



CONTRACT TO CHARTER A PUBLIC SCHOOL ACADEMY
AND RELATED DOCUMENTS

ISSUED TO

DETROIT INNOVATION ACADEMY
(A PUBLIC SCHOOL ACADEMY)

BY THE

CENTRAL MICHIGAN UNIVERSITY
BOARD OF TRUSTEES
(AUTHORIZING BODY)

JULY 1, 2024

TABLE OF CONTENTS

<u>Contract Documents</u>	<u>Tab</u>
Resolutions Establishing the Method of Selection, Length of Term, and Number of Members of Board of Directors	A
Terms and Conditions of Contract.....	B
Contract Schedules.....	C
Schedule 1: Restated Articles of Incorporation	1
Schedule 2: Amended Bylaws	2
Schedule 3: Fiscal Agent Agreement.....	3
Schedule 4: Oversight, Compliance and Reporting Agreement	4
Schedule 5: Description of Staff Responsibilities	5
Schedule 6: Physical Plant Description	6
Schedule 7: Required Information for a Public School Academy	7
• Section a: Governance Structure	a
• Section b: Educational Goal and Related Measures	b
• Section c: Educational Programs.....	c
• Section d: Curriculum	d
• Section e: Methods of Pupil Assessment	e
• Section f: Application and Enrollment of Students	f
• Section g: School Calendar and School Day Schedule	g
• Section h: Age or Grade Range of Pupils	h
Schedule 8: Information Available to the Public and The Center	8

REAUTHORIZING RESOLUTION

REAUTHORIZATION OF PUBLIC SCHOOL ACADEMY

Detroit Innovation Academy

Recitals:

1. At its April 11, 2019, meeting this board authorized the issuance of a contract to charter as a public school academy to Detroit Innovation Academy. 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 Detroit Innovation Academy.
4. The university president or designee has recommended the reissuance of a contract to charter as a public school academy to Detroit Innovation Academy. The term of the contract is recommended for a term not to exceed five (5) years.

BE IT RESOLVED, That this board approves and authorizes the execution of a contract to charter as a public school academy to Detroit Innovation Academy for a term not to exceed five (5) years and authorizes the chair of the board to execute a contract to charter as a public school academy and related documents between Detroit Innovation Academy 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 Detroit Innovation Academy is able to comply with all terms and conditions of the contract.

CMU BDT APPROVED

Date: February 6, 2024

Signature: Mary Jane Flanagan



BOARD OF TRUSTEES

PROPOSAL FOR BOARD ACTION: CONSENT AGENDA

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

Project Description:

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

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

Proposed by: Provost Gealt

PROPOSED RESOLUTION: CONSENT AGENDA

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

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

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

CMU BDT APPROVED

Date: 2/15/18
Signature: 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 Hanager

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
DETROIT INNOVATION ACADEMY**

AS A

PUBLIC SCHOOL ACADEMY

ARTICLE I DEFINITIONS.....	1
Section 1.1. Certain Definitions.....	1
Section 1.2. Captions	3
Section 1.3. Gender and Number.....	4
Section 1.4. Statutory Definitions.....	4
Section 1.5. Schedules	4
Section 1.6. Application	4
Section 1.7. Conflicting Contract Provisions.....	4
ARTICLE II RELATIONSHIP BETWEEN THE ACADEMY AND THE UNIVERSITY BOARD.....	4
Section 2.1. Constitutional Status of Central Michigan University	4
Section 2.2. Independent Status of the Academy	4
Section 2.3. Financial Obligations of the Academy Are Separate From the State of Michigan, University Board and the University.....	4
Section 2.4. Academy Has No Power To Obligate or Bind the State of Michigan, the University Board or the University	5
Section 2.5. New Public School Academies Located Within the Boundaries of a Community District	5
ARTICLE III ROLE OF THE UNIVERSITY BOARD AS AUTHORIZING BODY	5
Section 3.1. University Board Resolutions	5
Section 3.2. University Board as Fiscal Agent for the Academy.....	5
Section 3.3. Oversight Responsibilities of the University Board.....	5
Section 3.4. University Board Administrative Fee	6
Section 3.5. University Board Approval of Condemnation	6
Section 3.6. Authorization to Employ or Contract	6
Section 3.7. Teacher Certification	6
Section 3.8. Administrator and Teacher Evaluation Systems.....	6
Section 3.9. Reimbursement of University Board Services.....	6
ARTICLE IV REQUIREMENT THAT THE ACADEMY ACT SOLELY AS GOVERNMENTAL ENTITY	7
Section 4.1. Limitation on Actions in Performance of Governmental Functions.	7
Section 4.2. Other Permitted Activities.	7
Section 4.3. Academy Board Members Serve In Their Individual Capacity	7
Section 4.4. Incompatible Public Offices and Conflicts of Interest Statutes	7
Section 4.5. Prohibition of Identified Family Relationships.....	8
Section 4.6. Oath of Public Office.....	8
Section 4.7. Academy Counsel.....	8
ARTICLE V CORPORATE STRUCTURE OF THE ACADEMY.....	9
Section 5.1. Nonprofit Corporation	9
Section 5.2. Articles of Incorporation.....	9

Section 5.3. Bylaws	9
ARTICLE VI OPERATING REQUIREMENTS	9
Section 6.1. Governance Structure	9
Section 6.2. Educational Goal and Related Measures	9
Section 6.3. Educational Programs	9
Section 6.4. Curriculum.....	9
Section 6.5. Methods of Pupil Assessment.....	9
Section 6.6. Application and Enrollment of Students.....	9
Section 6.7. School Calendar and School Day Schedule.....	10
Section 6.8. Age or Grade Range of Pupils	10
Section 6.9. Collective Bargaining Agreements	10
Section 6.10. Accounting Standards	10
Section 6.11. Annual Financial Statement Audit.....	10
Section 6.12. Address and Description of Physical Plant.....	10
Section 6.13. Contributions and Fund Raising	10
Section 6.14. Disqualified Organizational or Contractual Affiliations.....	10
Section 6.15. Method for Monitoring Academy's Compliance with Applicable Law and its Targeted Educational Outcomes.....	10
Section 6.16. Matriculation Agreements	11
Section 6.17. Postings of Accreditation Status	11
ARTICLE VII TUITION PROHIBITED	11
Section 7.1. Tuition Prohibited; Fees and Expenses.....	11
ARTICLE VIII COMPLIANCE WITH APPLICABLE LAWS	11
Section 8.1. Compliance with Applicable Law	11
ARTICLE IX AMENDMENT	11
Section 9.1. Amendments	11
Section 9.2. Process for Amendment Initiated by the Academy.....	11
Section 9.3. Process for Amendment Initiated by the University Board	11
Section 9.4. Final Approval of Amendments.....	12
Section 9.5. Change in Existing Law.....	12
Section 9.6. Emergency Action on Behalf of University Board.....	12
ARTICLE X CONTRACT REVOCATION, TERMINATION, AND SUSPENSION	12
Section 10.1. Statutory Grounds for Revocation	12
Section 10.2. Other Grounds for Revocation.....	12
Section 10.3. Automatic Amendment Of Contract; Automatic Termination of Contract If All Academy Sites Closed; Economic Hardship Termination.....	13
Section 10.4. Grounds and Procedures for Academy Termination of Contract.....	14
Section 10.5. Grounds and Procedures for University Termination of Contract	14

Section 10.6. University Board Procedures for Revoking Contract	14
Section 10.7. Contract Suspension	17
Section 10.8. Conservator; Appointment By University President.....	17
Section 10.9. Academy Dissolution Account	18
ARTICLE XI PROVISIONS RELATING TO PUBLIC SCHOOL ACADEMIES.....	19
Section 11.1. The Academy Budget; Transmittal of Budgetary Assumptions; Budget Deficit; Enhanced Deficit Elimination Plan	19
Section 11.2. Insurance.....	20
Section 11.3. Legal Liabilities and Covenant Against Suit	20
Section 11.4. Lease or Deed for Proposed Site.....	21
Section 11.5. Certificate(s) of Use and Occupancy	21
Section 11.6. New Building Construction or Renovations.	21
Section 11.7. Criminal Background and History Checks; Disclosure of Unprofessional Conduct	21
Section 11.8. Special Education	21
Section 11.9. Information Available to the Public and the Center.....	21
Section 11.10. Deposit of Public Funds by the Academy.....	22
Section 11.11. Nonessential Elective Course	22
ARTICLE XII GENERAL TERMS.....	22
Section 12.1. Notices	22
Section 12.2. Severability	22
Section 12.3. Successors and Assigns	22
Section 12.4. Entire Contract.....	23
Section 12.5. Assignment	23
Section 12.6. Non-Waiver	23
Section 12.7. Governing Law	23
Section 12.8. Counterparts.....	23
Section 12.9. Term of Contract.....	23
Section 12.10. Indemnification of University.....	23
Section 12.11. Construction.....	24
Section 12.12. Force Majeure.....	24
Section 12.13. No Third Party Rights.....	24
Section 12.14. Non-agency.....	24
Section 12.15. University Board or the Center’s General Policies on Public School Academies Shall Apply	24
Section 12.16. Survival of Provisions.....	24
Section 12.17. Termination of Responsibilities	24
Section 12.18. Disposition of Academy Assets Upon Termination or Revocation of Contract	24
Section 12.19. Student Privacy	24

Section 12.20. Disclosure of Information to Parents and Legal Guardians, subject to Section 12.2225

Section 12.21. List of Uses for Student Directory Information; Opt Out Form; Notice to Student’s Parent or Legal Guardian26

Section 12.22. Confidential Address Restrictions26

Section 12.23. Partnership Agreement26

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 Detroit Innovation Academy;

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 Detroit Innovation Academy'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 Detroit Innovation Academy 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 February 6, 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 Public School Academy, and Schedule 8: Information Available to the Public and the Center.
- (s) "State Board" means the State Board of Education, established pursuant to Article 8, Section 3 of the 1963 Michigan Constitution and MCL 388.1001 et seq.
- (t) "State School Aid Fund" means the State School Aid Fund established pursuant to Article IX, Section 11 of the Michigan Constitution of 1963, as amended.
- (u) "State School Reform/Redesign Office" means the office created within the Michigan Department of Technology Management and Budget by Executive Reorganization Order 2015-02 codified at MCL 18.445, and transferred from the Michigan Department of Technology Management and Budget to the Michigan Department of Education by Executive Reorganization Order 2017-02, codified at MCL 388.1282.
- (v) "Superintendent" means the Michigan Superintendent of Public Instruction.
- (w) "Terms and Conditions" means this document entitled "Terms and Conditions of Contract, Dated July 1, 2024, Issued by the Central Michigan University Board of Trustees Confirming the Status of Detroit Innovation Academy as a Public School Academy."
- (x) "The Governor John Engler Center for Charter Schools" or "the Center" means the office designated by the Central Michigan University Board of Trustees as the initial point of contact for public school academy applicants and public school academies authorized by the Central Michigan University Board of Trustees. The Center is also responsible for administering the Central Michigan University Board of Trustees' responsibilities with respect to the Contract.
- (y) "The Governor John Engler Center for Charter Schools Director" or "the Center Director" means the person designated at Central Michigan University to administer the operations of the Center.
- (z) "University" means Central Michigan University, established pursuant to Article 8, sections 4 and 6 of the 1963 Michigan Constitution and MCL 390.551 et seq.
- (aa) "University Board" means the Central Michigan University Board of Trustees.
- (bb) "University Charter Schools Hearing Panel" or "Hearing Panel" means such persons as designated by the University President.
- (cc) "University President" means the President of Central Michigan University or his or her designee. In section 1.1(bb) above, "University President" means the President of Central Michigan University.

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

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

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

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

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

Section 1.7. Conflicting Contract Provisions. In the event that there is a conflict between language contained in the provisions of this Contract, the Contract shall be interpreted as follows: (i) the Method of Selection, Appointment, and Removal Resolution shall control over any other conflicting language in the Contract; (ii) the Reauthorizing Resolution shall control over any other conflicting language in the Contract with the exception of language in the Method of Selection, Appointment, and Removal Resolution; (iii) the Terms and Conditions shall control over any other conflicting language in the Contract with the exception of language in the Method of Selection, Appointment, and Removal Resolution and the Reauthorizing Resolution; and (iv) the 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 6A 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 Detroit Innovation Academy 18211 Plymouth Rd. Detroit, MI 48228

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 five (5) academic years and shall terminate on June 30, 2029, unless sooner revoked, terminated, or suspended pursuant to Article X of these Terms and Conditions. Pursuant to University Board policy, the standards by which the Academy may be considered for the issuance of a new contract will be guided by the following core questions:

Is the Academy's academic program successful?

Is the Academy's organization viable?

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

Section 12.22. Confidential Address Restrictions.

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

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

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

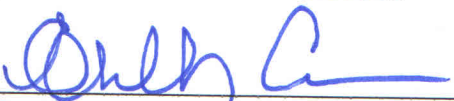
CENTRAL MICHIGAN UNIVERSITY BOARD OF TRUSTEES

By: _____
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.

DETROIT INNOVATION ACADEMY

By:  _____
Board President

Date: 5/21/24

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. R

Date: May 7, 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.

DETROIT INNOVATION ACADEMY

By: _____
Board President

Date: _____

CONTRACT SCHEDULES

Schedules

Restated Articles of Incorporation	1
Amended Bylaws	2
Fiscal Agent Agreement	3
Oversight, Compliance and Reporting Agreement.....	4
Description of Staff Responsibilities	5
Physical Plant Description	6
Required Information for a Public School Academy.....	7
Information Available to the Public and The Center	8

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

DETROIT INNOVATION ACADEMY

ID NUMBER: 71031E

received by facsimile transmission on June 30, 2017 is hereby endorsed.

Filed on July 14, 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 14th day of July, 2017.

Julia Dale

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

ATTACHMENT E

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.																				
<table border="1"> <tr> <td colspan="3">Name</td> </tr> <tr> <td colspan="3">Reginald Dozier</td> </tr> <tr> <td colspan="3">Address</td> </tr> <tr> <td colspan="3">535 Griswold, Suite 2300</td> </tr> <tr> <td>City</td> <td>State</td> <td>Zip</td> </tr> <tr> <td>Detroit</td> <td>MI</td> <td>48226</td> </tr> </table>			Name			Reginald Dozier			Address			535 Griswold, Suite 2300			City	State	Zip	Detroit	MI	48226
Name																				
Reginald Dozier																				
Address																				
535 Griswold, Suite 2300																				
City	State	Zip																		
Detroit	MI	48226																		
EFFECTIVE DATE: JULY 1, 2017																				
71031E																				

RESTATED ARTICLES OF INCORPORATION
For Use by Domestic Nonprofit Corporations

OF

DETROIT INNOVATION ACADEMY

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

The present name of the corporation is: Detroit Innovation Academy.

The corporation identification number ("CID") assigned by the Bureau is: 71031E.

The corporation has used the following other names: Detroit Leadership Academy II.

The date of filing the original Articles of Incorporation was: October 20, 2011.

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: Detroit Innovation Academy.

7-60

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 public school academy in the state of Michigan pursuant to the Code.

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 public school academies.
- e. Other funds lawfully received.

The corporation is organized on a directorship basis.

ARTICLE IV

The name of the resident agent at the registered office is Reginald Dozier.

The address of its registered office in Michigan is: 535 Griswold, Suite 2300, Detroit, MI 48226.

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

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

ARTICLE 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, Bureau of Commercial Services. In addition, the corporation shall file with the amendment a copy of the University Board's or The Center's Executive Director's approval of the amendment.

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

ARTICLE 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 27 day of June, 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 27 day of June, 2017.

By: 
President

CONTRACT SCHEDULE 2

AMENDED BYLAWS

TABLE OF CONTENTS

DETROIT INNOVATION ACADEMY

AMENDED BYLAWS

ARTICLE I – Name	1
ARTICLE II – Form of Academy	1
ARTICLE III – Offices	1
1. Principal Office	1
2. Registered Office	1
ARTICLE IV – Board of Directors.....	1
1. General Powers	1
2. Method of Selection and Appointment	1
3. Length of Term	2
4. Number of Director Positions	2
5. Qualifications of Academy Board Members	2
6. Oath of Public Office	2
7. Tenure	3
8. Removal and Suspension	3
9. Resignation	3
10. Board Vacancies	3
11. Compensation	3
ARTICLE V – Meetings	3
1. Annual and Regular Meetings	3
2. Special Meetings	3
3. Notice; Waiver	3
4. Quorum	4
5. Manner of Acting	4
6. Open Meetings Act	4
7. Presumption of Assent	4
ARTICLE VI - Committees	4
1. Committees	4
ARTICLE VII – Officers of the Board	5
1. Number	5
2. Election and Term of Office	5
3. Removal	5

4. Vacancies	5
5. President.....	5
6. Vice-President.....	5
7. Secretary	5
8. Treasurer	5
9. Assistants and Acting Officers.....	6
10. Salaries.....	6
11. Filling More Than One Office	6
ARTICLE VIII – Contracts, Loans, Checks and Deposits; Special Corporate Acts	6
1. Contracts.....	6
2. Loans.....	6
3. Checks, Drafts, etc.	6
4. Deposits	7
5. Voting of Gifted, Bequested or Transferred Securities Owned by this Corporation	7
6. Contracts Between Corporation and Related Persons.....	7
ARTICLE IX - Indemnification.....	9
ARTICLE X – Fiscal Year	9
ARTICLE XI – Amendments	9
ARTICLE XII – Terms and Conditions Definitions.....	9
CERTIFICATION	10

AMENDED BYLAWS
OF
DETROIT INNOVATION ACADEMY

ARTICLE I
NAME

This organization shall be called Detroit Innovation Academy (the "Academy" or the "corporation").

ARTICLE II
FORM OF ACADEMY

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

ARTICLE III
OFFICES

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

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

ARTICLE IV
BOARD OF DIRECTORS

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

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

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

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

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

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

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

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

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

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

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

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

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

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

ARTICLE V MEETINGS

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

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

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

a Director at a meeting constitutes a waiver of notice of such meeting, except where a Director attends a meeting for the express purpose of objecting to the transaction of any business because the meeting is not lawfully called or convened.

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

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

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

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

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

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

ARTICLE VI COMMITTEES

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

ARTICLE VII OFFICERS OF THE BOARD

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

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

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

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

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

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

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

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

of the duties incident to the office of Treasurer and such other duties as from time to time may be assigned by the President or by the Academy Board.

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

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

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

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

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

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

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

Section 4. Deposits. All funds of the Academy shall be deposited from time to time to the credit of the corporation in such banks, trust companies or other depositories as the Academy Board may select, provided that such financial institution is eligible to be a depository of surplus funds under Section 1221 of the Revised School Code, being Section 380.1221 of the Michigan Compiled Laws.

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

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

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

The Academy shall comply with the Incompatible Public Offices statute, Act No. 566 of the Public Acts of 1978, of the Michigan Compiled Laws, and the Contracts of Public Servants With Public Entities statute, Act No. 371 of the Public Acts of 1968, of the Michigan Compiled Laws. The Academy Board shall

ensure compliance with Applicable Law relating to conflicts of interest. Language in this Section controls over section 1203 of the Code. The following shall be deemed prohibited conflicts of interest:

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

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

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

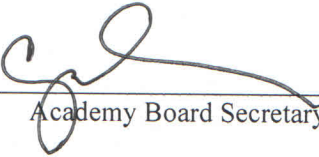
Upon termination or revocation of the Contract, the corporation may amend its Amended Bylaws as necessary to allow the Academy Board to: (a) take action to appoint Academy Board members in order to have a quorum necessary to take Academy Board action; or (b) effectuate a dissolution, provided that the 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 21st day of May, 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 Detroit Innovation Academy ("Academy"), a public school academy.

Preliminary Recitals

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

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

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

ARTICLE I **DEFINITIONS AND INTERPRETATIONS**

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

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

"Agreement" means this Fiscal Agent Agreement.

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

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

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

"State" means the State of Michigan.

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

ARTICLE II

FISCAL AGENT DUTIES

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

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

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

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

ARTICLE III

STATE DUTIES

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

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

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

ARTICLE IV **ACADEMY DUTIES**

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

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

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

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

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

ARTICLE V **RECORDS AND REPORTS**

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

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

ARTICLE VI

CONCERNING THE FISCAL AGENT

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


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

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

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

ACKNOWLEDGMENT OF RECEIPT

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

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 Detroit Innovation Academy ("Academy"), a public school academy.

Preliminary Recitals

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

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

ARTICLE I **DEFINITIONS AND INTERPRETATIONS**

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

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

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

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

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

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

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

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

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

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

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

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

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

ARTICLE III

RECORDS AND REPORTS

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

ARTICLE IV

MISCELLANEOUS

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

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

Section 4.3. Audit and Evaluation. The Academy:

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

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

CONTRACT SCHEDULE 5

DESCRIPTION OF STAFF RESPONSIBILITIES

DESCRIPTION OF STAFF RESPONSIBILITIES

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

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

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

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

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

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

Reporting Structure

All positions are employed by Amparo DIA, LLC, 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 SERVICES AGREEMENT

BETWEEN

AMPARO DIA, LLC.

AND

DETROIT INNOVATION ACADEMY

JULY 1, 2024 – JUNE 30, 2029

TABLE OF CONTENTS

	<u>Page</u>
ARTICLE I. CONTRACTUAL RELATIONSHIP	1
1.1 Authority.....	1
1.2 Agreement.....	2
1.3 Status of the Parties.....	2
1.4 Designation of School Officials.....	2
1.5 Background Checks.....	2
1.6 Independent Contractors.....	3
1.7 Site Closure or Reconstitution.....	3
ARTICLE II. TERM OF AGREEMENT.....	4
2.1 Term.....	4
ARTICLE III. FUNCTIONS OF AMPARO DIA.....	4
3.1 Responsibility.....	4
3.2 Educational Goals and Program.....	5
3.3 Place of Performance.....	5
3.4 Acquisitions.....	5
3.5 Pupil Performance Standards and Evaluation.....	5
3.6 Student Recruitment.....	5
3.7 Student Due Process Hearings.....	6
3.8 Legal Requirements.....	6
3.9 Rules and Procedures.....	6
3.10 School Year and School Day.....	6
3.11 Authority.....	6
3.12 Charter with CMU.....	6
3.13 Additional Programs.....	6
3.14 Annual Budget Preparation.....	6
3.15 Availability of Funds.....	7
ARTICLE IV. OBLIGATIONS OF THE ACADEMY BOARD.....	7
4.1 Board Policy Authority.....	7
4.2 Building Facility.....	7
4.3 Academy Employees.....	7
4.4 Educational Consultants.....	7
4.5 Legal Counsel.....	7
4.6 Audit.....	7
4.7 Data Security.....	7

4.8	Budget.....	8
4.9	Academy Funds.	8
4.10	Governmental Immunity.	8
4.11	Charter with CMU	8
4.12	Evaluation of Amparo DIA.....	8
4.13	Academy Records.	9
4.14	Assistance to Amparo DIA.....	9
4.15	Unusual Events.	9
ARTICLE V.	FINANCIAL ARRANGEMENT	9
5.1	School Source of Funding.	9
5.2	Other Revenue Sources.....	9
5.3	Compensation for Services.	10
5.4	Reasonable Compensation.....	10
5.5	Payment of Educational Program Costs.	10
5.6	Amparo DIA Costs.	11
5.7	Other Public School Academies.	11
5.8	Financial Reporting.....	11
5.9	Operational Reporting.	11
5.10	Audit Report Information.	11
5.11	Other Financial Relationships.....	11
5.12	Access to Records.	12
ARTICLE VI.	PERSONNEL AND TRAINING.....	12
6.1	Personnel Responsibility.....	12
6.2	School Principal.	13
6.3	Teachers.....	13
6.4	Support Staff.....	13
6.5	Training.	13
6.6	Non-Compete Agreements.....	13
ARTICLE VII.	TERMINATION OF AGREEMENT.....	14
7.1	Termination by the Academy for Cause.....	14
7.2	Termination by Amparo DIA for Cause.....	14
7.3	Revocation or Termination of Charter.....	14
7.4	Termination Due to Insolvency.	14
7.5	Termination by Either Party Without Cause.....	14
7.6	Change in Law.	15
7.7	Effective Date of Termination.	15
7.8	Rights to Property Upon Termination.....	15
7.9	Pro-Rata Payment.	15

7.10	Termination Mid-Year	15
7.11	Procedures Upon Termination	15
7.12	Surviving Provisions	16
ARTICLE VIII. PROPRIETARY INFORMATION		16
8.1	Proprietary Information	16
8.2	Marks	16
8.3	Required Disclosure	16
ARTICLE IX. INDEMNIFICATION		17
9.1	Indemnification of Amparo DIA	17
9.2	Limitations of Liabilities	17
9.3	Indemnification of the Academy	17
9.4	Indemnification for Negligence	17
9.5	Indemnification of CMU	17
ARTICLE X. INSURANCE		18
10.1	Insurance of the Academy	18
10.2	Insurance of Amparo DIA	18
10.3	Workers' Compensation Insurance	18
10.4	No Special Damages	18
ARTICLE XI. COMPLIANCE WITH CHARTER CONTRACT		18
11.1	Academy Board Due Diligence	18
11.2	Academy Board Members	19
11.3	ESP Agreement	19
11.4	Information Reporting	19
11.5	Compliance with Academy's Charter Contract	19
11.6	Compliance with Section 503c	19
ARTICLE XII. CONFIDENTIALITY AND DATA SECURITY		20
12.1	Commitment to Preserve	20
12.2	Covered Data and Information (CDI)	20
12.3	Acknowledgment of Access to CDI	20
12.4	Prohibition on Unauthorized Use or Disclosure of CDI	20
12.5	Return or Destruction of CDI	20
12.6	Maintenance of the Security of Electronic Information	21
12.7	Reporting of Unauthorized Disclosures or Misuse of Covered Data and Information	21
12.8	Remedies	21
12.9	Amendment for Compliance	21
12.10	Prohibition on Sale of CDI	21
ARTICLE XIII. MISCELLANEOUS		22
13.1	Sole Agreement	22

13.2	Force Majeure	22
13.3	Notices	22
13.4	Severability	22
13.5	Successors and Assigns	22
13.6	Entire Agreement	23
13.7	Non-Waiver	23
13.8	Assignment	23
13.9	Governing Law	23
13.10	Delegation of Authority	23
13.11	Compliance with Law	23
13.12	Warranties and Representations	23
13.13	Dispute Resolution Procedure	23
13.14	Modification to Conform to Changed CMU Policies	24

MANAGEMENT SERVICES AGREEMENT

This **MANAGEMENT SERVICES AGREEMENT** (the “*Agreement*”) is made and entered into effective as of the 1st day of July 2024, by and between **AMPARO DIA, LLC.**, a Michigan limited liability company (“*Amparo DIA*”), and **DETROIT INNOVATION ACADEMY**, a Michigan nonprofit corporation operating as a Michigan public school academy (the “*Academy*”), located at 18211 Plymouth Road, Detroit, MI, 48228 (individually, a “*Party*” and collectively, the “*Parties*”).

R E C I T A L S:

WHEREAS the Academy is operated under Part 6A of the Michigan Revised School Code, as amended (“*Code*”), being Sections 380.501 to 380.507 of the Michigan Compiled Laws (“*MCL*”), and pursuant to a charter contract issued by the Central Michigan University (“*CMU*”) Board of Trustees (the “*University Board*”) (the “charter contract between the Academy and University Board, and all amendments thereto are collectively referred to herein as the “*Charter Contract*”);

WHEREAS the Academy is organized and administered under the direction of a board of directors (the “*Academy Board*”) and has the power, authority, and duties established in the Code and the Charter Contract, specifically including the authority (1) to enter into binding legal agreements with persons or entities as necessary for the operation, management, financing, and maintenance of the Academy; and (2) with the approval of the University Board, to contract with personnel as necessary for the operation of the Academy; and

WHEREAS Amparo DIA has the ability to implement an educational program and management methodologies for the Academy; and

WHEREAS, in order to maintain an innovative educational program at the Academy, the Parties desire to establish this arrangement for the operation, management, and maintenance of the Academy; and

WHEREAS the Academy desires to engage Amparo DIA to perform specific services related to the Academy’s educational programs.

NOW, THEREFORE, for good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, and intending to be legally bound, the Parties hereby agree as follows:

ARTICLE I. CONTRACTUAL RELATIONSHIP

1.1 **Authority.** The Academy has been granted the Charter Contract by CMU to organize and operate a public-school academy, together with the powers necessary or desirable for carrying out the educational program set forth in the Charter Contract. The Academy is authorized by law to contract with a private entity to provide educational management services, provided that no provision of such a contract shall be effective if it would prohibit the Academy Board from acting as an independent, self-governing public body, allow public decisions to be made other than in compliance with the Open Meetings Act, or interfere with the Academy Board’s constitutional duty to exercise its statutory, contractual and fiduciary obligations governing the operation of the Academy.

1.2 **Agreement.** Acting under and in the exercise of such authority, the Academy hereby contracts with Amparo DIA for specified functions relating to the provision of educational services and the management and operation of the Academy.

1.3 **Status of the Parties.** Amparo DIA is a Michigan limited liability company 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 Amparo DIA. Except as expressly provided in this Agreement, no agent or employee of Amparo DIA shall be deemed to be the agent or employee of the Academy. Each Party shall be solely responsible for its acts and omissions, and for the acts and omissions of its agents, employees, and non-Party contractors. The relationship between Amparo DIA and the Academy is based solely on the terms of this Agreement, and the terms of any other written agreements between Amparo DIA and the Academy.

1.4 **Designation of School Officials.** 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 Academy Board designates Amparo DIA 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. Amparo DIA and its employees and subcontractors agree to comply with FERPA in all material respects and corresponding regulations applicable to school officials. Except as set forth in this Section 1.4 or as expressly acknowledged in writing by the Academy Board, no employee of Amparo DIA shall be deemed to be an agent of the Academy.

1.5 **Background Checks.**

(a) Pursuant to the requirements of Sections 1230, 1230(a) and 1230(b) of the Code, the Academy shall, with regard to all persons assigned by Amparo DIA under this Agreement to regularly and continuously work in any of the Academy’s facilities or at program sites where the Academy delivers educational programs and services: (a) request a criminal history check through the Michigan State Police, as well as a criminal records check through the Federal Bureau of Investigation; and/or (b) comply with alternative criminal background check procedures for individuals on whom a criminal background check has been completed and the statutory conditions for use of alternative criminal background check procedures are met. MCL 380.1230, 380.1230(a) and 380.1230(b).

(b) The Academy hereby engages Amparo DIA to request the required criminal history check and criminal records check (or alternative) on behalf of the Academy with regard to all persons assigned by Amparo DIA under this Agreement to regularly and continuously work in any of the Academy’s facilities or at a program site where the Academy delivers educational programs and services, and to provide the report/result of any requested criminal history check and criminal records check (or alternative) to the Academy Board. Amparo DIA shall obtain, from each of its employees, agents, or contractors assigned to regularly and continuously work in the Academy’s facilities or at a program site where educational programs and services are delivered under this Agreement, written consent, as necessary, for the Academy to provide to Amparo DIA a copy of

the report or result of the criminal history check and criminal records check pertaining to the consenting employee, agent, or contractor, pursuant to the authorization set forth in Sections 1230(10), 1230(a)(8) and 1230(b)(5) of the Code. Amparo DIA also shall require any subcontractor it engages to provide services under this Agreement to designate Amparo DIA as its representative under Sections 1230, 1230(a) and 1230(b) of the Code for purposes of receiving from the Academy a copy of the reports or results of criminal background checks regarding the subcontractor's employees that are assigned under contract to regularly and continuously work in the Academy's facility or at sites where the Academy delivers educational programs or services.

(c) The Parties agree that the Academy shall be responsible for the costs associated with the criminal history checks and criminal records checks (or alternatives) required pursuant to the terms of this Agreement and which are accomplished in order to comply with Sections 1230, 1230(a) and 1230(b) of the Code with respect to Amparo DIA's employees, agents, and contractors.

1.6 Independent Contractors. In the performance of services under this Agreement, Amparo DIA (its employees, agents, and contractors) shall be regarded at all times as performing services as independent contractors of the Academy. Consistent with that status, Amparo DIA reserves to itself the right to designate the means and methods of accomplishing the objectives and purposes of this Agreement and the Academy shall not exercise (or have the right to exercise) control or direction over the means and methods utilized by Amparo DIA in providing services under this Agreement. Notwithstanding the foregoing, during the term of this Agreement, the Academy may disclose Covered Data and Information (as defined in Article XII of this Agreement) to Amparo DIA (its employees, agents or contractors) to the extent permitted by applicable law, including without limitation, the Family Educational Rights and Privacy Act (FERPA), 20 USC §1232(g), 34 CFR Part 99; the Individuals with Disabilities Education Act (IDEA), 20 USC §1401 *et seq.*, 34 CFR 300.610 - 300.626; Section SO4 of the Rehabilitation Act of 1973, 29 USC §794(a), 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 - 1329d-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.

1.7 Site Closure or Reconstitution. 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, 528 or 561 of the Code, MCL 380.507, 380.528, or 380.561; or (ii) to undergo a reconstitution pursuant to Section 507, 528 or 561 of the Code, MCL 380.507, 380.528, or 380.561, and the Charter 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 Amparo DIA shall have no recourse against the Academy or the University Board for implementing such site closure or reconstitution.

ARTICLE II. TERM OF AGREEMENT

2.1 **Term.** This Agreement shall commence on July 1, 2024, and, unless otherwise terminated or extended as elsewhere provided in this Agreement, shall remain in full force and effect until June 30, 2029.

ARTICLE III. FUNCTIONS OF AMPARO DIA

- 3.1 **Responsibility.** Under the direction of the Academy Board, Amparo DIA shall be responsible for all of the management, operation, administration, and education at the Academy. Such functions include:
- (a) Implementation and administration of the educational program set forth in the Contract;
 - (b) Budget preparation, as defined in this Agreement;
 - (c) At the request of the Academy Board, acquisition of instructional and non-instructional material, equipment and supplies and the maintenance of an inventory system of all equipment;
 - (d) Selection, employment and supervision of all teachers and staff and the personnel management services (recordkeeping, wage and benefits administration, training and technical assistance) necessary to support those employees;
 - (e) Supervision of the school support services programs including food service and facilities maintenance;
 - (f) Preparation of required CMU, local, state and federal reports with prior review by the Academy Board;
 - (g) Preparation of applications for grants and special programs as requested by the Academy Board;
 - (h) Using commercially reasonable efforts to secure funding sources for special programs and facility improvements as requested by the Academy Board;
 - (i) Operation of the school building and the supervision of the installation of technology integral to school design;
 - (j) Administration of extra-curricular and co-curricular activities and programs;
 - (k) Preparation of processes and procedures governing operations of the Academy as approved by the Academy Board;
 - (l) Provide special education services to students who attend the Academy in conformity with the requirements of applicable law, regulations and Academy Board policies;
 - (m) Participation in strategic planning with the Academy Board for the continuing educational and financial benefit of the Academy;

- (n) Implementation of a public relations strategy for the development of a beneficial and harmonious relationships with other organizations and the community;
- (o) Implementation and enforcement of student codes of conduct approved by the Academy Board; and
- (p) Any other function necessary or expedient for the administration of the Academy as determined in the reasonable discretion of Amparo DIA, with prior approval from the Academy Board.

3.2 Educational Goals and Program. Amparo DIA shall use commercially reasonable efforts to implement the educational goals and programs set forth in the Charter Contract, including but not limited to methods of pupil assessment, admission policy and criteria, school calendar and school day schedule, age and grade classifications or pupils to be enrolled, and methods to be used to monitor performance towards targeted educational outcomes (the “*Educational Program*”). In the event that Amparo DIA determines that it is advisable to modify the educational goals and program set forth in the Charter Contract, Amparo DIA will provide written notification to the Academy Board specifying the changes it recommends and the reasons for the proposed changes. No changes may be made to the Educational Program until the Charter Contract is amended by the Academy and CMU.

3.3 Place of Performance. Instruction services other than field trips will normally be performed at the Academy facilities. Amparo DIA may perform functions other than instruction, such as purchasing, professional development, and administrative functions at Academy facilities, unless prohibited by the Charter Contract or applicable law. The Academy shall provide Amparo DIA with the necessary office space at the Academy site to perform all services described in this Agreement.

3.4 Acquisitions. All acquisitions made by Amparo DIA for the Academy including, but not limited to, instructional materials, equipment, supplies, furniture, computers, and other technology, shall be owned by and remain the property of the Academy. Amparo DIA and its subcontractors will comply with the Revised School 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 these purchases directly from a third-party supplier or vendor, and Amparo DIA will not include any fees or charges to the cost of the equipment, materials and supplies purchased from third parties when it seeks reimbursement for the cost of these acquisitions.

3.5 Pupil Performance Standards and Evaluation. Amparo DIA is responsible for and accountable to the Academy Board for the performance of students who attend the Academy. Amparo DIA shall implement pupil performance evaluations which permit evaluation of the educational progress of each Academy student, using measures of student and school performance required by the Charter Contract and such additional measures as shall be mutually agreed between the Academy Board and Amparo DIA and consistent with the Charter Contract.

3.6 Student Recruitment. Amparo DIA shall be responsible for the recruitment of students subject to the provisions of the Charter Contract and the policies adopted by the Academy Board. Students shall be selected in accordance with the procedures set forth in the Contract and in compliance with the Code and other applicable law. Amparo DIA shall follow all applicable Academy Board procedures regarding student recruitment, enrollment, and lottery management,

and shall be responsible for publication of appropriate public notices and scheduling of open houses.

3.7 Student Due Process Hearings. Amparo DIA shall provide students with procedural and substantive due process in conformity with the requirements of state and federal law regarding discipline, special education, confidentiality, and access to records, to an extent consistent with the Academy's own obligations. The Academy Board shall retain the right to provide due process as required by law and to determine whether any student will be expelled.

3.8 Legal Requirements. Amparo DIA shall provide educational programs that meet the requirements imposed under the Code and the Charter Contract unless such requirements are or have been waived.

3.9 Rules and Procedures. The Academy Board shall adopt rules, regulations, and procedures applicable to the Academy and Amparo DIA is directed to enforce the rules, regulations and procedures adopted by the Academy Board in all material respects which comply with applicable law. If requested by the Academy Board, Amparo DIA shall assist the Academy Board in its policy making function by recommending the adoption of reasonable rules, regulations, and procedures applicable to the Academy which comply with applicable law.

3.10 School Year and School Day. The school year and the school day shall be as provided in the Charter Contract and as defined annually by the Academy Board.

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

3.12 Charter Contract with CMU. Amparo DIA will not knowingly act in a manner that will cause the Academy to be in breach of its Charter Contract with CMU.

3.13 Additional Programs. The services provided by Amparo DIA to the Academy under this Agreement consist of the Educational Program as set forth in the Charter Contract, as the same may change by mutual agreement from time to time. The Academy Board may decide to provide additional programs, including but not limited to summer school. The Academy Board agrees to give Amparo DIA at least 30 days' notice of any changes to the Educational Program as set forth in the Charter Contract. The Academy may also purchase additional services from Amparo DIA at mutually agreeable cost pursuant to a separate agreement between the parties.

3.14 Annual Budget Preparation. Amparo DIA will provide the Academy Board with a proposed annual budget that shall conform to the State accounting manual and the Uniform Budgeting and Accounting Act, MCL 141.421 *et seq.* and in a form satisfactory to the Academy Board and to CMU. The budget shall contain object level detail and comply with customary industry public accounting standards. The budget shall include anticipated revenues and projected expenses and costs reasonably associated with operating the Academy and the Educational Program including, but not limited to, the projected cost of all services and educational programs provided to the Academy, rent and lease payments, debt service, maintenance and repairs to Academy facilities, supplies and furnishings necessary to operate the Academy, taxes, insurance premiums, utilities, professional fees, and other costs and expenses connected to the operation of the Academy. The proposed budget shall be submitted to the Academy Board for approval not later

than 30 days prior to the date when the approved budget is required to be submitted to CMU. Amparo DIA may not make deviations from the approved budget without the prior approval of the Academy Board.

3.15 **Availability of Funds.** Amparo DIA shall only be required to perform its responsibilities under this Agreement to the extent that there are sufficient funds received by or on behalf of the Academy to make payments in accordance with the terms of the annual budget approved by the Academy Board.

ARTICLE IV. OBLIGATIONS OF THE ACADEMY BOARD

4.1 **Board Policy Authority.** The Academy Board is responsible for determining the fiscal and academic policies that will govern the operation of the Academy, including but not limited to policies relative to the conduct of students while in attendance at the Academy or enroute to and from the Academy and regulations governing the procurement of supplies, materials and equipment. The Academy Board shall exercise good faith in considering the recommendations of Amparo DIA on issues including, but not limited to, policies, rules, regulations, procedures, curriculum, and budgets subject to the constraints of law and the requirements of the Charter Contract.

4.2 **Building Facility.** The Academy Board is responsible for the acquisition by either purchase or lease of a building facility that complies with all of the requirements of the Charter Contract and applicable law.

4.3 **Academy Employees.** The Academy Board may employ such employees as it deems necessary. The cost to employ Academy employees shall be paid by the Academy Board.

4.4 **Educational Consultants.** The Academy Board may retain an educational consultant or consultants to review the operations of the Academy and the performance of Amparo DIA under this Agreement. Amparo DIA shall cooperate with the educational consultant or consultants and will provide those individuals with prompt access to records, facilities, and information as if such requests came from the full Academy Board. Amparo DIA shall have no authority to select, evaluate, assign, supervise, or control any educational consultant employed by the Academy Board, and agrees that it will not bring or threaten to bring any legal action against any educational consultant for the performance of the functions requested to be performed by the Academy Board and which are consistent with this Agreement. The cost to employ an educational consultant shall be paid by the Academy Board.

4.5 **Legal Counsel.** The Academy Board shall select and retain at its expense legal counsel to advise it regarding its rights and responsibilities under the Charter Contract, this Agreement and applicable law. Such legal counsel shall advise on the negotiation of this Agreement and shall not represent Amparo DIA or an Amparo DIA owner, director, officer, or employee.

4.6 **Audit.** The Academy Board shall select and retain at its expense the independent auditor to perform the Academy's annual financial audit in accordance with the Charter Contract and applicable state law.

4.7 **Data Security.** The Academy Board shall be responsible at its expense for all costs associated with any use or disclosure of Covered Data and Information (as defined in Section 12.2)

which is the direct result of the Academy Board's willful misconduct or negligence and is not authorized by this Agreement including, without limitation, the legal, accounting, consulting and other costs associated with a data breach of personally identifiable information from Academy education records or other confidential information not suitable or appropriate for public release. Amparo DIA shall be responsible at its expense for all costs associated with any use or disclosure of Covered Data and Information not authorized by this Agreement or in writing by the Academy which is the direct result of Amparo DIA's willful misconduct or gross negligence.

4.8 Budget. The Academy Board is responsible for adopting a budget in accordance with the provisions of the Uniform Budgeting and Accounting Act, MCL 141.421 *et seq.* that has adequate resources to fulfill its obligations under the Charter Contract, including but not limited to its oversight of Amparo DIA, the organization of the Academy, negotiation of the Charter Contract and any amendments, payment of employee costs, insurance required under the Charter Contract and this Agreement, the annual financial audit and retention of the Academy Board's legal counsel and consultants. 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 after notice to and consultation with Amparo DIA. Pursuant to the Uniform Budgeting and Accounting Act, MCL 141.422b, the Academy Board is responsible for designating the Chief Administrative Officer ("CAO") of the Academy. Amparo DIA or any owner, officer, director, or employee of Amparo DIA shall not be designated as the CAO of the Academy but may assist the CAO in carrying out their duties.

4.9 Academy Funds. The Academy Board shall determine the depository institution of all funds received by the Academy. All funds received by the Academy shall be deposited in the Academy's depository account. Signatories on the Academy Board's accounts shall be Academy Board members and/or properly designated Academy Board employees. 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 allow Amparo DIA to fulfill its obligations under this Agreement.

4.10 Governmental Immunity. The Academy Board shall determine when to assert, waive or not waive its governmental immunity.

4.11 Charter Contract with CMU. The Academy Board will not act in a manner which will cause the Academy to be in breach of its Charter Contract with CMU.

4.12 Evaluation of Amparo DIA. The Academy Board will evaluate the performance of Amparo DIA to provide Amparo DIA with an understanding of the Academy Board's view of its performance under this Agreement. The Academy Board shall supply Amparo DIA with a copy of the evaluation format and content areas to be evaluated at least 90 days prior to any evaluation. All completed evaluations conducted by the Academy Board or a representative of the Academy Board will be provided to Amparo DIA in writing, no later than thirty (30) days following the conclusion of the evaluation. Amparo DIA will be provided thirty (30) days to response to the evaluation in writing if it wishes to do so.

4.13 **Academy Records.** The financial, educational and student records pertaining to the Academy (“*Academy Records*”) are Academy property and are subject to inspection and copying to the same extent that records of a public school are subject to inspection and copying pursuant to the Michigan Freedom of Information Act, MCL 15.231, *et seq.* All Academy Records shall be physically or electronically available, upon request, at the Academy’s physical facilities. Except as prohibited under the Charter Contract and applicable law, this Agreement shall not restrict CMU’s or the public’s access to the Academy’s records. Amparo DIA shall make information concerning the operation and management of the Academy available to the Academy as deemed necessary by the Academy in order to enable the Academy to satisfy its obligations under the Charter Contract.

4.14 **Assistance to Amparo DIA.** The Academy Board shall cooperate with Amparo DIA in furnishing all information and submitting all forms and reports required under this Agreement, including timely notice of all Academy Board meetings. To the extent permitted by law, the Academy Board shall timely furnish Amparo DIA all documents and information necessary for Amparo DIA to properly perform its responsibilities under this Agreement.

4.15 **Unusual Events.** Amparo DIA agrees to timely notify the Academy Board of any anticipated or known: (i) material health or safety issues; (ii) labor, employee, or funding problems, or (iii) problems of any type that could reasonably be expected to adversely affect the Academy in complying with the Academy’s responsibilities under the Charter Contract, this Agreement or applicable law.

ARTICLE V. FINANCIAL ARRANGEMENT

5.1 **School Source of Funding.** As a Michigan public school academy, the source of funding for the Academy is state aid payments based upon the number of students enrolled in the Academy combined with such other payments as may be available from state and federal sources for specific programs and services.

5.2 **Other Revenue Sources.** In order to supplement and enhance the state school aid payments and improve the quality of education at the Academy, the Academy Board and Amparo DIA, with prior Academy Board approval, shall endeavor using commercially reasonable efforts to obtain revenue from other sources. In this regard:

- (a) The Academy and/or Amparo DIA shall use their best efforts to solicit and receive donations consistent with the mission of the Academy.
- (b) The Academy and/or Amparo DIA may apply for and receive grant money, in the name of the Academy. Amparo DIA shall provide advance notification to the Academy Board of any grant applications it intends to make.
- (c) To the extent permitted under the Code, and if approved by the Academy Board, Amparo DIA may charge fees to students for extra services such as summer programs, after school programs and athletics and charge non-Academy students who participate in such programs.

All funds received by Amparo DIA or the Academy in the aid of quality education at the Academy from such other revenue sources shall inure to and be deemed the property of the Academy, except as otherwise agreed by the Parties in writing.

5.3 Compensation for Services. The Academy shall pay to Amparo DIA an annual management fee as reasonable compensation for the services Amparo DIA will provide to the Academy for each school year during the term of this Agreement, as described in Article III of this Agreement. The amount of this annual fee shall be twelve percent (12.00%) of state funds the Academy receives directly or indirectly based upon the number of students enrolled in the Academy attributable to a school year of the Academy during which Amparo DIA provides services under this Agreement. The amount of this annual fee is subject to reduction in a mutually agreeable amount within the school year if extenuating circumstances make payment of the entire annual fee inappropriate. Amparo DIA's annual management fee shall be paid in twelve (12) equal installments on the last day of the month during each school year of the Academy during which Amparo DIA provides services under this Agreement. Amparo DIA will cooperate with the Academy to modify the exact date of any monthly installment payment to coordinate with the timing of the funds received by the Academy; provided, however that all payments attributable to services provided by Amparo DIA in any school year of the Academy shall be made by August 30 of such year. Should the system of funding the Academy change significantly, the Parties reserve the right to renegotiate this Agreement.

5.4 Reasonable Compensation. Amparo DIA's compensation under this Agreement is reasonable compensation for services rendered. Amparo DIA's compensation for services under this Agreement will not be based, in whole or in part, on a share of net profits from the operation of the Academy.

5.5 Payment of Educational Program Costs. In addition to the Academy's obligation to reimburse Amparo DIA for the compensation of certain Amparo DIA employees under Article VI, all costs reasonably incurred in providing the Educational Program at the Academy shall be paid by the Academy. Such costs shall include, but shall not be limited to, curriculum materials, professional learning and development required by the state or other governmental entities, textbooks, library books, computers and other equipment, software, supplies utilized at the Academy for educational purposes, services provided pursuant to subcontract that are not included in the management fee, building payments, maintenance, utilities, capital improvements, family engagement and marketing and development costs. Marketing and development and family engagement 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 Amparo DIA or other public-school academies. Unless the Academy Board provides prior notice in writing that Amparo DIA shall make advance payment of specific approved fees and expenses, the Academy Board shall pay Amparo DIA monthly for approved fees and expenses upon reasonably presented documentation and approval by the Academy Board. At its option, the Academy Board may advance funds to Amparo DIA for the fees and expenses associated with the Academy's operation provided that documentation for the fees and expenses are provided for Academy Board ratification at its next regularly scheduled meeting. In paying any costs on behalf of the Academy, Amparo DIA shall not charge an added fee. Any costs reimbursed to Amparo DIA 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 Amparo DIA. No corporate costs of Amparo DIA shall be charged to, or reimbursed by, the Academy.

5.6 Amparo DIA Costs. The annual management fee set forth in Section 5.3 is intended to compensate Amparo DIA for all expenses it incurs for the administrative, financial, and management services Amparo DIA is required to provide under this Agreement, including but not limited to expenses associated with budgeting, accounting, board support, employee recruitment, hiring and training of employees, and compliance with this Agreement. Amparo DIA will provide sufficient professional and non-professional staff in these areas and is responsible for their compensation. For the avoidance of doubt, the costs to be paid by Amparo DIA under this Section 5.6 do not include payments for Amparo DIA personnel provided pursuant to: (i) Sections 6.2, 6.3, 6.4 and 6.5 that are to be reimbursed by the Academy under Section 6.1; and (ii) educational program costs under Section 5.5. Any services to be provided by Amparo DIA 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.

5.7 Other Public-School Academies. The Academy acknowledges that Amparo DIA has or may enter into management agreements with other public-school academies. Amparo DIA shall separately account for reimbursable expenses incurred on behalf of the Academy and other public-school academies, and only charge the Academy for expenses incurred on behalf of the Academy.

5.8 Financial Reporting. On not less than a monthly basis, Amparo DIA shall present the Academy Board with a monthly cash flow analysis, an aged report of accounts payable, a bank reconciliation and a written report detailing the status of the budget to actual revenues and a detailed schedule of expenditures at an object level for review and approval by the Academy Board. The Academy Board must be presented a balance sheet and a statement of revenues, expenditures, and changes in fund balance at each regularly scheduled meeting. This report shall explain any material variances from the approved budget and shall contain recommendations for necessary budget corrections and shall be prepared at least seven days in advance of the Academy Board meeting to be available to Academy Board members, and its designees, in preparation for Academy Board meetings. These reports shall be provided to the Academy Board finance committee and the Academy Board at least one week prior to the regularly scheduled Academy Board meeting.

5.9 Operational Reporting. In order to enable the Academy Board to monitor Amparo DIA's educational performance and the efficiency of its operation of the Academy, upon the written request of the Academy Board, Amparo DIA will provide written reports to the Academy Board on any reasonably related topic of Academy activity or operations, and which are consistent with this Agreement. These special reports will be provided in a timely fashion, but not less than thirty (30) days after the request for the report is received by Amparo DIA unless the Academy Board and Amparo DIA mutually agree upon an extended timetable.

5.10 Audit Report Information. Amparo DIA will make all its financial and other records related to the Academy available to the Academy, the Academy's independent auditor selected by the Academy Board and CMU upon request.

5.11 Other Financial Relationships. Any lease, promissory notes or other negotiable instruments, lease-purchase agreements or other financing agreements between the Academy and Amparo DIA shall be contained in a document separate from this Agreement and separately reviewed by CMU. All such agreements shall comply with the Charter Contract, as well as any applicable law and CMU policies. Amparo DIA does not enter into this Agreement with an interest in executing promissory notes or other financing agreements on behalf of or related to the Academy

and is not expected by the Academy to serve as guarantor for promissory notes or other financing agreements through other lenders.

5.12 Access to Records. Amparo DIA shall keep accurate financial records pertaining to its operation of the Academy, together with all Academy financial records prepared by or in the possession of Amparo DIA, and retain all financial, educational and student records in accordance with applicable state and federal law and requirements. Financial, educational, operational and student records that are now or may in the future come into the possession of Amparo DIA remain Academy records and are required to be returned by Amparo DIA to the Academy upon demand, provided that Amparo DIA may retain copies of records necessary to document the services provided to the Academy and its actions under the Agreement. Amparo DIA and the Academy shall maintain the proper confidentiality of personnel, student and other records as required by law. All Academy financial and other records shall be physically or electronically available, upon reasonable advance request, at the Academy's physical facilities. The financial, educational, operational and student records pertaining to the Academy are public documents subject to disclosure in accordance with the provisions of applicable law. This Agreement shall not be construed to restrict CMU's, the Academy's independent auditor's or the public's access to these records under the Michigan Freedom of Information Act or the Charter Contract.

ARTICLE VI. PERSONNEL AND TRAINING

6.1 Personnel Responsibility. Amparo DIA is responsible for providing the Academy with a School Principal and qualified teaching, instructional support, pupil support, food service, secretarial, security and other staff to operate the Academy within the staffing levels approved by the Academy Board in its annual budget. Amparo DIA shall have the authority to select, evaluate, assign, discipline, transfer and terminate the employment of all individuals working at or for the Academy with the exception of the Academy Board employees, if any, consistent with applicable law and the provisions of this Agreement. With the exception of Academy Board employees, if any, Amparo DIA shall be the employer of all individuals working at or for the Academy and accepts full liability and is responsible for the payment of all costs attributable to these employees, including wages, salaries, fringe benefits, payroll taxes, unemployment costs, workers compensation costs, social security costs and liability insurance costs irrespective of whether Amparo DIA receives an advancement of its costs or the payment of services from the Academy. Unless directed by the Academy Board due to requirements by applicable statute, court or administrative decision, or Attorney General's opinion, Amparo DIA shall not make payments to the Michigan Public School Employees' Retirement System or any other public retirement system on behalf of its employees. Amparo DIA will provide the Academy Board with a detailed listing of the anticipated compensation and fringe benefit costs for all employees of Amparo DIA who will be assigned to provide services at the Academy. The Academy Board will reimburse Amparo DIA for all costs attributable to these employees assigned to the Academy, including wages, salaries, fringe benefits, payroll taxes, unemployment costs, workers compensation costs, social security costs and liability insurance costs, provided that these costs are not higher than anticipated and approved in the annual budget. At its option, the Academy Board may advance funds to Amparo DIA for all costs attributable to those Amparo DIA employees assigned to the Academy, including wages, salaries, fringe benefits, payroll taxes, unemployment costs, workers compensation costs, social security costs and liability insurance costs, provided that documentation for such fees and expenses are provided by Amparo DIA for Academy Board review and are consistent with budget allocations. At the request of the Academy Board, Amparo DIA will provide payroll services for employees of the Academy Board at the Academy Board's expense.

6.2 School Principal. Amparo DIA will have the authority, consistent with applicable law, and with input from the Academy Board, to select and supervise the Principal and to hold that individual accountable for the success of the Academy. At the request of the Academy Board, Amparo DIA will review the performance of the Principal with the Academy Board. The Principal will be an Amparo DIA employee, but Amparo DIA agrees to provide the Academy Board an opportunity to meet with the Principal prior to placement at the Academy and to inform the Academy Board in advance prior to taking any action that would alter the employment status of the Principal. Upon receipt of written notification indicating that the Academy Board is not satisfied with the performance of the Principal, Amparo DIA will provide a replacement Principal if the performance problems are not resolved to the Academy Board's reasonable satisfaction. The employment agreement with the Principal, and the duties and compensation of the Principal shall be determined by Amparo DIA, but that individual must be assigned on a full-time basis to the Academy and may not be providing services to any other school or Academy without the prior approval of the Academy Board. Each administrator assigned to or retained to work at the Academy shall hold a valid administrator certificate or permit issued by the State Board of Education under the Code and shall meet all other requirements of state law and federal law.

6.3 Teachers. As part of the annual budgeting process, Amparo DIA shall make a recommendation to the Academy Board regarding the number of teachers, and the applicable grade levels and subjects, required for the operation of the Academy pursuant to the Charter Contract. Amparo DIA shall provide the Academy with such teachers, qualified in the grade levels and subjects required, as are required by the Academy. The Academy Board, however, shall ultimately decide the number of teachers, the applicable grade levels and subjects taught at the academy as prescribed in the Charter Contract. Such teachers may, at the discretion of Amparo DIA, work at the Academy on a full or part time basis. Each teacher assigned to or retained by the Academy shall be a highly qualified teacher, as defined by the Michigan State Board of Education, with a valid teaching certificate, or temporary special permit issued by the state board of education under the Code, to the extent required under the Code and Every Student Succeeds Act. Teachers employed by Amparo DIA shall not be considered teachers for purposes of continuing tenure under MCL Section 38.71 *et. seq.*

6.4 Support Staff. As part of the annual budgeting process, Amparo DIA shall make a recommendation to the Academy Board regarding the number of support staff required for the operation of the Academy pursuant to the Charter Contract. However, the Academy Board, shall ultimately decide the number of support staff at the Academy. Amparo DIA shall provide the Academy with such support staff, qualified in the areas required, as are required by the Academy. Such support staff may, in the discretion of Amparo DIA, work at the Academy on a full or part time basis. Each support staff employee assigned to or retained by the Academy shall have received the training and hold the certificates, degrees or licenses legally required for the position to which they are assigned under the Code and Every Student Succeeds Act.

6.5 Training. Subject to its discretion, Amparo DIA shall provide training to the School Principal, teachers and support staff on a regular and continuing basis and shall insure that they receive all training required by law. The School Principal, teachers, and support staff employees shall receive such other training as Amparo DIA determines as reasonable and necessary under the circumstances.

6.6 Non-Compete Agreements. Amparo DIA shall be prohibited from executing contracts with the School Principal, teachers and support staff assigned to the Academy that contain non-compete agreements of any nature. Amparo DIA agrees that any provision of an employment

agreement with any such employees that would be in violation of this provision is void and shall not be enforceable in any forum.

ARTICLE VII. TERMINATION OF AGREEMENT

7.1 Termination by the Academy for Cause. This Agreement may be terminated by the Academy for cause prior to the end of the term specified in Article II in the event that Amparo DIA should fail to remedy a material breach within a period reasonable under the circumstances, which shall not be longer than sixty (60) days after notice from the Academy. Material breach may include, but is not limited to, a failure to carry out its responsibilities under this Agreement such as a failure to make required reports to the Academy Board, failure to account for its expenditures or to pay operating costs (provided funds are available to do so), or a violation of the Charter Contract or of applicable law. In order to terminate this Agreement for cause, the Academy Board is required to provide Amparo DIA with written notification of the facts it considers to constitute material breach and the period of time within which Amparo DIA has to remedy this breach. After the period to remedy the material breach has expired, the Academy Board may terminate this Agreement by providing Amparo DIA with written notification of termination. Any action or inaction by Amparo DIA that is not cured within sixty (60) days of notice thereof which causes the Charter Contract to be revoked, terminated, suspended or which causes the Charter Contract to be put in jeopardy of revocation, termination or suspension by CMU is a material breach.

7.2 Termination by Amparo DIA for Cause. This Agreement may be terminated by Amparo DIA for cause prior to the end of the term specified in Article II in the event the Academy fails to remedy a material breach within a period reasonable under the circumstances, which shall not be longer than sixty (60) days after notice from Amparo DIA. Material breach may include, but is not limited to, a failure to carry out its responsibilities under this Agreement such as a failure to make payments to Amparo DIA as required by this Agreement, breach of any warranties or representations made herein or a failure to give consideration to the recommendations of Amparo DIA regarding the operation of the Academy, a violation of the Charter Contract or of applicable law. In order to terminate this Agreement for cause, Amparo DIA is required to provide the Academy Board with written notification of the facts it considers to constitute material breach and the period of time within which the Academy has to remedy this breach. After the period to remedy the material breach has expired, Amparo DIA may terminate this Agreement by providing the Academy Board with written notification of termination.

7.3 Revocation or Termination of Charter Contract. If the Academy's Charter Contract issued by CMU is revoked, terminated or a new charter contract is not issued to the Academy after expiration of the Academy's Charter Contract, this Agreement shall automatically terminate on the same date as the Academy's Charter Contract is revoked, terminated or expires without further action of the Parties.

7.4 Termination Due to Insolvency. Notwithstanding any provision in this Agreement to the contrary, this Agreement may be terminated by either Party immediately in the event the other Party is declared bankrupt or insolvent, or if a receiver is appointed or any proceedings are commenced, voluntarily or involuntarily, by or against such Party under any bankruptcy or similar law and such status is not cured within sixty (60) days from its occurrence.

7.5 Termination by Either Party Without Cause. If Amparo DIA and the Academy Board are unable to agree on educational programs, curriculum or other educational policies that affect the Academy in a significant way, either Party may elect to terminate the Agreement at the end of a

school year, provided that the terminating party gives the other party written notification of termination at least ninety (90) calendar days prior to the termination date and provides the other party with an opportunity within that period to negotiate an agreement on the educational policies at issue.

7.6 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 renegotiation of the Agreement. If the parties are unable or unwilling to renegotiate the terms within 90 days after the notice, the party requiring the renegotiation may terminate this Agreement on 120 days further written notice or the effective date of the federal, state or local law or regulation, whichever occurs earlier.

7.7 Effective Date of Termination. 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, or as otherwise provided in this Agreement, the termination will not become effective until the end of that school year.

7.8 Rights to Property Upon Termination. Upon termination of this Agreement all equipment, whether purchased by the Academy or by Amparo DIA with state school aid funds or other funds secured by the Academy, shall remain the exclusive property of the Academy. Amparo DIA shall have the right to reclaim any usable property or equipment (e.g., including, but not limited to, desks, computers, copying machines, fax machines, telephones) that were purchased by Amparo DIA with Amparo DIA funds. Fixtures and building alterations shall become the property of the Academy.

7.9 Pro-Rata Payment. In the event that this Agreement is terminated during its term as provided in this Agreement, the Academy will pay Amparo DIA for its services performed under this Agreement up to and including the effective date of termination. Any funds remitted by the Academy to Amparo DIA in excess of the pro-rata charges for services performed by Amparo DIA up to and including the effective date of termination will be returned to the Academy by Amparo DIA. Any such amounts owed by either Party to the other shall be paid within thirty (30) days of the effective date of termination of this Agreement.

7.10 Termination Mid-Year. The Parties agree to make all efforts necessary to remedy a breach of this Agreement in order to continue school operations until completion of the then-current school fiscal year. If a breach cannot be remedied, the Parties agree to work cooperatively to transition management and operations of the school without disrupting the Academy's operations. Amparo DIA shall perform such a transition in a similar manner as described under Section 7.11 based upon completion of the then-current school period.

7.11 Procedures Upon Termination. Upon termination or expiration of this Agreement, or this Agreement is terminated due to a Charter Contract revocation, reconstitution, termination or non-renewal, Amparo DIA shall, without additional charge: (i) close the financial records 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 or federal authority; (ii) organize and prepare student records for transition to the new educational service provider ("**ESP**"), self-management or in the case of a school closure, transfer to a student's new school as designated by the student's parent/legal guardian or to a person or entity authorized to hold such records; (iii)

provide for the orderly transition of employee compensation and benefits to the new 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 Amparo DIA to the Academy; (iv) organize and prepare the Academy's records, both electronic and hard-copy, for transition to the new ESP, self-management or dissolution; and (v) provide for the orderly transition to the new ESP, self-management or dissolution of all Academy-owned assets including, but not limited to, furniture, fixtures, equipment and real estate. The foregoing includes any keys, log-in information and passwords related to any Academy asset.

7.12 Surviving Provisions. Article XII (Confidentiality and Data Security), Article VIII (Proprietary Information), Section 10.1 (Insurance of the Academy), Section 10.2 (Insurance of Amparo DIA) and Section 13.13 (Dispute Resolution Procedure) of this Agreement shall survive the expiration or termination of this Agreement for any reason.

ARTICLE VIII. PROPRIETARY INFORMATION

8.1 Proprietary Information.

(a) The Academy shall own all copyright and other proprietary rights to all instructional materials, training materials, curriculum and lesson plans, and any other materials developed by Amparo DIA, its employees, agents or subcontractors, or by any individual working for or supervised by Amparo DIA, which were developed during working hours or during time for which the individual is being paid by Amparo DIA which (i) were directly developed and paid for by the Academy as part of this Agreement; or (ii) were developed by Amparo DIA at the direction of the Academy Board with Academy funds, as part of this Agreement.

(b) Amparo DIA shall own all copyright and other proprietary rights to all instructional materials, training materials, curriculum and lesson plans, and any other materials developed by Amparo DIA, its employees, agents, or subcontractors, or by any individual working for or supervised by Amparo DIA, which were developed and paid for by Amparo DIA without Academy funds and/or during hours outside of this Agreement. Nothing herein shall prevent Amparo DIA from creating derivative or similar works which are wholly owned by Amparo DIA. This provision does not permit duplication of Academy intellectual property by Amparo DIA.

8.2 Marks. To the extent permitted by law, Amparo DIA may label educational materials provided by Amparo DIA under this Agreement with Amparo DIA's name, colors, logos, and other marks associating the materials with Amparo DIA. Neither Party may use the trademarks, service marks, mascot, or other identifying symbols of the other Party, except as provided in this Agreement or with the prior written approval of the other Party.

8.3 Required Disclosure. The Academy shall be permitted to report any new teaching techniques or methods of significant revisions to known teaching techniques or methods to CMU and to the State Board of Education, which teaching techniques or methods may thereafter be made available to the public, as provided in Section 505(3) of the Code, notwithstanding anything contained in this Article VIII to the contrary. Amparo DIA understands and agrees that educational materials and teaching techniques used by the Academy are subject to disclosure under the Revised School Code and the Freedom of Information Act.

ARTICLE IX. INDEMNIFICATION

9.1 **Indemnification of Amparo DIA.** To the extent permitted by law, the Academy shall indemnify and hold Amparo DIA (which term for purposes of this Section 9.1, includes Amparo DIA's officers, directors, members, employees and agents) harmless against any and all claims, demands, suits, or other forms of liability that may arise out of, or by reason of, any noncompliance by the Academy 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 Board contained in or made pursuant to this Agreement. In addition, the Academy shall reimburse Amparo DIA for any and all legal expenses and costs associated with the defense of any such claim, demand, or suit. The indemnification requirements of this Section 9.1 may be met by the purchase of insurance in a form and amounts acceptable to Amparo DIA.

9.2 **Limitations of Liabilities.** The Academy may assert all immunities and statutory limitations of liability in connection with any claims arising under this Agreement.

9.3 **Indemnification of the Academy.** Amparo DIA shall indemnify and hold the Academy (which term for purposes of this Section 9.3, includes the Academy's officers, directors, agents and employees) harmless against any and all claims, demands, suits, or other forms of liability that may arise out of, or by reason of, any noncompliance by Amparo DIA with any agreements, covenants, warranties, or undertakings of Amparo DIA contained in or made pursuant to this Agreement, including any and all employment related claims, demands or suits by Amparo DIA employees, former employees or applicants; and any misrepresentation or breach of the representations and warranties of Amparo DIA contained in or made pursuant to this Agreement. In addition, Amparo DIA shall reimburse the Academy for any and all legal expenses and costs associated with the defense of any such claim, demand, or suit. The indemnification requirements of this Section 9.3 may be met by the purchase of insurance in a form and amounts acceptable to the Academy.

9.4 **Indemnification for Negligence.** To the extent permitted by law, the Academy shall indemnify and hold harmless Amparo DIA, and Amparo DIA's members, Board of Directors, officers, employees, agents, and representatives, from any and all claims and liabilities which Amparo DIA may incur, and which arise out of the negligence of the Academy's directors, officers, employees, agents, or representatives. Amparo DIA shall indemnify and hold harmless the Academy, and the Academy's Board of Directors, officers, employees, agents, or representatives, from any and all claims and liabilities which the Academy may incur, and which arise out of the negligence of Amparo DIA's members, directors, officers, employees, agents, or representatives.

9.5 **Indemnification of CMU.** The parties acknowledge and agree that Central Michigan University ("CMU"), its Board of Trustees, and its members, officers, employees, agents or representatives (collectively "University") are deemed to be third party beneficiaries for purposes of this Agreement. As third party beneficiaries, the parties hereby promise to indemnify and hold harmless the University from all claims, demands, or liability, including attorney fees, and related expenses, on account of injury, loss or damage, including, without limitation, claims arising from bodily injury, personal injury, sickness, disease, death, property loss or damage or any other losses of any kind whatsoever and not caused by the sole negligence of the University, which arise out of or are in any manner connected with the University's approval of the Academy's application, the University's consideration of or issuance of a Contract, the Academy Board's or the Educational Service Provider's preparation for and operation of the

Academy, or which are incurred as a result of the reliance by the University, upon information supplied by the Academy Board or the Educational Service Provider (Amparo DIA), or which arise out of the failure of the Academy Board or the Education Service Provider (Amparo DIA) to perform its obligations under the Contract or Applicable Law. The parties expressly acknowledge and agree that the University and its members, and their respective officers, employees, agents or representatives, or any of them, may commence legal action against either party to enforce its rights as set forth in this Agreement.

ARTICLE X. INSURANCE

10.1 Insurance of the Academy. The Academy shall secure and maintain such policies of insurance as required by the Charter Contract and the Michigan Universities Self Insurance Corporation (“*M.U.S.I.C.*”). This coverage shall include the building and related capital facilities if they are the property of the Academy. The Academy shall maintain such insurance in an amount and on such terms as required by the provisions of the Contract and M.U.S.I.C., including the indemnification of Amparo DIA required by this Agreement. The Academy shall, upon request, present evidence to Amparo DIA that it maintains the requisite insurance in compliance with the provisions of this Section 10.1. Amparo DIA shall comply with any information or reporting requirements applicable to the Academy under the Academy’s policy with its insurer(s), to the extent practicable. All insurance maintained under this Section 10.1 shall have Amparo DIA as a named additional insured.

10.2 Insurance of Amparo DIA. Amparo DIA shall secure and maintain such policies of insurance as the Academy shall maintain as required by the Charter Contract and M.U.S.I.C., with the Academy listed as an additional insured. Amparo DIA shall maintain such insurance in an amount and on such terms as are reasonably acceptable to the Academy and as required by the provisions of the Charter Contract and M.U.S.I.C., including the indemnification of the Academy required by this Agreement. Amparo DIA shall, upon request, present evidence to the Academy and CMU that it maintains the requisite insurance in compliance with the provisions of this Section 10.2. The Academy shall comply with any information or reporting requirements applicable to Amparo DIA under Amparo DIA’s policy with its insurer(s), to the extent practicable. In the event CMU or M.U.S.I.C. reasonably requests any change in coverage by Amparo DIA, Amparo DIA agrees to comply with any change in the type or amount of coverage, as requested, within thirty (30) days after notice of the insurance coverage change. Amparo DIA understands and acknowledges that the insurance Amparo DIA is required to obtain is separate from and in addition to the insurance the Academy Board is required to obtain under the Charter Contract.

10.3 Workers’ Compensation Insurance. Each Party shall maintain workers’ compensation insurance when and as required by law, covering their respective employees.

10.4 No Special Damages. Neither Amparo DIA nor the Academy will be liable for special, indirect, or consequential damages, or loss of profits, revenues, or goodwill arising out of this Agreement regardless of the basis of the claim.

ARTICLE XI. COMPLIANCE WITH CHARTER CONTRACT

11.1 Academy Board Due Diligence. The Academy Board hereby agrees to perform the necessary due diligence of Amparo DIA and provide all information to CMU pursuant to the CMU Educational Service Provider Policies, as amended (“*ESP Policies*”).

11.2 Academy Board Members. All Academy Board members, and their respective spouses and immediate family members hereby agree that they do not have any direct or indirect ownership, employment, contractual or management interest in Amparo DIA. The relationship between the Academy and Amparo DIA shall be consistent with the conflicts of interest and prohibited familial relationship provisions set forth in the Charter Contract.

11.3 ESP Agreement. This Agreement is an arms-length, negotiated agreement between an informed Academy Board and Amparo DIA. The Academy Board shall not approve this Agreement until all Academy Board members have been given the opportunity to review the Agreement with the Academy's legal counsel. Prior to the Academy Board's approval of this Agreement, the Academy Board shall obtain a legal opinion from its legal counsel, which includes the representation that legal counsel has reviewed this Agreement, the ESP Policies and the Academy's Charter Contract, and that in their opinion:

- (a) The Academy Board has the power and authority to enter into the Agreement; and
- (b) Execution of the proposed ESP agreement does not violate any term or provision of the Contract (including the ESP Policies) and applicable law; and
- (c) Entering into this Agreement does not authorize or require an improper delegation by the Academy Board.

The Academy Board shall only approve this Agreement with a formal vote at a public board meeting. Prior to Academy Board's vote on this Agreement, the Academy Board shall provide an opportunity for public comment on this Agreement.

11.4 Information Reporting. Amparo DIA is hereby required to make information concerning the operation and management of the Academy, including but not limited to, information in the Charter Contract, including all exhibits, schedules, and the like, available to the Academy as deemed reasonably necessary by the Academy Board in order to enable the Academy to fully satisfy its obligations under the Charter Contract.

11.5 Compliance with Academy's Charter Contract. Amparo DIA 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 Charter Contract issued by the University Board. The provisions of the Academy's Charter Contract shall supersede any competing or conflicting provisions contained in this Agreement.

11.6 Compliance with Section 503c. The parties agree that the Academy board will make information concerning its operation and management available to the public and to the authorizing body in the same manner as required by state law for school districts. On an annual basis, Amparo DIA shall provide the Academy Board all of the same information that a school district is required to disclose under section 18(2) of the State School Aid Act, MCL 380.1618(2), for the most recent school fiscal year in which the information is available. Within thirty (30) days of receiving the information under section 18(2), the Academy Board shall make this information publicly available on its website, in a form and manner prescribed by the Michigan Department of Education. The defined terms in section 503c of the Code, MCL 380.503c, shall have the same meaning in this Agreement.

- (a) **Dual Employment Prohibited.** The parties acknowledge and agree that any person working at the Academy is prohibited by law from being employed at the Academy in more than one full-time position and simultaneously being compensated for each position.
- (b) **Current List of Teachers and Administrators.** The parties acknowledge and agree that the Academy board will collect, maintain, and make available to the public and the authorizing body a current list of teachers and administrators working at the school, including their individual salaries, and copies of teaching or school administrator's certificates or permits.

ARTICLE XII. CONFIDENTIALITY AND DATA SECURITY

12.1 Commitment to Preserve. Amparo DIA agrees that it shall observe the policies and directives of the Academy to preserve the confidentiality of Covered Data and Information (defined in Section 12.2 below) to the extent that Amparo DIA (its employees or agents) are permitted to access Covered Data and Information in the course of performing Services under this Agreement.

12.2 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 Amparo DIA 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 SO4; and social security numbers. CDI also includes any new records created and maintained by Amparo DIA under this Agreement using CDI.

12.3 Acknowledgment of Access to CDI. Amparo DIA acknowledges that this Agreement allows Amparo DIA (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, Amparo DIA (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, Amparo DIA (its employees and agents) shall at all times make CDI available to the Academy within a reasonable time of receiving a request for same.

12.4 Prohibition on Unauthorized Use or Disclosure of CDI. Amparo DIA (its employees and agents) agrees to hold CDI in strict confidence. Amparo DIA (its employees, 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. Amparo DIA 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. Amparo DIA 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 Amparo DIA under this Agreement.

12.5 Return or Destruction of CDI. Upon termination or other conclusion of this Agreement, Amparo DIA (its employees and agents) shall return all CDI to the Academy.

12.6 Maintenance of the Security of Electronic Information. Amparo DIA (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 include subcontractors or Business Associates used by Amparo DIA.

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

12.8 Remedies.

- (a) **Notice and Opportunity to Cure.** If the Academy reasonably determines in good faith that Amparo DIA 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 Amparo DIA to submit to a plan of monitoring and reporting; provide Amparo DIA with a thirty (30) 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 written notice to Amparo DIA describing the violation and the action it intends to take.
- (b) **Statutory/Regulatory Penalties.** In addition, the Parties understand and agree that Amparo DIA 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 Amparo DIA 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.

12.9 Amendment for Compliance. If the Academy believes in good faith that any data security provision of this Agreement fails to comply with applicable laws or regulations, the Academy shall notify Amparo DIA in writing. Within sixty (60) business days of receipt of such notice by Amparo DIA, 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 sixty (60) 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 Amparo DIA.

12.10 Prohibition on Sale of CDI. Except as permitted under the Code, Amparo DIA 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 Amparo DIA receives information that is part of an Academy student's education records, Amparo DIA shall not sell or otherwise provide the information to any other person except as permitted under the Code. For purposes of this Section

12.10, the term “education records” and “personally identifiable information” shall have the same meaning as those terms in section 1136 of the Code, MCL 380.1136.

ARTICLE XIII. MISCELLANEOUS

13.1 **Sole Agreement.** This Agreement supersedes and replaces any and all prior agreements and understandings between the Academy and Amparo DIA on the subject matter hereof.

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

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

If to Amparo DIA:

Amparo DIA, LLC
18 S. Michigan Ave, Suite 900
Chicago, IL, 60603
Attn: Board Secretary

With a copy to (which shall not constitute notice):

Dykema Gossett, PLLC
10 South Wacker Drive, Suite 2300
Chicago, Illinois 60606
Attn: Richard L. Lieberman

If to Detroit Innovation Academy:

Detroit Innovation Academy
18211 Plymouth Road
Detroit, Michigan 48228
Attn: Board President

With a copy to (which shall not constitute notice):

Lewis & Munday, P.C.
535 Griswold Street
Suite 2300
Detroit, MI 48226

Attn: Reginald G. Dozier

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

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

13.6 Entire Agreement. This Agreement is the entire agreement between the Parties relating to the services provided, and the compensation for such services, by the Parties. Any modification to this Agreement must be made in writing, approved by the Academy Board and Amparo DIA, and signed by a duly authorized officer. In addition, any modification must be done in accordance with the CMU ESP Policies before any modification to this Agreement can become effective.

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

13.8 Assignment. Amparo DIA may not assign this Agreement without the prior written approval of the Academy Board and prior notification to CMU. Any assignment must be done in accordance with the CMU ESP Policies.

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

13.10 Delegation of Authority. Nothing in this Agreement shall be construed as delegating to Amparo DIA any of the powers or authority of the Academy Board that are not subject to delegation by the Academy Board under Michigan law or the Contract.

13.11 Compliance with Law. The Parties agree to comply with all applicable laws and regulations.

13.12 Warranties and Representations. Both the Academy and Amparo DIA represent that each has the authority under law to execute, deliver and perform this Agreement and to incur the obligations provided for under this Agreement, that its actions have been duly and validly authorized, and that it will adopt any and all resolutions or expenditure approvals required for execution of this Agreement.

13.13 Dispute Resolution Procedure. Any and all disputes between the Parties concerning any alleged breach of this Agreement or arising out of or relating to the interpretation of this Agreement or the Parties' performance of their respective obligations under this Agreement that are unable to be resolved through discussion and negotiation shall be resolved by arbitration, and such an arbitration procedure shall be the sole and exclusive remedy for such matters. The arbitrator shall be selected from a panel provided by and in accordance with the rules of the American Arbitration Association. The arbitration shall be conducted in accordance with the rules of the American Arbitration Association, with such variations as the parties and the arbitrator unanimously accept. Any arbitration hearing shall be conducted in Wayne County, Michigan. A judgment on the award rendered by the arbitrators may be entered in any court having appropriate jurisdiction. Any such judgment shall require a cause opinion as to the final decision. CMU shall be notified of the final decision and the cause opinion shall be made available to CMU, upon request. The cost of arbitration, not including attorneys' fees, shall be paid by the losing party. It shall be in the discretion of the arbitration panel to award reasonable attorneys' fees to the prevailing party, to be paid if awarded by the losing party.

13.14 Modification to Conform to Changed CMU Policies. The Parties intend that this Agreement shall comply with CMU's Educational Service Provider Policies, as the same may be changed from time to time. In the event that changes in CMU's Educational Service Provider Policies implemented after the date of execution of this Agreement cause any provision of this Agreement to be in conflict with the revised Policies, the Parties agree to amend this Agreement to eliminate the conflict within thirty (30) days after being advised by CMU of the changes to its policies.

[The signature page follows.]

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

THE ACADEMY:

DETROIT INNOVATION ACADEMY, a
Michigan nonprofit corporation

By: 

Its: President

AMPARO DIA:

AMPARO DIA, LLC., a Michigan limited
liability company

By: Amparo Ed, Inc., an Illinois not-for-profit
corporation, its sole member

By: 

Its: Board Chair

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 Plans 6-4

First Extension to the Lease..... 6-6

Lease 6-11

Certificates of Use and Occupancy 6-92

Bureau of Fire Services Inspection Report 6-95

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

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

Address: 18211 Plymouth Rd.
Detroit, MI 48228

Description: The Academy's Site contains a one-story facility, large parking lot and a playground. The facility is situated on the corner of Plymouth Rd. and Southfield Rd. The space leased by the Academy is approximately 27,502 square feet and is located between, and is connected to, an existing church facility on one side and a banquet hall owned by the same existing church on the other side. The space leased by the Academy contains 17 classrooms, nine restrooms, a gymnasium/cafeteria, office space and reception area, a teacher break room and a counseling room.

Configuration of Grade Levels: Kindergarten through Eighth 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 public school academy in this state until it has obtained the necessary fire, health and safety approvals for the above-described physical facility. These approvals must be provided and be acceptable to the University Board or its designee prior to the Academy operating as a public school. In cases of disagreement, the Academy may not begin operations without the consent of the University Board or its designee.

5. If the Site described above is not used as the physical facilities for the Academy, then Schedule 6 of this Contract between the Academy and the University Board must be amended

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

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

Barton Malow Design

26500 American Drive
Suite 451
Southfield, MI 48034

tel 248.436.5100
fax 248.436.5101
bartonmalowdesign.com

ISO 9001 Certified

YMCA OF
METROPOLITAN
DETROIT

Detroit
Michigan 48226

DETROIT INNOVATION
ACADEMY @
NEW PROVIDENCE
BAPTIST CHURCH

18211 Plymouth Rd.
Detroit, Michigan

Project

REV/PERMIT UPDATE 07/29/13
PERMIT UPDATE 07/29/12

DESIGNED BY 09/29/12
Diag

MLIS
Drawn By
MLIS
Project Architect
DCM
Project Manager

Scale

Key Plan

Drawing Title

**ARCHITECTURAL
SITE PLAN**

LEGAL DESCRIPTION:

LAND IN THE CITY OF DETROIT, COUNTY OF WAYNE, STATE OF MICHIGAN AS FOLLOWS:
LOTS 66 TO 88 BOTH INCLUSIVE, LOTS 90 TO 122 BOTH INCLUSIVE, LOTS 230 TO 236 BOTH INCLUSIVE, LOTS 312 TO 330 BOTH INCLUSIVE, ALL VACATED ALLEYS TO THE REAR OF THE ADJACENT TO SAID LOTS AND ALL THAT PART OF VACATED LINE OF PLYMOUTH ROAD (113 FT WIDE) AS NOW ESTABLISHED, AND THE NORTH LINE OF ELMIRA AVENUE (60 FT WIDE), EXCEPTING THAT PART OF THE ABOVE DESCRIPTION TAKEN FOR WIDENING OF SOUTHFIELD ROAD, (DESCRIBED IN DEEDS RECORDED IN LIBER 87/3 PAGE 164, LIBER 6592, PAGE 319 AND LIBER 6593, PAGE 267) AND THE BOARD OF COUNTY CLERK ROAD AS RECORDED IN LIBER 55, ON PAGE 46 OF PLATS, WAYNE COUNTY RECORDS.

SITE DATA

SITE ZONING: B4
SITE USE: CHURCH
SITE AREA: 9.89 ACRES
OVERALL BUILDING AREA: 128,600 SQ. FT.
BUILDING HEIGHT: 40 FT.

PARKING DATA

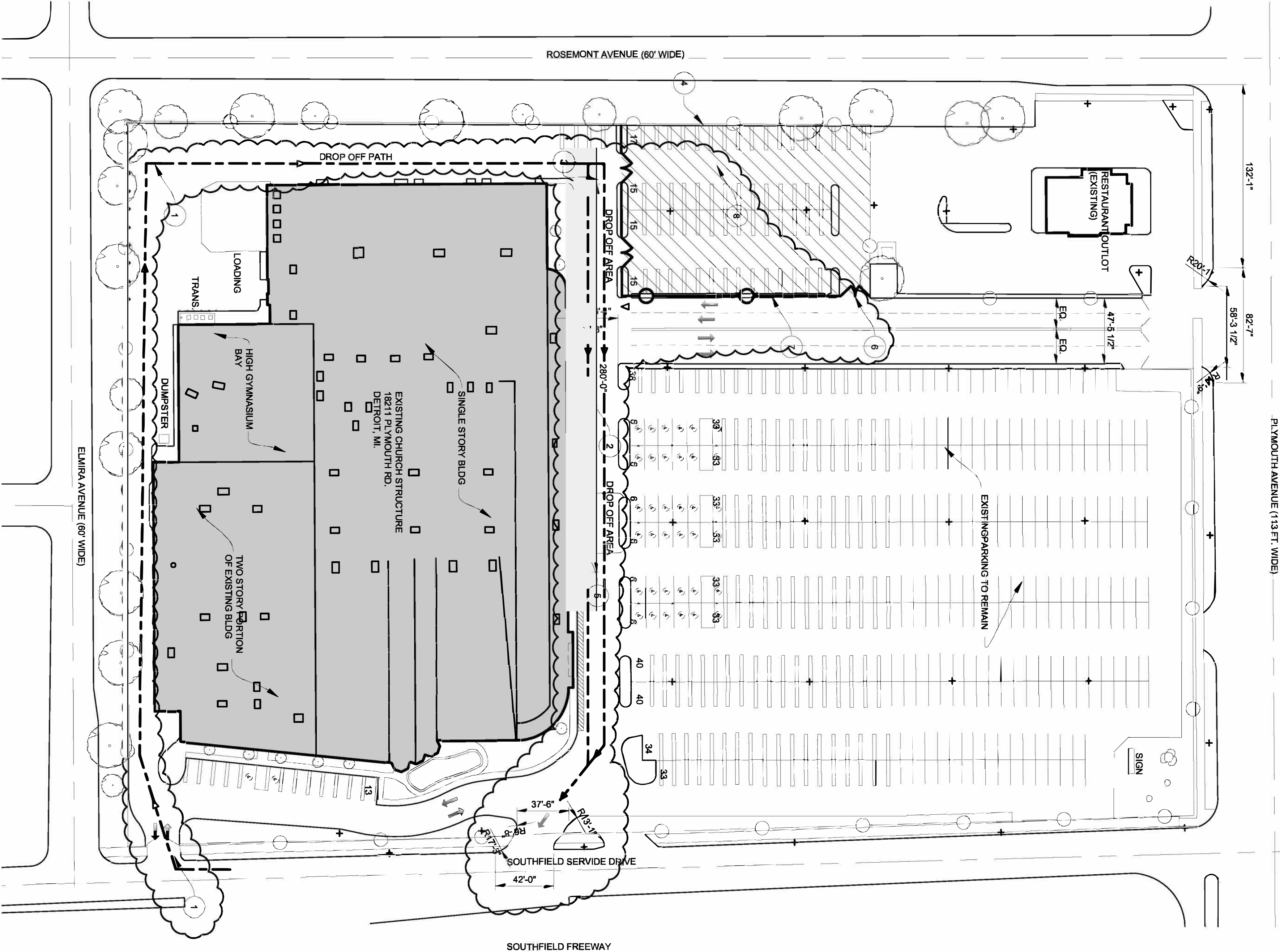
ALL PARKING IS EXISTING AND IS NOT BE MODIFIED.
(SHARED PARKING PROVIDED DUE TO THE OFF TIME USES BETWEEN THE SCHOOL AND THE CHURCH FUNCTIONS.)
REQUIRED PARKING:
CHURCH SEATS 2616
REQUIRED STALLS (2,616/50) = 436 STALLS
PROVIDED 468 STALLS
ACCESSIBLE PARKING SPACES (1106 / 1)
REQUIRED: 401 TO 500 SPACES 9 STALLS REQUIRED
PROVIDED: 38 STALLS

SITE PLAN NOTES

1. QUE PATH FOR BOTH DROP OFF AND PICK UP OF CHILDREN DURING THE SCHOOL YEARS
2. OFF LANE (ONE WAY) PATH ALONG MAIN ENTRY BECOMES A DOUBLE DROP OFF LANE (ONE WAY)
3. BEGINNING OF 280' DROP OFF QUE
4. EXIST. CMU WALL AND FENCING TO REMAIN
5. SCHOOL DROP-OFF AND FRONT ENTRANCE
6. CHAIN LINK SAVING GATE TRAFFIC CONTROL
7. CHAIN LINK FENCING
8. PROPOSED LOCATION FOR THE PLAY AREA, THIS IS A SHARED SPACE FOR PARKING WHEN SCHOOL IS NOT SESSION.

QUEUE PATH CALCS

QUANTITY OF KIDS: 275 (REF: LETTER FROM YMCA)
DIVIDE BY 10: 275/10 = 28 CARS QUEUED
SPLIT INTO TWO ROWS: 28/2 = 14 CARS PER ROW
ROW LENGTH: 14X29 = 280' QUEUE AND SIDEWALK
TOTAL LENGTH PROVIDED: 280' LINEAL FEET



1 SITE PLAN

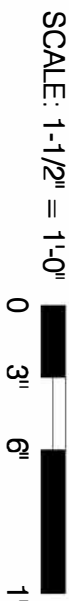
AS100



SCALE: 3" = 1'-0"



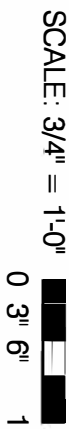
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SCALE: 1" = 1'-0"



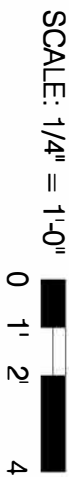
SCALE: 3/4" = 1'-0"



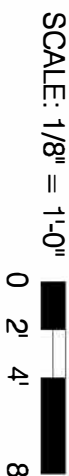
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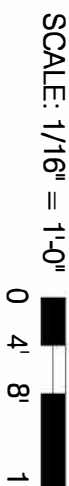
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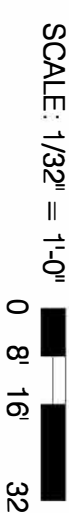
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SCALE: 1/16" = 1'-0"



SCALE: 1/32" = 1'-0"

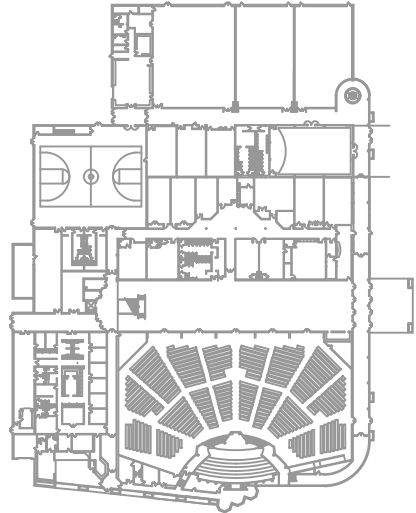


11010DLA
Project No.
1" = 50'-0"
Scale
AS100
Drawing No.

LEGEND:
2 HOUR FIRE RATED WALL SYSTEM.
SMOKE RATED PARTITION.
ENTIRE BUILDING IS FULLY SPRINKLERED.

ISSUE DATE
6.3.14 PLAN REVIEW

Detroit Innovation Academy



NORTH
KEY PLAN
NOT SCALE

M
ARCHITECTS
116 BARKSON STREET
SUITE 200
NORFOLK, ONTARIO L4G 4V7
PHONE 248.344.2788
FAX 248.344.7522

PROJECT

YMCA OF METROPOLITAN DETROIT
DETROIT INNOVATION ACADEMY
CLASSROOM RENOVATION
18211 PLYMOUTH ROAD
DETROIT, MICHIGAN

PROJECT NUMBER

13.088

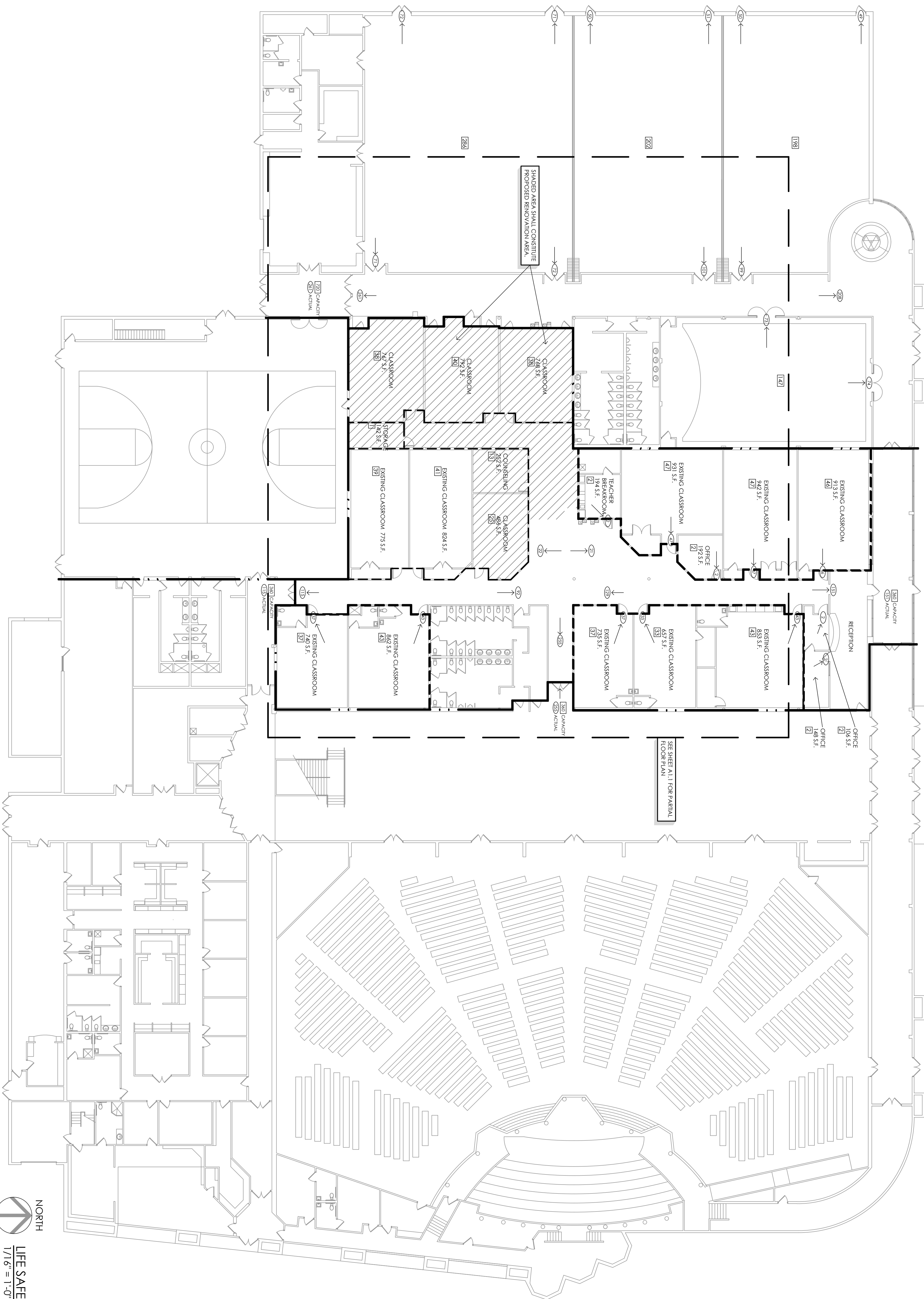
SHEET NAME

LIFE SAFETY PLAN

SHEET NUMBER

A1.0

Schedule 6-4



FIRST EXTENSION TO THE LEASE

This amendment made as of this **31st** day of July 2022, by and between **New Providence Baptist Church**, a Michigan Non-Profit Corporation, whose mailing address is 18211 Plymouth Rd., Detroit, MI 48228, (hereinafter called "Landlord") and **Detroit Innovation Academy (DIA)**, a Michigan Non-Profit Corporation and public-school academy having an address at 18211 Plymouth Rd., Detroit, MI 48228. (hereinafter called "Tenant").

Witnesseth:

WHEREAS, Landlord and Tenant entered into a certain lease agreement dated on or about April 18, 2017, (hereinafter called the "Lease") under which the Landlord demised to Tenant the premises commonly known as DIA Academy at 18211 Plymouth Rd., Detroit, MI 48228 totaling approximately 27,502 Sq. Ft., as shown on drawing attached hereto as Exhibit A (hereinafter called "Leased Premises"); and

WHEREAS, the term of the Lease was for a period of Sixty (60) months commencing on or about August 1, 2017 and expiring July 31, 2022;

WHEREAS, the Leased Premises square footage has expanded by approximately 1,501 Sq. Ft. (hereinafter called "Expansion Space") as highlighted on the drawing provided as "Exhibit A" thereby increased to approximately 29,003 Sq. Ft. for the lease extension period commencing on August 1, 2022 and expiring July 31, 2027 (hereinafter, the "First Extension Period").

Now therefore, in consideration of the premises the payments to be made hereunder, and the covenants and agreements herein undertaken to be kept and performed, it is agreed as follows:

1. The term of the Lease is hereby extended for a period of Sixty (60) months commencing on August 1, 2022 and expiring July 31, 2027 the "First Extension Period" unless the lease shall sooner terminate as provided therein.
2. For the above-described Extension Period, Tenant shall pay to Landlord, as base over and above the other additional payments made by the Tenant for the Leased Premises, as follows;

Period	Anticipated Student Enrollment	Rent Factor as a Percent of State Aid	Monthly Rent Payments	Annual Rent	Minimum Guaranteed Rent
(8/1/22 – 7/31/23)	360	13%	\$33,930.00	\$407,160.00	\$384,540.00
(8/1/23 – 7/31/24)	375	13%	\$35,343.75	\$424,125.00	\$395,850.00
(8/1/24 – 7/31/25)	390	13%	\$36,757.50	\$441,090.00	\$407,160.00
(8/1/25 – 7/31/26)	405	13%	\$38,171.25	\$458,055.00	\$424,125.00
(8/1/26 – 7/31/27)	420	13%	\$39,585.00	\$475,020.00	\$441,090.00

all at the place and the manner in the Lease provided, unless otherwise agreed to in writing. Additionally, Tenant shall remain responsible for a required monthly operating expense charge of **\$5.20 per sq. ft.** annually which covers all Common Area

Maintenance, Utilities, Janitorial Services, Janitorial Supplies, Porter Services, Parking Lot Maintenance, Insurance, and Taxes ("Additional Rent")

3. Tenant shall complete analysis and schematic level design of Expansion Space and provide Landlord with no less than Forty-Five (45) days written notice of Landlords need to vacate the Expansion Space for Tenant use.
4. This Agreement and all Exhibits and Endorsements contain the entire agreement between the parties. Tenant acknowledges that no one has the authority to make any and no one has made statements or representation which have been relied upon by tenant which modify or add to the terms, and conditions set forth herein, including any statements relating to the existence, condition, use or development of nearby property, roads, or open space, except as may be expressly set forth in an Exhibit or an Endorsement hereto. No modifications of this Agreement shall be binding unless it is in writing and signed by the parties.
5. Except as herein specifically amended, all other terms, covenants, and conditions of the Lease shall remain in full force and effect, and the same are hereby ratified and confirmed.

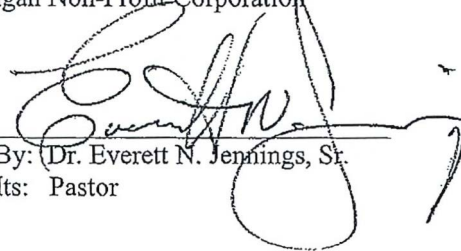
IN WITNESS WHEREOF, Landlord and Tenant have executed this Agreement as of the day and year first above written.

TENANT: Detroit Innovation Academy
a Michigan Non-Profit Corporation



By: Ehrlich Crain
Its: Board President

LANDLORD: New Providence Baptist Church
a Michigan Non-Profit Corporation



By: (Dr. Everett N. Jennings, Sr.
Its: Pastor

SHARED

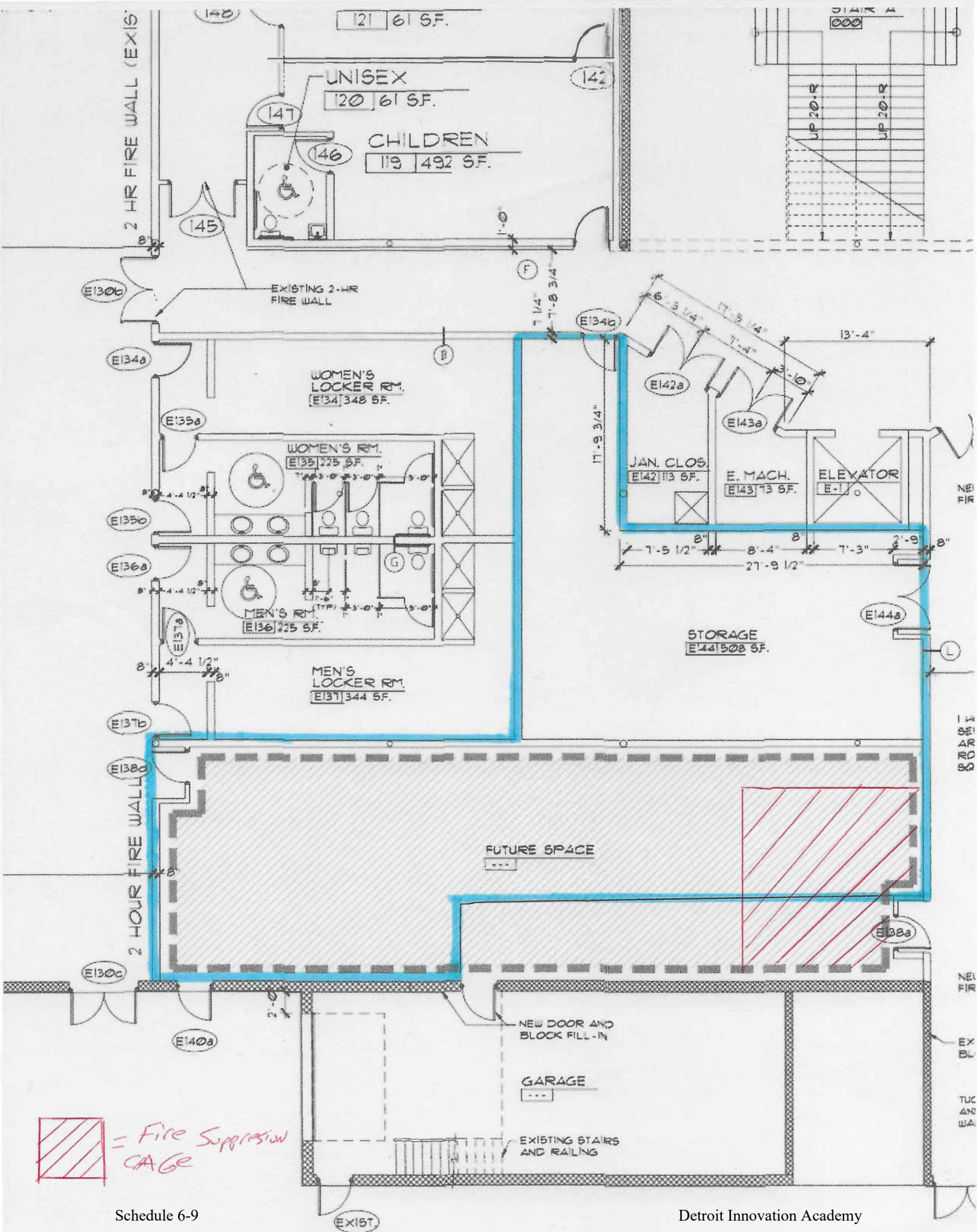
EXPANSION

EXCLUSIVE

① FIRST FLOOR OVERALL PLAN



<p>OWNER New Providence Baptist Church 18271 Plymouth Rd. Detroit, MI</p>	<p>ARCHITECT HKS, Edward N. Jurewicz, St. Paul, MN</p>	<p>DESIGNED BY BANAH CORP. 10000 Woodward Ave. Suite 1000 Detroit, MI 48202 www.banahcorp.com</p>	<p>DATE 1/2/14 DRAWN BY S.A.S. CHECKED BY S.A.S.</p>	<p>SHEET NO. A-1 OF 1</p>
---	--	---	--	-----------------------------------



New Lease Operating Expense				
Space	Square Feet	Cost Per Square Foot	Monthly Payment	Annual Required Payment
Dedicated Space	27,502 SF	\$5.20 PSF	\$11,917.53	\$143,010.40
Shared Space 20% of 13,606	2,721.2 SF	\$5.20 PSF	\$1,179.19	\$14,150.24
				\$157,160.64
*Dedicated Expansion Space	1,501 SF	\$5.20 PSF	\$650.43	\$7,805.20
				\$164,965.84

**Payments will become due once DIA commences use of new expansion space.*

LEASE

THIS LEASE (this "Lease") is entered into the 18 day of April, 2017, to be effective August 1, 2017 ("Effective Date"), by and between **NEW PROVIDENCE BAPTIST CHURCH** ("Landlord"), having an address of 18211 Plymouth Rd., Detroit, Michigan 48228, and **DETROIT INNOVATION ACADEMY (DIA)**, a Michigan nonprofit corporation and public school academy, having an address of 18211 Plymouth Rd., Detroit, Michigan 48228 ("Tenant").

**SECTION I
THE PREMISES**

1.01 Landlord, for and in consideration of the payments hereinafter stipulated to be made by Tenant and the covenants and agreements hereinafter contained to be kept and performed by Tenant, hereby leases unto Tenant, and Tenant hereby leases from Landlord, on the terms and conditions hereinafter set forth in this Lease, space at 18211 Plymouth Rd., Detroit, Michigan, 48228, New Providence Baptist Church, containing the designated existing daycare area, the designated parking lot/playground area, chapel, and the shared gymnasium and kitchen area, totaling approximately **27,502 square feet (SF)** on the 1st floor including a ten (10%) percent load factor ("Premises"), as shown on the drawing attached hereto as **Exhibit A** and made a part hereof, in the building ("Building") known as the as the New Providence Baptist Church, located 18211 Plymouth Rd., Detroit, Michigan, 48228.

1.02 Tenant has inspected the Premises and agrees to take the Premises and any agreed upon furniture, equipment and fixtures in the "AS IS" condition existing as of the Commencement Date. Furniture and equipment shall not include any computers, smart boards or other IT equipment.

**SECTION 2
THE TERM**

2.01 The term of this Lease will commence on August 1, 2017(the "Commencement Date") and shall end on July 31, 2022 unless earlier terminated or extended as provided in this Lease (as the case may be, the "Term").

2.02 Termination of Charter School Contract. Tenant is a party to a Charter School Contract with Central Michigan University for the operation of a school in the Premises (the "Charter School Contract"). If for any reason whatsoever the Charter School Contract is terminated, or is not renewed or extended, prior to the expiration of the Term hereof, then this Lease shall terminate simultaneously with such termination, non-renewal or non-extension, as the case may be, and neither party shall have any right or cause of action against the other by reason of such termination except what is provided for in writing

within this Lease Document. Notwithstanding the foregoing, in the event of a termination of the Charter School Contract for reasons other than cause, Tenant shall be permitted (i) to attempt to secure another charter for a limited period of time (if, and only if, the Charter School Contract is terminated at the end of a school year), which charter will permit Tenant to operate a charter school in the same manner as chartered under the Charter School Contract, or (ii) seek a charter school holding a valid Charter School Contract to replace Tenant, and in the event Tenant should procure such a charter timely or Tenant should timely identify a replacement charter school, in either case enabling full operations of a school at the beginning of the following school year, this Lease shall be automatically revived and reinstituted. Notwithstanding anything to the contrary Tenant shall remain under this Lease so long as the Lease is in effect.

2.03 In the event of such early termination, Tenant shall pay to Landlord within thirty (30) calendar days of such notice the sum of three (3) month's rent as a termination fee. Additionally, Tenant shall be required to reimburse Landlord for all unamortized commissions.

2.04 Option to Renew/Expand.

(a) As provided in subparagraph (b), Tenant shall have the right to renew this Lease upon the same terms as those set forth herein for so long as (i) Tenant maintains a Charter School Contract with Central Michigan University or any similar authorizing body and Tenant is not in default of any of its obligations under this Lease, and (ii) this Lease has not been terminated prior to the end of the then Term.

(b) Subject to the conditions in subparagraph (a), Tenant may renew this Lease for as many as five (5) successive five-year extended terms by giving notice of exercise of renewal not less than eleven (11) or more than thirteen (13) months before the end of a Term (e.g., notice to extend for the first renewal term must be given not later than September 1, 2021 and not earlier than July 1, 2021).

2.05 Landlord shall permit Tenant to enter into possession of the Premises on May 1, 2017, prior to the Commencement Date to effect necessary improvements to the Premises for use as a Charter School Academy. Tenant or its agents, invitees, licensees, contractors or employees shall not engage in construction improvement activities on Sundays. Tenant agrees that such occupancy will be deemed to be under all the provisions of this Lease other than an obligation to pay Rent, including but not limited to the insurance requirements established herein.

2.06 Should Tenant exercise its expansion rights outlined in the original Lease Agreement between New Providence Baptist Church and Y Education Services, L3C, attached as **Exhibit A**. Tenant shall be responsible for all improvement costs, permits and approvals required for their expansion, including but not limited to the installation of a retractable partition wall in the New Providence Baptist Church Banquet Hall.

SECTION 3 RENT

3.01 Beginning on the Commencement Date, Tenant shall pay to the Landlord as rent ("Base Rent") Thirteen percent (13%) of State Aid received by Tenant (or any successor tenant) for years one through five.

3.02 Tenant shall pay as fixed minimum Base Rent for the Premises without prior demand and without offset or deduction the sum as outlined in table below. Payment is due in advance on the first day of each calendar month of the Term and Additional Rent as hereinafter set forth. Tenant shall pay a monthly set operating expense charge of \$4.23 per square foot annually, which covers all Common Area Maintenance fees, Utilities, Janitorial Services, Janitorial Supplies, Porter Services, Parking Lot Maintenance, Insurance, and Taxes ("Additional Rent"). A spreadsheet highlighting the operating expense cost estimates is provided as **Exhibit B**. This operating expense payment will be due on the 1st of the month along with the monthly Base Rent payment.

Period	Anticipated Student Enrollment	Monthly Rent Payments	Annual Rent @ 13%	Minimum Guaranteed Rent
8/1/17-7/31/18	360	\$29,312	\$351,749	\$322,436
8/1/18-7/31/19	375	\$30,534	\$366,405	\$337,092
8/1/19-7/31/20	390	\$31,755	\$381,061	\$351,748
8/1/20-7/31/21	405	\$32,976	\$395,717	\$366,404
8/1/21-7/31/22	420	\$34,198	\$410,374	\$381,061

All Base Rent and Additional Rent (collectively, "Rent") payments shall be made payable to **New Providence Baptist Church** ("Landlord"), having an address of 18211 Plymouth Rd., Detroit, Michigan, 48228 or such other address as Landlord may from time to time designate. Tenant's obligation to pay Rent to Landlord shall commence on the Commencement Date. In the event the Commencement Date shall be on a day other than the first of the month, the Commencement Date shall be the first day of the month Rent for the period between the date of the occurrence of the events set forth above and the commencement date, which pro-rata amount shall be equal to the monthly rent multiplied by a fraction, the numerator of which shall be the number of days remaining in the month in which the events set forth above have occurred and the denominator of which shall be thirty (30).

3.03 Tenant agrees to pay the Rent in a manner such that Landlord shall always have one month's Rent in advance. Tenant agrees that Landlord may apply such amount as payment for the last month's Rent or other rental amount, which becomes due hereunder, pursuant to expiration, or the earlier termination of this Lease. The parties agree that this amount is not a security deposit and is not required to be held by the Landlord in a separate depository account.

3.04 Any installment of Rent due or accruing hereunder and any other sum, which is due or becomes due hereunder, whether termed rent or otherwise and payable hereunder by Tenant to Landlord which is not paid within five (5) business days of the due date, shall bear interest at the rate of ten (10%) percent per annum from the date when the same shall respectively become payable until the same is paid.

SECTION 4 SIGNAGE

4.01 Tenant at Tenant's sole cost and expense shall have the right to install building signage above Premises main entrance and fence signage on north side of property's fence, subject to Landlord's written approval, which approval shall not be unreasonably withheld, and subject to Tenant's compliance with all applicable municipal laws, ordinances, and regulations.

SECTION 5 USE OF PREMISES

5.01 The Premises during the continuance of this Lease will be used for and occupied for operation of a public school academy and related school activities (the "Permitted Use") and for no other purpose, without the prior written consent of Landlord, which consent shall not be unreasonably withheld.

5.02 Tenant agrees that it will not use or permit any person to use the Premises or any part thereof for any use or purposes in violation of the laws of the United States, the laws, ordinances or other regulations of the State and municipality in which the Premises are located, or of any other lawful authorities having jurisdiction over the Premises. During the Term or any renewal thereof, Tenant will keep the Premises and every part thereof in a clean and wholesome condition and generally will comply with all applicable health and policy regulations.

5.03 Landlord makes no representation that the Permitted Use is consistent with applicable laws, statutes, ordinances or regulations. Tenant assumes all responsibility for obtaining any permits, licenses, variances or other approvals necessary for such use to occur on the Premises.

SECTION 6 TENANT IMPROVEMENTS

6.01 Tenant, upon Landlord approval, is responsible at its own cost, for any Tenant improvements. Tenant's basic scope of work for Premises shall be attached hereto as **Exhibit C**. Tenant shall provide Landlord with an updated scope of work and detailed construction cost estimates prior to Lease Commencement Date. Tenant shall be responsible for all licenses and permits as required by the City of Detroit and/or State of Michigan necessary to do any improvements. All Tenant improvements shall conform to all applicable building codes and ordinances of the City of Detroit and/or State of Michigan.

SECTION 7 UTILITIES

7.01 Charges for utilities, including without limitation gas, electricity, light, heat, water, and sewage, shall be included in the monthly operating expense payment made by the Tenant. Landlord shall have the right to review these utility cost at the end of each year and Landlord shall have the right to increase or decrease the Tenants monthly operating expense payment for the subsequent year in accordance with any utility cost increases from the current year. Tenant shall have full audit rights and the right to review utility bills. In the event that Tenant's audit reveals a discrepancy in the calculation of such costs by Landlord, Tenant shall not be required pay any increased monthly operating expense payment amount unless and until Landlord has substantiated the utility cost increases supporting the increased amount to the reasonable satisfaction of Tenant.

SECTION 8 INSURANCE

8.01 Tenant shall procure at its sole cost and expense and keep in effect during the Term hereof, a primary policy of comprehensive general public liability insurance, naming Landlord as an additional insured party, and including blanket contractual coverage against claims for or arising out of bodily injury, death or property damage or loss, including fire, occurring in, on or about the Premises or property in, on or about the streets, sidewalks or properties adjacent to the Premises. The limits of coverage will be, initially, if dual limits are provided, not less than Three Million Dollars (\$3,000,000) with respect to injury or death of a single person, not less than Three Million Dollars (\$3,000,000) with respect to any one occurrence of property damage, or, in the alternative, a single limit policy in the amount of Three Million Dollars (\$3,000,000), and thereafter in such reasonable appropriate increased amounts as may be determined by Landlord, provided however, that the amount of coverage will not be increased more frequently than at one (1) year intervals. The policy will contain cross-liability endorsements. In the event Tenant fails to procure such insurance, Landlord may, at its option, terminate the lease or procure the same for the account of Tenant, and the cost thereof shall be paid to Landlord as Additional Rent upon the delivery to Tenant of a bill therefore.

8.02 The insurance policy or policies to be provided by Tenant hereunder shall be issued by an insurance company or companies having an A.M. Best Company rating of not less than "A". Each policy procured by Tenant under this Section 8 must provide for at least thirty (30) calendar days written notice to Landlord of any cancellation. At Landlord's option, either certificate of insurance or the original policy or policies will be delivered by Tenant to Landlord prior to the effective date thereof, together with receipts evidencing payment of the premiums therefore. Tenant will deliver certificates of renewal for such policies to Landlord at least thirty (30) calendar days prior to the expiration dates thereof.

8.03 Except with respect to the insurance required by Subsection 8.01, neither Landlord nor Tenant may take out separate insurance concurrent in form or contributing in the event of loss with that required under this Section 8 unless Landlord and Tenant are included therein as the insured payable as provided in this Lease. Each party will notify the other immediately of the placing of any such separate insurance.

8.04 In the event of loss under any policy or policies provided by Tenant to Landlord under this Section 8, other than the liability policy required by Subsection 8.01, the insurance proceeds will be payable to Landlord; thereafter, such proceeds, with the exception of the loss of rents insurance proceeds, will be used for the expense of repairing or rebuilding the improvements which have been damaged.

8.05 Landlord and Tenant mutually waive their rights of subrogation and recovery against each other, their agents, employees, and contractors to the extent they are insured or required to carry insurance for such loss.

8.06 Indemnification. Subject to Section 8.05.

(a) Indemnification by Tenant. Tenant shall pay, protect, indemnify and save harmless Landlord from and against all liabilities, damages, costs, expenses (including reasonable attorneys' fees and disbursements), causes of action, suits, claims, demands or judgments of any nature whatsoever which may be imposed upon or incurred by or asserted against Landlord by reason of (a) any acts or omissions by Tenant or its agents, invitees, licensees, contractors or employees arising out of Tenant's occupancy of the Premises, (b) any failure by Tenant to perform or comply with any of the terms of this Lease, or of any contracts, agreements, restrictions or Applicable Laws (defined in Section 13.1) affecting the Premises or any part thereof, or (c) a breach of any representation or warranty of Tenant hereunder.

(b) Indemnification by Landlord. Landlord shall pay, protect, indemnify and save harmless Tenant from and against all liabilities, damages, costs, expenses (including reasonable attorneys' fees and disbursements), causes of action, suits, claims, demands or judgments of any nature whatsoever which may be imposed upon or incurred by or asserted against Tenant by reason of (a) any failure by Landlord to perform or comply with any of the terms of this Lease, or (b) a breach of any representation or warranty of Landlord hereunder.

(c) Landlord agrees to indemnify and defend Tenant against and hold Tenant harmless from any liability, loss, damage, cost, or expense (including reasonable attorneys' fees and disbursements) based on any claim, demand, suit, or action by any person or entity with respect to restrictions or alleged restrictions on Landlord's title or relating to Tenant's use of the Premises for operation of a public school academy and related school activities. Further, in the event that a restrictive covenant prevents Tenant's use of the Premises as a public charter school, Landlord releases Tenant from all further obligations under the Lease, except for Rent accruing through the date upon which Tenant surrenders possession of the Premises to Landlord.

(d) Survival of Indemnity. The indemnity obligations contained in this Section 8.06 shall survive the expiration or earlier termination of this Lease.

SECTION 9 DAMAGE BY FIRE OR OTHER CASUALTY

9.01 It is understood and agreed that if the Premises are damaged or destroyed in whole or in part by fire or other casualty during the Term, the Landlord, if there are sufficient insurance proceeds, will repair and restore the same to good tenantable condition with reasonable dispatch. The Rent and all other charges which are the obligation of Tenant under this Lease will abate for the period the Premises are untenable.

9.02 In the event the Premises are damaged or destroyed to the extent of more than 35% of the replacement cost, either party hereto shall have the right to terminate this Lease upon providing 90 calendar days' prior written notice to the other party. In the event Landlord fails to commence such repair and restoration within a reasonable time and such failure continues for 30 calendar days after Tenant has provided written objection to Landlord, Tenant shall have the right to terminate this Lease.

9.03 Tenant will have the option, exercisable by written notice to Landlord upon restoration of the Premises, to extend the original Term of this Lease (or the extension of the Term during which the damage or destruction occurred, as the case may be) for a period equal to the period, if any, during which Tenant was deprived of the use of all or a significant portion of the Premises by reason of such damage or destruction. Tenant's option must be exercised within twenty (20) calendar days following (i) completion of the work of restoration and repair, and (ii) Landlord's notice to Tenant that such work has been completed.

SECTION 10 REPAIRS

10.01 Landlord, in consideration for Tenant's monthly operating expense payment, shall keep the Improvements, including all structural, electrical, mechanical and plumbing systems at all times in good appearance and repair including reasonable and normal wear and tear.

10.02 Landlord, in consideration for Tenant's monthly operating expense payment, shall make all repairs and replacements, as and when necessary, to the Improvements. All repairs and replacements made by or on behalf of Landlord or any person claiming through or under Landlord shall be made and performed (a) so that the same shall be at least equal in quality, value, and utility to the original work or installation, and (b) in accordance with all applicable laws and regulations of governmental authorities having jurisdiction over the Premises.

10.03 Landlord, in consideration for Tenant's monthly operating expense payment, shall maintain the Premises and keep the same reasonably free from rubbish, dirt, snow and ice at all times; and Landlord, in consideration for Tenant's monthly operating expense payment, shall keep and maintain parking lots on the Premises in good order and repair, providing timely snow and ice removal and shall maintain all landscaped areas. Landlord's scope and schedule of maintenance and janitorial services is provided as **Exhibit D**.

10.04 Landlord shall not be required hereunder to furnish any services or facilities or to make any improvements, repairs, maintenance or alterations in or to the Premises during the Term of this Lease when the damage is the result of Tenants willful or malicious destruction or gross negligence. In the event the Premises are damaged as a result of Tenants willful or malicious destruction or gross negligence and the Tenant fails to commence such repair and restoration within a reasonable time and such failure continues for 20 days after Landlord has provided written objection to Tenant, Landlord shall have the right to effect repair and Tenant shall be responsible for paying repair costs plus 15% as Additional Rent. This section will apply to any such work, services or materials, whether furnished at Tenant's request or on its behalf and whether furnished or caused to be furnished by Landlord or its agents, employees or contractors. All amount payable under this section will be additional rental, and failure by Tenant to pay them when due will be a default under this Lease.

ARTICLE 11

CONDITION OF PREMISES; CARE OF PREMISES

11.01 On the Effective Date of this Lease, Tenant hereby accepts the Premises in its "AS IS" condition, including all latent conditions thereof. Tenant hereby acknowledges that, except as expressly set forth in this Lease, Landlord, its agents or representatives have made no representations as to (a) the physical condition of the Premises or (b) insurance underwriting standards and requirements applicable to the Premises.

11.02 Tenant will keep the Premises in good condition and repair, except the roof, outer walls, foundation, and other structural maintenance, including the replacement of the HVAC system, and Landlord's obligations pursuant to Article 10 of this Lease, all of which shall be the responsibility of the Landlord, and Tenant will yield and deliver up the same at the expiration of the Term in as good a condition as when taken, reasonable use and wear

thereof excepted. Tenant shall make reasonable efforts to maintain all portions of the Premises and adjoining areas in a clean and orderly condition, free of rubbish, and unlawful obstructions, provided, however that the foregoing shall not relieve Landlord of any of its obligations pursuant to Article 10 of this Lease.

11.03 Tenant shall not commit any waste, damage, or injury of or to the Premises or the fixtures or any part thereof and shall take all reasonable precautions and actions to prevent others from doing so.

11.04 Landlord shall have the right to enter upon the Premises for the purpose of making any repairs thereto and performing any work thereon which may be necessary by reason of Tenant's failure to make any such repairs or perform any such maintenance work as provided herein. Except in case of emergency, the privilege and right of entry shall be exercised at reasonable times and at reasonable hours. In the event that Landlord is required to perform any work to cure any default in Tenant's compliance with the terms of this Lease, Tenant shall pay the cost of any such work to Landlord, upon demand therefore and upon submission of satisfactory evidence of Landlord's payment of such costs which sums shall be deemed Additional Rent hereunder.

SECTION 12 ALTERATIONS

12.01 The parties agree that Tenant will not make any alterations, additions, or improvements to the Premises without the written consent of Landlord, which consent shall not be unreasonably withheld or delayed. All such alterations, additions or improvements shall be performed by licensed contractors and subject to conditions specified by Landlord. All permanent alterations, additions or improvements made by either of the parties hereto on the Premises will be the property of Landlord and will remain on and be surrendered with the Premises at the termination of this Lease, except that alterations, additions or improvements made by Tenant must be removed and the Premises restored by Tenant if so requested by Landlord, unless such alterations, additions or improvements have previously been approved by the Landlord.

SECTION 13 LIENS

13.01 Tenant will not create nor permit to be created, or to remain and will promptly discharge, at its sole cost and expense, any lien, encumbrance or charge upon the Premises or any part thereof, or upon Tenant's leasehold interest therein, except such as are created by Landlord or Landlord's mortgagee.

SECTION 14

COMPLIANCE WITH LAWS

14.01 Tenant agrees that it will comply with all applicable municipal, state and federal laws, codes, rules, regulations, ordinances and fire insurance regulations relating to or affecting the use of the Premises (“Applicable Laws”) as well as (i) any and all requirements recited in Tenant’s charter to operate a Public School Academy or from time to time required by its authorizing body (“Chartering Requirements”) and (ii) conditions and requirements of all permits and approvals issued by governmental and regulatory authorities for occupancy and use of the Premises (“Permit Conditions”); and agrees to reimburse Landlord for any loss, liability, damages or penalties suffered because of Tenant’s non-compliance with any such Applicable Laws, Chartering Requirements, and Permit Conditions.

14.02 Without limiting the foregoing, Tenant shall comply with and keep the Premises in compliance with the Americans with Disabilities Act of 1990, and any other Applicable Laws regulating, relating to, or imposing liability or standards of conduct relating to barrier-free access or access of the handicapped or disabled to the Premises (collectively, “Access Laws”) to the extent required solely from or due to Tenant’s occupation or use of the Premises. Tenant hereby indemnifies Landlord and agrees to hold the Landlord harmless from and against all losses, liabilities, damages, injuries, costs, expenses and claims of any and every kind whatsoever paid, incurred or suffered by, or asserted against, the Landlord for violations or alleged violations of the Access Laws relating to the Premises to the extent Tenant’s occupation or use of the Premises results in such violation or alleged violation.

14.03 Tenant agrees to promptly furnish Landlord any correspondence received by Tenant from any entity having or exercising jurisdiction over Tenant of any notice of noncompliance with Applicable Law, including but not limited to Notice or Notices of Intent to Revoke Tenant’s Charter by its authorizing body.

14.04 Tenant shall have the right during the Term, at its sole cost and expense, after prior notice to Landlord, to contest by appropriate legal proceedings which shall be conducted diligently and in good faith in the name of Landlord or Tenant or both and without cost or expense to Landlord, the validity or applicability of any law, ordinance, order, rule or regulation of the nature herein above referred to in this Section 14, and Tenant shall have the right to delay observance thereof and compliance therewith until such contest is finally determined and is no longer subject to appeal, provided that observance and compliance therewith pending the prosecution of such proceeding may be legally delayed without subjecting Landlord to any civil or criminal liability or fine. Landlord agrees timely to execute and deliver any appropriate documents or other instruments which may be necessary or proper to permit Tenant to so contest the validity or application of any such law, ordinance, order, rule, or regulation and to cooperate reasonably with Tenant in such contest. Nothing in the foregoing paragraph shall be deemed to relieve Tenant of its obligation

to pay Rent during the period of such contest. Notwithstanding anything to the contrary Tenant shall remain the Tenant under this Lease so long as the Lease is in effect.

SECTION 15 ASSIGNMENT OR SUBLETTING

15.01 Tenant agrees not to assign or in any manner transfer this Lease or any interest in this Lease without the prior written consent of Landlord, and not to sublet the Premises or any part of the Premises or allow anyone to use or to come in with, through or under it without like consent, which consent may be withheld for any reason at Landlord's sole discretion. One such consent will not be deemed consent to any subsequent assignment, subletting, occupation, or use by any other person. The acceptance of Rent from an assignee, subtenant or occupant will not constitute a release of Tenant from the further performance of the obligations of Tenant contained in this Lease. In no event may Tenant assign or otherwise transfer this Lease or any interest in this Lease at any time while in default there under. Notwithstanding the foregoing, Tenant may sublease the Premises for the Permitted Use to a Michigan Public School Academy (a "Permitted Sublease") with Landlord's consent which consent shall not be unreasonably withheld or delayed. Any Permitted Sublease shall be subject to the terms of this Lease.

SECTION 16 INSPECTION OF PREMISES

16.01 Tenant agrees to permit Landlord and the authorized representatives of Landlord to enter the Premises after 24-hour notice to inspect for compliance with the terms of this Lease. Tenant shall have the right to have an agent present while Landlord's representative inspecting the Premises.

SECTION 17 FIXTURES AND EQUIPMENT

17.01 All fixtures and equipment paid for by Landlord and all fixtures and equipment which may be paid for and placed on the Premises by Tenant from time to time but which are so incorporated and affixed to Improvements that their removal would involve damage or structural change to Improvements, will, upon the expiration of the Term, be and remain the property of Landlord. Notwithstanding anything to the contrary, any smart boards paid for and placed on the Premises by Tenant shall remain the property of the Tenant. Tenant's obligation to repair any damage caused by the removal of its property upon termination of this Lease shall not be diminished by foregoing.

17.02 All furnishings, equipment and fixtures other than those specified in Section 17.01, which are paid for and placed on the Premises by Tenant from time to time (other

than those which are replacements for fixtures originally paid for by Landlord) will remain the property of Tenant.

SECTION 18 LIEN SECURITY

18.01 This Lease constitutes a lien as security for the Rent and other amounts payable hereunder and for the performance by Tenant of every other obligation herein contained, upon all the personal property and fixtures, of any nature, which are or may be placed on the Premises by Tenant. Tenant agrees to execute upon request an appropriate Uniform Commercial Code Financing Statement evidencing said lien. The lien may be enforced on the nonpayment of any Rent or other amount due under this Lease or the non-performance of any obligations herein contained, by the taking and selling of such property or any of the same at private sale of such price as Landlord may obtain and the application of the proceeds of such sale against any amounts due under this Lease from Tenant to Landlord and against the expenses incident to the removal and sale of the property. Notice of such sale will be served on Tenant by posting on the Premises or by leaving the notice at or mailing it to Tenant's address given herein at least seven (7) days in advance of such sale. Landlord may retain in its possession any property of Tenant after such payable under this Lease has become due and Landlord will not be liable in any action of replevin, conversion or similar remedy because of such retention. Tenant will indemnify and hold harmless Landlord from damages or claims by any third parties claiming rights in property. The lien created hereby shall be subordinate to the lien of any lender providing financing to Tenant pursuant to any security documents executed and delivered in connection with such financing. If requested by Tenant, Landlord agrees to execute a subordination agreement in the form requested by such lender.

SECTION 19 NOTICE OR DEMANDS

19.01 All bills, notices, statements, communications to or demands (collectively, "notices or demands") upon Landlord or Tenant desired or required to be given under any of the provisions hereof must be in writing. Any such notices or demands from Landlord to Tenant will be deemed to have been duly and sufficiently given if a copy thereof has been mailed by United States mail in an envelope properly stamped and addressed to Tenant at the address of the Premises or Tenant's registered office in the State in which the Premises are located at such time, or at such other address as Tenant may have last furnished in writing to the Landlord for such purpose, and any such notices or demands from Tenant to Landlord will be deemed to have been duly and sufficiently given if personally delivered to Landlord or mailed by United States mail in an envelope properly stamped and addressed to Landlord at the address last furnished by written notice from Landlord to Tenant. The effective date of such notice or demand will be deemed to be the time when personally delivered or mailed as herein provided.

SECTION 20

BREACH; INSOLVENCY; RE-ENTRY

20.01 If any rental payable by Tenant to Landlord remains unpaid for more than seven (7) business days after written notice to Tenant of non-payment, or if Tenant violates or defaults in the performance of any of its obligations in this Lease and the violation or default continues for a period of thirty (30) calendar days after written notice, then Landlord may (but will not be required to) declare this Lease forfeited and the Term ended, or re-enter the Premises, without the necessity of instituting a court action or obtaining a judgment, or may exercise all other remedies available under Michigan Law. Landlord will not be liable for damages to person or property by reason of any legitimate re-entry or forfeiture. Tenant, by the execution of this Lease, waives notice of re-entry by Landlord. In the event of re-entry by Landlord without declaration of forfeiture, the liability of Tenant for the Rent provided herein will not be relinquished or extinguished for the balance of the Term, and any rental prepaid may be retained by Landlord and applied against the costs of reentry, or as liquidated damages, or both. Tenant will pay, in addition to the rentals and other sums agreed to be paid hereunder, reasonable attorneys' fees, costs and expenses in any suit or action instituted by or involving Landlord to enforce the provisions of, or the collection of the rentals due Landlord under this Lease, including any proceeding under the Federal Bankruptcy Code.

20.02 If Tenant is adjudged bankrupt or insolvent, files or consents to the filing of a petition in bankruptcy under Federal or State law, applies for or consents to the appointment of a receiver for all or substantially all of its assets, makes a general assignment for the benefit of its creditors, fails generally to pay its debts as they become due, or does anything which, under the applicable provisions of the Federal Bankruptcy Code would permit a petition to be filed by or against Tenant, then Tenant shall be in default under this Lease and, to the extent from time to time permitted by applicable law, including but not limited to the Federal Bankruptcy Code, Landlord shall be entitled to exercise all remedies set forth in the preceding paragraph of this Section 19. In reorganization under chapter 11 of the Federal Bankruptcy Code, the debtor or trustee must assume this Lease or assign it within sixty (60) calendar days from the filing of the proceeding, or he shall be deemed to have rejected and terminated this Lease. Tenant acknowledges that its selection to be the Tenant hereunder was premised in material part on Landlord's determination of Tenant's creditworthiness and ability to perform the economic terms of this Lease, and Landlord's further determination that Tenant and the character of its occupancy and use of the Premises would be compatible with the nature of the Premises and other adjacent properties of Landlord. Therefore, if Tenant, as debtor, or its trustee elects to assume or assign this Lease, in addition to complying with all other requirements for assumption or assignment under the Federal Bankruptcy Code, then Tenant, as debtor or its trustee or assignee, as the case may, must also provide adequate assurance of future performance, including but not limited to a deposit, the amount of which shall be reasonably determined based on the duration of time remaining in the Term, the physical condition of the Premises at the time the proceeding was filed, and such damages as may be reasonably anticipated after reinstatement of the Lease, taking into account rental market conditions at the time of the reinstatement. In the event of an assignment, the Landlord must be reasonably assured that

the financial condition of the assignee is sound, and that its use of the Premises will be compatible with the nature of the Premises and other adjacent properties to Landlord.

20.03 In the event of declaration of forfeiture at or after the time of re-entry, Landlord may re-lease the Premises or any portion(s) or the Premises for a term or terms and at a Rent which may be less than or exceed the balance of the Term of and the Rent reserved under this Lease. In such event Tenant will pay to Landlord as liquidated damages for Tenant's default any deficiency between the total Rent reserved and the net amount, if any, of the rents collected on account of the lease or leases of the Premises which otherwise would have constituted the balance of the term of this Lease. In computing such liquidated damages, there will be added to the deficiency any expenses which Landlord may incur in connection with re-leasing, such as legal expenses, attorneys' fees, brokerage fees and expenses, advertising and for keeping the Premises in good order or for preparing the Premises for re-leasing. Any such liquidated damages will be paid in monthly installments by Tenant on the Rent payment day and any suit brought to collect the deficiency for any month will not prejudice Landlord's right to collect the deficiency for any subsequent month by a similar proceeding. In lieu of the foregoing computation of liquidated damages, Landlord may elect, at its sole option, to receive liquidated damages in one payment equal to any deficiency between the total Rent reserved hereunder and the fair and reasonable rental of the Premises, both discounted at ten (10%) percent per annum to present value at the time of declaration of forfeiture.

20.04 Whether or not forfeiture has been declared, Landlord will not be obliged or be responsible in any way for failure to re-lease the Premises or, in the event that the Premises are re-leased, for failure to collect the rent under such re-leasing. The failure of Landlord to re-lease all or any part of the Premises will not release or affect Tenant's liability for Rent or damages.

SECTION 21 SURRENDER OF PREMISES ON TERMINATION

21.01 At the expiration (or earlier termination) of the Term, Tenant will surrender the Premises broom clean and in as good condition and repair as they were at the time Tenant took possession, reasonable wear and tear excepted, and promptly upon surrender will deliver all keys and building security cards for the Premises to Landlord at the place then fixed for payment of Rent. All costs and expenses incurred by Landlord in connection with repairing or restoring the Premises to the condition called for herein, in connection with repairing or restoring the Premises to the condition called for herein, together with the costs, if any, of removing from the Premises any property of Tenant left therein, together with liquidated damages in an amount equal to the amount of minimum net rental plus all other charges which would have been payable by Tenant under this Lease if the term of this Lease had been extended for the period of time reasonably required for Landlord to repair or restore the Premises to the condition called for herein, shall be invoiced to Tenant and shall be payable as additional rental within five (5) business days after receipt of invoice. Nothing in the foregoing paragraph shall be deemed to allow Landlord to recover

- (b) whether or not this Lease has been amended or modified in any respect, and submitting copies of such amendments or modifications, if any;
- (c) whether or not there are any existing defaults hereunder to the knowledge of the party executing the certificate, and specifying the nature of such default, if any; and
- (d) such other matters as may be reasonably requested by the other party.

Unless such estoppel certificates are required by third persons having a bona fide interest in the information to be furnished, such as the holder of a mortgage, potential purchasers, insurers, financing institutions, bonding companies, accountants and auditors of the parties, and governmental authorities, a request for an estoppel certificate shall be made no more often than twice annually. If a party fails to deliver the executed certificate to requesting party within the ten (10) business day period, the accuracy of the proposed certificate will be deemed conclusively confirmed.

SECTION 24 QUIET ENJOYMENT

24.01 Subject to Landlord's right to access the Premises pursuant to Section 16 hereof, Landlord agrees that at all times when Tenant is not in default under the provisions of this Lease, Tenant's quiet and peaceable enjoyment of the Premises will not be disturbed or interfered with by Landlord or any person claiming by, through, or under Landlord.

SECTION 25 HOLDING OVER

25.01 If Tenant remains in possession of the Premises after the expiration of this Lease without executing a new lease, it will be deemed to be occupying the Premises as a tenant from month to month, subject all the provisions of this Lease to the extent that they can be applicable to a month-to-month tenancy, except that the minimum net rental for each month will be One Hundred Twenty-Five Percent (125%) of the Guaranteed Minimum Rent listed in Section 3 per annum.

SECTION 26 RIGHT TO SET-OFF

26.01 In the event of any breach by Tenant, Landlord shall have the right to set-off any amounts owed by it to Tenant, for any purpose, against any amounts due to Landlord by Tenant hereunder for rent, utilities or otherwise.

SECTION 27
REMEDIES NOT EXCLUSIVE; WAIVER

27.01 Each and every one of the rights, remedies and benefits provided by this Lease are cumulative, and are not exclusive of any other of said rights, remedies and benefits, or of any other rights, remedies and benefits, or of any other rights, remedies and benefits allowed by law.

27.02 One or more waivers of any covenant or condition by Landlord will not be construed as a waiver of a further or subsequent breach of the same covenant or condition, and the consent or approval by Landlord to or of any act by Tenant requiring Landlord's consent or approval will not be deemed to waive or render unnecessary Landlord's consent or approval to or of any subsequent similar act by Tenant.

SECTION 28
RIGHT TO SHOW PREMISES

28.01 If at any time during the term of the Lease the Tenant is in default hereunder or if the Tenant has entered into a payment arrangement with respect to any past due amounts (including, but limited to past due utility amounts), then Landlord shall have reasonable access to the Premises for the purpose of exhibiting the same to prospective tenants and may display about the Premises signs advertising the availability of the Premises. If the foregoing sentence does not apply to Tenant, for a period commencing one hundred twenty (120) calendar days prior to the termination of this Lease or any extension thereof, Landlord may show the Premises and may display about the Premises signs advertising the availability of the Premises.

SECTION 29
(RESERVED)

SECTION 30
PREVENTING REMOTE VESTING

30.01 Notwithstanding any other provisions of this Lease, if the Term of this Lease does not commence within one (1) year from the date hereof, this Lease will be deemed terminated one (1) year from the date hereof without necessity of any notice or act by Landlord or Tenant. It is the intention of this Section to prevent this Lease from becoming unenforceable by reason of any claim that it might violate the rule against perpetuities.

SECTION 31

DEFINITION OF LANDLORD, LANDLORD'S LIABILITY

31.01 The term "Landlord" as used in this Lease so far as covenants, agreements, stipulations or obligations on the part of the Landlord are concerned is limited to mean and include only the owner or owners of fee title (or of a ground leasehold interest) to the Premises at the time in question, and in the event of any transfer or transfers of the title to such fee the Landlord herein named (and in case of any subsequent transfer or conveyances the then grantor) will automatically be freed and relieved from and after the date of such transfer or conveyance of all personal liability for the performance of any covenants or obligations on the part of the Landlord contained in this Lease thereafter to be performed.

SECTION 32

ENVIRONMENTAL MATTERS

32.01 Tenant covenants and agrees that: (i) all uses and operations on or of Premises, whether by Tenant or any other person or entity, shall be in compliance with all Environmental Laws (as defined in Section 32.03 below) and permits issued pursuant thereto; (ii) Tenant, its agents, employees or anyone acting by and through Tenant shall not release or discharge any Hazardous Materials in, on, under or from the Premises; (iii) Tenant shall not permit or keep Hazardous Material in, on, or under the Premises, except in accordance with applicable laws; (iv) Tenant shall keep the Premises free and clear of all liens and other encumbrances imposed pursuant to any Environmental Law, due to any act or omission of Tenant or any other person or entity acting by and through Tenant (the "Environmental Liens"); (v) Tenant shall fully and expeditiously cooperate with Landlord to reasonably effectuate remediation of any condition (including but not limited to a Release) in, on, under or from the Premises to the extent such remediation is required by applicable law or in order to make the Premises marketable, including but not limited to providing all relevant information and making knowledgeable persons available for interviews; (vi) provided Landlord has reasonable cause to believe that Release has occurred in, on or under investigation of environmental conditions in connection with the Premises and during the term of this Lease as a result of tenants use or misuse of the Premises, Tenant shall, at its sole cost and expense, perform any environmental site assessment or other investigation of environmental conditions in connection with the Premises, pursuant to any reasonable written request of Landlord (including but not limited to sampling, testing and analysis of soil, water, air, building materials and other materials and substances whether solid, liquid or gas), and share with Landlord the reports and other results thereof, and Landlord shall be entitled to rely on such reports and other results thereof; (vii) Tenant shall, at its sole cost and expense (1) comply with any Environmental Law; and (3) comply (following the final determination of all available appeals) with any directive from any governmental authority having jurisdiction over the Premises; (viii) Tenant shall not do or allow any tenant or other user of the Premises to do any act that materially increases the dangers to human health or the environment, poses an unreasonable risk of harm to any person or entity (whether on or off the Premises), impairs or may impair the value of the

Premises, is contrary to any requirement of any insurer, constitutes a public or private nuisance, constitutes waste, or violates any covenant, condition, agreement or easement applicable to the Premises; and (ix) Tenant shall immediately notify Landlord in writing of (A) any presence of Releases or threatened Releases in, on, under, from or migrating towards the Premises known to Tenant; (B) any non-compliance with any Environmental Laws related in any way to the Premises known to Tenant; (C) any actual or potential Environmental Lien known to Tenant; (D) any required or proposed remediation of environmental conditions relating to the Premises known to Tenant; and (E) any written or oral notice or other communication which Tenant becomes aware of from any source whatsoever (including but not limited to a governmental entity) relating in any way to Hazardous Materials at the Premises or remediation thereof, possible liability of any person or entity pursuant to any Environmental Law for environmental condition in connection with the Premises, or any actual or potential administrative or judicial proceedings in connection with anything referred to in this Section.

32.02 To the best of Tenant's knowledge, Tenant has not obtained and is not required to obtain any permits, licenses or similar authorizations to construct, occupy, operate or use any buildings, improvements, fixtures and equipment forming a part of the Premises by reason of any Environmental Laws, other than such permits, licenses and similar authorizations that are required to be obtained and have, in fact, been obtained.

32.03. For purposes hereof, the term "Environmental Laws" shall mean any federal, state or local laws, rules, statutes, ordinances, rules, regulations and the like to related to (1) the protection of human health or the environment, (2) Hazardous Materials (as defined below), and (3) the installation, existence or removal of asbestos or asbestos containing materials. The term "Hazardous Materials" shall mean any of the following: solid wastes, toxic or hazardous substances or related materials defined in the Environmental Laws; petroleum; petroleum products; natural gas; radon; pollutants; or contaminants (including, without limitation, poly-chlorinated bi-phenyls, lead and urea formaldehyde foam insulation, and discharges of sewage or effluent).

32.04 If Landlord has reasonable cause to believe that a release has occurred in, on or under or affecting the Premises Landlord shall notify Tenant of the same, and Landlord and any other person or entity designated by Landlord, including but not limited to any receiver, any representative of a governmental entity, and any environmental consultant, shall have the right, but not the obligation, to enter upon the Premises at all reasonable times to assess any and all aspects of the environmental condition of the Premises and its use, including but not limited to conducting any environmental assessment or audit (the scope of which shall be determined in Landlord's reasonable discretion) and taking samples of soil, groundwater or other water, air, or building materials, and conducting other invasive testing. Tenant shall cooperate with and provide access to Landlord and any such person or entity designated by Landlord. Notwithstanding the foregoing, Landlord and any other persons or entities designated by Landlord shall have the right to enter the Premises pursuant to this paragraph unless Landlord shall have delivered a written request to Tenant for Tenant to undertake the activities which Landlord desires to have undertaken pursuant to this paragraph and Tenant shall have failed to promptly commence such activities, but

in no event later than ten (10) business days after Tenant's receipt of such notice, and diligently prosecute such activities to completion.

32.05 Tenant shall, at its sole cost and expense, protect, defend, indemnify, release and hold harmless Landlord from and against any and all Losses (excluding Losses arising out of the negligence or willful misconduct of Landlord) and costs of remediation (whether or not performed voluntarily), engineers' fees, environmental consultants' fees, and costs of investigation (including but not limited to sampling, testing, and analysis of soil, water, air building materials and other materials and substances whether solid, liquid or gas) imposed upon or incurred by or asserted against any Landlord, and directly or indirectly arising out of or in any way relating to any one or more of the following: (i) any activity by Tenant, any person or entity affiliated with Tenant in connection with any actual, proposed or threatened use, treatment, storage, holding, existence, disposition or other release, generation, production, manufacturing, processing, refining, control, management, abatement, removal, handling, transfer or transportation to or from the Premises of any Hazardous Materials at any time located in, under, on or above the Premises; (ii) any activity by Tenant, any person or entity affiliated with Tenant in connection with any actual or proposed remediation of any Hazardous Materials at any time located in, under, on or above the Premises, whether or not such remediation is voluntary or pursuant to court or administrative order, including but not limited to any removal, remedial or corrective action; (iii) any failure by Tenant, any person or entity affiliated with Tenant or any tenant or other user of the Premises to comply with any order of any governmental authority in connection with any Environmental Laws; (iv) the imposition, recording or filing or the threatened imposition, recording or filing of any Environmental Lien encumbering the Premises; (v) any administrative processes or proceedings or judicial proceedings in any way connected with any matter addressed in this Section and related to the acts or omissions of Tenant or any other persons or entities affiliated with Tenant; (vi) any acts of Tenant or other permitted users of the Premises in arranging for disposal or treatment, or arranging with a transporter for transport for disposal or treatment, of Hazardous Materials owned or possessed by such Tenant or other users, at any facility or incineration vessel owned or operated by another person or entity and containing such or similar Hazardous Materials; (vii) any acts of Tenant or other users of the Premises, in accepting any Hazardous Materials for transport to disposal or treatment facilities, incineration vessels or sites selected by Tenant or such other users, from which there is a release, or a threatened release of any Hazardous Material which causes the incurrence of costs for remediation; (viii) and (ix) any misrepresentation or inaccuracy in any representation or warranty or material breach or failure to perform any covenants or other obligations pursuant to this Section. Notwithstanding the foregoing, the obligations of Tenant under this subsection shall not extend to releases occurring on the Premises or Hazardous Materials being introduced onto the Premises prior to Tenant's possession of this Premises or subsequent to the termination of Tenant's right to possess the Premises under this Lease.

32.06 The obligations of Tenant and the rights and remedies of Landlord set forth in this Section shall survive the termination, expiration and/or release of this Lease.

SECTION 33 ENTIRE AGREEMENT

33.01 This Lease and the Exhibits attached hereto and forming a part hereof, set forth all of the covenants, agreements, stipulations, promises, conditions and understandings between Landlord and Tenant concerning the Premises and there are no covenants, agreement, stipulations, promises, conditions or understanding, either oral or written, between them other than herein set forth.

SECTION 34 GENERAL

34.01 Many references in this Lease to persons, entities and items have been generalized for ease of reading. Therefore, references to a single person, entity or item will also mean more than one person, entity or thing whenever such usage is appropriate (for example, "Tenant" may include, if appropriate, a group of persons acting as a single entity, or as tenants-in-common). Similarly, pronouns of any gender should be considered interchangeable with pronouns of other genders.

34.02 (Reserved)

34.03 Topical headings appearing in this Lease are for convenience only. They do not define, limit or construe the contents of any paragraphs or clauses.

34.04 This Lease can be modified or amended only by a written agreement signed by Landlord and Tenant.

34.05 All provisions of this Lease are and will be binding on the heirs, executors, administrators, personal representatives, successors and assigns of Landlord and Tenant.

34.06 If any provision of this Lease is held invalid or unenforceable by any court of competent jurisdiction, the other provisions of this Agreement will remain in full force and effect. Any provision of this Lease held invalid or unenforceable only in part or degree will remain in full force and effect to the extent not held invalid or unenforceable.

34.07 This Agreement shall be governed and construed in accordance with the laws of the State of Michigan. Any dispute hereunder shall be reviewed in the Circuit Court for the County of Wayne.

SECTION 35 BROKERAGE

35.01 Tenant and Landlord represent and warrant that they have had no dealings or negotiations with any broker or agent in connection with the consummation of this Lease, with the exception of Summit Commercial LLC and Tenant agrees to pay, hold

harmless and indemnify Landlord from and against any and all costs, expenses (including attorneys' fees and court costs), loss and liability for any compensation, commissions or charges claimed by any other broker or agent with respect to this Lease or the negotiations thereof if such claim or claims by any such broker or agents are based in whole or in part on dealings with Tenant or its representatives. Landlord shall pay Summit Commercial a commission on the Lease; as well as, any expansions or renewals in accordance with Summit Commercial's listing agreement upon execution of this Lease and any subsequent Options.

SECTION 36 SECURITY PROCEDURES

36.01 In the event Tenant, in the course of its normal business activities, should require afterhours access to the Premises for itself or its clients, it hereby acknowledges that such access to the Premises must be subject to any and all security procedures now or hereinafter in effect and agrees to comply with any such security procedures.

SECTION 37 LEGAL COUNSEL

37.01 EACH SIGNATORY TO THIS AGREEMENT ACKNOWLEDGES RETAINING INDEPENDENT LEGAL COUNSEL OR HAVING THE OPPORTUNITY TO RETAIN LEGAL COUNSEL BEFORE EXECUTING THIS LEASE AND ANY RELATED DOCUMENTS. NEITHER PARTY HAS RELIED ON THE OTHER PARTY FOR ANY ADVICE WITH RESPECT TO THIS LEASE.

[Signatures on following page]

IN WITNESS WHEREOF the Landlord and Tenant have executed this Lease as of the date set forth at the outset hereof.

WITNESS:

LANDLORD:

NEW PROVIDENCE BAPTIST
CHURCH, a Michigan nonprofit corpora-
tion

Barbara Jennings
Kim B.

By:

EVERETT N. JENNINGS

Its:

PASTOR

WITNESS:

TENANT:

DETROIT INNOVATION ACADEMY
(DIA), a Michigan nonprofit corporation
and public school academy

Jerome E.

By:

ENGELICH CRAIN

Its:

BOARD President

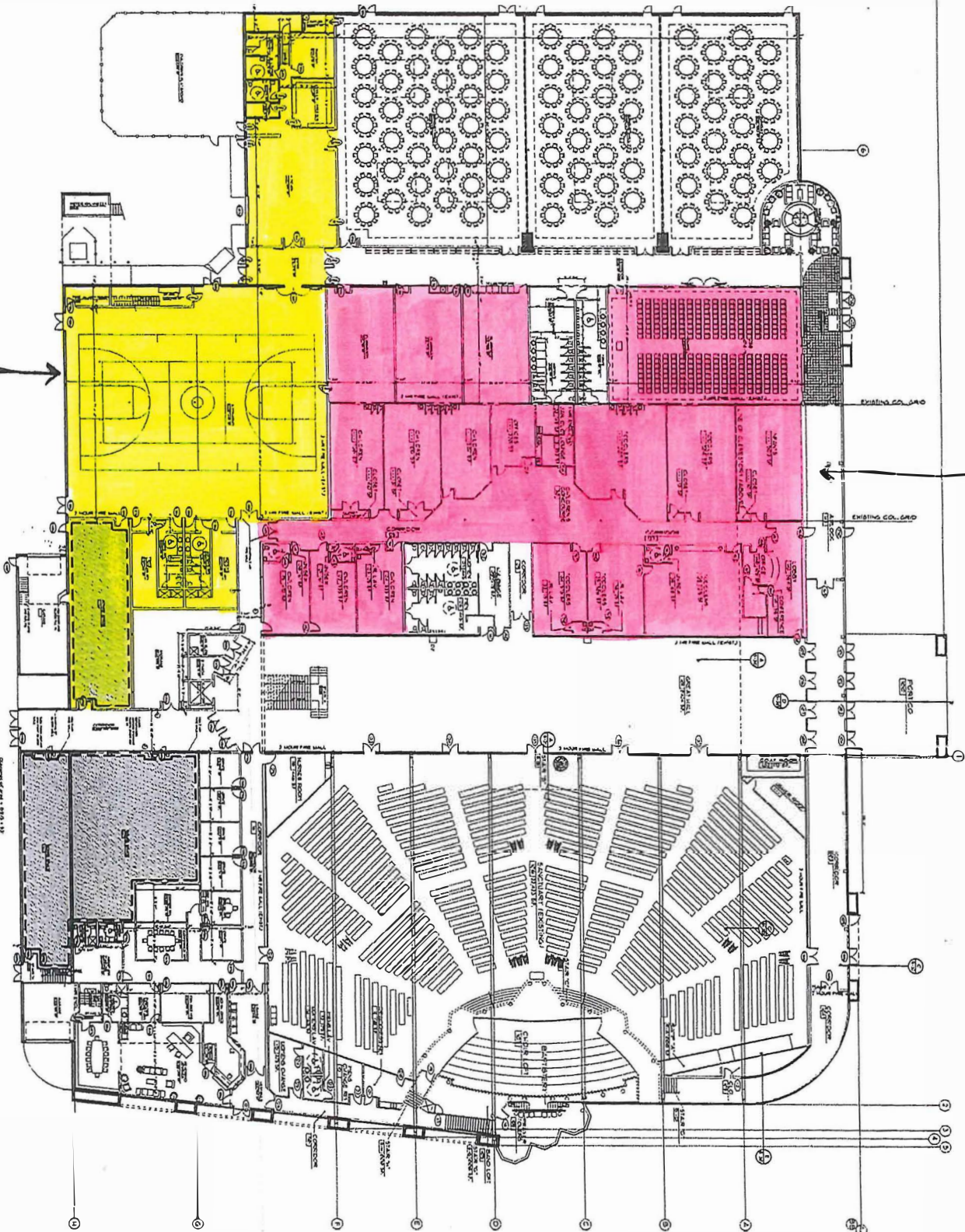
Exhibit A

FLOOR PLAN OF PREMISES

EXCLUSIVE

SHARED

① FIRST FLOOR OVERALL PLAN
1/8" = 1'-0"



OWNER New Providence Baptist Church 18211 Plymouth Rd. Detroit, MI		PASTOR Rev. Edward N. Jennings, Sr. Pastor		PROJECT DETROIT INNOVATION ACADEMY	
ARCHITECT BANKH CORP. 2000 W. LEXINGTON AVE. ANN ARBOR, MI 48106-1429		DATE 10/15/13		SHEET NO. A-1	
PROJECT DETROIT INNOVATION ACADEMY		DATE 10/15/13		SHEET NO. A-1	
ARCHITECT BANKH CORP. 2000 W. LEXINGTON AVE. ANN ARBOR, MI 48106-1429		DATE 10/15/13		SHEET NO. A-1	
PROJECT DETROIT INNOVATION ACADEMY		DATE 10/15/13		SHEET NO. A-1	
ARCHITECT BANKH CORP. 2000 W. LEXINGTON AVE. ANN ARBOR, MI 48106-1429		DATE 10/15/13		SHEET NO. A-1	

Exhibit B

OPERATING EXPENSE SCOPE AND ESTIMATES

OPERATING EXPENSE

Dedicated Space	27,502.0 Square Feet	\$4.23 cost per square foot	Required Payment	\$116,333.46
Shared Space (20% of 13,606)	2,721.2 Square Feet	\$4.23 cost per square foot	Required Payment	<u>\$ 11,510.68</u>
			Total Payment	\$127,844.14
			* Monthly Operating Expense Payment	\$ 10,653.68

*Total annual operating expense payment of \$127,844.14 divided by twelve equals twelve monthly payments of **\$10,653.68**

Exhibit C

TENANT IMPROVEMENT SCOPE OF WORK AND COST ESTIMATES

Detroit Innovation Academy

Classroom Expansion Project Summary

Detroit Innovation Academy (DIA) will be undertaking a renovation project which includes two elements:

1. Converting the former Chapel space into three (3) classrooms
2. Installing a Modernfold moveable partition within the existing Church banquet area

The former Chapel space will be converted into three individual classrooms including modifications to add required firewall separation requirements and ventilation per State code and all mechanical, electrical and architectural modifications per plans and specifications. TMP & Architecture, Inc is the Architect of Record and has completed the design and is managing the construction bid process and procurement of all necessary regulatory approvals.

The budget estimate for the project is:

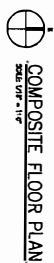
1. Classroom renovations - \$210,298
2. Partition wall - \$78,042

Total projected budget estimate - \$288,340

The preliminary project schedule is:

- Issue construction bid documents – May 1, 2017
- Construction trades site visits – periodically between May 1 – May 23, 2017
- Construction Bids Due – May 23, 2017
- Construction start – June 1, 2017
- Construction complete for classroom renovations – August 31, 2017
- Construction complete for moveable wall partition – October 20, 2017

Upon selection of the General contractor DIA will communicate and coordinate working days and hours for construction, access and egress to work areas, location of dumpsters and/or other outside material storage and logistics of construction within the banquet space with the appropriate Church representatives. A final construction schedule will also be determined in conjunction with the selected General Contractor, particularly as it relates to the moveable partition wall to determine the final construction timeline and access to that space.

[illegible]

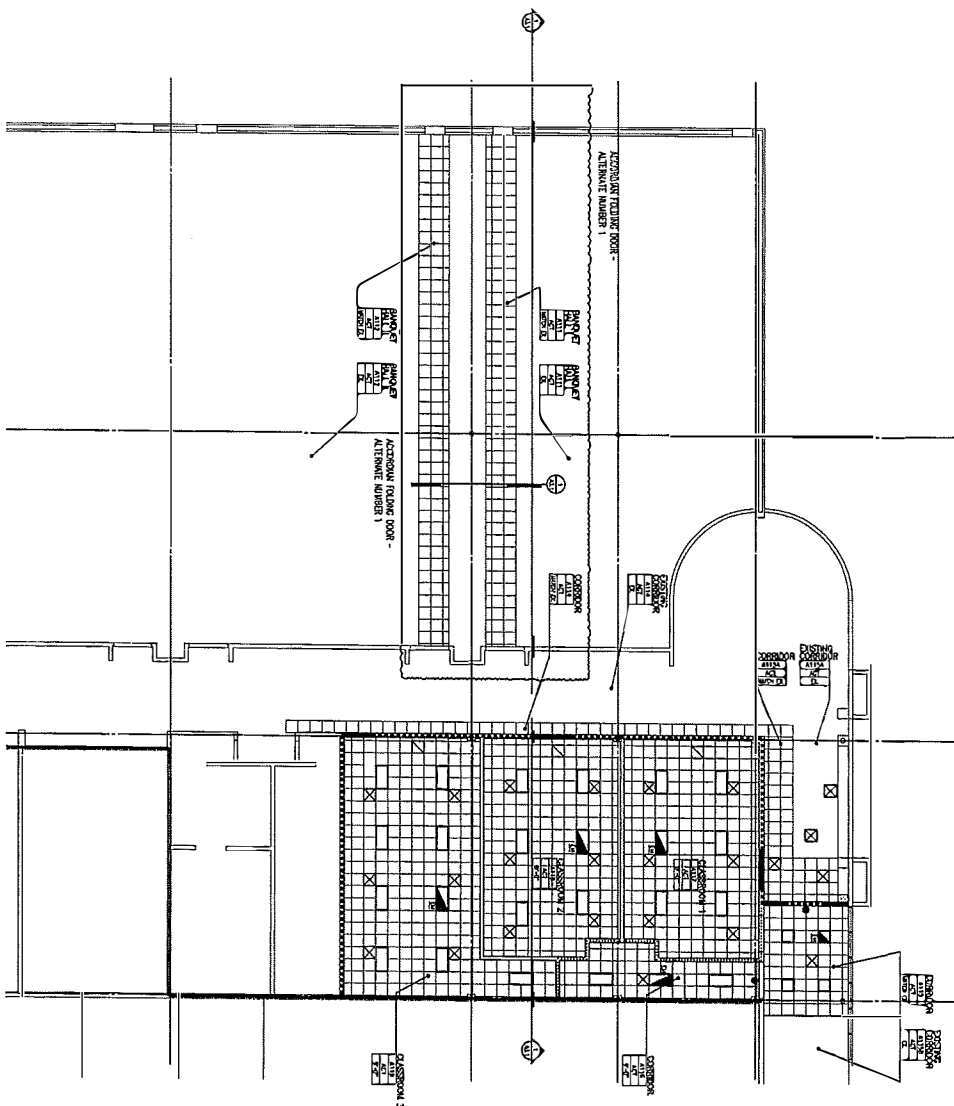
[illegible]

Exhibit E

ORIGINAL LEASE

LEASE

THIS LEASE (this "Lease") is entered into the 9TH day of May, 2012, to be effective June 15, 2012 ("Effective Date"), by and between **NEW PROVIDENCE BAPTIST CHURCH** ("Landlord"), having an address of 18211 Plymouth Rd., Detroit, Michigan, 48228, and **Y EDUCATION SERVICES, L3C**, a Michigan low profit limited liability company, having an address of 1401 Broadway, Suite 3A, Detroit, Michigan, 48226 ("Tenant").

SECTION I THE PREMISES

1.01 Landlord, for and in consideration of the payments hereinafter stipulated to be made by Tenant and the covenants and agreements hereinafter contained to be kept and performed by Tenant, hereby leases unto Tenant, and Tenant hereby leases from Landlord, on the terms and conditions hereinafter set forth in this Lease, space at 18211 Plymouth Rd., Detroit, Michigan, 48228, New Providence Baptist Church, containing the designated existing daycare area, the designated parking lot/playground area, and the shared gymnasium and kitchen area, totaling approximately **24,752 square feet (SF)** on the 1st floor including a ten (10%) percent load factor ("Premises"), as shown on the drawing attached hereto as **Exhibit A** and made a part hereof, in the building ("Building") known as the as the New Providence Baptist Church, located 18211 Plymouth Rd., Detroit, Michigan, 48226

1.02 Tenant has inspected the Premises and agrees to take the Premises and any agreed upon furniture, equipment and fixtures in the "AS IS" condition existing as of the Commencement Date. Furniture and equipment shall not include any computers, smart boards or other IT equipment.

SECTION 2 THE TERM

2.01 The term of this Lease will commence on August 1, 2012(the "Commencement Date") and shall end on July 31, 2017 unless earlier terminated or extended as provided in this Lease (as the case may be, the "Term").

2.02 Termination of CharterSchool Contract. Tenant's subtenant, **Detroit Innovation Academy**, a Michigan nonprofit corporation and public school academy ("Subtenant") is a party to a Charter School Contract with Central Michigan University for the operation of a school in the Premises (the "Charter School Contract"). If for any reason whatsoever the Charter School Contract is terminated, or is not renewed or extended, prior to the expiration of the Term hereof, then this Lease shall terminate simultaneously with such termination, non-renewal or non-extension, as the case may be, and neither party shall have any right or cause of action against the other by reason of

such termination except what is provided for in writing within this Lease Document. Notwithstanding the foregoing, in the event of a termination of the Charter School Contract for reasons other than cause, Tenant shall be permitted (i) to allow Subtenant to attempt to secure another charter for a limited period of time (if, and only if, the Charter School Contract is terminated at the end of a school year), which charter will permit Subtenant to operate a charter school in the same manner as chartered under the Charter School Contract, or (ii) seek another subtenant holding a valid Charter School Contract to replace Subtenant, and in the event Subtenant should procure such a charter timely or Tenant should timely identify a replacement subtenant, in either case enabling full operations of a school at the beginning of the following school year, this Lease shall be automatically revived and reinstituted. Notwithstanding anything to the contrary Tenant shall remain the Tenant under this Lease so long as the Lease is in effect.

2.03 In the event of such early termination, Tenant shall pay to Landlord within 30 days of such notice the sum of three (3) month's rent as a termination fee. Additionally, Tenant shall be required to reimburse Landlord for all unamortized commissions.

2.04 Option to Renew/Expand.

(a) As provided in subparagraph (b), Tenant shall have the right to renew this Lease upon the same terms as those set forth herein for so long as (i) Tenant maintains a valid sublease with an entity holding a Charter School Contract with Central Michigan University or any similar authorizing body and Tenant is not in default of any of its obligations under this Lease, and (ii) this Lease has not been terminated prior to the end of the then Term.

(b) Subject to the conditions in subparagraph (a), Tenant may renew this Lease for as many as five (5) successive five-year extended terms by giving notice of exercise of renewal not less than eleven (11) or more than thirteen (13) months before the end of a Term (e.g., notice to extend for the first renewal term must be given not later than September 1, 2016 and not earlier than July 1, 2016).

2.05 Landlord shall permit Tenant to enter into possession of the Premises on June 15, 2012, prior to the Commencement Date to effect necessary improvements to the Premises for use as a Charter School Academy. Tenant or its agents, invitees, licensees, contractors or employees shall not engage in construction improvement activities on Sundays. Tenant agrees that such occupancy will be deemed to be under all the provisions of this Lease other than an obligation to pay Rent, including but not limited to the insurance requirements established herein.

2.06 Tenant shall have the right to expand the Lease Premises by approximately 2,500 SF on the 1st floor of the Building at the Commencement of the third year of the Lease Term. This expansion space shall be as shown on the drawing attached hereto as **Exhibit A** and made a part hereof and leased upon the same terms as those set forth herein, except that the rent will be adjusted in accordance with the rent table provided in paragraph 3.02, and for so long as (i) Tenant maintains a valid sublease with

an entity holding a Charter School Contract with Central Michigan University or any similar authorizing body and Tenant is not in default of any of its obligations under this Lease, and (ii) this Lease has not been terminated prior to the end of the then Term.

2.07 Should Tenant exercise its expansion rights, Tenant shall be responsible for all improvement costs, permits and approvals required for their expansion, including but not limited to the installation of a retractable partition wall in the New Providence Baptist Church Banquet Hall.

SECTION 3 RENT

3.01 Beginning on the Commencement Date, Tenant shall pay to the Landlord as rent ("Base Rent") Twelve percent (12%) of State Aid received by Subtenant (or any successor subtenant) for years one through five. Should Tenant exercise its right to expand on the 1st floor in year three, Tenant shall pay to the Landlord Thirteen percent (13%) of State Aid Subtenant (or any successor subtenant) for years three through five.

3.02 Tenant shall pay as fixed minimum Base Rent for the Premises without prior demand and without offset or deduction the sum as outlined in table below. Payment is due in advance on the first day of each calendar month of the Term and Additional Rent as hereinafter set forth. Tenant shall pay a monthly set operating expense charge of \$4.23 per square foot annually, which covers all Common Area Maintenance fees, Utilities, Janitorial Services, Janitorial Supplies, Porter Services, Parking Lot Maintenance, Insurance, and Taxes ("Additional Rent"). A spreadsheet highlighting the operating expense cost estimates is provided as **Exhibit B**. This operating expense payment will be due on the 1st of the month along with the monthly Base Rent payment.

Period	Anticipated Student Enrollment	Monthly Rent Payments	Annual Rent @ 12%	Minimum Guaranteed Rent
(8/1/12 – 7/31/13)	175	\$12,425.00	\$149,100.00	\$124,850.00
(8/1/13 – 7/31/14)	250	\$17,750.00	\$213,000.00	\$157,500.00
(8/1/14 – 7/31/15)	300	\$21,300.00	\$255,000.00	\$249,000.00
(8/1/15 – 7/31/16)	325	\$23,075.00	\$276,900.00	\$267,250.00
(8/1/16 – 7/31/17)	325	\$23,075.00	\$276,900.00	\$269,500.00
Period	Anticipated Student Enrollment	Monthly Rent Payments	Annual Rent @ 13% Should Tenant exercise expansion rights	Minimum Guaranteed Rent
(8/1/14 – 7/31/15)	300	\$23,075.00	\$276,900.00	267,250.00
(8/1/15 – 7/31/16)	325	\$24,998.00	\$299,975.00	276,900.00
(8/1/16 – 7/31/17)	325	\$24,998.00	\$299,975.00	276,900.00

All Base Rent and Additional Rent (collectively, "Rent") payments shall be made payable to **New Providence Baptist Church** ("Landlord"), having an address of 18211 Plymouth Rd., Detroit, Michigan, 48228 or such other address as Landlord may from time to time designate. Tenant's obligation to pay Rent to Landlord shall commence on the Commencement Date. In the event the Commencement Date shall be on a day other than the first of the month, the Commencement Date shall be the first day of the month. Rent for the period between the date of the occurrence of the events set forth above and the commencement date, which pro-rata amount shall be equal to the monthly rent multiplied by a fraction, the numerator of which shall be the number of days remaining in the month in which the events set forth above have occurred and the denominator of which shall be thirty (30).

3.03 Tenant agrees to pay the Rent in a manner such that Landlord shall always have one month's Rent in advance. Tenant agrees that Landlord may apply such amount as payment for the last month's Rent or other rental amount, which becomes due hereunder, pursuant to expiration, or the earlier termination of this Lease. The parties agree that this amount is not a security deposit and is not required to be held by the Landlord in a separate depository account.

3.04 Any installment of Rent due or accruing hereunder and any other sum, which is due or becomes due hereunder, whether termed rent or otherwise and payable hereunder by Tenant to Landlord which is not paid within five (5) days of the due date, shall bear interest at the rate of ten (10%) percent per annum from the date when the same shall respectively become payable until the same is paid.

SECTION 4 SIGNAGE

Tenant at Tenant's sole cost and expense shall have the right to install building signage above Premises main entrance and fence signage on north side of property's fence, subject to Landlord's written approval, which approval shall not be unreasonably withheld, and subject to Tenant's compliance with all applicable municipal laws, ordinances, and regulations.

SECTION 5 USE OF PREMISES

5.01 The Premises during the continuance of this Lease will be used for and occupied for operation of a public school academy and related school activities (the "Permitted Use") and for no other purpose, without the prior written consent of Landlord, which consent shall not be unreasonably withheld.

5.02 Tenant agrees that it will not use or permit any person to use the Premises or any part thereof for any use or purposes in violation of the laws of the United States, the laws, ordinances or other regulations of the State and municipality in which the

Premises are located, or of any other lawful authorities having jurisdiction over the Premises. During the Term or any renewal thereof, Tenant will keep the Premises and every part thereof in a clean and wholesome condition and generally will comply with all applicable health and policy regulations.

5.03 Landlord makes no representation that the Permitted Use is consistent with applicable laws, statutes, ordinances or regulations. Tenant assumes all responsibility for obtaining any permits, licenses, variances or other approvals necessary for such use to occur on the Premises.

SECTION 6 TENANT IMPROVEMENTS

6.01 Tenant, upon Landlord approval, is responsible at its own cost, for any Tenant improvements. Tenant's basic scope of work for the Premises shall be attached hereto as **Exhibit C**. Tenant shall provide Landlord with an updated scope of work and detailed construction cost estimates prior to Lease Commencement Date. Tenant shall be responsible for all licenses and permits as required by the City of Detroit and/or State of Michigan necessary to do any improvements. All Tenant improvements shall conform to all applicable building codes and ordinances of the City of Detroit and/or State of Michigan.

SECTION 7 UTILITIES

7.01 Charges for utilities, including without limitation gas, electricity, light, heat, water, and sewage, shall be included in the monthly operating expense payment made by the Tenant. Landlord shall have the right to review these utility cost at the end of each year and Landlord shall have the right to increase or decrease the Tenant's monthly operating expense payment for the subsequent year in accordance with any utility cost increases from the current year. Tenant shall have full audit rights and the right to review utility bills. In the event that Tenant's audit reveals a discrepancy in the calculation of such costs by Landlord, Tenant shall not be required to pay any increased monthly operating expense payment amount unless and until Landlord has substantiated the utility cost increases supporting the increased amount to the reasonable satisfaction of Tenant.

SECTION 8 INSURANCE

8.01 Tenant shall procure at its sole cost and expense and keep in effect during the Term hereof, a primary policy of comprehensive general public liability insurance, naming Landlord as an additional insured party, and including blanket contractual coverage against claims for or arising out of bodily injury, death or property damage or loss, including fire, occurring in, on or about the Premises or property in, on or about the

streets, sidewalks or properties adjacent to the Premises. The limits of coverage will be, initially, if dual limits are provided, not less than Three Million Dollars (\$3,000,000) with respect to injury or death of a single person, not less than Three Million Dollars (\$3,000,000) with respect to any one occurrence of property damage, or, in the alternative, a single limit policy in the amount of Three Million Dollars (\$3,000,000), and thereafter in such reasonable appropriate increased amounts as may be determined by Landlord, provided however, that the amount of coverage will not be increased more frequently than at one (1) year intervals. The policy will contain cross-liability endorsements. In the event Tenant fails to procure such insurance, Landlord may, at its option, terminate the lease or procure the same for the account of Tenant, and the cost thereof shall be paid to Landlord as Additional Rent upon the delivery to Tenant of a bill therefore.

8.02 The insurance policy or policies to be provided by Tenant hereunder shall be issued by an insurance company or companies having an A.M. Best Company rating of not less than "A". Each policy procured by Tenant under this Section 8 must provide for at least thirty (30) days written notice to Landlord of any cancellation. At Landlord's option, either certificate of insurance or the original policy or policies will be delivered by Tenant to Landlord prior to the effective date thereof, together with receipts evidencing payment of the premiums therefore. Tenant will deliver certificates of renewal for such policies to Landlord at least thirty (30) days prior to the expiration dates thereof.

8.03 Except with respect to the insurance required by Subsection 8.01, neither Landlord nor Tenant may take out separate insurance concurrent in form or contributing in the event of loss with that required under this Section 8 unless Landlord and Tenant are included therein as the insured payable as provided in this Lease. Each party will notify the other immediately of the placing of any such separate insurance.

8.04 In the event of loss under any policy or policies provided by Tenant to Landlord under this Section 8, other than the liability policy required by Subsection 8.01, the insurance proceeds will be payable to Landlord; thereafter, such proceeds, with the exception of the loss of rents insurance proceeds, will be used for the expense of repairing or rebuilding the improvements which have been damaged.

8.05 Landlord and Tenant mutually waive their rights of subrogation and recovery against each other, their agents, employees, and contractors to the extent they are insured or required to carry insurance for such loss.

8.06 Indemnification. Subject to Section 8.05.

(a) Indemnification by Tenant. Tenant shall pay, protect, indemnify and save harmless Landlord from and against all liabilities, damages, costs, expenses (including reasonable attorneys' fees and disbursements), causes of action, suits, claims, demands or judgments of any nature whatsoever which may be imposed upon or incurred by or asserted against Landlord by reason of (a) any acts or omissions by Tenant or its agents, invitees, licensees, contractors or employees arising out of Tenant's occupancy of

the Premises, (b) any failure by Tenant to perform or comply with any of the terms of this Lease, or of any contracts, agreements, restrictions or Applicable Laws (defined in Section 13.1) affecting the Premises or any part thereof, or (c) a breach of any representation or warranty of Tenant hereunder.

(b) Indemnification by Landlord. Landlord shall pay, protect, indemnify and save harmless Tenant from and against all liabilities, damages, costs, expenses (including reasonable attorneys' fees and disbursements), causes of action, suits, claims, demands or judgments of any nature whatsoever which may be imposed upon or incurred by or asserted against Tenant by reason of (a) any failure by Landlord to perform or comply with any of the terms of this Lease, or (b) a breach of any representation or warranty of Landlord hereunder.

(c) Landlord agrees to indemnify and defend Tenant against and hold Tenant harmless from any liability, loss, damage, cost, or expense (including reasonable attorneys' fees and disbursements) based on any claim, demand, suit, or action by any person or entity with respect to restrictions or alleged restrictions on Landlord's title or relating to Tenant's use of the Premises for operation of a public school academy and related school activities. Further, in the event that a restrictive covenant prevents Tenant's use of the Premises as a public charter school, Landlord releases Tenant from all further obligations under the Lease, except for Rent accruing through the date upon which Tenant surrenders possession of the Premises to Landlord.

(d) Survival of Indemnity. The indemnity obligations contained in this Section 8.06 shall survive the expiration or earlier termination of this Lease.

SECTION 9 DAMAGE BY FIRE OR OTHER CASUALTY

9.01 It is understood and agreed that if the Premises are damaged or destroyed in whole or in part by fire or other casualty during the Term, the Landlord, if there are sufficient insurance proceeds, will repair and restore the same to good tenantable condition with reasonable dispatch. The Rent and all other charges which are the obligation of Tenant under this Lease will abate for the period the Premises are untenable.

9.02 In the event the Premises are damaged or destroyed to the extent of more than 35% of the replacement cost, either party hereto shall have the right to terminate this Lease upon providing 90 days' prior written notice to the other party. In the event Landlord fails to commence such repair and restoration within a reasonable time and such failure continues for 30 days after Tenant has provided written objection to Landlord, Tenant shall have the right to terminate this Lease.

9.03 Tenant will have the option, exercisable by written notice to Landlord upon restoration of the Premises, to extend the original Term of this Lease (or the extension of the Term during which the damage or destruction occurred, as the case may

be) for a period equal to the period, if any, during which Tenant was deprived of the use of all or a significant portion of the Premises by reason of such damage or destruction. Tenant's option must be exercised within twenty (20) days following (i) completion of the work of restoration and repair, and (ii) Landlord's notice to Tenant that such work has been completed.

SECTION 10 REPAIRS

10.01 Landlord, in consideration for Tenant's monthly operating expense payment, shall keep the Improvements, including all structural, electrical, mechanical and plumbing systems at all times in good appearance and repair including reasonable and normal wear and tear.

10.02 Landlord, in consideration for Tenant's monthly operating expense payment, shall make all repairs and replacements, as and when necessary, to the Improvements. All repairs and replacements made by or on behalf of Landlord or any person claiming through or under Landlord shall be made and performed (a) so that the same shall be at least equal in quality, value, and utility to the original work or installation, and (b) in accordance with all applicable laws and regulations of governmental authorities having jurisdiction over the Premises.

10.03 Landlord, in consideration for Tenant's monthly operating expense payment, shall maintain the Premises and keep the same reasonably free from rubbish, dirt, snow and ice at all times; and Landlord, in consideration for Tenant's monthly operating expense payment, shall keep and maintain parking lots on the Premises in good order and repair, providing timely snow and ice removal and shall maintain all landscaped areas. Landlord's scope and schedule of maintenance and janitorial services is provided as **Exhibit D**.

10.04 Landlord shall not be required hereunder to furnish any services or facilities or to make any improvements, repairs, maintenance or alterations in or to the Premises during the Term of this Lease when the damage is the result of Tenants willful or malicious destruction or gross negligence. In the event the Premises are damaged as a result of Tenants willful or malicious destruction or gross negligence and the Tenant fails to commence such repair and restoration within a reasonable time and such failure continues for 20 days after Landlord has provided written objection to Tenant, Landlord shall have the right to effect repair and Tenant shall be responsible for paying repair costs plus 15% as Additional Rent. This section will apply to any such work, services or materials, whether furnished at Tenant's request or on its behalf and whether furnished or caused to be furnished by Landlord or its agents, employees or contractors. All amount payable under this section will be additional rental, and failure by Tenant to pay them when due will be a default under this Lease.

ARTICLE 11
CONDITION OF PREMISES; CARE OF PREMISES

11.01 On the Effective Date of this Sublease, Tenant hereby accepts the Premises in its "AS IS" condition, including all latent conditions thereof. Tenant hereby acknowledges that, except as expressly set forth in this Lease, Landlord, its agents or representatives have made no representations as to (a) the physical condition of the Premises or (b) insurance underwriting standards and requirements applicable to the Premises.

11.02 Tenant will keep the Premises in good condition and repair, except the roof, outer walls, foundation, and other structural maintenance, including the replacement of the HVAC system, and Landlord's obligations pursuant to Article 10 of this Lease, all of which shall be the responsibility of the Landlord, and Tenant will yield and deliver up the same at the expiration of the Term in as good a condition as when taken, reasonable use and wear thereof excepted. Tenant shall make reasonable efforts to maintain all portions of the Premises and adjoining areas in a clean and orderly condition, free of rubbish, and unlawful obstructions, provided, however that the foregoing shall not relieve Landlord of any of its obligations pursuant to Article 10 of this Lease.

11.03 Tenant shall not commit any waste, damage, or injury of or to the Premises or the fixtures or any part thereof and shall take all reasonable precautions and actions to prevent others from doing so.

11.04 Landlord shall have the right to enter upon the Premises for the purpose of making any repairs thereto and performing any work thereon which may be necessary by reason of Tenant's failure to make any such repairs or perform any such maintenance work as provided herein. Except in case of emergency, the privilege and right of entry shall be exercised at reasonable times and at reasonable hours. In the event that Landlord is required to perform any work to cure any default in Tenant's compliance with the terms of this Lease, Tenant shall pay the cost of any such work to Landlord, upon demand therefore and upon submission of satisfactory evidence of Landlord's payment of such costs which sums shall be deemed Additional Rent hereunder.

SECTION 12
ALTERATIONS

12.01 The parties agree that Tenant will not make any alterations, additions, or improvements to the Premises without the written consent of Landlord, which consent shall not be unreasonably withheld or delayed. All such alterations, additions or improvements shall be performed by licensed contractors and subject to conditions specified by Landlord. All permanent alterations, additions or improvements made by either of the parties hereto on the Premises will be the property of Landlord and will remain on and be surrendered with the Premises at the termination of this Lease, except that alterations, additions or improvements made by Tenant must be removed and the

Premises restored by Tenant if so requested by Landlord, unless such alterations, additions or improvements have previously been approved by the Landlord.

SECTION 13 LIENS

13.01 Tenant will not create nor permit to be created, or to remain and will promptly discharge, at its sole cost and expense, any lien, encumbrance or charge upon the Premises or any part thereof, or upon Tenant's leasehold interest therein, except such as are created by Landlord or Landlord's mortgagee.

SECTION 14 COMPLIANCE WITH LAWS

14.01 Tenant agrees that it will comply with all applicable municipal, state and federal laws, codes, rules, regulations, ordinances and fire insurance regulations relating to or affecting the use of the Premises ("Applicable Laws") as well as (i) any and all requirements recited in Subtenant's charter to operate a Public School Academy or from time to time required by its authorizing body ("Chartering Requirements") and (ii) conditions and requirements of all permits and approvals issued by governmental and regulatory authorities for occupancy and use of the Premises ("Permit Conditions"); and agrees to reimburse Landlord for any loss, liability, damages or penalties suffered because of Tenant's noncompliance with any such Applicable Laws, Chartering Requirements, and Permit Conditions.

14.02 Without limiting the foregoing, Tenant shall comply with and keep the Premises in compliance with the the Americans with Disabilities Act of 1990, and any other Applicable Laws regulating, relating to, or imposing liability or standards of conduct relating to barrier-free access or access of the handicapped or disabled to the Premises (collectively, "Access Laws") to the extent required solely from or due to Tenant's occupation or use of the Premises. Tenant hereby indemnifies Landlord and agrees to hold the Landlord harmless from and against all losses, liabilities, damages, injuries, costs, expenses and claims of any and every kind whatsoever paid, incurred or suffered by, or asserted against, the Landlord for violations or alleged violations of the Access Laws relating to the Premises to the extent Tenant's occupation or use of the Premises results in such violation or alleged violation.

14.03 Tenant agrees to promptly furnish Landlord any correspondence received by Tenant from any entity having or exercising jurisdiction over Tenant or Subtenant or any notice of noncompliance with Applicable Law, including but not limited to Notice or Notices of Intent to Revoke Subtenant's Charter by its authorizing body.

14.04 Tenant shall have the right during the Term, at its sole cost and expense, after prior notice to Landlord, to contest by appropriate legal proceedings which shall be conducted diligently and in good faith in the name of Landlord or Tenant or both

and without cost or expense to Landlord, the validity or applicability of any law, ordinance, order, rule or regulation of the nature herein above referred to in this Section 14, and Tenant shall have the right to delay observance thereof and compliance therewith until such contest is finally determined and is no longer subject to appeal, provided that observance and compliance therewith pending the prosecution of such proceeding may be legally delayed without subjecting Landlord to any civil or criminal liability or fine. Landlord agrees timely to execute and deliver any appropriate documents or other instruments which may be necessary or proper to permit Tenant to so contest the validity or application of any such law, ordinance, order, rule, or regulation and to cooperate reasonably with Tenant in such contest. Nothing in the foregoing paragraph shall be deemed to relieve Tenant of its obligation to pay Rent during the period of such contest. Notwithstanding anything to the contrary Tenant shall remain the Tenant under this Lease so long as the Lease is in effect.

SECTION 15 ASSIGNMENT OR SUBLETTING

15.01 Tenant agrees not to assign or in any manner transfer this Lease or any interest in this Lease without the prior written consent of Landlord, and not to sublet the Premises or any part of the Premises or allow anyone to use or to come in with, through or under it without like consent, which consent may be withheld for any reason at Landlord's sole discretion. One such consent will not be deemed consent to any subsequent assignment, subletting, occupation, or use by any other person. The acceptance of Rent from an assignee, subtenant or occupant will not constitute a release of Tenant from the further performance of the obligations of Tenant contained in this Lease. In no event may Tenant assign or otherwise transfer this Lease or any interest in this Lease at any time while in default there under. Notwithstanding the foregoing, Tenant may sublease the Premises for the Permitted Use to a Michigan Public School Academy (a "Permitted Sublease") with Landlord's consent which consent shall not be unreasonably withheld or delayed. Any Permitted Sublease shall be subject to the terms of this Lease.

SECTION 16 INSPECTION OF PREMISES

16.01 Tenant agrees to permit Landlord and the authorized representatives of Landlord to enter the Premises after 24-hour notice to inspect for compliance with the terms of this Lease. Tenant shall have the right to have an agent present while Landlord's representative inspecting the Premises.

SECTION 17 FIXTURES AND EQUIPMENT

17.01 All fixtures and equipment paid for by Landlord and all fixtures and equipment which may be paid for and placed on the Premises by Tenant from time to

time but which are so incorporated and affixed to Improvements that their removal would involve damage or structural change to Improvements, will, upon the expiration of the Term, be and remain the property of Landlord. Notwithstanding anything to the contrary, any smart boards paid for and placed on the Premises by Tenant shall remain the property of the Tenant. Tenant's obligation to repair any damage caused by the removal of its property upon termination of this Lease shall not be diminished by foregoing.

17.02 All furnishings, equipment and fixtures other than those specified in Section 17.01, which are paid for and placed on the Premises by Tenant from time to time (other than those which are replacements for fixtures originally paid for by Landlord) will remain the property of Tenant.

SECTION 18 LIEN SECURITY

18.01 This Lease constitutes a lien as security for the Rent and other amounts payable hereunder and for the performance by Tenant of every other obligation herein contained, upon all the personal property and fixtures, of any nature, which are or may be placed on the Premises by Tenant. Tenant agrees to execute upon request an appropriate Uniform Commercial Code Financing Statement evidencing said lien. The lien may be enforced on the nonpayment of any Rent or other amount due under this Lease or the nonperformance of any obligations herein contained, by the taking and selling of such property or any of the same at private sale of such price as Landlord may obtain and the application of the proceeds of such sale against any amounts due under this Lease from Tenant to Landlord and against the expenses incident to the removal and sale of the property. Notice of such sale will be served on Tenant by posting on the Premises or by leaving the notice at or mailing it to Tenant's address given herein at least seven (7) days in advance of such sale. Landlord may retain in its possession any property of Tenant after such payable under this Lease has become due and Landlord will not be liable in any action of replevin, conversion or similar remedy because of such retention. Tenant will indemnify and hold harmless Landlord from damages or claims by any third parties claiming rights in property. The lien created hereby shall be subordinate to the lien of any lender providing financing to Tenant pursuant to any security documents executed and delivered in connection with such financing. If requested by Tenant, Landlord agrees to execute a subordination agreement in the form requested by such lender.

SECTION 19 NOTICE OR DEMANDS

19.01 All bills, notices, statements, communications to or demands (collectively, "notices or demands") upon Landlord or Tenant desired or required to be given under any of the provisions hereof must be in writing. Any such notices or demands from Landlord to Tenant will be deemed to have been duly and sufficiently given if a copy thereof has been mailed by United States mail in an envelope properly stamped and addressed to

Tenant at the address of the Premises or Tenant's registered office in the State in which the Premises are located at such time, or at such other address as Tenant may have last furnished in writing to the Landlord for such purpose, and any such notices or demands from Tenant to Landlord will be deemed to have been duly and sufficiently given if personally delivered to Landlord or mailed by United States mail in an envelope properly stamped and addressed to Landlord at the address last furnished by written notice from Landlord to Tenant. The effective date of such notice or demand will be deemed to be the time when personally delivered or mailed as herein provided.

SECTION 20

BREACH; INSOLVENCY; RE-ENTRY

20.01 If any rental payable by Tenant to Landlord remains unpaid for more than seven (7) days after written notice to Tenant of non-payment, or if Tenant violates or defaults in the performance of any of its obligations in this Lease and the violation or default continues for a period of thirty (30) days after written notice, then Landlord may (but will not be required to) declare this Lease forfeited and the Term ended, or re-enter the Premises, without the necessity of instituting a court action or obtaining a judgment, or may exercise all other remedies available under Michigan Law. Landlord will not be liable for damages to person or property by reason of any legitimate re-entry or forfeiture. Tenant, by the execution of this Lease, waives notice of re-entry by Landlord. In the event of re-entry by Landlord without declaration of forfeiture, the liability of Tenant for the Rent provided herein will not be relinquished or extinguished for the balance of the Term, and any rental prepaid may be retained by Landlord and applied against the costs of reentry, or as liquidated damages, or both. Tenant will pay, in addition to the rentals and other sums agreed to be paid hereunder, reasonable attorneys' fees, costs and expenses in any suit or action instituted by or involving Landlord to enforce the provisions of, or the collection of the rentals due Landlord under this Lease, including any proceeding under the Federal Bankruptcy Code.

20.02 If Tenant is adjudged bankrupt or insolvent, files or consents to the filing of a petition in bankruptcy under Federal or State law, applies for or consents to the appointment of a receiver for all or substantially all of its assets, makes a general assignment for the benefit of its creditors, fails generally to pay its debts as they become due, or does anything which, under the applicable provisions of the Federal Bankruptcy Code would permit a petition to be filed by or against Tenant, then Tenant shall be in default under this Lease and, to the extent from time to time permitted by applicable law, including but not limited to the Federal Bankruptcy Code, Landlord shall be entitled to exercise all remedies set forth in the preceding paragraph of this Section 19. In reorganization under chapter 11 of the Federal Bankruptcy Code, the debtor or trustee must assume this Lease or assign it within sixty (60) days from the filing of the proceeding, or he shall be deemed to have rejected and terminated this Lease. Tenant acknowledges that its selection to be the Tenant hereunder was premised in material part on Landlord's determination of Tenant's creditworthiness and ability to perform the economic terms of this Lease, and Landlord's further determination that Tenant and the

character of its occupancy and use of the Premises would be compatible with the nature of the Premises and other adjacent properties of Landlord. Therefore, if Tenant, as debtor, or its trustee elects to assume or assign this Lease, in addition to complying with all other requirements for assumption or assignment under the Federal Bankruptcy Code, then Tenant, as debtor or its trustee or assignee, as the case may, must also provide adequate assurance of future performance, including but not limited to a deposit, the amount of which shall be reasonably determined based on the duration of time remaining in the Term, the physical condition of the Premises at the time the proceeding was filed, and such damages as may be reasonably anticipated after reinstatement of the Lease, taking into account rental market conditions at the time of the reinstatement. In the event of an assignment, the Landlord must be reasonably assured that the financial condition of the assignee is sound, and that its use of the Premises will be compatible with the nature of the Premises and other adjacent properties to Landlord.

20.03 In the event of declaration of forfeiture at or after the time of re-entry, Landlord may re-lease the Premises or any portion(s) or the Premises for a term or terms and at a Rent which may be less than or exceed the balance of the Term of and the Rent reserved under this Lease. In such event Tenant will pay to Landlord as liquidated damages for Tenant's default any deficiency between the total Rent reserved and the net amount, if any, of the rents collected on account of the lease or leases of the Premises which otherwise would have constituted the balance of the term of this Lease. In computing such liquidated damages, there will be added to the deficiency any expenses which Landlord may incur in connection with re-leasing, such as legal expenses, attorneys' fees, brokerage fees and expenses, advertising and for keeping the Premises in good order or for preparing the Premises for re-leasing. Any such liquidated damages will be paid in monthly installments by Tenant on the Rentpayment day and any suit brought to collect the deficiency for any month will not prejudice Landlord's right to collect the deficiency for any subsequent month by a similar proceeding. In lieu of the foregoing computation of liquidated damages, Landlord may elect, at its sole option, to receive liquidated damages in one payment equal to any deficiency between the total Rent reserved hereunder and the fair and reasonable rental of the Premises, both discounted at ten (10%) percent per annum to present value at the time of declaration of forfeiture.

20.04 Whether or not forfeiture has been declared, Landlord will not be obliged or be responsible in any way for failure to re-lease the Premises or, in the event that the Premises are re-leased, for failure to collect the rent under such re-leasing. The failure of Landlord to re-lease all or any part of the Premises will not release or affect Tenant's liability for Rent or damages.

SECTION 21

SURRENDER OF PREMISES ON TERMINATION

21.01 At the expiration (or earlier termination) of the Term, Tenant will surrender the Premises broom clean and in as good condition and repair as they were at the time Tenant took possession, reasonable wear and tear excepted, and promptly upon

surrender will deliver all keys and building security cards for the Premises to Landlord at the place then fixed for payment of Rent. All costs and expenses incurred by Landlord in connection with repairing or restoring the Premises to the condition called for herein, in connection with repairing or restoring the Premises to the condition called for herein, together with the costs, if any, of removing from the Premises any property of Tenant left therein, together with liquidated damages in an amount equal to the amount of minimum net rental plus all other charges which would have been payable by Tenant under this Lease if the term of this Lease had been extended for the period of time reasonably required for Landlord to repair or restore the Premises to the condition called for herein, shall be invoiced to Tenant and shall be payable as additional rental within five (5) days after receipt of invoice. Nothing in the foregoing paragraph shall be deemed to allow Landlord to recover cost or expenses from Tenant that arise out of a failure by Landlord to comply with its obligations under this Lease, including but not limited to those obligations contained in Article 10.

SECTION 22

PERFORMANCE BY LANDLORD OF THE COVENANTS OF TENANT

22.01 If Tenant fails to pay any sum of money, other than rental, required to be paid hereunder or fails to perform any act on its part to be performed hereunder, including without limitation the performance of all covenants pertaining to the condition and repair of the Premises pursuant to Section 10, above, and such failure shall continue for a period of thirty (30) days (or a reasonable period of less than thirty (30) days when life, person or property is in jeopardy) after notice thereof by Landlord, Landlord may but shall not be required to), and without waiving or releasing Tenant from any of Tenant's obligations, make any such payment or perform any such other act. All sums so paid by Landlord and all necessary incidental costs, including without limitation the cost of repair, maintenance or restoration of the Premises if so performed by Landlord hereunder, shall be deemed additional rental and shall be payable to Landlord within five (5) days after receipt of invoice by Tenant. On default in such payment, Landlord shall have the same remedies as on default in payment of Rent. The rights and remedies granted to Landlord under this Section 22.01 shall be in addition to, and not in lieu of all other remedies, if any, available to Landlord under this Lease or otherwise, and nothing herein contained shall be construed to limit such other remedies of Landlord with respect to any matters covered herein.

SECTION 23

SUBORDINATION; ESTOPPEL CERTIFICATES

23.01 Tenant agrees that Landlord may choose to make this lease subordinate or paramount to any construction loans, mortgages, trust deeds and ground or underlying leases now or hereafter affecting the Premises and to any and all advances to be made there under, and to the interest and charges thereon, and all renewals, replacements, and extensions thereon, provided to mortgagee, lessor or trustee named in any such mortgages, trust deeds or leases agrees to recognize the lease of Tenant in the event of

foreclosure if Tenant is not in default. Tenant will execute promptly any instrument or certificate that Landlord may request to confirm such subordination, and hereby irrevocably appoints Landlord as Tenant's attorney-in-fact to execute such instrument or certificate on its behalf.

23.02 Estoppel Certificate. Landlord and Tenant shall execute and deliver to each other, within ten (10) business days of such time or times as either Landlord or Tenant may request, a certificate evidencing:

- (a) whether or not this Lease is in full force and effect;
- (b) whether or not this Lease has been amended or modified in any respect, and submitting copies of such amendments or modifications, if any;
- (c) whether or not there are any existing defaults hereunder to the knowledge of the party executing the certificate, and specifying the nature of such default, if any; and
- (d) such other matters as may be reasonably requested by the other party.

Unless such estoppel certificates are required by third persons having a bona fide interest in the information to be furnished, such as the holder of a mortgage, insurers, bonding companies, accountants and auditors of the parties, and governmental authorities, a request for an estoppel certificate shall be made no more often than (i) four times annually by the Landlord and (ii) once annually by the Tenant. If a party fails to deliver the executed certificate to requesting party within the ten (10) business day period, the accuracy of the proposed certificate will be deemed conclusively confirmed.

SECTION 24 QUIET ENJOYMENT

24.01 Subject to Landlord's right to access the Premises pursuant to Section 16 hereof, Landlord agrees that at all times when Tenant is not in default under the provisions of this Lease, Tenant's quiet and peaceable enjoyment of the Premises will not be disturbed or interfered with by Landlord or any person claiming by, through, or under Landlord.

SECTION 25 HOLDING OVER

25.01 If Tenant remains in possession of the Premises after the expiration of this Lease without executing a new lease, it will be deemed to be occupying the Premises as a tenant from month to month, subject all the provisions of this Lease to the extent that they can be applicable to a month-to-month tenancy, except that the minimum net rental for each month will be One Hundred Twenty-Five Percent(125%) of the Guaranteed Minimum Rent listed in Section 3 per annum.

SECTION 26
RIGHT TO SET-OFF

26.01 In the event of any breach by Tenant, Landlord shall have the right to set-off any amounts owed by it to Tenant, for any purpose, against any amounts due to Landlord by Tenant hereunder for rent, utilities or otherwise.

SECTION 27
REMEDIES NOT EXCLUSIVE; WAIVER

27.01 Each and every of the rights, remedies and benefits provided by this Lease are cumulative, and are not exclusive of any other of said rights, remedies and benefits, or of any other rights, remedies and benefits, or of any other rights, remedies and benefits allowed by law.

27.02 One or more waivers of any covenant or condition by Landlord will not be construed as a waiver of a further or subsequent breach of the same covenant or condition, and the consent or approval by Landlord to or of any act by Tenant requiring Landlord's consent or approval will not be deemed to waive or render unnecessary Landlord's consent or approval to or of any subsequent similar act by Tenant.

SECTION 28
RIGHT TO SHOW PREMISES

28.01 If at any time during the term of the Lease the Tenant is in default hereunder or if the Tenant has entered into a payment arrangement with respect to any past due amounts (including, but limited to past due utility amounts), then Landlord shall have reasonable access to the Premises for the purpose of exhibiting the same to prospective tenants and may display about the Premises signs advertising the availability of the Premises. If the foregoing sentence does not apply to Tenant, for a period commencing one hundred twenty (120) days prior to the termination of this Lease or any extension thereof, Landlord may show the Premises and may display about the Premises signs advertising the availability of the Premises.

SECTION 29
(RESERVED)

SECTION 30
PREVENTING REMOTE VESTING

30.01 Notwithstanding any other provisions of this Lease, if the Term of this Lease does not commence within one (1) year for the date hereof, this Lease will be deemed terminated one (1) year from the date hereof without necessity of any notice or act by Landlord or Tenant. It is the intention of this Section to prevent this Lease from becoming unenforceable by reason of any claim that it might violate the rule against perpetuities.

SECTION 31 DEFINITION OF LANDLORD, LANDLORD'S LIABILITY

31.01 The term "Landlord" as used in this Lease so far as covenants, agreements, stipulations or obligations on the part of the Landlord are concerned is limited to mean and include only the owner or owners of fee title (or of a ground leasehold interest) to the Premises at the time in question, and in the event of any transfer or transfers of the title to such fee the Landlord herein named (and in case of any subsequent transfer or conveyances the then grantor) will automatically be freed and relieved from and after the date of such transfer or conveyance of all personal liability for the performance of any covenants or obligations on the part of the Landlord contained in this Lease thereafter to be performed.

SECTION 32 ENVIRONMENTAL MATTERS

32.01 Tenant covenants and agrees that: (i) all uses and operations on or of Premises, whether by Tenant or any other person or entity, shall be in compliance with all Environmental Laws (as defined in Section 32.03 below) and permits issued pursuant thereto;(ii) Tenant, its agents, employees or anyone acting by and through Tenant shall not release or discharge any Hazardous Materials in, on, under or from the Premises;(iii) Tenant shall not permit or keep Hazardous Material in, on, or under the Premises, except in accordance with applicable laws; (iv) Tenant shall keep the Premises free and clear of all liens and other encumbrances imposed pursuant to any Environmental Law, due to any act or omission of Tenant or any other person or entity acting by and through Tenant (the "Environmental Liens"); (v) Tenant shall fully and expeditiously cooperate with Landlord to reasonably effectuate remediation of any condition (including but not limited to a Release) in, on, under or from the Premises to the extent such remediation is required by applicable law or in order to make the Premises marketable, including but not limited to providing all relevant information and making knowledgeable persons available for interviews; (vi) provided Landlord has reasonable cause to believe that Release has occurred in, on or under investigation of environmental conditions in connection with the Premises and during the term of this Lease as a result of tenants use or misuse of the Premises, Tenant shall, at its sole cost and expense, perform any environmental site assessment or other investigation of environmental conditions in connection with the Premises, pursuant to any reasonable written request of Landlord (including but not limited to sampling, testing and analysis of soil, water, air, building materials and other

materials and substances whether solid, liquid or gas), and share with Landlord the reports and other results thereof, and Landlord shall be entitled to rely on such reports and other results thereof; (vii) Tenant shall, at its sole cost and expense (1) comply with any Environmental Law; and (3) comply (following the final determination of all available appeals) with any directive from any governmental authority having jurisdiction over the Premises; (viii) Tenant shall not do or allow any tenant or other user of the Premises to do any act that materially increases the dangers to human health or the environment, poses an unreasonable risk of harm to any person or entity (whether on or off the Premises), impairs or may impair the value of the Premises, is contrary to any requirement of any insurer, constitutes a public or private nuisance, constitutes waste, or violates any covenant, condition, agreement or easement applicable to the Premises; and (ix) Tenant shall immediately notify Landlord in writing of (A) any presence of Releases or threatened Releases in, on, under, from or migrating towards the Premises known to Tenant; (B) any non-compliance with any Environmental Laws related in any way to the Premises known to Tenant; (C) any actual or potential Environmental Lien known to Tenant; (D) any required or proposed remediation of environmental conditions relating to the Premises known to Tenant; and (E) any written or oral notice or other communication which Tenant becomes aware of from any source whatsoever (including but not limited to a governmental entity) relating in any way to Hazardous Materials at the Premises or remediation thereof, possible liability of any person or entity pursuant to any Environmental Law for environmental condition in connection with the Premises, or any actual or potential administrative or judicial proceedings in connection with anything referred to in this Section.

32.02 To the best of Tenant's knowledge, Tenant has not obtained and is not required to obtain any permits, licenses or similar authorizations to construct, occupy, operate or use any buildings, improvements, fixtures and equipment forming a part of the Premises by reason of any Environmental Laws, other than such permits, licenses and similar authorizations that are required to be obtained and have, in fact, been obtained.

32.03. For purposes hereof, the term "Environmental Laws" shall mean any federal, state or local laws, rules, statutes, ordinances, rules, regulations and the like to related to (1) the protection of human health or the environment, (2) Hazardous Materials (as defined below), and (3) the installation, existence or removal of asbestos or asbestos containing materials. The term "Hazardous Materials" shall mean any of the following: solid wastes, toxic or hazardous substances or related materials defined in the Environmental Laws; petroleum; petroleum products; natural gas; radon; pollutants; or contaminates (including, without limitation, poly-chlorinated bi-phenyls, lead and urea formaldehyde foam insulation, and discharges of sewage or effluent).

32. 04 If Landlord has reasonable cause to believe that a release has occurred in, on or under or affecting the Premises Landlord shall notify Tenant of the same, and Landlord and any other person or entity designated by Landlord, including but not limited to any receiver, any representative of a governmental entity, and any environmental consultant, shall have the right, but not the obligation, to enter upon the Premises at all reasonable times to assess any and all aspects of the environmental condition of the

Premises and its use, including but not limited to conducting any environmental assessment or audit (the scope of which shall be determined in Landlord's reasonable discretion) and taking samples of soil, groundwater or other water, air, or building materials, and conducting other invasive testing. Tenant shall cooperate with and provide access to Landlord and any such person or entity designated by Landlord. Notwithstanding the foregoing, Landlord and any other persons or entities designated by Landlord shall have the right to enter the Premises pursuant to this paragraph unless Landlord shall have delivered a written request to Tenant for Tenant to undertake the activities which Landlord desires to have undertaken pursuant to this paragraph and Tenant shall have failed to promptly commence such activities, but in no event later than ten (10) days after Tenant's receipt of such notice, and diligently prosecute such activities to completion.

32.05 Tenant shall, at its sole cost and expense, protect, defend, indemnify, release and hold harmless Landlord from and against any and all Losses (excluding Losses arising out of the negligence or willful misconduct of Landlord) and costs of remediation (whether or not performed voluntarily), engineers' fees, environmental consultants' fees, and costs of investigation (including but not limited to sampling, testing, and analysis of soil, water, air building materials and other materials and substances whether solid, liquid or gas) imposed upon or incurred by or asserted against any Landlord, and directly or indirectly arising out of or in any way relating to any one or more of the following: (i) any activity by Tenant, any person or entity affiliated with Tenant in connection with any actual, proposed or threatened use, treatment, storage, holding, existence, disposition or other release, generation, production, manufacturing, processing, refining, control, management, abatement, removal, handling, transfer or transportation to or from the Premises of any Hazardous Materials at any time located in, under, on or above the Premises; (ii) any activity by Tenant, any person or entity affiliated with Tenant in connection with any actual or proposed remediation of any Hazardous Materials at any time located in, under, on or above the Premises, whether or not such remediation is voluntary or pursuant to court or administrative order, including but not limited to any removal, remedial or corrective action; (iii) any failure by Tenant, any person or entity affiliated with Tenant or any tenant or other user of the Premises to comply with any order of any governmental authority in connection with any Environmental Laws; (iv) the imposition, recording or filing or the threatened imposition, recording or filing of any Environmental Lien encumbering the Premises; (v) any administrative processes or proceedings or judicial proceedings in any way connected with any matter addressed in this Section and related to the acts or omissions of Tenant or any other persons or entities affiliated with Tenant; (vi) any acts of Tenant or other permitted users of the Premises in arranging for disposal or treatment, or arranging with a transporter for transport for disposal or treatment, of Hazardous Materials owned or possessed by such Tenant or other users, at any facility or incineration vessel owned or operated by another person or entity and containing such or similar Hazardous Materials; (vii) any acts of Tenant or other users of the Premises, in accepting any Hazardous Materials for transport to disposal or treatment facilities, incineration vessels or sites selected by Tenant or such other users, from which there is a release, or a threatened release of any Hazardous Material which causes the incurrence of costs for remediation;

(viii) and (ix) any misrepresentation or inaccuracy in any representation or warranty or material breach or failure to perform any covenants or other obligations pursuant to this Section. Notwithstanding the foregoing, the obligations of Tenant under this subsection shall not extend to releases occurring on the Premises or Hazardous Materials being introduced onto the Premises prior to Tenant's possession of this Premises or subsequent to the termination of Tenant's right to possess the Premises under this Lease.

32.06 The obligations of Tenant and the rights and remedies of Landlord set forth in this Section shall survive the termination, expiration and/or release of this Lease.

SECTION 33 ENTIRE AGREEMENT

33.01 This Lease and the Exhibits attached hereto and forming a part hereof, set forth all of the covenants, agreements, stipulations, promises, conditions and understandings between Landlord and Tenant concerning the Premises and there are no covenants, agreement, stipulations, promises, conditions or understanding, either oral or written, between them other than herein set forth.

SECTION 34 GENERAL

34.01 Many references in this Lease to persons, entities and items have been generalized for ease of reading. Therefore, references to a single person, entity or item will also mean more than one person, entity or thing whenever such usage is appropriate (for example, "Tenant" may include, if appropriate, a group of persons acting as a single entity, or as tenants-in-common). Similarly, pronouns of any gender should be considered interchangeable with pronouns of other genders.

34.02 (Reserved)

34.03 Topical headings appearing in this Lease are for convenience only. They do not define, limit or construe the contents of any paragraphs or clauses.

34.04 This Lease can be modified or amended only by a written agreement signed by Landlord and Tenant.

34.05 All provisions of this Lease are and will be binding on the heirs, executors, administrators, personal representatives, successors and assigns of Landlord and Tenant.

34.06 If any provision of this Lease is held invalid or unenforceable by any court of competent jurisdiction, the other provisions of this Agreement will remain in full force

and effect. Any provision of this Lease held invalid or unenforceable only in part or degree will remain in full force and effect to the extent not held invalid or unenforceable.

34.07 This agreement shall be governed and construed in accordance with the laws of the State of Michigan. Any dispute hereunder shall be reviewed in the Circuit Court for the County of Wayne.

SECTION 35 BROKERAGE

35.01 Tenant and Landlord represent and warrant that they have had no dealings or negotiations with any broker or agent in connection with the consummation of this Lease, with the exception of Summit Commercial LLC and Tenant agrees to pay, hold harmless and indemnify Landlord from and against any and all costs, expenses (including attorneys' fees and court costs), loss and liability for any compensation, commissions or charges claimed by any other broker or agent with respect to this Lease or the negotiations thereof if such claim or claims by any such broker or agents are based in whole or in part on dealings with Tenant or its representatives. Landlord shall pay Summit Commercial a commission on the Lease; as well as, any expansions or renewals in accordance with Summit Commercial's listing agreement upon execution of this Lease and any subsequent Options.

SECTION 36 SECURITY PROCEDURES

36.01 In the event Tenant, in the course of its normal business activities, should require after hours access to the Premises for itself or its clients, it hereby acknowledges that such access to the Premises must be subject to any and all security procedures now or hereinafter in effect and agrees to comply with any such security procedures.

SECTION 37 GUARANTY OF LEASE

37.01 Young Men's Christian Association of Metropolitan Detroit, a Michigan nonprofit corporation, shall execute a Guaranty of Lease attached hereto as **Exhibit E**.

SECTION 37 LEGAL COUNSEL

37.01 EACH SIGNATORY TO THIS AGREEMENT ACKNOWLEDGES RETAINING INDEPENDENT LEGAL COUNSEL OR HAVING THE OPPORTUNITY TO RETAIN LEGAL COUNSEL BEFORE EXECUTING THIS LEASE AND ANY RELATED DOCUMENTS. NEITHER PARTY HAS RELIED ON THE OTHER PARTY FOR ANY ADVICE WITH RESPECT TO THIS LEASE.

IN WITNESS WHEREOF the Landlord and Tenant have executed this Lease as of the date set forth at the outset hereof.

WITNESS:

Barbara Jennings

LANDLORD:

NEW PROVIDENCE BAPTIST
CHURCH, a Michigan nonprofit
corporation

[Signature]
By: _____

Its: PASTOR

WITNESS:

LANDLORD:

Y EDUCATION SERVICES, L3C, a
Michigan low profit limited liability
company

By: Young Men's Christian Association
of Metropolitan Detroit, a Michigan
nonprofit corporation
Its: Sole Member

By: *[Signature]*
Its: Chief Executive Officer

[Signature]
By: Scott (HAA)

Its: EVP

Exhibit A

FLOOR PLAN OF PREMISES

[Attached]

EXHIBIT A

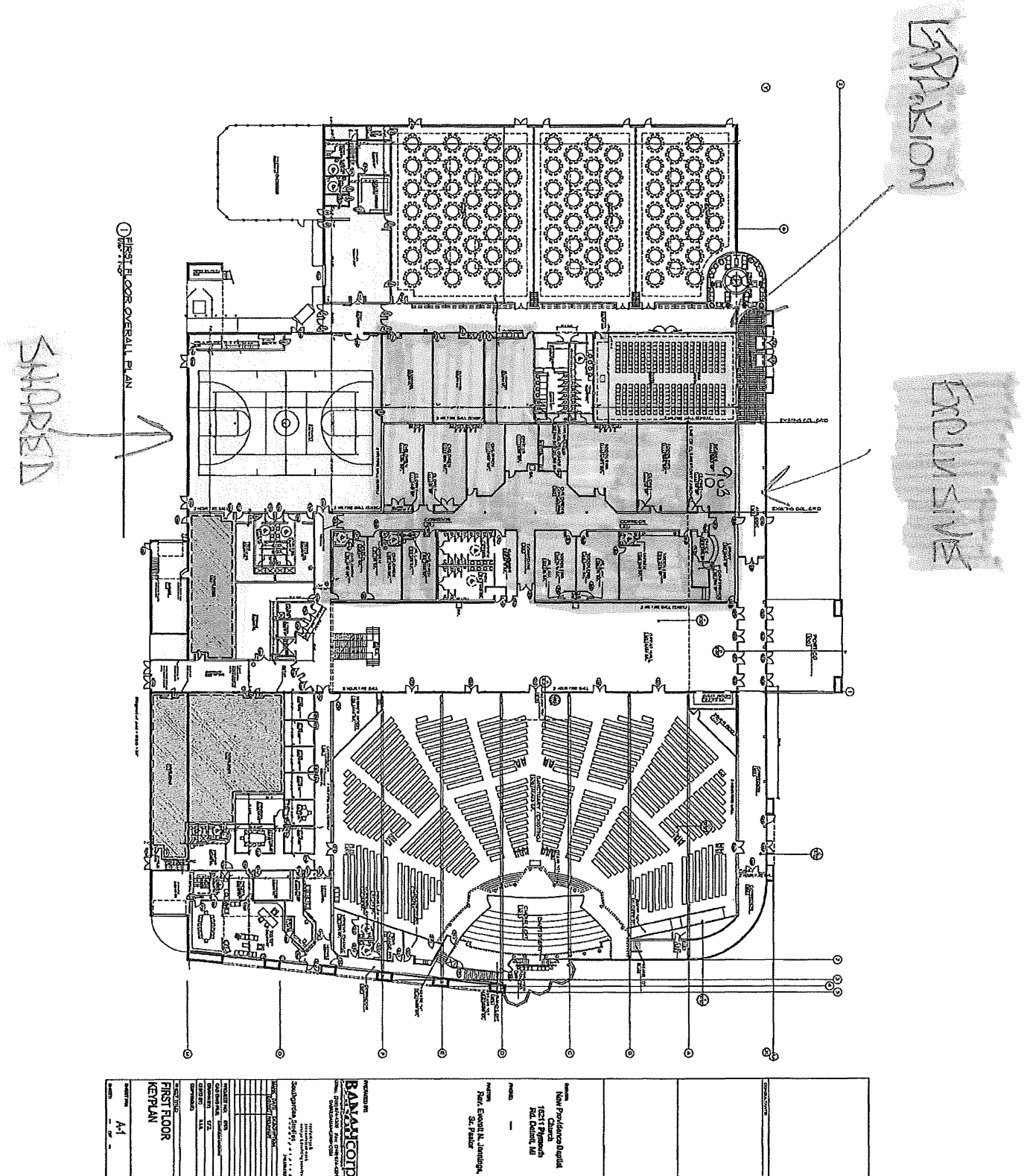


Exhibit B

OPERATING EXPENSE SCOPE AND ESTIMATES

[Attached]

Exhibit B

Expenses to School	Sept	Oct	Nov	Dec	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Total
Utility-electric dedicated area	1,190	1,105	935	935	995	935	995	1,105	1,190	1,190	1,190	1,190	12,835
Utility-electric shared area	700	650	550	550	550	550	550	650	700	700	700	700	7,550
Utility-gas dedicated area	153	935	1,190	1,190	1,190	1,190	1,190	935	595	153	153	153	9,027
Utility-gas shared area	90	550	700	700	700	700	700	550	350	90	90	90	5,310
Utility-water dedicated area	111	111	85	85	85	85	85	111	111	111	111	111	1,199
Utility-water shared area	65	65	50	50	50	50	50	65	65	65	65	65	705
Dedicated Labor	6,063	6,063	6,063	6,063	6,063	6,063	6,063	6,063	6,063	6,063	344	1,570	62,544
Permit/Lot Maintenance	-	-	200	200	200	200	200	-	-	-	-	-	1,000
Janitorial Supplies	450	450	450	450	450	450	450	450	450	450	-	-	4,500
Monthly Expenses	8,372	9,479	9,773	9,773	9,773	9,773	9,773	9,479	9,074	8,372	2,653	3,879	100,170
Expense of Church	Sept	Oct	Nov	Dec	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Total
Electricity	7,000	6,500	5,500	5,500	5,500	5,500	5,500	6,500	7,000	7,000	7,000	7,000	75,500
Gas	900	5,500	7,000	7,000	7,000	7,000	7,000	5,500	3,500	900	900	900	53,100
Water	650	650	500	500	500	500	500	650	650	650	650	650	7,050
Labor Cost	Hours	Rate	Daily	Weekly	Mthly								
Staff	25	10	250	1,250	5,375								
Supervision	2	16	32	160	688								
Year 1													
Dedicated Square Footage	22,031	22,031											
Shared Square Footage	13,606	2,721											
Total	35,637	24,752											
Dedicated Space													
Electric	12,835												
Gas	9,027												
Water	1,199												
Shared Space													
Electric	7,550												
Gas	5,310												
Water	705												
Other													
Labor	62,544												
Parking	1,000												
Supplies	4,500												
Totals	104,670												
Electric	20,385	0.82											
Gas	14,337	0.58											
Water	1,904	0.08											
Janitorial	62,544	2.53											
Supplies	4,500	0.18											
Parking	1,000	0.04											
Waste	-	-											
	104,670	4.23											

EXHIBIT C
TENANT IMPROVEMENT SCOPE OF WORK

[Attached]

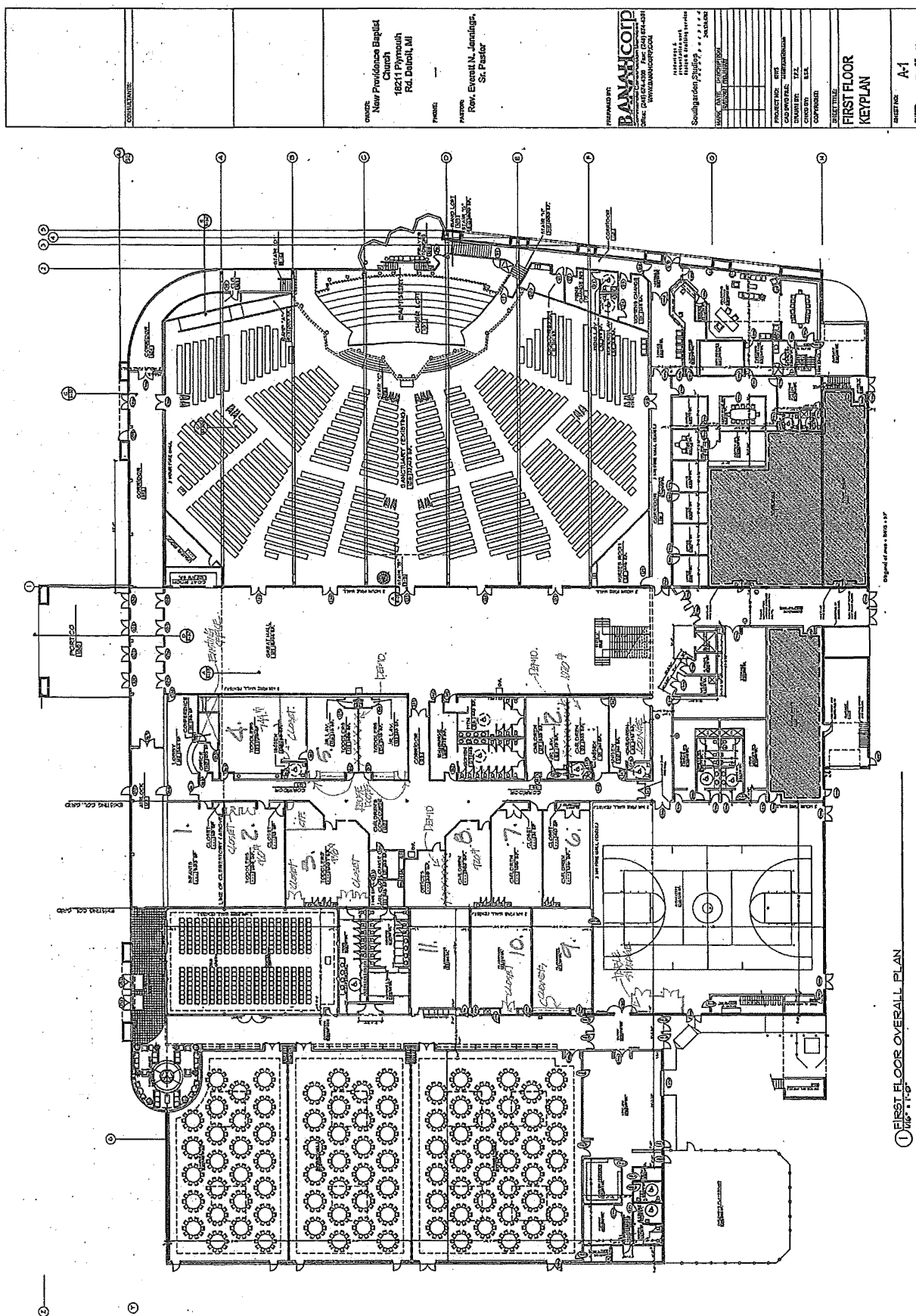


EXHIBIT D
SCHEDULE OF JANITORIAL SERVICES

[Attached]

**YMCA of Metropolitan Detroit
Housekeeping Specifications and Frequencies
YMCA Detroit Innovation Academy**

**YMCA of Metropolitan Detroit
Housekeeping Specifications and Frequencies
YMCA Detroit Innovation Academy**

Table of Contents

General School Information	3
Lobbies, Corridors	4
General Office Areas	5
Cafetorium	6
Boys/Girls/Faculty ToiletRooms.....	6 & 7
Warming Kitchen.....	7
Classrooms.....	7
Janitorial Rooms	8

**YMCA of Metropolitan Detroit
Housekeeping Specifications and Frequencies
YMCA Detroit Innovation Academy**

General Branch Information**YMCA Branch****YMCA Detroit Innovation Academy****Address****18211 Plymouth Road
Detroit, MI 48226****General description of area to be
cleaned****Tenant Space****Cleanable Square Footages (Year
Round)****Tenant Space 24,752 sf****Days Of Week****Monday through Friday****Communication Requirements****At least one person on all shifts
must speak English. Must use and
respond to communications log
book.**

**YMCA of Metropolitan Detroit
Housekeeping Specifications and Frequencies
YMCA Detroit Innovation Academy**

Task	Time Frame	Frequency	Comments
Lobbies, Corridors, Vestibules			Carpet
Carpet-Vacuum and spot clean (specs attached)	Sept - Jun	Nightly	
Shampoo/ extraction carpet	Sept - Jun	4x/yearly	Schedule with Tenant (coordinate with YMCA facility staff)
Clean Flooring	Sept -Jun	Nightly	
Walls and doors	Sept -Jun	Nightly	
Interior Glass/Exterior Glass	Sept -Jun	Nightly	
Furniture	Sept - Jun	Weekly	
Spot clean upholstery	Sept - Jun	Weekly	
Dust window frames, door frames, HVAC Grills, (including surrounding wall/ceiling) and other horizontal surfaces	Sept -Jun	Weekly	
Carpet/runners/door mats-Vacuum and spot clean	Sept -Jun	Nightly	
Clean cove bases	Sept - Jun	Weekly	
Counter tops and tables	Sept -Jun	Nightly	
Waste Receptacles	Sept - Jun	Nightly	
Drinking fountains	Sept - Jun	Nightly	
Telephones	Sept - Jun	Nightly	
General Office Areas/Break room/ Conference Room			Carpet
Carpet-Vacuum and spot clean	Sept - Jun	Nightly	
Shampoo/ extraction carpet	Sept - Jun	4x/year	Schedule with Tenant (coordinate with YMCA facility staff)
Walls and doors	Sept - Jun	Nightly	

**YMCA of Metropolitan Detroit
Housekeeping Specifications and Frequencies
YMCA Detroit Innovation Academy**

Spot clean interior glass	Sept - Jun	Nightly	
Clean cove bases	Sept - Jun	Weekly	
Clean Furniture/Table	Sept - Jun	Weekly	
Dust and clean file cabinets, desk(s) and counters	Sept - Jun	Nightly	
Waste Receptacles	Sept - Jun	Nightly	
Dust window frames, door frames, HVAC Grills, (including surrounding wall/ceiling) and other horizontal surfaces	Sept - Jun	Weekly	
Microwave/Refrigerator	Sept - Jun	Nightly	Wipe down exterior
Telephones	Sept - Jun	Nightly	
Cafetorium			Parterre Flooring
Clean flooring <i>per attached specs</i>	Sept - Jun	Nightly	
Walls and doors	Sept - Jun	Nightly	
Spot clean Glass, Clean window ledges	Sept - Jun	Nightly	
Dust window frames, door frames, HVAC Grills, (including surrounding wall/ceiling) and other horizontal surfaces	Sept - Jun	Weekly	
Cove bases	Sept - Jun	Weekly	
Deep clean and seal flooring <i>per attached specs</i>	Sept - Jun	4 x yearly	Schedule with Tenant (coordinate with YMCA facility staff)
Clean and sanitize counters/Tables	Sept - Jun	Nightly	
Telephones	Sept - Jun	Nightly	
Waste Receptacles	Sept - Jun	Nightly	
Boys & Girls Toilet Rooms &			Epoxy Color Chips Floor Coating

**YMCA of Metropolitan Detroit
Housekeeping Specifications and Frequencies
YMCA Detroit Innovation Academy**

Faculty Toilet Rooms			System & VCT
Flooring (<i>specs attached</i>)	Sept - Jun	Nightly	
Machine clean and disinfect floors and walls	Sept - Jun	4x yearly	Schedule with Tenant (coordinate with YMCA facility staff)
Walls and Doors	Sept - Jun	Nightly	
Fixtures/counters/sinks/ Toilets/urinals/ soap dispensers and toilet partitions	Sept - Jun	Nightly	
Spot clean interior glass and window ledges	Sept - Jun	Nightly	
Dust window frames, door frames, HVAC Grills, (including surrounding wall/ceiling) and other horizontal surfaces	Sept - Jun	Weekly	
Refill ALL Dispensers	Sept - Jun	Nightly	As needed
Cove bases	Sept - Jun	Weekly	
Waste Receptacles	Sept - Jun	Nightly	
Warming Kitchen			VCT
Clean flooring <i>per attached specs</i>	Sept - Jun	Nightly	
Walls and doors	Sept - Jun	Nightly	
Dust window frames, door frames, HVAC Grills, (including surrounding wall/ceiling) and other horizontal surfaces	Sept - Jun	Weekly	
Cove bases	Sept - Jun	Weekly	
Strip and wax VCT per attached specs	Sept - Jun	4 x yearly	Schedule with Tenant (coordinate with YMCA facility staff)
Waste Receptacles	Sept - Jun	Nightly	

**YMCA of Metropolitan Detroit
Housekeeping Specifications and Frequencies
YMCA Detroit Innovation Academy**

Classrooms			Carpet
Clean and sanitize students chairs & desks	Sept - Jun	Nightly	
Walls and doors	Sept - Jun	Nightly	
Vacuum and spot cleaning carpet	Sept - Jun	Nightly	
Shampoo/ extraction carpet	Sept - Jun	4 x yearly	Schedule with Tenant (coordinate with YMCA facility staff)
Spot clean glass	Sept - Jun	Nightly	
Dust window frames, door frames, HVAC Grills, (including surrounding wall/ceiling) and other horizontal surfaces	Sept - Jun	Weekly	
Cove bases	Sept - Jun	Weekly	
Dust and clean file cabinets, desk(s) and counters	Sept - Jun	Nightly	
Telephones	Sept - Jun	Nightly	
Sinks/Counters/Tables	Sept - Jun	Nightly	
Waste Receptacles	Sept - Jun	Nightly	
Janitorial Store Rooms			
Keep clean and organized	Sept - Jun	Nightly	Bottles and Containers Labeled
Doors, Walls	Sept - Jun	Nightly	
Dust window frames, door frames, HVAC Grills, (including surrounding wall/ceiling) and other horizontal surfaces	Sept - Jun	Weekly	
Fixtures & Floors	Sept - Jun	Nightly	

Housekeeping Standards
YMCA OF METROPOLITAN DETROIT

Cleaning Service Specifications For YMCA of Metropolitan Detroit

A. Description of Service:

Contractor shall perform the task descriptions that follow, which are the minimum acceptable cleaning performance standards under this Agreement:

1. **Carpet /Rug Cleaning:** All carpets/rugs shall be clean, free of spots, gum, crusted material, spillages, and removable stains. There shall be no evidence of "fuzzing" caused by harsh rubbing or brushing of carpet. Carpet cleaning by hot water extraction at a temperature that will kill and eliminate bacteria. Hot water extraction by truck-mount is the preferred method. Cost of floor fans, other dehumidification equipment.
2. **Carpet Cleaning by Hot Water Extraction:** *Perform vacuuming, and carpet cleaning by extraction method with commercial grade equipment only (preferably truck mounted equipment). Prior to carpet cleaning all carpeting, including carpet runners, must be thoroughly cleaned as follows:*
 - a. All movable items must be removed from area(s) to be cleaned (i.e., chairs, waster receptacles, all free standing tables, typing stands, boxes, plants, all temporary floor coverings, etc.) and area thoroughly vacuumed.
 - b. Thoroughly spray next area to be cleaned with approved pre-treats or carpets lane cleaner used at approved dilution. Spray must be applied so those fibers remain damp until cleaned. Chemical should be left to work for 10-15 minutes
 - c. Thoroughly extract all properly pretreated carpeted areas. Agitation is necessary, using an approved motor driven brush. A minimum of three cleaning passes and two vacuuming only must be used. Approved equipment and chemicals, at approved dilutions, must be used.
 - d. All stains must be removed during the extraction process, using approved chemicals. Great care must be taken to completely remove stain removal chemicals from carpet fiber.
 - e. Thoroughly spray all thoroughly cleaned carpet with approved carpet fiber protector at approved dilution. Application must be made with approved sprayer. Carpet track off mats and runners such as those found in building lobby areas, are exempt for this process.

-
- f. Replace all items removed for cleaning. All items moved back into place that have metal or wood of any type that come in contact with carpeting must be wood blocked or plastic tabbed to keep the metal off the carpet fiber until thoroughly dry. All blocks or tabs should be removed during the next scheduled regular area cleaning, provided the carpet is thoroughly dry. This could take more than one day.
3. **Carpet Spot Cleaning:** Buildup, spillage or crusted material shall have been removed along with spots, smears and stains. There shall be no evidence of "fuzzing" caused by harsh rubbing or brushing of carpet. Spot cleaned areas shall blend with adjacent areas.
4. **Carpet Cleaning by Thorough Vacuuming:** Carpets shall be clean and free from dust balls, dirt and other debris; nap on carpet shall lie in one direction upon completion of the vacuuming task. Note: Prior to vacuuming area, move and vacuum under all easily movable objects (chairs, waste receptacles, tables on wheels, typing stands, boxes, etc.). Be sure to replace all items moved. After vacuuming, leave all rugs clean, free from dust balls, dirt and other debris. Prior to vacuuming, broom or back-pack vacuum all edges not reached by vacuum. Straight suction vacuuming is not acceptable. The Association requires that a motor driven Commercial grade vacuum with HEPA filtered exhaust or equipment that meet these standards be used exclusively in all carpeted areas where water and/or snow does not present a problem. Empty dust and dirt from vacuum cleaner into a plastic trash bag, tie off and remove to a Dumpster. As part of the vacuuming process, carpet spot cleaning is required on an ongoing basis.
4. **Dust Mop:** Thoroughly dust mops all non-carpeted areas. Move and dust mop under all easily movable objects (chairs, waste receptacles, tables on wheels, typing stands, boxes, etc.). Be sure to replace all items moved. Dust mops must be treated with water based dust control chemical. Place dust and dirt into plastic trash bag, tie off and remove to Dumpster.
5. **Damp Mop:** Thoroughly damp mops all non-carpeted areas. Move and damp mop under all easily movable objects (chairs, waste receptacles, tables on wheels, typing stands, boxes, etc.). Be sure to replace all items after floor has dried completely. Use a clean cotton mop head that is in good condition. Use clean water at all times (change water often). Mop head must be only damp. No excess water can be left behind. Approved proper chemicals at proper dilution must be used at all times. Finished floor must be clean and streak free.
6. **Floor Cleaning / Thorough Sweeping:** Floors shall be clean and free of trash and foreign matter. No dirt, dust shall be left in corners, behind radiators, under furniture or behind doors.
7. **Damp Mopping and Spray Buffing:** Floors shall be slip resistant, free of marks, skipped areas, streaks, and mop strands. Walls, baseboards and other surfaces shall be free of splashing and marks from the equipment. The finished area should have a uniform luster. There shall be no buildup of finish in corners. Dust mopping must be performed with a treated mop or approved mop. After sweeping and damp mopping operation, all floors must be clean and free from strings, bristles and dirt streaks.

Leave no dirt in corners, behind radiators, under furniture, behind doors, on stairs or landings. Leave no dirt where sweepings were picked up. Leave no dirt, trash, or foreign matter under desks, tables or chairs.

8. **Wet Mopping and Scrubbing:** The floors must be properly prepared, thoroughly swept to remove visible dirt and debris, wads of gum, tar and foreign substances from the floor surfaces. Upon completion of the wet mopping or scrubbing, the floor must be clean and free of dirt, water streaks, mop marks, strings; properly rinsed and dry mopped to present an overall appearance of cleanliness. All surfaces must be dry and corners and cracks clean after the wet mopping or scrubbing. Chairs, wastebaskets and other similar items must not be stacked on desks, tables or windowsills, nor used in place of stepladder. All furniture readily movable by one person and intended to be moved frequently must be moved during all floor cleaning operations and replaced in original positions upon completion. Baseboards, walls, furniture and equipment must in no way be splashed, disfigured or damaged during these operations, but rather left in a clean condition.
9. **Wet Mopping:** Floors must be damp mopped and buffed between regular waxing operations. Prepare the floor by sweeping to remove all visible dirt and debris. The floor area will then be damp mopped and machine buffed to a polished appearance with a high-speed buffer.
10. **Damp Wiping:** This task consists of using a clean damp cloth or sponge to remove all dirt spots, streaks, from walls, glass and other specified surfaces and then drying to provide a polished appearance. The wetting solution must contain an appropriate cleaning agent. When damp wiping in toilet areas, use a multi-purpose disinfectant and deodorizer.

Stripping and Sealing: Completely remove all dirt, wax and other foreign substances in returning the floor to its original surface. Apply a thin coat of sealer with caution to prevent streaking or bleaching of floor surface. This application in preparation for waxing must be according to manufacturer's recommendations. The stripper, sealer and wax products used must be compatible for this activity

11. **Waxing and Buffing:** Apply wax in a thin, even coat and machine buff with a high-speed buffer immediately after drying. Two (2) to four (4) coats applied will depend on the type and condition of the floor. All waxed surfaces must be maintained so as to provide safe ANTI-SLIP walking conditions. Chairs, wastebaskets and other similar items must not be stacked on desks, tables or windowsills, nor used in place of stepladder. All furniture readily movable by one person and intended to be moved frequently must be moved during all floor cleaning operations and replaced in original positions upon completion. Baseboards, walls, furniture and equipment must in no way be splashed, disfigured or damaged during these operations, but rather left in a clean condition.
12. **Wet Mopping and Buffing:** Floors must be damp mopped and buffed between regular waxing operations. Prepare the floor by sweeping to remove all visible dirt and debris. The floor area will then be damp mopped and machine buffed to a polished appearance with a high-speed buffer.

-
13. **Empty Waste Receptacles:** Empty all containers that are provided for the disposal of waste i.e., waste baskets, torpedo type containers, sanitary napkin disposal bins, boxes, etc. into plastic bags, tie off and remove to dumpster. Dispose of items in waste containers only unless clearly marked for disposal. Liners must be used in all waste receptacles and must be changed daily. Receptacles, lids and interior of receptacle must be wiped and sanitized daily. Waste containers/liners in restrooms; break rooms, lunchrooms and conference rooms must be changed daily.
 14. **Towel Receptacles:** Any towel receptacles need to be wipe, sanitized and smudge free. Any towels picked up during the night should be put into the bins.
 15. **Interior Windows/Mirrors:** This includes all mirrors, all interior windows, windows in exterior doors and side lights next to all exterior doors also includes glass railings on stairs, corridors and tracks. Spot clean, streak free all mirror and interiors and exterior windows (up to 8 feet)
 16. **Kitchens:** (Refrigerators, dishwashers, stoves, ovens, commercial type coffee makers, counter tops,) All exteriors of appliances in kitchens must be wiped, sanitized and smudge free.
 17. **Lobby, Office, Multipurpose Rooms:**
Furniture: All furniture should be clean, free of spots, gum, crusted materials, spillage, and removable stains nightly. Dust, clean, and sanitize file cabinets, desks, counters, phones nightly.
 18. **Restroom Cleaning:**
 - a. **Fill Dispensers:** Dispensers of all types must be checked daily and filled daily (soap, toilet tissue, paper towels, sanitary napkin, and toilet seat covers, etc.).
 - b. **Dusting** Completely dust all fixtures, ledges, edges, shelves, exposed pipes, partitions, door frames, tops of lockers, etc. Pay particular attention to the tops of these items. An approved dust cloth or dusting tool, treated with water based dust control chemical, must be used.
 - c. **Disinfect** : Clean and disinfect waste receptacles and dispensers inside and outside. Use proper disinfecting chemicals for surface to be cleaned at proper dilution.
 - d. **Clean and Disinfect Sinks** Thoroughly clean all sinks, including bottom, faucets, and spigots, with approved disinfectant cleanser. Rinse thoroughly as all cleanser residues must be removed.
 - e. **Clean Glass and Mirrors** : Thoroughly clean all glass and mirrors using an approved alcohol based glass cleaner. Use a soft, clean cloth. Dry completely. Surface should be streak, smear, and smudge free. Make sure attached frames, edges, and shelves are also cleaned and dried as well as the glass surface. Squeegee may be used as needed.
 - f. **Clean and Disinfect Toilets and Urinals** Thoroughly clean toilets, toilet seats, and urinals with approved disinfectant acid

free bowl cleaner, rinse thoroughly. (Approved acid cleaner may not be used more than once per month and should be used on the interior of toilet or urinal only. Great care must be taken to avoid any chrome or concrete when acid cleaner is used). Buff-dry to a streak, smear and smudge free "shine". Leave seats in a raised position.

- g. Clean and Disinfect Walls, Doors, Partitions and Handrails Thoroughly clean all walls (including switch and plug covers), doors (including entrance doors inside and outside), partitions and handrails with proper approved disinfectant chemicals and proper approved dilution. (Horizontal surfaces up to 8').
- h. Damp Mop - *Disinfectant Thoroughly damp mop all non-carpeted areas. Move and damp mop under all easily movable objects (chairs, waste receptacles, tables on wheels, typing stands, boxes, etc.). Be sure to replace all items after floor has dried completely. Use a clean cotton mop head that is in good condition. Use clean water at all times (change water often). Mop head must be only damp. No excess water can be left behind. Approved proper disinfectant chemicals at proper dilution must be used at all times. Finished floor must be clean and streak free. Allow to air dry.

- 19. **Clean and disinfect Showers, shower walls and stalls (Restroom/Locker Room where applicable):** Thoroughly clean all showers, including walls, partition walls, bottom, faucets, and spigots, with approved cleanser. Thoroughly clean all walls, floors, (including plug covers), doors (including entrance doors inside and outside), partitions and handrails with proper approved disinfectant chemicals and proper approved dilution. Rinse thoroughly as needed. (Horizontal surfaces up to 8'). Suit Spinners (stainless) and Napkin sanitation holders (stainless or plastic) needs to be wiped, sanitized and smudge free. Lockers (exterior) wiped, sanitized and smudge free. Shower Curtains are to be rinsed nightly and left in the "closed" position so that they may dry completely.
- 20. **Saunas & Steam Rooms:** Daily: Sweep or vacuum the floor. Wipe down wood benches with a soft towel and neutral, disinfectant cleaner appropriate for wood. Mop floor using a neutral cleaner. If there is a wood riser on the floor, remove weekly and clean floor
- 21. **Remove Carpet Runners (as applicable):** Carpet runners must be removed from floor to allow for proper cleaning, as needed. Be sure to remove excess water from runner with approved wet pick up vacuum before carpet runners are removed. Carpet runners must be extracted as specified during ice melt/salt usage, to maintain a clean appearance.
- 22. **Replace Carpet Runners (as applicable):** After floor has been properly cleaned and is completely dry, replace carpet runners in their original locations.
- 23. **Cleaning /Disinfecting Drinking Fountains and Suit Spinners:** Thoroughly clean entire exterior surface with approved cleanser. The grain of the stainless steel must be followed at all times. Rinse thoroughly as needed. The grain of the stainless steel must be followed.
- 24. **Stainless Steel (Brass) Cleaning (Elevators, Doors, Trim, Etc.):** Thoroughly clean all stainless steel (brass) not previously mentioned with approved cleaner and a

clean soft cloth. Great care must be taken to follow the grain of the stainless steel at all times when cleaning.

25. **Wood Floor Care (Gym, Aerobics, Racquetball Courts)** All wood floor surfaces must be dust mopped nightly using a clean dust mop. Properly dispose of all debris collected. Using a neutral cleaner or Super Shine All, spot mop floor with a damp, **not** wet mop to remove spills and spots. An auto scrubber may be used daily, using a white pad and the recommended amount of Super Shine All. While cleaning the floor, ensure that no pools of water are left on the floor. Black scuff marks are to be removed using a non-abrasive scrubber such as a tennis ball on a stick.

26. **Spray Buff Hard Floors:** Hard floor must be properly prepared before spray buffing by removing carpet runners, dust mopping, and damp mopping hard floor areas. Begin spray buffing by lightly spraying area just to the left or right of approved floor machine (buffer) with approved spray buffing chemical, at approved dilution. Buffing pad must be approved and will depend on type of finish used. Rotary floor machine (buffer) will be worked back and forth over area lightly sprayed until floor has a high, streak free luster. Then proceed to the next area, until scheduled area is completed. Great care must be taken to avoid using "loaded" pad (pad full of dried finish and dirt). Flip pad over or change to another clean dry pad often. Great care must also be taken not to allow floor machine (buffer) to run in one spot for too long to avoid burning the floor. Floor shall be dust mopped after scheduled spray buffing is completed. Replace carpet runners to original position post-cleaning.

27. **Strip and Refinish:** Close and properly mark area "closed" with approved signage. Remove all movable objects from area.

- a. Apply approved stripping solution at approved dilutions to area to be stripped. Allow solution to stand according to approved manufacturer's recommendations. Do not allow solution to dry out or stand too long. Any finish or dirt must also be removed from walls, doors, baseboards, etc. at this time.
- b. Thoroughly agitate all floor area to remove all old finish with approved strip pad.
- c. Use wet vacuum to pick up old finish and stripper.
- d. Thoroughly mop rinse areas with clean cotton mop and clean water. Make sure walls, doors, baseboards, etc. are also thoroughly rinsed.
- e. Thoroughly mop rinses areas a second time with clean cotton mop and clean water with approved neutralizer/conditioner chemical at approved dilution. Make sure walls, doors, etc. are also thoroughly rinsed.
- f. Allow floor to air dry.
- g. If any old finish remains, repeat "a" through "f".
- h. Continue "a" through "g" until scheduled area is properly stripped and/or rinsed.
- i. Apply thin coat of approved sealer with approved clean nylon or rayon mop head or approved clean applicator. Stripping solution finish and sealer must not be slopped on walls, doors, etc. Allow sealer to thoroughly dry.

-
- j. Apply second coat of sealer as described in "I" above. Allow sealer to thoroughly dry.
 - k. Apply top coating and second coat of approved floor finish.
28. **Scrub - Restroom Floors/Hard Surface Stairwell Floors:** Close restrooms. Remove all movable objects from area prior to starting of task.
- a. Apply approved cleaning solution at approved dilution to area to be scrubbed. Do not allow solution to dry.
 - b. Quickly agitate small section coated with solution with approved stiff bristle brush. Be sure grouting is clean.
 - c. Use wet vacuum to pick up dirty solution.
 - d. Thoroughly mop rinsed area with clean cotton mop and clean water. Make sure all walls; doors, etc. are also thoroughly rinsed.
 - e. Thoroughly mop rinsed area a second time with clean cotton mop and clean water. Make sure all walls; doors, etc. are also thoroughly rinsed a second time.
 - f. After floor is thoroughly dry, replace all objects moved from area. Remove signs and reopen.
 - g. Scrub all walls including partitions
29. **Wall/Door Spot Cleaning:** Thoroughly clean all spots, smudges, stains, etc. from walls, partitions and modular partitions using approved chemicals at approved dilutions. Wipe dry with clean soft cloth. Also thoroughly clean all interior glass with approved glass cleaner and wipe dry with clean dry cloth. All surfaces must be dirt and streak free.
30. **Dusting:** There shall be no obvious dust streaks. Corners, crevices, molding and ledges (including heating) shall be free of all obvious dust. There shall be no oils, spots or smudges on desk or dusted surfaces. Thoroughly dust all vertical and horizontal surfaces in all cleanable areas with approved dust cloth or tool treated with an approved water based dust control chemical, up to and including ceiling vents, air bars, and lighting devices, window blinds, etc. Do not move dusting residue from spot to spot, but remove directly from the areas in which dirt lies by the most effective means appropriate; treated dusting cloths or vacuum tools.
- a. Leave no dust streaks.
 - b. Leave corners, crevices, molding and ledges free of dust and cobwebs.
 - c. Leave no oil spots or smudges on dusted surfaces caused by dusting tools.
 - d. Up to 8' all surfaces
31. **Horizontal surfaces:** include, but are not limited to, counter tops, file cabinets, tables, coat-racks, etc. Telephones etc., must be lifted and dusted under. Do not disturb work papers. Dusting high and low includes, but is not be limited to, partition tops, pictures, chair rungs, etc. Window hangings are either Venetian blinds or drapes. Dust blinds. (Up to 8' all surfaces)
32. **Remove Recyclables (as applicable):** Pick up all recyclables (paper, cardboard, bottles from marked containers centrally located throughout the building and remove to designated containers).

-
33. **Clean Air Bars and Vents:** Vacuum excess dust and dirt from air bars. Damp wipe clean with approved disinfectant solution and wipe dry.
34. **Vending Machines:** Wet mop surrounding floors, wipe and sanitize fronts and tops of vending machines.
35. **Emergency clean up:** The Property Manager and/or Executive Director may assign, when and where needed, cleanup duties to the contractor when an emergency occurs. Cleaning tasks may include: dusting, vacuuming, mopping, carpets extraction, window washing, or other tasks defined in the Task Definitions herein.
36. **Rubbish Removal:** Rubbish will be removed nightly to dumpster. Contractor must bag all waste material and place inside containers provided for that purpose.
37. **Hazardous Conditions:** Conditions that may be questionable or deemed Hazardous (i.e., such as burned out lights, loose railings, ceiling tiles, exposed wiring, broken windows, etc.) must be reported by janitorial staff to contract supervisor verbally followed by written notification to Property Manager and/or Executive Director with date of observation.
38. **Pools:** Sweep, scrub and disinfect pool deck nightly with approved disinfectant cleaner which will not cause slippery conditions. Clean walls, doors, glass nightly. Drinking fountains and telephones to be wipe and disinfected nightly. Waste receptacles emptied, cleaned and disinfected nightly.

EXHIBIT E
GUARANTY OF LEASE

LEASE GUARANTY

FOR VALUE RECEIVED, and in consideration for, and as an inducement to **NEW PROVIDENCE BAPTIST CHURCH** ("Landlord"), having an address of 18211 Plymouth Rd., Detroit, Michigan, 48226, to make and enter into the lease dated May ~~9th~~, 2012 ("Lease") and **Y EDUCATION SERVICES, L3C**, a Michigan low profit limited liability company, having an address of 1401 Broadway, Suite 3A, Detroit, Michigan, 48226 ("Tenant") for the premises described therein ("**Leased Premises**"), **YOUNG MEN'S CHRISTIAN ASSOCIATION OF METROPOLITAN DETROIT**, a Michigan nonprofit corporation, , having an address of 1401 Broadway, Suite 3A, Detroit, Michigan, 48226 (the "**Guarantor**"), unconditionally guarantees the payment of Rent and other amounts, and the full performance and observance of all of the covenants, conditions and agreements, provided in the Lease to be paid and performed by the Tenant, Tenant's successors and assigns, and Guarantor makes itself liable for such payment and performance, subject to the terms and limitations described herein. Guarantor acknowledges that Landlord would not enter into the Lease without this Lease Guaranty being executed and delivered to Landlord.

Guarantor expressly agrees that the validity of this Lease Guaranty and its obligations hereunder shall in no way be terminated, affected or impaired by reason of the assertion of the Landlord against the Tenant of any of the rights or remedies reserved to the Landlord by the Lease.

Failure of Landlord to insist upon strict performance or observance of any of the terms, provisions or covenants of the Lease or to exercise any right therein contained shall not be construed as a waiver or relinquishing for the future of any such term, provision, covenant or right, but that the same shall continue and remain in full force and effect. Receipt by the Landlord of Rent with knowledge of the breach of any provision of the Lease shall not be termed a waiver of such breach.

Guarantor further agrees that in any right of action which may accrue to the Landlord under the Lease, Landlord may, at its option, proceed against Guarantor and Tenant or may proceed against either the Guarantor or the Tenant without having commenced any action against or having obtained any judgment against the Tenant or the Guarantor.

Guarantor further waives all notice and cure periods, defenses, off-sets or counterclaims that Tenant may have against Landlord, that would otherwise impair or diminish the liability of Guarantor for Tenant's obligations under the Lease.

All terms and provisions herein shall inure to the benefit of the assigns and successors of the Landlord and shall be binding upon the assigns and successors of the Guarantor. All capitalized terms not otherwise defined herein shall have the meaning defined in the Lease.

[Signature on following page]

THIS LEASE GUARANTY IS EXECUTED this 6th day of May, 2012.

**YOUNG MEN'S CHRISTIAN ASSOCIATION
OF METROPOLITAN DETROIT**

By: _____

Its: Chief Executive Officer

CERTIFICATE OF USE AND OCCUPANCY

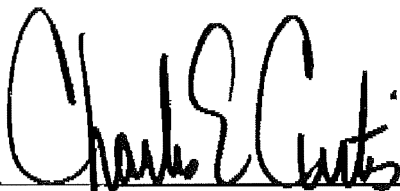
PERMANENT

**Michigan Department of Licensing and Regulatory Affairs
Bureau of Construction Codes/Building Division
P. O. Box 30254
Lansing, MI 48909
(517) 241-9317**

**Building Permit No. B033733
Detroit Innovation Academy
18211 Plymouth Road
Detroit, Michigan
Wayne County**

The above named building of Use Group E and Construction Type 2B is approved for use and occupancy.

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



**Larry Lehman, Chief
Charles E. Curtis, Assistant Chief
Building Division**

December 3, 2012

CERTIFICATE OF USE AND OCCUPANCY

PERMANENT

Michigan Department of Licensing and Regulatory Affairs
Bureau of Construction Codes/Building Division
P. O. Box 30254
Lansing, MI 48909
(517) 241-9317

Building Permit No. B037707
YMCA Detroit Innovation Academy
18211 Plymouth Road
Detroit, Michigan
Wayne County

The above named building of Use Group E and Construction Type 2B is approved for use and occupancy.

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



Todd Y. Cordill, NCARB

Chief

Charles E. Curtis, Assistant Chief
Building Division

September 23, 2014

CERTIFICATE OF USE AND OCCUPANCY

PERMANENT

Michigan Department of Licensing and Regulatory Affairs

Bureau of Construction Codes/Building Division

P.O. Box 30254

Lansing, MI 48909

Authority: 1972 PA 230

(517) 241-9317

Building Permit No: BLDG17-01065

18211 PLYMOUTH RD

Detroit, MI 48228

COUNTY: Wayne

The above named building of Use Group I-4, Institutional 4 (Day Care, etc.) and Construction Type 2B is approved for use and occupancy.

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

Print Date: 11/27/2017

INSPECTION REPORT
DEPARTMENT OF LICENSING AND REGULATORY AFFAIRS
Bureau of Fire Services
FIRE MARSHAL DIVISION

FACILITY NAME Detroit Innovative Academy at New Providence Church	INSPECTION DATE 01/22/2018	COUNTY Wayne	RECORD ID PR2017BFS-001741
ADDRESS 18211 PLYMOUTH RD	FACILITY TYPE FireServices - Schools		Rules/Codes School/College 2016
CITY, STATE ZIP CODE Detroit MI 48228	FACILITY REPRESENTATIVE John Castellana		FACILITY PHONE 248-338-4561
INSPECTION TYPE Final	FACILITY E-MAIL jmonette@tmp-architecture.com		LICENSE NUMBER

A recheck fire safety inspection was completed this date. Deficiencies noted in prior inspection reports have been satisfactorily corrected. This report may be considered as final approval of this project.

This fire alarm project was submitted as an addendum to project BFS 161573

BFS-12A Received 01/04/18 Fire alarm

CC:

PROJECT STATUS Approved	
INSPECTING OFFICIAL Larry Dewachter	
ADDRESS: 3101 TECHNOLOGY Blvd., SUITE H Lansing, MI 48910 TELEPHONE: 248-888-8761 E-MAIL: dewachterl@michigan.gov	
The Department of Licensing and Regulatory Affairs will not discriminate against any individual or group because of race, sex, religion, age, national of origin, color, marital status, disability, or political beliefs. If you need assistance with reading, writing, hearing, etc., under the American Disability Act, you may make your needs known to the agency.	Authority: PA207 of 1941, as amended Completion: Mandatory

CONTRACT SCHEDULE 7

**REQUIRED INFORMATION FOR
A PUBLIC SCHOOL ACADEMY**

SCHEDULE 7
REQUIRED INFORMATION FOR
A PUBLIC SCHOOL ACADEMY

Required Information for a Public School Academy. This Schedule contains information required by the Code and the Contract. The required information for the Academy is contained in this Schedule 7.

- Section a. Governance Structure. The governance structure of the Academy is set forth in Section a of this Schedule.
- Section b. Educational Goal and Related Measures. The educational goal and related measures of the Academy are set forth in Section b of this Schedule.
- Section c. Educational Programs. The educational programs of the Academy are set forth in Section c of this Schedule.
- Section d. Curriculum. The curriculum of the Academy is set forth in Section d of this Schedule.
- Section e. Methods of Pupil Assessment. The methods of pupil assessment of the Academy are set forth in Section e of this Schedule.
- Section f. Application and Enrollment of Students. The Academy's criteria for the application and enrollment of students is set forth in Section f of this Schedule.
- Section g. School Calendar and School Day Schedule. The school calendar and school day schedule procedures are set forth in Section g of this Schedule.
- Section h. Age or Grade Range of Pupils. The age or grade range of pupils to be enrolled by the Academy is set forth in Section h of this Schedule.

SECTION A

GOVERNANCE STRUCTURE

GOVERNANCE STRUCTURE

The People of Michigan through their Constitution have provided that schools and the means of education shall forever be encouraged and have authorized the Legislature to maintain and support a system of free public elementary and secondary schools. All public schools are subject to the leadership and general supervision of the State Board of Education and the Legislature has authorized an alternative form of public school designated a "public school academy" to be created to serve the educational needs of pupils and has provided that pupils attending these schools shall be eligible for support from the State School Aid Fund. The Legislature has delegated to the governing boards of state public universities, community college boards, intermediate school district boards and local school district boards, the responsibility for authorizing the establishment of public school academies. The University Board has approved the issuance of a contract conferring certain rights, franchises, privileges, and obligations of a public school academy to the Academy Board.

The Academy is incorporated as a Michigan nonprofit corporation, organized on a non-stock, directorship basis for the purpose of operating as a Michigan public school academy. The Academy shall conduct its affairs as a governmental entity exempt from federal income taxes under Section 115 of the United States Internal Revenue Code or any successor law. The Academy is a body corporate and is not a division or part of Central Michigan University. The relationship between the Academy and the University Board is based solely on the applicable provisions of the Code and the terms of this Contract.

The Academy Board shall have at least five (5), but no more than nine (9) members, as determined by the University Board. Academy Board members shall be appointed according to the terms of the Method of Selection, Appointment and Removal Resolution adopted by the University Board. The Academy Board has all the powers and duties permitted by law to manage the business, property and affairs of the Academy and for adopting policies by which the Academy shall be governed. The Academy Board is responsible for assuring that the Academy operates according to the Terms and Conditions of this Contract and Applicable Law. Contract Schedule 2: Amended Bylaws, set forth a further description of the Academy Board's governance structure.

Academy Board members shall serve in their individual capacity, and not as a representative or designee of any other person or entity. The Academy Board shall ensure compliance with Applicable Law relating to conflicts of interest and prohibited familial relationships, including Article IV, Sections 4.4 and 4.5 of the Terms and Conditions of this Contract.

Pursuant to applicable law and the Terms and Conditions of this Contract, including Article III, Section 3.6, the Academy Board may employ or contract for personnel according to the position information outlined in Schedule 5. Before entering into an agreement with an Educational Service Provider or an employee leasing company to provide services or to provide personnel to perform services or work at the Academy, the Academy Board must first comply with the Educational Service Provider Policies issued by the Center.

SECTION B

EDUCATIONAL GOAL AND RELATED MEASURES

EDUCATIONAL GOAL AND RELATED MEASURES

Pursuant to Applicable Law and the Terms and Conditions of this Contract, including Article VI, Section 6.2, the Academy shall achieve or demonstrate measurable progress for all groups of pupils toward the achievement of the educational goal identified in this schedule. Although an increase in academic achievement for all groups of pupils as measured by assessments and other objective criteria is the most important factor in determining the Academy's progress toward the achievement of the educational goal, the Center also considers other factors. Upon request, the Academy shall provide the Center with a written report, along with supporting data, assessing the Academy's progress toward achieving this goal. In addition, the University expects the Academy will meet the State of Michigan's accreditation standards pursuant to state and federal law.

Educational Goal to be Achieved

Prepare students academically for success in college, work and life.

Measures to Assist In Determining Measurable Progress Toward Goal Achievement

To assist in determining whether the Academy is achieving measurable progress toward the achievement of this goal, the Center will annually assess the Academy's performance using the following measures.

Measure 1: Student Achievement

The academic achievement of **all students who have been at the academy for one or more years¹** in grades 3-8 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 3-8 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 $\geq 65^{\text{th}}$ Meets $\geq 50^{\text{th}}$ Approaching $\geq 45^{\text{th}}$ Does not meet $< 45^{\text{th}}$	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%

SECTION C

EDUCATIONAL PROGRAMS

EDUCATIONAL PROGRAMS

Pursuant to Applicable Law and Terms and Conditions of this Contract, including Article VI, Section 6.3, the Academy shall implement, deliver and support the educational programs identified in this schedule.

Mission

The mission of the Detroit Innovation Academy ("Academy") is to provide a stimulating and supportive environment that empowers scholars to achieve academic excellence and to be leaders in the community.

Vision

The Academy builds a culture that changes lives by inspiring students to believe in themselves, and to have the hope and courage to create, explore and succeed. We are innovative in the way that we educate by leveraging partnerships, community relations, resources and the use of time to create a nimble, responsive, transformational environment for each student, family and teacher to achieve his/her full potential.

Values

It is the Academy's core belief that creating and sustaining excellent schools for all children is the most critical issue today; that high-quality education is the only way to change the life trajectory and outcomes for kids. The Academy is relentless in this pursuit and refuses to accept anything less than remarkable schools for all. The Academy works tirelessly to provide high quality services to Academy leaders, teachers, students and families rooted in our values:

At Detroit Innovation Academy, we exhibit...

- **Courage:** We speak up and hold our ground in order to give voice to those that may not yet know how to speak so they might be heard.
- **Compassion:** We honor people's story, withhold judgment, and communicate to others that they are not alone.
- **Commitment:** We show up, even when it's hard. We are all in...all the time.
- **Connection:** We believe that relationships count a lot – and that our collective strength is more important than any individual talent.
- **Conviction:** We are clear in what we believe and do no waiver, ensuring our actions reflect our beliefs.

Programs, activities and wrap-around services provide students with the skills and confidence necessary for success in college, work and life. Students are college-ready, career-focused and community-minded.

Excellent schools expect the best and focus on continuous improvement. This includes a culture that unleashes the potential and talent present throughout the Academy community; a rigorous educational program and encouraging intellectual confidence; and a focus on developing academic habits and personal growth. In order to ensure college-readiness, the Academy intentionally designs and implements the following under the three principles listed above:

1. Provide additional time for intervention including the following structures: Fountas and Pinnell Leveled Literacy Instruction (“LLI”) and small group pull outs based on interim assessment results.
2. Provide a literacy rich educational experience for all students, including a focus on guided and close reading.
3. Implement a “Do No Harm” Academy culture rooted in a positive behavior interventions and supports (“PBIS”) structure. Celebrate student achievements and use a No-Nonsense Nurturer[®] framework to promote high expectations and high levels of support.
4. Provide student leadership opportunities through enrichment opportunities.
5. Implement a differentiated instruction workshop system and data driven approach to improving outcomes.
6. Provide professional development on all pertinent topics including Instructional Rounds.
7. Create and implement a guaranteed and viable curriculum aligned to common core standards and prepare students to complete performance-based tasks.
8. Implement and manage an effective teacher planning system that focuses on lesson plan structure, including opportunities for higher order thinking and student-centered instruction, and provide useful feedback to teachers on lesson content.
9. Develop coaching and feedback cycles aligned to instruction expectations of rigor and management.
10. Design and embed structures to support teacher and leader reflection, learning and application of concepts. Root all discussions in evidence-based practices and deepen staffs’ content knowledge.

The Academy is committed to providing an educational program focused on preparing students for success at the next educational level and to be accepted to and graduate from college. To that end, the Academy provides high-quality instruction, timely and targeted intervention and an Academy culture centered on high expectations and support.

The Academy believes all students can achieve at the highest levels when provided with: a proven, research based instructional program; challenging and aligned standards; opportunities to build ownership; a focus on preparing students for high-level writing; and effective intervention.

The Academy embeds a tailored, selected combination of proven, research-based practices from the work of John Hattie’s *Visible Learning*, the Knowledge is Power Program (“KIPP”), Uncommon Schools instructional practices and “Visible Thinking” as its instructional program.

Hattie has conducted one of the most comprehensive meta-analysis in education. His research, documented in the book *Visible Learning*, unpacks the relative effectiveness of almost every educational intervention known and provides an absolute effect size. Through his work, Hattie was able to identify a “hinge point” or an effect size of .40. According to his research, anything greater than a .40 effect size has more than the typical year of academic growth schools expect. An effect size of 1.0 or higher is equivalent to improving the student’s achievement level by approximately one full grade. The Academy focuses on using this research to support its instructional program to achieve student growth of more than just one academic year. Elements included in the Academy’s educational program, based on Hattie’s work, are as follows:

1. *Student self-assessment/Self-grading*: This refers to students' expectations for and beliefs in themselves. It involves students predicting or self-reporting grades. In the upper grades, the Academy provides opportunities for students to set goals, track progress and reflect on performance to find out what students' expectations are and push learners to exceed expectations. By doing this, students begin to build confidence in individual learning. In addition, The Academy works with teachers to make learning intentions/targets and the criteria for success transparent to all students.
2. *Multi-Tiered System of Support ("MTSS")*: An educational approach inclusive of Response to Intervention ("RtI") provides timely and systematic support to students who are struggling in one or more areas of learning. MTSS/RtI seeks to improve academic outcomes through early intervention and frequent progress monitoring. The Academy embeds MTSS/RtI at all levels and coaches teachers to utilize a Student Achievement Team system to support this process.
3. *Teacher Credibility*: The Academy's educational program works to develop teacher credibility; teachers must be viewed as being able to make a difference in the students' lives and in student learning. The Academy works with teachers on key areas of teacher credibility: trust, competence and immediacy. The Academy's leaders and coaches provide feedback on teachers' abilities to build and maintain positive relationships, demonstrate a command for the content being taught, effectively "turn the lightbulb on" for students and respond to students' questions and concerns. This is accomplished through Visible Learning protocols, Advisory and Morning Meeting, and coaching and feedback cycles.
4. *Classroom Discussions*: Powerful learning occurs through conversation. The Academy believes when the teacher stops lecturing and students get together to discuss important issues and concepts, ideas flow, thoughts gel and learning happens. Classroom discussion provides opportunities to develop strong communication skills by encouraging students to voice opinions and thoughts. Teachers use classroom discussions to evaluate what students are learning and to make mid-course corrections. In addition, discussions create an environment of curiosity and collaboration. Academy staff learn how to scaffold instruction for students, and students learn how to participate in effective discussions and how to develop higher order thinking through strategic questions.
5. *Teacher Clarity*: Academy teachers clearly communicate intentions for learning, assessment and behavior. Teachers are held accountable for articulating clear, daily learning targets describing the skills and knowledge students need to learn and demonstrate. The Academy helps teachers analyze data to set clear learning targets and name evidence to show student improvement.
6. *Spaced vs. Mass Practice*: Great instruction provides multiple exposure points for students to demonstrate understanding. The Academy works to develop instructional plans, programs and schedules that increase the frequency of different opportunities for students to demonstrate knowledge over time. Students given at least three to four exposure points to a concept or skill over several days have increased probability that learning is internalized and acquired knowledge can be transferred at a later date. The Academy's upper grades provide a balanced assessment system that aims to solidify learning through short quizzes and daily measurements of learning targets.
7. *Positive and Effective Classroom Culture*: The Academy employs a set of classroom management processes that include improving student engagement and decreasing disruptive behavior. The Academy embeds positive behavior supports and expectations

within and across classrooms focusing on: building relationships, teaching collaboration and using language to create safe, productive and rigorous classroom environments.

The Academy's instructional model incorporates elements of deliberate teacher practice designed to enhance the aforementioned educational program. The Academy builds teachers' capacity in the following high-quality instructional practices:

1. Workshop model
2. Building background knowledge
3. Academic language
4. Understanding by Design for curriculum development and planning
5. Collaborative learning, conferencing and differentiation

Similar to Hattie's work, this model focuses on including high impact literacy strategies, metacognition and higher order thinking skills. Teachers at the lower grades utilize a workshop model approach to launch the lesson, build background knowledge and connect to the previous day's learning target, model the content and skill for that lesson, provide opportunities for students to collaboratively and independently practice and for teachers to assess students' learning. In the middle grades, teachers follow the same strategies but the small workshop groups are no longer used, replaced by a variety of discussion sizes.

In addition to the framework described above, the Academy utilizes Visible Thinking, using thinking routines and documentation as classroom practices to improve student achievement. Research has shown when learners speak, write or draw ideas, learners deepen cognition. This work is built on the idea that thinking is a social endeavor; when students can collaborate and share ideas with others, students are able to explore more deeply, self-correct and solidify knowledge and skills.

In many schools, thinking happens mostly in students' heads, invisible to others and themselves. Visible Thinking is designed from the premise that if students can externalize thoughts through speaking, drawing etc., students are more apt to see mistakes, uncover new ideas or redirect thoughts to improve learning. Visible Thinking occurs during the lesson structure.

College Readiness

The Academy promotes, encourages and supports academic excellence. Teachers focus on providing rigorous instruction culminating in performance tasks to support and increase skills needed in college, career and life.

This approach provides increased opportunities for individualized instruction to assist students with mastering a determined body of knowledge within the state required standards and acquire the skills necessary to successfully enter high school at the end of eighth grade. The Academy's curricular programs and resources assist in the development of academically accomplished young men and women who are confident in personal abilities, innovative in thinking and ethical and active members of the community. In addition, the Academy's academic programs provide learning experiences to guide students in becoming voracious readers, effective oral and written

communicators, creative and analytical thinkers and proficient with technology. Students also apply mathematical and scientific principles and appreciate and value artistic expression.

The Academy recognizes that learning differences exist within the student population and work within the mission and resources to determine the best strategies for developing individual students' potential. As the student population may include students who are performing significantly below grade level, the Academy establishes goals for students to make sufficient growth annually so that students can achieve the benchmarks identified in Schedule 7b of the Contract.

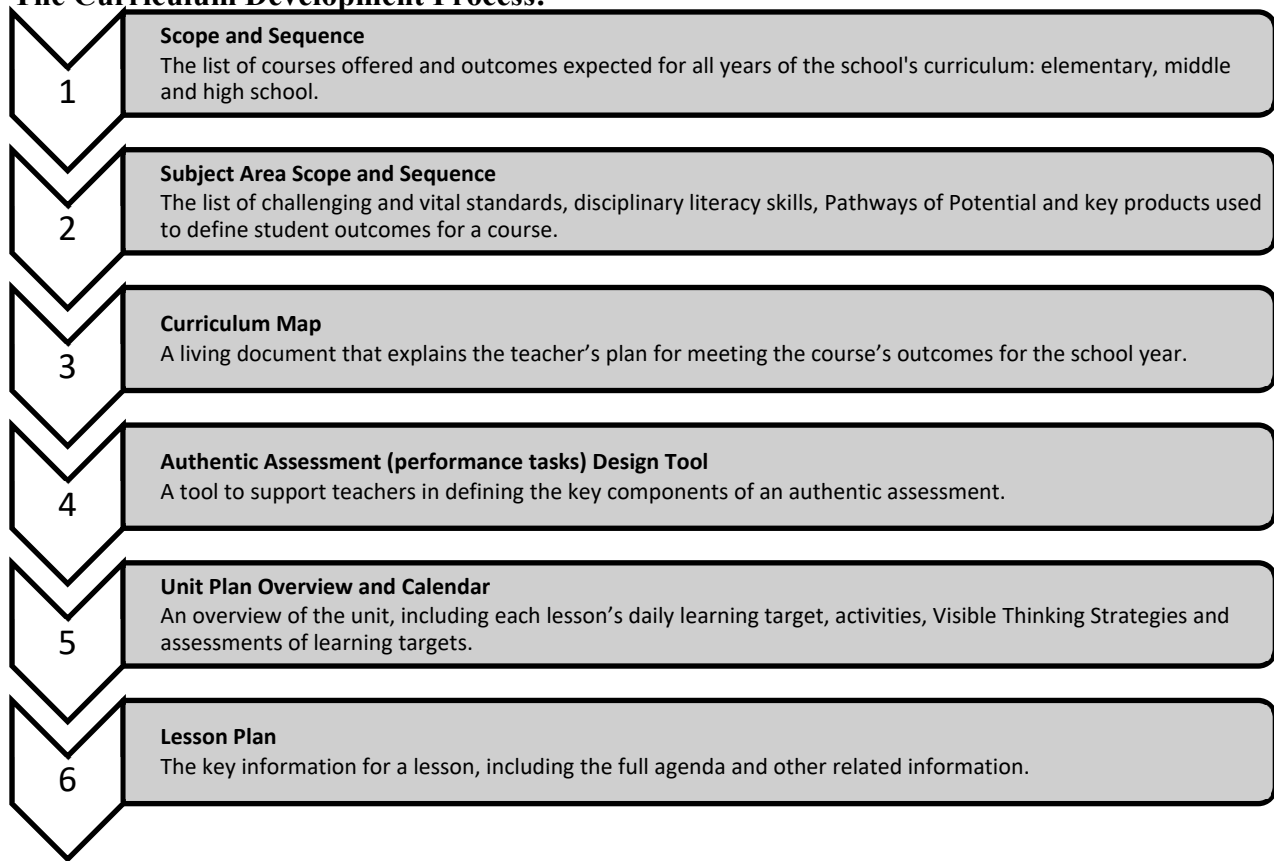
Curriculum

The Academy is committed to providing a rigorous curriculum with challenging standards for all students. According to research, “exposure to a rigorous curriculum is a better predictor of academic success in college than such variables as the education level of parents, test scores, class rank, GPA or family background” (Jobs for the Future). To this end, the Academy works to design curriculum that supports students’ deep learning of rigorous and vital standards and literacy across the disciplines. The goal is to create a dynamic and rigorous curriculum that both challenges and engages while preparing students for the next level of educational success. Curricular design is influenced by proven research strategies, necessary critical thinking skills and relevant topics to students.

The Academy currently uses a combination of standardized and site-based curriculum to meet the needs of all students while also ensuring alignment to the Michigan Academic Standards (“MAS”). Therefore, the curriculum created for each grade level includes content standards, skills and assessments aligned to all Michigan and national requirements. Standardized curriculum includes: Great Minds™ Wit & Wisdom® (for English Language Arts), Eureka Math®, STEMscopes™ science, Exemplary Physical Education Curriculum™ (“EPEC™”) for physical education, and Michigan Model for Health™. Elective courses, including intervention classes, are also developed by teachers and based on local assessment data.

When creating Academy specific curriculum, teachers engage in curriculum development through a collaborative and active process rooted in “backward planning”. The Academy uses a standardized curriculum development process and follows a specific timeline to ensure all curriculum is aligned and enacted.

The Curriculum Development Process:



Step 1: The Scope and Sequence outlines what courses are necessary for students at each educational level as required by the Michigan Department of Education (“MDE”) and deemed essential by the MAS. This document outlines all necessary courses, experiences and skills needed to ensure student achievement and success at the next academic or post-secondary level.

Step 2: The Subject Area Scope and Sequence provides a consistent list of outcomes all students are required to meet in order to be promoted or earn credit in each course offered at Acero schools. This list of outcomes includes MAS, disciplinary literacy skills and the key products or performance tasks, which are required assignments for the course, and may include items such as a research paper, scientific investigation and report, persuasive essay, debate or mock trial. The subject area scope and sequences do not change from year to year and serve as the essential foundation of the curriculum design process.

Step 3: The Curriculum Map outlines the teacher's plan to meet the outcomes identified in the subject area scope and sequence for the class being taught. Teachers develop curriculum maps to brainstorm, develop and revise the structure and content of courses. It is a living document, visible to all, and reevaluated as situations change, feedback is received and data is analyzed.

Step 4: The Authentic Assessment Design Tool supports teachers in articulating the key components of an authentic assessment (performance task) based on the standards and skills

identified in the scope and sequence and curriculum map. Teachers should use this tool to create an authentic assessment for each unit identified in the curriculum map unless a performance assessment has already been created. The ideas developed in this design tool are then used to create a descriptive handout for students to explain the task and to create effective rubrics for students to self-predict grades and reflect on progress.

Step 5: The Unit Plan Overview and Calendar helps the teacher develop a coherent, targeted, timely, logical and thoughtful unit for students. Teachers develop the unit plan and calendar to draft the weekly plans for the unit, including the daily learning targets and assessment of the target. Assessments included can be graded or not graded, but the purpose should be to consistently check for student understanding to provide timely and necessary feedback to adjust instruction as needed.

Step 6: The Weekly Lesson Plan. Teachers create weekly lesson plans as deemed necessary by administration. The lesson plan expands the work of the unit plan and lesson overview by developing the full agenda and identifying other related information and resources for a lesson.

Academy leadership conducts curriculum and planning audits, as well as observation and feedback cycles, aligned to planning to ensure teachers are on pace and students are learning what the curriculum expects. Teachers and leaders review curriculum plans and make necessary adjustments during the summer and throughout the year based on interim assessment data.

The abovementioned plan ensures a focus on rigor throughout the curriculum and the need for students to demonstrate mastery of the most sophisticated and vital standards necessary for high academic outcomes.

The Academy focuses on embedding a balanced assessment system that effectively prepares students for all demonstrations of knowledge and skills, whether on standardized, high stakes state/national assessments or on authentic assessments. The purpose of assessments is to provide feedback to teachers about student learning; in other words, did students learn what teachers intended to teach? The Academy emphasizes the use of performance-based assessments to help students make connections between the content expected to be learned and how to use that content in meaningful and relevant ways. Additionally, the feedback generated from performance-based assessments provides strong documentation and allows for further development of students' understanding of challenging and aligned standards, non-cognitive skills and approach to the learning process. The Academy utilizes the following assessment tools/practices:

1. *Performance tasks* that allow students to demonstrate understanding of MAS and College Readiness Standards. These tasks are modeled on performances students would be expected to complete while in college including: research papers, lab reports, multimedia presentations, close readings, Socratic seminars and infographics. Teachers scaffold instruction over the course of several grade levels to build students' capacity in demonstrating knowledge through increasingly sophisticated and relevant tasks. The performance tasks ask students to discuss, perform, write, evaluate, analyze and create evidence and artifacts that demonstrate and extend the learning of standards and skills. Students have opportunities to

complete performance assessments in all content areas and most grade levels as aligned with high stakes assessment expectations.

2. *Interim Assessments*: Students at the Academy take aligned interim assessments designed to provide data on students' learning of MAS and SAT®'s Dimensions and Domains. Students in elementary and middle school participate in the NWEA® MAP® Growth™ ("NWEA MAP"). Data from these assessments are used to create targeted instructional plans that align with each content area's curriculum scope and sequence. The interims work in tandem with the previous described assessments and provide students another way of showcasing, tracking and evaluating progress in learning challenging and essential standards and skills.
3. *Continuous/Formative Assessments*: The Academy knows it is important to regularly assess students because learning happens on a continuum. Continuous assessment is critical in providing feedback to teachers on instructional effectiveness and to measure students' understanding of the teaching points. Formative assessments also allow students multiple opportunities to demonstrate learning and for teachers to "check for understanding" of student learning. Teachers "check for understanding" of the daily learning target in all grade levels and content areas.
4. *National Normed Assessments*: Students at the Academy take the NWEA MAP test, Fountas and Pinnell Reading Benchmark Assessment, PSAT™, and may take the Observation Survey of Early Literacy Achievement ("OS"). These assessments provide data on students' basic skills that may be necessary for benchmarking placement in various learning experiences or to determine the need for interventions. Academy teachers utilize this data to plan for targeted and personalized intervention plans.

The Academy uses the data collected from each of the above assessments, as well as qualitative information, to inform teaching through cycles of Data Driven Instruction. Current practice indicates that the balanced assessment system provides teachers and Academy leaders with significant data points to chart and monitor progress in order to implement a plan to improve student achievement.

Student Ownership

Central to a college-ready, career-focused and community-minded educational program is intentionally building student ownership. Student ownership is defined as students being able to set and internalize goals and align actions, both academic and behavioral, to reach those goals. The Academy believes this is the vital piece needed to unlock a student's educational potential and the piece of the puzzle that drives all other student achievement outcomes.

Students are able to develop a sense of ownership through development of leadership skills. Every student at the Academy is an active participant in creating a climate that fulfills the mission and vision alongside staff, students, parents and stakeholders. The creation of such a culture proves an environment where students become stakeholders in the Academy, creating a connection between peers, parents and the community. Research shows that "positive school climate powerfully affects student motivation to learn" (National School Climate Council, 2007).

Teachers at the Academy work through the Student Support Team process to identify, track and monitor students requiring targeted support to improve achievement and behavior outcomes.

The Academy emphasizes social emotional growth and student ownership as two key ingredients for ensuring students meet high expectations and are prepared for future success. To that end, the Academy is organized to support students' acquisition and development of non-cognitive skills. Based on the work of Dr. William Sedlacek's Non-Cognitive Skills, the Academy embeds structures to intentionally teach these skills. Sedlacek has spent the last twenty years studying factors of successful "nontraditional" college students. Sedlacek's research, found that students who graduated from college possessed eight (8) indicators that are not captured by grades or test scores but are predictive of success in college including:

1. *Self-Concept*: Possessing confidence, strong feeling of "self," determination and independence. In a recent piece by Paul Tough in the New York Times Magazine on college success for low-income and first-generation populations, the college found that one of the key mindsets students needed in order to succeed was a sense of belonging in an academic community. The students who dropped out of college were those who met an initial obstacle, within a new environment, and took it as a sign they didn't belong.
2. *Realistic Self-Appraisal*: Ability to assess one's strengths and weaknesses, not overreact and take in feedback to modify behavior. In other words, a student who can "roll with the punches." Similar to Dweck's work on "growth mindset."
3. *Navigate the System*: By "the system," Sedlacek is referring to the racism, both inadvertent and intentional, that minority students will likely need to overcome in order to be successful in college. Students need to develop awareness of this system, and know how to navigate it.
4. *Long-Range Goals*: Developing long-range goals and understanding the relationship between effort and meeting those goals. Similar to Angela Duckworth's "grit."
5. *Strong Support Person*: The ability to ask for help and seek out a support network that provides advice, particularly in times of crisis.
6. *Leadership*: Ability to organize, take initiative and influence others.
7. *Community Involvement*: Those that get involved and participate are those that stay. Broad involvement exposes students to various experiences, develops interests, builds a sense of belonging and ultimately increases student ownership.
8. *Nontraditional Knowledge Acquired*: Ability to learn outside of school through additional experiences and enrichment opportunities.

The Academy has adopted Sedlacek's framework for helping schools develop the outside-of-the classroom variables that can be the difference between a student getting "to" and "through" college.

Middle school students will also develop Educational Development Plans ("EDP") during the 7th grade and continuing into the 8th grade year as part of the Advisory program.

Effective Instruction

The Academy hires highly trained individuals versed in working with students placed at-risk in order to improve outcomes. To address the needs of all learners, the Academy provides special

education services, a variety of instructional best practices rooted in MTSS with an integrated RtI model, and recognizes the differences of all learners. The Academy's MTSS/RTI three-tier design is based on the results of NWEA MAP (Grades K-8), and Fountas and Pinnell Benchmark Assessment System (Grades K-3) (extended assessment). Teachers and students also use MasteryConnect three times a year as an interim assessment system for both reading and math. These assessments provide a variety of data to monitor progress of students and decide MTSS/RTI based interventions throughout the year to ensure students in the MTSS/RTI process are making necessary gains.

Tier 1 – Includes students that score in the 25th percentile or higher of the student population on the universal screener. For this tier, whole class research-based core instruction with differentiated instruction is emphasized by the general education teacher. Frequent formative assessments determine the extent to which content is mastered prior to a summative assessment. Summative assessments, in addition to MasteryConnect in the form of unit tests, projects and presentations also indicate mastery of content. Teachers reteach and reassess as necessary.

Tier 2 – Students that score in-between the 11th and 25th percentile of the student population on the universal screener. Students in this tier continue to receive Tier 1 instruction. In addition, students receive targeted intervention, such as small group instruction within specific content areas. Small group instruction is in addition to the hours taught by the general education teacher and utilizes a smaller teacher to student ratio. These small group sessions are designed to target specific areas of need as determined by data. Students also receive frequent assessments to monitor progress towards the mastery of content.

Tier 3 – Students that score in the lowest 10th percentile of the student population on universal screener. Along with continued Tier 1 and 2 instruction, these targeted students receive additional small group or individualized instruction in areas of need from key staff members or specific programs. If the student is not making adequate progress after an intervention implementation, the Student Achievement Team determines additional strategies necessary to assist the student. If the student is still not making adequate progress towards grade level mastery, the student may be referred to special education for testing.

School Culture

The Academy believes in potential. The potential of every single person who walks through the Academy doors to be remarkable. The Academy believes the adults create the behavior environment required to support learning that starts with heart.

The Academy develops a culture of high expectations and high support. The Academy believes high expectations are an essential condition for student success and for a safe and productive school environment. But establishing high expectations is no simple matter; it requires more than just words. It requires the collective agreement of students, parents/families, teachers and leaders on policies, practices and patterns of all stakeholders to model and reinforce those words in everyday practice. High expectations have to be experienced, clearly and consistently, not just heard.

The internalization of high expectations and attainment requires high support – academic, social

and emotional. This support must be present, visible, accessible and unavoidable – again and again and again and again. Many students cannot internalize a new behavior on command or by practicing it once or twice. Students require repetition; the Academy believes repetitions must be useful, which does not mean rigidly providing students with exactly the same experience and consequence multiple times.

To that end, the Academy believes:

- All students deserve to be educated in a safe, caring, serious and welcoming environment.
- Student behavior is not static - all students can change and improve behavior.
- The goal of an effective student discipline system is to teach students to self-correct.

The Academy's discipline practices are rooted in the goals of developing students who are:

- Able to appropriately respond to circumstances and situations in life in a productive manner that produces a “win-win” situation for the involved individuals.
- Able to communicate needs to adults and peers in a respectful and productive manner.
- Able to be held to and deliver on high standards of academic excellence.
- Able to take responsibility for individual actions without blaming others.
- Responsible for personal successes, challenges and achievements equally.
- Capable of making positive decisions that impact communities and families.

When building this system, Academy leaders and staff develop a consequences chart that details what happens when a student violates those guidelines. This chart lists types of student infractions, and the recommended consequence of the infraction. However, the Academy administration retains the discretion to modify disciplinary procedures and consequences, and/or to take more severe and immediate action when it deems necessary.

The Academy is committed to working with parents, guardians and/or other significant adults to ensure behavior and academic goals are met and the Academy creates and sustains a welcoming environment. This is accomplished by the implementation of an Academy-wide PBIS system and restorative practices. PBIS focuses on proactive ways to define, teach and sustain appropriate student behaviors across the Academy environment. Central to this system is building and maintaining healthy relationships between all members of the Academy community.

The Academy works with teachers to operationalize teacher principles necessary for helping create a positive culture:

1. *Preserve relationships.* Do not take students' negative behavior personally. Students have not failed teachers. Show them teachers are strong enough to withstand a negative choice while on the path to success, however long that path may be or take.
2. *Be credible.* Academy staff must be viewed as being able to make a difference and truly believe in students' potential. Teacher credibility - based on authenticity, trust, competence, energy and immediacy - helps students integrate high expectations in themselves.

3. *Help the student accurately understand the consequences.* This is about how adults respond and talk to students. Teachers don't need to be punitive in actions or tone. Oftentimes students already know the wrong choice has been made. Name and clarify the consequences, without shaming, and talk about ways things could be different next time. This is about having a higher standard of how adults in schools talk to students.
4. *Highlight every bit of growth.* It can take a long time to improve some behaviors. These students need many pats on the back for what the students tried to do right. Even in challenging situations, there are often redeeming moments of good will and effort. Help students learn to repair and restore.
5. *Listen.* Ask questions to help students think more deeply about the interpretation of the situation. Reflect back ideas. Identify where students and teachers agree or disagree.
6. *Let students feel their feelings.* Sometimes the best thing teachers can do for students is bear witness to their feelings. When students are feeling low or have made an inappropriate choice, the intervention students may need most is for an adult to say, "This is a hard moment." Then be present. For many students, the genesis of problem solving is found in the quiet opportunity to feel and reflect.

An effective “Do No Harm” model calls for a redundancy of opportunities and supports for every student, every year. This means more than a variety of random opportunities but rather the intentional efforts to ensure that all students have multiple “hits” or “touch points” over time and multiple opportunities to practice and demonstrate learning.

The Academy understands these multiple opportunities are both strategic and organic and are created because of effective relationships within the Academy culture. To foster such relationships, the Academy creates and sustains a school culture that includes the following structures and elements:

1. Academy wide gatherings, celebrations and norms
2. Meaningful opportunities for parents and families to engage in the Academy community
3. A commitment by faculty and staff to learning and responding to personal and group identities and cultures of students
4. Professional development for faculty and staff.
5. Integration of community participation, assets and culture
6. Access to wrap-around support services that help students stay healthy and come to school every day

Common elements of all initiatives include: exposure to a number of positive adult role models; opportunities to build positive friendships; opportunities to plan, to lead and to articulate points of view; involvement of parents to increase the capacity for self and family development; and delivery of programs through goal and team-based activities that foster learning and enhance creative, critical thinking.

The Academy’s wraparound services focus on three core areas: career and college preparation, community service and academic enrichment. The Academy understands that this work is hard

and that relationships are essential to creating and sustaining remarkable schools. The Academy focuses on taking time to get to know people – what challenges them, what inspires them and what motivates them. The Academy focuses on building connections through communication – up, down and across. The Academy believes that silence on issues that matter most to students impedes the ability to be effective, so connections are built with communities, parents, students and staff and the Academy uses them to listen. The Academy creates systems and embeds practices to support Academy beliefs about connections and knows that the collective strength is greater than any individual on any given day.

There are no magic tricks. The Academy's role as educators is to not give up on students, to understand the power of connections and of presence, and to believe and insist students become the very best they can be. It is to align Academy systems and practices with the potential in each student and remain steadfast in expectations and support, in structures and hopes while students find the way. It's not a straight line.

Continuous Improvement

The Academy is focused on strategic and continuous improvement, including prioritizing practices designed to lead to gains in each of the areas described in the Educational Program. The Academy's continuous improvement framework focuses on using data to drive improvement and providing teachers and leaders the space and time to accomplish this work. The Academy's work is rooted in the books *Leverage Leadership* and *Driven by Data: A Practical Guide to Improve Instruction*, both by Paul Bambrick-Santoyo.

The Academy works with staff on data feedback processes which follows a scripted cycle: assessments, analysis and action. This framework has been applied to each area of the Academy and it is accomplished through professional development.

The Academy utilizes interim assessments from NWEA MAP and teacher-generated assessments. The strength of this model lies with teachers quickly receiving student performance data, having the collaborative time to pinpoint students' areas of misunderstanding and determine what instructors will do to move students toward mastery of the standards. Teachers complete a detailed instructional plan that works in tangent with the pre-determined scope and sequence for the particular course and grade level. In this instructional plan, teachers articulate what standards to re-teach and what new standards to introduce to the class to continue to make progress. Teachers spend time discussing and analyzing why students did not learn the standard and what the teacher needs to do moving forward.

The Academy also utilizes a data dashboard reflective of a number of student and school data points including: attendance, suspensions, referrals, GPA, course completion, student and teacher demographics and more. Student data is collected and analyzed at data meetings during professional development times. Academy staff review data and discuss appropriate plans.

In addition to teachers and leaders participating in the data cycles and communities of practice, the Academy participates in a self-assessment process that is an important part of building a remarkable school and pinpointing improvement priorities. This self-assessment process builds on the data cycle work and adds to the culture of improvement by providing a more formal opportunity

to assess overall school performance trends and challenges affecting the quality of the Academy for all stakeholders. This collaborative process enables the entire Academy community: faculty, staff, leadership, parents, students and community partners – to reflect, discuss and act in assessing progress, naming specific priorities and determining when and how those will be implemented.

Teachers meet weekly for professional development to accomplish the work listed above. The professional development structure includes grade-level or initiative and student culture meeting along with data cycle work. Teacher led PLCs are in addition to the individual teacher-leader observation and feedback cycles that occur on a bi-weekly basis and are rooted in individual teacher action plans based on professional priorities.

Special Education

When making educational placement decisions for students with disabilities, the Academy will ensure that parents are contributing members of the Individualized Educational Program ("IEP") team, and together the team will make decisions that are subject to requirements regarding provision of the least-restrictive environment. When determining how services will be delivered to students with disabilities, the Academy will follow all Special Education Rules as issued by the 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.

The Academy contracts, as needed and as determined by enrollment, with specialized outside service providers who are experts in providing such services to charter schools in Michigan. In addition, the Academy employs teachers as needed, through the Educational Service Provider or other contractual arrangements, who possess certification in special education areas as well as dual or multiple certifications across disciplines.

The Academy employs a "least restrictive environment" approach and makes use of a special education resource room as a way to support the individual needs of each student requiring special education services. Further, the Academy participates in all Wayne RESA programs and support services, including those for which it may obtain additional funding to support special education services to students.

High Achievers

The adaptations and modifications provided for students with higher achieving capacity vary by teacher and consist of a variety of activities including independent projects of study which are supported by MAS integration with individualized interest based projects, software programs which address concepts up to the high school level, small group instruction, and use of individualized instruction, for example students may work on advanced concepts during a math rotation or be part of a higher reading group.

Below Grade Level Students

Students who enter and continue to perform below grade level receive additional support through a variety of activities including the MTSS/RTI program, small group and individualized instruction provided by specialized staff, paraprofessionals, teachers or volunteers, pairing and peer tutoring, after school tutoring with teacher or other adult, and other modifications or accommodations as necessary.

English Language Learners

Modifications or adaptations will be made for English Language Learners to ensure students are successful.

Program Evaluation

Evaluations of the Educational Program are conducted at measured intervals throughout the year using a variety of metrics to examine progress. Through the lenses of the mission, vision and values, the Academy reviews the implementation, delivery and support of the aforementioned programming in the following ways:

- Five time a year progress on Operations, School Culture (inclusive of student discipline and “Do No Harm” metrics, Advisory implementation) Attendance, and Enrollment
- Twice a year PSAT progress monitoring
- End of year PSAT results
- End of year state assessment and MI-Access results
- Throughout the year Fountas and Pinell and Mastery Connect
- Three time a year NWEA MAP results
- Informal progress monitoring of academic results between major assessment windows
- Lesson planning review and feedback
- Cycles of leader and teacher coaching and observation
- School Improvement Planning (“SIP”)
- Teacher and Leader Evaluations in accordance with the Framework for Michigan Educator Evaluations under the New School Reform Law 2009, PA Section 1249
- Student and parent surveys throughout the year

- Survey which examines the Academy staff's culture, organizational health and alignment to mission, vision and values

The Academy's staff reserves time throughout the year during weekly after-school and intermittent day-long professional development sessions to review and analyze this progress. The Academy analyzes areas of success and growth and determines next steps of support. Teachers and leaders from the Academy use goals set by the Center and the State to focus yearly work and benchmark against progress. The Academy self-assesses progress and course adjusts based on input from multiple data points and stakeholders to provide the highest quality education to its students.

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 Academy adapted curriculum, Great Minds® Wit & Wisdom® Language arts (“ELA”), Eureka Math®, STEMscopes™ science modules, Oakland K-12 Public Rubicon Atlas, Exemplary Physical Education Curriculum™ (“EPEC™”) and the Michigan Model for Health™ as a curriculum. The curriculum for all core subjects has been received, reviewed and approved by the Center.

- Eureka Math <https://greatminds.org/math/eurekamath>
- Wit & Wisdom <https://greatminds.org/english/witwisdom>
- STEMscopes <https://n12005d89819.acceleratelearning.com/login>
- Oakland K-12 Atlas <https://oaklandk12-public.rubiconatlas.org/Atlas/>
- Michigan Model for Health <https://www.michiganmodelforhealth.org/>
- EPEC <https://michiganfitness.org/activity/epec/>

Elementary

The following subjects/courses are offered at the Academy.

Course	K	1	2	3	4	5	6	7	8
English Language Arts	X	X	X	X	X	X	X	X	X
Mathematics	X	X	X	X	X	X	X	X	X
Science	X	X	X	X	X	X	X	X	X
Social Studies	X	X	X	X	X	X	X	X	X
Health	X	X	X	X	X	X	X	X	X
Physical Education	X	X	X	X	X	X	X	X	X

SECTION E

METHODS OF PUPIL ASSESSMENT

METHODS OF PUPIL ASSESSMENT

Pursuant to Applicable Law and the Terms and Conditions of this Contract, including Article VI, Section 6.5, the Academy shall properly administer all state-mandated academic assessments identified in the Code, as applicable, and all academic assessments identified in the Public School Academy Chartering Policies adopted by the University Board, as applicable, in accordance with the requirements detailed in the Master Calendar annually issued by the Center.

The Academy shall authorize the Center to have access to the Academy's Student/School Data Applications through the Center for Educational Performance and Information and to the electronic reporting system administered by the Michigan Department of Education to access the Academy's state assessment results, as applicable. The Academy shall ensure that those involved with the administration of these assessments are properly trained and adhere to the ethical standards and testing procedures associated with these assessments.

Academic Assessments to Be Administered:

Assessments as identified in Schedule 7b of this Contract and all state-mandated assessments.

SECTION F

APPLICATION AND ENROLLMENT OF STUDENTS

APPLICATION AND ENROLLMENT OF STUDENTS

Pursuant to Applicable Law and the Terms and Conditions of this Contract, including Article VI, Sections 6.6 and 6.16, the Academy shall comply with the application and enrollment requirements identified in this Schedule.

Enrollment Limits

The Academy will offer kindergarten through eighth grade. The maximum enrollment shall be 430 students. The Academy Board will annually adopt maximum enrollment figures prior to its application and enrollment period.

Requirements

Section 504 of the Code provides that public school academies shall not charge tuition and shall not discriminate in its pupil admissions policies or practices on the basis of intellectual or athletic ability, measures of achievement or aptitude, status as a student with a disability, or any other basis that would be illegal if used by a Michigan school district. However, a public school academy may limit admission to pupils who are within a particular range of age or grade level or on any other basis that would be legal if used by a Michigan school district and may give enrollment priority as provided below.

- Academy enrollment shall be open to all individuals who reside in Michigan. Except for a foreign exchange student who is not a United States citizen, a public school academy shall not enroll a pupil who is not a Michigan resident.
- Academy admissions may be limited to pupils within a particular age range/grade level or on any other basis that would be legal if used by a Michigan school district.
- The Academy shall allow any pupil who was enrolled in the Academy in the immediately preceding school year to enroll in the Academy unless the appropriate grade is not offered.
- No student may be denied participation in the application process due to lack of student records.
- If the Academy receives more applications for enrollment than there are spaces available, pupils shall be selected for enrollment through a random selection drawing.

The Academy may give enrollment priority to one (1) or more of the following:

- A sibling of a pupil enrolled in the Academy.
- A pupil who transfers to the Academy from another public school pursuant to a matriculation agreement between the Academy and other public school that provides for this enrollment priority, if all of the following requirements are met:
 1. Each public school that enters into the matriculation agreement remains a separate and independent public school.
 2. The Academy shall select at least 5% of its pupils for enrollment using a random selection process.
 3. The matriculation agreement allows any pupil who was enrolled at any time during elementary school in a public school that is party to the matriculation agreement and who was not expelled from the public school to enroll in the public school academy giving enrollment priority under the matriculation agreement.

- A child, including an adopted child or legal ward, of a person who is employed by or at the Academy or who is on the Academy Board.

Matriculation Agreement

- The Academy Board may enter into a matriculation agreement with another public school pursuant to section 504(4) of the Code.
- However, before the Academy Board approves a matriculation agreement, the Academy shall provide a draft copy of the agreement to the Center for review.
- Any matriculation agreement entered into by the Academy shall be added to this Schedule 7f through a contract amendment approved in accordance with Article IX in the Terms and Conditions of this Contract.

Application Process

- The Academy shall make reasonable effort to advertise its enrollment openings.
- The Academy's open enrollment period shall be a minimum of two weeks (14 calendar days) in duration and shall include evening and weekend times.
- The Academy shall accept applications all year. If openings occur during the academic year, students shall be enrolled. If openings do not exist, applicants shall be placed on the official waiting list. The waiting list shall cease to exist at the beginning of the Academy's next open enrollment period.
- In the event there are openings in the class for which students have applied, students shall be admitted according to the official waiting list. The position on the waiting list shall be determined by the random selection drawing. If there is no waiting list, students shall be admitted on a first-come, first-served basis.
- The Academy may neither close the application period nor hold a random selection drawing for unauthorized grades prior to receipt of written approval from the Center.

Legal Notice or Advertisement

- The Academy shall provide legal notice or advertisement of the application and enrollment process in a local newspaper of general circulation. A copy of the legal notice or advertisement shall be forwarded to the Center.
- At a minimum, the legal notice or advertisement must include:
 1. The process and/or location(s) for requesting and submitting applications.
 2. The beginning date and the ending date of the application period.
 3. The date, time, and place the random selection drawing(s) will be held, if needed.
- The legal notice or advertisement of the application period shall be designed to inform individuals that are most likely to be interested in attending the Academy.
- The Academy, being an equal opportunity educational institution, shall be committed to good-faith affirmative action efforts to seek out, create and serve a diverse student body.

Re-enrolling Students

- The Academy shall notify parents or guardians of all enrolled students of the deadline for notifying the Academy that they wish to re-enroll their child.
- If the Academy Board has a sibling preference policy, the re-enrollment notice must also request that the parent or guardian indicate whether a sibling(s) seeks to enroll for the upcoming academic year.
- An enrolled student who does not re-enroll by the specified date can only apply to the Academy during the application period for new students.
- An applicant on the waiting list at the time a new application period begins must reapply as a new student.
- After collecting the parent or guardian responses, the Academy must determine the following:
 1. The number of students who have re-enrolled per grade or grouping level.
 2. The number of siblings seeking admission for the upcoming academic year per grade.
 3. If space is unavailable, the Academy must develop a waiting list for siblings of re-enrolled students.
 4. The number of spaces remaining, per grade, after enrollment of current students and siblings.

Random Selection Drawing

A random selection drawing is required if the number of applications exceeds the number of available spaces. Prior to the application period, the Academy shall:

- Establish written procedures for conducting a random selection drawing.
- Establish the maximum number of spaces available per grade or age grouping level.
- Establish the date, time, place and person to conduct the random selection drawing.
- Notify the Center of both the application period and the date of the random selection drawing, if needed. The Center may have a representative on-site to monitor the random selection drawing process.

The Academy shall use a credible, impartial individual who is not employed by, under contract with, a member of the Board of, or otherwise affiliated with the Academy to conduct the random selection drawing. Further, the Academy shall:

- Conduct the random selection drawing in a manner that is open to parents, community members and members of the public who want to observe the process.
- Use numbers, letters, or another system that guarantees fairness and does not give an advantage to any applicant.

The Academy shall notify applicants not chosen in the random selection drawing that they were not selected and that their name has been placed on the Academy's official waiting list for openings that may occur during the academic year. Students shall appear on the official waiting list in the order they were selected in the random selection drawing.

SECTION G

SCHOOL CALENDAR AND SCHOOL DAY SCHEDULE

SCHOOL CALENDAR AND SCHOOL DAY SCHEDULE

Pursuant to Applicable Law and the Terms and Conditions of this Contract, including Article VI, Section 6.7, the Academy shall comply with the school calendar and school day schedule requirements identified in this Schedule.

School Calendar

The Academy's school calendar shall comply with Sections 1175, 1284, and, if applicable, 1284a and 1284b, of the Code. The Academy's school calendar shall also comply with the minimum requirements set forth in Section 101 of the School Aid Act of 1979 (MCL 388.1701). The Academy Board must submit a copy of the Academy's school calendar to the Center in accordance with the Master Calendar.

School Day Schedule

The Academy Board must structure the Academy's school day schedule to meet the required number of instructional days and hours. The Academy Board must submit the school day schedule to the Center prior to the commencement of each academic year.

SECTION H

AGE OR GRADE RANGE OF PUPILS

AGE OR GRADE RANGE FOR PUPILS TO BE ENROLLED

Pursuant to Applicable Law and the Terms and Conditions of this Contract, including Article VI, Section 6.8, the Academy shall comply with the age or grade ranges as stated in this Schedule.

The Academy will enroll students in kindergarten through eighth grade. The Academy may add grades with the prior written approval of the authorizing body.

Students of the Academy will be children who have reached the age of 5 by the dates outlined in the Code.

CONTRACT SCHEDULE 8

**INFORMATION AVAILABLE TO
THE PUBLIC AND THE CENTER**

INFORMATION AVAILABLE TO THE PUBLIC AND THE CENTER

Pursuant to Applicable Law and the Terms and Conditions of this Contract, including Article XI, Section 11.9, the Academy shall comply with this Schedule.

Information Available to the Public and the Center

The Code provides that the board of directors of a public school academy shall make information concerning its operation and management available to the public and to the Center in the same manner as is required by state law for school districts.

The Code provides that the board of directors of a public school academy shall collect, maintain, and make available to the public and the Center, in accordance with Applicable Law and the Contract, at least all of the following information concerning the operation and management of the Academy:

1. A copy of the Academy's Charter Contract.
2. A list of currently serving members of the Academy Board, including name, address, and term of office.
3. Copies of policies approved by the Academy Board.
4. The Academy Board meeting agendas and minutes.
5. The budget approved by the Academy Board and of any amendments to the budget.
6. Copies of bills paid for amounts of \$10,000.00 or more, as submitted to the Academy Board.
7. Quarterly financial reports submitted to the Center.
8. A current list of teachers and administrators working at the Academy that includes individual salaries as submitted to the Registry of Educational Personnel.
9. Copies of the teaching or administrator's certificates or permits of current teaching and administrative staff.
10. Evidence of compliance with the criminal background and records checks and unprofessional conduct check required under sections 1230, 1230a, and 1230b of the Code for all teachers and administrators working at the Academy.
11. Curriculum documents and materials given to the Center.
12. Proof of insurance as required by the Contract.
13. Copies of facility leases or deeds, or both.
14. Copies of any equipment leases.
15. Copies of any management contracts or services contracts approved by the Academy Board.
16. All health and safety reports and certificates, including those relating to fire safety, environmental matters, asbestos inspection, boiler inspection, and food service.
17. Annual financial audits and any management letters issued as part of the Academy's annual financial audit, required under Article VI, Section 6.11 of the Terms and Conditions of this Contract.
18. Any other information specifically required under the Code.

Information to be Provided by the Academy's Educational Service Provider (if any)

Pursuant to the Terms and Conditions of this Contract, including Article III, Section 3.6, the University Board authorizes the Academy Board to employ or contract for personnel according to the position information outlined in Schedule 5. Any Educational Service Provider Management Agreement entered into by the Academy must contain a provision requiring the Educational Service Provider to provide to the Academy Board information concerning the operation and management of the Academy (including without limitation, but not limited to, the items identified above and annually the information that a school district is required to disclose under Section 18(2) of the State School Aid Act of 1979, MCL 388.1618) available to the Academy Board in order to enable the Academy to fully satisfy its obligations under Section 11.9(a) of the Terms and Conditions of Contract.