



CONTRACT TO CHARTER A SCHOOL OF EXCELLENCE THAT IS A CYBER SCHOOL
AND RELATED DOCUMENTS

ISSUED TO

WAY MICHIGAN
(A SCHOOL OF EXCELLENCE THAT IS A CYBER SCHOOL)

BY THE

CENTRAL MICHIGAN UNIVERSITY
BOARD OF TRUSTEES
(AUTHORIZING BODY)

JULY 1, 2024

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REAUTHORIZING RESOLUTION

REAUTHORIZATION OF SCHOOL OF EXCELLENCE THAT IS A CYBER SCHOOL**WAY Michigan**

Recitals:

1. At its December 6, 2018, meeting this board authorized the issuance of a contract to charter as a School of Excellence that is a Cyber School to WAY Michigan. On July 1, 2019, the contract was effective.
2. The contract of this academy expires June 30, 2024.
3. The Governor John Engler Center for Charter Schools has completed its evaluation and assessment of the operation and performance of WAY Michigan.
4. The university president or designee has recommended the reissuance of a contract to charter as a School of Excellence that is a Cyber School to WAY Michigan. The term of the contract is recommended for a term not to exceed three (3) years.

BE IT RESOLVED, That this board approves and authorizes the execution of a contract to charter as a School of Excellence that is a Cyber School to WAY Michigan for a term not to exceed three (3) years and authorizes the chair of the board to execute a contract to charter as a School of Excellence that is a Cyber School and related documents between WAY 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 WAY Michigan is able to comply with all terms and conditions of the contract.

CMU BDT APPROVED

Date: 4/18/24Signature: 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: My Hangan

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:

my Hanagar

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, 2024

ISSUED BY

CENTRAL MICHIGAN UNIVERSITY BOARD OF TRUSTEES

CONFIRMING THE STATUS OF

WAY MICHIGAN

AS A

SCHOOL OF EXCELLENCE THAT IS A CYBER SCHOOL

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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 WAY 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 WAY 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 WAY 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 18, 2024, approving the issuance of a Contract to the Academy.
- (r) "Schedules" means the following Contract documents: Schedule 1: Restated 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 School of Excellence That is a Cyber School, 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, 2024, Issued by the Central Michigan University Board of Trustees Confirming the Status of WAY Michigan as a School of Excellence That is a Cyber School."
- (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 Restated 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 6E of the Code or other Applicable Law.

Section 5.2. Articles of Incorporation. The Restated 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. After receipt of the Academy Board's request for termination, the University Board shall consider the Academy's request no later than its next regularly scheduled meeting. The University Board shall make a final determination and vote on the proposed termination request within 90 days of receipt of the request from the Academy. 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; (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; or (iii) if exigent circumstances exist that the University Board determines, in its sole discretion, that termination of this Contract is required to protect the health, safety, or welfare of the Academy students, property, or funds that cannot be cured in a reasonable period as determined solely by the University Board, 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 WAY Michigan 407 E. Fort St., Ste. 201 Detroit, MI 48226

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 one (1) academic year and shall terminate on June 30, 2025, 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.

ARTICLE XIII CYBER SCHOOL PROVISIONS

Section. 13.1. Specific Requirements for Cyber Schools. The Academy certifies and agrees that it meets all of the following conditions:

- (a) enrollment in the Academy is available to all pupils in this state;
- (b) offers some configuration of or all of grades K to 12; and
- (c) the Academy agrees to offer each pupil's family a computer and subsidizes the cost of internet access.

Section 13.2. Limitation on New Pupil Enrollment. Notwithstanding any other provision of this Article XIII and subject to Section 13.2 (a) and (b) below, in the event that the Department determines on July 1st of any year during the term of this Contract, that the combined total statewide final audited membership for all pupils in membership in schools of excellence that are cyber schools for a state fiscal year exceeds a number equal to 2% of the combined total statewide final audited membership for all pupils in membership in public schools for the 2011-2012 state fiscal year, then the Academy may not enroll any new pupils in the Academy in a school year that begins after that determination is made.

- (a) Notwithstanding any other provision of this Article XIII and subject to Section 13.2(b) below, in the event that the Department determines on July 1st of any year during the term of this Contract, that the combined total statewide final audited membership for all pupils in membership in schools of excellence that are cyber schools for a state fiscal year exceeds a number equal to 2% of the combined total statewide final audited membership for all pupils in membership in public schools for the 2011-2012 state fiscal year, then the Academy may not enroll any new pupils in the Academy in a school year that begins after that determination is made.
- (b) If the Department determines that the combined total statewide final audited membership for all pupils in membership in schools of excellence that are cyber schools for a state fiscal year does not exceed a number equal to 2% of the combined total statewide final audited membership for all pupils in membership in public schools for the 2011-2012 state fiscal year, then the restrictions in paragraph (a) above do not apply for a school year that begins after that determination is made unless the Department makes a new determination that the membership limits identified in this paragraph (b) have been exceeded.

Section 13.3. Responsibilities of Cyber School Teacher. The Academy shall ensure that a certificated teacher, whether employed or contracted for from an Educational Service Provider, is responsible for all of the following for each course in which a pupil is enrolled:

- (a) Improving learning by planned instruction;
- (b) Diagnosing the pupil's learning needs;
- (c) Assessing learning, assigning grades, and determining advancement; and
- (d) Reporting outcomes to Academy administrators and parents or legal guardians.

Section 13.4. Minimum Instructional Hours. The Academy shall make educational services available to pupils for a minimum of at least 1,098 hours during a school year, and shall ensure that each pupil participates in the educational program for at least 1,098 during a school year.

Section 13.5. Monthly On-Line Department Reports. The Academy Board agrees to submit a

monthly report to the Department, in the form and manner prescribed by the Department, which reports the number of pupils enrolled in the Academy during the immediately preceding month. The Academy shall make copy of the on-line report shall be made available to the Center upon request.

Section 13.6. Pupil/Parent Orientation. During the term of this Contract, the Academy Board shall ensure that, when a pupil enrolls in the Academy, the pupil and his or her parent or legal guardian are provided with a parent-student orientation in a form and manner determined by the Academy Board. If the pupil is at least age 18 or is an emancipated minor, the orientation may be provided to just the pupil.

Section 13.7. Cyber School Annual Report. The Academy shall provide to the Center all requested information that the Center Director deems necessary to complete the annual report to the Superintendent and the Michigan Legislature, as required under Section 553a of the Code. Any management agreement entered into by the Academy shall include a provision requiring the Educational Service Provider agrees to provide the requested information to the Center in the event that such information is maintained or in the possession of the Educational Service Provider.

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.

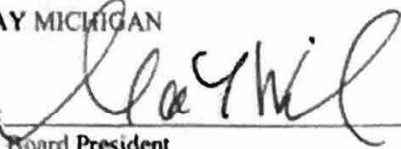
CENTRAL MICHIGAN UNIVERSITY BOARD OF TRUSTEES

By: _____
Todd J. Regis, 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.

WAY MICHIGAN

By:  _____
Board President

Date: 06/13/2024

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: Todd J. Regis
Todd J. Regis, Chair

Date: June 3, 2024

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.

WAY MICHIGAN

By: _____
Board President

Date: _____

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CONTRACT SCHEDULE 1

RESTATED ARTICLES OF INCORPORATION

MICHIGAN DEPARTMENT OF LICENSING AND REGULATORY AFFAIRS

FILING ENDORSEMENT

This is to Certify that the RESTATED ARTICLES OF INCORPORATION - NONPROFIT

for

WAY MICHIGAN

ID NUMBER: 71341E

received by facsimile transmission on October 5, 2017 is hereby endorsed.

Filed on October 9, 2017 by the Administrator.

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



Sent by Facsimile Transmission

In testimony whereof, I have hereunto set my hand and affixed the Seal of the Department, in the City of Lansing, this 9th day of October, 2017.

Julia Dale

***Julia Dale, Director
Corporations, Securities & Commercial Licensing Bureau***

MICHIGAN DEPARTMENT OF LICENSING AND REGULATORY AFFAIRS CORPORATIONS, SECURITIES & COMMERCIAL LICENSING BUREAU			
Date Received			
		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		EFFECTIVE DATE:	
Christine Muscat			
Address			
407 East Fort Street Suite 201			
City	State	Zip	
Detroit	MI	48226	
			71341E

**RESTATED ARTICLES OF INCORPORATION
For Use by Domestic Nonprofit Corporations**

OF

WAY 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 by Public Act No. 129 of 2012 (the "Cyber School Law"), being Sections 380.551 et seq. of the Michigan Compiled Laws, the undersigned corporation executes the following Restated Articles:

The present name of the corporation is: WAY Michigan.

The corporation identification number ("CID") assigned by the Bureau is: 71341E.

The corporation has used no other names.

The date of filing the original Articles of Incorporation was: December 5, 2013.

The following Restated Articles of Incorporation supersede the Articles of Incorporation and shall be the Articles of Incorporation for the corporation:

ARTICLE I

The name of the corporation is: WAY Michigan.

Restated Articles of Incorporation - 1

WAY Michigan

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

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 School of Excellence that is a Cyber School in the State of Michigan pursuant to part 6E of the Code, being Section 380.551 et seq. of the Michigan Compiled Laws.

2. 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 Restated 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.

Description:

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 schools of excellence that are cyber schools.
- 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 William Barker.

The address of its registered office in Michigan is: 407 East Fort Street, Suite 201, Detroit, Michigan 48226

The mailing address of the registered office in Michigan is: 407 E. Fort Street, Suite 201, Detroit, MI 48226.

ARTICLE V

The corporation is a governmental entity.

ARTICLE VI

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 VII

Before execution of a Contract to charter a School of Excellence that is a Cyber School 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 VIII

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 IX

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 X

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 Restated 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 XI

These Restated 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 Restated Articles of Incorporation or may propose a meeting to discuss potential revision to these Restated 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 Restated 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 Restated 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 Restated Articles of Incorporation. The Restated 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 Restated 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. 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.

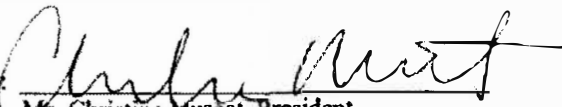
ARTICLE XII

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

ADOPTION OF ARTICLES

These Restated Articles of Incorporation were duly adopted on the 28th day of September, 2017, in accordance with the provisions of Section 641 of the Act. These Restated Articles of Incorporation restate, integrate and do further amend the provisions of the Articles of Incorporation and were duly adopted by the directors. The necessary number of votes were cast in favor of these Restated Articles of Incorporation.

Signed this 5 day of October, 2017.

By: 
Ms. Christine Muscat, President

Restated Articles of Incorporation - 5 WAY Michigan

CONTRACT SCHEDULE 2

AMENDED BYLAWS

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WAY MICHIGAN

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AMENDED BYLAWS

OF

WAY MICHIGAN

ARTICLE I

NAME

This organization shall be called WAY 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 6E 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.
- (e) Is a current Academy Board member.

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, 2024.


Academy Board Secretary

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 WAY Michigan ("Academy"), a school of excellence that is a cyber school.

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 schools of excellence that are cyber schools 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 WAY Michigan.

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

Date: February 28, 2024

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 WAY Michigan ("Academy"), a school of excellence that is a cyber school.

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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Administrator and Teacher Evaluation Systems	5-1
Performance Evaluation System	5-1
Teacher and Administrator Job Performance Criteria	5-1
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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 W-A-Y Widening Advancements for Youth 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.

MANAGEMENT AGREEMENT

THIS MANAGEMENT AGREEMENT (the “**Agreement**”) is made and entered into effective as of the 1st day of July, 2024 by and between W-A-Y Widening Advancement for Youth, a Michigan non-profit corporation (“**W-A-Y**”), and W-A-Y Michigan, a body corporate and public school academy (the “**Academy**”).

RECITALS

The Academy is a charter school, organized as a public school academy under the Michigan Revised School Code (the “**Code**”). The Academy was issued a contract to charter a public school academy by the Board of Trustees of Central Michigan University, a Michigan public body corporate (“**Central Michigan University**”) (the “**Authorizer**”) to organize and operate a public school academy. The Academy’s Charter Application and the Charter Contract between the Academy and Authorizer, and all amendments to the Charter, are collectively referred to as the “**Charter**.”

The Academy and W-A-Y desire to create an enduring educational alliance whereby the Academy and W-A-Y will work together to promote educational excellence and innovation based on W-A-Y’s school design, comprehensive educational program, and management principles.

In order to facilitate the organization and continuation of the Academy and to implement an innovative educational program at the Academy, the parties desire to establish this arrangement for the management and operation of the Academy.

The Academy, as required by law, is governed by the Academy’s Board of Directors which, subject to Michigan law and the requirements of the Charter, has the ultimate authority over the Academy. The Academy and W-A-Y agree that no provision of this Agreement shall be construed to interfere with the Academy Board’s duty to exercise its statutory, contractual, and fiduciary responsibilities in governing the operation of the Academy. The parties acknowledge and agree that the Academy Board is an independent, self-governing public body which shall operate in accordance with the Charter and applicable law.

Therefore, for good and valuable consideration, the receipt of which is hereby acknowledged, it is mutually agreed as follows:

ARTICLE I CONTRACTING RELATIONSHIP

A. **Authority.** The Academy Board represents that it is authorized by law to contract with a private entity and for that entity to provide educational, business administration and management services. The Academy Board further represents that it has been issued a Contract by the University Board to organize and operate a public school academy

situated in Michigan. The Academy Board is therefore authorized by the University Board to supervise and control the Academy, and is vested with all powers within applicable law for carrying out the educational program contemplated in this Agreement.

B. Contract. Acting under and in the exercise of such authority, the Academy hereby contracts with W-A-Y to the extent permitted by law, to provide all functions relating to the provision of educational services and the management and operation of the Academy in accordance with the terms of this Agreement and the Contract. W-A-Y agrees to perform its duties and responsibilities under this Agreement in a manner that is consistent with the Academy's obligations under the Academy's Contract issued by the University Board. The provisions of the Academy's Contract shall supersede any competing or conflicting provisions contained in the Agreement.

C. Status of the Parties. W-A-Y is a non-profit corporation, and is not a division or a part of the Academy. The Academy is a body corporate and governmental entity authorized by the Code, and is not a division or part of W-A-Y. The relationship between W-A-Y and the Academy is based solely on the terms of this Agreement. No provision of this Agreement shall interfere with the Academy Board's rights under the Contract or the Academy's statutory, contractual, or fiduciary responsibilities governing the operation of the Academy, and neither shall be limited or rendered impossible by any action or inaction of W-A-Y. Additionally, no action or inaction by W-A-Y or any provision in the Agreement shall prohibit the Academy Board from acting as an independent, self-governing public body, or allow public decisions to be made other than in compliance with the Open Meetings Act.

D. Independent Contractor Status. The relationship between the parties is that of an independent contractor, and not employer-employee. No agent or employee of W-A-Y shall be determined to be the agent or employee of the Academy. Notwithstanding the foregoing, W-A-Y and its employees are designated as limited agents of the Academy in the following specific instances only:

1. The Academy agrees to define "school official" in the Academy's annual notification of rights under 20 U.S.C. § 1232g, 34 C.F.R. § 99, the Family Educational Rights and Privacy Act ("FERPA") to include a contractor who performs an institutional service or function for which the Academy would otherwise use its own employees, who is under the direct control of the Academy with respect to the use and maintenance of personally-identifiable information from education records, and who is subject to the requirements of 34 C.F.R. § 99.33(a) governing the use and redisclosure of personally identifiable information from education records. The Board designates W-A-Y and certain of its employees and subcontractors as school officials of the Academy having a legitimate educational interest such that they are entitled to access to educational records under FERPA. W-A-Y and its employees and subcontractors agree to comply with FERPA and corresponding regulations applicable to school officials.

2. During the term of this Agreement, the Academy may disclose confidential data and information to W-A-Y, and its respective officers, directors, employees and designated agents to the extent permitted by applicable law, including without limitation,

the Individual with Disabilities Education Act (“IDEA”), 20 USC §1401 *et seq.*, 34 CFR 300.610 – 300.626; Section 504 of the Rehabilitation Act of 1973, 29 USC §794a, 34 CFR 104.36; the Michigan Mandatory Special Education Act, MCL 380.1701 *et seq.*; the Americans with Disabilities Act, 42 USC §12101 *et seq.*; the Health Insurance Portability and Accountability Act (“HIPAA”), 42 USC 1320d – 13200d-8; 45 CFR 160, 162 and 164; and social security numbers, as protected by the federal Privacy Act of 1974, 5 USC §552a; and the Michigan Social Security Number Privacy Act, MCL 445.84.

3. As otherwise expressly designated by written agreement of the parties with consent from anyone whose consent is required by law or contract.

4. W-A-Y will be solely responsible for its acts and the acts of its agents, employees, and subcontractors. No provision of this Agreement shall predetermine the Academy Board’s course of action in choosing to assert or not assert, waive or not waive, governmental immunity.

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

F. Chief Administrative Officer. Pursuant to the Uniform Budget and Accounting Act, MCL 141.422b, the Academy Board is responsible for designating the Chief Administrative Officer for the Academy. The Academy Board shall appoint the Board Treasurer, or such other officer as determined by the Academy Board as the Chief Administrative Officer of the Academy. If the Academy employs a superintendent, then the Academy Board may designate the superintendent as the Chief Administrative Officer of the Academy. If the Academy contracts with a superintendent, then the Academy Board shall designate an Academy Board member as the Chief Administrative Officer of the Academy. Neither W-A-Y nor any W-A-Y owner, officer, director, employee or agent shall be designated as the Chief Administrative Officer of the Academy, but a W-A-Y employee may assist an Academy Board member who is the Chief Administrative Officer in carrying out their responsibilities.

ARTICLE II TERM

Term. This Agreement shall become effective as of July 1, 2024 upon execution and shall terminate on June 30, 2025. If the Academy’s Contract issued by the University Board is suspended, revoked or terminated, or a new charter contract is not issued to the Academy after expiration of the contract, this Agreement shall automatically terminate on the same date as the Academy’s Contract is suspended, revoked or terminated without further action of the parties. The term of this Agreement shall not exceed the term of the Contract.

ARTICLE III OBLIGATIONS OF W-A-Y

In consideration of the management fee paid by the Academy, W-A-Y shall perform the following:

A. **Responsibility.** W-A-Y shall be responsible, and accountable to the Academy Board, for the management, operation, and performance of the Academy.

B. **Educational Program.** The educational program and the program of instruction shall be implemented by W-A-Y. W-A-Y may recommend changes in the education program contained in the Contract ("Educational Program") to the Academy Board. The Educational Program may be adapted and modified from time to time with prior Academy Board approval and in conjunction with the Contract amendment process, it being understood that an essential principle of a successful, effective educational program is its flexibility, adaptability, and capacity to change in the interest of continuous improvement and efficiency, and that the Academy and W-A-Y are interested in results and not in inflexible prescriptions.

C. **Strategic Planning.** At the request of the Academy Board, W-A-Y shall help design strategic plans for the continuing educational and financial benefit of the Academy.

D. **Public Relations.** W-A-Y shall assist the Academy Board with the design and implementation of an ongoing public relations strategy for the development of beneficial and harmonious relationships with other organizations and the community.

E. **Specific Functions.** W-A-Y will provide the following services to the Academy under the direction and supervision of the Academy Board:

Operational Public School Academy Services

1. Financial
 - * Preparation of an annual budget
 - * Develop salary schedules
 - * Select benefit packages
 - * Determine retirement options
 - * Provide Payroll Services
 - * Assist with yearly audit and locating C.P.A. (however, the Academy Board shall have the sole authority to select and retain an independent accounting firm to conduct the annual audit)
 - * Pay Academy Board approved invoices on a timely basis
2. Educational Planning
 - * Curriculum Expansion
 - * Selection of assessments approved by the Academy Board
 - * Assist with development and implementation of School Improvement Plan

- * Assist with accreditation of Academy from Cognia
 - * Assist with development and implementation of Technology Plan
3. Staff Development
 - * Offer workshops and seminars
 - * Offer professional growth activities
 - * Develop and, after Academy Board approval, administer Administrator and Educator evaluation and observation in accordance with Sections 1249 and 1250 of the Code
 - * Recruiting and maintaining the highest quality of educational professionals
 - * Partnering with local universities to recruit and train educational professionals
 - * Assisting potential candidates with the Alternative Route to Certification program provided in conjunction with the State of Michigan
 - * Provide “continuing education” credits for professional development so that candidates can maintain certification status
 - * Assist qualified individuals with the process of seeking and maintaining “emergency certifications” for critical shortage areas in partnership with the Michigan Department of Education
 - * Partner with educational staffing agencies to provide immediate relief for teaching vacancies with “highly qualified” staff
 4. Problem Solving
 - * Manage W-A-Y Personnel issues
 - * Conflict resolution
 - * Student/parent/teacher issues
 5. Compliance Issues
 - * Membership reports
 - * Annual reports
 - * Annual audits
 6. Purchase equipment/furniture approved by the Academy Board
 7. Contracted Services (as needed)
 - * Maintenance (building)
 - * Cleaning supplies/equipment
 - * Snow removal
 - * Lawn service
 - * Painting
 - * Landscaping
 - * Parking lot maintenance
 - * Playground equipment
 - * Athletic equipment

Assets provided, or caused to be provided, to the Academy by W-A-Y with funds W-A-Y has received from sources other than the Academy under Article V shall remain the property of W-A-Y or the providing entity unless agreed in writing to the contrary. All acquisitions made

by W-A-Y for the Academy with funds W-A-Y has received pursuant to Article V including, but not limited to, instructional materials, equipment, supplies, furniture, computers and technology, shall be owned by and remain the property of the Academy. The Academy Board shall retain the obligation, as provided in Section 1274 of the Code, to adopt written policies governing the procurement of supplies, materials, and equipment. In the event that W-A-Y purchases supplies, materials, or equipment from third parties as agent for or on behalf of the Academy, W-A-Y shall comply with the Code including, but not limited to sections 1267 and 1274 of the Code, MCL 380.1267 and MCL 380.1274, as if the Academy were making such purchases directly from a third party and such equipment, materials, and supplies shall be and remain the property of the Academy. W-A-Y certifies that there shall be no markup of cost or any added fees for supplies, materials, or equipment procured by W-A-Y on the Academy's behalf and that said supplies, materials and/or equipment shall be inventoried in such a way that it can be clearly established which property belongs to the Academy.

F. Subcontracts. W-A-Y reserves the right to subcontract any and all aspects of all other services it agrees to provide to the Academy, including, but not limited to transportation, food service, payroll and/or any computer services with the prior approval of the Academy Board. W-A-Y shall not subcontract the management, oversight, staffing, or operation of the teaching and instructional program, except as specifically permitted herein or with the prior approval of the Academy Board. Any services to be provided by W-A-Y that are included in the management fee but are performed by a subcontractor shall not be charged to, reimbursed by or passed through as an additional cost to the Academy.

G. Place of Performance. W-A-Y reserves the right to perform functions other than instruction, such as purchasing, professional development, and administrative functions, off-site, unless prohibited by the Contract or applicable law.

H. Student Recruitment. W-A-Y and the Academy shall be jointly responsible for the recruitment of students subject to agreement on general recruitment and admission policies approved by the Academy Board. Application by or for students shall be voluntary, and shall be in writing. Students shall be enrolled in accordance with the procedures set forth in the Academy's Contract and in compliance with the Code and other applicable law.

I. Legal Requirements. W-A-Y shall assist the Academy in providing Educational Programs that meet the requirements imposed under the Contract and applicable law, unless such requirements are, or have been waived by the appropriate State or Federal government authorities.

J. Rules and Procedures. W-A-Y shall recommend reasonable rules, regulations and procedures applicable to the Academy, and W-A-Y is authorized and directed to enforce such rules, regulations, and procedures adopted by the Academy Board.

K. School Years and School Day. The school year and the school day shall be scheduled as required by law and the Contract.

L. Additional Grades and Student Population. If requested by the Academy Board, W-A-Y, in connection with the Academy Principal, shall make the recommendation to the Academy Board concerning limiting, increasing, or decreasing the number of grades offered and the number of students served per grade or in total, within the limits provided for by the Academy's Contract.

M. Intellectual Property Rights. "Educational Materials" shall include (without limitation) all educational technology, including, but not limited to: software, hardware and Internet applications; all curriculum, print and electronic textbooks; all instructional materials, lesson plans, teacher guides, workbooks, and tests; and all other curriculum-related materials. The Academy will own all proprietary rights to Educational Materials that: (i) have been developed by the Academy and are owned by the Academy on the date this Agreement is entered into; (ii) are developed by the Academy and paid for out of the Board Spending Account (as defined in Article VI(B)(3)); or (iii) are developed by W-A-Y or a third party at the direction of the Academy and paid for out of the Board Spending Account (the "Academy Materials").

W-A-Y shall own all proprietary rights to, and the Academy's proprietary interest shall not include, Educational Materials that were developed by W-A-Y or copy written or similarly protected by W-A-Y. W-A-Y shall own all intellectual property rights, including (without limitation) copyrights in and to the Educational Program and all Educational Materials relating thereto, as well as any non-curriculum materials created or provided by W-A-Y in connection with, or related to, the implementation of the Educational Program including, without limitation, all corrections, modifications, and derivatives thereof (collectively all of the foregoing shall be referred to as the "W-A-Y Materials").

The parties acknowledge that to the extent the Academy Materials are derivative of W-A-Y Materials, the Academy's intellectual property ownership rights extend only to the new, original aspects of such works and not to any underlying or pre-existing material. Relevant Educational Materials and teaching techniques used by or at the Academy shall be subject to disclosure to the extent required under the Code and Freedom of Information Act.

W-A-Y hereby grants to the Academy the non-exclusive, non-transferable license to use the W-A-Y Materials in furtherance of the Educational Program during the term of this Agreement including, without limitation, the right to reproduce, publicly display, distribute, and create derivatives of same, in hard copy format, or electronically via the Academy's intranet. To the extent any part of the Academy Materials may be a derivative of W-A-Y Materials, the Academy shall have the non-exclusive, non-transferable right to use such W-A-Y Materials, as same may have been previously embodied or incorporated in the Academy Materials, beyond the termination or expiration of this Agreement solely in connection with the operation of the Academy and in the ordinary course of such operations. The Academy represents and warrants that during the term of this Agreement, or following the expiration or termination of this Agreement, the Academy will not exploit, or assist any third party in exploiting, the Academy Materials or any W-A-Y Materials for commercial purposes.

W-A-Y hereby grants the Academy the non-exclusive, non-transferable license to use W-A-Y trade names and W-A-Y trademark(s) to promote and advertise the Academy. No other use of the W-A-Y trademarks is permitted without W-A-Y's prior written permission. The Academy shall acquire no rights in the W-A-Y trademarks, and all goodwill of the W-A-Y trademarks shall inure to the benefit of and remain with W-A-Y. W-A-Y shall have pre-approval rights for each form and manner of public display of the W-A-Y trademarks.

ARTICLE IV OBLIGATIONS OF THE BOARD

The Academy Board shall exercise good faith in considering the recommendations of W-A-Y and the Academy Principal including, but not limited to their recommendations concerning policies, rules, regulations, procedures, curriculum, budgets, fund raising, public relations and school entrepreneurial affairs. W-A-Y does understand all of these decisions remain the responsibility of the Academy Board and may not be delegated directly to W-A-Y.

ARTICLE V FINANCIAL ARRANGEMENTS

A. Compensation for Services. During the term of this Agreement, the Academy shall pay W-A-Y a capitation fee of an amount equal to ten (10%) percent, based upon all of the funds received by the Academy that the State of Michigan determines the Academy is entitled to receive pursuant to the State School Aid Act of 1979, as amended, for the particular students enrolled in the Academy ("SSA") and the 31A –At Risk, Title I, IIA, IID and V program funds. The SSA may change according to overall changes in the student allocations by the State of Michigan.

B. No Related Parties or Common Control. W-A-Y will not have any role or relationship with the Academy that, in effect, substantially limits the Academy Board's ability to exercise its rights, including cancellation rights, under this Agreement. The Academy Board may not include any director, officer or employee of a management company that contracts with the Academy. In furtherance of such restriction, it is agreed between the Academy and W-A-Y that none of the voting power of the Academy Board will be vested in W-A-Y or its directors, members, managers, officers, shareholders, and employees, and none of the voting power of the governing body of W-A-Y will be vested in the Academy or its directors, members, managers, officers, shareholders, and employees. The Academy and W-A-Y will not employ the same individuals. Further, the Academy and W-A-Y will not be members of the same controlled group, as defined in Section 1.150-1 (f) of the regulations under the Internal Revenue Code of 1986, as amended, or related persons, as defined in Section 144(a)(3) of the Internal Revenue Code of 1986, as amended.

C. Payment of Costs. In addition to the fee described in this Article V(A), the Academy shall timely reimburse W-A-Y for all costs incurred and paid by W-A-Y in providing the Educational Program and other goods and services, at the Academy pursuant to Articles III, V, VI, and XI of this Agreement, provided such costs are consistent with the Academy budget approved by the Academy Board. Such costs include, but are not limited to, advertising, typing, printing,

duplicating, postage, application fees, curriculum materials, textbooks, library books, furniture and equipment, computers, supplies, salaries and related expenses of W-A-Y employees assigned to the Academy to provide goods and services to the Academy (but excluding any corporate costs of W-A-Y), building payments, maintenance, capital improvements (if not paid directly by the Academy) and subcontractor fees. In paying costs on behalf of the Academy, W-A-Y shall not charge an added fee. The Academy shall not reimburse W-A-Y for any costs incurred or paid by W-A-Y as a result of services provided or actions taken pursuant to Articles I, II, IV, VII, VIII (except as otherwise specifically indicated), IX, X, XII, XIII, and XIV of this Agreement. The Academy Board may pay or reimburse W-A-Y for approved fees or expenses upon properly presented documentation and approval by the Academy Board, or the Academy Board may advance funds to W-A-Y for the approved fees or expenses associated with the Academy's operation provided that documentation for the fees and expenses are provided for Academy Board ratification within thirty (30) days after the expense is incurred. Any costs reimbursed to W-A-Y that are determined by the independent audit not to be reasonably incurred on behalf of the Educational Program of the Academy shall be promptly returned to the Academy by W-A-Y. WAY shall have no obligation to make loans to the Academy.

D. Time and Priority of Payments. The fee due to W-A-Y shall be calculated for each school year at the same time as the State of Michigan calculates the SSA, and adjustments to such calculation shall occur at the same time as the State of Michigan makes adjustments to the SSA. W-A-Y shall receive its fee as calculated pursuant to the preceding sentence in eleven (11) installments beginning in October of each school year and ending in August of each school year. Such installment amounts shall be due and payable within five (5) days of receipt by the Academy of its monthly SSA.

E. Other Revenue Sources. In order to supplement and enhance the school aid payments received from the State of Michigan, and improve the quality of education, the Academy and W-A-Y shall endeavor to obtain revenue from other sources. In this regard:

1. With prior approval of the Academy Board, the Academy and/or W-A-Y shall solicit and receive grants and donations consistent with the mission of the Academy.
2. With prior approval of the Academy Board, the Academy and/or W-A-Y may apply for and receive grant money, in the name of the Academy.
3. To the extent permitted under the Code and with prior approval of the Academy Board, W-A-Y may charge fees to students for Additional Programs (as defined in Article VII, Section A) and charge non-Academy students who participate in such Additional Programs. To the extent that W-A-Y is involved with the management of the Additional Programs, W-A-Y and the Academy will split all revenue collected from the Additional Programs, in a proportion agreed upon by the parties in advance of W-A-Y conducting such programs, less expenses to the Academy caused by such Additional Programs, if not prohibited by law.

F. Other Institutions. The Academy acknowledges that W-A-Y may enter into similar management agreements with other public or private educational schools or institutions

(“Institutions”). W-A-Y shall maintain separate accounts for reimbursable expenses incurred on behalf of the Academy and other Institutions, and only charge the Academy for expenses incurred on behalf of the Academy. If W-A-Y incurs authorized reimbursable expenses on behalf of Academy and other Institutions which are incapable of precise allocation between the Academy and such Institutions, to the extent permitted under applicable law, then W-A-Y, shall allocate such expenses among all such Institutions, and the Academy, on a pro-rata basis based upon the number of students enrolled at the Academy and the Institutions, or upon such other equitable basis as is acceptable to the parties. All grants or donations received by the Academy or by W-A-Y for the specific benefit of the Academy shall be used solely for the Academy. Marketing and development costs paid by or charged to the Academy shall be limited to those costs specific to the Academy program, and shall not include any costs for the marketing and development of W-A-Y, or other schools managed by W-A-Y.

G. Reporting. W-A-Y shall provide the Academy Board with:

1. All information the Academy’s auditors reasonably request.
2. Reports on Academy operations, finances, and student performance, upon request of the Academy Board, the University Board or the State of Michigan.
3. Level of compensation and fringe benefits of employees assigned to the Academy.
4. On not less than a monthly basis, a balance sheet and an object-level detailed Statement of Revenues, Expenditures and Changes in Fund Balance which shall include a budget to actual comparison with an explanation for variances, a written report detailing the status of the budget to actual revenues and a detailed schedule of expenditures at an object level detail for review and approval by the Academy Board. This report shall explain any material variances from the approved budget and shall contain recommendations for necessary budget corrections. The foregoing presentation shall be in a form and format mutually agreed upon by the Academy Board and W-A-Y acceptable to the Academy Board and shall be provided to the Academy Board members not less than five (5) business days prior to the Academy Board meeting at which the information will be considered in the Academy Board packets sent to Academy Board members in preparation for Academy Board meetings. W-A-Y shall provide special reports as reasonably necessary or as reasonably requested by the Academy Board to keep the Board informed of changing conditions
5. Other information on a periodic basis or as reasonably requested by the Academy Board to enable the Academy Board to monitor W-A-Y’s educational performance and the efficiency of its operations of the Academy.

H. Access to Records. W-A-Y shall keep accurate financial records and other commercially reasonable educational and student records pertaining to its operation of the Academy, together with all Academy records prepared by or in the possession of W-A-Y, and, retain all of said records to which such books, accounts and records relating to the Academy shall be retained in accordance with the Michigan Department of Education’s record retention policy. All Academy records in the possession of W-A-Y are owned by the Academy and are Academy records. All financial, educational and student records pertaining to the Academy are Academy property. Such records are subject to the Michigan Freedom of Information Act and shall be

physically stored at the Academy's physical facilities or directly accessible at the Academy facility. Except as permitted under the Contract and applicable law, nothing in this Agreement shall be interpreted to restrict the University's or the public's access to the Academy's records. All records pertaining to W-A-Y's teacher and administrator certifications, as well as a copy of the W-A-Y employee handbook shall be maintained physically on site or directly assessable at the Academy facility. W-A-Y and the Academy shall maintain the proper confidentiality of personnel, student and other records as required by law. W-A-Y shall make all Academy records available to the Academy's independent auditor and the University or the University Charter Schools Office upon request. In the event of a data breach of confidential information, including but not limited to the release of personally identifiable information (PII) from Academy education records or other records, W-A-Y will notify students and families, and take all necessary action to mitigate the data security breach in accordance with Academy policy.

I. Review of Budget. W-A-Y shall be responsible for preparing a draft of the annual budget. The Academy Board shall be responsible for reviewing, revising, and approving the annual budget of the Academy. W-A-Y may not make expenditures or commitments which deviate from the amounts or purposes of appropriations contained in the approved budget without the prior approval of the Academy Board in the form of an approved amendment of the budget in accordance with applicable law and the Contract. In addition, the Academy Board is responsible for determining the budget reserve amount included as part of the Academy's annual budget, for implementing fiscal policies that will assist the Academy in attaining the stated budget reserve amount and for approving necessary amendments to the budget to reflect necessary deviations from the adopted budget. The budget may be amended from time to time as deemed necessary by the Academy Board.

J. Annual Audit. The Academy Board shall select, retain, and pay an independent auditor for an annual financial audit in accordance with the Contract and applicable state law. W-A-Y shall cooperate with said auditor and will make sure that all Academy's financial records and W-A-Y records related to the Academy are made available to the independent auditor and the University. W-A-Y shall not select, retain, evaluate, or replace the independent auditor for the Academy.

K. Payment of Academy Funds. The Academy Board shall determine the depository of all funds received by the Academy. All funds received by the Academy shall be initially deposited in the Academy's depository account. Signatories on the depository account shall be current Academy Board members properly designated annually by Academy Board resolution. All interest or investment earnings on Academy deposits shall accrue to the Academy. The Academy Board shall provide Academy funding on a consistent and timely basis to W-A-Y to fulfill its obligations under this Agreement.

L. Compliance with Contract Terms and Conditions. W-A-Y shall make information concerning the operation and management of the Academy, including without limitation the information described in the Contract, available to the Academy as deemed necessary by the Academy Board in order to enable the Academy to fully satisfy its obligations under the Contract Terms and Conditions.

M. Compliance with Section 503c. On an annual basis, W-A-Y agrees to provide

the Academy Board with the same information that a school district is required to disclose under section 18(2) of the State Aid Act of 1979, MCL.388.1618, for the most recent school fiscal year for which the information is available. Within thirty (30) days of receipt of this information, the Academy Board shall make the information available on the Academy's website home page, in a form and manner prescribed by the Michigan Department of Education. The defined terms in section 503c of the Revised School Code, MCL 380.503c, shall have the same meaning in this Agreement.

ARTICLE VI PERSONNEL & TRAINING

A. Personnel Responsibility. Subject to Academy Board policies and the Academy Board approved budget, W-A-Y shall, in cooperation with the Academy, recommend to the Academy Board staffing levels, and select, evaluate, assign, discipline and transfer personnel, consistent with state and federal law, and consistent with the parameters adopted and included within the Contract. The Academy and W-A-Y agree that W-A-Y has all the rights, discretion and authority required by law to constitute an "employer" as defined in 29 U.S.C. §152(2) of the National Labor Relations Act and is subject to the jurisdiction of the National Labor Relations Board. The Academy Board may request that W-A-Y personnel be removed from their duties as to the Academy by W-A-Y if the Academy is dissatisfied with their performance, but all ultimate personnel decisions are reserved to W-A-Y, as the sole employer. W-A-Y shall not have contracts with staff assigned to the Academy (including by way of example and not limitation, teachers, administrators, counselors and the like) which contain non-compete agreements of any nature.

B. Principal. Because the accountability of W-A-Y to the Academy is an essential foundation of this partnership, and because the responsibility of a principal ("Principal") is critical to its success, the Principal will be an employee of W-A-Y and W-A-Y will have the authority, consistent with state law, to select and supervise the Principal and to hold him or her accountable for the success of the Academy. The employment contract between W-A-Y and the Principal, and the duties and compensation of the Principal shall be determined by W-A-Y consistent with the Contract and the Academy Board's approved budget. The Principal and W-A-Y, in turn, will have similar authority to select and hold accountable the teachers in the Academy.

C. Teachers. Subject to the Contract, Academy Board policies, and the Academy Board approved budget, and from time to time thereafter, W-A-Y shall recommend to the Academy Board the number of teachers, and the applicable grade levels and subjects, required for the operation of the Academy. Thereafter, the Academy Board shall determine the number and applicable grade levels and subjects of the Academy. W-A-Y shall provide and assign such teachers, qualified in the grade levels and subjects to the Academy, as are required by the Code, the Academy Board. The curriculum taught by such teachers shall be the curriculum prescribed by the Academy and set forth in the Contract. Such teachers may, in the discretion of W-A-Y, work at the Academy on a full or part time basis, provided that if teachers work at the Academy on a part time basis, such teachers' salaries and benefits shall be pro-rated in the Academy's budget. If assigned to the Academy on a part-time basis, such teachers may also work at other

schools managed or operated by W-A-Y. Each teacher assigned or retained to the Academy shall hold a valid teaching certificate issued by the State Board of Education under the Code and shall have undergone a criminal background and record check and unprofessional conduct check, as required under the Code for teachers who are employees of the Academy.

D. Support Staff. W-A-Y shall recommend, and the Academy Board shall determine, the number and functions of support staff required for the operation of the Academy. The parties anticipate that such support staff may include clerical staff, administrative assistants to the Principal, a bookkeeping staff, maintenance personnel, and the like. W-A-Y and the Academy Board shall mutually agree on how sharing such support staff can be conducted with efficiency.

E. Employer of Personnel. Except as specified in this Agreement, all administrative, instructional, and support staff personnel performing functions on behalf of the Academy shall be employees of W-A-Y. Compensation of all employees of W-A-Y shall be paid by W-A-Y. W-A-Y is responsible for paying employees leased to the Academy or working on Academy operations irrespective of whether W-A-Y receives an advancement of its costs or the payment of services from the Academy. For purposes of this Agreement, "Compensation" shall include salary, fringe benefits, and state and federal tax withholdings. W-A-Y shall be responsible for paying workers' compensation and social security, unemployment, and any other taxes required by law to be paid on behalf of its employees. Unless required by applicable statute, court or administrative decision, or Attorney General's opinion, W-A-Y shall not make payments to the Michigan Public School Employees' Retirement System or any other public retirement system on behalf of its employees. W-A-Y shall be responsible for conducting criminal background checks and unprofessional conduct checks on its employees and any contractors that frequently come into contact with students, as if it were a public school academy under the Code. Evidence of same shall be confidential and stored in a secure manner, in physical form, at the Academy or directly accessible at the Academy facility. Teachers employed by W-A-Y shall not be considered teachers for purposes of continuing tenure under MCLA § 38.71 *et seq.*

F. Training. W-A-Y shall provide training in its methods, curriculum, program, and technology to all teaching personnel on a regular and continuous basis, so long as such training is not unduly financially burdensome to W-A-Y in W-A-Y's sole discretion. Such methodology shall, at a minimum, utilize W-A-Y's teaching staff to utilize their own professional abilities to provide in-service training to each other. Instructional personnel will receive at least the minimum number of professional development hours as required under the Code. Non-instructional personnel shall receive such training as W-A-Y determines as reasonable and necessary under the circumstances consistent with the Code.

G. Other Financial Relationships. Any lease, promissory notes or other negotiable instruments, lease-purchase agreements or other financing agreements between the Academy and W-A-Y shall be contained in a document separate from this Agreement, and shall be separately reviewed by the Authorizer, and shall comply with all applicable law, the Contract issued by the University Board, and any applicable policies created by the University Board and/or the Central Michigan University Charter Schools Office.

ARTICLE VII ADDITIONAL PROGRAMS

A. Additional Programs. The services provided by W-A-Y to the Academy under this Agreement consist of the Educational Program during the school year and school day as set forth in the Contract. With prior approval of the Academy Board, W-A-Y may provide extra services such as summer and after school programs, athletics, adult and community education and other special programs ("Additional Programs").

B. Food Service and Transportation. W-A-Y will not initially provide transportation services to students at the Academy. If approved by the Academy Board, the students will be provided a catered lunch program under the normal school lunch programs funded by the National School Lunch Program or an alternative funding source acceptable to the Academy Board.

ARTICLE VIII TERMINATION OF AGREEMENT

A. Termination.

1. By W-A-Y. W-A-Y may, at its option, terminate this Agreement prior to the end of the term specified in Article II in the event the Board fails to remedy a material breach within thirty (30) days after notice from W-A-Y. A material breach includes, but is not limited to, W-A-Y's failure to receive for any reason compensation or reimbursement as required by the terms of this Agreement or the Academy's loss or suspension of its Charter.

2. By Academy. The Academy may terminate this Agreement prior to the end of the term specified in Article II in the event that W-A-Y shall fail to remedy a material breach within thirty (30) days after notice from the Board. A material breach includes, but is not limited to: (i) failure to account for its expenditures or to pay Academy operating costs in accordance with the terms of the Budget (provided funds are available to do so); (ii) failure to follow policies, procedures, rules, regulations or curriculum duly adopted by the Board that are not in violation of the Charter, this Agreement, or applicable law; (iii) receipt by the Board of unsatisfactory reports regarding W-A-Y's performance or the performance of the Academy that are not adequately corrected or explained; (iv) if this Agreement or its implementation would serve as grounds for revocation of the Charter or would otherwise jeopardize tax exemptions or nonprofit tax status of the Academy; or (v) any action or inaction by W-A-Y which causes the Charter to be revoked, terminated, or suspended or which causes the Charter to be put in jeopardy of revocation, termination, or suspension by the Authorizer.

3. Reconstitution. This Agreement may be immediately terminated by the Academy, with no cost or penalty to the Academy and no recourse by W-A-Y or any subcontracted person or entity of W-A-Y, to the Authorizer or any third party affiliated with or engaged by the Authorizer, in the event the Authorizer determines to exercise its prerogative under the Charter to Reconstitute the Academy by requiring termination or amendment of this

Management Agreement. In the event that the Academy 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 Contract, and such closure of an Academy 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 Academy site closure or reconstitution, with no cost or penalty to the Academy, and W-A-Y shall have no recourse against the Academy or the University Board for implementing such site closure or reconstitution.

B. Termination/Expiration.

In the event this Agreement is terminated by either party prior to the end of the term specified in Article II absent unusual and compelling circumstances, the termination will not become effective until the end of the then current school year in which the notice of termination is issued.

C. Change in Law. If any federal, state, or local law or regulation, or court decision has a material adverse impact on the ability of either party to carry out its obligations under this Agreement, then either party, upon written notice, may request renegotiating of the Agreement; and if the parties are unable or unwilling to renegotiate the terms within thirty (30) days after the notice, the party requiring the renegotiation may terminate this Agreement on thirty (30) days further written notice.

D. Effective Date of Termination. In the event that this Agreement is terminated by either party prior to the end of the term specified in Article I, any termination of this Agreement for cause or without cause shall not take effect until the earlier of (i) an approved agreement by the Academy with another ESP (or self-management) is in effect; or (ii) the end of the current school year in which the termination is invoked. A change in ESP (or a decision to self-manage) in mid school year is strongly discouraged and will be disapproved by the Charter Schools Office absent compelling circumstances and a clear demonstration that the new ESP (or transition to self-management) can seamlessly assume management and operations of the school without disrupting the school's operations.

E. Expiration. Upon expiration of this Agreement at the completion of the Contract term and where there is no renewal, or upon the termination of this Agreement, whether with or without cause, W-A-Y shall have the right to (a) reclaim any usable property or equipment (e.g., copy machines, personal computers) it provided to the Academy at W-A-Y's expense and not paid for by the Academy, or (b) to make payment for any such property, at the sole option of the Academy Board. If the Academy Board chooses to purchase such property, the purchase price shall be either fair market value of such property determined as of the effective date of the termination or expiration of this Agreement or the depreciated cost of such property, whichever is less. Fixtures and building alterations shall become the property of the building owner.

F. Transition and Termination. Upon termination, W-A-Y shall work for a period up to ninety (90) days if deemed necessary by the Academy to transition to a new Educational Service Provider. The fee shall be in accordance with the compensation stated herein. However, upon termination or expiration of the Agreement, or in the event the Agreement is terminated due to a Contract revocation, reconstitution, termination or non-renewal, W-A-Y shall, without charge: (i) close the books on the then-current school 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 the Academy's records, both electronic and hard-copy, for transition to the new ESP, self-management or dissolution; (iii) provide for the orderly transition to the new ESP, self-management or dissolution of all Academy-owned assets including, but not limited to, furniture, equipment and real estate and provide the Academy with an updated fixed asset schedule showing all property owned by the Academy; (iv) provide an updated list of outstanding vendor invoices with total amount owed (including the total outstanding owed by the Academy to the ESP, if any; (v) the amount owed by the ESP to the Academy, if any; (vi) organize and prepare student records for transition to the new ESP, self-management or in the cause of a school closure, transfer to a student's new school as designated by the student's parent / legal guardian or to a person or entity authorized to hold such records; (vii) ensure the closeout of existing grants and the transfer of grant funded property to Academy, if applicable; and (viii) provide for the orderly transition of employee compensation and benefits to the new ESP or self-management without disruption to staffing, or in the case of school closure, final payment of all employee compensation, benefit and tax obligations related to services provided by the ESP to the Academy.

G. No Penalty Early Termination. In the event that the Academy is required (i) to close an Academy site pursuant to a notice issued by the Department under Section 507 of the Code, MCL 380.507; or (ii) to undergo a reconstitution pursuant to Section 507 of the Code, MCL 380.507 and the Contract Terms and Conditions, and such closure of an Academy site or reconstitution causes an amendment to or termination of this Agreement, the parties agree that this Agreement shall be amended or terminated to implement the Academy site closure or reconstitution, with no cost or penalty to the Academy, and W-A-Y shall have no recourse against the Academy or for the University Board for implementing such site closure or reconstitution.

ARTICLE IX PROPRIETARY INFORMATION

A. Proprietary Information. The Academy owns all proprietary rights to curriculum or educational materials that: (i) are both directly developed and paid for by the Academy; or (ii) were developed by W-A-Y at the direction of the Academy Board with Academy funds. W-A-Y owns all proprietary rights to curriculum and educational materials previously developed or copyrighted by W-A-Y, not using funds from the Academy, including future curriculum and educational materials not dedicated to the specific purpose of the Academy.

W-A-Y and the Academy shall each have the sole and exclusive right to license materials

for which they own proprietary rights for use by other school districts, public schools and customers or to modify and/or sell material to other schools and customers. The Academy and W-A-Y each shall use reasonable efforts to ensure that its personnel and agents refrain from disclosing, publishing, copying, transmitting, modifying, altering or utilizing proprietary information owned by the other party. W-A-Y's educational materials and teaching techniques used by the Academy are subject to disclosure under the Code and the Freedom of Information Act.

B. Required Disclosure. The Academy Principal shall be permitted to report any new teaching techniques or methods of revisions to known teaching techniques or methods to the Academy Board and to the State Board of Education, which techniques or methods may thereafter be made available to the public, as provided in Sections 505(3) of the Code, notwithstanding anything contained in this Article IX to the contrary.

ARTICLE X INDEMNIFICATION

A. Indemnification. To the extent permitted by applicable law, and without waiving any governmental immunities, the Academy shall indemnify and save and hold W-A-Y and all of its employees, officers, directors, subcontractors, and agents (collectively "W-A-Y Employees") harmless against any and all claims, demands, suits, or other forms of liability that may arise out of, or by reason of, any action taken or not taken by Academy or any of its Academy employees in the event of any claim that this Agreement or any part thereof is in violation of law; any noncompliance by the Academy with any agreements, covenants, warranties, or undertakings of the Academy contained in or made pursuant to this Agreement; and any misrepresentation or breach of the representations and warranties of the Academy contained in or made pursuant to this Agreement. In addition, the Academy shall reimburse W-A-Y for any and all legal expenses and costs associated with the defense of any such claim, demand, or suit.

W-A-Y shall indemnify and save and hold the Academy and all of its employees, officers, directors, subcontractors, and agents (collectively "Academy Employees") harmless against any and all claims, demands, suits, or other forms of liability that may arise out of, or by reason of, any action taken or not taken by the W-A-Y or any of its W-A-Y Employees in the event of any claim that this Agreement or any part thereof is in violation of law; any noncompliance by W-A-Y with any agreements, covenants, warranties, or undertakings of W-A-Y contained in or made pursuant to this Agreement; and any misrepresentation or breach of the representations and warranties of W-A-Y contained in or made pursuant to this Agreement. In addition, W-A-Y shall reimburse the Academy for any and all legal expenses and costs associated with the defense of any such claim, demand, or suit.

B. Indemnification of Central Michigan University. The parties acknowledge and agree that the Central Michigan University, its Board of Trustees, and its members, officers, employees, agents or representatives (collectively for purposes of this paragraph, "University") are deemed to be third party beneficiaries for purposes of this Agreement. As third party beneficiaries, W-A-Y hereby promises to indemnify, defend, and hold harmless the University

from and against all claims, demands, 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) 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 University Board's approval of the Academy's application, the University Board's consideration of or issuance of a Contract, W-A-Y's preparation for or operation of the Academy, or which are incurred as a result of the reliance by the University upon information supplied by W-A-Y, or which arise out of W-A-Y's failure to comply with the Contract or applicable law,. The parties expressly acknowledge and agree that the University, may commence legal action against W-A-Y to enforce its rights as set forth in this section of the Agreement.

ARTICLE XI INSURANCE

A. Insurance of the Academy. The Academy shall maintain insurance coverage in the amounts required by the Contract, including the indemnification of W-A-Y provided by this Agreement. In the event that the insurance carrier for the Academy's Authorizer, Central Michigan University, requests changes in the coverage identified in the Contract, the Academy agrees to comply within thirty (30) days after written notice of the insurance coverage change. The Academy shall, upon request, present evidence to W-A-Y that it maintains the requisite insurance in compliance with the provisions of this paragraph. W-A-Y shall comply with any information or reporting requirements applicable to the Academy under the Academy's policy with its insurer(s) or the Contract.

B. Insurance of W-A-Y. W-A-Y shall secure and maintain general liability insurance with the Academy listed as an additional insured. W-A-Y shall maintain such policies of insurance coverage in an amount and on such terms as are reasonably acceptable to the Academy Board and as required by the Contract and the Michigan Universities Self-Insurance Corporation ("M.U.S.I.C."), including the indemnification of the Academy provided by this Agreement and including coverage for sexual molestation or abuse. W-A-Y shall, upon request, present evidence to the Academy that it maintains the requisite insurance in compliance with the provisions of this paragraph. The Academy shall comply with any information or reporting requirements applicable to W-A-Y under W-A-Y's policy with its insurer(s). W-A-Y's insurance is separate from and in addition to the insurance the Academy Board is required to obtain under the Contract. The cost of procuring insurance coverage under this Agreement is a corporate cost to be paid by W-A-Y. In the event, the Authorizer or M.U.S.I.C. requests any change in the coverage by W-A-Y, W-A-Y agrees to comply with any change in the type or amount of coverage, as requested, within thirty (30) days after notice of the insurance change.

C. Worker's Compensation Insurance. Each party shall maintain workers' compensation insurance when and as required by law, covering their respective employees.

ARTICLE XII WARRANTIES AND REPRESENTATIONS

The Academy and W-A-Y each represent that it has the authority under law to execute, deliver, and perform this Agreement, and to incur the obligations provided for under this Agreement, that its actions have been duly and validly authorized, and that it will take all steps reasonably required to implement this Agreement. The Academy and W-A-Y mutually warrant to the other that there are no pending actions, claims, suits, or proceedings, to its knowledge, threatened or reasonably anticipated against or affecting it, which if adversely determined, would have a material adverse effect on its ability to perform its obligations under this Agreement.

ARTICLE XIII CONFIDENTIALITY AND DATA SECURITY

A. Commitment to Preserve. W-A-Y agrees that it shall observe the policies and directives of the Academy to preserve the confidentiality of Covered Data and Information (defined below) to the extent that W-A-Y, its officers, directors, employees, or designated agents are permitted to access Covered Data and Information in the course of performing services under this Agreement.

B. Covered Data and Information (CDI). CDI includes paper and electronic student education and/or medical record information supplied by the Academy and/or its students or parents/guardians to W-A-Y and includes, without limitation, “education records” and “education record information” as defined under FERPA and IDEA, “protected health information” as defined under HIPAA, “relevant records” as defined under Section 504 under IDEA, and social security numbers. CDI also includes any new records created and maintained by W-A-Y under this Agreement using CDI.

C. Acknowledgment of Access to CDI. W-A-Y acknowledges that this Agreement allows W-A-Y (its employees and agents) access to CDI, which the Academy may have the ultimate legal responsibility to maintain in a confidential and secure fashion. Accordingly, W-A-Y (its employees and agents) shall provide the Academy with control over the CDI sufficient to satisfy all applicable legal and regulatory standards. In any event, W-A-Y (its employees and agents) shall at all times make CDI available to the Academy within a reasonable time of receiving a request for same.

D. Prohibition on Unauthorized Use or Disclosure of CDI. W-A-Y (its employees and agents) agrees to hold CDI in strict confidence. W-A-Y (its employees and agents) shall not use or disclose CDI received from or on behalf of the Academy except as permitted or required by this Agreement, as required or authorized by law, or as otherwise authorized in writing by the Academy, a parent/guardian, or eligible student. W-A-Y agrees that it will protect the CDI it receives from or on behalf of the Academy according to commercially acceptable standards and no less rigorously than it protects its own confidential information. W-A-Y shall ensure that any employee or agent, including a subcontractor or Business Associate (as defined in HIPAA) to whom it provides CDI under this Agreement, understands

and agrees to the same restrictions and conditions pertaining to use and disclosure of CDI that apply to W-A-Y under this Agreement. Except as permitted under the Code, W-A-Y shall not sell or otherwise provide to a for-profit business entity any personally identifiable information that is part of an Academy student's education records. If W-A-Y receives information that is part of an Academy student's education records, W-A-Y shall not sell or otherwise provide the information to any other person except as permitted under the Code. For purposes of this section, the terms "education records" and "personally identifiable information" shall have the same meaning as those terms in section 1136 of the Code, MCL 380.1136.

E. Return or Destruction of CDI. Upon termination or other conclusion of this Agreement, W-A-Y (its employees and agents) shall return all CDI to the Academy.

F. Maintenance of the Security of Electronic Information. W-A-Y (its employees and agents) 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 Academy or its students. These measures will be extended by contract to all agents, including subcontractors or Business Associates, used by W-A-Y.

G. Reporting of Unauthorized Disclosures or Misuse of Covered Data and Information. W-A-Y, within two business days of discovery, shall report to the Academy any use or disclosure of CDI not authorized by this Agreement or by the Academy in writing. W-A-Y'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 W-A-Y has done or shall do to mitigate any deleterious effect of the unauthorized use or disclosure; and (v) what corrective action W-A-Y has taken or shall take to prevent future similar unauthorized use or disclosure. W-A-Y shall provide such other information, including a written report, as reasonably requested by the Academy.

H. Remedies.

1. Notice and Opportunity to Cure. If the Academy reasonably determines in good faith that W-A-Y has materially breached any of its obligations under the data security provisions of this Agreement, the Academy, in its sole discretion, shall have the right to require W-A-Y to submit to a plan of monitoring and reporting, provide W-A-Y with a fifteen (15) day period to cure the breach, or terminate the Agreement immediately if cure is not possible. Before exercising any of these options, the Academy shall provide fifteen (15) days written notice to W-A-Y describing the violation and the action it intends to take.

2. Statutory/Regulatory Penalties. In addition, the parties understand and agree that W-A-Y is subject to any penalties for unauthorized disclosures or misuse of CDI that are or may be imposed, from time to time, under applicable law including, without limitation, that W-A-Y may be prohibited by law from accessing CDI for defined periods of time following any unauthorized disclosure or misuse of CDI which shall constitute a material breach of this Agreement.

I. Amendment for Compliance. If the Academy believes in good faith that any data security provision of the Agreement fails to comply with applicable laws or regulations, the Academy shall notify W-A-Y in writing. Within thirty (30) business days of receipt of such notice by W-A-Y, the parties shall address in good faith the expressed concern(s) and shall amend the terms of this Agreement, if the Academy deems an amendment necessary, to bring the Agreement into compliance with applicable laws and regulations. If after such thirty (30) business day period this Agreement remains non-compliant with applicable laws or regulations with respect to the concern(s) raised under this Section, the Academy shall have the right to immediately terminate this Agreement upon written notice to W-A-Y.

ARTICLE XIV MISCELLANEOUS

A. Sole Agreement. This Agreement supersedes and replaces any and all prior agreements and understanding between the Academy and W-A-Y.

B. Force Majeure. Neither party shall be liable if the performance of any part or all of this contract is prevented, delayed, hindered, or otherwise made impracticable, or impossible by reason of any strike, flood, riot, fire, explosion, pandemic war, act of God, sabotage, accident, or any other casualty, or cause beyond either part's control, and which cannot be overcome by reasonable diligence and without unusual expense.

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

The Academy:

Attn: Board President
Dr. David Beaumont 407 East Fort Street Suite 201
Detroit, MI 48226
Telephone: (734) 417-8232

W-A-Y:

Attn: Madeline Black 369 Main Street
Belleville, Michigan 48111
Telephone: (313) 444-9292
Facsimile: (313) 638-2717

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

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

F. Entire Agreement. This Agreement is the entire agreement between the parties relating to the services provided, and the compensation for such services. The Academy Board and W-A-Y may not amend this Agreement without notification to the University Board pursuant to the Contract and the Authorizer's Educational Service Provider Policies ("ESP Policies"). Any amendment to this Agreement shall be evidenced in writing, signed by an authorized office of each party and must be done in a manner consistent with the Authorizer's ESP Policies. Said amendment shall not be contrary to this Section and it must be accompanied by a Legal Opinion, if applicable. The Academy is responsible for submitting any and all amendments in final draft form to the Authorizer for review under the Contract.

G. Non-Waiver. No failure of either party in exercising any right, power, or privilege under this Agreement shall affect such right, power, or privileges, nor shall any single or partial exercise thereof preclude any further exercise thereof or the exercise of any other right, power, or privilege. The rights and remedies of the parties under this Agreement are cumulative and not exclusive of any rights or remedies which any of them may otherwise have.

H. Assignment. This Agreement shall not be assigned by either party without the prior written consent of the other party and prior notification to the Authorizer. Any assignment shall be done in a manner consistent with the Authorizer's ESP Policies.

I. Survival of Termination. All representations, warranties, and indemnities made herein shall survive termination of this Agreement.

J. Governing Law. This Agreement shall be governed by and enforced in accordance with the law of the State of Michigan. Nothing in this Agreement shall be construed as delegating to W-A-Y any powers of the Academy Board that are not subject to delegation by the Board under Michigan law or the Contract.

[signature page to follow]

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

**W-A-Y Widening Advancement
for Youth**

Madeline E. Black

W-A-Y Michigan

DocuSigned by:

Daniel A.

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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

Site Plan 6-3

Floor Plan..... 6-4

Lease Agreement 6-5

Occupancy Approval Documentation..... 6-6

1. Applicable Law requires that a school of excellence that is a cyber school 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 380.552(7)(i) and 380.553(5)(f);

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

Address: 407 E. Fort St., Ste. 201
Detroit, MI 48226

Description: The Academy leases approximately 1,044 square feet. The space includes one large collaboration area and office space.

Configuration of Grade Levels: Sixth through Twelfth Grade.

Term of Use: Term of Contract.

Name of School District and Intermediate School District:

Local: Detroit Public Schools Community District
ISD: Wayne RESA

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.

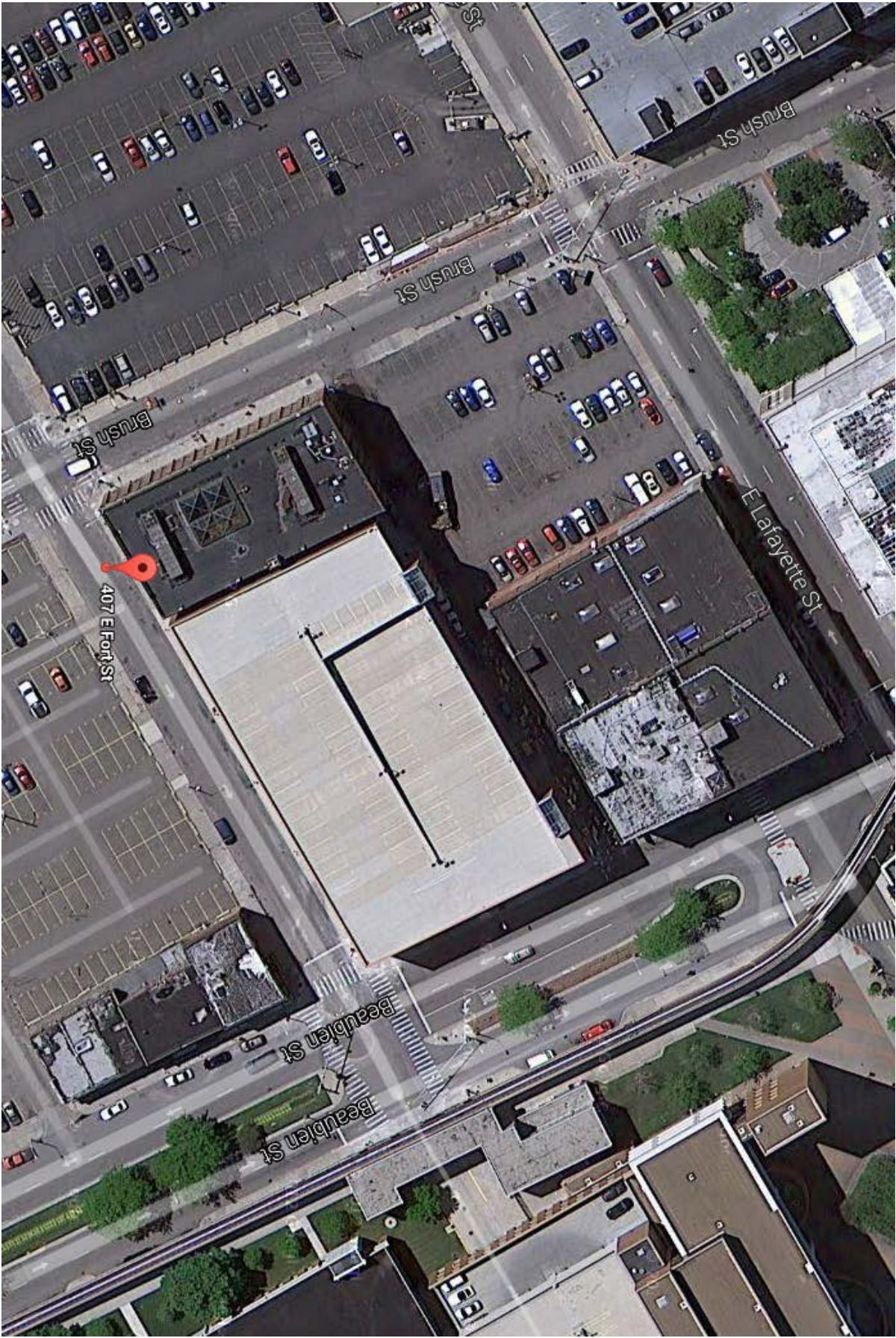
- A. Narrative description of physical facility
- B. Size of building
- C. Scaled floor plan
- D. Copy of executed lease or purchase agreement

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 school of excellence that is a cyber school 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.

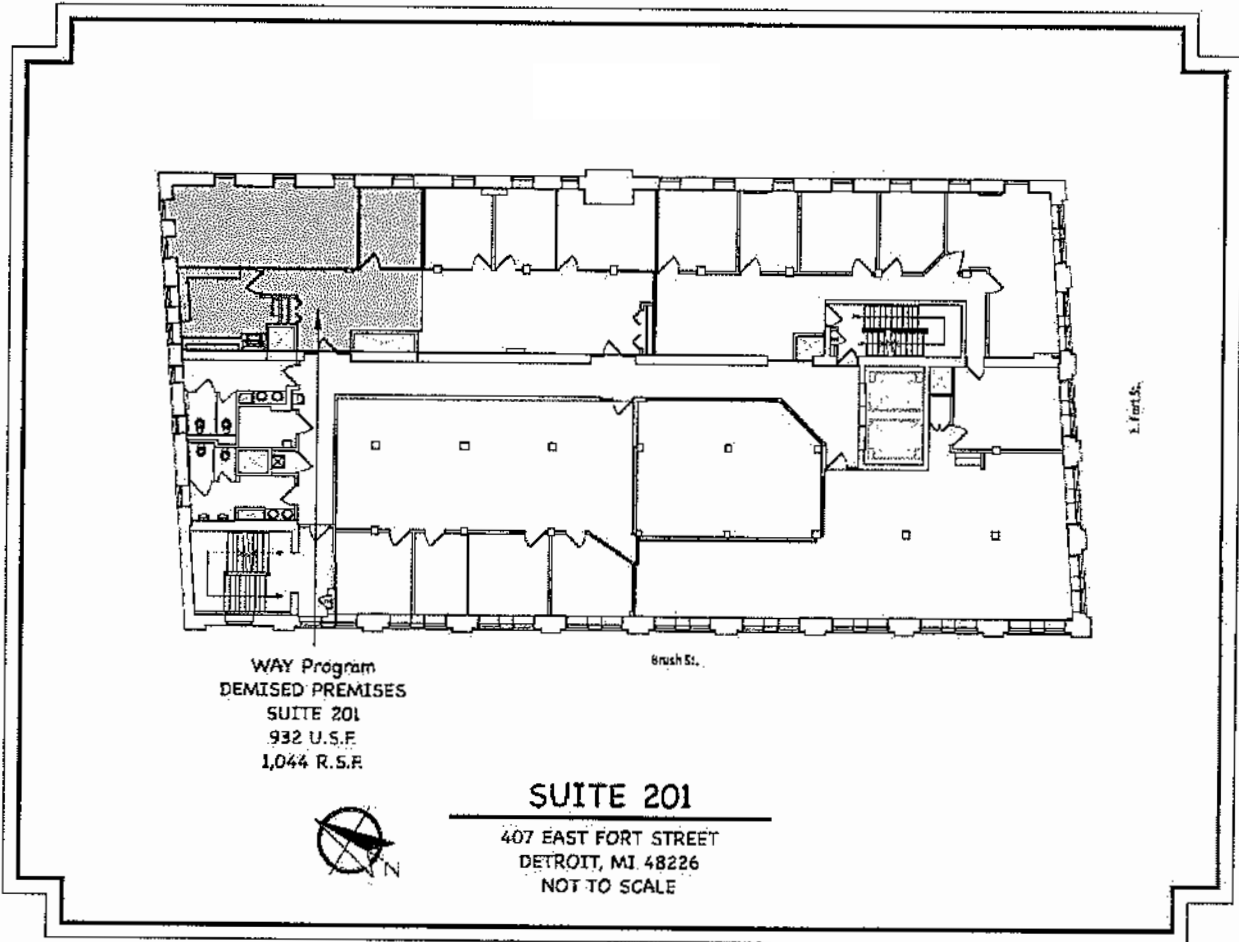
5. If the Site described above is not used as the physical facilities for the Academy, then Schedule 6 of this Contract between the Academy and the University Board must be amended pursuant to Article IX of the Terms and Conditions of Contract, to designate, describe, and agree upon the Academy's physical 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

school of excellence that is a cyber school 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.



FLOOR PLAN(S)



SECOND AMENDMENT TO LEASE

407 FORT STREET LLC, a Michigan limited liability company ("**Landlord**"), and **WAY MICHIGAN**, a Michigan non-profit corporation ("**Tenant**"), enter into this Second Amendment to Lease (this "**Amendment**") dated June 14, 2024.

RECITALS

A. Landlord and Tenant entered into a Lease dated June 1, 2018 (the "**Original Lease**"), as amended by a First Amendment to Lease dated July 2, 2021 (the "**First Amendment**"), with respect to premises consisting of approximately 1,040 rentable square feet of space (the "**Demised Premises**"), known as Suite 201, on a portion of the second (2nd) floor in the building located at 407 E. Fort Street, Detroit, Michigan 48226¹. The Original Lease, as amended by the First Amendment, is the "**Lease**". The Lease, as amended by this Amendment, is the "**Amended Lease**".

B. Landlord and Tenant desire to further amend the Lease as more particularly set forth in this Amendment.

C. Capitalized terms used but not defined in this Amendment have the same meaning ascribed to such terms in the Lease.

NOW, THEREFORE, in consideration of the covenants and conditions set forth in this Amendment and in the Lease, the receipt and sufficiency of which is acknowledged, Landlord and Tenant covenant, promise and agree that the Lease is amended as follows:

1. **Recitals.** The recital clauses set forth above are incorporated by reference in this Amendment.

2. **Extension of Term.** The Term is currently scheduled to expire on June 30, 2024 (the "**Current Expiration Date**"). The Term is extended for a period of thirty-six (36) months from the Current Expiration Date, through June 30, 2027. Therefore, from and after the date of this Amendment, the Expiration Date is amended to be June 30, 2027. The period commencing on July 1, 2024 (the "**ETCD**"), and continuing through June 30, 2027, is referred to as the "**Extended Term**".

3. **Base Rental.**

(a) Tenant will continue to pay Base Rental for the Demised Premises through the Current Expiration Date in the same manner and amounts as set forth in the Lease.

¹ The Original Lease and the First Amendment incorrectly state the Building address as 407 Fort Street, Detroit, Michigan. However, the Building address is, and always has been, 407 E. Fort Street, Detroit, Michigan 48226.

(b) Commencing on the ETCD and during the Extended Term, Tenant will pay Base Rental for the Demised Premises as follows, which Base Rental will be payable in the same manner as set forth in the Lease:

<u>Period</u>	<u>Annual Rental Per Square Foot</u>	<u>Annual Total</u>	<u>Monthly Base Rental</u>
July 1, 2024 – June 30, 2025	\$29.50	\$30,680.00	\$2,556.67
July 1, 2025 – June 30, 2026	\$30.39	\$31,605.60	\$2,633.80
July 1, 2026 – June 30, 2027	\$31.30	\$32,552.00	\$2,712.67

4. Additional Rent.

(a) Tenant will continue to pay, through the Current Expiration Date, additional rent (including, without limitation, Tenant's Share of increases in Expenses and Taxes and the Security Fee) and all other charges for the Demised Premises in the same manner as set forth in the Lease.

(b) On and after the ETCD, Tenant will continue to pay additional rent (including, without limitation, Tenant's Share of increases in Expenses and Taxes and the Security Fee) and all other charges for the Demised Premises in the same manner as set forth in the Lease, except as modified by Paragraphs 4(c), 4(d), and 4(e). Without limiting the generality of the foregoing, for purposes of calculating amounts due as Tenant's Share of increases in Expenses and Taxes during the Extended Term, the Base Year will continue to be 2018.

(c) On and after the ETCD, Tenant's Share will be amended to be 2.20 percent (2.20%).

(d) On and after the ETCD, the "Security Fee", as defined in Section 5.6(e) of the Original Lease, will be amended to be the sum of seventy cents per rentable square foot the Demised Premises per year.

(e) On and after the ETCD, all references to "Sixty and 00/100 Dollars" in Section 8.4 of the Original Lease are deleted in their entirety and replaced with "Sixty-Five and 00/100 Dollars".

5. Condition of the Demised Premises.

(a) Tenant accepts the Demised Premises for the remainder of the Term (as extended by this Amendment) in its current "as-is" condition as of the date of this Amendment, and Landlord will have no obligation to make any improvements to the Demised Premises. Except as expressly provided in this Amendment, there are no rental abatements, improvement allowances, moving allowances or other payments, credits or allowances of any kind whatsoever being made or provided by Landlord with respect to the extension of the Term for the Extended Term.

(b) Tenant will construct the Leasehold Improvements (as defined in the "**Work Letter**" attached to this Amendment as Exhibit "A" and by this reference made a part of this Amendment) in accordance with and subject to the Work Letter. Provided that no Event of Default

by Tenant then exists, Landlord will provide Tenant with the Improvement Allowance (as defined in the Work Letter) for the cost of construction of the Leasehold Improvements, to be computed, expended, and applied in accordance with and subject to the terms of the Work Letter, but otherwise all costs and expenses of performing the Leasehold Improvements will be borne by Tenant. In no event will Landlord be obligated to expend more than the Improvement Allowance for the design and construction of the Leasehold Improvements.

6. Termination Right. Effective immediately, the below terms of this Paragraph 6 will amend Section 3.1 of the Original Lease and Paragraph 7 of the First Amendment.

(a) In the event that Tenant's charter with Central Michigan University is revoked, suspended, terminated, or expires by its terms, the Amended Lease and all obligations under the Amended Lease (except such obligations as are expressly stated in the Amended Lease to survive the expiration or termination of the Amended Lease) will immediately terminate. However, nothing contained in this Paragraph 6 will be deemed to override, amend, or modify in any way Tenant's obligation to provide notice under the third (3rd) sentence of Section 3.1 of the Original Lease.

(b) Tenant's termination rights under Section 3.1 of the Original Lease, as amended by Paragraph 7 of the First Amendment and Paragraph 6(a), will remain in full force and effect during the Extended Term, except that, if Tenant exercises a termination right under Section 3.1 of the Original Lease during the Extended Term, the Termination Fee will be the sum of: (a) the then unamortized portion of the costs Landlord paid for legal fees and leasing commissions in connection with this Amendment, which amortization will be on a straight line basis over the Extended Term with interest accruing to Landlord's account on the unamortized portion at the rate of six percent per year; plus (b) an amount equal to two months' Rent (unless there are less than two months remaining in the Extended Term, in which event such amount will be equal to the number of months remaining in the Extended Term) at the then existing Rent rates in effect on the effective date of termination.

7. Insurance and Indemnity. Effective immediately, Section 15 of the Original Lease (as modified by Paragraph 9(b) of the First Amendment) is deleted in its entirety and replaced with the following.

15. Indemnification and Tenant's Insurance.

15.1 Tenant Indemnification. Tenant waives all claims against Landlord for damage to any property or injury or death of any person in, upon or about the Demised Premises arising at any time and from any cause. Subject to Section 12, except to the extent caused by the gross negligence or willful misconduct of Landlord or any of its contractors, agents, representatives or employees, Tenant will indemnify, defend and hold harmless Landlord and Landlord's property manager (currently Bedrock Management Services LLC) and their respective direct and indirect affiliates, parents, and subsidiaries, and each of the foregoing's respective officers, shareholders, members, directors, managers, employees, and agents (individually and collectively, the "**Indemnitees**") from any and all claims, liabilities, injuries, damages, losses, costs, and expenses, including, without limitation, reasonable attorneys' fees, incurred by the Indemnitees arising from, relating to, or in connection with use of the Demised Premises or the Common Areas by Tenant or its contractors, agents, representatives, employees, customers, subtenants, licensees or invitees (collectively the "**Tenant Parties**"), or

from the conduct of Tenant's or Tenant's Parties' business or from any activity, work or things which may be permitted or suffered by Tenant or any of the Tenant Parties, or which may occur, in, on or about the Demised Premises. Tenant will further indemnify, defend and hold harmless the Indemnitees from and against any and all claims, liabilities, injuries, damages, losses, costs, and expenses, including, without limitation, reasonable attorneys' fees, incurred by the Indemnitees arising from, relating to, or in connection with any breach or default in the performance of any obligation on Tenant's part to be performed under any provision of this Lease or arising from, relating to, or in connection with any negligence or willful misconduct of Tenant or any of the Tenant Parties. The provisions of this Section 15.1 survive the expiration or termination of this Lease with respect to any damage, injury or death occurring prior to such expiration or termination.

15.2 Tenant's Insurance.

(a) During the Term, Tenant must maintain, at its expense, the following minimum insurance coverages with minimum primary limits:

- (i) Commercial general liability insurance on an occurrence (not claims made) basis for the Demised Premises (the "**CGL Policy**"), which includes a "Per Location Aggregate," providing coverage for liability arising from premises operations, bodily injury or death, damage to property of others and personal injury and advertising injury with minimum annual limits of liability of:

Each Occurrence Limit:	\$1,000,000.00
General Aggregate Limit:	\$2,000,000.00
Personal & Advertising Injury Limit:	\$1,000,000.00
Fire Damage Legal Liability Limit:	\$100,000.00
Medical Expenses Limit:	\$5,000.00

- (ii) Commercial umbrella insurance on an occurrence (not claims made) basis for the Demised Premises (the "**Umbrella Policy**") with minimum limits of not less than Two Million and 00/100 Dollars (\$2,000,000.00) per occurrence and in the annual aggregate.
- (iii) Property insurance (including special cause of loss form) for the full replacement cost of Tenant's Property, Tenant's trade fixtures, equipment and personal property, and of all alterations and leasehold improvements within or to the Demised Premises. Such insurance must name Landlord and any other party specified by Landlord as loss-payee with respect to coverages for such alterations and leasehold improvements in or to the Demised Premises.
- (iv) (A) Workers compensation insurance with statutory limits as required by Law, and (B) employer's liability insurance with minimum limits of \$1,000,000.00 for bodily injury by accident for each accident, \$1,000,000.00 for bodily injury by disease

policy limit, and \$1,000,000.00 for bodily injury each employee.

- (v) Commercial automobile liability insurance coverage (if applicable to Tenant's business) for owned, hired, and non-owned automobiles with a combined single limit of not less than \$1,000,000.00 for each accident.
 - (vi) Business interruption insurance in an amount sufficient to cover the loss of twelve (12) months of gross profits and continuing expenses during the period of partial or total shutdown of Tenant's business and six (6) months of extended period of indemnity until Tenant's business is back to the level where it would have been had there been no shutdown.
- (b) The CGL Policy and Umbrella Policy must: (i) name Landlord, the property manager (currently Bedrock Management Services LLC), and Landlord's mortgagee(s) as additional insureds, (ii) specifically include the liability assumed hereunder by Tenant, and (iii) provide that Landlord must receive thirty (30) days' notice (ten (10) days for non-payment of the premium) from the insurer prior to any cancellation or change of coverage.
- (c) Insurance required by Tenant hereunder must: (i) be in companies rated A-Class VII or better in "AM Best Insurance Guide," (ii) have deductibles no greater than \$25,000.00, and (iii) provide that it is primary insurance as to all claims thereunder and not excess over or contributory with any other valid, existing and applicable insurance in force for or on behalf of Landlord or the property manager (currently Bedrock Management Services LLC). Landlord reserves the right to require additional coverage and increase limits as industry standards change. From time to time, Tenant must increase the limits of the CGL Policy to, and any contractor of Tenant must be required to carry a CGL Policy with, such higher limits as Landlord reasonably requires.
- (d) Tenant must deliver certificates evidencing the coverages required pursuant to this Section 15.2 (together with true and correct copies of the declarations page for each policy and of the endorsements required to effect the terms of Section 15.2(b)), or, at Landlord's election, copies of the policies of insurance required pursuant to this Section 15.2, to Landlord: (A) prior to entry by any of Tenant's contractors into the Demised Premises for any reason; and (B) at least thirty (30) days before the expiration dates of expiring policies, or any time as reasonably requested by Landlord. Furthermore, the certificate evidencing the umbrella coverage must specify that the umbrella coverage is excess to the coverages set forth in subsections (a)(i), (a)(iv)(B), and (a)(v) above. In no event will Tenant or any contractor of Tenant be permitted to enter the

Demised Premises for any purpose unless and until the policies or certificates required under this Section 15.2 have been delivered to Landlord.

- (e) If Tenant fails to procure and maintain the insurance required under this Section 15.2, Landlord may, but will not be required to, procure and maintain the same, and any amount so paid by Landlord for such insurance will be additional rent which, together with interest thereon from the date paid at the lesser of fifteen percent (15%) per year or the maximum lawful rate of interest, will be due and payable by Tenant on demand. Carrying by Landlord of any such policy, will not be deemed to waive or release the event of default of Tenant with respect thereto.
- (f) Failure by Landlord to demand any certificate, endorsement or other evidence of full compliance with these insurance requirements or failure by Landlord to identify and/or notify Tenant of any deficiency hereunder will not be construed as a waiver of Tenant's obligations to maintain such insurance. Tenant's obligation to provide the insurance cannot be waived by any conduct, action, inaction, or omission by Landlord. Furthermore, the foregoing insurance coverage amounts are understood to be minimum requirements and are not intended to in any way limit any liability of Tenant under this Lease. If Tenant or Tenant's contractor carries liability insurance coverage with limits higher than the limits required in this Lease, the full amount of the insurance coverage actually carried by Tenant or Tenant's contractor will be available to respond to a covered loss or occurrence, and the coverage afforded to Landlord as additional insured under such policy or policies will not be limited by the minimum coverage limits specified in this Lease but will be deemed increased to the amounts actually carried by Tenant or Tenant's contractor.
- (g) Tenant must require any contractor of Tenant performing work or alterations at the Demised Premises or the Building to carry the coverages set forth in subsections (a)(i), (a)(ii), (a)(iv), (a)(v), (b), (c), (d) and (f) above. Tenant's contractor's CGL Policy must include a "Per Project Aggregate" endorsement. Tenant must also require Professional Liability or Errors and Omissions insurance for all architects and engineers covering the liability for loss due to error, omission or negligence of employees and machine malfunction. Tenant's contractor's CGL Policy must include a "Per Project Aggregate" endorsement. Furthermore, Tenant's contractor must maintain the following requirements during the performance of such work or alterations:
 - (i) Builder's Risk. Prior to the commencement of and during the construction of any such work, to provide and keep in full force and effect builder's risk insurance on a completed value "all-risk" form at 100% replacement cost

upon the entire work at the site, and portions of the work stored off the site with Landlord's approval, and contingent transit coverage for portions of the work in transit, up to applicable policy sub-limits. The builder's risk policy must include Landlord as additional insured, and the general contractor and their respective subcontractors as insureds in an amount equal to their interests with a loss payable clause in favor of Landlord or any other party specified by Landlord as loss-payee, as their interest may appear. The policy will not exclude coverage losses resulting from perils and acts of terrorism so long as terrorism coverage is commercially available. If any such insurance policy excludes coverage for perils and acts of terrorism, Tenant will obtain a separate terrorism insurance policy in the coverage amount required by this paragraph in form and substance reasonably satisfactory to Landlord. Tenant must keep the builder's risk policy in place until substantial completion of the work. Upon substantial completion of the work, the property insurance set forth in Section 15.2(a)(iii) above must take effect immediately with respect to such work.

(ii) Professional Liability. For all work performed by Tenant's contractor on a design-build basis, the contractor must provide and maintain professional liability insurance covering errors and omissions in the performance of any such work with limits not less than \$2,000,000 per occurrence and aggregate. Tenant's contractor must warrant that any applicable retroactive date precedes the date of the contractor's performance of any work, and that continuous coverage must be maintained for at least five (5) years after final completion of the work.

(iii) Pollution Coverage. Tenant's contractor must maintain pollution liability coverage in an amount not less than \$2,000,000 per occurrence and in the aggregate covering losses caused by pollution conditions that arise from operations of the contractor under this Lease and from completed operations. Completed operations coverage must remain in effect for at least five (5) years after final completion of the work. This coverage must not have a mold or microbial exclusion, or a sub-limit for same. If the coverage is issued on a claims made basis, the contractor must warrant that any retroactive date applicable to coverages under the policy precedes the contractor's performance of any work, and that continuous coverage must be maintained for at least five (5) years after final completion of the work. This coverage must be primary to any coverage Landlord may maintain, which Landlord

coverage will be non-contributory. This coverage must not be excess to any other coverage.

(h) In addition, any subcontractors performing work or alterations at the Demised Premises, the Building or any other improvements thereon (including the Leasehold Improvements) must carry the same coverage as Tenant's contractor as set forth in this Section 15.2 (except for (A) professional liability, unless the subcontractor is performing work on a design-build basis, in which case the professional liability coverage will be required, and (B) pollution liability, unless the subcontractor is an abatement contractor, in which case pollution liability coverage will be required).

8. Other Amendments. Except for Tenant's termination right set forth in Paragraph 6 of this Amendment, any such right or options granted to Tenant under the express terms of this Amendment, all extension and renewal rights and options of any type or nature, all rights of first offer, rights of first refusal, and other expansion rights and options of any type or nature, and all contraction and early termination rights and options of any type or nature, set forth in the Lease in favor of Tenant are deleted in their entirety and are of no further force or effect.

9. Brokerage Commissions. Landlord and Tenant represent and warrant each to the other that they have not dealt with any real estate broker in connection with the negotiation or execution of this Amendment other than Bedrock Management Services LLC ("**Broker**"), whose commission, if any, will be paid by Landlord pursuant to a separate written agreement between Landlord and Broker. If either party breaches the foregoing representation and warranty it will indemnify the other party against all costs, expenses, reasonable attorneys' fees, and other liability for commissions or other compensation claimed by any other broker or agent claiming the same by, through, or under the breaching party.

10. Ratification. Tenant and Landlord each ratifies and confirms its respective obligations under the Lease, and represents and warrants to the other that it has no defenses to such obligations. Additionally, Tenant further confirms and ratifies that, as of the date of this Amendment, the Lease is and remains in good standing and in full force and effect, and Tenant does not have any claims, counterclaims, set-offs or defenses against Landlord arising out of the Lease or in any way relating to the Lease or arising out of any other transaction between Landlord and Tenant.

11. Binding Effect; Conflicts; Governing Law; Venue; Captions; Covenants. Except as modified by this Amendment, the Lease remains in full effect and this Amendment is binding upon Landlord and Tenant and their respective successors and assigns. If any inconsistency exists or arises between the terms of this Amendment and the terms of the Lease, the terms of this Amendment will prevail. The Amended Lease is governed by and construed in accordance with the laws of the State of Michigan. The parties consent to the exclusive jurisdiction of the courts (state and federal) located within Wayne County in the State of Michigan in connection with any dispute arising under the Amended Lease. The captions and headings used throughout this Amendment are for convenience of reference only and do not affect the interpretation of this Amendment. The parties intend that the obligations of Tenant under the Amended Lease will be separate and independent covenants and agreements from the covenants

and agreements of Landlord, and will continue unaffected unless such obligations have been modified or terminated pursuant to an express provision of the Amended Lease.

12. Due Authority. If Tenant signs this Amendment as a corporation, limited liability company or a partnership, any person(s) executing this Amendment on behalf of Tenant covenants and warrants that Tenant is a fully-authorized and existing legal entity, that Tenant is organized under the laws of the state of its formation and has and is qualified to do business in the state in which the Demised Premises are located, that Tenant has full right and authority to enter into this Amendment, and that any and all of the person(s) signing this Amendment on behalf of Tenant is and are authorized to do so.

13. Counterparts and Amendment Execution.

(a) This Amendment may be executed in any number of counterparts and may be signed and/or transmitted by facsimile, electronic mail of a .pdf document, or electronic signature technology (e.g., via DocuSign or similar electronic signature technology), and each of which will be deemed to be an original, and all of which together will be deemed to be one and the same instrument. To the extent a party signs this Amendment using electronic signature technology, by clicking "SIGN" (or similar election), such party is signing this Amendment electronically, and the electronic signature(s) appearing on this Amendment will be treated, for purposes of validity, enforceability and admissibility, the same as handwritten signatures. Each of Landlord and Tenant intends to be bound by electronically generated signatures and/or by signature(s) on the facsimile or electronically imaged document, is aware that the other party will rely on such signature(s), and waives any defenses to the enforcement of the terms of this Amendment based on the form of signature(s).

(b) The submission by Landlord to Tenant of this Amendment has no force or effect, nor confers any rights or imposes any obligation upon either party unless and until execution of this Amendment by Landlord and Tenant and the unconditional delivery of a fully-executed Amendment to Landlord and Tenant or their representatives.


**[REMAINDER OF PAGE INTENTIONALLY BLANK;
SIGNATURES APPEAR ON FOLLOWING PAGE]**

**[SIGNATURE PAGE TO SECOND AMENDMENT TO LEASE
BETWEEN 407 FORT STREET LLC AND WAY MICHIGAN]**

The parties hereto have executed this Second Amendment to Lease as of the date first set forth above.

"LANDLORD"

407 FORT STREET LLC,
a Michigan limited liability company

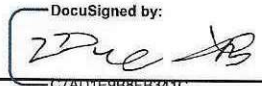
DocuSigned by:
By:  _____
B7B9A9239C31444...

Name: Kofi Bonner

Its: Authorized Representative

"TENANT"

WAY MICHIGAN,
a Michigan non-profit corporation

DocuSigned by:
By:  _____
C7AD1E9B8FB341C...

Name: DR DAVID BEAUMONT

Its: WAY MICHIGAN BOARD PRESIDENT

EXHIBIT "A"

WORK LETTER

(Tenant Construction)

This Work Letter sets forth the terms and conditions relating to the construction of the Leasehold Improvements by Tenant in the Demised Premises.

Capitalized terms used but not defined in this Work Letter have the same meaning ascribed to such terms in the Amended Lease.

ARTICLE 1

DEFINITIONS

1.01 **"Approved Construction Drawings"** means the Construction Drawings approved pursuant to the process set forth in Article 2.

1.02 **"Approved Space Plan"** means the Space Plan approved pursuant to the process set forth in Article 2.

1.03 **"Building Standard"** means the quantity and quality of materials, finishes, and workmanship from time to time specified as such by Landlord for the Building, in its discretion.

1.04 **"Change Order"** means any change, modification or addition to the Approved Construction Drawings.

1.05 **"Construction Drawings"** means: (a) detailed architectural drawings and specifications for Tenant's partition plan, demolition plan, reflected ceiling plan, power, communication and telephone plan (location of data and telephone outlets with pull boxes only), electrical outlets, finish plan, elevations, details and sections; and (b) mechanical, electrical, plumbing and lighting plans and specifications where necessary for installation to Building systems.

1.06 **"Contractor"** means the contractor selected under Section 4.01(c) and approved by Landlord.

1.07 **"Existing Improvements"** means those portions of the Demised Premises which were in existence prior to the date of Landlord's execution of the Amendment.

1.08 **"Improvement Allowance"** means the allowance of \$5.00 per rentable square foot of the Demised Premises, to be provided by Landlord as set forth in and subject to the terms of this Work Letter.

1.09 **"Landlord's Representative"** means Livia Owens, who Landlord has designated as its representative with respect to the matters set forth in this Work Letter, and who, until further notice to Tenant, has full authority and responsibility to act on behalf of Landlord as required in this Work Letter.

Exhibit "A"

Page 1 of 9

1.10 **"Leasehold Improvements"** means all items which are supplied, constructed, installed, and finished by Tenant, as provided in this Work Letter, including but not limited to any subsequent Change Orders.

1.11 **"Oversight Fee"** means a fee equal to five percent (5%) of the total costs of Leasehold Improvements.

1.12 **"Space Plan"** means a preliminary architectural drawing showing all demising walls, corridors, entrances, exits, doors and interior partitions.

1.13 **"Space Planner"** means an architect or space planner chosen by Tenant and approved by Landlord in writing.

1.14 **"Substantial Completion"** means the date the Leasehold Improvements are substantially completed in accordance with the Approved Construction Drawings (other than minor punch list items and any work which cannot be completed on such date, provided such incompleteness will not substantially interfere with Tenant's use of the Demised Premises) and, if required for occupancy, a certificate of occupancy or certificate of acceptance (temporary or final) has been issued by the appropriate governmental authority. Substantial Completion will occur in accordance with the preceding sentence, notwithstanding the fact that: (a) the matters on any punch list remain to be completed; (b) telephone, data and other equipment and finish work to be installed by or for Tenant has not been completed; and (c) there are other items which have not been completed as of such date, provided the incompleteness of such other items will not substantially interfere with Tenant's use of the Demised Premises. In the event of any dispute as to Substantial Completion of the Leasehold Improvements, the determination of Landlord will be conclusive.

1.15 **"Tenant's Construction Costs"** means the total of the actual costs of all work done or caused to be done by Tenant, the Space Planner, any engineers and by its contractors, suppliers and work forces (including, without limitation, Contractor) for materials and labor in connection with the performance of Leasehold Improvements, costs associated with sustainability practices, documentation, registration and certification, and all actual costs incurred by Tenant in completing the Demised Premises for its occupancy, plus the Oversight Fee.

1.16 **"Tenant Expenditure Authorization"** refers to the certified report required by Section 5.01(b).

1.17 **"Tenant's Representative"** means Isaiah Pettway, who Tenant has designated as its sole representative with respect to the matters set forth in this Work Letter, and who, until further notice to Landlord, has full authority and responsibility to act on behalf of Tenant as required in this Work Letter. Tenant's Representative is authorized to execute and deliver on behalf of Tenant any and all documents required by this Work Letter. Tenant warrants and represents to Landlord that Tenant's Representative has all of the requisite power and authority to execute and deliver such documents and that Tenant will be bound by the execution of such documents on behalf of Tenant by Tenant's Representative.

ARTICLE 2

DEVELOPMENT OF CONSTRUCTION DRAWINGS

2.01 Space Plan. Tenant will cause the Space Planner to submit the Space Plan to Landlord for Landlord's review and approval. After Landlord receives the Space Plan, Landlord will, in its sole but reasonable discretion, approve or disapprove the Space Plan. If Landlord disapproves the Space Plan, Landlord will return the Space Plan to Tenant, along with a statement setting forth the grounds for the disapproval. In such event, Tenant must make such changes as are necessary in order to make the Space Plan acceptable to Landlord and re-submit the revised Space Plan to Landlord. This procedure must be repeated until Landlord has delivered to Tenant written approval of the Space Plan. When approved by Landlord, the Space Plan will be deemed to be the Approved Space Plan.

2.02 Construction Drawings. Upon receipt of the Approved Space Plan, Tenant will direct the Space Planner to begin preparation of Construction Drawings and submit Construction Drawings to Landlord for Landlord's approval or disapproval. The Construction Drawings must provide for the integration of the Building's mechanical, engineering, plumbing, and smart building systems in the Demised Premises in accordance with Landlord's applicable standards for integration. After its receipt of such documents, Landlord will notify Tenant in writing of its approval or disapproval, stating in reasonable detail the reasons for any disapproval. If Landlord disapproves the Construction Drawings, Tenant must resubmit revised Construction Drawings to Landlord and Landlord will approve or disapprove the revised Construction Drawings, stating in reasonable detail the reasons for any disapproval. The foregoing process must be repeated as many times as are necessary in order to obtain Construction Drawings which are approved by Landlord. When approved by Landlord, the Construction Drawings will be deemed to be the Approved Construction Drawings.

2.03 Change Orders.

(a) All Change Orders requested by Tenant require Landlord's prior written consent, not to be unreasonably withheld. Any Contractor-initiated Change Order must be reviewed and approved by Landlord and Tenant, which review and approval will not be unreasonably withheld.

(b) Should any Change Order modify the Approved Construction Drawings, Tenant must pay all additional costs thereby incurred by Landlord, plus the Oversight Fee on the additional cost. All revised or additional Construction Drawings are subject to Landlord's prior review and written approval. If and when approved by Landlord, such revised or additional Construction Drawings will be deemed to be a part of the Approved Construction Drawings.

2.04 Laws. All design, construction and installation must conform to the requirements of all applicable Laws. Any review or approval by Landlord of the Space Plan or the Construction Drawings is solely for Landlord's benefit, and without any representation, warranty or liability whatsoever to Tenant or any other person with respect to the adequacy, correctness or sufficiency of such documents, or otherwise. The approval by Landlord of the Approved Space Plan and the Approved Construction Drawings will not in any way be deemed to be an agreement or certification by Landlord that the work contemplated thereby complies with Laws or that the Approved Space Plan or the Approved Construction Drawings will be approved by governmental agencies having jurisdiction thereover. Tenant and Space Planner will be solely responsible for the compliance of the design shown on the Approved Space Plan and the Approved Construction

Exhibit "A"

Drawings with Laws. The Leasehold Improvements must be in compliance with all Laws and any historic requirements relating to the Building's historic designation, and with the requirements of any Incentives.

2.05 Materials and Workmanship. All work and materials required under the Approved Construction Drawings, including all materials, finishes and workmanship must be equal to, or of a quality superior to, Building Standard. Except as approved by Landlord, all materials incorporated in the Leasehold Improvements must be new.

2.06 Field Verification. Space Planner must verify at the job site all dimensions, locations and structural members and any physical conditions affecting the Construction Drawings.

ARTICLE 3

LANDLORD'S OBLIGATIONS

3.01 Improvement Allowance. After final completion of Leasehold Improvements and upon compliance with the requirements of this Work Letter, Landlord will reimburse Tenant for Tenant's Construction Costs (to the extent of the Improvement Allowance) as set forth in, and subject to the terms of, Section 5.01. The Improvement Allowance must be used only for Tenant's actual out-of-pocket costs (hard and soft) of constructing Leasehold Improvements that qualify as capital improvements. No portion of the Improvement Allowance may be used to reimburse the cost of any furniture, fixtures, trade fixtures, furnishings, equipment, signs, telephone or data cabling or other similar non-construction items, and all such items will be at Tenant's sole cost and expense. The cost of all improvements required by the Approved Construction Drawings from concrete slab to concrete deck will be included within Tenant's Construction Costs. Any unused portion of the Improvement Allowance will be retained by Landlord. Notwithstanding anything contained in this Work Letter or in the Amended Lease to the contrary, if Tenant has not satisfied the conditions for disbursement of the entire Improvement Allowance on or before December 31, 2024 (the "**Allowance Expiration Date**"), Tenant will have no further rights to any undisbursed portion of the Improvement Allowance. Any portion of the Improvement Allowance remaining undisbursed after such date will belong to Landlord.

3.02 Condition of Demised Premises and Existing Improvements. Tenant accepts the Demised Premises and Existing Improvements in their presently existing, "as-is" condition as of the date of the Amendment.

3.03 Commencement of Construction. Landlord will have no obligation to allow commencement of construction or installation of Leasehold Improvements in the Demised Premises until:

(a) Tenant has delivered to Landlord the Approved Construction Drawings, initialed by Tenant's Representative and Landlord's Representative;

(b) Landlord has received from Tenant payment of all Rent then due under the Amended Lease;

(c) Landlord has received the copies of insurance policies and insurance certificates required by Section 6.02(b);

Exhibit "A"

(d) Tenant and/or Contractor has obtained all necessary building permits and provided copies of such permits to Landlord; and

(e) Landlord has received the payment and performance bond required by Section 4.01(c) (unless Landlord elects to not require such bond in the manner set forth in Section 4.01(c)).

ARTICLE 4

TENANT'S OBLIGATIONS

4.01 Leasehold Improvements; Coordination.

(a) Tenant is responsible for having all of the Leasehold Improvements performed.

(b) All work and materials required under the Approved Construction Drawings, including all materials, finishes and workmanship must be equal to, or of a quality superior to, Building Standard. Leasehold Improvements must be diligently performed in a good and workmanlike manner and in accordance with good construction practice, using new materials and equipment, in accordance with the Approved Construction Drawings and all Laws, and the terms of this Work Letter. No fixtures, materials or equipment may be incorporated in the Building or used in connection with the performance of Leasehold Improvements which are subject to any security interest, lien, charge, mortgage or other encumbrance.

(c) Tenant will select the Contractor to construct Leasehold Improvements, but any such Contractor will be subject to Landlord's prior written approval. Such Contractor and any other contractors or subcontractors engaged by Tenant must be bondable, State and County licensed contractors who will work in harmony with Landlord's contractors and the contractors employed by the other tenants so that there will be no labor disputes which would interfere with the operation, construction and completion of the Building or with any work being carried out in the Building. Unless otherwise agreed in writing by Landlord and Tenant, all work involved in the construction and installation of Leasehold Improvements must be carried out by Contractor under a direct contract with Tenant. If Tenant wishes to engage any additional contractor other than Contractor to perform any portion of the Leasehold Improvements, any such engagement will be subject to Landlord's prior written approval. Only subcontractors on Landlord's approved list may be used for mechanical, electrical, plumbing and life-safety systems work. The contract with Contractor, and with any other contractors, must be on an "open book" basis. Unless Landlord notifies Tenant in writing that such bond will not be required, Contractor must obtain a payment and performance bond issued by a surety company satisfactory to Landlord and naming Landlord, and any mortgagee of Landlord, as additional obligees.

(d) All work done by or for Tenant in connection with the Leasehold Improvements must: (i) comply with all requirements of Landlord's insurance policies; and (ii) not result in any usage in excess of building-standard water, electricity, gas, or other utilities or of HVAC service (either during or after such work) unless prior written arrangements satisfactory to Landlord are made with respect to such excess usage. Tenant must dispose of construction debris in accordance with Landlord's reasonable directives.

(e) Tenant must use its best efforts not to disturb other tenants of the Building during the performance of Leasehold Improvements. Tenant will cause Contractor to comply with the

Exhibit "A"

rules and regulations of the Building applicable to contractors, as specified by Landlord from time to time in its discretion.

(f) Under no circumstances whatsoever will Tenant, or any of Tenant's agents, including but not limited to Contractor, ever alter or modify, or in any manner disturb, any of the Building systems that serve any area other than, or in addition to, the Demised Premises. Only with Landlord's express written permission and under direct supervision of Landlord may Tenant, Contractor or Tenant's agents alter, modify or in any manner disturb any branch systems that serve only the Demised Premises. In the event any of Leasehold Improvements requires or gives rise to governmentally required changes to any structural portions of the Building, Building systems, branch systems or areas or equipment located outside the Demised Premises, then Landlord will make such changes at Tenant's sole cost and expense.

(g) Notwithstanding anything to the contrary set forth in this Work Letter, Tenant waives all claims against Landlord for damage to any property or injury to, or death of any person in, on or about the Demised Premises or the Building arising out of or in any way related to the construction of Leasehold Improvements in the Demised Premises by Contractor, unless solely caused by, or solely resulting from, the gross negligence or willful misconduct of Landlord, its agents, servants, employees, representatives or contractors, and then only if such damage, injury, death or loss is not covered by insurance of the type required to be carried by Tenant or its Contractor under the Amended Lease. Tenant indemnifies, defends and holds Landlord harmless from and against any and all claims, causes of action, damages, costs and expenses arising out of the performance of Leasehold Improvements, including, but without limitation, personal injury or property damage, the imposition of any lien against the Demised Premises or the Building and matters arising out of the failure of Leasehold Improvements to comply with Laws or any historic requirements relating to the Building's historic designation, or with the requirements of any Incentives.

ARTICLE 5

CONSTRUCTION COSTS

5.01 Tenant's Construction Costs.

(a) Subject to the terms of this Section 5.01, Landlord will reimburse Tenant for all of Tenant's Construction Costs (less the Oversight Fee) in an amount up to the Improvement Allowance following Substantial Completion of the Leasehold Improvements. Landlord will deduct the Oversight Fee from the Improvement Allowance prior to any payment by Landlord of any funds from the Improvement Allowance. Tenant will bear the balance, if any, of Tenant's Construction Costs. Reimbursement of Tenant's Construction Costs will be made by Landlord pursuant to the remaining provisions of this Article 5 (up to an amount equal to the Improvement Allowance).

(b) The term "**Tenant Expenditure Authorization**" means a report certified by Tenant, in a form reasonably satisfactory to Landlord, setting forth: (1) a computation of the total of Tenant's Construction Costs; and (2) the amount payable by Landlord to Tenant, which amount must not exceed the then-remaining undisbursed Improvement Allowance. The Tenant Expenditure Authorization must be accompanied, to the extent applicable to the costs set forth on the Tenant Expenditure Authorization, by: (i) an AIA Completion Certificate executed by Contractor, and an AIA Document G702 form executed by the Space Planner; (ii) a copy of the final certificate of occupancy or certificate of acceptance for the Demised Premises, or such other

Exhibit "A"

final certificate or final governmental approval as will permit Tenant to occupy and use the Demised Premises; (iii) an affidavit or certificate executed by the Space Planner that Leasehold Improvements are complete and are in accordance with the Approved Construction Drawings and all Laws; and (iv) final lien waivers from the Space Planner, Contractor, and all subcontractors, materialmen, and engineers which are sufficient under the laws of the State of Michigan to eliminate any lien rights in favor of all such parties. In addition, the Tenant Expenditure Authorization must be accompanied by a set of scaled and dimensioned, "as-built" plans for the Leasehold Improvements, certified by the Space Planner, prepared on an Auto CAD Computer Assisted Drafting and Design System (or such other system as Landlord may accept), using naming conventions issued by the American Institute of Architects (or such other naming conventions as Landlord may accept), and an electronic copy of such as-built plans translated in DXF format (or any other format acceptable to Landlord). All materials described in this Section 5.01(b) must be in form and substance reasonably satisfactory to Landlord. The Tenant Expenditure Authorization and other required items must be submitted directly to Landlord's Representative.

(c) Within thirty (30) days after Landlord's receipt of the Tenant Expenditure Authorization and all other required materials, Landlord will reimburse Tenant, or pay directly to Contractor or any other party, if so directed by Tenant, the amount due from Landlord in respect of the Tenant Expenditure Authorization pursuant to Section 5.01(b). Landlord's sole obligation will be to pay the amount due to Tenant or the person designated by Tenant for payment and Landlord will have no liability for any mistakes or errors committed by Tenant in designating the person to receive such payment or the amount of such payment. Landlord will not be obligated to disburse the amount requested by Tenant in its Tenant Expenditure Authorization until Tenant delivers to Landlord the Tenant Expenditure Authorization accompanied by all of the items listed in Section 5.01(b).

(d) The Tenant Expenditure Authorization will be subject to verification by Landlord or Landlord's Representative (Tenant will provide Landlord access to Tenant's books and records for such purpose) and correction, if necessary, without either party being prejudiced by any payments made hereunder (whether during the course of Leasehold Improvements or upon completion).

(e) In the event Tenant fails to make any payment required in this Work Letter in a timely manner, or fails to obtain the final lien waivers described in this Article 5 within a reasonable period of time, then Landlord, in addition to any and all other remedies allowed to Landlord by law or in equity, will have the same rights and remedies against Tenant as in the case of an Event of Default in payment of Rent under the Amended Lease. Notwithstanding any provision to the contrary contained in the Amended Lease, if an Event of Default under the Amended Lease or a default under this Work Letter has occurred at any time on or before the completion of the Leasehold Improvements, then (i) in addition to all other rights and remedies granted to Landlord pursuant to the Amended Lease, Landlord will have the right to withhold payment of all or any portion of the Improvement Allowance and/or Landlord may cause Contractor to cease the construction of the Leasehold Improvements (in which case Tenant will be responsible for any delay in the completion of the Leasehold Improvements caused by such work stoppage), and (ii) all other obligations of Landlord under the terms of this Work Letter will be forgiven until such time as such Event of Default or default under this Work Letter is cured pursuant to the terms of the Amended Lease or this Work Letter, as applicable (in which case Tenant will be responsible for any delay in the completion of the Leasehold Improvements caused by such inaction by Landlord).

Exhibit "A"

ARTICLE 6

GENERAL PROVISIONS

6.01 Warranties and Guaranties. The Contractor and any subcontractors participating in Leasehold Improvements must guarantee that their work will be free from any and all defects in workmanship and materials for the period of time which customarily applies in good contracting practice, but in no event for less than one (1) year after the acceptance of Leasehold Improvements by Tenant. The foregoing guarantees of the Contractor and any subcontractors must include the obligation to repair or replace in a thoroughly first-class and workmanlike manner, and without any additional charge, all defects in workmanship and materials. All warranties or guarantees as to materials or workmanship on or with respect to Leasehold Improvements must be contained in the contracts and subcontracts for performance of Leasehold Improvements and be written such they inure to the benefit of Landlord and Tenant as their respective interests may appear. Such warranties and guarantees must be so written that they can be directly enforced by either Landlord or Tenant and Tenant must give to Landlord any assignment or other assurance necessary to effectuate the same.

6.02 General Provisions.

(a) This Work Letter is not applicable to:

(1) any space which is subsequently added to the original Demised Premises under the Amended Lease, whether by any option or right under the Amended Lease, including expansion options, rights of first offer and rights of first opportunity, or otherwise; or

(2) any portion of the Demised Premises or any additions thereto in the event of a renewal or extension of the Term, whether by any option or right under the Amended Lease, including extension or renewal options, or otherwise, unless expressly provided in the Amended Lease or any amendment thereto.

(b) Tenant must comply with the insurance obligations required under Section 15.2 of the Amended Lease. Notwithstanding anything to the contrary in the Lease, Tenant, at Tenant's sole cost and expense, must repair and restore any damage to or destruction of Leasehold Improvements by fire or other casualty occurring prior to the completion of Leasehold Improvements.

(c) Landlord and Landlord's agents will have the right to enter the Demised Premises from time to time to inspect the Leasehold Improvements, and Landlord will have the right to require Tenant and Tenant's contractors to attend regular progress meetings established by Landlord upon reasonable written notice to Tenant.

(d) Tenant must give Landlord notice at least twenty (20) days prior to the commencement of Leasehold Improvements (or such additional time as may be necessary under applicable laws) to afford Landlord the opportunity of posting and recording appropriate commencement notices and/or notices of non-responsibility, as permitted or required under the laws of the State of Michigan.

6.03 Supervision; Delay. Tenant will be solely responsible for the supervision and direction of Contractor in connection with Leasehold Improvements and no delay in completion of Leasehold Improvements will be the responsibility of Landlord.

Exhibit "A"

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FIRST AMENDMENT TO LEASE

407 FORT STREET LLC, a Michigan limited liability company ("**Landlord**"), and **WAY MICHIGAN**, a Michigan non-profit corporation ("**Tenant**"), enter into this First Amendment to Lease (this "**Amendment**") dated 7/2/2021, 2021.

RECITALS

A. Landlord and Tenant entered into that certain Lease dated June 1, 2018 (the "**Lease**"), with respect to certain premises consisting of approximately 1,040 rentable square feet (taking into account the remeasurement set forth in Paragraph 3 hereof) of space known as Suite 201 (the "**Demised Premises**") on the second floor in the building located at 407 Fort Street, Detroit, Michigan 48226 (the "**Building**").

B. Landlord and Tenant desire to amend the Lease as more particularly set forth herein.

C. Capitalized terms used but not defined herein have the same meaning ascribed to such terms in the Lease.

D. To the extent not otherwise amended by this Amendment, the terms and conditions in the Lease remain in effect.

NOW, THEREFORE, in consideration of the covenants and conditions set forth herein and in the Lease, the receipt and sufficiency of which is hereby acknowledged, Landlord and Tenant do hereby covenant, promise and agree that the Lease is amended as follows:

1. **Recitals**. The recital clauses hereinabove set forth are hereby incorporated by reference as though set forth verbatim and at length herein.

2. **Extension of Term**. The parties acknowledge that the Term of the Lease is currently scheduled to expire on June 30, 2021 (the "**Current Expiration Date**"). The Term of the Lease is hereby extended for a period of thirty-six (36) months from the Current Expiration Date, through June 30, 2024. Therefore, from and after the date of this Amendment, the Expiration Date shall be amended to be June 30, 2024. The period commencing on July 1, 2021 (the "**Extended Term Commencement Date**"), and continuing through June 30, 2024, is hereinafter referred to as the "**Extended Term**."

3. **Remeasurement**. Since the date of the Lease, Landlord has remeasured the Demised Premises and has determined that the area of the Demised Premises is 1,040 rentable square feet, as may be recalculated from time to time. On and after the Extended Term Commencement Date, the remeasured area of the Demised Premises as set forth in this Paragraph 3 will be used for all purposes of the Lease. The Demised

Premises is as shown on the floor plan attached hereto as Exhibit "A" and by this reference made a part hereof, which floor plan shall supersede and completely replace any other floor plans attached to the Lease purporting to show the location and configuration of the Demised Premises.

4. Base Rental.

(a) Tenant shall continue to pay Base Rental for the Demised Premises through the Current Expiration Date in the same manner and amounts as set forth in the Lease.

(b) During the Extended Term, Tenant shall pay Base Rental for the Demised Premises as follows, which Base Rental shall be payable in the same manner as set forth in the Lease:

<u>Period</u>	<u>Annual Rental Per Square Foot</u>	<u>Annual Total</u>	<u>Monthly Base Rental</u>
July 1, 2021 – June 30, 2022	\$27.00	\$28,080.00	\$2,340.00
July 1, 2022 – June 30, 2023	\$27.81	\$28,922.40	\$2,410.20
July 1, 2023 – June 30, 2024	\$28.64	\$29,785.60	\$2,482.13

5. Additional Rent.

(a) Tenant shall continue to pay, through the Current Expiration Date, additional rent (including, without limitation, Tenant's Share of increases in Expenses and Taxes and the Security Fee) and all other charges for the Demised Premises in the same manner as set forth in the Lease.

(b) During the Extended Term, Tenant shall continue to pay additional rent (including, without limitation, Tenant's Share of increases in Expenses and Taxes and the Security Fee) and all other charges for the Demised Premises in the same manner as set forth in the Lease, except that, effective as of the Extended Term Commencement Date, Tenant's Share shall be amended to be 2.17 percent (2.17%) to take into account the remeasurement of the Demised Premises pursuant to Paragraph 3 above. Without limiting the generality of the foregoing, for purposes of calculating amounts due as Tenant's Share of increases in Expenses and Taxes during the Extended Term, the Base Year shall continue to be 2018.

6. Condition of the Demised Premises. Tenant agrees to accept the Demised Premises for the remainder of the Term (as extended hereby) in its current "as-is" condition as of the date of this Amendment, and Landlord shall have no obligation to

make any improvements to the Demised Premises. Except as expressly provided herein, there are no rental abatements, improvement allowances, moving allowances or other payments, credits or allowances of any kind whatsoever being made or provided by Landlord with respect to the extension of the Term of the Lease for the Extended Term.

7. **Termination Right.** Tenant's termination rights under Section 3.1 of the Lease will remain in full force and effect during the Extended Term, except that, if Tenant exercises a termination right under Section 3.1 of the Lease during the Extended Term, the Termination Fee will be the sum of: (a) the then unamortized portion of the costs Landlord paid for legal fees and leasing commissions in connection with this Amendment, which amortization shall be on a straight line basis over the Extended Term with interest accruing to Landlord's account on the unamortized portion at the rate of six percent per annum; plus (b) an amount equal to two months' Rent (unless there are less than two months remaining in the Extended Term, in which event such amount shall be equal to the number of months remaining in the Extended Term) at the then existing Rent rates in effect on the effective date of termination.

8. **Landlord's Address for Notice.** Landlord's Address for Notices as provided in Lease Section 1(m) is hereby deleted in its entirety and amended to be:

(m) Landlord's Address for Notices: 407 Fort Street LLC
c/o Bedrock
630 Woodward Avenue
Detroit, Michigan 48226
Attn: Chief Executive Officer
Email: leasenotices@bedrockdetroit.com

with a copy to:

Bedrock
630 Woodward Avenue
Detroit, Michigan 48226
Attn: General Counsel
Email: leasenotices@bedrockdetroit.com

9. **Subrogation; Indemnification; Tenant's Insurance.**

(a) Section 12 of the Lease is hereby deleted in its entirety and replaced with the following:

12. **Subrogation.**

Landlord and Tenant shall each have included in all policies of property insurance, including property and business interruption insurance

respectively obtained by them covering the Demised Premises, the Building, and contents therein, a waiver by the insurer of all right of subrogation against the other in connection with any loss or damage thereby insured against. Any additional premium for such waiver shall be paid by the primary insured. To the full extent permitted by law, and notwithstanding anything in this Lease to the contrary, Landlord and Tenant each waives all right of recovery against the other (and any officers, directors, partners, employees, agents and representatives of the other), and agrees to release the other from liability, for loss or damage to the extent such loss or damage is covered by valid insurance, in effect covering the party seeking recovery at the time of such loss or damage, or would be covered by the insurance required to be maintained under this Lease by the party seeking recovery. If the release of either party, as set forth above, should contravene any Law with respect to exculpatory agreements, the liability of the party in question shall be deemed not released but shall be secondary to the liability of the other's insurer. The provisions of this Section 12 shall survive the expiration or termination of this Lease.

(b) Section 15 of the Lease is hereby deleted in its entirety and replaced with the following:

15. Indemnification and Tenant's Insurance.

15.1 To the extent permissible under the law, Tenant hereby waives all claims against Landlord for damage to any property or injury or death of any person in, upon or about the Demised Premises arising at any time and from any cause except to the extent of damage to Tenant's property caused by Landlord's gross negligence or wrongful act (provided in no event shall Landlord be liable for indirect or consequential damages, including, without limitation, lost profits) and in no event shall Landlord be liable to the extent the damage is covered by Tenant's insurance or is required to be covered by the insurance which Tenant is obligated to maintain under this Lease. Subject to Section 12 above, except to the extent caused by the gross negligence or willful misconduct of Landlord or any of its contractors, agents, representatives or employees, Tenant shall indemnify, defend and hold harmless Landlord and Landlord's property manager and their respective direct and indirect affiliates, parents, and subsidiaries, and each of the foregoing's respective officers, shareholders, members, directors, managers, employees, and agents (individually and collectively, the "Indemnitees") from any and all claims, liabilities, injuries, damages, losses, costs, and expenses, including, without limitation, reasonable attorneys' fees,

incurred by the Indemnitees arising from, relating to, or in connection with Tenant's or any of the Tenant Parties' use of the Demised Premises or the Common Areas or from the conduct of its business or from any activity, work or things which may be permitted or suffered by Tenant or its contractors, agents, representatives, employees, customers, subtenants, licensees or invitees (collectively the "Tenant Parties"), or which may occur, in, on or about the Demised Premises. Tenant shall further indemnify, defend and hold harmless the Indemnitees from and against any and all claims, liabilities, injuries, damages, losses, costs, and expenses, including, without limitation, reasonable attorneys' fees, incurred by the Indemnitees arising from, relating to, or in connection with any breach or default in the performance of any obligation on Tenant's part to be performed under any provision of this Lease or arising from, relating to, or in connection with any negligence or willful misconduct of Tenant or any of the Tenant Parties. Subject to Section 12 above, except to the extent caused by the negligence or willful misconduct of Tenant or Tenant Parties, Landlord shall indemnify, defend and hold harmless Tenant and its officers, shareholders, members, directors, managers, employees, and agents, from and against any and all claims, liabilities, injuries, damages, losses, costs, and expenses, including, without limitation, reasonable attorneys' fees, incurred by such parties, to the extent arising from, relating to, or in connection with any breach or default in the performance of any obligation on Landlord's part to be performed under any provision of this Lease or to the extent arising from, relating to, or in connection with any negligence or willful misconduct of Landlord. The provisions of this Section 15.1 shall survive the expiration or termination of this Lease with respect to any damage, injury or death occurring prior to such expiration or termination.

15.2 Tenant's Insurance.

(a) During the Term, Tenant shall maintain, at its expense, the following minimum insurance coverages:

(i) Commercial general liability insurance policy on an occurrence (not claims made) form for the Demised Premises (the "CGL Policy") providing for coverage for liability arising from premises operations, bodily injury or death, damage to property of others, and personal injury and advertising injury with minimum limits of liability of:

Each Occurrence Limit:	\$1,000,000.00
General Aggregate Limit:	\$2,000,000.00
Personal & Advertising Injury Limit:	\$1,000,000.00
Fire Damage Legal Liability Limit:	\$100,000.00
Medical Expenses Limit:	\$5,000.00

(ii) Commercial umbrella insurance policy on an occurrence (not claims made) form for the Demised Premises (the "Umbrella Policy") with minimum limits of not less than Five Million and 00/100 Dollars (\$5,000,000.00) per occurrence and in the aggregate, which shall include a "Per Location Aggregate" endorsement.

(iii) Property insurance (including special cause of loss form) for the full replacement cost of Tenant's Property, Tenant's trade fixtures, equipment and personal property, and of all alterations and leasehold improvements within or to the Demised Premises. Such insurance shall name Landlord and any other party specified by Landlord as loss-payee with respect to coverages for such alterations and leasehold improvements in or to the Demised Premises.

(iv) Workers compensation and employers liability insurance in such minimum limits as required by applicable law, but in any event not less than \$1,000,000 bodily injury by accident for each accident, \$1,000,000 bodily injury by disease policy limit, and \$1,000,000 bodily injury each employee.

(v) Commercial hired/non-hired automobile liability coverage with a combined single limit of not less than \$1,000,000 for each accident.

(vi) Business interruption insurance in an amount sufficient to cover the loss of twelve (12) months of gross profits and continuing expenses during the period of partial or total shutdown of Tenant's business and six (6) months of extended period of indemnity until Tenant's business is back to the level where it would have been had there been no shutdown.

(b) Tenant shall also require any contractor of Tenant performing work or alterations in the Building, to procure and keep in effect the coverages set forth in subsections (a)(i),

(a)(ii), (a)(iv), and (a)(v) above, as well as "all risk" builder's risk insurance upon all alterations and improvements to the full insurable value thereof, and Professional Liability or Errors and Omissions insurance for all architects and engineers covering the liability for loss due to error, omission or negligence of employees and machine malfunction. Tenant's CGL Policy shall include a "Per Location" endorsement. Tenant's contractor's CGL Policy must include a "Per Project Aggregate" endorsement. From time to time, Tenant shall increase the limits of the CGL Policy to, and any contractor of Tenant shall be required to carry a CGL Policy with, such higher limits as Landlord shall reasonably require.

(c) The CGL Policy and Umbrella Policy shall: (i) name Landlord, the Property Manager (currently Bedrock Management Services LLC), Landlord's facilities manager (currently Bedrock Building Services LLC) and its mortgagee(s) as additional named insureds, (ii) specifically include the liability assumed hereunder by Tenant, and (iii) provide that Landlord shall receive thirty (30) days' notice (ten (10) days for non-payment of the premium) from the insurer prior to any cancellation or change of coverage.

(d) Insurance required by Tenant hereunder shall: (i) be in companies rated A-Class VII or better in "Best's Insurance Guide," (ii) have deductibles no greater than \$25,000.00, and (iii) provide that it is primary insurance as to all claims thereunder and not excess over or contributory with any other valid, existing and applicable insurance in force for or on behalf of Landlord, the Property Manager or Landlord's facilities manager. Landlord reserves the right to require additional coverage and increase limits as industry standards change.

(e) Tenant shall deliver certificates evidencing the coverages required pursuant to this Section 15.2 (or, at Landlord's election, copies of the policies of insurance required pursuant to this Section 15.2) to Landlord prior to the Commencement Date (or such earlier date upon which Tenant or its contractors enter the Demised Premises for any reason), and thereafter at least thirty (30) days before the expiration dates of expiring policies, or any time as reasonably requested by Landlord. In no event shall Tenant or any

contractor of Tenant be permitted to enter the Demised Premises for any purpose unless and until the policies or certificates required under this Section 15.2 have been delivered to Landlord.

(f) If Tenant shall fail to procure and maintain the insurance required under this Section 15.2, and if such failure shall continue for more than five (5) business days after written notice from Landlord thereof, Landlord may, but shall not be required to, procure and maintain the same, and any amount so paid by Landlord for such insurance shall be additional rent which, together with interest thereon from the date paid, shall be due and payable by Tenant on demand. Carrying by Landlord of any such policy, shall not be deemed to waive or release the event of default of Tenant with respect thereto.

(g) Failure by Landlord to demand any certificate, endorsement or other evidence of full compliance with these insurance requirements or failure by Landlord to identify and/or notify Tenant of any deficiency hereunder shall not be construed as a waiver of Tenant's obligations to maintain such insurance. Tenant agrees that the obligation to provide the insurance cannot be waived by any conduct, action, inaction, or omission by Landlord. Furthermore, the foregoing insurance coverage amounts are understood to be minimum requirements and are not intended to in any way limit any liability of Tenant under this Lease. If Tenant or Tenant's contractor carries liability insurance coverage with limits higher than the limits required in this Lease, the full amount of the insurance coverage actually carried by Tenant or Tenant's contractor will be available to respond to a covered loss or occurrence, and the coverage afforded to Landlord as additional insured under such policy or policies will not be limited by the minimum coverage limits specified in this Lease but will be deemed increased to the amounts actually carried by Tenant or Tenant's contractor.

10. Emergency Procedures. Tenant shall promptly and strictly comply with (and shall ensure that all of its employees, agents, contractors, guests, invitees and licensees promptly and strictly comply with) all health, safety, security and emergency plans, protocols and procedures implemented by Landlord for the Building from time to time (e.g., evacuation procedures, contact tracing procedures, restrictions on occupancy

levels, etc.) (collectively, "**Emergency Protocols**"). For the avoidance of doubt, and to the extent permitted under the law, Tenant shall be responsible for the failure of any of any of its employees, agents, contractors, guests, invitees and licensees to comply with any of the foregoing. If as a result of Tenant's failure (or the failure of any of its employees, agents, contractors, guests, invitees, or licensees) to comply with such Emergency Protocols, Landlord incurs any fines, penalties, or other costs or expenses, Tenant shall promptly reimburse Landlord for any such amounts upon demand as additional rent. If requested by Landlord, Tenant shall designate an employee of Tenant as its representative for all matters involving Emergency Protocols, and shall provide the name, telephone number, and email address of such representative to Landlord. Tenant shall cause such representative to fully cooperate with Landlord on all matters relating to Emergency Protocols. Notwithstanding any other provision of the Lease to the contrary, all communication (written or verbal) regarding Emergency Protocols may be made directly with such representative (provided, however, any notice of a default shall be given pursuant to Section 33 of the Lease).

11. Brokerage Commissions. Landlord and Tenant represent and warrant each to the other that they have not dealt with any real estate broker in connection with the negotiation or execution of this Amendment other than Bedrock Management Services LLC ("**Broker**"), whose commission, if any, shall be paid by Landlord pursuant to a separate written agreement between Landlord and Broker. If either party breaches the foregoing representation and warranty it shall indemnify the other party against all costs, expenses, reasonable attorneys' fees, and other liability for commissions or other compensation claimed by any other broker or agent claiming the same by, through, or under the breaching party.

12. Ratification. Tenant and Landlord each hereby ratifies and confirms its respective obligations under the Lease, and represents and warrants to each other that it has no defenses thereto. Additionally, Tenant further confirms and ratifies that, as of the date hereof, the Lease is and remains in good standing and in full force and effect, and Tenant does not have any claims, counterclaims, set-offs or defenses against Landlord arising out of the Lease or in any way relating thereto or arising out of any other transaction between Landlord and Tenant.

13. Binding Effect; Conflicts; Governing Law; Venue; Captions; Covenants. Except as modified hereby, the Lease shall remain in full effect and this Amendment shall be binding upon Landlord and Tenant and their respective successors and assigns. If any inconsistency exists or arises between the terms of this Amendment and the terms of the Lease, the terms of this Amendment shall prevail. This Amendment shall be governed by and construed in accordance with the laws of the state in which the Demised Premises are located. The parties consent to the exclusive jurisdiction of the courts (state and federal) located within Wayne County in the State of Michigan in connection with any dispute arising under the Lease. The captions and headings used

throughout this Amendment are for convenience of reference only and shall not affect the interpretation of this Amendment. The parties intend that the obligations of Tenant under the Lease shall be separate and independent covenants and agreements from the covenants and agreements of Landlord hereunder and shall continue unaffected unless such obligations have been modified or terminated pursuant to an express provision of the Lease.

14. OFAC and Anti-Money Laundering Compliance Certification. Tenant hereby represents, certifies and warrants to Landlord as follows: (a) Tenant is not named and is not acting, directly or indirectly, for or on behalf of any person, group, entity or nation named by an Executive Order, including without limitation Executive Order 13224, or the United States Treasury Department as a terrorist, "Specially Designated National and Blocked Person," or other banned or blocked person, entity, nation or transaction pursuant to any Law that is enacted, enforced or administered by the Office of Foreign Assets Control; (b) Tenant is not engaged in this transaction, directly or indirectly, for or on behalf of, or instigating or facilitating this transaction, directly or indirectly on behalf of, any such person, group, entity or nation; and (c) none of the proceeds used to pay rent have been or will be derived from a "specified unlawful activity" as defined in, and Tenant is not otherwise in violation of, the Money Laundering Control Act of 1986, as amended, or any other applicable Law regarding money laundering activities. Furthermore, Tenant agrees to immediately notify Landlord if Tenant was, is, or in the future becomes, a "senior foreign political figure," or the immediate family member or close associate of a "senior foreign political figure," within the meaning of Section 312 of the USA PATRIOT Act of 2001. Notwithstanding anything in the Lease to the contrary, Tenant understands that the Lease is a continuing transaction and that the foregoing representations, certifications, and warranties are ongoing and shall be and remain true and in force on and from the date hereof through the Expiration Date of the Lease (as the same may have been extended) or any earlier termination hereof and that any breach thereof shall be a default under the Lease (not subject to any notice or cure rights) giving rise to Landlord remedies including but not limited to eviction, and Tenant hereby agrees to defend, indemnify and hold harmless Landlord and Landlord's owners, members, partners, managers, trustees, directors, officers, employees, and any master lessor and mortgagee and their successors and assigns from and against any and all claims, damages, losses, risks, liabilities, fines, penalties, forfeitures and expenses (including without limitation costs and attorneys' fees) arising from or related to any breach of the foregoing representations, certifications, and warranties.

15. Counterparts and Lease Execution.

(a) This Amendment may be executed in any number of counterparts and may be signed and/or transmitted by facsimile, electronic mail of a .pdf document, or electronic signature technology (e.g., via DocuSign or similar electronic signature technology), and each of which shall be deemed to be an original, and all of which

together shall be deemed to be one and the same instrument. The parties further consent and agree that (i) to the extent a party signs this Amendment using electronic signature technology, by clicking "SIGN" (or similar election), such party is signing this Amendment electronically, and (ii) the electronic signature(s) appearing on this Amendment shall be treated, for purposes of validity, enforceability and admissibility, the same as handwritten signatures. Each of Landlord and Tenant intends to be bound by electronically generated signatures and/or by signature(s) on the facsimile or electronically imaged document, is aware that the other party will rely on such signature(s), and hereby waives any defenses to the enforcement of the terms of this Amendment based on the form of signature(s).

(b) The submission by Landlord to Tenant of this Amendment shall have no force or effect, nor confer any rights or impose any obligation upon either party unless and until execution hereof by Landlord and Tenant and the unconditional delivery of a fully-executed Amendment to Landlord and Tenant or their representatives.

16. Due Authority. If Tenant signs this Amendment as a corporation, limited liability company or a partnership, any person(s) executing this Amendment on behalf of Tenant does hereby covenant and warrant that Tenant is a fully-authorized and existing legal entity, that Tenant is organized under the laws of the state of its formation and has and is qualified to do business in the state in which the Demised Premises are located, that Tenant has full right and authority to enter into this Amendment, and that any and all of the person(s) signing this Amendment on behalf of Tenant is and are authorized to do so.

**[REMAINDER OF PAGE INTENTIONALLY BLANK;
SIGNATURES APPEAR ON FOLLOWING PAGE]**

[SIGNATURE PAGE TO FIRST AMENDMENT TO LEASE
BETWEEN 407 FORT STREET LLC AND WAY MICHIGAN]

The parties hereto have executed this First Amendment to Lease as of the date
first set forth above.

"LANDLORD"

407 FORT STREET LLC,
a Michigan limited liability company

DocuSigned by:

By:



C6230DD0CF39494...

Kofi Bonner

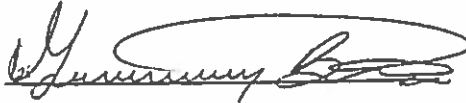
Name:

Its: Authorized Representative

"TENANT"

WAY MICHIGAN,
a Michigan non-profit corporation

By:



Name:

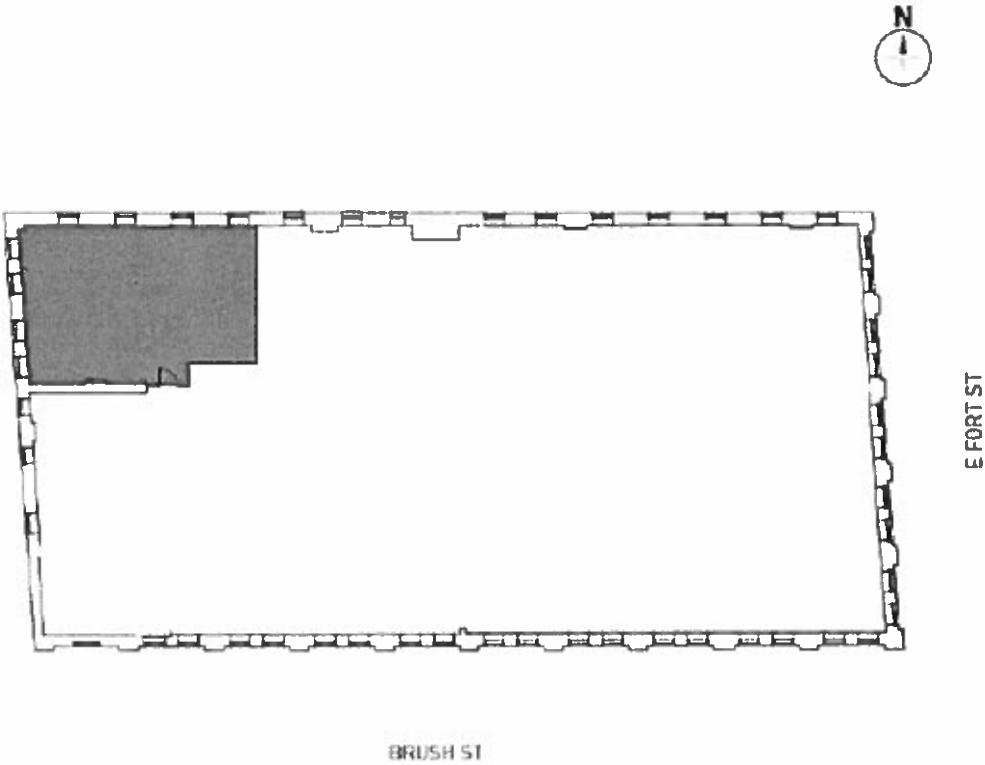
Gregory Brown Jr.

Its:

Board president

EXHIBIT "A"

DEMISED PREMISES



DEMISED PREMISES	
Building Name	The Globe
Building Address	407 E Fort St, Detroit, MI 48226
Suite #	201
Floor #	2nd Floor
Square Footage	1,040 R S F.

GLOBE BUILDING
407 FORT STREET
DETROIT, MICHIGAN

LEASE

This Lease is made between the Landlord and Tenant hereinafter identified in Sections 1(b) and 1(c) hereof, respectively, and constitutes a Lease between the parties of the "**Demised Premises**" in the "**Building**", as defined in Sections 2.2 and 2.1 hereof, respectively, on the terms and conditions and with and subject to the covenants and agreements of the parties hereinafter set forth.

WITNESSETH:

1. **Basic Lease Provisions.**

The following are certain basic lease provisions, which are part of, and in certain instances referred to in subsequent provisions of, this Lease:

- | | |
|--------------------------------|--|
| (a) Date of this Lease: | June 1, 2018 |
| (b) Landlord: | 407 FORT STREET LLC, a Michigan limited liability company |
| (c) Tenant: | WAY MICHIGAN,
a Michigan non-profit corporation |
| (d) Demised Premises: | Approximately 1,044 rentable square feet located on a portion of the second (2 nd) floor of the Building, commonly known as Suite 201, and depicted on the floor plan(s) attached hereto as <u>Exhibit "A"</u> . |
| (e) Commencement Date: | June 1, 2018 |
| (f) Anticipated Delivery Date: | The Date of this Lease as set forth in Section 1(a). |
| (g) Expiration Date: | June 30, 2021 |

(h) Base Rental:

<u>Months</u>	<u>Per Rentable Square Foot</u>	<u>Annual</u>	<u>Monthly</u>
1-12	\$27.00	\$28,188.00	\$2,349.00
13-24	\$27.50	\$28,710.00	\$2,392.50
25-36	\$28.00	\$29,232.00	\$2,436.00
37	\$28.50		\$2,479.50

(i) Tenant's Share: 2.26%

(j) Tenant's Use: General office use

(k) Deposit: \$2,436

(l) Tenant's Address for Notices: WAY Michigan
c/o WAY Program
369 Main Street
Belleville, Michigan 48011
Attn: Paul Fershee
Fax: (734) 345-9979
Email: paul.fershee@centriclearning.net
Email: accounting@wayprogram.net

(m) Landlord's Address for Notices: 407 Fort Street LLC
c/o Bedrock
630 Woodward Avenue
Detroit, Michigan 48226
Attn: James A. Ketai
Fax: (877) 502-4411
Email: JimKetai@bedrockdetroit.com

with a copy to:

Bedrock
630 Woodward Avenue
Detroit, Michigan 48226
Attn: Howard N. Luckoff, Esq.
Fax: (855) 455-1918
Email: HowardLuckoff@bedrockdetroit.com

and with a copy to:

Honigman Miller Schwartz and Cohn LLP
660 Woodward Avenue
2290 First National Building
Detroit, Michigan 48226
Attn: David J. Jacob, Esq.
Fax: (248) 566-8447
Email: djacob@honigman.com

- | | |
|--------------------------------------|------|
| (n) Guarantor: | N/A |
| (o) Guarantor's Address for Notices: | N/A |
| (p) Base Year: | 2018 |

2. Building and Demised Premises.

2.1. Landlord is the owner of certain land and improvements at 407 Fort Street, Detroit, Michigan, consisting of a six story office building (hereinafter referred to as the "**Building**"), together with certain interior and exterior common and public areas and facilities, (hereinafter referred to as the "**Common Areas**") as may be designated by Landlord for use by tenants of the Building, and their employees, guests, customers or prospective customers, agents and invitees.

2.2. Subject to the terms, covenants, agreements and conditions herein set forth, Landlord hereby leases to Tenant, and Tenant hereby leases from Landlord, those certain premises (herein referred to as the "**Demised Premises**") designated in Section 1(d) hereof, together with the nonexclusive right to use the Common Areas. The Demised Premises and all other premises in the Building shall be measured pursuant to the Building Owners and Managers Association (BOMA) Standard for measuring floor area in office buildings ANSI/BOMA Z65.1-2010.

2.3. Landlord reserves (a) the right from time to time to make changes, alterations, additions, improvements, repairs or replacements in or to the Building (including the Demised Premises) and the fixtures and equipment thereof, as well as in or to the street entrances, halls, passages, elevators, escalators and stairways and other parts of the Building, and to erect, maintain, and use pipes, ducts and conduits in and through the Demised Premises, all as Landlord may reasonably deem necessary or desirable; and (b) the right to eliminate, substitute and/or rearrange the Common Areas (which may theretofore have been so designated) as Landlord deems appropriate in its sole discretion. Notwithstanding the foregoing, in exercising such rights, Landlord shall use all reasonable efforts to minimize any interference with Tenant's ingress and egress through the Common Areas to the Demised Premises. Tenant's nonexclusive right to utilize the Common Areas as designated by Landlord from time to time shall be in common with Landlord, other tenants and occupants of the Building and others to whom Landlord grants such rights from time to time.

2.4. Landlord reserves the right from time to time upon at least sixty days' advance written notice to relocate Tenant to other premises within the Building prior to or during the Term of this Lease so long as the usable area so substituted equals or exceeds the usable area of the Demised Premises. Landlord shall pay the reasonable relocation costs of Tenant in connection therewith, but Landlord shall not have any other liability with respect to such relocation.

2.5. Intentionally omitted.

3. Term.

3.1. The term of this Lease (the "**Term**") shall commence on that date (hereinafter referred to as the "**Commencement Date**") being the date Landlord has delivered the Demised Premises to Tenant and, unless sooner terminated as hereinafter provided, shall end on the ("**Expiration Date**") set forth in Section 1(g) hereof; provided, however, that if Tenant, with Landlord's prior written approval, shall take occupancy of the Demised Premises for any purpose whatsoever prior to the Commencement Date, as defined above, the Commencement Date shall be deemed to have occurred on the earlier date Tenant takes such occupancy. Tenant warrants to Landlord that it will be unable to operate for the use set forth in Section 1(j) if Tenant's charter with Central Michigan University is terminated. If and when Tenant learns that its charter will be terminated, Tenant will immediately notify Landlord of the termination date. This Lease will automatically terminate when Tenant's charter expires, is revoked or is terminated by Central Michigan University and it is not possible for Tenant to operate for the use permitted herein as a result; provided, that in the event of such termination, Tenant shall be required to pay Landlord a termination fee equal to the sum of (a) the then unamortized portion of the costs Landlord paid for legal fees and leasing commissions in connection with this Lease, which amortization shall be on a straight line basis over the Term of this Lease with interest accruing to Landlord's account on the unamortized portion at the rate of six percent per annum, plus (b) an amount equal to two months' Rent (unless there are less than two months remaining on the current Term, in which event such amount shall be equal to the number of months remaining in the current Term) at the then existing Rent rates in effect on the effective date of termination ("**Termination Fee**"). This Termination Fee shall be due and payable to Landlord within ten days after invoicing by Landlord. In the event that the Academy is required (i) to close an Academy site pursuant to a notice issued by the State School Reform/Redesign Officer 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 Section 10.4 of the Charter Contract Terms and Conditions, and such closure of an Academy site or reconstitution causes an amendment to or termination of this Lease Agreement, the parties agree that, subject to Tenant's payment of the Termination Fee, this Lease Agreement shall be amended or terminated to implement the Academy site closure or reconstitution, and the Lessor shall have no recourse against the Academy Lessee or the Central Michigan University Board for implementing such site closure or reconstitution.

3.2. If Landlord, for any reason whatsoever, cannot deliver possession of the Demised Premises to Tenant on the Anticipated Delivery Date, this Lease shall

not be void or voidable, nor shall Landlord be liable to Tenant for any loss or damage resulting therefrom, and the Expiration Date shall not be affected.

4. Condition of Demised Premises.

Upon delivery of the Demised Premises to Tenant, Tenant accepts the Demised Premises in its "AS-IS", "WHERE-IS", "WITH ALL FAULTS" condition with no work of any kind whatsoever to be performed by Landlord subject to Landlord's obligations as expressly stated elsewhere in this Lease. In particular, the provisions of this paragraph shall not be construed to reduce Landlord's continuing maintenance and repair obligations under Section 8.1 of this Lease.

If the Demised Premises contain governmental regulated Hazardous Materials (as hereinafter defined) and same are either in violation of Law at the time possession of the Demised Premises are delivered to Tenant, or the Hazardous Materials are asbestos containing materials, and Tenant notifies Landlord of the existence of same and neither Tenant nor Tenant's agents, employees or contractors shall have installed or introduced same, then Landlord shall promptly proceed with the abatement of any such Hazardous Materials at no cost to Tenant, notwithstanding anything contained in this Lease to the contrary.

Tenant acknowledges and agrees that Landlord has made no representation regarding the Demised Premises and that Landlord has no obligation to alter or improve the Demised Premises. Tenant shall be responsible for any desired alterations to the Demised Premises and such alterations shall be at Tenant's sole cost and expense and subject to the terms and conditions of this Lease. Tenant shall be responsible, at its sole cost and expense, for furnishing the Demised Premises with furniture, fixtures and equipment, inclusive of voice and data cabling from the finished wall, necessary or desirable for Tenant to operate its business from the Demised Premises for its permitted use.

5. Rental.

5.1. Tenant shall pay to Landlord as rental for the Demised Premises the Base Rental set forth in Section 1(h) hereof, which shall be payable in equal monthly installments in advance, together with the rentals provided for in Section 5.6 hereof.

5.2. The installment of Base Rental provided for in Section 1(h) hereof for the first full month of the Term for which Tenant is obligated to pay Base Rental shall be paid by Tenant to Landlord upon execution of this Lease. Base Rental shall

be paid to Landlord on or before the first day of each and every successive calendar month in advance commencing on the Commencement Date. In the event the Commencement Date is other than the first day of a calendar month, or the Expiration Date is other than the last day of the calendar month, then the monthly rental for the first and last fractional months of the Term shall be appropriately prorated.

5.3. Tenant shall pay as additional rental any money and charges required to be paid by Tenant pursuant to the terms of this Lease, whether or not the same may be designated "**additional rent**." The term "**Rent**", "**Rental**", "**rent**" and "**rental**" shall mean Base Rental and all additional rental required to be paid by Tenant pursuant to the terms of this Lease.

5.4. Rental shall be paid to Landlord without notice or demand and without deduction or offset, in lawful money of the United States of America at Landlord's address for notices hereunder or to such other person or at such other place as Landlord may from time to time designate in writing. All amounts payable by Tenant to Landlord hereunder, if not paid when due, shall bear interest from the due date until paid at the lesser of fifteen percent per annum or the maximum lawful rate of interest; additionally, Landlord may charge Tenant a fee equal to five percent of the delinquent payment for late payments to reimburse Landlord for its cost and inconvenience incurred as a consequence of Tenant's delinquency. In no event, however, shall the charges permitted under this Section 5.4 or elsewhere in this Lease, to the extent they are considered to be interest under any governmental law, rule, regulation or ordinance (collectively "**Law**"), exceed the maximum lawful rate of interest.

5.5. The following terms shall have the following meanings:

(a) The term "**Expenses**" shall mean the actual cost incurred by Landlord with respect to the operation, maintenance, repair and replacement and administration of the Building, including, without limitation or duplication, (i) the costs incurred for air conditioning; mechanical ventilation; heating; cleaning (including janitorial services); rubbish removal; snow removal; general landscaping and maintenance; window washing, porter and matron services, electric current for Common Areas; management fees; repairs, replacement, and maintenance; fire, extended coverage, boiler, sprinkler, apparatus, public liability and property damage insurance (including loss of rental income insurance); supplies; wages, salaries, disability benefits, pensions, hospitalization, retirement plans and group insurance respecting service and maintenance employees and management staff; accounting and administrative staff; uniforms and working clothes for such employees and the cleaning

thereof; expenses imposed pursuant to any collective bargaining agreement with respect to such employees; payroll, social security, unemployment and other similar taxes with respect to such employees and staff; sales, use and other similar taxes; water rates and sewer charges; personal property taxes; advertising, public relations and promotions; depreciation of movable equipment and personal property, which is, or should be, capitalized on the books of Landlord, and the cost of movable equipment and personal property, which need not be so capitalized, as well as the cost of maintaining all such movable equipment, and any other costs, charges and expenses which, under generally accepted accounting principles and practices, would be regarded as maintenance and operating expenses, (ii) any costs and expenses paid or incurred by Landlord for the repair, maintenance and operation of the roads and Common Areas of the Building, and (iii) the cost of any capital improvements made to the Building and Common Areas by Landlord, including those that are intended to reduce other Expenses, or made to the Building by Landlord after the Date of this Lease that are required under any Law that was not applicable to the Building at the time it was constructed.

The Expenses shall be adjusted to equal Landlord's reasonable estimate of Expenses had one hundred percent of the total rentable area of the Building been occupied and had one hundred percent of the total rentable area of the Building been furnished all services. In order to equitably and consistently calculate any increases in Expenses over the Base Year, if, during the Base Year, Landlord furnished a particular work or service to any portion of the Building (the cost of which constituted an Expense) and if, during any year following the Base Year, Landlord no longer furnishes such work or service for any reason whatsoever, then the Expenses for such later year shall be increased by an amount equal to the additional cost which would have been incurred by Landlord had Landlord continued to furnish such work or service.

Notwithstanding the provisions of this Section 5.5(a), the foregoing Expenses shall not include: (A) brokerage commissions or fees or advertising expenses incurred in connection with the leasing of space in the Building; (B) legal fees of enforcing provisions in individual tenant leases, provided legal fees incurred in connection with the common areas or enforcement of Building rules and regulations shall be included; (C) costs which are reimbursed to Landlord by other tenants of the Building or through insurance or condemnation proceeds, warranty or suit against third parties; (D) Landlord's mortgage or financing payments to the extent

such mortgage or financing payments do not relate to the financing of Expenses; (E) ground rent payments (unless same relate to the leasing of parking or Common Areas not owned by Landlord); (F) salaries or benefits of employees not performing work at the Building (except to the extent a commercially reasonable management fee covers same); (G) charges payable by Tenant pursuant to other Sections of this Lease; (H) the cost of improving or renovating space for tenants (including Tenant); (I) the cost of utilities charged to individual tenants; (J) fines, penalties, and interest assessed by a third party or governmental agency as a result of Landlord's failure to make payments in a timely manner or to comply with applicable Laws; (K) costs or expenses incurred to bring the Building into full compliance with governmental Laws, ordinances or regulations if such Laws, ordinances or regulations were effective on the date of execution of this Lease; (L) costs to remove or otherwise remediate hazardous materials, or to comply with Laws regulating hazardous materials, if the removal, remediation or compliance was required by Law, ordinance or regulation, as of the date of execution of this Lease; and (M) depreciation on an item if the cost of the item is included in such costs and expenses. In addition, if any tenant in the Building fails to make payment to Landlord of its share of Expenses at a rate of contribution at least equal to a percentage determined by dividing that tenant's rentable floor area by the rentable floor area in the Building, then Expenses shall not be increased by the amount of that shortfall in contribution. Notwithstanding the foregoing, the cost of any items which under federal income tax law are required to be capitalized, shall be depreciated or amortized by Landlord over a period which is consistent with either (at Landlord's sole option) tax basis of accounting or (using the useful life of the items as determined by Landlord) generally accepted accounting principles, and only the portion being depreciated or amortized for a given period, together with interest thereon, may be included in the costs and expenses of which Tenant pays its proportionate share.

(b) The term "**Taxes**" shall mean the amount incurred by Landlord for all ad valorem real property taxes and assessments, special or otherwise, levied upon or with respect to the Building, or the rent and additional charges payable hereunder, imposed by any taxing authority having jurisdiction. Taxes shall also include all taxes, levies and charges which may be assessed, levied or imposed in replacement of, or in addition to, all or any part of ad valorem real property taxes as revenue sources, and which in whole or in part are measured or calculated by or based upon the freehold and/or leasehold estate of Landlord or Tenant, or the rent and other charges payable hereunder. Taxes shall include any expenses

incurred by Landlord in determining or attempting to obtain a reduction of Taxes. Notwithstanding anything to the contrary contained herein, in the event that Landlord obtains a reduction in Taxes below the amount of Taxes for the Base Year, such reduced amount shall thereafter be deemed to be the amount of Taxes for the Base Year, notwithstanding the calendar year of such reduced Taxes, for purposes of calculating Tenant's Share of increases in Taxes in excess of the Base Year.

(c) The term "**Tenant's Share**" shall mean the percentage set forth in Section 1(i) hereof. Tenant's Share has been computed on the basis of the rentable square foot area of the Demised Premises divided by the total rentable square foot area of the Building (including the Demised Premises) calculated in accordance with the BOMA Standard.

- 5.6. (a) Commencing on January 1, 2019, and continuing thereafter for the remainder of the Term, as the same may be extended, Tenant shall pay to Landlord as additional rental Tenant's Share of all increases in Expenses and Taxes in excess of the Expenses and Taxes for the Base Year, as set forth in Section 1(p) hereof, in the manner and at the times herein provided.

(b) Prior to the beginning of the 2019 calendar year and each calendar year thereafter during the Term, or as soon thereafter as practicable, Landlord shall give Tenant notice of Landlord's estimate of Tenant's Share of increases in Expenses and Taxes over the Base Year for the ensuing calendar year. On or before the first day of each month during the ensuing calendar year, Tenant shall pay to Landlord one-twelfth of such estimated amounts, provided that until such notice is given with respect to the ensuing calendar year, as the case may be, Tenant shall continue to pay the amount currently payable pursuant hereto until after the month such notice is given. If at any time or times it appears to Landlord that Tenant's Share of increases in Expenses and Taxes over the Base Year for the then current calendar year, as the case may be, will vary from Landlord's estimate by more than five percent, Landlord may, by notice to Tenant, revise its estimate for such year and subsequent payments by Tenant for such year shall be based upon such revised estimate.

(c) Within ninety days after the close of each calendar year, or as soon after such ninety day period as practicable, Landlord shall deliver to Tenant a statement prepared by Landlord of Tenant's Share of Expenses and Taxes for such calendar year and such statement shall be final and binding upon Landlord and Tenant. If on the basis of either of such statements, Tenant owes an amount that is less than the estimated

payments for such calendar year previously made by Tenant, Landlord shall credit such excess amount against the next payment(s) due from Tenant to Landlord of Expenses and Taxes, as the case may be. If on the basis of such statement, Tenant owes an amount that is more than the estimated payments for such calendar year previously made by Tenant, Tenant shall pay the deficiency to Landlord within thirty days after delivery of such statement.

(d) If this Lease shall terminate on a day other than the last day of a calendar year, Tenant's Share of Expenses and Taxes that is applicable to Landlord's calendar year in which such termination shall occur shall be prorated on the basis of the number of calendar days within such year as are within the Term.

(e) In addition to the foregoing, Tenant shall pay to Landlord as additional rental the sum of sixty cents per rentable square foot of the Demised Premises per year for all costs and expenses associated with the protection and security of the Building, including, but not limited to, all costs and expenses for an electronic security system and security staff working at the Building (the "**Security Fee**"). On each anniversary of the Commencement Date, the Security Fee shall increase by an amount equal to three percent of the Security Fee then in effect for the immediately preceding year. The Security Fee shall be paid as additional rental by Tenant to Landlord, together with the monthly Base Rental, in accordance with the terms and provisions of this Lease.

6. Other Taxes Payable by Tenant.

6.1. In addition to the monthly rental and other charges to be paid by Tenant hereunder, Tenant shall reimburse Landlord upon demand for any and all taxes payable by Landlord (other than income taxes and taxes included within Taxes) whether or not now customary or within the contemplation of the parties hereto: (a) upon, measured by or reasonably attributable to the cost or value of Tenant's equipment, furniture, fixtures and other personal property located in the Demised Premises or by the cost or value of any leasehold improvements made in or to the Demised Premises by or for Tenant, other than building standard Tenant improvements made by Landlord, regardless of whether title to such improvements shall be in Tenant or Landlord; (b) upon or with respect to the possession, leasing, operation, management, maintenance, alteration, repair, use or occupancy by Tenant of the Demised Premises or any portion thereof; (c) upon this transaction or any document to which Tenant is a party creating or transferring an interest or an estate in the Demised Premises; and (d) upon an increase with respect to the funding of items such as stadium construction,

business improvement zones, community colleges or other similar type items. In the event that it shall not be lawful for Tenant so to reimburse Landlord, the monthly rental payable to Landlord under this Lease shall be revised to net to Landlord the same rental after imposition of any such tax upon Landlord as would have been payable to Landlord prior to the imposition of any such tax.

6.2. Tenant shall be responsible for and shall pay before delinquency all municipal, county and state taxes assessed during the Term of this Lease against any personal property of Tenant of any kind, owned by or placed in the Demised Premises by Tenant.

7. Use.

7.1. The Demised Premises shall be used only for the purposes of ("**Tenant's Use**") as set forth in Section 1(j) hereof, and for no other purpose or purposes whatsoever.

7.2. Tenant shall not do, permit or authorize to be done in or about the Demised Premises or the Building, nor bring or keep, permit or authorize to be brought or kept therein, anything which is prohibited by or will in any way conflict with any Law now in force or which may hereafter be enacted or promulgated, or which is prohibited by the standard form of fire insurance policy, or will in any way increase the existing rate of or affect any fire or other insurance upon the Building or any of its contents, or cause a cancellation of any insurance policy covering the Building or any part thereof or any of its contents, or adversely affect or interfere with any services required to be furnished by Landlord to Tenant, or to any other tenants or occupants of the Building, or with the proper and economical rendition of any such service. Tenant shall not do, permit or authorize anything to be done in or about the Demised Premises which will in any way obstruct or interfere with the rights of other tenants of the Building, or injure or annoy them, or use or allow the Demised Premises to be used for any improper, immoral, unlawful or objectionable purpose, nor shall Tenant cause, maintain, permit or authorize any nuisance in, on or about the Demised Premises or the Building or commit, suffer, permit or authorize to be committed any waste in, on or about the Demised Premises or the Building. If anything done, omitted to be done, suffered or authorized to be done by Tenant, or kept or suffered by Tenant to be kept in, upon or about the Demised Premises or the Building shall cause the rate of fire or other insurance on the Building in companies acceptable to Landlord to be increased beyond the minimum rate from time to time applicable to the Building, Tenant shall pay the amount of any such increases. Tenant shall not cause or permit the use, generation, storage or disposal in or about the Demised Premises or the Building of any substances, materials or wastes subject to regulation under federal, state or local Law from time to time in

effect concerning hazardous, toxic or radioactive materials ("**Hazardous Materials**"), except in accordance with applicable Law.

7.3. Subject to applicable Laws, Tenant shall indemnify, defend (with counsel reasonably acceptable to Landlord) and hold Landlord harmless from and against all losses, liabilities, obligations, penalties, claims, litigation, demands, defenses, costs, fines, judgments, suits, proceedings, damages, disbursements and expenses of any kind (including natural resource damages, reasonable attorneys' fees and experts' fees and expenses, and fees and expenses incurred in investigating, defending or prosecuting any litigation, claim, action or proceeding) that may at any time be imposed upon, incurred by or asserted or awarded against Landlord in connection with or arising out of in whole or in part and whether directly or indirectly the transportation, treatment, storage, disposal, production, manufacture, generation, refinement or use or the actual or threatened escape, dispersal, seepage, migration, emission, discharge or release of any Hazardous Substances by Tenant, its agents, employees or contractors from or at the Demised Premises or the Building. This indemnity shall survive the expiration or termination of this Lease.

7.4. Tenant shall not utilize the Demised Premises for a restaurant, massage parlor, tennis club, skating facility (including roller skating, skateboard and ice skating), racquet sports facility (including handball or racquetball court), hot tub facility, suntan facility, health club facility, any facility primarily used for gambling or an operation the principal business of which is the sale of alcoholic beverages for off premises consumption.

8. Services.

8.1. Landlord shall maintain the Common Areas including any lobbies, stairs, elevators, corridors and restrooms, together with the windows and exterior walls, roofs, foundations and structure itself of the Building and the mechanical, plumbing and electrical equipment servicing the Building, in good order and condition as reasonably determined by Landlord, except for the repairs due to fire and other casualties (to the extent the cost of such repairs are covered by insurance proceeds) and for the repair of damages occasioned by the acts or omissions of Tenant, which Tenant shall pay to Landlord in full.

8.2. Subject to the provisions of Section 8.3, Landlord, at its expense, will arrange for the furnishing of electricity to the Demised Premises throughout the Term at the minimum capacity required or such low capacity as reasonably required by then-contemporary standards to provide service equal to the service on the Date of this Lease and Tenant shall be responsible for its own separately metered suite electricity for the Demised Premises. Tenant shall pay Landlord

for all the electricity consumed by Tenant in the Demised Premises (with Landlord to pay directly and without delay all bills of the local public utility company and to provide Tenant with copies of the bills of the public utility company as part of any request for payment therefor) or, at Landlord's option, directly to the local public utility company. Electricity shall be separately submetered for the Demised Premises prior to the Commencement Date, at Landlord's sole cost and expense. Tenant agrees, if Landlord directs, to keep the lights on or allow Landlord to cause the lights to be kept on, at Tenant's cost and expense, in the perimeter offices in the Demised Premises during non-business hours.

8.3. Landlord shall furnish the Demised Premises with (a) heat, ventilation and air conditioning ("HVAC") to the extent required for the occupancy of the Demised Premises to standards of comfort and during such hours in each case as reasonably determined by Landlord for the Building (which hours, until Landlord shall otherwise designate, shall be from 8:00 a.m. to 6:00 p.m. on weekdays and from 8:00 a.m. to 1:00 p.m. on Saturdays; in each case, except holidays), or as may be prescribed by any applicable policies or regulations adopted by any utility or governmental agency, (b) elevator service, and (c) janitorial service as described on Exhibit "C" attached hereto but only to the areas of the Demised Premises used for office purposes during the times and in the manner that services are furnished in comparable first class office buildings in the area, provided that Landlord shall not provide janitorial services to any portion of the Demised Premises used for other than office purposes such as preparing, dispensing or consumption of food or beverages or as an exhibition area or for storage, shipping room, washroom or similar purposes, or as private restrooms or a shop or for the operation of computer data processing, reproduction, duplicating or similar equipment. Landlord shall use reasonable efforts diligently to remedy any interruption in the furnishing of such services. Landlord shall not be in default hereunder or be liable for any damages directly or indirectly resulting from, nor shall the rental herein reserved be abated by reason of: (x) the installation, use or interruption of use of any equipment in connection with the furnishing of any of the foregoing services, (y) failure to furnish or delay in furnishing any such services when such failure or delay is caused by accident or any condition beyond the reasonable control of Landlord or by the making of necessary repairs or improvements to the Demised Premises or to the Building, or (z) any limitation, curtailment, rationing or restriction on use of water, electricity, steam, gas or any other form of energy serving the Demised Premises or the Building. Notwithstanding the provisions of this Section 8.3, Landlord shall not be required to provide ventilation and air conditioning to the Demised Premises as herein provided if Tenant shall utilize in the Demised Premises heat generating equipment or lighting other than building standard lights which affect

the temperature otherwise maintained by the air conditioning system or if the Demised Premises are occupied by a number of persons in excess of the design criteria of the air conditioning system.

8.4. Tenant shall pay Landlord, at the rate of Sixty and 00/100 Dollars per hour per HVAC unit servicing the Demised Premises (as additional rent), the cost of providing all HVAC service to the Demised Premises, plus all costs associated with the installation of meters for measuring the same, in excess of that required for normal office use or during hours requested by Tenant when HVAC service is not otherwise furnished by Landlord. Tenant shall notify Landlord in writing at least twenty-four hours prior to the time it requires HVAC service during periods the same are not otherwise furnished by Landlord and Tenant shall pay to Landlord the cost of such services within ten days after Landlord has delivered to Tenant an invoice therefor. Notwithstanding the foregoing, Landlord shall only be required to provide HVAC service to the extent available utilizing the existing equipment servicing the Building. Landlord may increase the aforementioned Sixty and 00/100 Dollars per hour per HVAC Unit charge by three percent annually on each anniversary of the Commencement Date.

8.5. Landlord, at Tenant's cost, shall replace all lamps, fluorescent tubes or bulbs in the Demised Premises when necessary unless Tenant shall elect to replace the bulbs.

9. Alterations and Repairs.

9.1. Tenant shall not, at any time during the Term, make or suffer to be made any alterations, additions or improvements to or of the Demised Premises or any part thereof (including "Specialty Alterations" defined below) or attach any fixtures or equipment thereto, without first obtaining Landlord's written consent thereto, which consent shall not be unreasonably withheld; Landlord shall not be deemed unreasonable by refusing to consent to any alterations which are visible from the exterior of the Building, which will or are likely to cause any weakening of any part of the structure of the Demised Premises or the Building or which will or are likely to cause damage or disruption to the central systems of the Building (including, without limitation, electrical, HVAC, plumbing, telephone, mechanical, security and life safety systems) or which are prohibited by any underlying ground lease or mortgage. "Specialty Alterations" are defined as alterations consisting of kitchens, executive bathrooms, raised computer floors, computer, telephone and telecommunications wiring and cabling in the Demised Premises and the Building, computer installations, supplemental air conditioning systems, safe deposit boxes, vaults, libraries or file rooms requiring reinforcement of floors, internal staircases, conveyors, dumbwaiters, and other alterations of a similar character which Landlord designates as Specialty Alterations by written

notice delivered to Tenant when Landlord approves Tenant's plans containing any such alterations. All construction, alterations, including Specialty Alterations, and repair work done by or for Tenant pursuant to any provision of this Lease shall: (a) be performed in such a manner as to maintain harmonious labor relations (and Landlord shall determine in Landlord's sole and absolute discretion whether Tenant must use union labor for particular construction trade work); (b) not adversely affect the safety of the Building or the Demised Premises or the systems thereof and not affect the central systems of the Building; (c) comply with all building, safety, fire, plumbing, electrical, and other codes and governmental and insurance requirements; (d) not result in any usage in excess of building standard water, electricity, gas or other utilities or of HVAC service (either during or after such work) unless prior written arrangements satisfactory to Landlord are made with respect thereto; (e) be completed promptly and in a good and workmanlike manner; and (f) not disturb Landlord or other tenants in the Building.

9.2. The provisions of this Section 9.2 shall apply should Tenant be required to perform work or alterations, or desire to make any alterations, to the Demised Premises pursuant to any provision of this Lease. Tenant shall submit all plans and specifications for such proposed alterations, a list of Tenant's proposed general contractor and/or subcontractors for such alterations, and a budget detailing the alteration costs to Landlord for Landlord's review before Tenant allows any such work to commence, and Landlord shall promptly approve or disapprove such plans and specifications for any of the reasons set forth in Section 9.1 or for any other reason reasonably deemed sufficient by Landlord provided Landlord may disapprove of proposed alterations which affect the Building systems or structure in Landlord's sole and absolute discretion. Tenant shall select and use only contractors, subcontractors or other repair personnel that have been approved by Landlord in writing. Upon Tenant's receipt of written approval from Landlord of Tenant's plans and specifications and of Tenant's contractors, subcontractors or other personnel, and submittal of certificates of insurance evidencing the insurance coverage in Section 15, and upon Tenant's payment to Landlord of the reasonable costs incurred by Landlord for such review and approval (including a reasonable fee for the actual time spent by employees of Landlord), Tenant shall have the right to proceed with the construction on all approved alterations, but only so long as such alterations are in strict compliance with the plans and specifications so approved by Landlord and with the provisions of this Section 9. Approval by Landlord of any of Tenant's plans and specifications, or of any completed alterations following Landlord's inspection, shall not constitute the assumption of any responsibility by Landlord or Landlord's architect or engineers of the accuracy, efficacy or sufficiency of Tenant's plans or specifications and approval by Landlord of

contractors shall not constitute the assumption of any responsibility for the competency of Tenant's contractors, and Tenant shall be solely responsible for same. All alterations shall be made at Tenant's sole cost and expense. Tenant shall dispose of construction debris in accordance with Landlord's reasonable directives and at Tenant's sole cost and expense. Landlord shall have the right to enter the Demised Premises from time to time to inspect Tenant's alterations and Landlord shall have the right to require Tenant and Tenant's contractors to attend regular progress meetings established by Landlord upon reasonable written notice to Tenant. Tenant must, promptly following completion of alterations, provide Landlord with sworn statements and unconditional lien waivers from all contractors and subcontractors constructing the alterations and evidence that all Building systems affected by the alterations are balanced and fully functioning. If Landlord agrees to perform an alteration on Tenant's behalf, Tenant shall pay Landlord all costs incurred in connection therewith. If Tenant's contractor performs such work, there shall be a fee charged to Tenant as additional rental as follows: with respect to any initial Tenant's Work undertaken by Tenant prior to the Commencement Date the fee shall be two percent of the actual costs of such work for Landlord's agent or manager in supervising and coordinating such work and to cover overhead; and the fee shall be ten percent of such actual costs for alterations undertaken by Tenant after the Commencement Date, provided however, there shall be no fee charged to Tenant by Landlord for any permitted alterations undertaken by Tenant unless Tenant requests that Landlord supervise and/or coordinate such alterations work and if the parties agree in writing to a different supervision and/or coordination fee, then only the agreed upon fee shall be payable by Tenant to Landlord. In no event, however, shall anyone other than Landlord or Landlord's employees or representatives perform work to be done which affects the central systems of the Building.

9.3. Except for "Tenant's Property" (as hereinafter defined), all leasehold improvements, alterations, including Specialty Alterations, and other physical additions made to or installed by or for Tenant in the Demised Premises shall be and remain Landlord's property and shall not be removed without Landlord's written consent. "**Tenant's Property**" as used herein shall mean all of Tenant's movable fixtures and movable partitions, telephone and telecommunication wiring and cabling and related equipment, computer systems, trade fixtures, furniture, furnishings, and other items of personal property located in the Demised Premises. Tenant's Property shall be removed in accordance with Section 31 of this Lease at the expiration or earlier termination of this Lease.

9.4. Subject to the provisions of Section 8.1, 11 and 13 of this Lease, Tenant shall keep the Demised Premises and every part thereof in good condition and

repair. Tenant waives all rights to make repairs at the expense of Landlord or in lieu thereof to vacate the Demised Premises as provided by any Law now or hereafter in effect. On or before the Expiration Date, any earlier date of termination of this Lease or the date that Tenant vacates from the Demised Premises, whichever shall first occur, Tenant shall surrender the Demised Premises in good condition and repair (which shall include, without limitation, repairing any holes in the walls and tears in the wallpaper and repainting or re-wallpapering such walls and closing-up any slab penetrations in the Demised Premises, all in a good and workmanlike manner). If Tenant fails to surrender the Demised Premises in the condition required herein, Tenant shall promptly reimburse Landlord for the cost of restoring and repairing the Demised Premises (including, without limitation, repairing any holes in the walls and tears in the wallpaper and repainting or re-wallpapering such walls and closing any such slab penetrations). All repairs made by or on behalf of Tenant shall be made and performed by contractors or mechanics reasonably approved by Landlord and in accordance with all applicable Law of governmental authorities having jurisdiction. Except as otherwise provided in Sections 8.1, 11 and 13 of this Lease, Landlord has no obligation and has made no promise to alter, remodel, improve, repair, decorate or paint the Demised Premises or any part thereof and no representations respecting the condition of the Demised Premises or the Building have been made by Landlord to Tenant except as expressly set forth in this Lease.

10. Liens.

Any construction and/or mechanics lien filed against the Demised Premises or the Building for work claimed to have been done or materials claimed to have been furnished to Tenant shall be discharged by Tenant within ten days thereafter. For the purposes hereof, the bonding of such lien by a reputable casualty or insurance company reasonably satisfactory to Landlord shall be deemed the equivalent of a discharge of any such lien. Should any action, suit, or proceeding be brought upon any such lien for the enforcement or foreclosure of the same, Tenant shall defend Landlord therein, by counsel satisfactory to Landlord, and pay any damages and satisfy and discharge any judgment entered therein against Landlord. Notwithstanding anything contained in this Lease to the contrary, Tenant shall not be deemed to be Landlord's agent with respect to any alterations, additions or improvements made by or on behalf of Tenant to the Demised Premises and the Building. Further, nothing contained in this Lease shall enable Tenant to subject either the Demised Premises or any portion of the Building to construction liens as a result of any alterations, additions or improvements made by or on behalf of Tenant to the Demised Premises and/or the Building.

11. Destruction or Damage.

11.1. In the event the Demised Premises or any portion of the Building necessary for Tenant's occupancy are damaged by fire, earthquake, act of God, the elements or other casualty in each case insured against by Landlord's fire and extended coverage insurance policy covering the Building and, if Landlord's reasonable estimate of the cost of making such repairs does not exceed the proceeds of such insurance by more than One Hundred Thousand Dollars, Landlord shall forthwith repair the Building and/or the Demised Premises subject to Section 11.3 below if such repairs can, in Landlord's opinion, be completed by Landlord within ninety days after commencement of such repairs. This Lease shall remain in full force and effect except that an abatement of Base Rental shall be allowed Tenant for such part of the Demised Premises as shall be rendered unusable by Tenant in the conduct of its business during the time as such part is so unusable to the extent Landlord is reimbursed therefor by loss of rental income or other insurance. If such repairs cannot, in Landlord's opinion, be made within ninety days, or if such damage or destruction is not insured against by Landlord's fire and extended coverage insurance policy covering the Building or if Landlord's reasonable estimate of the cost of making such repairs exceeds the proceeds of such insurance by more than One Hundred Thousand Dollars, Landlord may elect, upon notice to Tenant within thirty days after the date of such fire or other casualty, to repair or restore such damage, in which event this Lease shall continue in full force and effect, but the Base Rental shall be partially abated as provided in this Section 11.1. If Landlord elects not to make such repairs, this Lease shall terminate as of the date of such election by Landlord.

Notwithstanding anything to the contrary contained herein, if Landlord elects to rebuild or repair the damage to the Demised Premises, but Landlord does not (a) commence the rebuilding or repair of the damage to the Demised Premises within one hundred eighty days from the date of the fire or other casualty, or (b) substantially complete the rebuilding or repair of the Demised Premises within three hundred sixty-five days from the date of commencement of repair of the Demised Premises, subject to extension due to Tenant Delays and delays set forth in Section 38, and if, prior to the commencement or substantial completion, as applicable, of the rebuilding or repair of the damage to the Demised Premises, Tenant sends a notice to Landlord that Tenant desires to terminate this Lease as a result of such failure by Landlord under (a) or (b) of this Section 11.1 and if Landlord has not commenced or substantially completed the rebuilding or repair to the Demised Premises within thirty days after receipt of such written notice from Tenant, then this Lease shall automatically terminate upon the expiration of such thirty day period.

11.2. A total destruction of the Building shall automatically terminate this Lease.

11.3. If the Demised Premises are to be repaired under this Section 11, Landlord shall repair at its cost any injury or damage to the Building itself and Tenant shall perform and pay the cost of repairing any other improvement in the Demised Premises and shall be responsible for carrying such casualty insurance as it deems appropriate with respect to such Tenant improvements.

12. Subrogation.

Landlord and Tenant shall each obtain from their respective insurers under all policies of fire insurance maintained by either of them at any time during the Term insuring or covering the Building or any portion thereof or operations therein, a waiver of all rights of subrogation which the insurer of one party might have against the other party, and Landlord and Tenant, to the extent permitted by law, shall each indemnify the other against any loss or expense, including reasonable attorneys' fees, resulting from the failure to obtain such waiver and, so long as such waiver is outstanding, each party waives, to the extent of the proceeds received under such policy, any right of recovery against the other party for any loss covered by the policy containing such waiver; provided, however, that if at any time their respective insurers shall refuse to permit waivers of subrogation, Landlord or Tenant, in each instance, may revoke said waiver of subrogation effective thirty days from the date of such notice, unless within such thirty day period, the other is able to secure and furnish (without additional expense) equivalent insurance with such waivers with other companies satisfactory to the other party. The provisions of this Section 12 shall survive the expiration or termination of this Lease.

13. Eminent Domain.

If all or any part of the Demised Premises shall be taken as a result of the exercise of the power of eminent domain, this Lease shall terminate as to the part so taken as of the date of taking, and, in the case of partial taking, either Landlord or Tenant shall have the right to terminate this Lease as to the balance of the Demised Premises by notice to the other within thirty days after such date; provided, however, that a condition to the exercise by Tenant of such right to terminate shall be that the portion of the Demised Premises taken shall be of such extent and nature as substantially to handicap, impede or impair Tenant's use of the balance of the Demised Premises. In the event of any taking, Landlord shall be entitled to any and all compensation, damages, income, rent, awards, or any interest therein whatsoever which may be paid or made in connection therewith, and Tenant shall have no claim against Landlord for the value of any unexpired term of this Lease or otherwise. In the event of a partial taking of the Demised Premises which does not result in a termination of this Lease, the rental thereafter to be paid shall be reduced on a per rentable square foot basis.

14. Landlord's Insurance.

Landlord shall, during the Term, provide and keep in force or cause to be provided or kept in force:

(a) Commercial general liability insurance with respect to Landlord's operation of the Building for bodily injury or death and damage to property of others; and

(b) Property insurance (including special cause of loss form) in respect of the Building, excluding Tenant's trade fixtures, equipment and personal property;

together with such other insurance as Landlord, in its sole discretion, elects to obtain. Insurance effected by Landlord shall be in amounts which Landlord shall from time to time determine reasonable and sufficient, shall be subject to such deductibles and exclusions which Landlord may deem reasonable and shall otherwise be on such terms and conditions as Landlord shall from time to time determine reasonable and sufficient. Tenant acknowledges that Landlord's insurance may provide that no insurance proceeds will be payable thereunder in the case of destruction or damage caused by any occurrence other than risks included in the special cause of loss form.

15. Indemnification and Tenant's Insurance.

15.1. Tenant hereby waives all claims against Landlord for damage to any property or injury or death of any person in, upon or about the Demised Premises arising at any time and from any cause except to the extent of damage to Tenant's property caused by Landlord's gross negligence or wrongful act (provided in no event shall Landlord be liable for indirect or consequential damages, including, without limitation, lost profits) and in no event shall Landlord be liable to the extent the damage is covered by Tenant's insurance or is required to be covered by the insurance which Tenant is obligated to maintain under this Lease, and Tenant shall hold Landlord harmless from any damage to any property or injury to or death of any person arising from the use of the Demised Premises by Tenant, except if caused by the gross negligence or willful misconduct of Landlord, its employees or contractors. The foregoing indemnity obligation of Tenant, to the extent permitted by law, shall include reasonable attorneys' fees, investigation costs and all other reasonable costs and expenses incurred by Landlord from the first notice that any claim or demand is to be made or may be made. Landlord covenants to indemnify Tenant, and save it harmless (except for loss or damage resulting from the negligence or wrongful acts of Tenant, its agents or employees) from and against any and all claims, actions, damages, liability and expense, including attorneys' fees, in connection with loss

of life, personal injury and/or damage to property arising from or out of any occurrence (other than any occurrence caused by Tenant, its agents or employees or arising in connection with Tenant's business operations) in the Common Areas of the Building. The foregoing indemnity obligations shall survive the expiration or termination of this Lease with respect to any damage, injury or death occurring prior to such expiration or termination.

15.2. Tenant, and any contractor of Tenant performing work or alterations in the Building, shall procure and keep in effect a commercial general liability insurance policy on an occurrence form for the Demised Premises (the "**CGL Policy**"), with an insurance company reasonably acceptable to Landlord, which shall include coverage for liability arising from premises operations, bodily injury or death, damage to property of others, personal injury and advertising injury, with minimum limits of liability of: (a) not less than One Million and 00/100 Dollars per each occurrence and Two Million and 00/100 Dollars in the aggregate, including a "Per Location Aggregate" endorsement, (b) One Hundred Thousand and 00/100 Dollars for Fire Damage Legal Liability, and (c) Five Thousand and 00/100 Dollars for Medical Expense Limits. From time to time, Tenant shall increase the limits of the CGL Policy to, and any contractor of Tenant shall be required to carry a CGL Policy with, such higher limits as Landlord shall reasonably require. The CGL Policy shall (w) name Landlord, Landlord's property manager (currently Bedrock Management Services LLC), Landlord's facilities manager (currently Bedrock Building Services LLC) and its mortgagee(s) as additional named insureds, (x) specifically include the liability assumed hereunder by Tenant, (y) provide that it is primary insurance and not excess over or contributory with any other valid, existing and applicable insurance in force for or on behalf of Landlord, Landlord's property manager or Landlord's facilities manager, and (z) provide that Landlord shall receive thirty days' notice (ten days for non-payment of the premium) from the insurer prior to any cancellation or change of coverage.

15.3. Tenant shall procure and keep in effect a commercial umbrella insurance policy (the "**Umbrella Policy**"), with minimum limits of not less than Two Million Dollars each occurrence and in the aggregate, and shall be on a follow form basis with the CGL Policy, with an insurance company reasonably acceptable to Landlord. From time to time, Tenant shall increase the limits of the Umbrella Policy to such higher limits as Landlord shall reasonably require. The Umbrella Policy shall (a) name Landlord, Landlord's property manager (currently Bedrock Management Services LLC), Landlord's facilities manager (currently Bedrock Building Services LLC) and Landlord's mortgagee(s) as additional named insureds, (b) specifically include the liability assumed hereunder by Tenant, (c) provide that it is primary insurance and not excess over or contributory with any

other valid, existing and applicable insurance in force for or on behalf of Landlord, Landlord's property manager or Landlord's facilities manager, and (d) provide that Landlord shall receive thirty days' notice (ten days for non-payment of the premium) from the insurer prior to any cancellation or change of coverage.

15.4. Tenant shall procure and keep in effect property insurance (including special cause of loss form) for the full replacement cost of Tenant's trade fixtures, equipment, personal property and leasehold improvements.

15.5. Tenant shall deliver policies of the insurance required pursuant to this Section 15 or certificates thereof to Landlord within ten business days of the Date of this Lease, and thereafter at least thirty days before the expiration dates of expiring policies, or any time as reasonably requested by Landlord.

16. Compliance with Legal Requirements.

Tenant shall promptly comply with all Law now in force or which may hereafter be in force, with the requirements of any board of fire underwriters or other similar body now or hereafter constituted, with any occupancy certificate or directive issued pursuant to any Law by any public officer or officers, as well as the provisions of all recorded documents affecting the Demised Premises, insofar as any thereof relate to or affect the condition, use or occupancy of the Demised Premises, excluding requirements of structural changes not related to or affected by improvements made by or for Tenant or not necessitated by Tenant's act.

17. Assignment and Subletting.

17.1. Except as expressly permitted pursuant to this Section 17, Tenant shall not, without the prior written consent of Landlord, assign, encumber or hypothecate this Lease or any interest herein or sublet the Demised Premises or any part thereof, or permit the use of the Demised Premises by any party other than Tenant. This Lease shall not, nor shall any interest herein, be assignable as to the interest of Tenant by operation of Law without the consent of Landlord. Sales aggregating fifty percent or more of the capital or voting stock of Tenant (if Tenant is a nonpublic corporation) or transfers aggregating fifty percent or more of Tenant's partnership interest (if Tenant is a partnership) or transfers aggregating fifty percent or more of the other ownership interests of Tenant (if Tenant shall be a limited liability company or other legal entity) shall be deemed to be an assignment of this Lease.

Notwithstanding anything contained herein to the contrary, Tenant may assign or transfer this Lease (including, without limitation, a sublease of all or any portion of the Demised Premises) to an Affiliate, as defined below, at any time

without Landlord's consent and without any consideration due to Landlord under Section 17.2 or otherwise, provided each of the following conditions are met: (a) Tenant shall not be in default or shall cure the default prior to the transfer, (b) the assignee shall assume all obligations and liabilities of Tenant whether accruing prior to, on or after the effective date of the assignment, (c) Tenant shall be and remain primarily obligated for all of the tenant obligations under this Lease, and (d) any such transfer shall be void, and Tenant shall be in default, if the assignee or sublessee shall cease to be an Affiliate. For purposes of this Section 17.3, an "**Affiliate**" shall mean (i) any entity controlling, controlled by, or under common control with Tenant, or (ii) any successor of Tenant resulting from a merger or consolidation of Tenant or as a result of a sale by Tenant of all or substantially all of its assets or stock. For the purposes of this Section 17.3, the term "control" means (A) legal or beneficial ownership of fifty percent or more of the voting interests of an entity, or (B) the possession, directly or indirectly, of the power to direct or cause the direction of the management or policies of a person or entity, whether through the ownership of voting securities, by contract or otherwise.

17.2. If at any time or from time to time during the Term of this Lease, Tenant desires to sublet all or any part of the Demised Premises or to assign this Lease, Tenant shall give notice to Landlord setting forth the proposed subtenant or assignee, the terms of the proposed subletting and the space so proposed to be sublet or the terms of the proposed assignment, as the case may be. Landlord shall have the option exercisable by notice given to Tenant within twenty days after Tenant's notice is given, (a) if Tenant's request relates to a subletting, either to sublet from Tenant such space at the rental and other terms set forth in Tenant's notice, or, if the proposed subletting is for the entire Demised Premises for the balance of the Term, to terminate this Lease or (b) if Tenant's request relates to an assignment, either to have this Lease assigned to Landlord or to terminate this Lease. Notwithstanding the foregoing, if Landlord elects to terminate this Lease, Landlord shall provide Tenant with five days' written notice, and Tenant may vitiate Landlord's termination by withdrawing its request to sublet all or any part of the Demised Premises or to assign this Lease within such five day period. If Landlord does not exercise such option, Tenant shall be free for a period of one hundred eighty days thereafter to sublet such space or to assign this Lease to such third party if Landlord shall consent thereto, provided that the sublease or assignment shall be on the same terms set forth in the notice given to Landlord and that the rental to such subtenant or assignee shall not be less than the then market rate for such premises.

In the event Tenant shall so sublet a portion of the Demised Premises, or assign this Lease, all of the sums or other economic consideration received by Tenant as a result of such subletting or assignment whether denominated rentals

or otherwise, under the sublease or assignment, which exceed in the aggregate, the total sums which Tenant is obligated to pay Landlord under this Lease (prorated to reflect obligations allocable to that portion of the Demised Premises subject to such sublease) shall be payable to Landlord as additional rental under this Lease without affecting or reducing any other obligation of Tenant hereunder.

17.3. Regardless of whether or not Landlord's consent is required, no subletting or assignment shall release Tenant of Tenant's obligation or alter the primary liability of Tenant to pay the rental and to perform all other obligations to be performed by Tenant hereunder. The acceptance of rental by Landlord from any other person shall not be deemed to be a waiver by Landlord of any provision of this Lease. Consent to one assignment or subletting shall not be deemed consent to any subsequent assignments or subletting. In the event of default of any of the terms hereof, Landlord may proceed directly against Tenant without the necessity of exhausting remedies against such assignee or successor. Landlord may consent to subsequent assignment or subletting of this Lease or amendments or modifications to this Lease with assignees of Tenant, without notifying Tenant, or any successor of Tenant, and without obtaining its or their consent thereto and such action shall not relieve Tenant of liability under this Lease.

17.4. In the event Tenant shall assign this Lease or sublet the Demised Premises or request the consent of Landlord to any assignment or subletting or if Tenant shall request the consent of Landlord for any act that Tenant proposes to do, then Tenant shall pay Landlord's reasonable attorneys' fees and processing fees incurred in connection therewith.

18. Rules.

Tenant shall faithfully observe and comply with the rules and regulations annexed to this Lease as Exhibit "D" and, after notice thereof, all reasonable modifications thereof and additions thereto from time to time promulgated in writing by Landlord. Landlord shall not be responsible to Tenant for the nonperformance by any other tenant or occupant of the Building of any of such rules and regulations.

19. Entry by Landlord.

19.1. Landlord and its designees may enter the Demised Premises at reasonable hours to (a) inspect the same upon prior oral notice to the individual apparently then in charge at the Demised Premises, (b) exhibit the same to prospective purchasers, lenders or tenants upon prior oral notice to the individual apparently then in charge at the Demised Premises, (c) determine whether Tenant is complying with all of its obligations hereunder upon prior oral notice to

the individual apparently then in charge at the Demised Premises, (d) supply janitor service and any other services to be provided by Landlord to Tenant hereunder, (e) post notices of nonresponsibility upon prior oral notice to the individual apparently then in charge at the Demised Premises, and (f) make repairs required of Landlord under the terms hereof or repairs to any adjoining space or utility services or make repairs, alterations or improvements to any other portion of the Building upon three days' prior written notice to Tenant (except in the event of an emergency in which event no notice shall be required). Tenant hereby waives any claim for damages for any injury or inconvenience to or interference with Tenant's business, any loss of occupancy or quiet enjoyment of the Demised Premises or any other loss occasioned by such entry.

19.2. Landlord shall at all times have and retain a key with which to unlock all of the doors in, on or about the Demised Premises (excluding Tenant's vaults, safes and similar areas designated in writing by Tenant in advance); and Landlord shall have the right to use any and all means which Landlord may deem proper to open said doors in any emergency in order to obtain entry to the Demised Premises, and any entry to the Demised Premises obtained by Landlord by any of said means, or otherwise, shall not under any circumstances be construed or deemed to be a forcible or unlawful entry into or a detainer of the Demised Premises or an eviction, actual or constructive, of Tenant from the Demised Premises, or any portion thereof.

20. Events of Default.

20.1. The occurrence of any one or more of the following events (each such occurrence shall be deemed an "**Event of Default**") shall constitute a material breach of this Lease by Tenant: (a) if Tenant shall fail to pay the Base Rental when and as the same becomes due and payable, and such failure continues within five days after written notice from Landlord that the same is past due (provided that Landlord shall not be required to provide such notice more than once in any calendar year); or (b) if Tenant shall fail to pay any other sum when and as the same becomes due and payable and such failure shall continue for more than ten days; or (c) if Tenant shall fail to perform or observe any other term hereof or of the rules and regulations referred to in Section 18 hereof to be performed or observed by Tenant, such failure shall continue for more than thirty days after written notice thereof from Landlord, and Tenant shall not within such thirty day period commence with due diligence and dispatch the curing of such default, or, having so commenced, shall thereafter fail or neglect to prosecute or complete with due diligence and dispatch the curing of such default; or (d) if Tenant 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 Law, or shall file an answer admitting or fail timely to contest or acquiesce in the appointment of any trustee, receiver or liquidator of Tenant or any material part of its properties; or (e) if within ninety days after the commencement of any proceeding against Tenant seeking any reorganization, arrangement, composition, readjustment, liquidation, dissolution or similar relief under any present or future Law, such proceeding shall not have been dismissed, or if, within ninety days after the appointment without the consent or acquiescence of Tenant, of any trustee, receiver or liquidator of Tenant or of any material part of its properties, such appointment shall not have been vacated; or (f) if this Lease or any estate of Tenant hereunder shall be levied upon under any attachment or execution and such attachment or execution is not vacated within ten days. Notwithstanding the foregoing provisions of this Section 20.1, in the event Tenant shall fail to perform or shall default in the performance of any term, covenant or condition of this Lease of the same kind on two or more separate occasions during any twelve month period, then even though such failures or defaults may have been cured by Tenant, any further failure or default by Tenant of the same kind during the term of this Lease shall be deemed a default without the ability of cure by Tenant.

20.2. If, as a matter of law, Landlord has no right on the bankruptcy of Tenant to terminate this Lease, then, if Tenant, as debtor, or its trustee wishes to assume or assign this Lease, in addition to curing or adequately assuring the cure of all defaults existing under this Lease on Tenant's part on the date of filing of the proceeding (such assurances being defined below), Tenant, as debtor, or the trustee or assignee must also furnish adequate assurances of future performance under this Lease (as defined below). Adequate assurance of curing defaults means the posting with Landlord of a sum in cash sufficient to defray the cost of such a cure. Adequate assurance of future performance under this Lease means posting a deposit equal to three months' rent, including all other charges payable by Tenant hereunder, such as the amounts payable pursuant to Section 5 hereof, and, in the case of an assignee, assuring Landlord that the assignee is financially capable of assuming this Lease, and that its use of the Demised Premises will not be detrimental to the other tenants in the Building or Landlord. In a reorganization under Chapter 11 of the Bankruptcy Code, the debtor or trustee must assume this Lease or assign it within sixty days from the filing of the proceeding, or he shall be deemed to have rejected and terminated this Lease.

21. Remedies.

If an Event of Default shall occur, then Landlord shall have the following remedies:

(a) Landlord at any time after the Event of Default, at Landlord's option, may give to Tenant three days' notice of termination of this Lease, and in the event such notice is given, this Lease shall come to an end and expire (whether or not the Term shall have commenced) upon the expiration of such three days, but Tenant shall remain liable for damages as provided in Section 22 hereof.

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

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

(d) Landlord shall have the right to recover the rental and all other amounts payable by Tenant hereunder as they become due (unless and until Landlord has terminated this Lease) and all other damages incurred by Landlord as a result of an Event of Default.

(e) The remedies provided for in this Lease are in addition to any other remedies available to Landlord at law or in equity by statute or otherwise.

22. Termination upon Default.

Upon termination of this Lease by Landlord pursuant to Section 21 hereof, Landlord shall be entitled to recover from Tenant the aggregate of: (a) the worth at the time of award of the unpaid rental which had been earned at the time of termination; (b) the worth at the time of award of the amount by which the unpaid rental which would have been earned after termination until the time of award exceeds the then reasonable rental value of the Demised Premises during such period; (c) the worth at the time of the award of the amount by which the unpaid rental for the balance of the Term of this Lease after the time of award exceeds the reasonable rental value of the Demised Premises for such period; and (d) any other amount necessary to compensate Landlord for all the detriment proximately caused by Tenant's failure to perform its obligations under this Lease or which in the ordinary course of things would be likely to result from that failure, including, but not limited to, Landlord's cost of recovering the Demised Premises and its reasonable attorneys' fees. The "worth at the time of award" of the amounts referred to in clauses (a) and (b) above is computed from the date such rent was due or would have been due, as the case may be, by allowing interest at the rate of two percent in excess of the prime rate of JP Morgan Chase Bank, N.A., or, if a higher rate is legally permissible, at the highest rate legally permitted. The "worth at the time of award" of the amount referred to in clause (c) above is computed by discounting such amount at the discount rate of the Federal Reserve Bank of Chicago at the time of award, plus one percent. If Landlord shall have paid a broker commission, or a Tenant Improvement Allowance, or granted Tenant an abatement of Base Rental in connection with this Lease, then Landlord shall also be entitled to collect from Tenant as damages an amount equal to the then unamortized portion of the total of such amounts paid by Landlord, which amortization shall be on the straight line basis over the Term.

23. Landlord's Right to Cure Defaults.

All covenants, terms and conditions to be performed by Tenant under any of the terms of this Lease shall be at its sole cost and expense and without any abatement of rental. If Tenant shall fail to pay any sum of money, other than Base Rental, required to be paid by it hereunder or shall fail to perform any other act on its part to be performed hereunder and such failure shall continue for thirty days after notice thereof by Landlord, Landlord may, but shall not be obligated so to do, and without waiving or releasing Tenant from any obligations of Tenant, make any such payment or perform any such other act on Tenant's part to be made or performed as in this Lease provided. All sums so paid by Landlord and all necessary incidental costs shall be deemed additional rental hereunder and shall be payable to Landlord on demand, and Landlord shall have (in addition to any other right or remedy of Landlord) the same rights and remedies in the event of the nonpayment thereof by Tenant as in the case of default by Tenant in the payment thereof by Tenant as in the case of default by Tenant in the payment of Base Rental.

Landlord Default. If Landlord fails to perform any of Landlord's obligations under this Lease, and such failure continues for a period of more than thirty days after Tenant's delivery of written notice to Landlord specifying such failure, or if such failure is of a nature as to require more than thirty days for remedy and continues beyond the time reasonably necessary to cure (provided Landlord has commenced procedures to cure the failure within thirty days and thereafter diligently pursues efforts to complete such cure), Tenant shall be entitled to pursue any remedies available under law and/or equity except as expressly stated in this Lease or waived by Tenant in this Lease.

24. Attorneys' Fees.

If as a result of any breach or default in the performance of any of the provisions of this Lease, either party uses the services of an attorney in order to secure compliance with such provisions or recover damages therefor from the other party, or, in the case of Landlord, to terminate this Lease or evict Tenant, then the non-prevailing party shall reimburse the other party upon demand for any and all reasonable attorneys' fees and expenses so incurred by the prevailing party.

Subordination.

24.1. This Lease is and shall be subject and subordinate, at all times, to (a) the lien of any mortgage or mortgages which may now or hereafter affect the Building, and to all advances made or hereafter to be made upon the security thereof and to the interest thereon, and to any agreements at any time made modifying, supplementing, extending or replacing any such mortgages, and (b) any ground or underlying lease which may now or hereafter affect the Building, including all amendments, renewals, modifications, consolidation, replacements, and extensions thereof. Notwithstanding the foregoing, at the request of the holder of any of the aforesaid mortgage or mortgages or the lessor under the aforesaid ground or underlying lease (hereinafter referred to as the "**Holder**"), this Lease may be made prior and superior to such mortgage or mortgages and/or such ground or underlying lease. In the event of the enforcement by the Holder of the remedies provided for by law or in its mortgage or lease, Tenant will, upon request of the Holder or any person succeeding to the interest of the Holder as a result of such enforcement automatically become the Tenant of the Holder or such successor in interest, without change in the terms or other provisions of this Lease. Upon request by the Holder or such successor in interest, Tenant shall execute and deliver an instrument or instruments confirming such attornment.

24.2. At the request of Landlord, Tenant shall execute and deliver such further instruments as may be reasonably required to implement the provisions of this Section 25. Failure of Tenant to execute any of the instruments specified in

Sections 25.1 and 28 within ten days of written request to do so by Landlord shall constitute an Event of Default for which no cure period shall be provided to Tenant. Tenant hereby irrevocably, during the Term, constitutes and appoints Landlord as Tenant's agent and attorney-in-fact to execute any such instruments if Tenant shall fail or refuse to execute the same within ten days after notice from Landlord.

24.3. If, as a condition of approving this Lease, Landlord's mortgagee shall request reasonable modifications of this Lease, Tenant shall not unreasonably withhold or delay its agreement to such modifications, provided that such modifications do not increase the obligations or materially and adversely affect the rights of Tenant under this Lease.

25. Merger.

The voluntary or other surrender of this Lease by Tenant, or a mutual cancellation hereof, shall not work a merger, and shall, at the option of Landlord, terminate all or any existing subleases or subtenancies, or may, at the option of Landlord, operate as an assignment to it of any or all such subleases or subtenancies.

26. Nonliability of Landlord.

26.1. In the event the Landlord hereunder or any successor owner of the Building shall sell or convey the Building, all liabilities and obligations on the part of the original Landlord or such successor owner under this Lease accruing thereafter shall terminate, and thereupon all such liabilities and obligations shall be binding upon the new owner. Tenant shall attorn to such new owner.

26.2. Landlord shall not be responsible or liable to Tenant for 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 Demised Premises or any part of the Building or for any loss or damage resulting to Tenant or his property from theft or a failure of the security systems in the Building, or for any damage or loss of property within the Demised Premises from any other cause whatsoever, and no such occurrence shall be deemed to be an actual or constructive eviction from the Demised Premises or result in an abatement of rental.

26.3. 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 against the right, title and interest of Landlord in the Building and out of rents or other income from the Building 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 Building and neither Landlord nor any of the members, managers or partners of Landlord shall be liable for any deficiency.

27. Estoppel Certificate.

At any time and from time to time upon ten days prior request by Landlord, Tenant will promptly execute, acknowledge and deliver to Landlord, a certificate indicating (a) that this Lease is unmodified and in full force and effect (or, if there have been modifications, that this Lease is in full force and effect, as modified, and stating the date and nature of each modification), (b) the date, if any, to which rental and other sums payable hereunder have been paid, (c) that no notice has been received by Tenant of any default which has not been cured, except as to defaults specified in said certificate, and Landlord is not in default of its obligations under the Lease and there are no existing circumstances which, with the passage of time, or notice, or both, would give rise to a default under the Lease, and (d) such other matters as may be reasonably requested by Landlord. Any such certificate may be relied upon by any prospective purchaser, mortgagee or beneficiary under any deed of trust of the Building or any part thereof.

28. No Light, Air or View Easement.

Any diminution or shutting off of light, air or view by any structure which may be erected on lands adjacent to the Building shall in no way affect this Lease or impose any liability on Landlord.

29. Holding Over.

If Tenant holds possession of the Demised Premises beyond the expiration of the Term, such continued possession by Tenant shall not have the effect of extending or renewing the Term for any period of time and Tenant shall be presumed to occupy the Demised Premises against the will of Landlord who shall thereupon be entitled to all remedies provided for the expulsion of Tenant, including all claims for loss and damage. The Base Rental during any period that Tenant holds over shall be one hundred fifty percent of Tenant's monthly Base Rental during the last month of the Lease Term (as the same may have been extended) during each holdover month thereafter. Landlord may give to Tenant at any time during such continued possession by Tenant written notice that Tenant may continue to occupy the Demised Premises under a tenancy from month to month at the holdover rent set forth above. In the event Tenant remains in possession of the Demised Premises after the expiration of the term of this Lease without Landlord's consent, Tenant shall also pay to Landlord all damages sustained by

Landlord as a result of retention of possession by Tenant, including, without limitation, the loss of any proposed subsequent tenant for any portion of the Demised Premises.

30. Removal of Tenant's Property.

On or before the Expiration Date, any earlier date of termination of this Lease or the date that Tenant vacates from the Demised Premises, whichever shall first occur, Tenant agrees to remove, at its sole cost and expense, all of Tenant's Property (unless Landlord consents in writing to Tenant's request to allow the Tenant's Property or any portion thereof to remain in the Demised Premises). Tenant shall restore and repair (which shall include, without limitation, repairing any holes in the walls or tears in the wallpaper and repainting or re-wallpapering such walls and closing-up any slab penetrations in the Demised Premises, all in a good and workmanlike manner), or promptly reimburse Landlord for the cost of restoring and repairing (including, without limitation, repairing any such holes in the walls and tears in the wallpaper and repainting or re-wallpapering such walls and closing any such slab penetrations) any and all damage done to the Demised Premises or the Building by the removal of Tenant's Property or by the removal of leasehold improvements, alterations or other physical additions made by Tenant to the Demised Premises which Landlord has directed or otherwise permitted Tenant to remove from the Demised Premises. Tenant shall notify Landlord of its intention to affect the closing of any such slab penetrations at least thirty days prior to commencing such closings. If Tenant fails to remove any of Tenant's Property by the Expiration Date or any sooner date of termination of the Lease or, if Tenant fails to remove any leasehold improvements, alterations or other physical additions made by Tenant to the Demised Premises which Landlord has in writing directed Tenant to remove, Landlord shall have the right, on the fifth day after Landlord's delivery of written notice to Tenant to deem such property abandoned by Tenant and to remove, store, sell, discard or otherwise deal with or dispose of such abandoned property in a commercially reasonable manner. Tenant shall be liable for all costs of such disposition of Tenant's abandoned property and the repair and restoration of the Demised Premises, and Landlord shall have no liability to Tenant in any respect regarding such property of Tenant. The provisions of this Section 31 shall survive the expiration or any earlier termination of this Lease.

31. Security Deposit.

31.1. Upon the execution of this Lease, Tenant has deposited with Landlord the "Deposit" in the amount set forth in Section 1(k) hereof. The Deposit shall be held by Landlord as security for the faithful performance by Tenant. If Tenant fails to pay rent or other charges due hereunder, or otherwise defaults with respect to any provision of this Lease, Landlord may, but shall have no obligation to, use, apply or retain all or any portion of the Deposit for the payment of any rent or other charge in default or for the payment of any other sum to which

Landlord may become obligated by reason of Tenant's default, or to compensate Landlord for any loss or damage which Landlord may suffer thereby. If Landlord so uses or applies all or any portion of the Deposit, Tenant shall within ten days after demand therefor deposit cash with Landlord in an amount sufficient to restore the Deposit to the full amount thereof. Landlord shall not be required to keep the Deposit separate from its general accounts. If Tenant performs all of Tenant's obligations hereunder, the Deposit or so much thereof as has not theretofore been applied by Landlord, shall be returned, without payment of interest or other increment for its use, to Tenant (or, at Landlord's option, to the last assignee, if any, of Tenant's interest hereunder) at the expiration of the Term, and after Tenant has vacated the Demised Premises. No trust relationship is created herein between Landlord and Tenant with respect to the Deposit.

31.2. Tenant agrees not to look to Holder as mortgagee, mortgagee in possession or successor in title to the Demised Premises for accountability for the Deposit under this Lease as security for Tenant's performance of this Lease unless the Deposit has actually been received by Holder.

32. Waiver.

32.1. The waiver by Landlord of any agreement, condition or provision herein contained shall not be deemed to be a waiver of any subsequent breach of the same or any other agreement, condition or provision herein contained, nor shall any custom or practice which may grow up between the parties in the administration of the terms hereof be construed to waive or to lessen the right of Landlord to insist upon the performance by Tenant of the terms hereof in strict accordance with said terms. The subsequent acceptance of rental hereunder by Landlord shall not be deemed to be a waiver of any preceding breach by Tenant of any agreement, condition or provision of this Lease, other than the failure of Tenant to pay the particular rental so accepted, regardless of Landlord's knowledge of such preceding breach at the time of acceptance of such rental.

32.2. Landlord and Tenant hereby waive trial by jury in any action or proceeding, or counterclaim brought by Landlord or Tenant against the other on any matter whatsoever arising out of or in any way connected with this Lease, the relationship of Landlord to Tenant, the use or occupancy of the Demised Premises by Tenant or any person claiming through or under Tenant, any claim of injury or damage, and any emergency or other statutory remedy; provided, however, the foregoing waiver shall not apply to any action for personal injury or property damage. If Landlord commences any summary or other proceeding for nonpayment of rent or the recovery of possession of the Demised Premises, Tenant shall not interpose any non-compulsory counterclaim of whatever nature

or description in any such proceeding, unless the failure to raise the same would constitute a waiver thereof.

33. Notices.

All notices, consents, requests, demands, designations or other communications which may or are required to be given by either party to the other hereunder shall be in writing and shall be deemed to have been duly given and received when (a) personally delivered on a business day; (b) on the first business day which is at least three days after being deposited in the United States mail, certified or registered, postage prepaid; (c) one business day after being deposited with a nationally recognized overnight courier service; or (d) sent by facsimile transmission or electronic mail on a business day to be immediately followed by delivery in accordance with the foregoing (a), (b) or (c), and in all instances addressed as follows: to Tenant at the address set forth in Section 1(l) hereof, or to such other place as Tenant may from time to time designate in a notice to Landlord; to Landlord at the address set forth in Section 1(m) hereof, or to such other place as Landlord may from time to time designate in a notice to Tenant; or, in the case of Tenant, delivered to Tenant at the Demised Premises. In the event a Guarantor is listed in Section 1(n) hereof and such Guarantor executes this Lease, Landlord shall forward copies of all notice of default hereunder to the Guarantor at the address set forth in Section 1(o) hereof. Tenant hereby appoints as its agent to receive the service of all dispossessory or distraint proceedings and notices thereunder the person in charge of or occupying the Demised Premises at the time, and, if no person shall be in charge of or occupying the Demised Premises at the time, then such service may be made by attaching the same on the main entrance of the Demised Premises. Either party may change addresses for notices by a notice sent in accordance with the provisions of this Section.

34. Intentionally Omitted.

35. Complete Agreement.

There are no oral agreements between Landlord and Tenant affecting this Lease, and this Lease supersedes and cancels any and all previous negotiations, arrangement, brochures, agreements and understandings, if any, between Landlord and Tenant or displayed by Landlord to Tenant with respect to the subject matter of this Lease or the Building. There are no representations between Landlord and Tenant other than those contained in this Lease and all reliance with respect to any representations is solely upon such representations.

36. Corporate, Limited Liability Company or Partnership Authority.

If Tenant signs this Lease as a corporation, limited liability company or a partnership, any person(s) executing this Lease on behalf of Tenant does hereby covenant and warrant that Tenant is a fully authorized and existing legal entity, that Tenant is organized under the laws of the state of its formation and has and is qualified to do business in the State of Michigan, that Tenant has full right and authority to enter into this Lease, and that any and all of the person(s) signing this Lease on behalf of Tenant is and are authorized to do so.

37. Inability to Perform.

If, by reason of the occurrence of unavoidable delays due to acts of God, governmental restrictions, strikes, labor disturbances, shortages of materials or supplies or for any other cause or event beyond Landlord's reasonable control, Landlord is unable to furnish or is delayed in furnishing any utility or service required to be furnished by Landlord under the provisions of Section 8 hereof or any other provisions of this Lease or any collateral instrument, or is unable to perform or make or is delayed in performing or making any installations, decorations, repairs, alterations, additions, or improvements, whether required to be performed or made under this Lease or under any collateral instrument, or is unable to fulfill or is delayed in fulfilling any of Landlord's other obligations under this Lease or any collateral instrument, no such inability or delay shall constitute an actual or constructive eviction in whole or in part, or entitle Tenant to any abatement or diminution of rental or other charges due hereunder or relieve Tenant from any of its obligations under this Lease, or impose any liability upon Landlord or its agents by reason of inconvenience or annoyance to Tenant, or injury to or interruption of Tenant's business, or otherwise.

38. Covenant of Quiet Enjoyment.

Upon Tenant paying the rental and other charges due hereunder and performing all of Tenant's other obligations under this Lease, Tenant may peacefully and quietly enjoy the Demised Premises during the term of this Lease; subject, however, to the provisions of this Lease and to any mortgages or ground or underlying leases referred to in Section 25 hereof.

39. Signage.

Tenant shall be entitled to have its name on the directory in the lobby of the Building (provided the lobby has a directory), as well as adjacent to the door to the Demised Premises, in both instances, at Landlord's cost and expense so long as all such signage is Building standard.

40. Incentives.

Landlord and Tenant acknowledge that the Building and/or Demised Premises may be eligible for certain state, federal and local incentive programs (the "**Incentives**"), the benefit of which shall inure to Landlord. Landlord may freely pursue any Incentives that it desires without consulting Tenant, and Tenant shall fully cooperate with Landlord in regard to the application for such Incentives. Notwithstanding the foregoing, Landlord and Tenant may each pursue certain creative corridor incentives (the "**CC Incentives**"); and both Landlord and Tenant agree to cooperate with each other to maximize the CC Incentives benefitting each Landlord and Tenant and the Building.

41. Intentionally Omitted.

42. Miscellaneous.

42.1. The words "Landlord" and "Tenant" as used herein shall include the plural as well as the singular. If there is more than one Tenant, the obligations hereunder imposed upon Tenant shall be joint and several.

42.2. Submission of this instrument for examination or signature by Tenant does not constitute a reservation of or option for lease, and it is not effective as a lease or otherwise until execution and delivery by both Landlord and Tenant.

42.3. The agreements, conditions and provisions herein contained shall, subject to the provisions as to assignment, set forth in Section 17 hereof, apply to and bind the heirs, executors, administrators, successors and assigns of the parties hereto.

42.4. Tenant shall not without the consent of Landlord, use the name of the Building for any purpose other than as the address of the business to be conducted by Tenant in the Demised Premises. Landlord reserves the right to select the name of the Building and to make such changes of name as it deems appropriate from time to time.

42.5. If any provisions of this Lease shall be determined to be illegal or unenforceable, such determination shall not affect any other provisions of this Lease and all such other provisions shall remain in full force and effect.

42.6. This Lease shall be governed by and construed pursuant to the laws of the State of Michigan.

42.7. Upon Landlord's written request, Tenant (and Guarantor, if any) shall promptly furnish Landlord, from time to time, financial statements reflecting Tenant's (and Guarantor's, if any) current financial condition.

42.8. Whenever Tenant requests Landlord to take any action or give any consent required or permitted under this Lease, Tenant will reimburse Landlord for Landlord's costs incurred in reviewing the proposed action or consent, including without limitation reasonable attorneys', engineers' or architects' fees, within ten days after Landlord's deliver to Tenant of a statement of such costs. Tenant will be obligated to make such reimbursement without regard to whether Landlord consents to any such proposed action.

42.9. Tenant agrees to give any mortgagee by registered mail, a copy of any notice of default served upon Landlord, provided that before sending such notice, Tenant has been notified in writing of the address of the mortgagee. Tenant further agrees that if Landlord fails to cure any default within the time provided in this Lease, the mortgagee shall have an additional thirty days within which to cure the default, and if the default cannot be cured within thirty days, then such additional time as may be necessary to cure the default will be granted if within the initial thirty day period, the mortgagee has commenced and is diligently pursuing its remedies necessary to cure the default (including, but not limited to, commencement of foreclosure proceedings, if necessary to effect such cure), in which event, the Lease shall not be terminated while such remedies are being so diligently pursued.

42.10. Any public announcement, advertisement, press release or similar action of Tenant relating to this Lease or Tenant's relocation of its operations to the Building shall be subject to Landlord's prior written approval.

42.11. Tenant represents and warrants that it has not dealt with any real estate broker in connection with this Lease other than Bedrock Management Services LLC ("**Broker**"). To the extent permitted by law, Tenant shall indemnify and hold Landlord harmless from all claims of any brokers claiming to have represented Tenant in connection with this Lease other than Broker, whose commission, if any, shall be paid by Landlord pursuant to a separate written agreement between Landlord and Broker. Landlord shall indemnify and hold Tenant harmless from all claims of any brokers claiming to have represented Landlord in connection with this Lease.

42.12. Notwithstanding anything contained in this Lease to the contrary, Tenant agrees to maintain in strict confidence the economic terms of this Lease and any or all other materials, data and information delivered to or received by any or all of Tenant and Tenant's officers, directors, members, managers, partners,

invitees, agents, employees, contractors or representatives, either prior to or during the Term of this Lease that are related to the economic terms of this Lease. The provisions of this Section 43.12 shall survive the expiration or sooner termination of the Term of this Lease.

42.13. The captions and headings used throughout this Lease are for convenience of reference only and shall not affect the interpretation of this Lease.

43. Audio, Video and Photo Release.

During the term of this Lease, Tenant hereby authorizes Landlord and Bedrock Management Services LLC, and any other property manager of Landlord, and any of their affiliates (collectively, "**Licensed Parties**") to, from time to time, publish, display, and use photographs featuring Tenant and/or the name of Tenant and Tenant's business (including its location at the address set forth above) for the purpose of promoting Tenant, the City of Detroit, and/or one or more of the Licensed Parties and their related business, in whole or in part, through any means (collectively, the "**Works**"). Tenant understands and agrees that Tenant will receive no compensation for any use of any Works.

44. Lease Execution.

This Lease may be executed in any number of counterparts, and by electronic or facsimile transmission, each of which shall be deemed to be an original, and all of which together shall be deemed to be one and the same instrument. Landlord and Tenant intend to be bound by the signatures on the facsimile or electronically imaged document, are aware that the other party will rely on such signatures, and hereby waive any defenses to the enforcement of the terms of this Lease based on the form of signature.

45. Landlord Lien Waiver.

Landlord shall not have any lien or security interest in Tenant's records or Tenant's personal property, and Landlord hereby waives any lien or security interest which Landlord may have in Tenant's records or personal property under any applicable Laws.

[SIGNATURES ON FOLLOWING PAGE]

**[SIGNATURE PAGE TO LEASE BY AND BETWEEN 407 FORT STREET LLC AND
WAY MICHIGAN]**

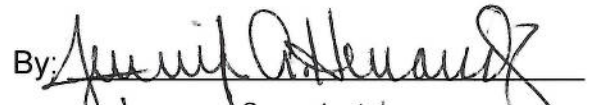
The parties hereto have executed this Lease as of the date set forth in Section
1(a).

407 FORT STREET LLC,
a Michigan limited liability company

By: 
James A. Ketai
Its: Authorized Representative

"Landlord"

WAY MICHIGAN,
a Michigan non-profit corporation

By: 
Name: Jennifer A. Hernandez
Its: Superintendent

"Tenant"

EXHIBIT "A"
FLOOR PLAN(S)

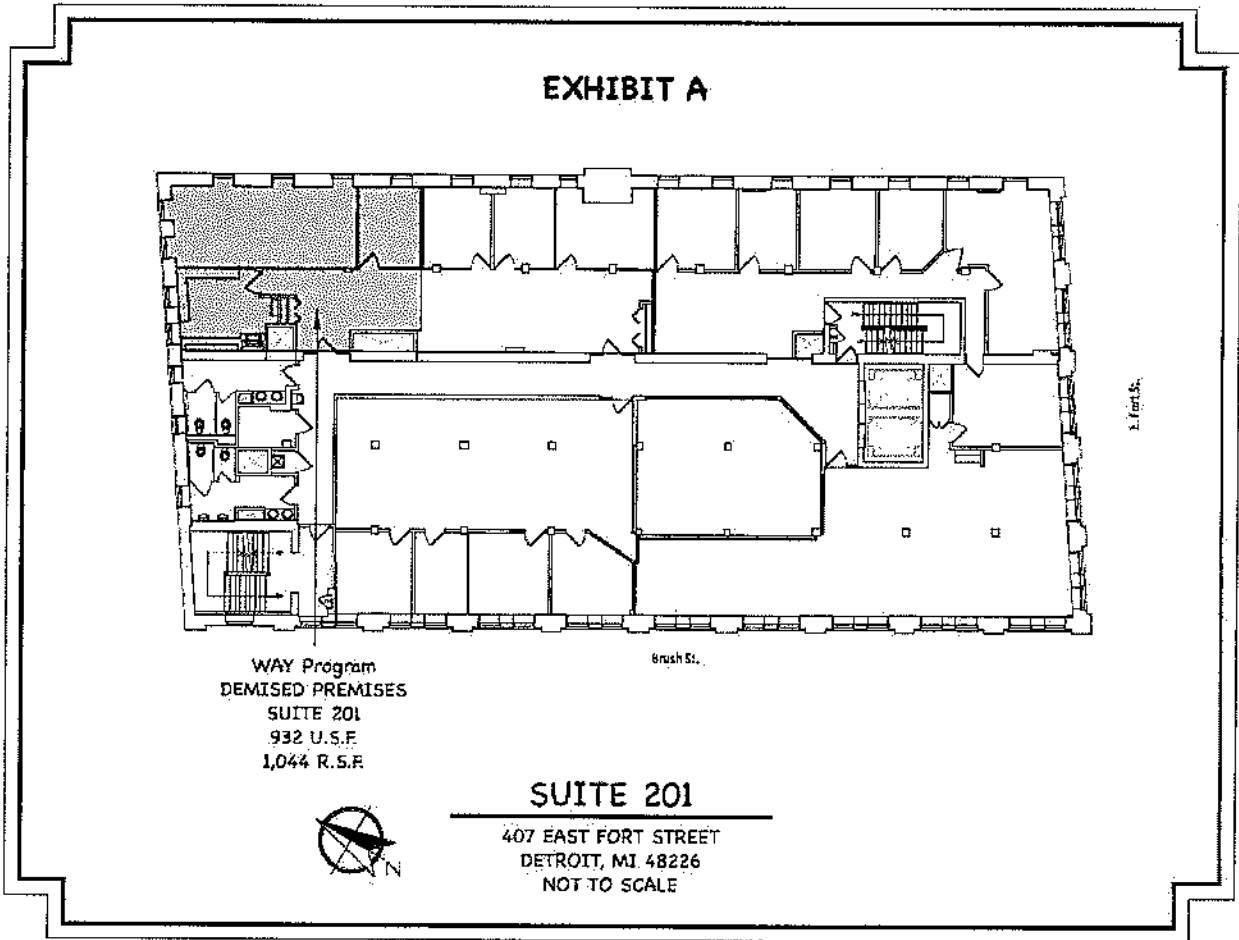


EXHIBIT "B"

Intentionally Omitted

EXHIBIT "C"
JANITORIAL SERVICES

DAILY SERVICE - 5 DAYS PER WEEK

Building Entry, Corridors, Lobbies, Stairwells, Elevators - All Other Common Areas

1. Empty and clean all ashtrays and cigarette urns.
2. Empty all waste containers, clean if necessary; place all debris in dumpster.
3. Vacuum all carpeted areas.
4. Sweep and/or dust mop all tile floor areas with treated cloths using dust control method.
5. Damp mop all tile and marble areas.
6. Clean and disinfect all drinking fountains.
7. Spot clean fingerprints, smudges, etc., from walls.
8. Spot clean building entry doors and surrounding glass.
9. Vacuum and clean lobby furniture and planters.
10. Sweep area around building entry, pick up debris from entry and surrounding landscape areas (within six feet of entry walk).

Lavatories

1. Mop, clean, and disinfect all tile floors with germicidal cleanser.
2. Spot clean all walls and toilet partitions.
3. Clean and polish all wall and cabinet mirrors.
4. Clean and sanitize toilet bowls, urinals, and sinks; also clean and polish all chrome fixtures.
5. Replenish towels, toilet tissue, hand soap, and sanitary napkin dispensers.
6. Empty and clean all waste containers.
7. Empty and clean all ashtrays and cigarette urns.
8. Vacuum and clean women's lounge couch.

Office Space

1. Empty all waste containers, clean if necessary; place all debris in dumpster.
2. Vacuum all carpeted areas, including closets, file rooms, etc.
3. Sweep and/or dust mop all tile, parquet, or other hard surface floor areas with treated cloths using dust control method.
4. Dust all office furniture completely. Dust all lamps, window sills, ledges, door moldings, telephones, pictures, plaques, bookcases, etc., with treated cloths.

NOTE: Desks covered with paper, charts, etc., will not be touched so as to prevent misplacement, loss, or damage.

5. Spot clean entrance door and clean all glass partitions and tops as necessary.
6. Turn off all lights, report lights left on with Tenant space unoccupied.

WEEKLY SERVICE

Office Space

1. Vacuum all upholstered furniture.
2. Spot clean carpeting.
3. Clean and polish parquet floors.

Lavatories

1. Clean and disinfect all ceramic tile walls and toilet partitions.

Building Entry, Corridors, Lobbies, Stairwells, Elevators - All Other Common Areas

1. Spot clean carpeting.
2. Wet mop and polish all tile and marble floors.
3. Wash and clean building entry doors and surrounding glass.

MONTHLY SERVICE

Office Space

1. Furniture, such as tables and cabinets placed against wall, to be moved and area behind cleaned and vacuumed.
2. Spot clean fingerprints, smudges, etc., from light switches, door jambs, doors, etc.

SEMI-ANNUAL SERVICE

1. Shampoo carpet in all common areas of the Building.
2. Clean interior and exterior surfaces of Building windows.

EXHIBIT "D"
BUILDING RULES AND REGULATIONS

Tenant shall, at all times during the term of the Lease follow these Building rules and regulations.

1. Any sign, lettering, picture, notice or advertisement installed within the Demised Premises which is visible from the public corridors within the Building shall be installed in such manner and be of such character and style as Landlord shall approve in writing. No sign, lettering, picture, notice or advertisement shall be placed on any outside window, door or in a position to be visible from outside the Building.

2. Tenant shall not obstruct sidewalks, alleyways, entrances, passages, courts, corridors, vestibules, halls, elevators and stairways in or about the Building, nor shall Tenant place objects against glass partitions, doors or windows which would be unsightly from the Building's corridors, or from the exterior of the Building. Temporary material storage is not permitted in these areas.

3. No animals or pets or bicycles or other vehicles shall be brought or permitted to be in the Building or the Demised Premises with the exception of seeing-eye or service dogs.

4. Tenant shall not make excessive noises, cause disturbances or vibrations, or use or operate any musical, electrical or electronic devices or other devices that emit loud sounds or waves which may disturb or annoy other tenants or occupants of the Building. Space heaters and humidifiers are not allowed in the Building and are a violation of city code.

5. Vending machines cannot be installed without prior written approval by Landlord.

6. If the Building is not on a card access system or automated locking system, Tenant shall lock exterior doors to the Building when entering or leaving after 6:00 p.m. daily and between 1:00 p.m. Saturday and 8:00 a.m. on Monday.

7. Tenant shall not make any room-to-room canvass to solicit business from other tenants of the Building and shall cooperate to prevent same.

8. Tenant shall not create any odors which may be offensive to other tenants or occupants of the Building.

9. Tenant shall not waste electricity, water or air conditioning, and shall cooperate fully with Landlord to assure the most effective operation of the Building's HVAC service. Tenant shall not adjust any controls other than room thermostats installed for Tenant's use. Tenant shall not tie, wedge, or otherwise fasten open any water faucet or outlet. Tenant shall keep all corridor doors closed.

10. No additional locks or similar devices shall be attached to any door and no locks shall be changed except by Landlord. Upon termination of this Lease or of Tenant's possession of the Demised Premises, Tenant shall surrender all keys and/or cards for door locks and other locks in or about the Demised Premises and shall make known to Landlord the combination of all locks, safes, cabinets and vaults which are not removed by Tenant.

11. Tenant assumes full responsibility for protecting the Demised Premises from theft, robbery and pilferage. Except during Tenant's normal business hours, Tenant shall keep all doors to the Demised Premises locked and other means of entry to the Demised Premises closed and secured.

12. Tenant shall not install or operate any machinery or mechanical devices of a nature not directly related to Tenant's ordinary use of the Demised Premises.

13. Tenant shall not employ any person to perform any cleaning, repairing, janitorial, decorating, painting, or other services or work in or about the Demised Premises, except with the approval of Landlord, which approval shall not be unreasonably withheld.

14. Tenant shall ascertain from Landlord the maximum amount of electrical current which can safely be used in the Demised Premises, taking into account the capacity of the electric wiring in the Building and the Demised Premises and the needs of other tenants, and shall not use more than such safe capacity. Landlord's consent to the installation of electric equipment shall not relieve Tenant from the obligation not to use more electricity than such safe capacity.

15. Tenant shall not overload any floor and shall not install any heavy objects, safes, business machines, files or other equipment without having received Landlord's prior written consent as to size, maximum weight, routing and location thereof. Safes, furniture, equipment, machines and other large or bulky articles shall be brought through the Building and into and out of the Demised Premises at such times and in such manner as the Landlord shall direct (including the designation of an elevator and/or use of a loading dock provided the Building is equipped with one) and at Tenant's sole risk and responsibility. Prior to Tenant's installation or removal of any such articles from the Demised Premises, Tenant shall obtain written authorization therefor at the Management Office for the Building and shall present such writing, upon request, to a designated employee of Landlord.

16. Tenant shall not in any manner deface or damage the Building.

17. Tenant shall not bring into the Building or Demised Premises inflammables such as gasoline, kerosene, naphtha and benzene, or explosive or any other articles of an intrinsically dangerous nature.

18. Movement in or out of the Building of furniture or equipment or dispatch or receipt by Tenant of any merchandise or materials other than hand delivered packages,

which requires the use of elevators or stairways or movement through the Building entrances or lobby, shall be restricted to the hours designated by Landlord and in a manner to be agreed upon between Tenant and Landlord by prearrangement before performance. Tenant assumes all risk of damage to any and all articles so moved, as well as injury to any person or property in such movement, and to the extent permitted by law hereby agrees to indemnify Landlord against any loss resulting therefrom.

19. Landlord shall not be responsible for any lost or stolen property, equipment, money or jewelry from the Demised Premises or the public areas of the Building regardless of whether such loss occurs when the Demised Premises are locked or not.

20. The Demised Premises shall not be used for housing, lodging, sleeping or for any immoral or illegal purpose.

21. The work of the janitor or cleaning personnel shall not be hindered by Tenant after 5:30 p.m., and the windows may be cleaned at any time. Tenant shall provide adequate waste and rubbish receptacles to prevent unreasonable hardship to Landlord in discharging its obligation regarding cleaning services. No hazardous or liquid waste, furniture or large equipment can be disposed of in the Building provided trash containers. Larger bulk, trash removal services should be arranged through Building Management. Additional disposal charges may apply. If the Building provides access to a baler (for cardboard bundling), Tenant must break down all boxes and coordinate a time with Building Management for compacting materials and disposal.

22. Tenant will refer all contractors and installation technicians rendering any service for Tenant for supervision and approval before performance of any contractual services. Tenant will not permit any construction liens to be placed against the Demised Premises or the Building and any contract Tenant enters into for work to be performed on the Demised Premises or the Building will contain a waiver of construction lien. Tenant's contractors must provide proof of insurance coverage that meets Landlord requirements.

23. Smoking is not permitted in the Building.

24. Security systems for individual tenants are available and recommended. Tenant will abide by and pay its prorata cost of any electronic access system installed in the Building by Landlord. In the event Tenant requires a replacement card for any such electronic access system, Tenant shall be required to pay Landlord at Landlord's then current rate for such replacement card. Tenant may be required to have identification access badges worn and displayed at all times for security and identification purposes.

25. There will be no parking of vehicles in any areas other than those clearly marked and defined for parking. Cars parked illegally or in any service area, alleyway or in driveways will be towed at the car owner's expense.

26. In the event the Lease provides that Landlord will provide Tenant with parking spaces in the garage owned by Landlord, vehicular ingress and egress to and from such garage will be by access card or other such system as Landlord may deem necessary. Landlord shall issue to Tenant at Tenant's cost all access cards or devices necessary to access the garage, subject to such rules governing such access cards or devices as Landlord may uniformly impose upon similarly-situated patrons of the garage, and provided further that Landlord may implement the parking provided to Tenant in this Lease by issuing to Tenant one access card or device per parking space. The access cards and devices shall remain Landlord's property, Tenant shall return them to Landlord upon the expiration of the Term or earlier termination of the Lease, and they are non-transferrable. Tenant shall immediately report to Landlord the loss or theft of any access card or device and Landlord will issue a replacement card or device upon payment of the sum as may be charged by Landlord to other patrons of the garage, for each lost or stolen card or device. Tenant must follow all parking rules and regulations and violation of parking rules may result in terminated parking rights.

27. No food for consumption or distribution outside the Demised Premises shall be prepared or cooked in the Demised Premises.

Tenant shall be responsible for the observance of all of the foregoing rules and regulations by Tenant's employees and agents. Landlord shall not be liable for any violation of the foregoing rules and regulations by other tenants of the Building but Landlord shall use its best efforts to enforce the same against other tenants. Landlord reserves the right to rescind, add or modify Tenant Rules and Regulations from time to time.

MEMORANDUM

To: Mark Eitrem, Supervisor, Public School Academies
FROM: Amy Van Atten-Densmore, Director of School Operations
RE: WAY Michigan – Certificate of Use and Occupancy
DATE: April 24, 2014

On December 12, 2013, The Governor John Engler Center for Charter Schools (Center) submitted a Contract to Charter a School of Excellence that is a Cyber School (Contract) for WAY Michigan (Academy) to the Michigan Department of Education (MDE). MDE issued a school code for the Academy on January 21, 2014.

The Contract that was submitted contains a placeholder for the Certificate of Use and Occupancy for the Academy's facility. On April 17, 2014, the Academy submitted a letter to both the Bureau of Construction Codes (BCC) and the Bureau of Fire Services (BFS) requesting clarification on whether the Academy would be required to submit construction documents for review and approval, ultimately resulting in a Certificate of Use and Occupancy issued by the BCC. The letter explained that the Academy is a virtual school and students attend school from home with no need to attend a physical school site. Students will not routinely visit the Academy's facility.

On April 17, 2014, Brian Williams, Plan Review Division Supervisor at the BFS, stated that the BFS determined that the use of the Academy's building does not meet the BFS definition of a school according to the Fire Safety Rules. Therefore, the BFS will not have any jurisdiction for this project. On April 23, 2014, Todd Cordill, Chief of the Plan Review Division at the BCC, stated that the BCC determined that it would not have jurisdiction over this project.



The City of Detroit
Buildings, Safety Engineering & Environmental Department
Fourth Floor, Suite 408
Detroit, Michigan 48226
(313)224-3212

July 29, 2016

THE TIDWELL GROUP
SEAN TIDWELL
634 ATKINSON
DETROIT, MI 48202

Project No. PRJ2016-01615
Permit No.: BLD2016-03563
Location: 407 E FORT

CERTIFICATE OF ACCEPTANCE

On 7/15/2016 the Division of BUILDINGS inspected
407 E FORT Permit # BLD2016-03563

PERFORM & PROVIDE INTERIOR ALTERATIONS TO SUITE 201B & SUITE 202A AS PER PROVIDE DRAWINGS.

Installed required smoke detection devices per ordinance 239-H and found the same to be satisfactory to the Division.

Inspector:
Grandville Nixon

Owner:
407 FORT STREET LLC
BEDROCK REAL ESTATE SVCS
1092 WOODWARD AVE
DETROIT, MI 48226

by Rochelle Smith/Km
David Bell, Building Official

Project No. PRJ2016-01615

CONTRACT SCHEDULE 7

**REQUIRED INFORMATION FOR
A SCHOOL OF EXCELLENCE THAT IS A CYBER SCHOOL**

SCHEDULE 7
REQUIRED INFORMATION FOR
A SCHOOL OF EXCELLENCE THAT IS A CYBER SCHOOL

Required Information for a School of Excellence That Is a Cyber School. 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 "school of excellence that is a cyber school" 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 schools of excellence that are cyber schools. The University Board has approved the issuance of a contract conferring certain rights, franchises, privileges, and obligations of a school of excellence that is a cyber school 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 school of excellence that is a cyber school. 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.

Measure 1: Student Achievement

The academic achievement of **all students who have been at the academy for one or more years¹** in grades 6-8 will be assessed using the following measures and targets:

Sub Indicator	Measure	Metric	Target
Against a Standard:	The percentage of students meeting or surpassing the current, spring, grade-level national norms ² on the NWEA Growth reading and math tests administered in the spring.	Distribution (which will be in the form of percentages): Exceeds $\geq 70.0\%$ Meets $\geq 50.0\%$ Approaching $\geq 30.0\%$ Does not meet $< 30.0\%$	50%
In the event that performance against the standard falls below these required expectations, "measurable progress towards the achievement of this goal" will be defined using the following measures and targets:			
Over Time:	The percentage of students meeting or surpassing spring grade-level national norms over time (CY-AVG(PY1+PY2+PY3)).	Trend score (which will be in the form of $-x$ to $+x$): Exceeds $\geq 6.0\%$ Meets $\geq 3.0\%$ Approaching $\geq 1.0\%$ Does not meet $< 1.0\%$	3.0%
Comparison Measure:	The percentage of students categorized as proficient or advanced on the most recent state assessment will surpass the school's Composite Resident District (CRD) percentage.	Portfolio Distribution (which will be in the form of $-x$ to $+x$): Exceeds $\geq 10.0\%$ Meets $\geq 5.0\%$ Approaching $\geq 0.0\%$ Does not meet $< 0.0\%$	5.0%

¹ One or more years students (also called 1+ students) are students who are enrolled in the academy on or before count day and are still enrolled at the end of a given academic year.

² Grade level national norms are updated periodically by NWEA following comprehensive norming studies. The Center will use the most updated national norms published by NWEA and will inform the Academy when the norms are updated and how the updated norms may impact analysis and performance reporting.

Measure 2: Student Growth

The academic growth of all students in grades 6-8 at the Academy will be assessed using the following measures and targets:

Sub Indicator	Measure	Metric	Target
Against a Standard:	The median of student growth percentiles (MGP) reflecting fall-to-spring scaled score growth on the reading and math NWEA Growth tests.	MGP: Exceeds \geq 65th Meets \geq 50th Approaching \geq 45th Does not meet $<$ 45th	Reading: 50 Math: 50
In the event that performance against the standard falls below these required expectations, “measurable progress towards the achievement of this goal” will be defined using the following measures and targets:			
Over Time:	The percentage of students making at least one year’s growth over time (CY-AVG(PY1+PY2+PY3)).	Trend score (which will be in the form of $-x$ to $+x$): Exceeds \geq 6.0% Meets \geq 3.0% Approaching \geq 1.0% Does not meet $<$ 1.0%	3.0%
Comparison Measure:	The mean student growth percentile reflecting growth on the two most recent state assessments will surpass the school’s Composite Resident District.	Portfolio Distribution (which will be in the form of $-x$ to $+x$): Exceeds \geq 10.0% Meets \geq 5.0% Approaching \geq 0.0% Does not meet $<$ 0.0%	5.0%

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Measure 3: Post-Secondary Readiness: Grades 9-11

The ‘on-track’ towards college readiness rates of all students in grades 9-11 will be assessed using the following measures and targets.

Indicator	Measure	Metric	Target
Career and College Readiness (CCR) Standard:	The percentage of full academic year students meeting or surpassing the current career and college readiness benchmarks on the SAT (grade 11) in Evidence-Based Reading and Writing (EBRW) and Math.	For Math & EBRW, distribution (which will be in the form of percentages): Exceeds: % CCR > state average by 20% or more Meets: School % CCR – State Average $\geq 0\% \leq 20\%$ Approaching: School % CCR – State Average $< 0\% \geq -20\%$ Does Not Meet: School % CCR – State Average $< -20\%$	EBRW: Current State Average Math: Current State Average
In the event that performance against the standard falls below these required expectations, “measurable progress towards the achievement of this goal” will be defined using the following measures and targets:			
Trend Over-Time:	The percentage of full academic year students meeting or surpassing the current career and college readiness benchmarks on the SAT (grade 11) in EBRW and Math over time (CY-AVG(PY1+PY2+PY3)) .	Trend score (which will be in the form of –x to +x): Exceeds $\geq 6.0\%$ Meets $\geq 3.0\%$ Approaching $\geq 1.0\%$ Does not meet $< 1.0\%$	3.0%
High School Growth:	The percentage of students meeting or surpassing the expected growth between College Board (PSAT/SAT) assessments from spring to spring.	For Math & EBRW, distribution (which will be in the form of percentages): Exceeds $\geq 70.0\%$ Meets $\geq 50.0\%$ Approaching $\geq 30.0\%$ Does not meet $< 30.0\%$	50%
Comparative Career & College Readiness:	The percentage of students meeting or surpassing the current career & college readiness benchmarks on the SAT (grade 11) will surpass the school’s Composite Resident District percentage.	Portfolio Distribution (which will be in the form of –x to +x): Exceeds $\geq 10.0\%$ Meets $\geq 5.0\%$ Approaching $\geq 0.0\%$ Does not meet $< 0.0\%$	+5%
Comparative Graduation Rate:	The 4-year graduation rate for students at the academy will meet or surpass the school’s Composite Resident District’s 4-year graduation rate.	Portfolio Distribution (which will be in the form of –x to +x): Exceeds $\geq 10.0\%$ Meets $\geq 0.0\%$ Does not meet $< 0.0\%$	0%

SECTION C

EDUCATIONAL PROGRAMS

EDUCATIONAL PROGRAMS

In accordance with applicable law and the Contract Terms and Conditions, including Article VI, Section 6.3, the Academy shall implement, deliver and support the Educational Program identified in Schedule 7c.

Vision, Mission, Values and Goals

Vision

WAY (Widening Advancements for Youth) Michigan (“Academy”) offers an innovative approach to education; one that encourages self-esteem, independence and the development of 21st century skills and that facilitates a college education and subsequent career paths for each young person. Students at WAY Michigan become researchers on track to receive a high school diploma, as well as an associate degree. Each researcher is provided with a customized, standards based learning plan and paired with a mentor to coach the researcher toward graduation. Each researcher is equipped with an electronic device and internet connectivity within his or her home. Staff is invested in the success of each researcher, providing support 7 days a week 24 hours a day, all year round. This dedication allows students to excel at an individual pace and develop customized learning plans on topics of interest.

Mission

The Academy’s mission is “Delivering a blended global learning model to encourage positive self-esteem, academic excellence and life-long learning for young people.” The Academy focuses on this mission so that students develop the competitive skills to excel in a global economy and succeed in any post-secondary endeavor. The Academy builds on the personal interests of youth and surrounds the students with a community of learners using high-powered cyber and hands-on technology, embedded in an engaging, project-based learning (“PBL”) process guided by certified teachers, highly qualified subject matter experts and innovative technology. The Academy immerses researchers in a mentored community of learning and collaboration that collapses barriers of time and distance, providing access to scaffold personalized learning.

Goal

The Academy’s goal is to make available to those students disillusioned with the traditional school system and under-represented students in Michigan a pedagogically sound, research-based program to reengage the student in learning. This program is a student-centric, standards based, highly engaging, research-based program that is accessible, affordable and effective in advancing students’ academic progress toward high school graduation, and college and career readiness.

Educational Goals

The Academy has established the following yearly educational targets:

- Prepare students academically for success in college, work and life
- Annual academic growth for 6th-12th grade students of at least one year of growth per school year (based on project assessments and standardized assessment results from an adaptive diagnostic assessment such as NWEA MAP[®] Growth[™] or similar assessment.)
- Individualized student mastery of a minimum of 70% of the Michigan Academic Standards (“MAS”) for each content area, as applicable

- Average student credit attainment of 5.5 or more credits per calendar year
- Attainment of college readiness benchmarks for the PSAT™9, PSAT™10 and SAT®
- Academy students will graduate from high school

Educational Program and Delivery

The curriculum in the Academy's program is delivered through an online, PBL format that encompasses the MAS. Projects are cross-curricular in nature and designed to complement real world application. Additionally, projects are designed to adapt to individual student interests and academic needs. In PBL, researchers go through an extended process of inquiry in response to a complex question, problem or challenge. In many instances, students ultimately use what has been learned to give back to the community. Projects help researchers learn key academic content and practice the 21st Century (Global) Skills such as collaboration, communication, critical thinking and creative innovation. Research compiled by the Buck Institute for Education (http://www.bie.org/research/stude/does_pbl_work) has shown that students benefit from PBL and have outscored peers in control groups who receive more typical textbook and lecture drive approaches. Students also score higher on measures of problem-solving skills and application to real-world challenges through the use of PBL.

The National Center for Education statistics show 16% of students do not graduate on time and 10.6% do not graduate at all (2016). Emergent research from the Learning Sciences along with Web 2.0 technologies are together creating windows of opportunity for innovation in education (Darling-Hammond, 2010). The Academy offers disaffected students the ability to re-engage in deep and rigorous, standards-based learning that leads to high school graduation and college and career readiness. This outcome occurs because learning is: 1) personalized, 2) focused on student-centric inquiry, 3) self-directed, and 4) within a broad-based learning community where students act as valued, trusted and respected members. Each of the four program strategies is grounded in theoretical or empirical research. The innovation of the Academy is in its unique combination of the following interdependent strategies.

Personalization of Learning

Personalizing a student's school experience makes a difference both socially and academically (Newmann & Wehlage, 1995; Niebling, 2008; Stigler & Hiebert, 1999; Fredricks, Blumenfeld, & Paris, 2004). The National Association of Secondary School Principals ("NASSP") agrees – in its Breaking Ranks II book, the NASSP stresses that each student needs personalized guidance from a team of adults that will work with students to make sound academic and social decisions (NASSP, 2005). Researchers Clarke & Miles (2003) conducted a study for the Education Alliance/Northeast and Islands Regional Educational Laboratory at Brown University ("LAB") in which they shadowed high school students in an effort to identify when students were actively engaged in learning during a normal school day. Clarke & Miles (2003) identified six key interactions that served as indicators of engagement through personalized learning: 1) recognition, 2) acceptance, 3) trust, 4) respect, 5) purpose, and 6) confirmation. The Academy model embodies each of the six indicators.

Inquiry-Project Based, Student-centric Learning

A review of the literature suggests that inquiry allows students to become engaged, think critically, conceptualize questions and search for possible explanations to open-ended questions (National

Research Council, 1996). Inquiry also promotes curiosity, enthusiasm and confidence (Chin & Kayalvizhi, 2002). Inquiry and PBL are the foundation of the Academy model.

Student Self-directed Learning

Self-directed learners are generally described as motivated participants who efficiently control their own learning experience (Keirns, 1998). This includes organizing and rehearsing information to be learned and holding positive beliefs about personal capabilities, the value of learning and the factors that influence learning (Schunk & Zimmerman, 1998; Bouffard-Bouchard, 1990). Students learn self-direction through experience and self-reflection, and teachers can create learning environments that scaffold (or inhibit) self-direction in students (Pintrich, 1995). The Academy's inquiry-learning model consistently provides opportunities for researchers to plan, organize, reflect, revise and manage projects within a community that guides and partners with students in such work.

Community of Learning

According to the What Works Clearing House, immersion in a small learning community has a positive impact on dropout prevention. Specifically, the High School Redirection program report (What Works Clearing House, 2007) found moderate to high evidence for that program's impact on students staying in school, progressing in school and graduating. The key elements of that program were the fostering of a sense of community; individualized attention within small groups, with teachers acting as mentors as well as instructors; and a focus on literacy. Each of these three elements is embodied in the Academy model. While the High School Redirection focused on reading to support literacy, the Academy focuses more on writing.

The Academy includes each of the aforementioned elements in a learning model that engages the students in an online learning environment daily. The model is unique in its embodiment of the strategies in a blended learning model that maps the students' learning into state standards and credit accumulation (Allen, Seaman, & Garrett, 2007). The overarching goal of the Academy's innovation model is total reengagement (academic, social-emotional and behavioral) of disengaged youth to be 21st Century learners.

The Academy uses an inquiry rich, project-based curriculum at middle and high school. The curriculum is aligned to the MAS, with a heavy focus on the core content areas for grades 6-12. At the high school level, the curricula reflect the Michigan Merit Curriculum ("MMC") graduation requirements and is cross-curricular and project-based. The particular projects selected are co-developed with input from the students and highly qualified teachers. The middle school preparation ensures all ninth grade students begin high school ready for Algebra I or a more advanced math class. Students take Geometry, Algebra I and II, and an additional math course.

Overall, the instructional design is personalized, focused on student-centric inquiry, PBL, self-directed, and embedded within a broad-based learning community where each researcher acts as a valued, trusted and respected member of a larger learning community. Researchers receive feedback on all learning artifacts and projects within 48 hours of submission, which ensures students have ongoing indicators of content mastery.

Instructionally, the Academy program is designed to create a community of peers and mentors focused on educating researchers in a project-based learning atmosphere. Students are encouraged to research topics that are of interest, while highly qualified teachers who are subject experts map the projects toward the MAS with the ultimate goal of assigning credits. This is a non-traditional approach to education and, in many cases, is better suited for students who were not successful in the traditional school setting.

Adaptions and Modifications

The Academy has many supports built into the school model. Every researcher in the program is provided with a mentor that engages in daily dialogue about learning. Researchers also have access to the learning environment 24 hours a day, with a community of highly qualified staff to assist. Every researcher is provided with a team leader that acts as a direct support to the student. The team leader conducts regular home visits, either in person or virtually, as needed; maintains a good relationship with the student and family members; assists with the identification of local resources available to support the researcher's learning such as internships, community projects and social services; and oversees all aspects of the researcher's education. Researchers are also followed closely within the reporting system to ensure social or academic interventions are timely. Detailed reports from mentors and team leaders are submitted weekly for review by the program director.

The Academy will also develop partnerships with local organizations to expand researcher opportunities. Additionally, the Academy will take advantage of local area supports such as current Head Start and latchkey programs to meet the needs of teenage parents who are enrolled in the program.

Because the Academy's program design is a personalized educational experience, each and every student earns credit at a pace determined by the student. For those researchers who need extended time for learning, the ability to work in the learning environment 24 hours a day, 365 days per year, allows the researcher to complete credit at an individualized pace. This extension of time allows students to personalize the educational experience in the quest toward a high school diploma by removing the constraints of time imposed by the traditional school year structure. In contrast, accelerated students can expedite learning at a pace set by the researcher and supported by his/her local project team. In addition to accelerated credit attainment, the Academy program has the ability to individualize project design based on student interest and career pathway. Accelerated students can extend personalized learning experiences by creating projects that allow deeper dives into learning. The Academy program is designed to allow for early graduation, dual credit and community-based experience opportunities where appropriate.

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 student with disabilities, the Academy will follow all Special Education Rules as issued by the Michigan Department of Education. 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 meet the needs of special education students, the Academy will hire Special Education certified teacher(s) and social worker(s) based on student demographics and program needs. The Academy also partners with local districts, intermediate school districts (“ISDs”) or regional education service agencies (“RESAs”) for additional special education support services as needed by individual students. In addition, all regional learning lab facility plans will address accessibility requirements for students with disabilities in compliance with ADA Title II and Section 504 regulations.

The Academy is an ideal system for using the idea of response to intervention. By creating an environment where all students have access to personalized learning and assuring a variety of delivery techniques, the Academy does not wait for students to fail and builds in the supports necessary for students to succeed. Researchers that do not respond to the robust network of supports throughout the learning environment may have access to an increased number of contact days in the regional learning lab; more one-on-one virtual contact provided for support in critical areas; and an increased number of home visits by Academy staff. The Academy also uses Federal funding (Title I, Part A) to provide additional scaled interventions based on identified student needs. These supports include the implementation of literacy and math coaches for targeted student supports.

Students with special needs have supports both in the online learning environment and in the regional learning lab. In the lab, students enjoy one-on-one and small group intervention for areas of need. Specialized staff, including special education teachers, literacy specialists and math specialists, are available for intensive support. These staff members co-create projects with scaffolded supports in collaboration with other teachers; co-teach small group and individualized activities; work individually with researchers; teach targeted intervention skills; and ensure student’s support needs are met.

In addition to the staff and program support, the Academy utilizes Apple® products and other compatible electronic devices to ensure accessibility for students with special needs. Apple tools such as iChat®, closed captioning, sticky keys, slow keys, text edit, voice over, zoom, speech recognition, iPhoto® (visual learners), GarageBand® (auditory learners), and other resources are employed based on student need. The Academy's development team collaborates with the Educational Development division at Apple to ensure support for special education students.

The use of Apple computers and other compatible electronic devices ensures that innovative services are provided to special needs students to remove barriers to learning. For students needing additional supports, productivity and performance tools and applications are available for reading proficiency, vocabulary, math, spelling and other content areas. Visually impaired students are able to utilize screen readers, magnification tools and other features for blind or low vision students. Students with auditory or other hearing impairments will utilize iChat and closed captioning to fully access the curriculum. Students with physical impairments or motor skill challenges have barriers removed through the use of sticky keys or keyboard shortcuts. All of these supports, as well as others, ensure every student can fully access the curriculum.

Assessment

The Academy uses formative and summative assessment tools: the state assessment; PSAT9, PSAT10 and SAT; and the Michigan Merit Examination ("MME"), including the ACT WorkKeys® assessment; to guide students during college and career counseling, personalized PBL and the alignment of students to purposeful internships. MME scores identify where high school students are on the spectrum of readiness for entry-level college coursework and job readiness indicators. With the introduction of college and career readiness graduation requirements at the Academy, student projects are mapped to the MAS and national standards. The Academy continually embeds all content mapping into the curriculum design process and regularly evaluates the curriculum for consistency and depth of learning.

Successful Transitions

Middle and High School

The Academy serves the needs of all middle school youth. The middle school years are a challenging transitional time for young people. Some common middle school issues are bullying, low self-esteem, social awkwardness and increased levels of responsibility. The Academy addresses all nuances of being a middle school aged youth by encouraging all young people to exceed expectations. The current dropout crisis begins prior to the student turning age sixteen. According to Johns Hopkins researcher Dr. Robert Balfanz, the process of dropping out begins in middle school, where students are developing habits that predict whether or not a student will graduate. In high-poverty schools, if a sixth grade child attends less than 80 percent of the time, receives an unsatisfactory behavior grade in a core course, or fails math or English, there is a 75 percent chance that the student will later drop out of high school, without effective intervention. Effective intervention, according to Balfanz's study, begins with caring adults who ensure that students feel supported.

To serve the needs of middle school students, the Academy is designed to be a personalized learning environment, both online and in the face-to-face regional learning lab, where multiple certified teachers provide support for students. The middle school model provides students with a

necessary system of support though relationship building tied to learning. Through a 12:1 mentor-to-student ratio and live support available 24 hours a day, seven days a week, 365 days a year, middle school researchers have many adults who get to know them and help them succeed during this transitional period, while continuing to focus on academic achievement. Communication and collaboration are major components of the Academy program, ensuring that students have ongoing conversations about personal interests and related learning opportunities through face-to-face interactions and online within the virtual environment.

The PBL curriculum structure addresses a critical key to engagement and enthusiasm: voice and choice. Middle school researchers will collaborate on determining what to explore and how the learning will take place while developing mastery of national and state standards. PBL provides the structure through which students connect content standards with their lives. For example, researchers could design a skate park for the community and in the process understand relevance for angles, algebraic functions, civics, writing structure and the scientific method. The Academy provides challenge, engagement and voice through a system of differentiation and customization based on where the researcher's skills stand. All students, no matter the level of learning ability, will flourish in the individualized model. The model ensures researchers will transfer successfully to any high school, where it is more likely students are expected to become more self-directed learners.

High School to Post-Secondary

Team Leaders also act as college awareness and college transition coaches. All team leaders working with freshmen and sophomores will be college awareness coaches and assist students in identification of career goals, revisions of the Educational Development Plans ("EDP") and creating plans of action for post-secondary education. Team Leaders working with juniors and seniors will serve as college transition coaches, working collaboratively with the students on college exploration, college admissions, financial aid and scholarship completion, honing of the EDP, resume and interview skills and development of a community resource network for post-secondary success.

During the senior year, a College Success Coach begins working with students to build a rapport with the student during the final high school experience, then follow students throughout completion of a two or four year degree or certificate program. When a student enters post-secondary education, the College Success Coach meets with the student monthly either on campus or via online communication tools. The College Success Coach assists students with registration, financial aide, self-advocacy and academic success. This staff member also provides regular updates to the Academy Director regarding the post-secondary progress of all Academy graduates.

Educational Development Plans

All Academy students will have an EDP completed within the first year of enrolling in the program. The Academy utilizes the Career Cruising Software for the development of student EDPs.

Graduation Requirements

The Academy has 3 graduation plans to accommodate students who are behind credit and those on track to graduate within 4 years. All graduation plans meet the MMC requirements.

22 Credit Plan

English Language Arts- 4 credits
Mathematics- 4 credits
Science- 3 credits
Social Studies- 3 credits
Physical Education- 1 credit
ICT (Technology)- 1 credit
Visual, Performing and Applied Art- 1 credit
Foreign Language- 1 credit
Electives- 4 credits

20 Credit Plan

English Language Arts- 4 credits
Mathematics- 4 credits
Science- 3 credits
Social Studies- 3 credits
Physical Education- 1 credit
ICT (Technology)- 1 credit
Visual, Performing and Applied Art- 1 credit
Foreign Language- 1 credit
Electives- 2 credits

18 Credit Plan

English Language Arts- 4 credits
Mathematics- 4 credits
Science- 3 credits
Social Studies- 3 credits
Physical Education- 1 credit
ICT (Technology)- 1 credit
Visual, Performing and Applied Art- 1 credit
Foreign Language- 1 credit

Evaluation for Program Effectiveness

In order to evaluate the effectiveness of the Academy program, staff collect program, performance and process data related to all aspects of the Michigan School Improvement Framework. Program and process feedback are obtained via the website, surveys, focus groups, stakeholder meetings and other appropriate methods. Performance data is obtained from results on formative and summative assessments. Surveys and focus group feedback is obtained related to the areas of school climate and effective communication. Community involvement is measured via the tracking of hours students engage in community activities as well as through the use of community surveys. Parent engagement is tracked through logs of home visits, telephone and face-to-face contacts, survey data and focus group feedback. Ongoing program effectiveness feedback is obtained through regular discussion with all stakeholder groups.

Specific examples of data that will be collected are:

- Program data includes, but is not limited to, demographic, enrollment, attendance, retention and graduation rate data
- Performance data includes, but is not limited to, credit attainment, grades, graduation rate, authentic assessments, project assessments and standardized test scores
- Perception data includes, but is not limited to, perceptions of the learning environment, program values and beliefs, attitudes, program satisfaction, leadership and community involvement and observations. All perception data is collected from students, parents, staff members and community members
- Process data includes, but is not limited to, professional development, student to staff ratios, audited financial data and regional learning lab schedules

In addition to the Michigan School Improvement Framework, the Academy adheres to the Cognia[™] North Central Association Commission on Accreditation and School Improvement (“NCA/CASI”) protocols for continuous school improvement by implementing and monitoring the five standards and thirty-five indicators from Cognia.

All data drives the School Improvement Plan, which then forms the basis of all continuous school improvement efforts. The Academy implements the continuous cycle elements of school improvement that include analyzing data; setting goals; and planning, implementing, evaluating and continuing the cycle. All stakeholders will be aware of and involved in the school improvement process.

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 an Academy written, competency-based curriculum. The curriculum for all core subjects has been received, reviewed and approved by the Center.

- Centric Learning

[Login - Centric](#)

Elementary

The following subjects/courses are offered at the Academy.

Course	6	7	8
English Language Arts	X	X	X
Mathematics	X	X	X
Science	X	X	X
Social Studies	X	X	X
Health	X	X	X
Physical Education	X	X	X

Secondary

The following subjects/courses are offered at the Academy*.

Course Name	Grade**	Course Name	Grade**
English (<i>minimum 4</i>)		World Language (<i>minimum 2</i>)	
English 9	Any	Spanish 1	Any
English 10	Any	Spanish 2	Any
English 11	Any		
English 12	Any		
Mathematics (<i>minimum 4</i>)		Visual, Performing & Applied Arts (<i>minimum 1</i>)	
Algebra I	Any	Visual Art	Any
Geometry	Any	Visual Art Extension	Any
Algebra II	Any	Theater	Any
Pre-calculus	Any	Music	Any
Personal Finance	Any		
Algebra Readiness	Any		

Science (<i>minimum 3</i>)	
Biology	Any
Chemistry	Any
Physics	Any
Anatomy & Physiology	Any
Earth & Space Science	Any
Social Studies (<i>minimum 3</i>)	
U.S. History & Geography	Any
World History & Geography	Any
Civics (.5)	Any
Economics (.5)	Any
Physical Education & Health (<i>minimum .5 each</i>)	
Physical Education	Any
Health	Any

Other	
Psychology	Any
Cooking	Any
Career Development	Any
Technology	Any
Global Communication	Any
Virtual Courses***	
All courses are online.	
Off Campus Courses	

* 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 and Article XIII, the Academy shall comply with the application and enrollment requirements identified in this Schedule.

Enrollment Limits

The Academy will offer sixth through twelfth grade. The maximum enrollment shall be 700 students. The Academy Board will annually adopt maximum enrollment figures, which shall not exceed the maximum enrollment established by this Schedule, prior to its application and enrollment period. In addition, at no time shall the Academy's maximum enrollment exceed the maximum allowable enrollment established by the Code.

Requirements

Section 556 of the Code provides that schools of excellence that are cyber schools 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 school of excellence that is a cyber school 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 school of excellence that is a cyber school 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 there are more applications to enroll in the Academy than there are spaces available, pupils shall be selected to attend using a random selection process.
- The Academy must offer each pupil's family a computer and subsidize the cost of internet access.
- The Academy may not enroll any new pupils in a school year that begins after the Michigan Department of Education determines that the combined total statewide final audited membership for all pupils in membership in schools of excellence that are cyber schools for a state fiscal year that exceeds a number equal to 2% of the combined total statewide final audited membership for all pupils in membership in public schools for the 2011-2012 State Fiscal Year.

- The Academy Board shall ensure that every pupil that enrolls, along with his or her parent of legal guardian, are provided with a parent-student orientation. If the pupil is at least 18 or is an emancipated minor, the orientation may be provided to just the pupil.

The Academy may give enrollment priority to one (1) or more categories of students as provided by the Code.

Application Process

- The Academy shall make reasonable effort to advertise its enrollment openings.
- The Academy shall make the following additional efforts to recruit pupils who are eligible for special education programs and services or English as a second language services to apply for admission:
 - Reasonable efforts to advertise all enrollment openings to organizations and media that regularly serve and advocate for individuals with disabilities or children with limited English-speaking ability within the state-wide boundaries in which the school of excellence is located.
 - Inclusion in all pupil recruitment materials of a statement that appropriate special education services and English as a second language services will be made available to pupils attending the school as required by law.
- The Academy's open enrollment period shall be for a duration of at least 2 weeks and that the enrollment times include some 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 newspaper of general statewide 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.

Conditional Enrollment Status

Not later than July 1 of each year, the Michigan Department of Education ("Department") shall determine the percentage of the combined total statewide final audited membership for all pupils in membership in public schools that are pupils in membership in schools of excellence that are cyber schools for the state fiscal year that includes that July 1. If the department determines that the combined total statewide final audited membership for all pupils in membership in schools of excellence that are cyber schools for a state fiscal year exceeds a number equal to 2% of the combined total statewide final audited membership for all pupils in membership in public schools for the 2011-2012 state fiscal year (the "Condition Precedent"), then the Academy may not enroll any new pupils in the school of excellence that is a cyber school in a school year that begins after that determination is made. The Academy shall notify all potential pupil enrollees that the Academy is prohibited from continuing the application and enrollment process for any pupils in the Academy for the school year that begins after the determination is made. If the Department determines that the Condition Precedent is satisfied, then the pupil's enrollment status shall proceed as stated above.

All application and enrollment materials distributed by, or on behalf of, the Academy shall include language that notifies all potential enrollees that their enrollment in the Academy cannot be confirmed until after the Condition Precedent is satisfied.

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 sixth 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 school of excellence that is a cyber school 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 school of excellence that is a cyber school 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, 2024 Contract to Charter
A School of Excellence That is a Cyber School and Related Documents

Issued To

WAY MICHIGAN
(A SCHOOL OF EXCELLENCE THAT IS A CYBER SCHOOL)

By

THE CENTRAL MICHIGAN UNIVERSITY
BOARD OF TRUSTEES
(AUTHORIZING BODY)

CONTRACT AMENDMENT NO. 1

WAY MICHIGAN

In accordance with Article IX of the Terms and Conditions of the Contract (the “Contract”), dated July 1, 2024, issued by the CENTRAL MICHIGAN UNIVERSITY BOARD OF TRUSTEES (the “University Board”) to WAY MICHIGAN (the “Academy”), the parties agree to amend the Contract as follows:

- 1.) Amend the Terms and Conditions of Contract by replacing the language contained within Article IV, Section 4.5. Prohibition of Identified Family Relationships, subsection (b), with the language attached as Tab 1.
- 2.) Further amend the Terms and Conditions of Contract by inserting at the end of Article XII: General Terms, the language attached as Tab 2.
- 3.) Amend Schedule 2: Amended Bylaws, by replacing the language contained within Article XIII, Section 6. Contracts Between Corporation and Related Persons and Article IX: Indemnification, with the corresponding language attached as Tab 3.
- 4.) Amend Schedule 4: Oversight, Compliance and Reporting Agreement, by inserting at the end of Article II, Section 2.2. Compliance and Reporting Duties, the language attached as Tab 4.

The changes identified in Sections 1 through 4 shall become effective upon execution by the Designee of the University Board.

- 5.) Amend Article XII, Section 12.9. Term of Contract, of the Terms and Conditions of Contract, by replacing the language contained therein with the following:

“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 until June 30, 2027, 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?

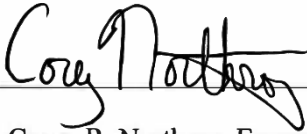
Is the Academy’s organization viable?

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.”

The changes identified in Section 5 shall have an effective date of July 1, 2025.

This entire amendment is hereby approved by the University Board and the Academy Board through their authorized designees.



Dated: 05/09/2025

By: Corey R. Northrop, Executive Director
The Governor John Engler Center for Charter Schools
Designee of the University Board



Dated: 05/08/2025

By: Marquita Tharpe Williams, Board President
WAY Michigan
Designee of the Academy Board

WAY Michigan
Contract Amendment No. 1

Tab 1

Terms and Conditions: Article IV, Section 4.5(b)

- (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. If an Academy Board member discloses any prohibited familial relationships in the annual disclosure, or if the University finds that an Academy Board member has failed to disclose a prohibited familial relationship, that Academy Board member shall be removed from office, in accordance with the removal provisions found in the Resolution or Schedule 2: Amended Bylaws. 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.

WAY Michigan
Contract Amendment No. 1

Tab 2

Terms and Conditions: Article XII, Section 12.24

Section 12.24. Required Statutory Disclosures. The Academy shall ensure that the names of Central Michigan University Board of Trustees and the primary educational management organization, if applicable, must appear and be verbally provided, as applicable, on all of the following:

- (a) Unless prohibited by a local ordinance or local zoning authority, signage that is on the Academy's property and is erected, repaired, or installed on or after April 2, 2025;
- (b) Promotional material that is created, modified, or distributed on or after April 2, 2025;
- (c) The footer of the Academy's website pages; and
- (d) The student application that is required to be enrolled in the Academy.

For purposes of this section, "primary educational management organization" shall have the same meaning as defined in MCL 380.553.

WAY Michigan
Contract Amendment No. 1

Tab 3

Amended Bylaws: Article VIII, Section 6

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.
- (e) Is a current Academy Board member.

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. If an Academy Board member discloses any prohibited familial relationships in the annual disclosure, or if the University finds that an Academy Board member has failed to disclose a prohibited familial relationship, that Academy Board member shall be removed from office, in accordance with the removal provisions found in the Resolution or these Amended Bylaws. 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.

Amended Bylaws: Article IX

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. The indemnification shall not include any circumstances in which a 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 is grossly negligent or criminally liable for the indemnified act.

WAY Michigan
Contract Amendment No. 1

Tab 4

Oversight, Compliance and Reporting Agreement: Section 2.2(m)

- m. The Academy shall ensure that the names of Central Michigan University Board of Trustees and the primary educational management organization, if applicable, must appear and be verbally provided, as applicable, on all of the following:
 - i. Unless prohibited by a local ordinance or local zoning authority, signage that is on the Academy's property and is erected, repaired, or installed on or after April 2, 2025;
 - ii. Promotional material that is created, modified, or distributed on or after April 2, 2025;
 - iii. The footer of the Academy's website pages; and
 - iv. The school application that a student must submit to enroll in the Academy.

For purposes of this section, "primary educational management organization" shall have the same meaning as defined in MCL 380.553.

AMENDMENT NO. 2

to the
July 1, 2024 Contract to Charter
A School of Excellence That is a Cyber School and Related Documents

Issued To

WAY MICHIGAN
(A SCHOOL OF EXCELLENCE THAT IS A CYBER SCHOOL)

By

THE CENTRAL MICHIGAN UNIVERSITY
BOARD OF TRUSTEES
(AUTHORIZING BODY)

CONTRACT AMENDMENT NO. 2

WAY MICHIGAN

In accordance with Article IX of the Terms and Conditions of the Contract (the “Contract”), dated July 1, 2024, issued by the CENTRAL MICHIGAN UNIVERSITY BOARD OF TRUSTEES (the “University Board”) to WAY MICHIGAN (the “Academy”), as amended, the parties agree to further amend the Contract as follows:

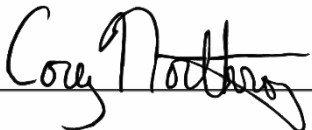
- 1.) Amend the Terms and Conditions of Contract by inserting at the end of Article XII: General Terms, the language attached as Tab 1.
- 2.) Amend Schedule 4: Oversight, Compliance and Reporting Agreement, by inserting at the end of Article II, Section 2.2. Compliance and Reporting Duties, the language attached as Tab 2.

The changes identified in Sections 1 and 2 shall have an effective date of May 9, 2025.

- 3.) Amend Schedule 5: Description of Staff Responsibilities, by replacing the Management Agreement contained therein with the Management Agreement attached as Tab 3.

The changes identified in Section 3 shall have an effective day of July 1, 2025.

This entire amendment is hereby approved by the University Board and the Academy Board through their authorized designees.



Dated: 06/23/2025

By: Corey R. Northrop, Executive Director
The Governor John Engler Center for Charter Schools
Designee of the University Board



MARQUITA THARPE (Jun 13, 2025 13:27 EDT)

Dated: 06/13/2025

By: Marquita Tharpe Williams, Board President
WAY Michigan
Designee of the Academy Board

WAY Michigan
Contract Amendment No. 2

Tab 1

Terms and Conditions: Article XII, Section 12.24

Section 12.24. Required Statutory Disclosures. The Academy shall ensure that the names of Central Michigan University Board of Trustees and the primary educational management organization, if applicable, must appear and be verbally provided, as applicable, on all of the following:

- (a) Promotional material that is created, modified, or distributed on or after April 2, 2025;
- (b) The footer of the Academy's website pages; and
- (c) The student application that is required to be enrolled in the Academy.

For purposes of this section, "primary educational management organization" shall have the same meaning as defined in MCL 380.553.

WAY Michigan
Contract Amendment No. 2

Tab 2

Oversight, Compliance and Reporting Agreement: Section 2.2(m)

- m. The Academy shall ensure that the names of Central Michigan University Board of Trustees and the primary educational management organization, if applicable, must appear and be verbally provided, as applicable, on all of the following:
 - i. Promotional material that is created, modified, or distributed on or after April 2, 2025;
 - ii. The footer of the Academy’s website pages; and
 - iii. The school application that a student must submit to enroll in the Academy.

For purposes of this section, “primary educational management organization” shall have the same meaning as defined in MCL 380.553.

WAY Michigan
Contract Amendment No. 2

Tab 3

MANAGEMENT AGREEMENT

THIS MANAGEMENT AGREEMENT (the “**Agreement**”) is made and entered into effective as of the 1st day of July, 2025 by and between W-A-Y Widening Advancement for Youth, a Michigan non-profit corporation (“**W-A-Y**”), and W-A-Y Michigan, a body corporate and public school academy (the “**Academy**”).

RECITALS

The Academy is a charter school, organized as a public school academy under the Michigan Revised School Code (the “Code”). The Academy was issued a contract to charter a public school academy by the Board of Trustees of Central Michigan University, a Michigan public body corporate (“Central Michigan University”) (the “Authorizer”) to organize and operate a public school academy. The Academy’s Charter Application and the Charter Contract between the Academy and Authorizer, and all amendments to the Charter, are collectively referred to as the “Charter.”

The Academy and W-A-Y desire to create an enduring educational alliance whereby the Academy and W-A-Y will work together to promote educational excellence and innovation based on W-A-Y’s school design, comprehensive educational program, and management principles.

In order to facilitate the organization and continuation of the Academy and to implement an innovative educational program at the Academy, the parties desire to establish this arrangement for the management and operation of the Academy.

The Academy, as required by law, is governed by the Academy’s Board of Directors which, subject to Michigan law and the requirements of the Charter, has the ultimate authority over the Academy. The Academy and W-A-Y agree that no provision of this Agreement shall be construed to interfere with the Academy Board’s duty to exercise its statutory, contractual, and fiduciary responsibilities in governing the operation of the Academy. The parties acknowledge and agree that the Academy Board is an independent, self-governing public body which shall operate in accordance with the Charter and applicable law.

Therefore, for good and valuable consideration, the receipt of which is hereby acknowledged, it is mutually agreed as follows:

ARTICLE I CONTRACTING RELATIONSHIP

A. **Authority.** The Academy Board represents that it is authorized by law to contract with a private entity and for that entity to provide educational, business administration and management services. The Academy Board further represents that it has been issued a Contract by the University Board to organize and operate a public school academy

situated in Michigan. The Academy Board is therefore authorized by the University Board to supervise and control the Academy, and is vested with all powers within applicable law for carrying out the educational program contemplated in this Agreement.

B. Contract. Acting under and in the exercise of such authority, the Academy hereby contracts with W-A-Y to the extent permitted by law, to provide all functions relating to the provision of educational services and the management and operation of the Academy in accordance with the terms of this Agreement and the Contract. W-A-Y agrees to perform its duties and responsibilities under this Agreement in a manner that is consistent with the Academy's obligations under the Academy's Contract issued by the University Board. The provisions of the Academy's Contract shall supersede any competing or conflicting provisions contained in the Agreement.

C. Status of the Parties. W-A-Y is a non-profit corporation, and is not a division or a part of the Academy. The Academy is a body corporate and governmental entity authorized by the Code, and is not a division or part of W-A-Y. The relationship between W-A-Y and the Academy is based solely on the terms of this Agreement. No provision of this Agreement shall interfere with the Academy Board's rights under the Contract or the Academy's statutory, contractual, or fiduciary responsibilities governing the operation of the Academy, and neither shall be limited or rendered impossible by any action or inaction of W-A-Y. Additionally, no action or inaction by W-A-Y or any provision in the Agreement shall prohibit the Academy Board from acting as an independent, self-governing public body, or allow public decisions to be made other than in compliance with the Open Meetings Act.

D. Independent Contractor Status. The relationship between the parties is that of an independent contractor, and not employer-employee. No agent or employee of W-A-Y shall be determined to be the agent or employee of the Academy. Notwithstanding the foregoing, W-A-Y and its employees are designated as limited agents of the Academy in the following specific instances only:

1. The Academy agrees to define "school official" in the Academy's annual notification of rights under 20 U.S.C. § 1232g, 34 C.F.R. § 99, the Family Educational Rights and Privacy Act ("FERPA") to include a contractor who performs an institutional service or function for which the Academy would otherwise use its own employees, who is under the direct control of the Academy with respect to the use and maintenance of personally-identifiable information from education records, and who is subject to the requirements of 34 C.F.R. § 99.33(a) governing the use and redisclosure of personally identifiable information from education records. The Board designates W-A-Y and certain of its employees and subcontractors as school officials of the Academy having a legitimate educational interest such that they are entitled to access to educational records under FERPA. W-A-Y and its employees and subcontractors agree to comply with FERPA and corresponding regulations applicable to school officials.

2. During the term of this Agreement, the Academy may disclose confidential data and information to W-A-Y, and its respective officers, directors, employees and designated agents to the extent permitted by applicable law, including without limitation,

the Individual with Disabilities Education Act (“IDEA”), 20 USC §1401 *et seq.*, 34 CFR 300.610 – 300.626; Section 504 of the Rehabilitation Act of 1973, 29 USC §794a, 34 CFR 104.36; the Michigan Mandatory Special Education Act, MCL 380.1701 *et seq.*; the Americans with Disabilities Act, 42 USC §12101 *et seq.*; the Health Insurance Portability and Accountability Act (“HIPAA”), 42 USC 1320d – 13200d-8; 45 CFR 160, 162 and 164; and social security numbers, as protected by the federal Privacy Act of 1974, 5 USC §552a; and the Michigan Social Security Number Privacy Act, MCL 445.84.

3. As otherwise expressly designated by written agreement of the parties with consent from anyone whose consent is required by law or contract.

4. W-A-Y will be solely responsible for its acts and the acts of its agents, employees, and subcontractors. No provision of this Agreement shall predetermine the Academy Board’s course of action in choosing to assert or not assert, waive or not waive, governmental immunity.

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

F. Chief Administrative Officer. Pursuant to the Uniform Budget and Accounting Act, MCL 141.422b, the Academy Board is responsible for designating the Chief Administrative Officer for the Academy. The Academy Board shall appoint the Board Treasurer, or such other officer as determined by the Academy Board as the Chief Administrative Officer of the Academy. If the Academy employs a superintendent, then the Academy Board may designate the superintendent as the Chief Administrative Officer of the Academy. If the Academy contracts with a superintendent, then the Academy Board shall designate an Academy Board member as the Chief Administrative Officer of the Academy. Neither W-A-Y nor any W-A-Y owner, officer, director, employee or agent shall be designated as the Chief Administrative Officer of the Academy, but a W-A-Y employee may assist an Academy Board member who is the Chief Administrative Officer in carrying out their responsibilities.

ARTICLE II TERM

Term. This Agreement shall become effective as of July 1, 2025 upon execution and shall terminate on June 30, 2027. If the Academy’s Contract issued by the University Board is suspended, revoked or terminated, or a new charter contract is not issued to the Academy after expiration of the contract, this Agreement shall automatically terminate on the same date as the Academy’s Contract is suspended, revoked or terminated without further action of the parties. The term of this Agreement shall not exceed the term of the Contract.

ARTICLE III OBLIGATIONS OF W-A-Y

In consideration of the management fee paid by the Academy, W-A-Y shall perform the following:

A. Responsibility. W-A-Y shall be responsible, and accountable to the Academy Board, for the management, operation, and performance of the Academy.

B. Educational Program. The educational program and the program of instruction shall be implemented by W-A-Y. W-A-Y may recommend changes in the education program contained in the Contract ("Educational Program") to the Academy Board. The Educational Program may be adapted and modified from time to time with prior Academy Board approval and in conjunction with the Contract amendment process, it being understood that an essential principle of a successful, effective educational program is its flexibility, adaptability, and capacity to change in the interest of continuous improvement and efficiency, and that the Academy and W-A-Y are interested in results and not in inflexible prescriptions.

C. Strategic Planning. At the request of the Academy Board, W-A-Y shall help design strategic plans for the continuing educational and financial benefit of the Academy.

D. Public Relations. W-A-Y shall assist the Academy Board with the design and implementation of an ongoing public relations strategy for the development of beneficial and harmonious relationships with other organizations and the community.

E. Specific Functions. W-A-Y will provide the following services to the Academy under the direction and supervision of the Academy Board:

Operational Public School Academy Services

1. Financial
 - * Preparation of an annual budget
 - * Develop salary schedules
 - * Select benefit packages
 - * Determine retirement options
 - * Provide Payroll Services
 - * Assist with yearly audit and locating C.P.A. (however, the Academy Board shall have the sole authority to select and retain an independent accounting firm to conduct the annual audit)
 - * Pay Academy Board approved invoices on a timely basis
2. Educational Planning
 - * Curriculum Expansion
 - * Selection of assessments approved by the Academy Board
 - * Assist with development and implementation of School Improvement Plan

- * Assist with accreditation of Academy from Cognia
 - * Assist with development and implementation of Technology Plan
3. Staff Development
 - * Offer workshops and seminars
 - * Offer professional growth activities
 - * Develop and, after Academy Board approval, administer Administrator and Educator evaluation and observation in accordance with Sections 1249 and 1250 of the Code
 - * Recruiting and maintaining the highest quality of educational professionals
 - * Partnering with local universities to recruit and train educational professionals
 - * Assisting potential candidates with the Alternative Route to Certification program provided in conjunction with the State of Michigan
 - * Provide “continuing education” credits for professional development so that candidates can maintain certification status
 - * Assist qualified individuals with the process of seeking and maintaining “emergency certifications” for critical shortage areas in partnership with the Michigan Department of Education
 - * Partner with educational staffing agencies to provide immediate relief for teaching vacancies with “highly qualified” staff
 4. Problem Solving
 - * Manage W-A-Y Personnel issues
 - * Conflict resolution
 - * Student/parent/teacher issues
 5. Compliance Issues
 - * Membership reports
 - * Annual reports
 - * Annual audits
 6. Purchase equipment/furniture approved by the Academy Board
 7. Contracted Services (as needed)
 - * Maintenance (building)
 - * Cleaning supplies/equipment
 - * Snow removal
 - * Lawn service
 - * Painting
 - * Landscaping
 - * Parking lot maintenance
 - * Playground equipment
 - * Athletic equipment

Assets provided, or caused to be provided, to the Academy by W-A-Y with funds W-A-Y has received from sources other than the Academy under Article V shall remain the property of W-A-Y or the providing entity unless agreed in writing to the contrary. All acquisitions made

by W-A-Y for the Academy with funds W-A-Y has received pursuant to Article V including, but not limited to, instructional materials, equipment, supplies, furniture, computers and technology, shall be owned by and remain the property of the Academy. The Academy Board shall retain the obligation, as provided in Section 1274 of the Code, to adopt written policies governing the procurement of supplies, materials, and equipment. In the event that W-A-Y purchases supplies, materials, or equipment from third parties as agent for or on behalf of the Academy, W-A-Y shall comply with the Code including, but not limited to sections 1267 and 1274 of the Code, MCL 380.1267 and MCL 380.1274, as if the Academy were making such purchases directly from a third party and such equipment, materials, and supplies shall be and remain the property of the Academy. W-A-Y certifies that there shall be no markup of costs or any added fees for supplies, materials, or equipment procured by W-A-Y on the Academy's behalf and that said supplies, materials and/or equipment shall be inventoried in such a way that it can be clearly established which property belongs to the Academy.

F. Subcontracts. W-A-Y reserves the right to subcontract any and all aspects of all other services it agrees to provide to the Academy, including, but not limited to transportation, food service, payroll and/or any computer services with the prior approval of the Academy Board. W-A-Y shall not subcontract the management, oversight, staffing, or operation of the teaching and instructional program, except as specifically permitted herein or with the prior approval of the Academy Board. Any services to be provided by W-A-Y that are included in the management fee but are performed by a subcontractor shall not be charged to, reimbursed by or passed through as an additional cost to the Academy.

G. Place of Performance. W-A-Y reserves the right to perform functions other than instruction, such as purchasing, professional development, and administrative functions, off-site, unless prohibited by the Contract or applicable law.

H. Student Recruitment. W-A-Y and the Academy shall be jointly responsible for the recruitment of students subject to agreement on general recruitment and admission policies approved by the Academy Board. Application by or for students shall be voluntary, and shall be in writing. Students shall be enrolled in accordance with the procedures set forth in the Academy's Contract and in compliance with the Code and other applicable law.

I. Legal Requirements. W-A-Y shall assist the Academy in providing Educational Programs that meet the requirements imposed under the Contract and applicable law, unless such requirements are, or have been waived by the appropriate State or Federal government authorities.

J. Rules and Procedures. W-A-Y shall recommend reasonable rules, regulations and procedures applicable to the Academy, and W-A-Y is authorized and directed to enforce such rules, regulations, and procedures adopted by the Academy Board.

K. School Years and School Day. The school year and the school day shall be scheduled as required by law and the Contract.

L. Additional Grades and Student Population. If requested by the Academy Board, W-A-Y, in connection with the Academy Principal, shall make the recommendation to the Academy Board concerning limiting, increasing, or decreasing the number of grades offered and the number of students served per grade or in total, within the limits provided for by the Academy's Contract.

M. Intellectual Property Rights. "Educational Materials" shall include (without limitation) all educational technology, including, but not limited to: software, hardware and Internet applications; all curriculum, print and electronic textbooks; all instructional materials, lesson plans, teacher guides, workbooks, and tests; and all other curriculum-related materials. The Academy will own all proprietary rights to Educational Materials that: (i) have been developed by the Academy and are owned by the Academy on the date this Agreement is entered into; (ii) are developed by the Academy and paid for out of the Board Spending Account (as defined in Article VI(B)(3)); or (iii) are developed by W-A-Y or a third party at the direction of the Academy and paid for out of the Board Spending Account (the "Academy Materials").

W-A-Y shall own all proprietary rights to, and the Academy's proprietary interest shall not include, Educational Materials that were developed by W-A-Y or copy written or similarly protected by W-A-Y. W-A-Y shall own all intellectual property rights, including (without limitation) copyrights in and to the Educational Program and all Educational Materials relating thereto, as well as any non-curriculum materials created or provided by W-A-Y in connection with, or related to, the implementation of the Educational Program including, without limitation, all corrections, modifications, and derivatives thereof (collectively all of the foregoing shall be referred to as the "W-A-Y Materials").

The parties acknowledge that to the extent the Academy Materials are derivative of W-A-Y Materials, the Academy's intellectual property ownership rights extend only to the new, original aspects of such works and not to any underlying or pre-existing material. Relevant Educational Materials and teaching techniques used by or at the Academy shall be subject to disclosure to the extent required under the Code and Freedom of Information Act.

W-A-Y hereby grants to the Academy the non-exclusive, non-transferable license to use the W-A-Y Materials in furtherance of the Educational Program during the term of this Agreement including, without limitation, the right to reproduce, publicly display, distribute, and create derivatives of same, in hard copy format, or electronically via the Academy's intranet. To the extent any part of the Academy Materials may be a derivative of W-A-Y Materials, the Academy shall have the non-exclusive, non-transferable right to use such W-A-Y Materials, as same may have been previously embodied or incorporated in the Academy Materials, beyond the termination or expiration of this Agreement solely in connection with the operation of the Academy and in the ordinary course of such operations. The Academy represents and warrants that during the term of this Agreement, or following the expiration or termination of this Agreement, the Academy will not exploit, or assist any third party in exploiting, the Academy Materials or any W-A-Y Materials for commercial purposes.

W-A-Y hereby grants the Academy the non-exclusive, non-transferable license to use W-A-Y trade names and W-A-Y trademark(s) to promote and advertise the Academy. No other use of the W-A-Y trademarks is permitted without W-A-Y's prior written permission. The Academy shall acquire no rights in the W-A-Y trademarks, and all goodwill of the W-A-Y trademarks shall inure to the benefit of and remain with W-A-Y. W-A-Y shall have pre-approval rights for each form and manner of public display of the W-A-Y trademarks.

ARTICLE IV OBLIGATIONS OF THE BOARD

The Academy Board shall exercise good faith in considering the recommendations of W-A-Y and the Academy Principal including, but not limited to their recommendations concerning policies, rules, regulations, procedures, curriculum, budgets, fund raising, public relations and school entrepreneurial affairs. W-A-Y does understand all of these decisions remain the responsibility of the Academy Board and may not be delegated directly to W-A-Y.

ARTICLE V FINANCIAL ARRANGEMENTS

A. Compensation for Services. During the term of this Agreement, the Academy shall pay W-A-Y a capitation fee of an amount equal to ten (10%) percent, based upon all of the funds received by the Academy that the State of Michigan determines the Academy is entitled to receive pursuant to the State School Aid Act of 1979, as amended, for the particular students enrolled in the Academy ("SSA") and the 31A –At Risk, Title I, IIA, IID and V program funds. The SSA may change according to overall changes in the student allocations by the State of Michigan.

B. No Related Parties or Common Control. W-A-Y will not have any role or relationship with the Academy that, in effect, substantially limits the Academy Board's ability to exercise its rights, including cancellation rights, under this Agreement. The Academy Board may not include any director, officer or employee of a management company that contracts with the Academy. In furtherance of such restriction, it is agreed between the Academy and W-A-Y that none of the voting power of the Academy Board will be vested in W-A-Y or its directors, members, managers, officers, shareholders, and employees, and none of the voting power of the governing body of W-A-Y will be vested in the Academy or its directors, members, managers, officers, shareholders, and employees. The Academy and W-A-Y will not employ the same individuals. Further, the Academy and W-A-Y will not be members of the same controlled group, as defined in Section 1.150-1 (f) of the regulations under the Internal Revenue Code of 1986, as amended, or related persons, as defined in Section 144(a)(3) of the Internal Revenue Code of 1986, as amended.

C. Payment of Costs. In addition to the fee described in this Article V(A), the Academy shall timely reimburse W-A-Y for all costs incurred and paid by W-A-Y in providing the Educational Program and other goods and services, at the Academy pursuant to Articles III, V, VI, and XI of this Agreement, provided such costs are consistent with the Academy budget approved by the Academy Board. Such costs include, but are not limited to, advertising, typing, printing,

duplicating, postage, application fees, curriculum materials, textbooks, library books, furniture and equipment, computers, supplies, salaries and related expenses of W-A-Y employees assigned to the Academy to provide goods and services to the Academy (but excluding any corporate costs of W-A-Y), building payments, maintenance, capital improvements (if not paid directly by the Academy) and subcontractor fees. In paying costs on behalf of the Academy, W-A-Y shall not charge an added fee. The Academy shall not reimburse W-A-Y for any costs incurred or paid by W-A-Y as a result of services provided or actions taken pursuant to Articles I, II, IV, VII, VIII (except as otherwise specifically indicated), IX, X, XII, XIII, and XIV of this Agreement. The Academy Board may pay or reimburse W-A-Y for approved fees or expenses upon properly presented documentation and approval by the Academy Board, or the Academy Board may advance funds to W-A-Y for the approved fees or expenses associated with the Academy's operation provided that documentation for the fees and expenses are provided for Academy Board ratification within thirty (30) days after the expense is incurred. Any costs reimbursed to W-A-Y that are determined by the independent audit not to be reasonably incurred on behalf of the Educational Program of the Academy shall be promptly returned to the Academy by W-A-Y. WAY shall have no obligation to make loans to the Academy.

D. Time and Priority of Payments. The fee due to W-A-Y shall be calculated for each school year at the same time as the State of Michigan calculates the SSA, and adjustments to such calculation shall occur at the same time as the State of Michigan makes adjustments to the SSA. W-A-Y shall receive its fee as calculated pursuant to the preceding sentence in eleven (11) installments beginning in October of each school year and ending in August of each school year. Such installment amounts shall be due and payable within five (5) days of receipt by the Academy of its monthly SSA.

E. Other Revenue Sources. In order to supplement and enhance the school aid payments received from the State of Michigan, and improve the quality of education, the Academy and W-A-Y shall endeavor to obtain revenue from other sources. In this regard:

1. With prior approval of the Academy Board, the Academy and/or W-A-Y shall solicit and receive grants and donations consistent with the mission of the Academy.
2. With prior approval of the Academy Board, the Academy and/or W-A-Y may apply for and receive grant money, in the name of the Academy.
3. To the extent permitted under the Code and with prior approval of the Academy Board, W-A-Y may charge fees to students for Additional Programs (as defined in Article VII, Section A) and charge non-Academy students who participate in such Additional Programs. To the extent that W-A-Y is involved with the management of the Additional Programs, W-A-Y and the Academy will split all revenue collected from the Additional Programs, in a proportion agreed upon by the parties in advance of W-A-Y conducting such programs, less expenses to the Academy caused by such Additional Programs, if not prohibited by law.

F. Other Institutions. The Academy acknowledges that W-A-Y may enter into similar management agreements with other public or private educational schools or institutions

("Institutions"). W-A-Y shall maintain separate accounts for reimbursable expenses incurred on behalf of the Academy and other Institutions, and only charge the Academy for expenses incurred on behalf of the Academy. If W-A-Y incurs authorized reimbursable expenses on behalf of Academy and other Institutions which are incapable of precise allocation between the Academy and such Institutions, to the extent permitted under applicable law, then W-A-Y, shall allocate such expenses among all such Institutions, and the Academy, on a pro-rata basis based upon the number of students enrolled at the Academy and the Institutions, or upon such other equitable basis as is acceptable to the parties. All grants or donations received by the Academy or by W-A-Y for the specific benefit of the Academy shall be used solely for the Academy. Marketing and development costs paid by or charged to the Academy shall be limited to those costs specific to the Academy program, and shall not include any costs for the marketing and development of W-A-Y, or other schools managed by W-A-Y.

G. Reporting. W-A-Y shall provide the Academy Board with:

1. All information the Academy's auditors reasonably request.
2. Reports on Academy operations, finances, and student performance, upon request of the Academy Board, the University Board or the State of Michigan.
3. Level of compensation and fringe benefits of employees assigned to the Academy.
4. On not less than a monthly basis, a balance sheet and an object-level detailed Statement of Revenues, Expenditures and Changes in Fund Balance which shall include a budget to actual comparison with an explanation for variances, a written report detailing the status of the budget to actual revenues and a detailed schedule of expenditures at an object level detail for review and approval by the Academy Board. This report shall explain any material variances from the approved budget and shall contain recommendations for necessary budget corrections. The foregoing presentation shall be in a form and format mutually agreed upon by the Academy Board and W-A-Y acceptable to the Academy Board and shall be provided to the Academy Board members not less than five (5) business days prior to the Academy Board meeting at which the information will be considered in the Academy Board packets sent to Academy Board members in preparation for Academy Board meetings. W-A-Y shall provide special reports as reasonably necessary or as reasonably requested by the Academy Board to keep the Board informed of changing conditions
5. Other information on a periodic basis or as reasonably requested by the Academy Board to enable the Academy Board to monitor W-A-Y's educational performance and the efficiency of its operations of the Academy.

H. Access to Records. W-A-Y shall keep accurate financial records and other commercially reasonable educational and student records pertaining to its operation of the Academy, together with all Academy records prepared by or in the possession of W-A-Y, and, retain all of said records to which such books, accounts and records relating to the Academy shall be retained in accordance with the Michigan Department of Education's record retention policy. All Academy records in the possession of W-A-Y are owned by the Academy and are Academy records. All financial, educational and student records pertaining to the Academy are Academy property. Such records are subject to the Michigan Freedom of Information Act and shall be

physically stored at the Academy's physical facilities or directly accessible at the Academy facility. Except as permitted under the Contract and applicable law, nothing in this Agreement shall be interpreted to restrict the University's or the public's access to the Academy's records. All records pertaining to W-A-Y's teacher and administrator certifications, as well as a copy of the W-A-Y employee handbook shall be maintained physically on site or directly assessable at the Academy facility. W-A-Y and the Academy shall maintain the proper confidentiality of personnel, student and other records as required by law. W-A-Y shall make all Academy records available to the Academy's independent auditor and the University or the University Charter Schools Office upon request. In the event of a data breach of confidential information, including but not limited to the release of personally identifiable information (PII) from Academy education records or other records, W-A-Y will notify students and families, and take all necessary action to mitigate the data security breach in accordance with Academy policy.

I. Review of Budget. W-A-Y shall be responsible for preparing a draft of the annual budget. The Academy Board shall be responsible for reviewing, revising, and approving the annual budget of the Academy. W-A-Y may not make expenditures or commitments which deviate from the amounts or purposes of appropriations contained in the approved budget without the prior approval of the Academy Board in the form of an approved amendment of the budget in accordance with applicable law and the Contract. In addition, the Academy Board is responsible for determining the budget reserve amount included as part of the Academy's annual budget, for implementing fiscal policies that will assist the Academy in attaining the stated budget reserve amount and for approving necessary amendments to the budget to reflect necessary deviations from the adopted budget. The budget may be amended from time to time as deemed necessary by the Academy Board.

J. Annual Audit. The Academy Board shall select, retain, and pay an independent auditor for an annual financial audit in accordance with the Contract and applicable state law. W-A-Y shall cooperate with said auditor and will make sure that all Academy's financial records and W-A-Y records related to the Academy are made available to the independent auditor and the University. W-A-Y shall not select, retain, evaluate, or replace the independent auditor for the Academy.

K. Payment of Academy Funds. The Academy Board shall determine the depository of all funds received by the Academy. All funds received by the Academy shall be initially deposited in the Academy's depository account. Signatories on the depository account shall be current Academy Board members properly designated annually by Academy Board resolution. All interest or investment earnings on Academy deposits shall accrue to the Academy. The Academy Board shall provide Academy funding on a consistent and timely basis to W-A-Y to fulfill its obligations under this Agreement.

L. Compliance with Contract Terms and Conditions. W-A-Y shall make information concerning the operation and management of the Academy, including without limitation the information described in the Contract, available to the Academy as deemed necessary by the Academy Board in order to enable the Academy to fully satisfy its obligations under the Contract Terms and Conditions.

M. Compliance with Section 503c. On an annual basis, W-A-Y agrees to provide

the Academy Board with the same information that a school district is required to disclose under section 18(2) of the State Aid Act of 1979, MCL.388.1618, for the most recent school fiscal year for which the information is available. Within thirty (30) days of receipt of this information, the Academy Board shall make the information available on the Academy's website home page, in a form and manner prescribed by the Michigan Department of Education. The defined terms in section 503c of the Revised School Code, MCL 380.503c, shall have the same meaning in this Agreement.

ARTICLE VI PERSONNEL & TRAINING

A. Personnel Responsibility. Subject to Academy Board policies and the Academy Board approved budget, W-A-Y shall, in cooperation with the Academy, recommend to the Academy Board staffing levels, and select, evaluate, assign, discipline and transfer personnel, consistent with state and federal law, and consistent with the parameters adopted and included within the Contract. The Academy and W-A-Y agree that W-A-Y has all the rights, discretion and authority required by law to constitute an "employer" as defined in 29 U.S.C. §152(2) of the National Labor Relations Act and is subject to the jurisdiction of the National Labor Relations Board. The Academy Board may request that W-A-Y personnel be removed from their duties as to the Academy by W-A-Y if the Academy is dissatisfied with their performance, but all ultimate personnel decisions are reserved to W-A-Y, as the sole employer. W-A-Y shall not have contracts with staff assigned to the Academy (including by way of example and not limitation, teachers, administrators, counselors and the like) which contain non-compete agreements of any nature.

B. Principal. Because the accountability of W-A-Y to the Academy is an essential foundation of this partnership, and because the responsibility of a principal ("Principal") is critical to its success, the Principal will be an employee of W-A-Y and W-A-Y will have the authority, consistent with state law, to select and supervise the Principal and to hold him or her accountable for the success of the Academy. The employment contract between W-A-Y and the Principal, and the duties and compensation of the Principal shall be determined by W-A-Y consistent with the Contract and the Academy Board's approved budget. The Principal and W-A-Y, in turn, will have similar authority to select and hold accountable the teachers in the Academy.

C. Teachers. Subject to the Contract, Academy Board policies, and the Academy Board approved budget, and from time to time thereafter, W-A-Y shall recommend to the Academy Board the number of teachers, and the applicable grade levels and subjects, required for the operation of the Academy. Thereafter, the Academy Board shall determine the number and applicable grade levels and subjects of the Academy. W-A-Y shall provide and assign such teachers, qualified in the grade levels and subjects to the Academy, as are required by the Code, the Academy Board. The curriculum taught by such teachers shall be the curriculum prescribed by the Academy and set forth in the Contract. Such teachers may, in the discretion of W-A-Y, work at the Academy on a full or part time basis, provided that if teachers work at the Academy on a part time basis, such teachers' salaries and benefits shall be pro-rated in the Academy's budget. If assigned to the Academy on a part-time basis, such teachers may also work at other

schools managed or operated by W-A-Y. Each teacher assigned or retained to the Academy shall hold a valid teaching certificate issued by the State Board of Education under the Code and shall have undergone a criminal background and record check and unprofessional conduct check, as required under the Code for teachers who are employees of the Academy.

D. Support Staff. W-A-Y shall recommend, and the Academy Board shall determine, the number and functions of support staff required for the operation of the Academy. The parties anticipate that such support staff may include clerical staff, administrative assistants to the Principal, a bookkeeping staff, maintenance personnel, and the like. W-A-Y and the Academy Board shall mutually agree on how sharing such support staff can be conducted with efficiency.

E. Employer of Personnel. Except as specified in this Agreement, all administrative, instructional, and support staff personnel performing functions on behalf of the Academy shall be employees of W-A-Y. Compensation of all employees of W-A-Y shall be paid by W-A-Y. W-A-Y is responsible for paying employees leased to the Academy or working on Academy operations irrespective of whether W-A-Y receives an advancement of its costs or the payment of services from the Academy. For purposes of this Agreement, "Compensation" shall include salary, fringe benefits, and state and federal tax withholdings. W-A-Y shall be responsible for paying workers' compensation and social security, unemployment, and any other taxes required by law to be paid on behalf of its employees. Unless required by applicable statute, court or administrative decision, or Attorney General's opinion, W-A-Y shall not make payments to the Michigan Public School Employees' Retirement System or any other public retirement system on behalf of its employees. W-A-Y shall be responsible for conducting criminal background checks and unprofessional conduct checks on its employees and any contractors that frequently come into contact with students, as if it were a public school academy under the Code. Evidence of same shall be confidential and stored in a secure manner, in physical form, at the Academy or directly accessible at the Academy facility. Teachers employed by W-A-Y shall not be considered teachers for purposes of continuing tenure under MCLA § 38.71 *et seq.*

F. Training. W-A-Y shall provide training in its methods, curriculum, program, and technology to all teaching personnel on a regular and continuous basis, so long as such training is not unduly financially burdensome to W-A-Y in W-A-Y's sole discretion. Such methodology shall, at a minimum, utilize W-A-Y's teaching staff to utilize their own professional abilities to provide in-service training to each other. Instructional personnel will receive at least the minimum number of professional development hours as required under the Code. Non-instructional personnel shall receive such training as W-A-Y determines as reasonable and necessary under the circumstances consistent with the Code.

G. Other Financial Relationships. Any lease, promissory notes or other negotiable instruments, lease-purchase agreements or other financing agreements between the Academy and W-A-Y shall be contained in a document separate from this Agreement, and shall be separately reviewed by the Authorizer, and shall comply with all applicable law, the Contract issued by the University Board, and any applicable policies created by the University Board and/or the Central Michigan University Charter Schools Office.

ARTICLE VII ADDITIONAL PROGRAMS

A. Additional Programs. The services provided by W-A-Y to the Academy under this Agreement consist of the Educational Program during the school year and school day as set forth in the Contract. With prior approval of the Academy Board, W-A-Y may provide extra services such as summer and after school programs, athletics, adult and community education and other special programs (“Additional Programs”).

B. Food Service and Transportation. W-A-Y will not initially provide transportation services to students at the Academy. If approved by the Academy Board, the students will be provided a catered lunch program under the normal school lunch programs funded by the National School Lunch Program or an alternative funding source acceptable to the Academy Board.

ARTICLE VIII TERMINATION OF AGREEMENT

A. Termination.

1. By W-A-Y. W-A-Y may, at its option, terminate this Agreement prior to the end of the term specified in Article II in the event the Board fails to remedy a material breach within thirty (30) days after notice from W-A-Y. A material breach includes, but is not limited to, W-A-Y’s failure to receive for any reason compensation or reimbursement as required by the terms of this Agreement or the Academy’s loss or suspension of its Charter.

2. By Academy. The Academy may terminate this Agreement prior to the end of the term specified in Article II in the event that W-A-Y shall fail to remedy a material breach within thirty (30) days after notice from the Board. A material breach includes, but is not limited to: (i) failure to account for its expenditures or to pay Academy operating costs in accordance with the terms of the Budget (provided funds are available to do so); (ii) failure to follow policies, procedures, rules, regulations or curriculum duly adopted by the Board that are not in violation of the Charter, this Agreement, or applicable law; (iii) receipt by the Board of unsatisfactory reports regarding W-A-Y’s performance or the performance of the Academy that are not adequately corrected or explained; (iv) if this Agreement or its implementation would serve as grounds for revocation of the Charter or would otherwise jeopardize tax exemptions or nonprofit tax status of the Academy; or (v) any action or inaction by W-A-Y which causes the Charter to be revoked, terminated, or suspended or which causes the Charter to be put in jeopardy of revocation, termination, or suspension by the Authorizer.

3. Reconstitution. This Agreement may be immediately terminated by the Academy, with no cost or penalty to the Academy and no recourse by W-A-Y or any subcontracted person or entity of W-A-Y, to the Authorizer or any third party affiliated with or engaged by the Authorizer, in the event the Authorizer determines to exercise its prerogative under the Charter to Reconstitute the Academy by requiring termination or amendment of this

Management Agreement. In the event that the Academy 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 Contract, and such closure of an Academy 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 Academy site closure or reconstitution, with no cost or penalty to the Academy, and W-A-Y shall have no recourse against the Academy or the University Board for implementing such site closure or reconstitution.

B. Termination/Expiration.

In the event this Agreement is terminated by either party prior to the end of the term specified in Article II absent unusual and compelling circumstances, the termination will not become effective until the end of the then current school year in which the notice of termination is issued.

C. Change in Law. If any federal, state, or local law or regulation, or court decision has a material adverse impact on the ability of either party to carry out its obligations under this Agreement, then either party, upon written notice, may request renegotiating of the Agreement; and if the parties are unable or unwilling to renegotiate the terms within thirty (30) days after the notice, the party requiring the renegotiation may terminate this Agreement on thirty (30) days further written notice.

D. Effective Date of Termination. In the event that this Agreement is terminated by either party prior to the end of the term specified in Article I, any termination of this Agreement for cause or without cause shall not take effect until the earlier of (i) an approved agreement by the Academy with another ESP (or self-management) is in effect; or (ii) the end of the current school year in which the termination is invoked. A change in ESP (or a decision to self-manage) in mid school year is strongly discouraged and will be disapproved by the Charter Schools Office absent compelling circumstances and a clear demonstration that the new ESP (or transition to self-management) can seamlessly assume management and operations of the school without disrupting the school's operations.

E. Expiration. Upon expiration of this Agreement at the completion of the Contract term and where there is no renewal, or upon the termination of this Agreement, whether with or without cause, W-A-Y shall have the right to (a) reclaim any usable property or equipment (e.g., copy machines, personal computers) it provided to the Academy at W-A-Y's expense and not paid for by the Academy, or (b) to make payment for any such property, at the sole option of the Academy Board. If the Academy Board chooses to purchase such property, the purchase price shall be either fair market value of such property determined as of the effective date of the termination or expiration of this Agreement or the depreciated cost of such property, whichever is less. Fixtures and building alterations shall become the property of the building owner.

F. Transition and Termination. Upon termination, W-A-Y shall work for a period up to ninety (90) days if deemed necessary by the Academy to transition to a new Educational Service Provider. The fee shall be in accordance with the compensation stated herein. However, upon termination or expiration of the Agreement, or in the event the Agreement is terminated due to a Contract revocation, reconstitution, termination or non-renewal, W-A-Y shall, without charge: (i) close the books on the then-current school 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 the Academy's records, both electronic and hard-copy, for transition to the new ESP, self-management or dissolution; (iii) provide for the orderly transition to the new ESP, self-management or dissolution of all Academy-owned assets including, but not limited to, furniture, equipment and real estate and provide the Academy with an updated fixed asset schedule showing all property owned by the Academy; (iv) provide an updated list of outstanding vendor invoices with total amount owed (including the total outstanding owed by the Academy to the ESP, if any; (v) the amount owed by the ESP to the Academy, if any; (vi) organize and prepare student records for transition to the new ESP, self-management or in the cause of a school closure, transfer to a student's new school as designated by the student's parent / legal guardian or to a person or entity authorized to hold such records; (vii) ensure the closeout of existing grants and the transfer of grant funded property to Academy, if applicable; and (viii) provide for the orderly transition of employee compensation and benefits to the new ESP or self-management without disruption to staffing, or in the case of school closure, final payment of all employee compensation, benefit and tax obligations related to services provided by the ESP to the Academy.

G. No Penalty Early Termination. In the event that the Academy is required (i) to close an Academy site pursuant to a notice issued by the Department under Section 507 of the Code, MCL 380.507; or (ii) to undergo a reconstitution pursuant to Section 507 of the Code, MCL 380.507 and the Contract Terms and Conditions, and such closure of an Academy site or reconstitution causes an amendment to or termination of this Agreement, the parties agree that this Agreement shall be amended or terminated to implement the Academy site closure or reconstitution, with no cost or penalty to the Academy, and W-A-Y shall have no recourse against the Academy or for the University Board for implementing such site closure or reconstitution.

ARTICLE IX PROPRIETARY INFORMATION

A. Proprietary Information. The Academy owns all proprietary rights to curriculum or educational materials that: (i) are both directly developed and paid for by the Academy; or (ii) were developed by W-A-Y at the direction of the Academy Board with Academy funds. W-A-Y owns all proprietary rights to curriculum and educational materials previously developed or copyrighted by W-A-Y, not using funds from the Academy, including future curriculum and educational materials not dedicated to the specific purpose of the Academy.

W-A-Y and the Academy shall each have the sole and exclusive right to license materials

for which they own proprietary rights for use by other school districts, public schools and customers or to modify and/or sell material to other schools and customers. The Academy and W-A-Y each shall use reasonable efforts to ensure that its personnel and agents refrain from disclosing, publishing, copying, transmitting, modifying, altering or utilizing proprietary information owned by the other party. W-A-Y's educational materials and teaching techniques used by the Academy are subject to disclosure under the Code and the Freedom of Information Act.

B. Required Disclosure. The Academy Principal shall be permitted to report any new teaching techniques or methods of revisions to known teaching techniques or methods to the Academy Board and to the State Board of Education, which techniques or methods may thereafter be made available to the public, as provided in Sections 505(3) of the Code, notwithstanding anything contained in this Article IX to the contrary.

ARTICLE X INDEMNIFICATION

A. Indemnification. To the extent permitted by applicable law, and without waiving any governmental immunities, the Academy shall indemnify and save and hold W-A-Y and all of its employees, officers, directors, subcontractors, and agents (collectively "W-A-Y Employees") harmless against any and all claims, demands, suits, or other forms of liability that may arise out of, or by reason of, any action taken or not taken by Academy or any of its Academy employees in the event of any claim that this Agreement or any part thereof is in violation of law; any noncompliance by the Academy with any agreements, covenants, warranties, or undertakings of the Academy contained in or made pursuant to this Agreement; and any misrepresentation or breach of the representations and warranties of the Academy contained in or made pursuant to this Agreement. In addition, the Academy shall reimburse W-A-Y for any and all legal expenses and costs associated with the defense of any such claim, demand, or suit.

W-A-Y shall indemnify and save and hold the Academy and all of its employees, officers, directors, subcontractors, and agents (collectively "Academy Employees") harmless against any and all claims, demands, suits, or other forms of liability that may arise out of, or by reason of, any action taken or not taken by the W-A-Y or any of its W-A-Y Employees in the event of any claim that this Agreement or any part thereof is in violation of law; any noncompliance by W-A-Y with any agreements, covenants, warranties, or undertakings of W-A-Y contained in or made pursuant to this Agreement; and any misrepresentation or breach of the representations and warranties of W-A-Y contained in or made pursuant to this Agreement. In addition, W-A-Y shall reimburse the Academy for any and all legal expenses and costs associated with the defense of any such claim, demand, or suit.

B. Indemnification of Central Michigan University. The parties acknowledge and agree that the Central Michigan University, its Board of Trustees, and its members, officers, employees, agents or representatives (collectively for purposes of this paragraph, "University") are deemed to be third party beneficiaries for purposes of this Agreement. As third party beneficiaries, W-A-Y hereby promises to indemnify, defend, and hold harmless the University

from and against all claims, demands, 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) 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 University Board's approval of the Academy's application, the University Board's consideration of or issuance of a Contract, W-A-Y's preparation for or operation of the Academy, or which are incurred as a result of the reliance by the University upon information supplied by W-A-Y, or which arise out of W-A-Y's failure to comply with the Contract or applicable law,. The parties expressly acknowledge and agree that the University, may commence legal action against W-A-Y to enforce its rights as set forth in this section of the Agreement.

ARTICLE XI INSURANCE

A. Insurance of the Academy. The Academy shall maintain insurance coverage in the amounts required by the Contract, including the indemnification of W-A-Y provided by this Agreement. In the event that the insurance carrier for the Academy's Authorizer, Central Michigan University, requests changes in the coverage identified in the Contract, the Academy agrees to comply within thirty (30) days after written notice of the insurance coverage change. The Academy shall, upon request, present evidence to W-A-Y that it maintains the requisite insurance in compliance with the provisions of this paragraph. W-A-Y shall comply with any information or reporting requirements applicable to the Academy under the Academy's policy with its insurer(s) or the Contract.

B. Insurance of W-A-Y. W-A-Y shall secure and maintain general liability insurance with the Academy listed as an additional insured. W-A-Y shall maintain such policies of insurance coverage in an amount and on such terms as are reasonably acceptable to the Academy Board and as required by the Contract and the Michigan Universities Self-Insurance Corporation ("M.U.S.I.C."), including the indemnification of the Academy provided by this Agreement and including coverage for sexual molestation or abuse. W-A-Y shall, upon request, present evidence to the Academy that it maintains the requisite insurance in compliance with the provisions of this paragraph. The Academy shall comply with any information or reporting requirements applicable to W-A-Y under W-A-Y's policy with its insurer(s). W-A-Y's insurance is separate from and in addition to the insurance the Academy Board is required to obtain under the Contract. The cost of procuring insurance coverage under this Agreement is a corporate cost to be paid by W-A-Y. In the event, the Authorizer or M.U.S.I.C. requests any change in the coverage by W-A-Y, W-A-Y agrees to comply with any change in the type or amount of coverage, as requested, within thirty (30) days after notice of the insurance change.

C. Worker's Compensation Insurance. Each party shall maintain workers' compensation insurance when and as required by law, covering their respective employees.

ARTICLE XII WARRANTIES AND REPRESENTATIONS

The Academy and W-A-Y each represent that it has the authority under law to execute, deliver, and perform this Agreement, and to incur the obligations provided for under this Agreement, that its actions have been duly and validly authorized, and that it will take all steps reasonably required to implement this Agreement. The Academy and W-A-Y mutually warrant to the other that there are no pending actions, claims, suits, or proceedings, to its knowledge, threatened or reasonably anticipated against or affecting it, which if adversely determined, would have a material adverse effect on its ability to perform its obligations under this Agreement.

ARTICLE XIII CONFIDENTIALITY AND DATA SECURITY

A. Commitment to Preserve. W-A-Y agrees that it shall observe the policies and directives of the Academy to preserve the confidentiality of Covered Data and Information (defined below) to the extent that W-A-Y, its officers, directors, employees, or designated agents are permitted to access Covered Data and Information in the course of performing services under this Agreement.

B. Covered Data and Information (CDI). CDI includes paper and electronic student education and/or medical record information supplied by the Academy and/or its students or parents/guardians to W-A-Y and includes, without limitation, “education records” and “education record information” as defined under FERPA and IDEA, “protected health information” as defined under HIPAA, “relevant records” as defined under Section 504 under IDEA, and social security numbers. CDI also includes any new records created and maintained by W-A-Y under this Agreement using CDI.

C. Acknowledgment of Access to CDI. W-A-Y acknowledges that this Agreement allows W-A-Y (its employees and agents) access to CDI, which the Academy may have the ultimate legal responsibility to maintain in a confidential and secure fashion. Accordingly, W-A-Y (its employees and agents) shall provide the Academy with control over the CDI sufficient to satisfy all applicable legal and regulatory standards. In any event, W-A-Y (its employees and agents) shall at all times make CDI available to the Academy within a reasonable time of receiving a request for same.

D. Prohibition on Unauthorized Use or Disclosure of CDI. W-A-Y (its employees and agents) agrees to hold CDI in strict confidence. W-A-Y (its employees and agents) shall not use or disclose CDI received from or on behalf of the Academy except as permitted or required by this Agreement, as required or authorized by law, or as otherwise authorized in writing by the Academy, a parent/guardian, or eligible student. W-A-Y agrees that it will protect the CDI it receives from or on behalf of the Academy according to commercially acceptable standards and no less rigorously than it protects its own confidential information. W-A-Y shall ensure that any employee or agent, including a subcontractor or Business Associate (as defined in HIPAA) to whom it provides CDI under this Agreement, understands

and agrees to the same restrictions and conditions pertaining to use and disclosure of CDI that apply to W-A-Y under this Agreement. Except as permitted under the Code, W-A-Y shall not sell or otherwise provide to a for-profit business entity any personally identifiable information that is part of an Academy student's education records. If W-A-Y receives information that is part of an Academy student's education records, W-A-Y shall not sell or otherwise provide the information to any other person except as permitted under the Code. For purposes of this section, the terms "education records" and "personally identifiable information" shall have the same meaning as those terms in section 1136 of the Code, MCL 380.1136.

E. Return or Destruction of CDI. Upon termination or other conclusion of this Agreement, W-A-Y (its employees and agents) shall return all CDI to the Academy.

F. Maintenance of the Security of Electronic Information. W-A-Y (its employees and agents) 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 Academy or its students. These measures will be extended by contract to all agents, including subcontractors or Business Associates, used by W-A-Y.

G. Reporting of Unauthorized Disclosures or Misuse of Covered Data and Information. W-A-Y, within two business days of discovery, shall report to the Academy any use or disclosure of CDI not authorized by this Agreement or by the Academy in writing. W-A-Y'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 W-A-Y has done or shall do to mitigate any deleterious effect of the unauthorized use or disclosure; and (v) what corrective action W-A-Y has taken or shall take to prevent future similar unauthorized use or disclosure. W-A-Y shall provide such other information, including a written report, as reasonably requested by the Academy.

H. Remedies.

1. Notice and Opportunity to Cure. If the Academy reasonably determines in good faith that W-A-Y has materially breached any of its obligations under the data security provisions of this Agreement, the Academy, in its sole discretion, shall have the right to require W-A-Y to submit to a plan of monitoring and reporting, provide W-A-Y with a fifteen (15) day period to cure the breach, or terminate the Agreement immediately if cure is not possible. Before exercising any of these options, the Academy shall provide fifteen (15) days written notice to W-A-Y describing the violation and the action it intends to take.

2. Statutory/Regulatory Penalties. In addition, the parties understand and agree that W-A-Y is subject to any penalties for unauthorized disclosures or misuse of CDI that are or may be imposed, from time to time, under applicable law including, without limitation, that W-A-Y may be prohibited by law from accessing CDI for defined periods of time following any unauthorized disclosure or misuse of CDI which shall constitute a material breach of this Agreement.

I. Amendment for Compliance. If the Academy believes in good faith that any data security provision of the Agreement fails to comply with applicable laws or regulations, the Academy shall notify W-A-Y in writing. Within thirty (30) business days of receipt of such notice by W-A-Y, the parties shall address in good faith the expressed concern(s) and shall amend the terms of this Agreement, if the Academy deems an amendment necessary, to bring the Agreement into compliance with applicable laws and regulations. If after such thirty (30) business day period this Agreement remains non-compliant with applicable laws or regulations with respect to the concern(s) raised under this Section, the Academy shall have the right to immediately terminate this Agreement upon written notice to W-A-Y.

ARTICLE XIV MISCELLANEOUS

A. Sole Agreement. This Agreement supersedes and replaces any and all prior agreements and understanding between the Academy and W-A-Y.

B. Force Majeure. Neither party shall be liable if the performance of any part or all of this contract is prevented, delayed, hindered, or otherwise made impracticable, or impossible by reason of any strike, flood, riot, fire, explosion, pandemic war, act of God, sabotage, accident, or any other casualty, or cause beyond either part's control, and which cannot be overcome by reasonable diligence and without unusual expense.

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

The Academy:

Attn: Board President
Marquita Tharpe Williams
407 East Fort Street Suite 201
Detroit, MI 48226
Telephone: (734) 417-8232

W-A-Y:

Attn: Madeline Black 369 Main Street
Belleville, Michigan 48111
Telephone: (313) 444-9292
Facsimile: (313) 638-2717

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

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

F. **Entire Agreement.** This Agreement is the entire agreement between the parties relating to the services provided, and the compensation for such services. The Academy Board and W-A-Y may not amend this Agreement without notification to the University Board pursuant to the Contract and the Authorizer's Educational Service Provider Policies ("ESP Policies"). Any amendment to this Agreement shall be evidenced in writing, signed by an authorized office of each party and must be done in a manner consistent with the Authorizer's ESP Policies. Said amendment shall not be contrary to this Section and it must be accompanied by a Legal Opinion, if applicable. The Academy is responsible for submitting any and all amendments in final draft form to the Authorizer for review under the Contract.

G. **Non-Waiver.** No failure of either party in exercising any right, power, or privilege under this Agreement shall affect such right, power, or privileges, nor shall any single or partial exercise thereof preclude any further exercise thereof or the exercise of any other right, power, or privilege. The rights and remedies of the parties under this Agreement are cumulative and not exclusive of any rights or remedies which any of them may otherwise have.

H. **Assignment.** This Agreement shall not be assigned by either party without the prior written consent of the other party and prior notification to the Authorizer. Any assignment shall be done in a manner consistent with the Authorizer's ESP Policies.

I. **Survival of Termination.** All representations, warranties, and indemnities made herein shall survive termination of this Agreement.

J. **Governing Law.** This Agreement shall be governed by and enforced in accordance with the law of the State of Michigan. Nothing in this Agreement shall be construed as delegating to W-A-Y any powers of the Academy Board that are not subject to delegation by the Board under Michigan law or the Contract.

[signature page to follow]

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

**W-A-Y Widening Advancement
for Youth**

Maeline Black

Maeline Black (May 20, 2025 10:57 EDT)

W-A-Y Michigan

Marquita Williams

MARQUITA THARPE WILLIAMS (May 20, 2025 11:11 EDT)
