represents collateral in whole or in part, an institutional lender shall request reasonable modifications of this Lease as a condition of such financing, Tenant will not unreasonably withhold its consent thereto provided that such modifications do not increase the obligations of Tenant under this Lease or adversely affect any rights of Tenant or decrease the obligations of Landlord under this Lease.

27. Payments after Termination: No payments of money by Tenant to Landlord after the termination of this Lease, in any manner, or after giving of any notice (other than a demand for payment of money) by Landlord to Tenant, shall reinstate,

continue or extend the term of this Lease or affect any notice given to Tenant prior to the payment of such money, it being agreed that after the service of notice of the commencement of a suit or other final judgment granting Landlord possession of the Premises, Landlord may receive and collect any sums of rent due, or any other sums of money due under the terms of this Lease or otherwise exercise its rights and remedies hereunder, and Landlord shall credit such rent and payments against Tenant's monetary obligations to Landlord. The payment of such sums of money, whether as rent or otherwise, shall not waive said notice or in any manner affect any pending suit or judgment theretofore obtained.

28. Authorities for Action and Notice: Except as herein otherwise provided, Landlord may act in any matter provided for herein by its building manager or any other person who shall from time to time be designated in writing.

(b) All notices or demands required or permitted to be given to Landlord hereunder shall be in writing, and shall be deemed duly served when received, if hand delivered, or five (5) days after deposited in the United States mail, with proper postage prepaid, certified or registered, return receipt requested, addressed to Landlord at 7373 West Saginaw Highway, Lansing, MI 48917, or at the most recent address of which Landlord has notified Tenant in writing. All notices or demands required to be given to Tenant hereunder shall be in writing, and shall be deemed duly served when received if hand delivered or within five (5) days after deposited in the United States mail, with proper postage prepaid, certified or registered, return receipt requested, addressed to Tenant at 177 Holston Drive, Lancaster, CA 93535. Either party shall have the right to designate a different address to which notice is to be mailed by serving on the other party a written notice in the manner hereinabove provided.

29. Security Deposit: Upon execution of this Lease Tenant shall deposit and the Landlord shall hereby acknowledge receipt of Tenant's check in the sum of Twelve Thousand Four Hundred Sixty One and 64/100 (\$12,461.64) Dollars, representing, in total, a security deposit equal to the last month Base Rent plus CAM, Taxes and Insurance due hereunder (the "Security Deposit"). The Security Deposit shall be retained by Landlord for the faithful performance of all covenants, conditions and agreements of this Lease, but in no event shall the Landlord be obliged to apply the same upon Rents or other charges in arrears, or upon damages for the Tenant's failure to perform said covenants, conditions and agreements; the Landlord may so apply the Security Deposit, at its option, and Landlord's right to possession of the Premises for non-payment of Rent, or for any other reason, shall not in any way be affected by reason of the fact that Landlord holds this Security Deposit. The said sum, if not applied toward the payment of Rent in arrears or toward the payment of damages suffered by the Landlord by reason of Tenant's breach of the covenants, conditions and agreements

of this Lease, is to be returned to the Tenant without interest when the Lease is terminated according to these terms, and in no event is the Security Deposit to be returned until the Tenant has vacated the Premises and delivered possession to the Landlord and all obligations under this Lease have been fully performed. In the event that the Landlord repossesses itself of the Premises because of the Tenant's default or because of the Tenant's failure to carry out the covenants, conditions and agreements of this Lease, the Landlord may apply the Security Deposit upon all damages suffered to the date of said repossession and may retain the Security Deposit to apply upon such damages as may be suffered or shall accrue thereafter by reason of the Tenant's default or breach. The Landlord shall not be obligated to keep the Security Deposit as a separate fund, but may mix the Security Deposit with its own funds.

30. Liability of Landlord: Tenant shall look only to Landlord's estate and interest in the Building (or to the proceeds thereof) for the satisfaction of Tenant's remedies for the collection of any judgment (or other judicial process) requiring the payment of money by Landlord in the event of any default by Landlord under this Lease, and no other property or other assets of Landlord shall be subject to levy, execution or other enforcement, procedure for the satisfaction of Tenant's remedies under or with respect to this Lease and neither Landlord nor any of the members comprising the company which is the Landlord herein, shall be liable for any deficiency. Nothing contained in this Paragraph shall be construed to permit Tenant to offset against rents due a successor landlord, a judgment (or other judicial process) requiring the payment of money by reason of any default of a prior landlord, except as otherwise specifically set forth herein.

31. Brokerage: Tenant represents and warrants that it has dealt with Carrie Weiss and Nathan Casey of NAI Farbman ("Tenant's Broker") hereof in the negotiation of this Lease, and Landlord represents and warrants to Tenant that it has not dealt with any leasing broker in the negotiation of this Lease ("Landlord's Broker"). Landlord shall pay a \$24,133.20 commission fee to Tenant's Broker upon Commencement of the Lease Term. If Tenant timely exercises their first renewal option in accordance with Section 3(b), the Landlord shall pay a \$9,480.90 commission fee to Tenant's Broder upon Commencement of the first Renewal Term.

32. Signage: Tenant, at Tenant's sole expense, shall provide signage in accordance with Tenant's corporate standards.

33. Name of Building Project: Landlord intends to initially refer to the Building under the name set forth in subparagraph A of Paragraph 1 hereof. Landlord hereby reserves the right, at any time and from time to time, without notice to Tenant, to change the name of the Building and to name or change the name of any building located therein at Landlord's sole discretion.

34. Measurement of Premises:

The rentable square footage of the Premises, as stated in Paragraph 1 hereof, is subject to final construction documents and actual measurement of the

Premises by the Building architect. The Base Rent and other charges due hereunder shall be adjusted based upon such measurement by the Building architect from the exterior of any outer walls of the Premises to the center of any demising walls of the Premises. During the sixty (60) day period subsequent to the Commencement Date, Tenant shall have the right to have its architect confirm the measurement. Tenant shall notify Landlord of any discrepancy between the calculation of the rentable square footage of the Premise by Landlord's architect and Tenant's architect within fifteen (15) days following Tenant's receipt of the measurement from Landlord's architect and both parties shall reasonably cooperate with one another to determine the rentable square footage of the Premises. If Landlord's and Tenant's architects are not able to agree upon a correct measurement of the rentable square footage of the Premises within fifteen (15) days from the date Tenant notifies Landlord of the discrepancy as aforesaid, Landlord and Tenant shall select a third architect, reasonably acceptable to both parties, to calculate the rentable square footage of the Premises, and such architect shall perform such measurement and notify Landlord and Tenant of same within five (5) days of such architect's appointment; provided, in no event shall the rentable square footage of the Premises be greater than that designated by Landlord's architect nor fewer than that designated by Tenant's architect. In no event shall the rentable square footage of the Premises for the purposes of this Lease exceed one hundred five percent (105%) of the estimated rentable square footage set forth in Paragraph 1 of this Lease.

35. Miscellaneous:

The rules and regulations attached hereto and marked Exhibit "D", as well as such rules and regulations as may hereafter be adopted by Landlord for the safety, care and cleanliness of the Premises and the Building and the preservation of good order thereon, are hereby expressly made a part hereof, and Tenant agrees to obey all such rules and regulations, provided such rules are non-discriminatory and enforced equally against all tenants of the Building. The violation of any of such rules and regulations by Tenant shall be deemed a breach of this Lease by Tenant affording Landlord all the remedies set forth herein. Notwithstanding the provisions of this Paragraph 35, Landlord agrees that it will not change or modify the rules and regulations or adopt new rules and regulations as to: (i) diminish or otherwise reduce the specific obligations of Landlord to perform under the terms and conditions of this Lease, or (ii) unreasonably interfere with Tenant's use and enjoyment of the Premises, or (iii) unreasonably interfere with the conduct of Tenant's normal business.

- (b) The term "Landlord", as used in this Lease, so far as covenants or obligations on the part of Landlord are concerned, shall be limited to mean and include only the owner or owners of the Building at the time in question, and in the event of any transfer or transfers of the title thereto, Landlord herein named (and in the case of any subsequent transfers or conveyances, the then grantor) shall be automatically released from and after the date of such transfer or conveyance of all liability in respect to the

performance of any covenants or obligations on the part of Landlord contained in this Lease thereafter to be performed and relating to events occurring thereafter; provided that any funds in the hands of Landlord or the then grantor at the time of such transfer in which Tenant has an interest shall be turned over to the grantee, and any amount then due and payable to Tenant by Landlord or the then grantor (other than the Security Deposit) under any provisions of this Lease shall be paid to Tenant.

- (c) This Lease shall be construed as though the covenants herein between Landlord and Tenant are independent and not dependent and Tenant shall not be entitled to any set off of the rent or other amounts owing hereunder against Landlord, if Landlord fails to perform its obligations set forth herein, except as otherwise provided herein. The foregoing shall in no way impair the right of Tenant to commence a separate action against Landlord for any violation by Landlord of the provisions hereof so long as notice is first given to Landlord and any holder of a mortgage or deed of trust covering the Building Complex or any portion thereof of whose address Tenant has been notified in writing and an opportunity granted to Landlord and such holder to correct such violation.
- (d) If any clause or provision of this Lease is illegal, invalid or unenforceable under present or future laws effective during the term of this Lease, then and in that event, it is the intention of the parties hereto that the remainder of this Lease shall not be affected thereby, and it is also the intention of the parties to this Lease that in lieu of each clause or provision of this Lease that is illegal, invalid or unenforceable, there shall be added as a part of this Lease a clause or provision as similar in terms to such illegal, invalid or unenforceable clause or provision as may be possible and be legal, valid and enforceable, provided such addition does not increase or decrease the obligations of or derogate from the rights or powers of either Landlord or Tenant.
- (e) The captions of each paragraph are added as a matter of convenience only and shall be considered of no effect in the construction of any provision or provisions of this Lease.
- (f) Except as herein specifically set forth, all terms, conditions and covenants to be observed and performed by the parties hereto shall be applicable to and binding upon their respective heirs, administrators, executors and assigns. The terms, conditions and covenants hereof shall also be considered to be covenants running with the land.
- (g) If there is more than one entity or person which or who are the Tenants under this Lease, the obligations imposed upon Tenant under this Lease shall be joint and several.

- (h) No act or thing done by Landlord or Landlord's agent during the term hereof, including, but not limited to, any agreement to accept surrender of the Premises or to amend or modify this Lease, shall be deemed to be binding upon Landlord unless such act or things shall be by an officer of Landlord or a party designated in writing by Landlord as so authorized to act. The delivery of keys to Landlord, or Landlord's agent, employees or officers shall not operate as a termination of this Lease or a surrender of the Premises. No payment by Tenant, or receipt by Landlord, of a lesser amount than the monthly rent herein stipulated, shall be deemed to be other than on account of the earliest stipulated rent, nor shall any endorsement or statement on any check or any letter accompanying any such, or payment as rent, be deemed an accord and satisfaction, and Landlord may accept such check or payment without prejudice to Landlord's right to recover the balance of such rent or pursue any other remedy available to Landlord.
- (i) Landlord shall have the right to construct other buildings or improvements in any plaza, or other area designated by Landlord for use by tenants or to change the location, character, or make alterations of, or additions to, any of said plazas, or other areas, provided such changes do not materially interfere with Tenant's use of the Premises or otherwise increase Tenant's Pro Rata Share.
- (j) Tenant acknowledges and agrees that it has not relied upon any statements, representations, agreements or warranties except such as are expressed in this Lease.
- (k) Time is of the essence hereof.
- (l) Tenant represents to Landlord that the party executing this Lease is authorized to do so by requisite action of the Board of Directors, or partners, as the case may be, and agree upon request to deliver to each other a resolution or similar document to that effect.
- (m) This Lease shall be governed by and construed in accordance with the laws of the State of Michigan.
- (n) This Lease, together with any Addendum and Exhibits attached hereto, contains the entire agreement of the parties and may not be amended or modified in any manner except by an instrument in writing signed by both parties.
- (o) It is the intention of the parties for the provisions of this Lease to meet the space rental safe harbor to the federal anti-kickback statute (42 C.F.R. § 1001.952 (b)), the rental of office space exception to the Stark II prohibition of physician referrals (42 U.S.C. 1395nn (e) (1) (A)), and the fair market value compensation exception to the Stark II statute (42 C.F.R.

§ 411.357). Accordingly, the parties agree that the amount of Base Rent set in accordance with this Lease (1) shall not be modified except as expressly provided herein, and (2) shall not be premised on the volume or value of any patient referrals by Landlord or its affiliates to Tenant or to any hospital or medical facility owned or operated by Landlord or its affiliates or by Tenant and its affiliates. Nothing contained herein shall be interpreted as requiring Tenant to refer or admit any patients to any hospital or medical facility owned or operated by Landlord or its affiliates, or to obtain medical goods or services from Landlord or its affiliates. Notwithstanding any contrary provision of the Lease, the parties acknowledge that if the Lease is terminated at any time by mutual agreement, or by the giving of a notice of termination for default or other cause, then the parties cannot and will not reinstate the Lease, or enter into any other agreement by which Tenant would have the right to use or occupy the Premises or other office space owned or controlled by Landlord, at any time prior to the date which is at least one day later than the first anniversary of the date on which the Term of the Lease actually commenced. Similarly, if either party gives any notice to the other, the effect of which would, with the passage of time or the occurrence or non-occurrence of any event, be to cause the termination of the Lease, then such notice cannot be withdrawn, by agreement or otherwise; provided, that nothing in this paragraph shall preclude either party from making a timely cure of any default of which notice has been given by the other party pursuant to the Lease and thereby preventing termination of the Lease by reason of such default. Tenant represents to Landlord that the size of the Premises does not exceed the amount of space which is reasonable and necessary for Tenant's legitimate business purposes.

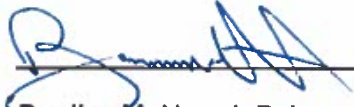


- (p) Tenant shall not use or permit any person to use the Premises in any manner which violates or would create liability under federal, State or local laws, ordinances, rules, regulations or policies. Tenant shall not (either with or without negligence) cause or permit the escape, disposal or release of any biologically or chemically active or other hazardous or flammable substances or materials. Tenant shall not allow the storage or use of such substances or materials in any manner not sanctioned by law or by the highest standards prevailing in the industry for the storage and use of such substances or materials, nor allow to be brought into the Building any such materials or substances except to use in the ordinary course of Tenant's business. In all events, Tenant shall indemnify Landlord in the manner elsewhere provided in this Lease against any liability resulting from any release of hazardous or flammable substances or materials on the Leased Premises during the Term of this Lease caused by Tenant or persons acting under Tenant. Tenant, at its sole cost and expense shall register as a medical waste generating facility with the State to the extent required by applicable law, and shall prepare a written medical waste management plan to the extent required by applicable law which description, shall include, but not be limited to, the location of all

medical waste to be stored on the Premises, if any. The plan, and any revisions, modifications and amendments and updates thereto, shall be provided to Landlord as they are provided to the governmental and/or regulatory agencies mentioned above. All medical waste produced or stored on the Premises (including, but not limited to soiled laundry) may not be incinerated or otherwise disposed of on the Premises or Building and must be disposed of in accordance with applicable law: (a) packaged to protect the waste from being released; (b) segregated by category; (c) not be compacted or mixed with other waste; and (d) stored accordingly, all, to the extent required by applicable law. Tenant shall arrange for the disposal of medical waste without relying on any janitorial or other personnel employed by Landlord, if any. Tenant, and its professional staff, and not Landlord, are responsible for the management, handling and transportation of all medical waste from the Premises to the point of disposal. Any service selected by Tenant to manage its medical waste facilities shall be subject to Landlord's prior written approval, which approval shall not be unreasonably withheld, conditioned or delayed. Tenant shall take all action necessary and appropriate, or otherwise required by Landlord and applicable law, in order to minimize the exposure of any persons including, but not limited, to blood or other infectious materials. Tenant agrees to indemnify, defend and hold Landlord harmless from any and all liability which may be incurred as a result of Tenant's breach of these provisions.

- (q) Notwithstanding anything to the contrary contained herein, Landlord hereby reserves the right, from time to time, to sell or lease portions of the Building presently or at anytime hereafter existing or constructed, for the purpose of occupancy by one or more major occupants, which portions shall be referred to and treated as "Major Occupant Sites." The term "Building" as used in this Lease shall exclude any building (or portion thereof) and all floors thereof, or other portion of the Building Complex from time to time deemed by Landlord to be a major occupant site, either in whole or in part. In the event Landlord elects to enlarge the Building Complex by adding another building, all or any portion of any additional area may be included by Landlord, in its sole discretion, in the definition of Building Complex for purposes of this Lease.
- (r) For purposes of this Lease, the increase in the CPI for purposes of determining the allowable increase in operating expenses under this Lease shall be determined as follows: The CPI increase for operating expenses shall be determined by multiplying Tenant's Proportionate Share of the controllable operating expenses for the previously concluded calendar year by a fraction, the numerator of which is the CPI Index Figure (as defined below) for the Determination Date, and the denominator of which is the CPI Index Figure for the Rent Commencement Date of this Lease. For purposes hereof, "CPI Index" means the Consumer Price Index for Urban Consumers – (CPI-UN), U.S. City Average, all items

(1982, 1984 = 100), which index is now published monthly in the "Monthly Labor Review" of the Bureau of Labor Statistics of the United States Department of Labor, or its successor index. The increase in the CPI Index between the Commencement Date and the Determination Date shall be hereinafter referred to as the "CPI Index Increase". If the CPI Index is not published by the Bureau of Labor Statistics or another governmental agency at anytime during the term of this Lease, or if the CPI Index is otherwise renamed, discounted or superseded, then the calculations based upon the CPI Index shall be made using the most closely comparable statistics on the purchasing power of the consumer dollar as published by a responsible financial authority and reasonably selected by Landlord.

IN WITNESS WHEREOF, Landlord and Tenant have executed this Lease the day and year first above written.

| | |
|---|--|
| <p>LANDLORD:</p> <p>MI BURTON RETAIL CENTER, LLC, a Michigan limited liability company</p> <p>By:  Bradley M. Nowak-Baker</p> <p>Its: <u>Manager</u></p> | <p>TENANT:</p> <p>LIFELONG LEARNING ADMINISTRATION CORPORATION, a California non-profit corporation</p> <p>By:  Pete Faragia</p> <p>Its: <u>COO</u></p> <p>US LEARNING CORPORATION, a California non-profit corporation</p> <p>By:  Chris Hodge</p> <p>Its: <u>CFO</u></p> |
|---|--|

#1091871v2

EXHIBIT "A"
SITE PLAN

EXHIBIT "B"

LEGAL DESCRIPTION

Land situated in the City of Burton, Genesee County, Michigan described as:

Part of the Southwest $\frac{1}{4}$ of the Northwest $\frac{1}{4}$ of Section 15, Township 7 North, Range 7 East, described as: Beginning at a point on the Easterly right of way line of Center Road, which is South 89 degrees 33 minutes 35 seconds East, 50.00 feet and North 01 degree 11 minutes 45 seconds West, 60.00 feet from the Southwest corner of said Northwest $\frac{1}{4}$ of Section 15; thence from said point of beginning North 09 degrees 22 minutes 01 second East along the Easterly right of way line of I-69 service ramp, 436.42 feet; thence continuing along said right of way line North 43 degrees 53 minutes 49 seconds East, 193.00 feet; thence continuing along said right of way line North 79 degrees 47 minutes 19 seconds East, 113.59 feet; thence South 00 degrees 32 minutes 07 seconds West, 592.23 feet; thence North 89 degrees 33 minutes 35 seconds West along a line which is 60.00 feet North of and parallel with the South line of said Northwest $\frac{1}{4}$ of Section 15, 311.12 feet to the point of beginning. Together with easement for access and parking as set forth in Deed Liber 2289, page 91-100, Genesee County Records.

Tax Item No. 59-15-100-015

Commonly known as 1235 & 1245 S. Center Road

EXHIBIT "C"

DESCRIPTION OF TENANT'S WORK
AND SPACE PLAN

Tenant is taking the space "AS IS" and is responsible for costs related to all improvements required by the City of Burton and Genesee County Drain Commissioner's Office Water & Waste Services in obtaining a final Certificate of Occupancy.

Tenant is required to provide a full set of plans and specifications for improvements to be completed by Tenant for Landlord review and approval.

Landlord will provide the Tenant an allowance of \$25.00 PSF (\$215,475.00) towards Tenant's work payable upon the completion of all work and issuance of a final Certificate of Occupancy

DESCRIPTION OF LANDLORD'S WORK

Landlord to provide two restrooms (one male and one female) in the current location of the building in accordance with current code.

EXHIBIT "D"

RULES AND REGULATIONS

This Lease is subject to the following Rules and Regulations which are made a part hereof:

(a) All major deliveries shall be made through the rear door of the Leased Premises.

(b) The delivery or shipping of merchandise, supplies and fixtures to and from the Leased Premises shall be subject to such rules and regulations as in the judgment of Landlord are necessary for the proper operation of the Leased Premises and the Shopping Center.

(c) Except as may be provided in the Lease to the contrary, all garbage and refuse shall be kept in approved containers and shall be placed outside of the Leased Premises and prepared for collection. Tenant shall retain a garbage and refuse removal service approved by Landlord, and the expense of this service shall be borne by Tenant.

(d) No aerial shall be erected on the roof or exterior walls of the Leased Premises, or on the grounds, without, in each instance, the written consent of Landlord. Any aerial so installed without such written consent at any time shall become the property of Landlord at Landlord's option. Any aerials to be installed on the roof or exterior walls of the Leased Premises shall be installed by a contractor approved in writing by Landlord.

(e) No exterior loud speakers, televisions, phonographs, radios or other devices shall be used in a manner so as to be heard or seen outside the Leased Premises without the written consent of Landlord.

(f) Tenant shall keep the Leased Premises at a temperature sufficiently high to prevent freezing of water in pipes and fixtures.

(g) The outside areas including, but not limited to, sidewalks and landscaped area, immediately adjoining the Leased Premises shall be kept clean and free from snow, ice, dirt and rubbish by Tenant to the satisfaction of Landlord, and Tenant shall not place or permit any obstructions or merchandise in such areas, and further shall maintain the show windows and signs in a neat and clean condition. Tenant shall not utilize the outside areas for seating of any kind.

(h) Tenant and Tenant's employees shall park their cars only in those portions of the parking area designated for that purpose by Landlord. Tenant agrees that neither it nor any of its agents or employees shall park in front of the building.

(i) The plumbing facilities shall not be used for any other purpose than that for which they are constructed, no foreign substance of any kind shall be thrown therein,

and the expense of any breakage, stoppage or damage resulting from a violation of this provision shall be borne by Tenant.

(j) Tenant shall use at Tenant's cost such pest extermination and at such intervals as may be required to maintain the Leased Premises in a sanitary condition.

(k) Any tenant servicing food by carry-out or a sit-down restaurant nature is required to subscribe to a monthly pest control service. Tenant is further required to send a copy of said pest control service receipt to Landlord for services performed.

(l) Any tenant that has a hood and/or fans installed for the purpose of venting is required to subscribe to a vent cleaning service and have said vents cleaned not less than two (2) times per year. Tenant is further required to send a copy of said cleaning receipt to the Landlord.

(m) Tenant shall not burn any trash or garbage of any kind in or about the Leased Premises or the Shopping Center.

(n) Neither Tenant nor any employee or agent of Tenant shall solicit business in the parking area or other common areas, nor shall Tenant distribute any handbills or other advertising matter to automobiles parked in the parking area or in other common areas without Landlord's prior written consent.

(o) No roof mounted signs shall be permitted.

EXHIBIT "E"

UNAMORTIZED TENANT IMPROVEMENTS AND LEASING COMMISSIONS PAID BY
LANLORD

Amortization Schedule

| | | |
|-----------|-------------|--------------|
| 4/1/2019 | \$ 3,434.26 | \$236,173.94 |
| 5/1/2019 | \$ 3,451.43 | \$232,722.51 |
| 6/1/2019 | \$ 3,468.69 | \$229,253.82 |
| 7/1/2019 | \$ 3,486.03 | \$225,767.79 |
| 8/1/2019 | \$ 3,503.46 | \$222,264.33 |
| 9/1/2019 | \$ 3,520.98 | \$218,743.35 |
| 10/1/2019 | \$ 3,538.58 | \$215,204.77 |
| 11/1/2019 | \$ 3,556.28 | \$211,648.49 |
| 12/1/2019 | \$ 3,574.06 | \$208,074.43 |
| 1/1/2020 | \$ 3,591.93 | \$204,482.50 |
| 2/1/2020 | \$ 3,609.89 | \$200,872.61 |
| 3/1/2020 | \$ 3,627.94 | \$197,244.67 |
| 4/1/2020 | \$ 3,646.08 | \$193,598.59 |
| 5/1/2020 | \$ 3,664.31 | \$189,934.28 |
| 6/1/2020 | \$ 3,682.63 | \$186,251.65 |
| 7/1/2020 | \$ 3,701.04 | \$182,550.61 |
| 8/1/2020 | \$ 3,719.55 | \$178,831.06 |
| 9/1/2020 | \$ 3,738.14 | \$175,092.92 |
| 10/1/2020 | \$ 3,756.84 | \$171,336.08 |
| 11/1/2020 | \$ 3,775.62 | \$167,560.46 |
| 12/1/2020 | \$ 3,794.50 | \$163,765.96 |
| 1/1/2021 | \$ 3,813.47 | \$159,952.49 |
| 2/1/2021 | \$ 3,832.54 | \$156,119.95 |
| 3/1/2021 | \$ 3,851.70 | \$152,268.25 |
| 4/1/2021 | \$ 3,870.96 | \$148,397.29 |
| 5/1/2021 | \$ 3,890.31 | \$144,506.98 |
| 6/1/2021 | \$ 3,909.77 | \$140,597.21 |
| 7/1/2021 | \$ 3,929.31 | \$136,667.90 |
| 8/1/2021 | \$ 3,948.96 | \$132,718.94 |
| 9/1/2021 | \$ 3,968.71 | \$128,750.23 |
| 10/1/2021 | \$ 3,988.55 | \$124,761.68 |
| 11/1/2021 | \$ 4,008.49 | \$120,753.19 |
| 12/1/2021 | \$ 4,028.53 | \$116,724.66 |
| 1/1/2022 | \$ 4,048.68 | \$112,675.98 |
| 2/1/2022 | \$ 4,068.92 | \$108,607.06 |
| 3/1/2022 | \$ 4,089.26 | \$104,517.80 |
| 4/1/2022 | \$ 4,109.71 | \$100,408.09 |
| 5/1/2022 | \$ 4,130.26 | \$ 96,277.83 |
| 6/1/2022 | \$ 4,150.91 | \$ 92,126.92 |
| 7/1/2022 | \$ 4,171.67 | \$ 87,955.25 |
| 8/1/2022 | \$ 4,192.52 | \$ 83,762.73 |
| 9/1/2022 | \$ 4,213.49 | \$ 79,549.24 |
| 10/1/2022 | \$ 4,234.55 | \$ 75,314.69 |

| | | |
|-----------|-------------|--------------|
| 11/1/2022 | \$ 4,255.73 | \$ 71,058.96 |
| 12/1/2022 | \$ 4,277.01 | \$ 66,781.95 |
| 1/1/2023 | \$ 4,298.39 | \$ 62,483.56 |
| 2/1/2023 | \$ 4,319.88 | \$ 58,163.68 |
| 3/1/2023 | \$ 4,341.48 | \$ 53,822.20 |
| 4/1/2023 | \$ 4,363.19 | \$ 49,459.01 |
| 5/1/2023 | \$ 4,385.00 | \$ 45,074.01 |
| 6/1/2023 | \$ 4,406.93 | \$ 40,667.08 |
| 7/1/2023 | \$ 4,428.96 | \$ 36,238.12 |
| 8/1/2023 | \$ 4,451.11 | \$ 31,787.01 |
| 9/1/2023 | \$ 4,473.36 | \$ 27,313.65 |
| 10/1/2023 | \$ 4,495.73 | \$ 22,817.92 |
| 11/1/2023 | \$ 4,518.21 | \$ 18,299.71 |
| 12/1/2023 | \$ 4,540.80 | \$ 13,758.91 |
| 1/1/2024 | \$ 4,563.51 | \$ 9,195.40 |
| 2/1/2024 | \$ 4,586.32 | \$ 4,609.08 |
| 3/1/2024 | \$ 4,609.08 | \$ - |

CERTIFICATE OF USE AND OCCUPANCY
PERMANENT

Michigan Department of Licensing and Regulatory Affairs

Bureau of Construction Codes/Building Division

P.O. Box 30254

Lansing, MI 48909

Authority: 1972 PA 230

(517) 241-9317

Building Permit No: BLDG19-00916

1245 S CENTER RD

BURTON, MI 48509

COUNTY: GENESEE

The above named building of Use Group E, Education and Construction Type 2B is approved for use and occupancy.

THIS APPROVAL IS GRANTED UNDER THE AUTHORITY OF SECTIONS 13 OF ACT 230 OF THE PUBLIC ACTS OF 1972, AS AMENDED, BEING §125.1513 OF THE MICHIGAN COMPILED LAWS, AND, IN ACCORDANCE WITH SECTION 111.0 OF THE STATE BUILDING CODE. THIS SHALL SUPERSEDE AND VOID ANY PREVIOUS APPROVAL OF USE AND OCCUPANCY.

Print Date: 01/06/2020

CONTRACT SCHEDULE 7

**REQUIRED INFORMATION FOR
A PUBLIC SCHOOL ACADEMY**

SCHEDULE 7

REQUIRED INFORMATION FOR A PUBLIC SCHOOL ACADEMY

Required Information for a Public School Academy. This Schedule contains information required by the Code and the Contract. The required information for the Academy is contained in this Schedule 7.

- Section a. Governance Structure. The governance structure of the Academy is set forth in Section a of this Schedule.
- Section b. Educational Goal and Related Measures. The educational goal and related measures of the Academy are set forth in Section b of this Schedule.
- Section c. Educational Programs. The educational programs of the Academy are set forth in Section c of this Schedule.
- Section d. Curriculum. The curriculum of the Academy is set forth in Section d of this Schedule.
- Section e. Methods of Pupil Assessment. The methods of pupil assessment of the Academy are set forth in Section e of this Schedule.
- Section f. Application and Enrollment of Students. The Academy's criteria for the application and enrollment of students is set forth in Section f of this Schedule.
- Section g. School Calendar and School Day Schedule. The school calendar and school day schedule procedures are set forth in Section g of this Schedule.
- Section h. Age or Grade Range of Pupils. The age or grade range of pupils to be enrolled by the Academy is set forth in Section h of this Schedule.

SECTION A

GOVERNANCE STRUCTURE

GOVERNANCE STRUCTURE

The People of Michigan through their Constitution have provided that schools and the means of education shall forever be encouraged and have authorized the Legislature to maintain and support a system of free public elementary and secondary schools. All public schools are subject to the leadership and general supervision of the State Board of Education and the Legislature has authorized an alternative form of public school designated a "public school academy" to be created to serve the educational needs of pupils and has provided that pupils attending these schools shall be eligible for support from the State School Aid Fund. The Legislature has delegated to the governing boards of state public universities, community college boards, intermediate school district boards and local school district boards, the responsibility for authorizing the establishment of public school academies. The University Board has approved the issuance of a contract conferring certain rights, franchises, privileges, and obligations of a public school academy to the Academy Board.

The Academy is incorporated as a Michigan nonprofit corporation, organized on a non-stock, directorship basis for the purpose of operating as a Michigan public school academy. The Academy shall conduct its affairs as a governmental entity exempt from federal income taxes under Section 115 of the United States Internal Revenue Code or any successor law. The Academy is a body corporate and is not a division or part of Central Michigan University. The relationship between the Academy and the University Board is based solely on the applicable provisions of the Code and the terms of this Contract.

The Academy Board shall have at least five (5), but no more than nine (9) members, as determined by the University Board. Academy Board members shall be appointed according to the terms of the Method of Selection, Appointment and Removal Resolution adopted by the University Board. The Academy Board has all the powers and duties permitted by law to manage the business, property and affairs of the Academy and for adopting policies by which the Academy shall be governed. The Academy Board is responsible for assuring that the Academy operates according to the Terms and Conditions of this Contract and Applicable Law. Contract Schedule 2: Amended Bylaws, set forth a further description of the Academy Board's governance structure.

Academy Board members shall serve in their individual capacity, and not as a representative or designee of any other person or entity. The Academy Board shall ensure compliance with Applicable Law relating to conflicts of interest and prohibited familial relationships, including Article IV, Sections 4.4 and 4.5 of the Terms and Conditions of this Contract.

Pursuant to applicable law and the Terms and Conditions of this Contract, including Article III, Section 3.6, the Academy Board may employ or contract for personnel according to the position information outlined in Schedule 5. Before entering into an agreement with an Educational Service Provider or an employee leasing company to provide services or to provide personnel to perform services or work at the Academy, the Academy Board must first comply with the Educational Service Provider Policies issued by the Center.

SECTION B

EDUCATIONAL GOAL AND RELATED MEASURES

EDUCATIONAL GOAL AND RELATED MEASURES

Pursuant to Applicable Law and the Terms and Conditions of this Contract, including Article VI, Section 6.2, the Academy shall achieve or demonstrate measurable progress for all groups of pupils toward the achievement of the educational goal identified in this schedule. Although an increase in academic achievement for all groups of pupils as measured by assessments and other objective criteria is the most important factor in determining the Academy’s progress toward the achievement of the educational goal, the Center also considers other factors. Upon request, the Academy shall provide the Center with a written report, along with supporting data, assessing the Academy’s progress toward achieving this goal. In addition, the University expects the Academy will meet the State of Michigan’s accreditation standards pursuant to state and federal law.

Educational Goal to be Achieved

Prepare students academically for success in college, work and life.

Measures to Assist In Determining Measurable Progress Toward Goal Achievement

To assist in determining whether the Academy is achieving measurable progress toward the achievement of this goal, the Center will annually assess the Academy’s performance using the following measures.

1. Standardized Academic Measures

| MEASURE 1: Educational Goal The academic achievement of all students in grades nine through twelve, who have been enrolled at the Academy, will be assessed using the following measures and targets: | | | |
|--|--|--|--|
| Sub Indicator | Measure | Metric | Target |
| Grade Level Progress | The percentage of students with scaled scores that progressed by at least one grade level between pre and post-tests in reading and mathematics on NWEA MAP Growth tests | Distribution of students who progressed at least one grade level between pre and post-tests (which will be in the form of percentages): Meets $\geq 50.0\%$ Does not meet $< 50.0\%$ | The percentage of students with scaled scores that progressed by at least one grade level between pre and post-tests will be $\geq 50\%$ |

*Post-tests should be administered at least 9 months after pre-tests

Fall, Winter and Spring Grade-Level 2020 National Norms

| Grade | Reading Fall | Math Fall | Reading Winter | Math Winter | Reading Spring | Math Spring |
|-----------|--------------|-----------|----------------|-------------|----------------|-------------|
| 3 | 186.62 | 188.48 | 193.90 | 196.23 | 197.12 | 201.08 |
| 4 | 196.67 | 199.55 | 202.50 | 206.05 | 204.83 | 210.51 |
| 5 | 204.48 | 209.13 | 209.12 | 214.70 | 210.98 | 218.75 |
| 6 | 210.17 | 214.75 | 213.81 | 219.56 | 215.36 | 222.88 |
| 7 | 214.20 | 220.21 | 217.09 | 224.04 | 218.36 | 226.73 |
| 8 | 218.01 | 224.92 | 220.52 | 228.12 | 221.66 | 230.30 |
| 9 | 218.90 | 226.43 | 220.52 | 228.67 | 221.40 | 230.03 |
| 10 | 221.47 | 229.07 | 222.91 | 231.21 | 223.51 | 232.42 |
| 11 | 223.53 | 231.72 | 224.64 | 233.49 | 224.71 | 234.25 |
| 12 | 223.80 | 233.02 | 223.85 | 233.31 | 224.33 | 234.19 |

2. Non-Standardized Measures

| MEASURE 2: Educational Goal The enrollment of all students in grades nine through twelve will be evaluated using the following measures and targets: | | | |
|---|---|---|--|
| Sub Indicator | Measure | Metric | Target |
| Yearly Enrollment | The percentage of students enrolled for nine months or more | Percentage of students who have been at the Academy for nine months or more by the end of the school year (July 31 st) Meets \geq 40.0% Does not meet $<$ 40.0% | The percentage of students enrolled for nine months or more will be \geq 40% |

Note: This measure should be updated with new baselines during the next reauthorization process

SECTION C

EDUCATIONAL PROGRAMS

EDUCATIONAL PROGRAMS

Pursuant to Applicable Law and the Terms and Conditions of this Contract, including Article VI, Section 6.3, the Academy shall implement, deliver, and support the educational programs identified in this schedule.

Mission

FLEX High School of Michigan's ("Academy") mission is to recover those students who have dropped out or who are in danger of dropping out. Get them into a resource center. Motivate them. Mentor them. Counsel them and of course, teach them.

Vision

FLEX-Michigan's vision is to provide students seeking an alternative school setting with a personalized approach to learning that empowers students to take responsibility for their education and to graduate with the skills they need to become responsible citizens and lifelong learners.

The Academy prepares the students of Flint, Michigan, with the educational skills necessary in the 21st Century, inclusive of the ability to read, write, speak and calculate with clarity and precision and the ability to participate intelligently and responsibly in a global society. The Academy offers alternative choices through site-based learning, independent study and in-school online learning to enable students to acquire the knowledge necessary to make a difference in their lives.

Core Values

The Academy believes all students deserve a chance to receive a high school diploma, learn a skill that prepares them for a life-long career and have access and entry to post-secondary opportunities. The Academy builds a foundation of support for students who have found the traditional setting challenging. The program is an innovative approach to public education that honors and recognizes the unique gifts, skills, passions and attributes of each student. Research confirms that every individual assimilates information per his/her own unique style, need and interest.

The Academy will, when it is in the student's best interest, support the re-entry into the local district through an alternative program focused on credit attainment, graduation, career and technical training and post-secondary opportunities. The Academy is dedicated to fostering aptitude in self-directed learning and academic achievement so that students may be self-supported, lifelong contributors toward a healthy 21st Century community through active participation as an educated, skilled member of the community.

The Educational Program and Approach

Program Delivery

The educational program provides a student-centered environment in which all students are held to high academic and behavioral standards. Students work in collaborative relationships with teachers, administrators and peers. The Academy delivers the program through a personalized learning approach to education - one-to-one instruction. While students are provided with a full academic plan, they are able to focus on two courses at a time and are empowered to embrace the flexible weekly schedule. The Academy strives to develop students who are responsible for time spent at school and outside school, at work or home, to become competent, self-motivated, life-

long learners. To accomplish this, the Academy emphasizes increased parental involvement, more one-on-one teacher and student interaction, attention to differences in learning styles, student-driven participation in developing the learning process, technology access, varied learning environments, teacher and parent development programs and choices in curricular programs.

Intake

The Academy may receive inquiries from prospective students at any time through phone calls, walk-ins and referrals from local school counselors. The front desk and/or operations staff prepare parents and prospective students by providing information regarding forms to bring that are required to enroll. The Academy holds regularly scheduled orientation sessions for new students. The prospective student and parent are asked to bring all required paperwork to the orientation appointment. Any student in need of the program is welcome to attend an orientation session.

Orientation

Orientation is usually conducted in a group setting, but individual appointments may be made to accommodate the student/family. Orientation is conducted by a team of Academy staff, including a welcome by the administrator or lead teacher. Students/parents are provided with the student-parent handbook, which is reviewed in detail to ensure rules and expectations are clear. Videos representative of the Academy's culture and expectations may be shown. The families are provided with a tour of the center and introductions to staff. An essential product of the orientation is creating a schedule for the student that accommodates his or her obligations, as well as the Academy and teacher's schedules.

On the student's first meeting with the supervising teacher, most of the time is spent getting to know each other. The student and teacher agree on the weekly schedule, the student takes an enrollment survey, and any barriers to attendance such as transportation or other needs are addressed and met. The supervising teacher records the student's presence on the attendance roster, assigns grades and produces report cards. In addition to their role as a supervising teacher, each function as a content area expert in a larger professional learning community that works together to analyze student outcomes and collaborate on academic planning. Although the supervising teacher is in control and responsible for the implementation of the academic plan, our teachers work together to ensure all students are getting individualized attention and support needed to be successful.

To support with the academic planning process, all new students complete a reading and math diagnostic assessment via Northwest Evaluation Association™ (“NWEA™”), which provides the teacher with a baseline measure of student performance. This information allows the teacher to place the student in appropriate courses and adjust instruction to address student needs. The supervising teacher uses a combination of previous school transcripts and the NWEA assessment to place the student in appropriate courses. By focusing on one core course at a time, many students experience greater success in each course.

Each student is connected to a dedicated teacher who holds weekly mentoring sessions that focus on goals setting, building basic skills and reflecting on academic progress, creating a path to greater credit attainment and mastery of core content. Teachers work closely with the student's Supervising Teacher and the larger teacher team to act as a Professional Learning Community

(“PLC”) to promote communication and collaboration and one-on-one support to ensure access to personalized learning and successful student outcomes.

Instructional Approaches

The Academy provides an alternative education program to students who have not had success in traditional, comprehensive schools and who became separated from the regular education program in grades 9 through 12. With this philosophy in mind, the Academy is committed to providing a rigorous and accessible education leading students to:

- Develop clear and effective reading, writing and oral communication skills
- Master the fundamentals of reading, writing, mathematics, science and social studies
- Acquire a strong foundation in mathematical reasoning skills
- Develop strong technological skills
- Develop character and the ability to respect the differences that arise in a multicultural community
- Learn about the cultural, economic, geographical, political and technological forces which have impacted their community, country and the world
- Acquire knowledge and skills in the sciences and the ability to conduct inquiries using the scientific method and problem-solving skills
- Find, select, evaluate, organize and use information from various sources
- Participate in the creation of and developing an informed appreciation of the arts
- Acquire knowledge of pertinent health issues and the development of physical fitness
- Develop self-motivation and confidence to successfully accomplish multiple responsibilities and challenges that are faced daily
- Recognize the importance of personal responsibility and respect for others
- Accept challenges and utilize opportunities
- Learn more about themselves and demonstrate critical decision-making skills necessary to be a responsible citizen
- Graduate high school and enter a certificated career, technical, community or four-year college.

Parents, students and teachers work together to build a community that values diversity in culture, ethnicity, origin and family backgrounds. Teachers close the achievement gap through culturally competent practices. Students are active partners in learning and achieving academic success and leave the Academy having gained employable skills and critical thinking strategies rather than simply acquiring a body of facts. The comprehensive education program includes diverse teaching methods, a comprehensive interdisciplinary curriculum and an on-going assessment of student progress.

The Academy closes the achievement gap by recovering disengaged students, placing the students back into the educational system, enrolling the students in the Academy and increasing the number of students who graduate ready to enter the workforce, or technical, community or four-year college. Students who would otherwise be considered non-enrolled become contributing members of the community with the ability to be self-sustaining and contribute to their families. The Academy’s programmatic model drives academic achievement, support through wrap-around

services and community partnerships that facilitate the increased opportunities for Academy students and the growth of Academy programs.

The Academy’s Personalized Learning model is focused on developing individualized learning programs for each student with the intent to engage each student in the learning process in the most productive and meaningful way to optimize each student's learning potential and success. This allows the Academy to combine multiple assessment levels of student academic achievement through regular assessment, in addition to annual state-mandated testing programs. The delivery of the program supports the research underlying metacognitive development, specifically in the areas of self-monitoring and self-management.

Learning Event Packets (“LEP”) are initially provided to students and are central to the Independent Study component of the Academy program. LEPs are given to students at the start of school and are tailored to the Personalized Learning instructional approach. Embedded in LEPs are 1) pacing guides that all teachers model to students on how to utilize and set dates for lesson completion and/or additional intervention with tutors and 2) formative lessons and credit checkpoints that ensure students are accountable for learning new content in manageable chunks.

The Academy believes that learning best occurs when schools create optimal teaching and learning environments organized around standards-based instruction, integrated curriculum, differentiation and personalized learning. By personalizing the academic program, each student is placed at a level where he/she can best learn and begin to take responsibility for the student’s own learning.

The Academy believes in nurturing a student’s natural abilities to be reflective, ask questions, communicate intelligently, think critically, become skilled problem-solvers and reach exemplary standards.

The instructional model supports accountable, personalized learning that is teacher directed and technology enhanced. (See Figure 1)

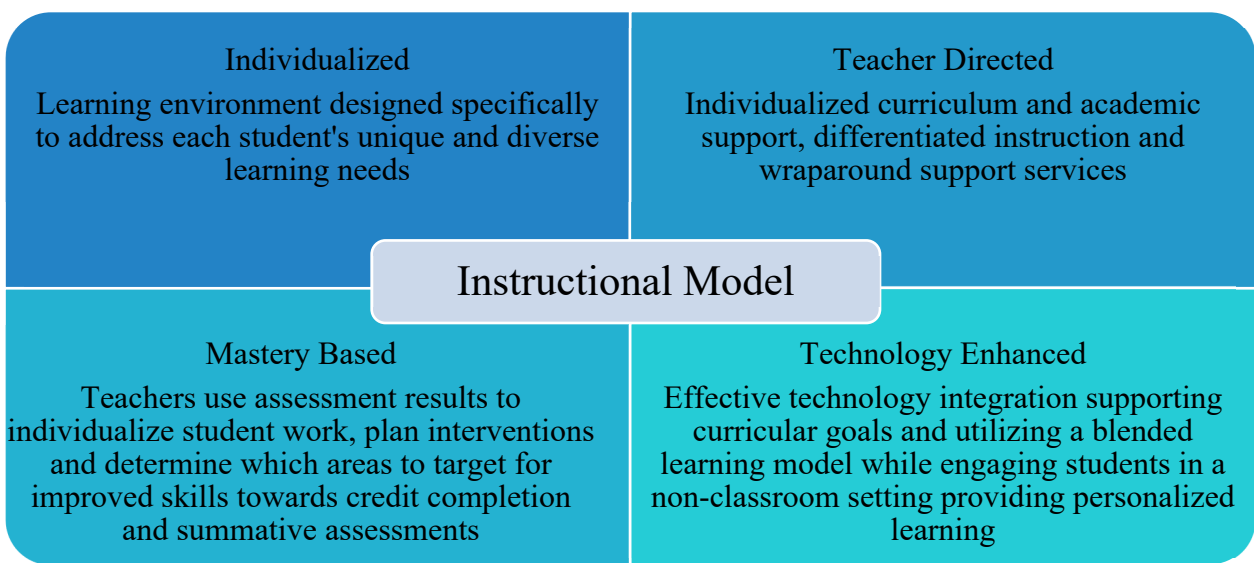


Figure 1

Each course is divided into ten equal modules. The student is expected to complete 1 to 2 modules per week. By focusing on one core course, which is organized around essential Michigan Academic Standards (“MAS”) and grouped into modules, the student is able to make incremental progress, experience positive progress and success each week, and complete a course in ten to twelve weeks.

Students take formative assessments at the end of each LEP, are assessed by the teacher and complete a summative assessment over the assigned area of work. Students must demonstrate a minimum level of mastery with a grade of 60% or better to earn a grade for the LEP. Failed modules are reassigned to students, and students are directed by the teacher to participate in re-teaching and intervention activities such as small group instruction, tutoring or more time with the teacher. Typically, students complete work both at home and at the Academy.

The Academy is aware that some students enrolling may require remediation in reading and math, as well as other core subject areas. As part of our onboarding and individualized academic planning process, the Academy administers the NWEA Measures of Academic Progress® (“MAP®”) assessment to better determine each student’s needs. Based on the student’s NWEA MAP results, the teacher prescribes an appropriate intervention program to close the skill gaps and fast track student growth. Students take the NWEA MAP assessment at regular intervals throughout the year to ensure progress and inform decision making to the academic plan. Based on their assessment results, students may remain in their intervention program or transition out to a course more fitting to their academic skills set. Regardless, the Academy offers a diverse curriculum catalog that will meet the student where they are at with the appropriate level of rigor to accelerate learning and close the achievement gap.

Students can participate in scheduled tutorial and enrichment activities during the school day at any time, without an appointment. For the students who are struggling and who may not be taking advantage of the tutoring program, an evaluation may be made by the Academy as to whether the student is appropriately placed. Academy personnel work with students to ensure students understand the importance of the tutoring requirement and the advantage of participation in the Academy’s proactive tutoring program.

When students are demonstrating continuing difficulties, the Academy utilizes Student Study Teams (“SST”) to determine if specific interventions are necessary. At times, formal services may be determined, as per the directive of an Individualized Educational Program (“IEP”) or a Section 504. This instructional approach reflects our belief that all students deserve a rigorous and accessible education.

Supplemental instruction utilizing selected curriculum is provided for those students performing substantially below achievement level. For those low performing students, the Academy utilizes selected curriculum including many of the following: a closely graded math curriculum, which includes courses in Pre-Algebra, Algebra I, Geometry, Algebra II, Language Arts, History, and Sciences. In addition, the Academy offers other electives for low performing students such as refresher math, consumer math, math essentials, beginning art, vocabulary building and spelling. This curriculum uses supplemental materials from a variety of sources, developed around a format of low level, high interest.

Although Academy students are primarily over-age and under-credited (the average student enrolls at the Academy at 17 years old, over one-year credit deficient, 5th/6th grade reading and math levels, and dis-enrolled from school for three months or more), the Academy recognizes that high expectations for content mastery and standards-aligned curriculum are essential for students to be able to engage in the 21st century workplace. The Academy assesses students upon enrollment to prescriptively assign coursework, remediation and enrichment targeted towards personalized student needs. This initial assessment is essential in re-engaging the student by mapping out that recovery is a reasonable expectation in addition to outlining a path for post-secondary success, namely the expectation that graduation is but one step toward the student's future plan for work, trade school or college.

Teachers provide students with weekly assignment pages and pacing guides which accompany the textbook to help structure students' module completion and learning expectations. Teachers provide direct instruction in the essential standards and objectives to be mastered. Teachers use module exams and/or assessments such as the performance tasks as a tool to determine whether students are meeting standards and learning objectives. Teachers are continuously reviewing student work every week in the month. Each folder is checked for homework, tests and answer sheets that are summarized with reports to assure accurate grading. Students' tests are graded based on mastery.

Career and Technical Education (“CTE”)

A balanced CTE program is an essential component to the Academy's academic offerings. Students in CTE programs are far less likely to drop out of high school. Indeed, over 28 percent of students taking a concentrator CTE course find employment and/or earn bachelor's degrees. Integrating the student's academic learning with the concepts and skills of a chosen career is consistent with the Academy's mission of preparing all students to become responsible community participants and lifelong learners.

The Academy's approach to engaging every student in a continuum of work-based learning is to focus on the individual first. The Academy believes the effectiveness of our efforts is rooted in the student's own level of self-awareness and his or her ability to create a personal vision and plan for postsecondary success. The student pursues career and technical education within the context of an overall academic plan that includes collaboration with the parent.

The Academy organizes the implementation of CTE programming into three levels. All students participate in work readiness education and career ready practices through awareness and exploration. During level two, the student has selected a career pathway and has enrolled into a CTE concentrator course for career preparation. Level three students work on capstone projects and are actively engaged in job training in pursuit of a specific career.

The Work-Based Learning Continuum:

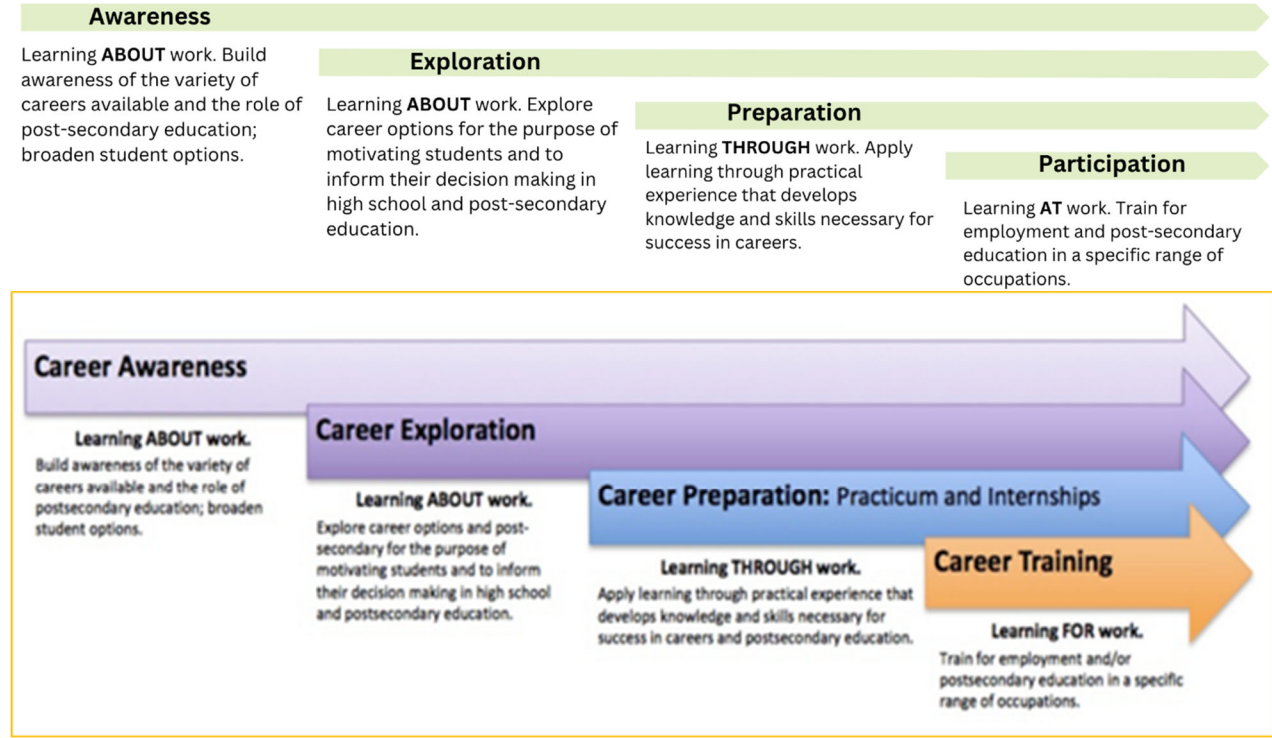


Figure 2

The Academy initiates the student’s program of career awareness and exploration on the first day of enrollment through our professional skills curriculum. During onboarding, all students engage with staff to begin formal and informal career assessments that assist the learner in understanding their interests, aptitudes and abilities.

Teachers support the interpretation of career assessment results and encourage the student to identify personal preferences and strengths. In the initial “work readiness” course during onboarding, the student learns transferable employability skills such as teamwork, punctuality, and professional communication, and includes activities that complement the analysis of career assessment results. Level-one students may choose from a variety of interesting and relevant contextualized learning opportunities to engage in career preparation. Activities include field trips to work sites, college visits, job shadowing, guest speakers, mock interviews and more. (See Figure 2)

In order for a student to be successful in career preparation through CTE pathway concentrator courses, the program design must align with local and regional community needs. The Academy’s plan considers job forecasts, employer involvement and student interest in the development of level two CTE pathway programs to develop high quality career pathway programs and contextualized learning opportunities by incorporating the tenets of the Association for Career Technical Education (“ACTE”) Framework.

The ability for a school to offer current and relevant CTE programming relies on the strength of its collaboration with industry experts and community partners. The Academy understands the need to invite practicing professionals into advisory committees and teaching roles to support course and program design as well as to offer class instruction and work site connections. The Academy will hire and train appropriately credentialed teachers and provide externships and professional development.

Advanced learners are given a more flexible path in terms of pacing where mastery can move students forward at an individual pace. Students also have CTE options where they can gain career pathway insight. The Academy shall guide the student in understanding the local labor market realities of the chosen industry and its broader implications.

The Academy shall implement the Michigan Merit Curriculum (“MMC”) by setting learning expectations, developing and delivering curriculum and resources, and measuring student opportunities per the Curriculum and Instruction Unit of the Michigan Department of Education (“MDE”). The Academy uses, as appropriate, instructional strategies from the following list to implement MAS and align with the MMC. (See Figure 3)

| | |
|--|--|
| One-to-one instruction, collaborative sessions, communicative learning and engagement, explorative environment | Aims, Goals, and Objectives: helping students understand their style of learning and plan ways to improve study habits |
| Modeling and guided practice | SDAIE strategies-visuals |
| Use of Bloom’s Taxonomy | Summarizing, note-taking and presenting |
| Identifying similarities and differences, critiquing, credible researching | Use of graphic organizers, technology tools and digital resources |
| Reinforcing work and providing recognition | Repeating concepts |
| Setting objectives and providing feedback | Rephrasing and reviewing content |
| Analyzing perspectives; synthesis and evaluation | Anticipation guide |
| Application teaching | Projects and hands-on learning |
| Oral, Visual and digital presentations | Artistic expression |
| Portfolios, Academic Plans | Integrate technology into lessons |

Figure 3

The Academy believes when teachers act both as coaches and as mentors, they can help students fulfill the Student Learning Objectives (“SLOs”). Students enrolled at the Academy may have personal issues related to social emotional development and are able to secure support from teachers and the staff. Staff members are available to work with students and families on matters that are not directly related to academics. The staff refers students to the appropriate Mental Health Services Department for follow-up and wrap-around services, as needed.

The Academy encourages students to develop a sense of responsibility through problem-solving and the decision-making process. By treating each student as an individual, the Academy creates an atmosphere conducive to studying, working and learning, and through this process, students’ concerns are reflected. Faculty and staff help students work hard, keep focused, stay committed and develop alternative strategies when encountering obstacles. These skills reflect lifelong learning strategies that are at the core of the Academy’s work.

Academy programs are designed with the aim of bringing about maximum individual academic and personal development for each student. Administrators and teachers create an environment that fosters the following:

- Active, hands-on learning
- Conceptual learning that leads to understanding along with acquisition of basic skills
- Interactive teaching and cooperative learning
- Broad range of relevant content integrated across traditional subject matter divisions
- Inclusive culture of respect for each other, the learning process and the individual challenges that students bring to the program

Professional Learning

The Academy's Professional Learning Program recognizes that quality teaching and school leadership are the most important factors in raising student achievement. The Academy demonstrates a commitment to providing comprehensive training, differentiated professional learning opportunities and ongoing support for all leaders, teachers and instructional support teams. Relevant, sustained and evidence-based professional learning, driven by student data, prepares instructional teams with the knowledge and skills needed to ensure all students receive equitable access to high quality instruction and meaningful learning opportunities, as evidenced by student engagement, student achievement and increased self-efficacy for both students and staff. Student data, along with school-wide goals, surveys and needs assessments drive the development of annual professional learning plans.

All Academy teachers participate in a 4-week New Teacher Training Program to learn about Academy culture, the power of positive relationships, department support teams, using student data to guide planning for personalized learning and implementing instructional strategies to support student needs. Ongoing professional learning opportunities are provided through workshops, mentoring and PLCs. Job-embedded professional learning is centered around instructional and engagement strategies for diverse student populations.

Curriculum and Alignment

The Academy's core curriculum is completely standards-aligned. Mathematics and English language arts ("ELA") curricula correspond with the MAS; science curricula reflect performance expectations set forth in the Next Generation Science Standards ("NGSS") with alignment to the new MAS; social studies curriculum is based on the Literacy in History framework within the MAS and informally utilizes concepts within the C3 framework. The curriculum, across all subject areas, directly meets the needs of the diverse student population served, including those that are economically disadvantaged, English Language Learners ("ELL"), and/or with disabilities; the integration of Special Designed Academic Instruction for English ("SDAIE") strategies ensures all content is readily accessible by all students. The Academy curriculum is developed by highly qualified curriculum teams, with input from subject area teachers within the organization. Curricula is consistently piloted, reviewed and revised by the Learn4Life ("L4L") Curriculum Teams, with feedback and input from subject-area teachers and students.

Curriculum writers across ELA, mathematics, science and social studies are trained in finding relevant connections to students' lives and including the connections into the curriculum. Students

are given opportunities throughout the coursework to share these connections orally and through writing, with teachers either via one-on-one or in a small group environment with other students. In addition to culturally relevant connections, the curriculum integrates a multitude of supports and resources, such as graphics, interactive charts and reference materials, to ensure that all new knowledge is structured and organized for students.

There are several instructional modalities used, including independent study, small group instruction and online courses. Students may work primarily within one or a combination of these pathways for a blended learning approach.

- ***Personalized Learning:*** Personalized learning is the most highly utilized modality. In this mode, students work with supervising teachers to develop an academic plan and content-area teachers to complete coursework culminating in a high school diploma. Students in this pathway may access the resource center, including tutors and other educational support staff, as frequently as needed.
- ***Small Group Instruction (“SGI”):*** SGI is a direct instruction model with class sizes ranging anywhere from 5 to 18 students. The vision for SGI is as follows: To prepare Academy students to be 21st Century learners in a collaborative learning environment where students are able to synthesize ideas with classmates in a small classroom setting within the independent study model. Many Academy students greatly benefit from having the opportunity to combine independent study with SGI to propel learning and course completion.
- ***In-School Online Courses:*** The Academy is equipped with technology-mediated classrooms to support online courses students have the option to take, in school only. The Academy’s comprehensive online course catalog, through partnerships with Edmentum™, allows for students to complete specialized coursework in the Academy at an individualized pace and with consideration to appropriate learning environment. When completing courses online, students are supported by a Supervising Teacher who manages the academic plan and may access tutoring either in the resource center or through the virtual platform.

Implementation of High-Quality Services

The Academy’s robust personalized instruction model allows for great latitude in meeting the unique needs of ethnic, LEP, disadvantaged, special education and gifted students. The Academy’s multi-tiered system of supports (“MTSS”) and SST methods apply to all students and are a springboard to differentiated, ethnically relevant and economically congruent-contextualized curriculum and inclusion.

The Academy is committed to high quality delivery of the instructional program, teaching and learning, and all academic services, to all students, in the following areas:

Ethnic/Racial Minorities

Academy teachers practice culturally competent pedagogy, understanding the make-up of the ethnic and racial population of students served. Research shows that teachers must relate content to culture to be effective in instructional approaches, maintain student interest and provide relevance to learning that connects in the real world (ASCD, 2018). Research also shows that when cultural norms are ignored, resistance follows (ASCD, 2018). Academy teachers are trained to understand and practice the connections necessary to facilitate a culturally responsive classroom and practice culturally responsive pedagogy knowing that children must be viewed and taught through approaches that focus on the whole child.

Students with Disabilities and Special Education Students

When making educational placement decisions for students with disabilities, the Academy will ensure that parents are contributing members of the Individualized Educational Program (“IEP”) team, and together the team will make decisions that are subject to requirements regarding provision of the least-restrictive environment. When determining how services will be delivered to students with disabilities, the Academy will follow all Special Education Rules as issued by the MDE. If a child with a current IEP enrolls in the Academy, the Academy will implement the existing IEP to the extent possible or will provide an interim IEP agreed upon by parents until a new IEP can be developed. IEPs will be developed, revised and implemented in accordance with the Individuals with Disabilities Education Improvement Act (“IDEIA”) and state law and regulations.

The Academy will fully comply with federal laws and regulations governing children with disabilities as follows:

1. The Academy is responsible for providing a free, appropriate public education to children with disabilities enrolled in the Academy that have been determined through an IEP to require Special Education programs and services.
2. The Academy will ensure that children who are suspected of having disabilities are properly evaluated by a multidisciplinary team, as defined in the Michigan Special Education Rules, and that children who have already been identified are re-evaluated by the multidisciplinary team at least every three years.
3. When a multidisciplinary team determines that a special education student requires Special Education programs and services, the Academy will ensure that the IEP is fully implemented in accordance with IDEIA and reviewed on an annual basis or more frequently as determined by the IEP team.

To ensure high quality services to students with disabilities enrolled in this model, The Academy has the same supports available to them as students in traditional programs. A teacher with the appropriate endorsement is assigned as the supporting teacher. The Special Education Consultant is responsible for ensuring the student with a disability is making progress on his/her IEP goals and for making mindful recommendations for accommodation in the Academy environment. An individual transition plan is developed and/or maintained as required by federal legislation. The

individual transition plan is an integral part of assisting with transition services and plans so that college/career objectives are developed.

Progress toward IEP goals, access to the general education curriculum, and progress through the general education curriculum in an inclusive setting for students with special needs is continuously monitored. A school psychologist conducts any necessary evaluations such as those needed for an initial assessment or reevaluations. Students have access to designated instructional services such as, but not limited to, psychological counseling, speech/language therapy, nursing support, specialized academic instruction, vision support services, deaf and hard of hearing support services, physical therapy and occupational therapy. This method of providing required, agreed upon frequency and duration of special education services, as described in the IEP, ensures high quality services to students with special needs. The Academy follows the steps of the Michigan special education process and makes all efforts to replicate the IEP of an already identified special education student transferring into the Academy.

The special education process begins with a referral, where the child is identified as possibly needing special education and related services through a parent request, teacher request or a recommendation from the student's SST or support team. Within 10 calendar days after the referral, the Academy must inform the parents of the referral and request written consent to evaluate the student. The child is evaluated by the IEP team to gather information to understand the educational needs of the child and to guide decision-making on services for the child. "The time from referral or from receipt of parental consent to an initial evaluation to the completion of the individualized education program or the determination of ineligibility shall not be more than 30 school days." R 340.1721c.

The IEP team, including parents, determines if the child is eligible for special education using all available information about the child. If the child is found eligible for services based on the allowable disabilities pertaining to IDEIA, an IEP meeting is scheduled. An IEP meeting must be held within 30 calendar days after it is determined the child qualifies for special education.

The Academy involves parents in the process. If the student is not found eligible for continued interventions or a 504 Plan is developed, in the event permanent or short-term disabilities do not fall under the guidelines for an IEP, the Academy will continue to provide the appropriate accommodations for academic success. When the student is found eligible, an IEP meeting is held, and the IEP is written. The entire IEP team writes the IEP together, using collected child data. The IEP determines any and all services the child is to receive.

The IEP agreed upon and specified frequency and duration of services must begin as soon as possible after IEP development. All service providers and Academy parents must have access to the IEP, and progress is measured and reported to parents at least quarterly. The IEP specifies how the student's progress is measured and reports are shared with parents. The IEP document is reviewed and revised annually, or as needed to address any lack of expected progress. Either the Academy or parents can request a review.

Academy students are reevaluated at least every three years. The reevaluation occurs to establish continued eligibility and the child's recent educational needs. If the child is not found eligible for

special education, the parents must receive a copy of the evaluation report and documentation of the determination. Under IDEIA, parents must also be given information about what to do if they disagree with the eligibility decision. Typically, the parents may request the Academy pay for Independent Education Evaluation (“IEE”) from a designated list of third-party evaluators. The parents have the right to request mediation or a due process hearing to resolve a dispute about the child’s identification, evaluation or education placement.

A child who has a disability, but who is not eligible under IDEIA, may be eligible for the protections afforded by other laws. It’s not uncommon for a child to have a 504 plan at school to address disability-related educational needs instead of an IEP. Teachers and parents need to work together to design interventions for the child to use in the classroom to ensure continued success. While a child may not have qualified for special education services, it is imperative to continuously monitor each child for developmental changes. As the child grows, he/she may become eligible for services. Ongoing assessment provides more information regarding developmental changes. By following these steps, the Academy ensures high quality services.

Disadvantaged Youth

Economically disadvantaged students are identified systematically through the completion of a survey to indicate household members and income. However, the Academy knows that virtually all of the students served are economically disadvantaged due to the socio-economic realities of the home community. These young people face many hurdles such as lack of food, clothing, medical attention, strong family connections, transportation and even housing. In America’s Promise Alliance report, Don’t Quit on Me, 2015, researchers found that “the presence of stable, trusting relationships is a key factor to enabling re-engagement.” The Academy’s service to this student population begins with the caring relationship and in getting to know each student’s particular barriers. Once those needs have been identified through personal interaction and in combination with surveys and enrollment forms, the Academy relies on the expertise of Academy partners to provide services directly at the Academy or support the student in accessing those needed services.

Instructional Programs for ELL- Language Assistance Program Services (“LAPS”)

The Academy meets all applicable legal requirements for English Learners (“EL”), as it pertains to annual notification to parents, student identification, placement, instructional program options, English Language Development (“ELD”) instruction, and core content instruction, teacher qualifications and training, exiting to Former English Learners (“FEL”), monitoring and evaluating program effectiveness, and standardized testing requirement. The Academy works to implement “*Advancing Equity, A Strategic Vision for English Learners*” approved by the State Board of Education, as part of the fabric in serving EL students.

Each student enrolled must be formally identified as either a native English Only (“EO”) speaker, an EL, or as a FEL. Following Michigan’s Entrance and Exit Protocol (“EEP”), if the student’s Home Language Survey indicates that a language other than English is used at home, the student’s English Language Proficiency level must be assessed within 30 calendar days of initial enrollment. A student that is new to the state or country will be assessed to determine initial English proficiency with the state’s required assessment, WIDA™ Screener. The student’s overall score will indicate if they are or are not an ELL student. The Academy notifies all parents of its responsibility for WIDA Access testing and of test results within 30 days of testing.

Identified EL students will be provided a Pull-Out/Push-In English as a Second Language (ESL) Program, which provides language and academic content support through ESL instruction, sheltered content instruction, tutoring and reading support. Endorsed ESL teachers or an ESL consulting agency will teach English language components (grammar, vocabulary, and pronunciation) and language skills (listening, speaking, reading, writing, and comprehension) as well as content areas to move students towards English fluency.

ESL instructional strategies include, but are not limited to differentiation for all students, activating and linking prior knowledge, key academic language and content vocabulary development, speech appropriate for students' ELP, using mnemonics, predicting and inferring, summarizing and synthesizing, verbal and non-verbal cues, instructional scaffolding, procedural scaffolding, verbal scaffolding, paraphrasing, graphic organizers, sentence stems, models and visuals, questioning techniques, wait time for student responses, student grouping, use of manipulatives, native language support, informal and formal assessment. ESL teachers will also implement linguistic accommodations suitable to the students ELP level.

| English Language Proficiency Level | Linguistic Accommodations |
|------------------------------------|---|
| Level 1: Entering | pictorial or graphic representation of the language of the content areas; words, phrases, or chunks of language when presented with one-step commands, directions, WH- questions, or statements with visual and graphic support |
| Level 2: Beginning | general language related to the content areas; phrases or short sentences; oral or written language with phonological, syntactic, or semantic errors that often impede the meaning of the communication when presented with one to multiple-step commands, directions, questions, or a series of statements with visual and graphic support |
| Level 3: Developing | general and some specific language of the content areas; phrases or short sentences; oral or written language with phonological, syntactic, or semantic errors that may impede the communication but retain much of its meaning when presented with oral or written, narrative or expository descriptions with occasional visual and graphic support |
| Level 4: Expanding | specific and some technical language of the content areas; a variety of sentence lengths of varying linguistic complexity in oral discourse or multiple, related paragraphs; oral or written language with minimal phonological, syntactic, or semantic errors that do not impede the overall meaning of the communication when presented with oral or written connected discourse with occasional visual and graphic support |
| Level 5: Bridging | the technical language of the content areas; variety of sentence lengths of varying linguistic complexity in extended oral or written discourse, including stories, essays, or reports; oral or written language approaching comparability to that of English proficient peers when presented with grade level material |

Students with disabilities will be provided the same access to ESL instruction and support as their peers who do not have IEPs. When a student qualifies for Special Education Services, the IEP team decides upon linguistically and developmentally appropriate goals and objectives based on the student's needs. The student's IEP will include the goals that address English language development as well as accommodations and/or modifications which support access to the content areas.

Communication with parents of ELs in their primary language is essential. The Academy will provide parents with written communication in their primary language when fifteen percent or more students speak a language other than English as indicated in their Home Language Survey. This includes all written communications sent to a parent or guardian, including, but not limited to IEPs, report cards, discipline notices and other parent notifications. In cases where families are not literate in their native language, oral communication will be provided. Each year during individual parent-teacher conferences, parents of ELs are informed of their student's progress towards English language development and core content areas.

In accordance with federal law, parents or guardians have the right to opt-out of the LAP services. An English learner who has opted out of LAP services will be monitored regularly to ensure academic progress, will be provided adequate support to reduce any language barriers, and must still participate in the annual WIDA ACCESS for ELLs until meeting the exit protocol requirements. After meeting the exit protocol requirements, the student who has opted out is formally exited and receives monitoring for four years as required by the state.

Each spring, the Academy will review the WIDA ACCESS results to determine student placement in LAP services, to update the local records for students who were exited, and to evaluate the effectiveness of the LAP services. All English learners must receive scores in all four domains (listening, speaking, reading, and writing) on the spring WIDA ACCESS to be considered to exit from ESL services. Students will not be exited if they do not meet all of the exit protocol requirements in Michigan's Entrance and Exit Protocol (EEP). Students whose parents have chosen to opt out of some, or all the LAP services must meet the exit protocol requirements to be considered for exit. The WIDA Alternate ACCESS is available for ELs with disabilities for whom the WIDA ACCESS for ELLs is not an appropriate assessment per the student's IEP.

FELs will be monitored for four years after achieving exit status by meeting the Michigan English proficiency requirements. Teachers will properly monitor the former EL student's academic performance regularly. The information will be documented in the student's records. If monitoring shows that the student is struggling in academic performance and/or English language skills, appropriate assistance and language instruction services will be made available to the student.

Serving Gifted and Talented ("GATE") Students

Academy leadership and faculty follow the recommended practices of the National Association for Gifted Children because gifted programs are an essential part of any school. GATE students and those with high abilities need gifted education programs that provide challenge in learning environments. The Academy's enrichment and accelerated program is designed to enable GATE students to make continuous progress in school.

Academy GATE students receive educational acceleration, which is one of the cornerstones of exemplary gifted education practices. The practice of educational acceleration has long been used

to match high-level students' general abilities and specific talents with optimal learning opportunities. The Academy's "go at your own rate" method for all students is ideally suited for acceleration in GATE students. Academy students take and pass tests to earn credits and move forward to the next credit. This method translates well to the GATE method of Curriculum Compacting. Curriculum compacting condenses, modifies or streamlines the regular curriculum to reduce repetition of previously mastered material. "Compacting" curriculum allows time for acceleration or enrichment beyond the basic curriculum for students who would otherwise be simply practicing what they already know.

The Academy's personalized learning model allows for teaching flexibility to promote compacting for the GATE student as needed. The Academy also allows for the GATE method of Grouping. The Academy's flexible appointment schedule allows for teachers to easily make appointments that promote grouping and small group instruction. Grouping gifted children together allows for more appropriate, rapid and advanced instruction, which matches the rapidly developing skills and capabilities of GATE students. Identification is also a critical component of effective gifted education programming. One size does not fit all.

In addition to using assessments appropriate to the services provided, different strategies may be needed to ensure students with high potential are identified. The Academy's personalized model promotes one-to-one contact with the teacher, whereby pull-out practices are naturally achieved. The Academy administrator provides at least annual training to the faculty on best practices for instructing GATE students.

Trauma-Resilient Education Communities ("TREC") Model and Accreditation Framework

The guiding TREC framework utilized by the Academy, was created by Lifelong Learning Administration Corporation ("LLAC"), and is anchored in Positive and Adverse Childhood Experience's ("PACEs") science and provides a two to three-year implementation structure that guides the process which will result in the recognition of all the Academy learning centers as Trauma-Resilient Education Communities. The framework goes well beyond just training and involves the development of practical applications and standard operating procedures across all elements of the school.

The TREC model and accreditation process consists of core training modules, resiliency programs, program development and developing partnerships between the Academy, other social service agencies, and post-secondary institutions. The Academy will integrate these services by focusing on academics, health and social services, youth and community development, career exploration, and community engagement that leads to improved student learning and healthier communities.

The TREC program benefits all students, staff, and stakeholders by providing ongoing training and resiliency programs informed by Trauma-Informed practices, Social-Emotional Learning ("SEL"), Diversity, Equity and Inclusion ("DEI"), and PACEs science. LLAC and PACEs Connections are supporting the Academy through the process to become a TREC accredited school. PACEs Connection is a worldwide social network that accelerates the global movement toward recognizing the impact of adverse childhood experiences in shaping adult lives.

Under this model, staff learn about the PACEs science and how to respond to the symptoms of chronic interpersonal trauma and stress for students and staff through; realizing the widespread impact of trauma, recognizing the signs and symptoms of trauma in students and staff, responding to trauma by integrating knowledge and building resiliency through programmatic offerings and trainings, and creating school policies and protocols infused with trauma-informed practices to limit re-traumatization. School staff are trained on Foundations of PACEs Science and TREC, while simultaneously offering resiliency programs including, but not limited to, Yoga for PE, meditation classes, and life skills curricula with a focus on mindfulness. Further, staff is trained on, and provided access to, ongoing resources and tools around self-compassion to offset the occupational hazards of compassion fatigue and burnout. Below is an outline of the TREC Accreditation process.

1. Academy staff complete new Foundations of TREC/PACES Science training, with a required examination, once every two years.
2. Academy appoints a TREC Point of Contact (“POC”) and start resiliency programs for students.
3. Academy tracks data towards programmatic improvement, attends TREC Oversight Committee meetings facilitated by PACES Connection, and attends resiliency facilitator trainings.
4. Academy staff complete the Bridge to Wellness training modules:
5. Academy staff complete TREC Framework training focusing on scenario-based modules and practical applications that deepen the understanding of prior learning. Attendees are also introduced to the TREC accreditation framework during this training.
6. The Academy will set up workgroups to produce a report with artifacts as evidence that Trauma-Resilient practices and systems are being woven into all facets of the school. The work group will also create an action-plan to ensure continuous improvement to TREC integration and practice. The report and action-plan serve as the framework for a formal review facilitated by PACEs Connection TREC experts.

Assessment Data

The Academy utilizes assessments to measure growth, mastery and proficiency for the purpose of enhancing student learning and increasing student achievement outcomes. The Academy’s assessments support the goal of preparing students for higher education and the workforce by providing educators, administrators and teachers insight to students’ needs and learning progress through the utilization of data. MAS and aligned MMC are used to develop instruction, and lessons that support student progress toward reaching the Academy’s performance goals and state graduation requirements. Students will participate in a variety of assessments throughout their educational career at the Academy to ensure they are on track to graduate and prepared for post-secondary opportunities.

The Academy has a comprehensive assessment menu designed to improve student outcomes and inform the individualized learning model. As required by the state, all students who are eligible and in the appropriate grade level participate in their corresponding mandated assessments. Students test at each assessment interval with the aim of assessing all eligible students and improving on the prior year’s results. The Academy uses this data within the PLCs to help guide school-wide and instructional decisions, as well as support academic planning. In addition to all

state mandated assessments, the Academy implements supplemental and diagnostic assessments to track student growth and establish a more comprehensive picture of individualized student needs. Students attending the Academy participate in NWEA MAP testing and credit-based mastery assessments.

NWEA MAP is one of the most widely used norm-referenced assessments in the nation, providing schools with critical information on student instructional readiness and is aligned to both Lexile and Quantile frameworks. The Academy utilizes these scores for academic planning and appropriate placement in intervention and other curricular options for students. Additionally, the Academy ensures students are assessed and reassessed at selected intervals throughout the year to optimize use of NWEA MAP data and track individual skill growth. While taking into consideration the targeted credit deficient and recovered student dropout population, the Academy believes NWEA MAP assessments are a critical tool to strategically promote student success and supports Academy efforts to move the needle on academic growth and shorten the achievement gap.

In addition to NWEA, the Academy has embedded mastery-based assessments within each LEP to provide staff with achievement and growth data on grade level standards. These assessment results not only support instructional staff in understanding how students are performing on grade level standards but provide teachers with data to make real time instructional decisions.

The selected assessment menu and model that the Academy implements supports knowledgeable and purposeful programing across the school. Teachers and administrators have the data they need to make informed and quick decisions to pivot their practices if need be. At the leadership level, the selected assessment model provides the school with a comprehensive overview of how the Academy is closing the achievement gap and improving skill acquisition in various ways, articulating the true value that the Academy is bringing to the opportunity youth student population.

Assessment Menu

| Assessment | Purpose | Schedule |
|---------------------------|--|---|
| LEP Mastery Checks | These summative assessments are imbedded in each LEP assignment and meant to provide teachers with immediate feedback regarding student mastery of skills and standards addressed. | Taken upon completion of each assigned LEP |
| Performance Tasks | Performance tasks allow an opportunity for students to demonstrate their level of proficiency of the acquired knowledge through the production of a tangible rigorous work sample. | Taken within the contents of each assigned LEP, most evident within core courses. |

| Assessment | Purpose | Schedule |
|--------------------------|--|--|
| NWEA MAP | NWEA MAP is a norm referenced assessment that provides teachers with key information concerning student skill gaps and appropriate course placement or intervention options. | Taken upon enrollment and at multiple intervals throughout the year. |
| State Assessments | State-wide summative assessments include M-STEP, PSAT™, SAT®, ACT WorkKeys® and WIDA | Taken during the Spring assessment windows |

Graduation Requirements

The Academy upholds Michigan high school graduation standards to prepare students for postsecondary and career opportunities. Each opportunity youth is provided an individualized academic learning plan that reflects not only his or her historical academic history but also aligns to and supports his or her post-secondary and career aspirations. By personalizing each student's academic learning plan, students are able to map out their pathways to graduation with the appropriate coursework, support and pacing necessary to be successful. The Academy requires students to exceed the minimum requirements for the MMC.

Students earn credits by successfully completing the courses outlined in the created academic plan. To obtain a high school diploma, students must meet the state minimum standards and earn the 18 required credits. The Academy requires 20 credits to successfully complete the program.

Academy High School Graduation Requirements (20 credits):

| | |
|--|-----------|
| English and Language Arts (ELA) | 4 credits |
| Mathematics | 4 credits |
| Science (per Michigan Science Standards) | 3 credits |
| Social Studies | 3 credits |
| Career and Technical Education | 2 credits |
| Physical Education/Health | 1 credit |
| Visual, Performing or Applied Arts | 1 credit |
| World Languages (Spanish or French) | 2 credits |

The Academy follows the MMC (2017) for Science Sec. 1278b (1)(b) and requires 3 credits that are aligned to the State Board approved content. Academy students must complete Biology, Chemistry or Physics and Anatomy to meet expectations.

Evaluation and Program Effectiveness

The Academy measures academic progress by using state assessments, interim assessments, student work, teaching and learning data, and academic progress reports. Individual students are monitored weekly by teachers and throughout the school year. Academy SGI cohorts and all other sub-groups take advantage of the Personalized Learning Model within relevant collaborative groups. Data is

collected, disaggregated, triangulated, interpreted and applied throughout the school year and charter term utilizing the following methods:

- Attendance rates
- Reduction of absenteeism
- Retention
- Credit completion
- Academic growth as measured through diagnostic testing such as the NWEA MAP assessment
- Michigan state required assessments
- Graduation rates
- Summative and Formative Assessments

Class-level assessment data is collected and reviewed weekly by teachers and shared with co-teachers, counselors and administrators during data meetings and for the purpose of working as a team to support student progress and monitor LEPs.

Students and parents examine this data to plan for reaching learning goals. Administrators collect and examine assessment data to make plans for improving outcomes, enhancing annual achievement goals, and informing the instructional model. The systems to be used for student data collection and analysis include NWEA MAP, school Student Information System (“SIS”), Learning Management System (“LMS”) and online curriculum.

The Academy addresses academic underperformance through the following processes:

- Focused staff professional development
- Targeted student tutoring opportunities based on assessment data
- Remediation tools and intervention courses
- Response to Intervention (“RTI”) process
- Discipline Data
- Parent-teacher conferences
- Parent, teacher and student surveys

The Academy monitors and manages school performance to assess progress towards the school growth plan through:

- Annual and ongoing data-focused strategic planning around improving student outcomes
- Data transparency to all stakeholders through regular and ongoing data disaggregation around key performance indicators (“KPIs”) including attendance rates, student retention, credit completion, assessment benchmarks, and graduation rates.

The Academy collects data on various levels. The Academy collects student data from the classroom including assessments, student work, projects, surveys, differentiation and special needs accommodations, and interviews. Data is also collected from interim assessments, state assessments, academic initiative outcomes, IEP and 504 efforts and outcomes, and teacher development for increasing student outcomes. NWEA assessments assist in specifically measuring student growth to analyze value-added growth and develop specific and narrow strategies that help students reach mastery.

Reporting comes from administrators and is examined with teachers, who follow processes for working and planning the reporting of information with students and parents. The Academy will comply with timely progress reporting and student report cards.

The Academy’s annual goals shall be monitored and revised through an ongoing data assessment process. Teachers shall work with school leaders to collect and review data that will inform instructional programming and increase successful learning outcomes. LEPs created for each student shall accompany the sources used for data assessment. The state assessment results act as a tool for teachers to track student progress and individual learning needs. Academy staff encourage and guide student growth toward the set achievement goals.

The Academy’s entrance assessments inform the initial goal setting, along with transcripts and grades review, student interviews, parent input and teacher guidance. Active monitoring includes work product review and observed learning, data assessment, student interviews, state assessments, school benchmarks and Mastery-Based Learning Review. Revised goals are formulated from active monitoring and implemented at various levels.

Revisions begin with the Corrective Action Plans within student's’ LEPs. A revision of the school-wide academic achievement goal is determined upon the learning gained and progress obtained through corrective actions. See the description below in Table 1 of the Academy’s focus for Setting, Monitoring and Revising Academic Achievement Goals for continuous improvement.

| Initial Review for Setting Goals | Active Monitoring | Revising Goals |
|---|-------------------------------|--------------------------------|
| Entrance (i.e., MAP) Assessment(s) | Work Product Review | Corrective Action Plans Review |
| Transcripts and Grades Review | Observed Learning | Initiatives Review |
| Student Interviews | Student Data Assessment | Milestones Review |
| Parent Input and Involvement | Student Interviews | Goals Review |
| Teacher Guidance | State Assessments | Improvements for Goal Revising |
| | School Benchmarks | |
| | Mastery-Based Learning Review | |

SECTION D
CURRICULUM

CURRICULUM

Pursuant to Applicable Law and the Terms and Conditions of this Contract, including Article VI, Section 6.4, the Academy shall implement, deliver, and support the curriculum identified in this schedule.

The Academy has adopted Learn4Life[®] curriculum and Edmentum[™] PLATO online course curriculum. The curriculum for all core subjects has been received, reviewed and approved by the Center.

- PLATO Learning <https://ple.platoweb.com/>

Secondary

The following subjects/courses are offered at the Academy*.

| Course Name | Grade** |
|---|---------|
| English (<i>minimum 4</i>) | |
| English 9 | Any |
| Literature and Writing 9A | Any |
| English 10 | Any |
| Literature and Writing 10A | Any |
| English 11 | Any |
| Literature and Writing 11A | Any |
| English 12 (21 st Century Literacy) | Any |
| Literature and Writing 12A | Any |
| SGI English Intensive 9 A/B | Any |
| SGI English Intensive 10 A/B | Any |
| SGI English Intensive 11 A/B | Any |
| SGI English Intensive 12 A/B | Any |
| Literature and Writing B: American Discourse | Any |
| Literature and Writing B: British Literature | Any |
| Literature and Writing B: Humor (College Prep) | Any |
| Literature and Writing B: To Kill a Mockingbird (Novel Study) | Any |
| English Intensive 9 | Any |

| Course Name | Grade** |
|--|---------|
| World Language (<i>minimum 2</i>) | |
| <i>World Language requirements are met through PLATO offerings</i> | Any |
| Visual, Performing & Applied Arts (<i>minimum 1</i>) | |
| <i>Visual, Performing, and Applied Arts requirements are met through PLATO offerings</i> | Any |
| Other | |
| Art 1 | Any |
| S.L.A.M. (Synthesis of Literature Art & Media) | Any |
| Public Speaking | Any |
| Skills4Flex | Any |
| SOURCE IS | Any |
| Beating the Odds | Any |
| Art History and Appreciation | Any |
| Expressive Writing | Any |
| Algebra Essential Skills | Any |
| Geometry Essential Skills | Any |
| Professional Skills | Any |

| | |
|---|-----|
| English Intensive 10 | Any |
| English Intensive 11 | Any |
| English Intensive 12 | Any |
| Mathematics (minimum 4) | |
| Pre-Algebra | Any |
| Algebra I | Any |
| Geometry | Any |
| Algebra II | Any |
| Consumer Math | Any |
| Introduction to Statistics | Any |
| Precalculus (<i>Edmentum</i>) | Any |
| Science (minimum 3) | |
| Earth Science | Any |
| Biology | Any |
| Chemistry | Any |
| Integrated Science 1 | Any |
| Integrated Science 2 | Any |
| Earth and Space Science (<i>Edmentum</i>) | Any |
| Physics (<i>Edmentum</i>) | Any |
| Social Studies (minimum 3) | |
| US History & Geography | Any |
| World History & Geography | Any |
| Civics | Any |
| Economics | Any |
| Civics (.5) (<i>PLATO</i>) | Any |
| Economics (.5) (<i>PLATO</i>) | Any |
| US History (<i>Edmentum</i>) | Any |
| World History and Geography (<i>Edmentum</i>) | Any |
| World Geography (<i>Edmentum</i>) | Any |
| Physical Education & Health | |
| Physical Education (<i>PLATO</i>) | Any |
| Health (<i>PLATO</i>) | Any |
| Health and Wellness | Any |
| Physical Education A | Any |
| Physical Education B | Any |
| Physical Education C | Any |
| Physical Education D | Any |

| | |
|--|-----|
| Math 180 Track 1 | Any |
| Math 180 2 | Any |
| Math 180 Track 3 | Any |
| Math 180 Track 4 | Any |
| Math Foundations | Any |
| System 44 I 1A/B | Any |
| System 44 I 2A | Any |
| System 44 II 1A/B | Any |
| Writing Intensive I A/B | Any |
| Writing Intensive II A/B | Any |
| Intervention Science | Any |
| | |
| Virtual Courses*** (<i>PLATO</i>) | |
| American Sign Language 1 A/B | Any |
| American Sign Language 2 A/B | Any |
| American Sign Language 3 A/B | Any |
| Art in World Cultures | Any |
| | |
| Health Science A/B | Any |
| Music Appreciation: The Enjoyment of Listening | Any |
| Spanish 1 A/B | |
| Spanish 2 A/B | |
| Spanish 3 A/B | |
| French 1 A/B | |
| French 2 A/B | |
| | |
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| | |
| | |
| | |
| CTE | |
| Introduction to Health Science | 10 |
| Health and Patient Care | 11 |
| Emergency Health A/B | 12 |
| Introduction to Foods | 10 |
| Culinary Principles | 11 |
| Food Service and Hospitality | 12 |
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| | |
| | |

* The Academy updates course offerings each school year based on the needs and interests of students as well as teacher certification. As a result some courses are rotated and are not offered each year. All core subjects are taught every year and high school students are required to meet the requirements of the Michigan Merit Curriculum.

**If students are not required to take a course at a specific grade level, “any” is used for the grade indication.

***Virtual Courses are defined as any course(s) that are delivered using the internet.

SECTION E

METHODS OF PUPIL ASSESSMENT

METHODS OF PUPIL ASSESSMENT

Pursuant to Applicable Law and the Terms and Conditions of this Contract, including Article VI, Section 6.5, the Academy shall properly administer all state-mandated academic assessments identified in the Code, as applicable, and all academic assessments identified in the Public School Academy Chartering Policies adopted by the University Board, as applicable, in accordance with the requirements detailed in the Master Calendar annually issued by the Center.

The Academy shall authorize the Center to have access to the Academy's Student/School Data Applications through the Center for Educational Performance and Information and to the electronic reporting system administered by the Michigan Department of Education to access the Academy's state assessment results, as applicable. The Academy shall ensure that those involved with the administration of these assessments are properly trained and adhere to the ethical standards and testing procedures associated with these assessments.

Academic Assessments to Be Administered:

Assessments as identified in Schedule 7b of this Contract and all state-mandated assessments.

SECTION F

APPLICATION AND ENROLLMENT OF STUDENTS

APPLICATION AND ENROLLMENT OF STUDENTS

Pursuant to Applicable Law and the Terms and Conditions of this Contract, including Article VI, Sections 6.6 and 6.16, the Academy shall comply with the application and enrollment requirements identified in this Schedule.

Enrollment Limits

The Academy will offer ninth through twelfth grade. The maximum enrollment shall be 800 students across the two sites identified in Schedule 6 of the Contract. Enrollment will be distributed over the sites as follows:

Burton Site

The maximum building capacity for the space leased by the Academy is 221 students. The Academy's program is delivered utilizing a schedule tailored to each student. This allows for a maximum enrollment of 400 students with not more than 221 students attending at one time.

North Flint Site

The maximum building capacity for the space leased by the Academy is 219 students. The Academy's program is delivered utilizing a schedule tailored to each student. This allows for a maximum enrollment of 400 students with not more than 219 students attending at one time.

At no time may the combined enrollment of the two sites exceed 800 students.

The Academy Board will annually adopt maximum enrollment figures prior to its application and enrollment period.

Requirements

Section 504 of the Code provides that public school academies shall not charge tuition and shall not discriminate in its pupil admissions policies or practices on the basis of intellectual or athletic ability, measures of achievement or aptitude, status as a student with a disability, or any other basis that would be illegal if used by a Michigan school district. However, a public school academy may limit admission to pupils who are within a particular range of age or grade level or on any other basis that would be legal if used by a Michigan school district and may give enrollment priority as provided below.

- Academy enrollment shall be open to all individuals who reside in Michigan. Except for a foreign exchange student who is not a United States citizen, a public school academy shall not enroll a pupil who is not a Michigan resident.
- Academy admissions may be limited to pupils within a particular age range/grade level or on any other basis that would be legal if used by a Michigan school district.
- The Academy shall allow any pupil who was enrolled in the Academy in the immediately preceding school year to enroll in the Academy unless the appropriate grade is not offered.
- No student may be denied participation in the application process due to lack of student records.
- If the Academy receives more applications for enrollment than there are spaces available, pupils shall be selected for enrollment through a random selection drawing.

The Academy may give enrollment priority to one (1) or more of the following:

- A sibling of a pupil enrolled in the Academy.

- A pupil who transfers to the Academy from another public school pursuant to a matriculation agreement between the Academy and other public school that provides for this enrollment priority, if all of the following requirements are met:
 1. Each public school that enters into the matriculation agreement remains a separate and independent public school.
 2. The Academy shall select at least 5% of its pupils for enrollment using a random selection process.
 3. The matriculation agreement allows any pupil who was enrolled at any time during elementary school in a public school that is party to the matriculation agreement and who was not expelled from the public school to enroll in the public school academy giving enrollment priority under the matriculation agreement.
- A child, including an adopted child or legal ward, of a person who is employed by or at the Academy or who is on the Academy Board.

Matriculation Agreement

- The Academy Board may enter into a matriculation agreement with another public school pursuant to section 504(4) of the Code.
- However, before the Academy Board approves a matriculation agreement, the Academy shall provide a draft copy of the agreement to the Center for review.
- Any matriculation agreement entered into by the Academy shall be added to this Schedule 7f through a contract amendment approved in accordance with Article IX in the Terms and Conditions of this Contract.

Application Process

- The Academy shall make reasonable effort to advertise its enrollment openings.
- The Academy's open enrollment period shall be a minimum of two weeks (14 calendar days) in duration and shall include evening and weekend times.
- The Academy shall accept applications all year. If openings occur during the academic year, students shall be enrolled. If openings do not exist, applicants shall be placed on the official waiting list. The waiting list shall cease to exist at the beginning of the Academy's next open enrollment period.
- In the event there are openings in the class for which students have applied, students shall be admitted according to the official waiting list. The position on the waiting list shall be determined by the random selection drawing. If there is no waiting list, students shall be admitted on a first-come, first-served basis.
- The Academy may neither close the application period nor hold a random selection drawing for unauthorized grades prior to receipt of written approval from the Center.

Legal Notice or Advertisement

- The Academy shall provide legal notice or advertisement of the application and enrollment process in a local newspaper of general circulation. A copy of the legal notice or advertisement shall be forwarded to the Center.
- At a minimum, the legal notice or advertisement must include:
 1. The process and/or location(s) for requesting and submitting applications.
 2. The beginning date and the ending date of the application period.
 3. The date, time, and place the random selection drawing(s) will be held, if needed.
- The legal notice or advertisement of the application period shall be designed to inform individuals that are most likely to be interested in attending the Academy.
- The Academy, being an equal opportunity educational institution, shall be committed to good-faith affirmative action efforts to seek out, create and serve a diverse student body.

Re-enrolling Students

- The Academy shall notify parents or guardians of all enrolled students of the deadline for notifying the Academy that they wish to re-enroll their child.
- If the Academy Board has a sibling preference policy, the re-enrollment notice must also request that the parent or guardian indicate whether a sibling(s) seeks to enroll for the upcoming academic year.
- An enrolled student who does not re-enroll by the specified date can only apply to the Academy during the application period for new students.
- An applicant on the waiting list at the time a new application period begins must reapply as a new student.
- After collecting the parent or guardian responses, the Academy must determine the following:
 1. The number of students who have re-enrolled per grade or grouping level.
 2. The number of siblings seeking admission for the upcoming academic year per grade.
 3. If space is unavailable, the Academy must develop a waiting list for siblings of re-enrolled students.
 4. The number of spaces remaining, per grade, after enrollment of current students and siblings.

Random Selection Drawing

A random selection drawing is required if the number of applications exceeds the number of available spaces. Prior to the application period, the Academy shall:

- Establish written procedures for conducting a random selection drawing.
- Establish the maximum number of spaces available per grade or age grouping level.
- Establish the date, time, place and person to conduct the random selection drawing.

- Notify the Center of both the application period and the date of the random selection drawing, if needed. The Center may have a representative on-site to monitor the random selection drawing process.

The Academy shall use a credible, impartial individual who is not employed by, under contract with, a member of the Board of, or otherwise affiliated with the Academy to conduct the random selection drawing. Further, the Academy shall:

- Conduct the random selection drawing in a manner that is open to parents, community members and members of the public who want to observe the process.
- Use numbers, letters, or another system that guarantees fairness and does not give an advantage to any applicant.

The Academy shall notify applicants not chosen in the random selection drawing that they were not selected and that their name has been placed on the Academy's official waiting list for openings that may occur during the academic year. Students shall appear on the official waiting list in the order they were selected in the random selection drawing.

SECTION G

SCHOOL CALENDAR AND SCHOOL DAY SCHEDULE

SCHOOL CALENDAR AND SCHOOL DAY SCHEDULE

Pursuant to Applicable Law and the Terms and Conditions of this Contract, including Article VI, Section 6.7, the Academy shall comply with the school calendar and school day schedule requirements identified in this Schedule.

School Calendar

The Academy's school calendar shall comply with Sections 1175, 1284, and, if applicable, 1284a and 1284b, of the Code. The Academy's school calendar shall also comply with the minimum requirements set forth in Section 101 of the School Aid Act of 1979 (MCL 388.1701). The Academy Board must submit a copy of the Academy's school calendar to the Center in accordance with the Master Calendar.

School Day Schedule

The Academy Board must structure the Academy's school day schedule to meet the required number of instructional days and hours. The Academy Board must submit the school day schedule to the Center prior to the commencement of each academic year.

SECTION H

AGE OR GRADE RANGE OF PUPILS

AGE OR GRADE RANGE FOR PUPILS TO BE ENROLLED

Pursuant to Applicable Law and the Terms and Conditions of this Contract, including Article VI, Section 6.8, the Academy shall comply with the age or grade ranges as stated in this Schedule.

The Academy will enroll students in ninth through twelfth grade. The Academy may add grades with the prior written approval of the authorizing body.

CONTRACT SCHEDULE 8

**INFORMATION AVAILABLE TO
THE PUBLIC AND THE CENTER**

INFORMATION AVAILABLE TO THE PUBLIC AND THE CENTER

Pursuant to Applicable Law and the Terms and Conditions of this Contract, including Article XI, Section 11.9, the Academy shall comply with this Schedule.

Information Available to the Public and the Center

The Code provides that the board of directors of a public school academy shall make information concerning its operation and management available to the public and to the Center in the same manner as is required by state law for school districts.

The Code provides that the board of directors of a public school academy shall collect, maintain, and make available to the public and the Center, in accordance with Applicable Law and the Contract, at least all of the following information concerning the operation and management of the Academy:

1. A copy of the Academy's Charter Contract.
2. A list of currently serving members of the Academy Board, including name, address, and term of office.
3. Copies of policies approved by the Academy Board.
4. The Academy Board meeting agendas and minutes.
5. The budget approved by the Academy Board and of any amendments to the budget.
6. Copies of bills paid for amounts of \$10,000.00 or more, as submitted to the Academy Board.
7. Quarterly financial reports submitted to the Center.
8. A current list of teachers and administrators working at the Academy that includes individual salaries as submitted to the Registry of Educational Personnel.
9. Copies of the teaching or administrator's certificates or permits of current teaching and administrative staff.
10. Evidence of compliance with the criminal background and records checks and unprofessional conduct check required under sections 1230, 1230a, and 1230b of the Code for all teachers and administrators working at the Academy.
11. Curriculum documents and materials given to the Center.
12. Proof of insurance as required by the Contract.
13. Copies of facility leases or deeds, or both.
14. Copies of any equipment leases.
15. Copies of any management contracts or services contracts approved by the Academy Board.
16. All health and safety reports and certificates, including those relating to fire safety, environmental matters, asbestos inspection, boiler inspection, and food service.
17. Annual financial audits and any management letters issued as part of the Academy's annual financial audit, required under Article VI, Section 6.11 of the Terms and Conditions of this Contract.
18. Any other information specifically required under the Code.

Information to be Provided by the Academy's Educational Service Provider (if any)

Pursuant to the Terms and Conditions of this Contract, including Article III, Section 3.6, the University Board authorizes the Academy Board to employ or contract for personnel according to the position information outlined in Schedule 5. Any Educational Service Provider Management Agreement entered into by the Academy must contain a provision requiring the Educational Service Provider to provide to the Academy Board information concerning the operation and management of the Academy (including without limitation, but not limited to, the items identified above and annually the information that a school district is required to disclose under Section 18(2) of the State School Aid Act of 1979, MCL 388.1618) available to the Academy Board in order to enable the Academy to fully satisfy its obligations under Section 11.9(a) of the Terms and Conditions of Contract.

AMENDMENT NO. 1

to the
July 1, 2023 Contract to Charter
A Public School Academy and Related Documents

Issued To

FLEX HIGH SCHOOL OF MICHIGAN
(A PUBLIC SCHOOL ACADEMY)

By

THE CENTRAL MICHIGAN UNIVERSITY
BOARD OF TRUSTEES
(AUTHORIZING BODY)

CONTRACT AMENDMENT NO. 1

FLEX HIGH SCHOOL OF MICHIGAN

In accordance with Article IX of the Terms and Conditions of the Contract (the "Contract"), dated July 1, 2023, issued by the CENTRAL MICHIGAN UNIVERSITY BOARD OF TRUSTEES (the "University Board") to FLEX HIGH SCHOOL OF MICHIGAN (the "Academy"), the parties agree to amend the Contract as follows:

- 1.) Amend Schedule 7, Section c: Educational Programs, by replacing the materials contained therein with the materials attached as Tab 1.

This entire amendment is hereby approved by the University Board and the Academy Board through their authorized designees, and shall have an effective date of November 14, 2023.



Dated: 01/10/2024

By: Corey R. Northrop, Executive Director
The Governor John Engler Center for Charter Schools
Designee of the University Board



Dated: 01/09/24

By: MATTHEW CLARK
Flex High School of Michigan
Designee of the Academy Board

Flex High School of Michigan

Contract Amendment No. 1

Tab 1

EDUCATIONAL PROGRAMS

Pursuant to Applicable Law and the Terms and Conditions of this Contract, including Article VI, Section 6.3, the Academy shall implement, deliver, and support the educational programs identified in this schedule.

Mission

FLEX High School of Michigan (“Academy”) recovers students who have dropped out or are in danger of dropping out of high school. We enroll students into a resource center, mentor, teach, and prepare them for graduation and college and career readiness.

Vision

FLEX-Michigan’s vision is to provide students seeking an alternative school setting with a personalized approach to learning that empowers students to take responsibility for their education and to graduate with the skills they need to become responsible citizens and lifelong learners.

The Academy prepares the students of Flint, Michigan, with the educational skills necessary in the 21st Century, inclusive of the ability to read, write, speak and calculate with clarity and precision and the ability to participate intelligently and responsibly in a global society. The Academy offers alternative choices through site-based learning, independent study and in-school online learning to enable students to acquire the knowledge necessary to make a difference in their lives.

Core Values

The Academy believes all students deserve a chance to receive a high school diploma, learn a skill that prepares them for a life-long career and have access and entry to post-secondary opportunities. The Academy builds a foundation of support for students who have found the traditional setting challenging. The program is an innovative approach to public education that honors and recognizes the unique gifts, skills, passions and attributes of each student. Research confirms that every individual assimilates information per his/her own unique style, need and interest.

The Academy will, when it is in the student’s best interest, support the re-entry into the local district through an alternative program focused on credit attainment, graduation, career and technical training and post-secondary opportunities. The Academy is dedicated to fostering aptitude in self-directed learning and academic achievement so that students may be self-supported, lifelong contributors toward a healthy 21st Century community through active participation as an educated, skilled member of the community.

The Educational Program and Approach

Program Delivery

The educational program provides a student-centered environment in which all students are held to high academic and behavioral standards. Students work in collaborative relationships with teachers, administrators and peers. The Academy delivers the program through a personalized learning approach to education - one-to-one instruction. While students are provided with a full academic plan, they are able to focus on two courses at a time and are empowered to embrace the flexible weekly schedule. The Academy strives to develop students who are responsible for time spent at school and outside school, at work or home, to become competent, self-motivated, life-

long learners. To accomplish this, the Academy emphasizes increased parental involvement, more one-on-one teacher and student interaction, attention to differences in learning styles, student-driven participation in developing the learning process, technology access, varied learning environments, teacher and parent development programs and choices in curricular programs.

Intake

The Academy may receive inquiries from prospective students at any time through phone calls, walk-ins and referrals from local school counselors. The front desk and/or operations staff prepare parents and prospective students by providing information regarding forms to bring that are required to enroll. The Academy holds regularly scheduled orientation sessions for new students. The prospective student and parent are asked to bring all required paperwork to the orientation appointment. Any student in need of the program is welcome to attend an orientation session.

Orientation

Orientation is usually conducted in a group setting, but individual appointments may be made to accommodate the student/family. Orientation is conducted by a team of Academy staff, including a welcome by the administrator or lead teacher. Students/parents are provided with the student-parent handbook, which is reviewed in detail to ensure rules and expectations are clear. Videos representative of the Academy's culture and expectations may be shown. The families are provided with a tour of the center and introductions to staff. An essential product of the orientation is creating a schedule for the student that accommodates his or her obligations, as well as the Academy and teacher's schedules.

On the student's first meeting with the supervising teacher, most of the time is spent getting to know each other. The student and teacher agree on the weekly schedule, the student takes an enrollment survey, and any barriers to attendance such as transportation or other needs are addressed and met. The supervising teacher records the student's presence on the attendance roster, assigns grades and produces report cards. In addition to their role as a supervising teacher, each function as a content area expert in a larger professional learning community that works together to analyze student outcomes and collaborate on academic planning. Although the supervising teacher is in control and responsible for the implementation of the academic plan, our teachers work together to ensure all students are getting individualized attention and support needed to be successful.

To support with the academic planning process, all new students complete a reading and math diagnostic assessment via Northwest Evaluation Association™ (“NWEA™”), which provides the teacher with a baseline measure of student performance. This information allows the teacher to place the student in appropriate courses and adjust instruction to address student needs. The supervising teacher uses a combination of previous school transcripts and the NWEA assessment to place the student in appropriate courses. By focusing on one core course at a time, many students experience greater success in each course.

Each student is connected to a dedicated teacher who holds weekly mentoring sessions that focus on goals setting, building basic skills and reflecting on academic progress, creating a path to greater credit attainment and mastery of core content. Teachers work closely with the student's Supervising Teacher and the larger teacher team to act as a Professional Learning Community

(“PLC”) to promote communication and collaboration and one-on-one support to ensure access to personalized learning and successful student outcomes.

Instructional Approaches

The Academy provides an alternative education program to students who have not had success in traditional, comprehensive schools and who became separated from the regular education program in grades 9 through 12. With this philosophy in mind, the Academy is committed to providing a rigorous and accessible education leading students to:

- Develop clear and effective reading, writing and oral communication skills
- Master the fundamentals of reading, writing, mathematics, science and social studies
- Acquire a strong foundation in mathematical reasoning skills
- Develop strong technological skills
- Develop character and the ability to respect the differences that arise in a multicultural community
- Learn about the cultural, economic, geographical, political and technological forces which have impacted their community, country and the world
- Acquire knowledge and skills in the sciences and the ability to conduct inquiries using the scientific method and problem-solving skills
- Find, select, evaluate, organize and use information from various sources
- Participate in the creation of and developing an informed appreciation of the arts
- Acquire knowledge of pertinent health issues and the development of physical fitness
- Develop self-motivation and confidence to successfully accomplish multiple responsibilities and challenges that are faced daily
- Recognize the importance of personal responsibility and respect for others
- Accept challenges and utilize opportunities
- Learn more about themselves and demonstrate critical decision-making skills necessary to be a responsible citizen
- Graduate high school and enter a certificated career, technical, community or four-year college.

Parents, students and teachers work together to build a community that values diversity in culture, ethnicity, origin and family backgrounds. Teachers close the achievement gap through culturally competent practices. Students are active partners in learning and achieving academic success and leave the Academy having gained employable skills and critical thinking strategies rather than simply acquiring a body of facts. The comprehensive education program includes diverse teaching methods, a comprehensive interdisciplinary curriculum and an on-going assessment of student progress.

The Academy closes the achievement gap by recovering disengaged students, placing the students back into the educational system, enrolling the students in the Academy and increasing the number of students who graduate ready to enter the workforce, or technical, community or four-year college. Students who would otherwise be considered non-enrolled become contributing members of the community with the ability to be self-sustaining and contribute to their families. The Academy’s programmatic model drives academic achievement, support through wrap-around

services and community partnerships that facilitate the increased opportunities for Academy students and the growth of Academy programs.

The Academy’s Personalized Learning model is focused on developing individualized learning programs for each student with the intent to engage each student in the learning process in the most productive and meaningful way to optimize each student's learning potential and success. This allows the Academy to combine multiple assessment levels of student academic achievement through regular assessment, in addition to annual state-mandated testing programs. The delivery of the program supports the research underlying metacognitive development, specifically in the areas of self-monitoring and self-management.

Learning Event Packets (“LEP”) are initially provided to students and are central to the Independent Study component of the Academy program. LEPs are given to students at the start of school and are tailored to the Personalized Learning instructional approach. Embedded in LEPs are 1) pacing guides that all teachers model to students on how to utilize and set dates for lesson completion and/or additional intervention with tutors and 2) formative lessons and credit checkpoints that ensure students are accountable for learning new content in manageable chunks.

The Academy believes that learning best occurs when schools create optimal teaching and learning environments organized around standards-based instruction, integrated curriculum, differentiation and personalized learning. By personalizing the academic program, each student is placed at a level where he/she can best learn and begin to take responsibility for the student’s own learning.

The Academy believes in nurturing a student’s natural abilities to be reflective, ask questions, communicate intelligently, think critically, become skilled problem-solvers and reach exemplary standards.

The instructional model supports accountable, personalized learning that is teacher directed and technology enhanced. (See Figure 1)

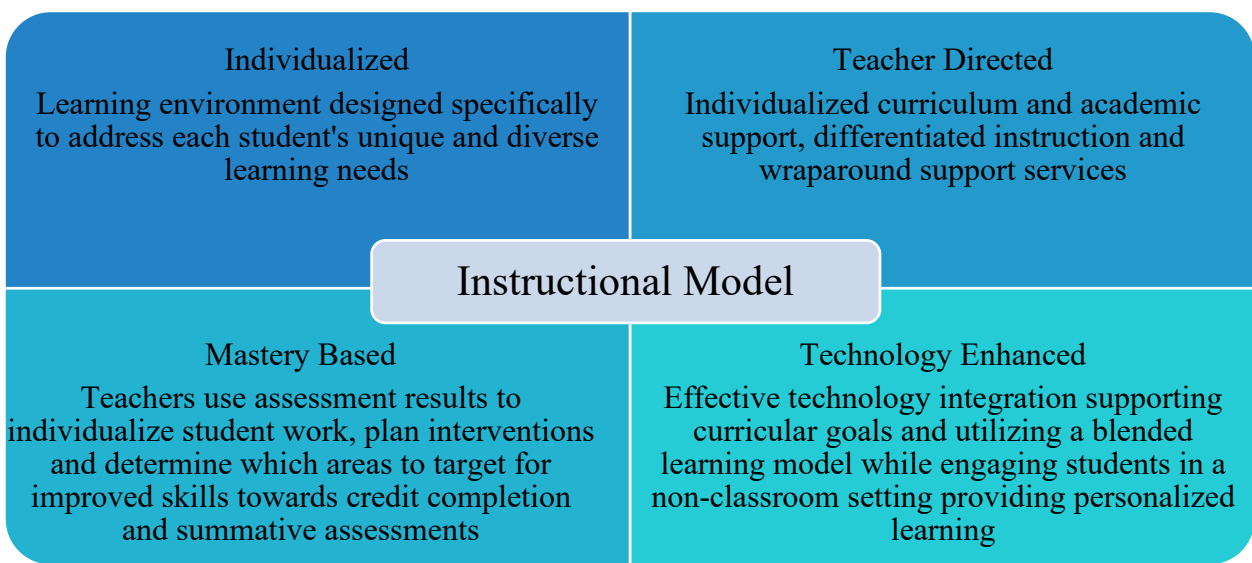


Figure 1

Each course is divided into ten equal modules. The student is expected to complete 1 to 2 modules per week. By focusing on one core course, which is organized around essential Michigan Academic Standards (“MAS”) and grouped into modules, the student is able to make incremental progress, experience positive progress and success each week, and complete a course in ten to twelve weeks.

Students take formative assessments at the end of each LEP, are assessed by the teacher and complete a summative assessment over the assigned area of work. Students must demonstrate a minimum level of mastery with a grade of 60% or better to earn a grade for the LEP. Failed modules are reassigned to students, and students are directed by the teacher to participate in re-teaching and intervention activities such as small group instruction, tutoring or more time with the teacher. Typically, students complete work both at home and at the Academy.

The Academy is aware that some students enrolling may require remediation in reading and math, as well as other core subject areas. As part of our onboarding and individualized academic planning process, the Academy administers the NWEA Measures of Academic Progress® (“MAP®”) assessment to better determine each student’s needs. Based on the student’s NWEA MAP results, the teacher prescribes an appropriate intervention program to close the skill gaps and fast track student growth. Students take the NWEA MAP assessment at regular intervals throughout the year to ensure progress and inform decision making to the academic plan. Based on their assessment results, students may remain in their intervention program or transition out to a course more fitting to their academic skills set. Regardless, the Academy offers a diverse curriculum catalog that will meet the student where they are at with the appropriate level of rigor to accelerate learning and close the achievement gap.

Students can participate in scheduled tutorial and enrichment activities during the school day at any time, without an appointment. For the students who are struggling and who may not be taking advantage of the tutoring program, an evaluation may be made by the Academy as to whether the student is appropriately placed. Academy personnel work with students to ensure students understand the importance of the tutoring requirement and the advantage of participation in the Academy’s proactive tutoring program.

When students are demonstrating continuing difficulties, the Academy utilizes Student Study Teams (“SST”) to determine if specific interventions are necessary. At times, formal services may be determined, as per the directive of an Individualized Educational Program (“IEP”) or a Section 504. This instructional approach reflects our belief that all students deserve a rigorous and accessible education.

Supplemental instruction utilizing selected curriculum is provided for those students performing substantially below achievement level. For those low performing students, the Academy utilizes selected curriculum including many of the following: a closely graded math curriculum, which includes courses in Pre-Algebra, Algebra I, Geometry, Algebra II, Language Arts, History, and Sciences. In addition, the Academy offers other electives for low performing students such as refresher math, consumer math, math essentials, beginning art, vocabulary building and spelling. This curriculum uses supplemental materials from a variety of sources, developed around a format of low level, high interest.

Although Academy students are primarily over-age and under-credited (the average student enrolls at the Academy at 17 years old, over one-year credit deficient, 5th/6th grade reading and math levels, and dis-enrolled from school for three months or more), the Academy recognizes that high expectations for content mastery and standards-aligned curriculum are essential for students to be able to engage in the 21st century workplace. The Academy assesses students upon enrollment to prescriptively assign coursework, remediation and enrichment targeted towards personalized student needs. This initial assessment is essential in re-engaging the student by mapping out that recovery is a reasonable expectation in addition to outlining a path for post-secondary success, namely the expectation that graduation is but one step toward the student's future plan for work, trade school or college.

Teachers provide students with weekly assignment pages and pacing guides which accompany the textbook to help structure students' module completion and learning expectations. Teachers provide direct instruction in the essential standards and objectives to be mastered. Teachers use module exams and/or assessments such as the performance tasks as a tool to determine whether students are meeting standards and learning objectives. Teachers are continuously reviewing student work every week in the month. Each folder is checked for homework, tests and answer sheets that are summarized with reports to assure accurate grading. Students' tests are graded based on mastery.

Career and Technical Education (“CTE”)

A balanced CTE program is an essential component to the Academy's academic offerings. Students in CTE programs are far less likely to drop out of high school. Indeed, over 28 percent of students taking a concentrator CTE course find employment and/or earn bachelor's degrees. Integrating the student's academic learning with the concepts and skills of a chosen career is consistent with the Academy's mission of preparing all students to become responsible community participants and lifelong learners.

The Academy's approach to engaging every student in a continuum of work-based learning is to focus on the individual first. The Academy believes the effectiveness of our efforts is rooted in the student's own level of self-awareness and his or her ability to create a personal vision and plan for postsecondary success. The student pursues career and technical education within the context of an overall academic plan that includes collaboration with the parent.

The Academy organizes the implementation of CTE programming into three levels. All students participate in work readiness education and career ready practices through awareness and exploration. During level two, the student has selected a career pathway and has enrolled into a CTE concentrator course for career preparation. Level three students work on capstone projects and are actively engaged in job training in pursuit of a specific career.

The Work-Based Learning Continuum:

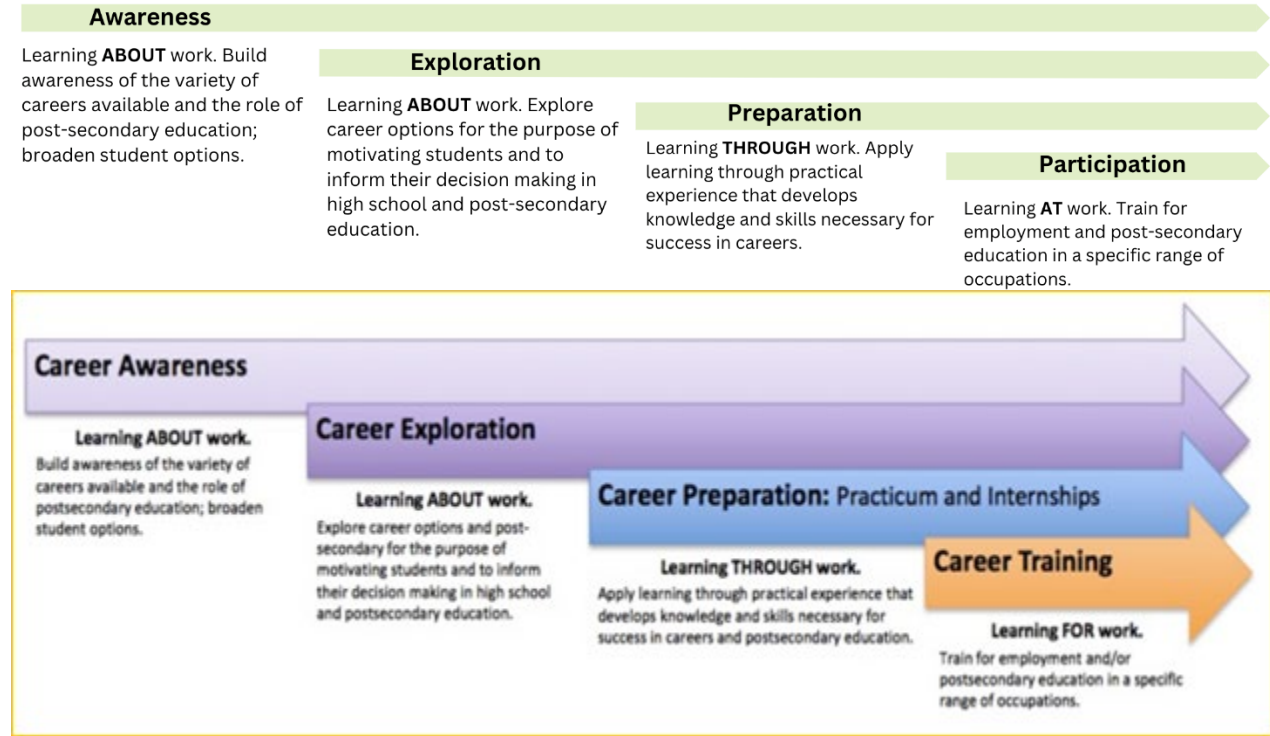


Figure 2

The Academy initiates the student’s program of career awareness and exploration on the first day of enrollment through our professional skills curriculum. During onboarding, all students engage with staff to begin formal and informal career assessments that assist the learner in understanding their interests, aptitudes and abilities.

Teachers support the interpretation of career assessment results and encourage the student to identify personal preferences and strengths. In the initial “work readiness” course during onboarding, the student learns transferable employability skills such as teamwork, punctuality, and professional communication, and includes activities that complement the analysis of career assessment results. Level-one students may choose from a variety of interesting and relevant contextualized learning opportunities to engage in career preparation. Activities include field trips to work sites, college visits, job shadowing, guest speakers, mock interviews and more. (See Figure 2)

In order for a student to be successful in career preparation through CTE pathway concentrator courses, the program design must align with local and regional community needs. The Academy’s plan considers job forecasts, employer involvement and student interest in the development of level two CTE pathway programs to develop high quality career pathway programs and contextualized learning opportunities by incorporating the tenets of the Association for Career Technical Education (“ACTE”) Framework.

The ability for a school to offer current and relevant CTE programming relies on the strength of its collaboration with industry experts and community partners. The Academy understands the need to invite practicing professionals into advisory committees and teaching roles to support course and program design as well as to offer class instruction and work site connections. The Academy will hire and train appropriately credentialed teachers and provide externships and professional development.

Advanced learners are given a more flexible path in terms of pacing where mastery can move students forward at an individual pace. Students also have CTE options where they can gain career pathway insight. The Academy shall guide the student in understanding the local labor market realities of the chosen industry and its broader implications.

The Academy shall implement the Michigan Merit Curriculum (“MMC”) by setting learning expectations, developing and delivering curriculum and resources, and measuring student opportunities per the Curriculum and Instruction Unit of the Michigan Department of Education (“MDE”). The Academy uses, as appropriate, instructional strategies from the following list to implement MAS and align with the MMC. (See Figure 3)

| | |
|--|--|
| One-to-one instruction, collaborative sessions, communicative learning and engagement, explorative environment | Aims, Goals, and Objectives: helping students understand their style of learning and plan ways to improve study habits |
| Modeling and guided practice | SDAIE strategies-visuals |
| Use of Bloom’s Taxonomy | Summarizing, note-taking and presenting |
| Identifying similarities and differences, critiquing, credible researching | Use of graphic organizers, technology tools and digital resources |
| Reinforcing work and providing recognition | Repeating concepts |
| Setting objectives and providing feedback | Rephrasing and reviewing content |
| Analyzing perspectives; synthesis and evaluation | Anticipation guide |
| Application teaching | Projects and hands-on learning |
| Oral, Visual and digital presentations | Artistic expression |
| Portfolios, Academic Plans | Integrate technology into lessons |

Figure 3

The Academy believes when teachers act both as coaches and as mentors, they can help students fulfill the Student Learning Objectives (“SLOs”). Students enrolled at the Academy may have personal issues related to social emotional development and are able to secure support from teachers and the staff. Staff members are available to work with students and families on matters that are not directly related to academics. The staff refers students to the appropriate Mental Health Services Department for follow-up and wrap-around services, as needed.

The Academy encourages students to develop a sense of responsibility through problem-solving and the decision-making process. By treating each student as an individual, the Academy creates an atmosphere conducive to studying, working and learning, and through this process, students’ concerns are reflected. Faculty and staff help students work hard, keep focused, stay committed and develop alternative strategies when encountering obstacles. These skills reflect lifelong learning strategies that are at the core of the Academy’s work.

Academy programs are designed with the aim of bringing about maximum individual academic and personal development for each student. Administrators and teachers create an environment that fosters the following:

- Active, hands-on learning
- Conceptual learning that leads to understanding along with acquisition of basic skills
- Interactive teaching and cooperative learning
- Broad range of relevant content integrated across traditional subject matter divisions
- Inclusive culture of respect for each other, the learning process and the individual challenges that students bring to the program

Professional Learning

The Academy's Professional Learning Program recognizes that quality teaching and school leadership are the most important factors in raising student achievement. The Academy demonstrates a commitment to providing comprehensive training, differentiated professional learning opportunities and ongoing support for all leaders, teachers and instructional support teams. Relevant, sustained and evidence-based professional learning, driven by student data, prepares instructional teams with the knowledge and skills needed to ensure all students receive equitable access to high quality instruction and meaningful learning opportunities, as evidenced by student engagement, student achievement and increased self-efficacy for both students and staff. Student data, along with school-wide goals, surveys and needs assessments drive the development of annual professional learning plans.

All Academy teachers participate in a 4-week New Teacher Training Program to learn about Academy culture, the power of positive relationships, department support teams, using student data to guide planning for personalized learning and implementing instructional strategies to support student needs. Ongoing professional learning opportunities are provided through workshops, mentoring and PLCs. Job-embedded professional learning is centered around instructional and engagement strategies for diverse student populations.

Curriculum and Alignment

The Academy's core curriculum is completely standards-aligned. Mathematics and English language arts ("ELA") curricula correspond with the MAS; science curricula reflect performance expectations set forth in the Next Generation Science Standards ("NGSS") with alignment to the new MAS; social studies curriculum is based on the Literacy in History framework within the MAS and informally utilizes concepts within the C3 framework. The curriculum, across all subject areas, directly meets the needs of the diverse student population served, including those that are economically disadvantaged, English Language Learners ("ELL"), and/or with disabilities; the integration of Special Designed Academic Instruction for English ("SDAIE") strategies ensures all content is readily accessible by all students. The Academy curriculum is developed by highly qualified curriculum teams, with input from subject area teachers within the organization. Curricula is consistently piloted, reviewed and revised by the Learn4Life ("L4L") Curriculum Teams, with feedback and input from subject-area teachers and students.

Curriculum writers across ELA, mathematics, science and social studies are trained in finding relevant connections to students' lives and including the connections into the curriculum. Students

are given opportunities throughout the coursework to share these connections orally and through writing, with teachers either via one-on-one or in a small group environment with other students. In addition to culturally relevant connections, the curriculum integrates a multitude of supports and resources, such as graphics, interactive charts and reference materials, to ensure that all new knowledge is structured and organized for students.

There are several instructional modalities used, including independent study, small group instruction and online courses. Students may work primarily within one or a combination of these pathways for a blended learning approach.

- ***Personalized Learning:*** Personalized learning is the most highly utilized modality. In this mode, students work with supervising teachers to develop an academic plan and content-area teachers to complete coursework culminating in a high school diploma. Students in this pathway may access the resource center, including tutors and other educational support staff, as frequently as needed.
- ***Small Group Instruction (“SGI”):*** SGI is a direct instruction model with class sizes ranging anywhere from 5 to 18 students. The vision for SGI is as follows: To prepare Academy students to be 21st Century learners in a collaborative learning environment where students are able to synthesize ideas with classmates in a small classroom setting within the independent study model. Many Academy students greatly benefit from having the opportunity to combine independent study with SGI to propel learning and course completion.
- ***In-School Online Courses:*** The Academy is equipped with technology-mediated classrooms to support online courses students have the option to take, in school only. The Academy’s comprehensive online course catalog, through partnerships with Edmentum™, allows for students to complete specialized coursework in the Academy at an individualized pace and with consideration to appropriate learning environment. When completing courses online, students are supported by a Supervising Teacher who manages the academic plan and may access tutoring either in the resource center or through the virtual platform.

Implementation of High-Quality Services

The Academy’s robust personalized instruction model allows for great latitude in meeting the unique needs of ethnic, LEP, disadvantaged, special education and gifted students. The Academy’s multi-tiered system of supports (“MTSS”) and SST methods apply to all students and are a springboard to differentiated, ethnically relevant and economically congruent-contextualized curriculum and inclusion.

The Academy is committed to high quality delivery of the instructional program, teaching and learning, and all academic services, to all students, in the following areas:

Ethnic/Racial Minorities

Academy teachers practice culturally competent pedagogy, understanding the make-up of the ethnic and racial population of students served. Research shows that teachers must relate content to culture to be effective in instructional approaches, maintain student interest and provide relevance to learning that connects in the real world (ASCD, 2018). Research also shows that when cultural norms are ignored, resistance follows (ASCD, 2018). Academy teachers are trained to understand and practice the connections necessary to facilitate a culturally responsive classroom and practice culturally responsive pedagogy knowing that children must be viewed and taught through approaches that focus on the whole child.

Students with Disabilities and Special Education Students

When making educational placement decisions for students with disabilities, the Academy will ensure that parents are contributing members of the Individualized Educational Program (“IEP”) team, and together the team will make decisions that are subject to requirements regarding provision of the least-restrictive environment. When determining how services will be delivered to students with disabilities, the Academy will follow all Special Education Rules as issued by the MDE. If a child with a current IEP enrolls in the Academy, the Academy will implement the existing IEP to the extent possible or will provide an interim IEP agreed upon by parents until a new IEP can be developed. IEPs will be developed, revised and implemented in accordance with the Individuals with Disabilities Education Improvement Act (“IDEIA”) and state law and regulations.

The Academy will fully comply with federal laws and regulations governing children with disabilities as follows:

1. The Academy is responsible for providing a free, appropriate public education to children with disabilities enrolled in the Academy that have been determined through an IEP to require Special Education programs and services.
2. The Academy will ensure that children who are suspected of having disabilities are properly evaluated by a multidisciplinary team, as defined in the Michigan Special Education Rules, and that children who have already been identified are re-evaluated by the multidisciplinary team at least every three years.
3. When a multidisciplinary team determines that a special education student requires Special Education programs and services, the Academy will ensure that the IEP is fully implemented in accordance with IDEIA and reviewed on an annual basis or more frequently as determined by the IEP team.

To ensure high quality services to students with disabilities enrolled in this model, The Academy has the same supports available to them as students in traditional programs. A teacher with the appropriate endorsement is assigned as the supporting teacher. The Special Education Consultant is responsible for ensuring the student with a disability is making progress on his/her IEP goals and for making mindful recommendations for accommodation in the Academy environment. An individual transition plan is developed and/or maintained as required by federal legislation. The

individual transition plan is an integral part of assisting with transition services and plans so that college/career objectives are developed.

Progress toward IEP goals, access to the general education curriculum, and progress through the general education curriculum in an inclusive setting for students with special needs is continuously monitored. A school psychologist conducts any necessary evaluations such as those needed for an initial assessment or reevaluations. Students have access to designated instructional services such as, but not limited to, psychological counseling, speech/language therapy, nursing support, specialized academic instruction, vision support services, deaf and hard of hearing support services, physical therapy and occupational therapy. This method of providing required, agreed upon frequency and duration of special education services, as described in the IEP, ensures high quality services to students with special needs. The Academy follows the steps of the Michigan special education process and makes all efforts to replicate the IEP of an already identified special education student transferring into the Academy.

The special education process begins with a referral, where the child is identified as possibly needing special education and related services through a parent request, teacher request or a recommendation from the student's SST or support team. Within 10 calendar days after the referral, the Academy must inform the parents of the referral and request written consent to evaluate the student. The child is evaluated by the IEP team to gather information to understand the educational needs of the child and to guide decision-making on services for the child. "The time from referral or from receipt of parental consent to an initial evaluation to the completion of the individualized education program or the determination of ineligibility shall not be more than 30 school days." R 340.1721c.

The IEP team, including parents, determines if the child is eligible for special education using all available information about the child. If the child is found eligible for services based on the allowable disabilities pertaining to IDEIA, an IEP meeting is scheduled. An IEP meeting must be held within 30 calendar days after it is determined the child qualifies for special education.

The Academy involves parents in the process. If the student is not found eligible for continued interventions or a 504 Plan is developed, in the event permanent or short-term disabilities do not fall under the guidelines for an IEP, the Academy will continue to provide the appropriate accommodations for academic success. When the student is found eligible, an IEP meeting is held, and the IEP is written. The entire IEP team writes the IEP together, using collected child data. The IEP determines any and all services the child is to receive.

The IEP agreed upon and specified frequency and duration of services must begin as soon as possible after IEP development. All service providers and Academy parents must have access to the IEP, and progress is measured and reported to parents at least quarterly. The IEP specifies how the student's progress is measured and reports are shared with parents. The IEP document is reviewed and revised annually, or as needed to address any lack of expected progress. Either the Academy or parents can request a review.

Academy students are reevaluated at least every three years. The reevaluation occurs to establish continued eligibility and the child's recent educational needs. If the child is not found eligible for

special education, the parents must receive a copy of the evaluation report and documentation of the determination. Under IDEIA, parents must also be given information about what to do if they disagree with the eligibility decision. Typically, the parents may request the Academy pay for Independent Education Evaluation (“IEE”) from a designated list of third-party evaluators. The parents have the right to request mediation or a due process hearing to resolve a dispute about the child’s identification, evaluation or education placement.

A child who has a disability, but who is not eligible under IDEIA, may be eligible for the protections afforded by other laws. It’s not uncommon for a child to have a 504 plan at school to address disability-related educational needs instead of an IEP. Teachers and parents need to work together to design interventions for the child to use in the classroom to ensure continued success. While a child may not have qualified for special education services, it is imperative to continuously monitor each child for developmental changes. As the child grows, he/she may become eligible for services. Ongoing assessment provides more information regarding developmental changes. By following these steps, the Academy ensures high quality services.

Disadvantaged Youth

Economically disadvantaged students are identified systematically through the completion of a survey to indicate household members and income. However, the Academy knows that virtually all of the students served are economically disadvantaged due to the socio-economic realities of the home community. These young people face many hurdles such as lack of food, clothing, medical attention, strong family connections, transportation and even housing. In America’s Promise Alliance report, Don’t Quit on Me, 2015, researchers found that “the presence of stable, trusting relationships is a key factor to enabling re-engagement.” The Academy’s service to this student population begins with the caring relationship and in getting to know each student’s particular barriers. Once those needs have been identified through personal interaction and in combination with surveys and enrollment forms, the Academy relies on the expertise of Academy partners to provide services directly at the Academy or support the student in accessing those needed services.

Instructional Programs for ELL- Language Assistance Program Services (“LAPS”)

The Academy meets all applicable legal requirements for English Learners (“EL”), as it pertains to annual notification to parents, student identification, placement, instructional program options, English Language Development (“ELD”) instruction, and core content instruction, teacher qualifications and training, exiting to Former English Learners (“FEL”), monitoring and evaluating program effectiveness, and standardized testing requirement. The Academy works to implement “*Advancing Equity, A Strategic Vision for English Learners*” approved by the State Board of Education, as part of the fabric in serving EL students.

Each student enrolled must be formally identified as either a native English Only (“EO”) speaker, an EL, or as a FEL. Following Michigan’s Entrance and Exit Protocol (“EEP”), if the student’s Home Language Survey indicates that a language other than English is used at home, the student’s English Language Proficiency level must be assessed within 30 calendar days of initial enrollment. A student that is new to the state or country will be assessed to determine initial English proficiency with the state’s required assessment, WIDA™ Screener. The student’s overall score will indicate if they are or are not an ELL student. The Academy notifies all parents of its responsibility for WIDA Access testing and of test results within 30 days of testing.

Identified EL students will be provided a Pull-Out/Push-In English as a Second Language (ESL) Program, which provides language and academic content support through ESL instruction, sheltered content instruction, tutoring and reading support. Endorsed ESL teachers or an ESL consulting agency will teach English language components (grammar, vocabulary, and pronunciation) and language skills (listening, speaking, reading, writing, and comprehension) as well as content areas to move students towards English fluency.

ESL instructional strategies include, but are not limited to differentiation for all students, activating and linking prior knowledge, key academic language and content vocabulary development, speech appropriate for students' ELP, using mnemonics, predicting and inferring, summarizing and synthesizing, verbal and non-verbal cues, instructional scaffolding, procedural scaffolding, verbal scaffolding, paraphrasing, graphic organizers, sentence stems, models and visuals, questioning techniques, wait time for student responses, student grouping, use of manipulatives, native language support, informal and formal assessment. ESL teachers will also implement linguistic accommodations suitable to the students ELP level.

| English Language Proficiency Level | Linguistic Accommodations |
|------------------------------------|---|
| Level 1: Entering | pictorial or graphic representation of the language of the content areas; words, phrases, or chunks of language when presented with one-step commands, directions, WH- questions, or statements with visual and graphic support |
| Level 2: Beginning | general language related to the content areas; phrases or short sentences; oral or written language with phonological, syntactic, or semantic errors that often impede the meaning of the communication when presented with one to multiple-step commands, directions, questions, or a series of statements with visual and graphic support |
| Level 3: Developing | general and some specific language of the content areas; phrases or short sentences; oral or written language with phonological, syntactic, or semantic errors that may impede the communication but retain much of its meaning when presented with oral or written, narrative or expository descriptions with occasional visual and graphic support |
| Level 4: Expanding | specific and some technical language of the content areas; a variety of sentence lengths of varying linguistic complexity in oral discourse or multiple, related paragraphs; oral or written language with minimal phonological, syntactic, or semantic errors that do not impede the overall meaning of the communication when presented with oral or written connected discourse with occasional visual and graphic support |
| Level 5: Bridging | the technical language of the content areas; variety of sentence lengths of varying linguistic complexity in extended oral or written discourse, including stories, essays, or reports; oral or written language approaching comparability to that of English proficient peers when presented with grade level material |

Students with disabilities will be provided the same access to ESL instruction and support as their peers who do not have IEPs. When a student qualifies for Special Education Services, the IEP team decides upon linguistically and developmentally appropriate goals and objectives based on the student's needs. The student's IEP will include the goals that address English language development as well as accommodations and/or modifications which support access to the content areas.

Communication with parents of ELs in their primary language is essential. The Academy will provide parents with written communication in their primary language when fifteen percent or more students speak a language other than English as indicated in their Home Language Survey. This includes all written communications sent to a parent or guardian, including, but not limited to IEPs, report cards, discipline notices and other parent notifications. In cases where families are not literate in their native language, oral communication will be provided. Each year during individual parent-teacher conferences, parents of ELs are informed of their student's progress towards English language development and core content areas.

In accordance with federal law, parents or guardians have the right to opt-out of the LAP services. An English learner who has opted out of LAP services will be monitored regularly to ensure academic progress, will be provided adequate support to reduce any language barriers, and must still participate in the annual WIDA ACCESS for ELLs until meeting the exit protocol requirements. After meeting the exit protocol requirements, the student who has opted out is formally exited and receives monitoring for four years as required by the state.

Each spring, the Academy will review the WIDA ACCESS results to determine student placement in LAP services, to update the local records for students who were exited, and to evaluate the effectiveness of the LAP services. All English learners must receive scores in all four domains (listening, speaking, reading, and writing) on the spring WIDA ACCESS to be considered to exit from ESL services. Students will not be exited if they do not meet all of the exit protocol requirements in Michigan's Entrance and Exit Protocol (EEP). Students whose parents have chosen to opt out of some, or all the LAP services must meet the exit protocol requirements to be considered for exit. The WIDA Alternate ACCESS is available for ELs with disabilities for whom the WIDA ACCESS for ELLs is not an appropriate assessment per the student's IEP.

FELs will be monitored for four years after achieving exit status by meeting the Michigan English proficiency requirements. Teachers will properly monitor the former EL student's academic performance regularly. The information will be documented in the student's records. If monitoring shows that the student is struggling in academic performance and/or English language skills, appropriate assistance and language instruction services will be made available to the student.

Serving Gifted and Talented ("GATE") Students

Academy leadership and faculty follow the recommended practices of the National Association for Gifted Children because gifted programs are an essential part of any school. GATE students and those with high abilities need gifted education programs that provide challenge in learning environments. The Academy's enrichment and accelerated program is designed to enable GATE students to make continuous progress in school.

Academy GATE students receive educational acceleration, which is one of the cornerstones of exemplary gifted education practices. The practice of educational acceleration has long been used

to match high-level students' general abilities and specific talents with optimal learning opportunities. The Academy's "go at your own rate" method for all students is ideally suited for acceleration in GATE students. Academy students take and pass tests to earn credits and move forward to the next credit. This method translates well to the GATE method of Curriculum Compacting. Curriculum compacting condenses, modifies or streamlines the regular curriculum to reduce repetition of previously mastered material. "Compacting" curriculum allows time for acceleration or enrichment beyond the basic curriculum for students who would otherwise be simply practicing what they already know.

The Academy's personalized learning model allows for teaching flexibility to promote compacting for the GATE student as needed. The Academy also allows for the GATE method of Grouping. The Academy's flexible appointment schedule allows for teachers to easily make appointments that promote grouping and small group instruction. Grouping gifted children together allows for more appropriate, rapid and advanced instruction, which matches the rapidly developing skills and capabilities of GATE students. Identification is also a critical component of effective gifted education programming. One size does not fit all.

In addition to using assessments appropriate to the services provided, different strategies may be needed to ensure students with high potential are identified. The Academy's personalized model promotes one-to-one contact with the teacher, whereby pull-out practices are naturally achieved. The Academy administrator provides at least annual training to the faculty on best practices for instructing GATE students.

Trauma-Resilient Education Communities ("TREC") Model and Accreditation Framework

The guiding TREC framework utilized by the Academy, was created by Lifelong Learning Administration Corporation ("LLAC"), and is anchored in Positive and Adverse Childhood Experience's ("PACEs") science and provides a two to three-year implementation structure that guides the process which will result in the recognition of all the Academy learning centers as Trauma-Resilient Education Communities. The framework goes well beyond just training and involves the development of practical applications and standard operating procedures across all elements of the school.

The TREC model and accreditation process consists of core training modules, resiliency programs, program development and developing partnerships between the Academy, other social service agencies, and post-secondary institutions. The Academy will integrate these services by focusing on academics, health and social services, youth and community development, career exploration, and community engagement that leads to improved student learning and healthier communities.

The TREC program benefits all students, staff, and stakeholders by providing ongoing training and resiliency programs informed by Trauma-Informed practices, Social-Emotional Learning ("SEL"), Diversity, Equity and Inclusion ("DEI"), and PACEs science. LLAC and PACEs Connections are supporting the Academy through the process to become a TREC accredited school. PACEs Connection is a worldwide social network that accelerates the global movement toward recognizing the impact of adverse childhood experiences in shaping adult lives.

Under this model, staff learn about the PACEs science and how to respond to the symptoms of chronic interpersonal trauma and stress for students and staff through; realizing the widespread impact of trauma, recognizing the signs and symptoms of trauma in students and staff, responding to trauma by integrating knowledge and building resiliency through programmatic offerings and trainings, and creating school policies and protocols infused with trauma-informed practices to limit re-traumatization. School staff are trained on Foundations of PACEs Science and TREC, while simultaneously offering resiliency programs including, but not limited to, Yoga for PE, meditation classes, and life skills curricula with a focus on mindfulness. Further, staff is trained on, and provided access to, ongoing resources and tools around self-compassion to offset the occupational hazards of compassion fatigue and burnout. Below is an outline of the TREC Accreditation process.

1. Academy staff complete new Foundations of TREC/PACES Science training, with a required examination, once every two years.
2. Academy appoints a TREC Point of Contact (“POC”) and start resiliency programs for students.
3. Academy tracks data towards programmatic improvement, attends TREC Oversight Committee meetings facilitated by PACES Connection, and attends resiliency facilitator trainings.
4. Academy staff complete the Bridge to Wellness training modules:
5. Academy staff complete TREC Framework training focusing on scenario-based modules and practical applications that deepen the understanding of prior learning. Attendees are also introduced to the TREC accreditation framework during this training.
6. The Academy will set up workgroups to produce a report with artifacts as evidence that Trauma-Resilient practices and systems are being woven into all facets of the school. The work group will also create an action-plan to ensure continuous improvement to TREC integration and practice. The report and action-plan serve as the framework for a formal review facilitated by PACEs Connection TREC experts.

Assessment Data

The Academy utilizes assessments to measure growth, mastery and proficiency for the purpose of enhancing student learning and increasing student achievement outcomes. The Academy’s assessments support the goal of preparing students for higher education and the workforce by providing educators, administrators and teachers insight to students’ needs and learning progress through the utilization of data. MAS and aligned MMC are used to develop instruction, and lessons that support student progress toward reaching the Academy’s performance goals and state graduation requirements. Students will participate in a variety of assessments throughout their educational career at the Academy to ensure they are on track to graduate and prepared for post-secondary opportunities.

The Academy has a comprehensive assessment menu designed to improve student outcomes and inform the individualized learning model. As required by the state, all students who are eligible and in the appropriate grade level participate in their corresponding mandated assessments. Students test at each assessment interval with the aim of assessing all eligible students and improving on the prior year’s results. The Academy uses this data within the PLCs to help guide school-wide and instructional decisions, as well as support academic planning. In addition to all

state mandated assessments, the Academy implements supplemental and diagnostic assessments to track student growth and establish a more comprehensive picture of individualized student needs. Students attending the Academy participate in NWEA MAP testing and credit-based mastery assessments.

NWEA MAP is one of the most widely used norm-referenced assessments in the nation, providing schools with critical information on student instructional readiness and is aligned to both Lexile and Quantile frameworks. The Academy utilizes these scores for academic planning and appropriate placement in intervention and other curricular options for students. Additionally, the Academy ensures students are assessed and reassessed at selected intervals throughout the year to optimize use of NWEA MAP data and track individual skill growth. While taking into consideration the targeted credit deficient and recovered student dropout population, the Academy believes NWEA MAP assessments are a critical tool to strategically promote student success and supports Academy efforts to move the needle on academic growth and shorten the achievement gap.

In addition to NWEA, the Academy has embedded mastery-based assessments within each LEP to provide staff with achievement and growth data on grade level standards. These assessment results not only support instructional staff in understanding how students are performing on grade level standards but provide teachers with data to make real time instructional decisions.

The selected assessment menu and model that the Academy implements supports knowledgeable and purposeful programing across the school. Teachers and administrators have the data they need to make informed and quick decisions to pivot their practices if need be. At the leadership level, the selected assessment model provides the school with a comprehensive overview of how the Academy is closing the achievement gap and improving skill acquisition in various ways, articulating the true value that the Academy is bringing to the opportunity youth student population.

Assessment Menu

| Assessment | Purpose | Schedule |
|---------------------------|--|---|
| LEP Mastery Checks | These summative assessments are imbedded in each LEP assignment and meant to provide teachers with immediate feedback regarding student mastery of skills and standards addressed. | Taken upon completion of each assigned LEP |
| Performance Tasks | Performance tasks allow an opportunity for students to demonstrate their level of proficiency of the acquired knowledge through the production of a tangible rigorous work sample. | Taken within the contents of each assigned LEP, most evident within core courses. |

| Assessment | Purpose | Schedule |
|--------------------------|--|--|
| NWEA MAP | NWEA MAP is a norm referenced assessment that provides teachers with key information concerning student skill gaps and appropriate course placement or intervention options. | Taken upon enrollment and at multiple intervals throughout the year. |
| State Assessments | State-wide summative assessments include M-STEP, PSAT™, SAT®, ACT WorkKeys® and WIDA | Taken during the Spring assessment windows |

Graduation Requirements

The Academy upholds Michigan high school graduation standards to prepare students for postsecondary and career opportunities. Each opportunity youth is provided an individualized academic learning plan that reflects not only his or her historical academic history but also aligns to and supports his or her post-secondary and career aspirations. By personalizing each students academic learning plan, students are able to map out their pathways to graduation with the appropriate coursework, support and pacing necessary to be successful. The Academy requires students to exceed the minimum requirements for the MMC.

Students earn credits by successfully completing the courses outlined in the created academic plan. To obtain a high school diploma, students must meet the state minimum standards and earn the 18 required credits. The Academy requires 20 credits to successfully complete the program.

Academy High School Graduation Requirements (20 credits):

| | |
|--|-----------|
| English and Language Arts (ELA) | 4 credits |
| Mathematics | 4 credits |
| Science (per Michigan Science Standards) | 3 credits |
| Social Studies | 3 credits |
| Career and Technical Education | 2 credits |
| Physical Education/Health | 1 credit |
| Visual, Performing or Applied Arts | 1 credit |
| World Languages (Spanish or French) | 2 credits |

The Academy follows the MMC (2017) for Science Sec. 1278b (1)(b) and requires 3 credits that are aligned to the State Board approved content. Academy students must complete Biology, Chemistry or Physics and Anatomy to meet expectations.

Evaluation and Program Effectiveness

The Academy measures academic progress by using state assessments, interim assessments, student work, teaching and learning data, and academic progress reports. Individual students are monitored weekly by teachers and throughout the school year. Academy SGI cohorts and all other sub-groups take advantage of the Personalized Learning Model within relevant collaborative groups. Data is

collected, disaggregated, triangulated, interpreted and applied throughout the school year and charter term utilizing the following methods:

- Attendance rates
- Reduction of absenteeism
- Retention
- Credit completion
- Academic growth as measured through diagnostic testing such as the NWEA MAP assessment
- Michigan state required assessments
- Graduation rates
- Summative and Formative Assessments

Class-level assessment data is collected and reviewed weekly by teachers and shared with co-teachers, counselors and administrators during data meetings and for the purpose of working as a team to support student progress and monitor LEPs.

Students and parents examine this data to plan for reaching learning goals. Administrators collect and examine assessment data to make plans for improving outcomes, enhancing annual achievement goals, and informing the instructional model. The systems to be used for student data collection and analysis include NWEA MAP, school Student Information System (“SIS”), Learning Management System (“LMS”) and online curriculum.

The Academy addresses academic underperformance through the following processes:

- Focused staff professional development
- Targeted student tutoring opportunities based on assessment data
- Remediation tools and intervention courses
- Response to Intervention (“RTI”) process
- Discipline Data
- Parent-teacher conferences
- Parent, teacher and student surveys

The Academy monitors and manages school performance to assess progress towards the school growth plan through:

- Annual and ongoing data-focused strategic planning around improving student outcomes
- Data transparency to all stakeholders through regular and ongoing data disaggregation around key performance indicators (“KPIs”) including attendance rates, student retention, credit completion, assessment benchmarks, and graduation rates.

The Academy collects data on various levels. The Academy collects student data from the classroom including assessments, student work, projects, surveys, differentiation and special needs accommodations, and interviews. Data is also collected from interim assessments, state assessments, academic initiative outcomes, IEP and 504 efforts and outcomes, and teacher development for increasing student outcomes. NWEA assessments assist in specifically measuring student growth to analyze value-added growth and develop specific and narrow strategies that help students reach mastery.

Reporting comes from administrators and is examined with teachers, who follow processes for working and planning the reporting of information with students and parents. The Academy will comply with timely progress reporting and student report cards.

The Academy’s annual goals shall be monitored and revised through an ongoing data assessment process. Teachers shall work with school leaders to collect and review data that will inform instructional programming and increase successful learning outcomes. LEPs created for each student shall accompany the sources used for data assessment. The state assessment results act as a tool for teachers to track student progress and individual learning needs. Academy staff encourage and guide student growth toward the set achievement goals.

The Academy’s entrance assessments inform the initial goal setting, along with transcripts and grades review, student interviews, parent input and teacher guidance. Active monitoring includes work product review and observed learning, data assessment, student interviews, state assessments, school benchmarks and Mastery-Based Learning Review. Revised goals are formulated from active monitoring and implemented at various levels.

Revisions begin with the Corrective Action Plans within student's’ LEPs. A revision of the school-wide academic achievement goal is determined upon the learning gained and progress obtained through corrective actions. See the description below in Table 1 of the Academy’s focus for Setting, Monitoring and Revising Academic Achievement Goals for continuous improvement.

| Initial Review for Setting Goals | Active Monitoring | Revising Goals |
|---|-------------------------------|--------------------------------|
| Entrance (i.e., MAP) Assessment(s) | Work Product Review | Corrective Action Plans Review |
| Transcripts and Grades Review | Observed Learning | Initiatives Review |
| Student Interviews | Student Data Assessment | Milestones Review |
| Parent Input and Involvement | Student Interviews | Goals Review |
| Teacher Guidance | State Assessments | Improvements for Goal Revising |
| | School Benchmarks | |
| | Mastery-Based Learning Review | |

AMENDMENT NO. 2

to the
July 1, 2023 Contract to Charter
A Public School Academy and Related Documents

Issued To

FLEX HIGH SCHOOL OF MICHIGAN
(A PUBLIC SCHOOL ACADEMY)

By

THE CENTRAL MICHIGAN UNIVERSITY
BOARD OF TRUSTEES
(AUTHORIZING BODY)

CONTRACT AMENDMENT NO. 2

FLEX HIGH SCHOOL OF MICHIGAN

In accordance with Article IX of the Terms and Conditions of the Contract (the "Contract"), dated July 1, 2023, issued by the CENTRAL MICHIGAN UNIVERSITY BOARD OF TRUSTEES (the "University Board") to FLEX HIGH SCHOOL OF MICHIGAN (the "Academy"), as amended, the parties agree to further amend the Contract as follows:

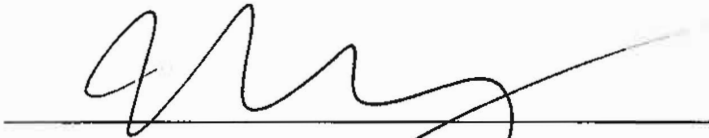
- 1.) Amend Schedule 6: Physical Plant Description, by inserting at the end of this Schedule the materials attached as Tab 1.

This entire amendment is hereby approved by the University Board and the Academy Board through their authorized designees, and shall have an effective date of January 4, 2024.



Dated: 03/15/2024

By: Corey R. Northrop, Executive Director
The Governor John Engler Center for Charter Schools
Designee of the University Board



Dated: 03/12/24

By: Matthew A. Clark
Flex High School of Michigan
Designee of the Academy Board

Flex High School of Michigan

Contract Amendment No. 2

Tab 1

THIRD AMENDMENT OF REAL ESTATE LEASE

THIS AMENDMENT OF LEASE AGREEMENT (“Agreement”) is made and entered into effective as of the 4th day of January, 2024 by and between **US Learning Corporation**, a non-profit corporation (“**SubLessor**”) and **FLEX HIGH SCHOOL OF MICHIGAN, Inc**, a non-profit corporation (“**SubLessee**”).

RECITALS

- A. SubLessor own a lease on the real property located at 1245 S Center Street Burton Michigan (the “**Property**”);
- B. SubLessor and SubLessee entered into that certain Real Estate Lease on November 6, 2018 (the “**Lease**”);
- C. SubLessor and SubLessee extended the SubLease to extend its termination date to February 29, 2024.
- D. SubLessor and SubLessee now desire to further extend the SubLease to terminate on February 28, 2029.
- E. Lessor and Lessee desire to amend the Lease as set forth herein.

NOW, THEREFORE, on the basis of the foregoing recitals, and in consideration of the covenants, conditions and representations hereinafter set forth, the parties hereto agree to amend the SubLease as follows:

- 1. **Term.** The term of the Lease shall be extended to February 28, 2029 (the “**Term**”).
- 2. **Remaining Terms.** Except as modified herein, all terms and conditions of the Lease shall remain in full force and effect.

IN WITNESS WHEREOF, the parties hereto have executed this Second Amendment as of the dated as of January 4, 2024.

“**SubLessor**”

US Learning Corporation

By: *Valerie J. Chase*

Valerie Chase, Secretary

“**SubLessee**”

Flex High School of Michigan, Inc.

By: 

Wanda Brown, Treasurer






USLC FHSBurton Sub-Lease Amendment No 3

Final Audit Report

2024-02-14

| | |
|-----------------|--|
| Created: | 2024-02-14 |
| By: | Andy Holmes (aholmes@llac.org) |
| Status: | Signed |
| Transaction ID: | CBJCHBCAABAAIM6dURX-6fxnN20tNrNqsk6AMMarGPUp |

"USLC FHSBurton Sub-Lease Amendment No 3" History

-  Document created by Andy Holmes (aholmes@llac.org)
2024-02-14 - 1:09:16 PM GMT- IP address: 12.216.46.2
-  Document emailed to Valerie Chase (vchase@llac.org) for signature
2024-02-14 - 1:09:37 PM GMT
-  Email viewed by Valerie Chase (vchase@llac.org)
2024-02-14 - 1:57:18 PM GMT- IP address: 104.28.85.133
-  Document e-signed by Valerie Chase (vchase@llac.org)
Signature Date: 2024-02-14 - 5:25:51 PM GMT - Time Source: server- IP address: 69.75.31.98
-  Agreement completed.
2024-02-14 - 5:25:51 PM GMT

FIRST AMENDMENT TO LEASE AGREEMENT

THIS FIRST AMENDMENT TO LEASE AGREEMENT is entered into as of this 12th day of July 2023 by and between MI BURTON RETAIL CENTER, LLC, a Michigan limited liability company ("Landlord"), and LIFELONG LEARNING ADMINISTRATION CORPORATION, a California non-profit corporation and US LEARNING CORPORATION, a California non-profit corporation (individually and collectively "Tenant").

RECITALS

WHEREAS Landlord and Tenant entered into that certain lease agreement dated November 6, 2018, herein referred to as ("Lease"), relating to the premises of approximately 8,619 rentable square feet located at Park Place, 1245 South Center Road, Burton, Michigan; and

WHEREAS the Landlord and Tenant have agreed to modify the Lease terms as hereinafter set forth.

TERMS

NOW, THEREFORE, for good and valuable consideration the sufficiency and receipt of which are hereby acknowledged, Landlord and Tenant hereby agree as follows:

1. SECTION 1. C. – Lease Term: The Tenant has given the required written notice per Section 3.a. exercising their first renewal option for a term of five years which shall begin on March 1, 2024 and end on February 28, 2029. Tenant has one (1) additional renewal option remaining for a period of five (5) years ("Second Renewal Term") at a Base Rent rate of \$12.00 per square foot each year during the Second Renewal Term.
2. SECTION 1. D. – Base Rent:

| | <u>Monthly</u> | <u>Annually</u> |
|-----------------------------------|----------------|-----------------|
| March 1, 2024 – February 28, 2029 | \$7,900.75 | \$94,809.00 |

3. Except as modified herein, all terms and conditions of the Lease remain in full force and effect.

IN WITNESS WHEREOF, Landlord and Tenant have executed this First Amendment to Lease Agreement the day and year first above written.

Accepted:

Landlord:
MI BURTON RETAIL CENTER, LLC

By: 

Bradley M. Nowak-Baker, Manager

Tenant:
LIFELONG LEARNING ADMINISTRATION CORPORATION

By: 

Pete Faragia, CEO

US LEARNING CORPORATION

By: 

Chris Hodge, CFO











2023.07.12 LLAC USLC Flex MI Burton - First Amendment

Final Audit Report

2023-07-18

| | |
|-----------------|--|
| Created: | 2023-07-14 |
| By: | Teresa Durbin (tdurbin@llac.org) |
| Status: | Signed |
| Transaction ID: | CBJCHBCAABAAOMIRy_gw9uNPqdCvzrXPJ9eP44V3BQT4 |

"2023.07.12 LLAC USLC Flex MI Burton - First Amendment" History

-  Document created by Teresa Durbin (tdurbin@llac.org)
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-  Document emailed to Christopher Hodge (chodge@llac.org) for signature
2023-07-14 - 4:21:19 PM GMT
-  Email viewed by Christopher Hodge (chodge@llac.org)
2023-07-14 - 4:27:51 PM GMT- IP address: 104.28.85.113
-  Email viewed by Christopher Hodge (chodge@llac.org)
2023-07-15 - 5:28:06 PM GMT- IP address: 104.28.85.114
-  Email viewed by Christopher Hodge (chodge@llac.org)
2023-07-18 - 5:25:50 PM GMT- IP address: 104.28.85.128
-  Email viewed by Christopher Hodge (chodge@llac.org)
2023-07-17 - 6:52:00 PM GMT- IP address: 104.28.111.140
-  Email viewed by Christopher Hodge (chodge@llac.org)
2023-07-18 - 5:57:43 PM GMT- IP address: 146.75.146.1
-  Document e-signed by Christopher Hodge (chodge@llac.org)
Signature Date: 2023-07-18 - 6:06:31 PM GMT - Time Source: server- IP address: 172.91.225.251
-  Document emailed to Pete Faragia (pfaragia@llac.org) for signature
2023-07-18 - 6:06:32 PM GMT
-  Email viewed by Pete Faragia (pfaragia@llac.org)
2023-07-18 - 6:17:11 PM GMT- IP address: 104.28.123.93

 Document e-signed by Pete Faragia (pfaragia@llac.org)

Signature Date: 2023-07-18 - 6:18:25 PM GMT - Time Source: server- IP address: 73.220.59.168

 Agreement completed.

2023-07-18 - 6:18:25 PM GMT