



CONTRACT TO CHARTER A PUBLIC SCHOOL ACADEMY  
AND RELATED DOCUMENTS

ISSUED TO

ESCUELA AVANCEMOS!  
(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

### Escuela Avancemos!

#### Recitals:

1. At its December 6, 2018, meeting this board authorized the issuance of a contract to charter as a public school academy to Escuela Avancemos! 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 Escuela Avancemos!
4. The university president or designee has recommended the reissuance of a contract to charter as a public school academy to Escuela Avancemos! 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 Escuela Avancemos! 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 Escuela Avancemos! 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 Escuela Avancemos! is able to comply with all terms and conditions of the contract.

CMU BDT APPROVED

Date: February 6, 2024  
 By: Mary Jane Flanagan



BOARD OF TRUSTEES

PROPOSAL FOR BOARD ACTION: CONSENT AGENDA

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

**Project Description:**

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

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

**Proposed by:** Provost Gealt

PROPOSED RESOLUTION: CONSENT AGENDA

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

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

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

CMU BDT APPROVED

Date: 2/15/18  
Signature: My Hangan

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

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

**Method of Selection and Appointment**

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

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

Date: 2/15/18

Signature: my Hanagar

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

### **Length of Term**

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

### **Removal and Suspension**

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

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

### **Number of Directors**

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

### **Qualifications of Academy Board Members**

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

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

CMU BDT APPROVED

Date: 2/15/18

Signature: m J. Flanagan

### **Oath of Public Office**

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

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

Amended by Board of Trustees: 18-0215

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

CMU BDT APPROVED

Date: 2/15/18

Signature: my Haneja

**TERMS AND CONDITIONS OF CONTRACT**

**TERMS AND CONDITIONS  
OF CONTRACT**

**DATED: JULY 1, 2024**

**ISSUED BY**

**CENTRAL MICHIGAN UNIVERSITY BOARD OF TRUSTEES**

**CONFIRMING THE STATUS OF**

**ESCUELA AVANCEMOS!**

**AS A**

**PUBLIC SCHOOL ACADEMY**

<b>ARTICLE I DEFINITIONS.....</b>	<b>1</b>
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
<b>ARTICLE II RELATIONSHIP BETWEEN THE ACADEMY AND THE UNIVERSITY BOARD.....</b>	<b>4</b>
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
<b>ARTICLE III ROLE OF THE UNIVERSITY BOARD AS AUTHORIZING BODY .....</b>	<b>5</b>
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
<b>ARTICLE IV REQUIREMENT THAT THE ACADEMY ACT SOLELY AS GOVERNMENTAL ENTITY .....</b>	<b>7</b>
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
<b>ARTICLE V CORPORATE STRUCTURE OF THE ACADEMY.....</b>	<b>9</b>
Section 5.1. Nonprofit Corporation .....	9
Section 5.2. Articles of Incorporation.....	9

Section 5.3. Bylaws .....	9
<b>ARTICLE VI OPERATING REQUIREMENTS .....</b>	<b>9</b>
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
<b>ARTICLE VII TUITION PROHIBITED .....</b>	<b>11</b>
Section 7.1. Tuition Prohibited; Fees and Expenses.....	11
<b>ARTICLE VIII COMPLIANCE WITH APPLICABLE LAWS .....</b>	<b>11</b>
Section 8.1. Compliance with Applicable Law .....	11
<b>ARTICLE IX AMENDMENT .....</b>	<b>11</b>
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
<b>ARTICLE X CONTRACT REVOCATION, TERMINATION, AND SUSPENSION .....</b>	<b>12</b>
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
<b>ARTICLE XI PROVISIONS RELATING TO PUBLIC SCHOOL ACADEMIES.....</b>	<b>19</b>
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
<b>ARTICLE XII GENERAL TERMS.....</b>	<b>22</b>
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 12.22 .....25

Section 12.21. List of Uses for Student Directory Information; Opt Out Form; Notice to Student’s Parent or Legal Guardian .....26

Section 12.22. Confidential Address Restrictions .....26

Section 12.23. Partnership Agreement .....26

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 Escuela Avancemos!;

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 status of Escuela Avancemos! 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 Escuela Avancemos! 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 Escuela Avancemos! 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 Escuela Avancemos! 2635 Howard St. Detroit, MI 48216

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.

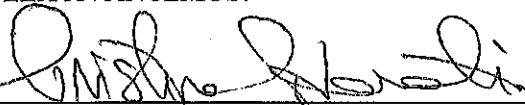
CENTRAL MICHIGAN UNIVERSITY BOARD OF TRUSTEES

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.

ESCUELA AVANCEMOS!

By:  \_\_\_\_\_  
Board President

Date: 5/14/24

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. Regis, Chair

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.

ESCUELA AVANCEMOS!

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**

**LARA** Corporations  
Online Filing System  
Department of Licensing and Regulatory Affairs

Form Revision Date 07/2016

**RESTATED ARTICLES OF INCORPORATION**

**For use by DOMESTIC NONPROFIT CORPORATION**

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

The identification number assigned by the Bureau is:

800933391

The present name of the corporation is:

ESCUELA AVANCEMOS!

All former names of the corporation are:

ESCUELA AVANCEMOS

The date of filing the original Articles of Incorporation was:

4/24/2012

**ARTICLE I**

The name of the corporation is:

ESCUELA AVANCEMOS!

**ARTICLE II**

The purpose or purposes for which the corporation is formed for:\*

1. The corporation is organized for the purpose of operating as a public school academy in the State of Michigan pursuant to the Code. THE AUTHORIZING BODY FOR THE CORPORATION IS: CENTRAL MICHIGAN UNIVERSITY BOARD OF TRUSTEES

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 of Incorporation, 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 (as defined below) authorized under the Code.

**ARTICLE III**

The Corporation is formed upon  basis.

If formed on a stock basis, the total number of shares the corporation has authority to issue is

If formed on a nonstock basis, the corporation is to be financed under the following general plan:

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

The Corporation is formed on a  basis.

**ARTICLE IV**

The street address of the registered office of the corporation and the name of the resident agent at the registered office (P.O. Boxes are not acceptable):

1. Agent Name: GEORGE P. BUTLER, III

2. Street Address: 2635 HOWARD STREET

Apt/Suite/Other:

City: DETROIT  
State: MI Zip Code: 48216

3. Registered Office Mailing Address:

P.O. Box or Street Address: 2635 HOWARD STREET  
Apt/Suite/Other:  
City: DETROIT  
State: MI Zip Code: 48216

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

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 ("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 OF INCORPORATION, 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.

**Article** XIII

Effective Date: 07/01/2019

COMPLETE SECTION (a) IF THE RESTATED ARTICLES WERE ADOPTED BY THE UNANIMOUS CONSENT OF THE INCORPORATOR(S) BEFORE THE FIRST MEETING OF THE BOARD OF DIRECTORS, OTHERWISE, COMPLETE SECTION (b). DO NOT COMPLETE BOTH.

☒ (b) These Restated Articles of Incorporation were duly adopted on 4/23/2019, in accordance with the provisions of Section 641 of the Act: (select one of the following)

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

☒ were duly adopted by the shareholders, the members, or the directors (if organized on a nonstock directorship basis). The necessary number of votes were cast in favor of these Restated Articles of Incorporation.

Signed this 30th Day of May, 2019 by:

Signature	Title	Title if "Other" was selected
Monica Barbour	Secretary	

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

☐ Decline ☒ Accept

***MICHIGAN DEPARTMENT OF LICENSING AND REGULATORY AFFAIRS***  
***FILING ENDORSEMENT***

***This is to Certify that the*** RESTATED ARTICLES OF INCORPORATION  
***for***

ESCUELA AVANCEMOS!

***ID Number:*** 800933391

***received by electronic transmission on*** May 30, 2019 ***, is hereby endorsed.***

***Filed on*** May 31, 2019 ***, by the Administrator.***

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

Effective Date: July 01, 2019



***In testimony whereof, I have hereunto set my hand and affixed the Seal of the Department, in the City of Lansing, this 31st day of May, 2019.***

***Julia Dale, Director***

***Corporations, Securities & Commercial Licensing Bureau***

**CONTRACT SCHEDULE 2**

**AMENDED BYLAWS**

## **TABLE OF CONTENTS**

### **ESCUELA AVANCEMOS!**

#### **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**  
**ESCUELA AVANCEMOS!**

**ARTICLE I**  
**NAME**

This organization shall be called Escuela Avancemos! (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 14 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 Escuela Avancemos! ("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 Escuela Avancemos!.

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 Escuela Avancemos! ("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 15<sup>th</sup> 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 Sanga Educational Partners d/b/a Sanga Consulting, Inc., 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

This Management Services Agreement (the “**Agreement**”) is made and entered into as of the 1st day of July 2024 by and between **SANGA EDUCATIONAL PARTNERS D/B/A SANGA CONSULTING, INC.**, a Michigan corporation (“**Sanga**”), and **ESCUELA AVANCEMOS!** (the “**Academy**”), a Michigan public school academy organized under the Revised School Code (the “**Code**”).

**WHEREAS**, the Academy is a public school academy organized and operated pursuant to Part 6A of the Code; and

**WHEREAS**, the Academy operates under the direction of the Escuela Avancemos! Board of Directors (“**Academy Board**”); and

**WHEREAS**, pursuant to a Contract to Charter a Public School Academy (the “**Contract**”), dated effective July 1, 2024 and issued to the Academy by the Central Michigan University Board of Trustees (“**CMU**”) as the authorizing body (“**Authorizer**”), the Academy Board is authorized to organize and operate a public school academy in the State of Michigan pursuant to Part 6A of the Code; and

**WHEREAS**, Sanga is a Michigan corporation that will provide educational, operational and management services to facilitate the implementation of the Academy’s obligations under the Contract issued by CMU; and

**WHEREAS**, Sanga, through the educational and managerial services it provides, will implement a comprehensive educational program and management methodologies for the Academy; and

**WHEREAS**, the Academy Board desires to engage Sanga to provide certain services related to the Academy’s educational program and operations; and

**WHEREAS**, the Academy Board, on behalf of itself and the Academy, and Sanga each warrant to the other that there are no pending actions, claims, suits or proceedings, to their knowledge, threatened or reasonably anticipated against or affecting them, which if adversely determined, would have a material adverse effect on their respective abilities to perform their obligations under this Agreement.

**NOW, THEREFORE, IT IS AGREED AS FOLLOWS:**

### ARTICLE I CONTRACTUAL RELATIONSHIP

**A. Authority.** The Academy has been granted a Contract by CMU to organize and operate a public school academy pursuant to the terms and conditions set forth in the Contract and related attachments. The Academy Board is authorized to enter into binding legal agreements with persons or entities as necessary for the operation, management, financing, and maintenance of the public school academy, provided that no provision of such a contract shall be effective to the extent it conflicts with the Academy Board’s statutory prerogatives and duties or the terms of the Contract.

**B. Compliance with Academy's Contract.** Sanga agrees to perform its duties and responsibilities under this Agreement in a manner that is consistent with the Academy's obligations under the Contract issued by CMU. The provisions of the Contract shall supersede any competing or conflicting provisions contained in this Agreement.

**C. Status of the Parties.** Sanga is a corporation, and is not a division or part of the Academy. The Academy is a body corporate and governmental entity authorized under the Code, and is not an employer of Sanga. The relationship between Sanga and the Academy is based solely on the terms of this Agreement. Except as it regards to indemnification agreed to between the parties as described herein, Sanga will be solely responsible for its acts and the acts of its agents, employees and subcontractors. The parties to this Agreement intend that the relationship between them created by this Agreement is that of an independent contractor. No subcontractor of Sanga shall be deemed to be an agent or employee of the Academy. Nothing in this Agreement shall be construed as delegating to Sanga 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. Notwithstanding the foregoing, the Academy and Sanga agree as follows:

1. The Academy Board may by resolution designate a Sanga employee, as may be mutually agreed upon by Sanga and the Academy, to serve as the designee of the Academy's Chief Administrative Officer ("CAO") and to provide oversight of other contractors of the Academy, as designated by the Academy Board from time to time.
2. The Academy Board designates Sanga 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 20 U.S.C. Section 1232g, 34 CFR 99 the Family Educational Rights and Privacy Act ("FERPA"), provided the Academy disseminates the notice required pursuant to FERPA and its related regulations, and the Academy may disclose confidential data and information to Sanga, and its respective officers, directors, employees and designated agents to the extent permitted by applicable law, including without limitation, FERPA; the Individual with Disabilities Education Act ("IDEA"), 20 USC Section 1401 et seq., 34 CFR 300.610 -300.626; Section 504 of the Rehabilitation Act of 1973, 29 USC Section 794a, 34 CFR 104.36; the Michigan Mandatory Special Education Act, MCL 380.1701 et seq; the American with Disabilities Act, 42 USC Section 12101 et seq.; the Health Insurance Portability and Accountability Act ("HIPAA"), 42 USC 1320d -13200d-8; 45 CFR 160, 162 and 164; Privacy Act of 1974, 5 USC Section 552a; and the Michigan Social Security Number Privacy Act, MCL 445.84. Sanga and certain of its employees and subcontractors agree to comply with FERPA and corresponding regulations applicable to school officials including those governing the use and redisclosure of personally identifiable information from educational records. If Sanga receives information that is part of a pupil's education records from any source as permitted under the Code, Sanga shall not sell or otherwise provide the information to any other person except as provided under MCL 380.1136.

**D. Obligation of the Board.** The Academy Board is the governing body with oversight responsibilities over the Academy. This Agreement must be approved by the Academy Board and executed by a duly authorized member of the Academy Board (on behalf of the Academy), and by so executing this Agreement the Academy Board acknowledges and accepts all



obligations and responsibilities related to the Academy Board as set forth in this Agreement. The Academy Board shall be ultimately responsible for its fiscal, academic and governance policies, and shall exercise good faith in considering the recommendations of Sanga and the Academy administration including but not limited to, Sanga recommendations concerning the educational program, operations, policies, rules, regulations, procedures, curriculum, budgets and fund raising. It shall be the responsibility of the Academy Board to authorize payment of budgeted costs and expenses and other obligations as approved by the Academy Board.

## **ARTICLE II TERM**

This Agreement shall become effective as of July 1st, 2024 and shall terminate on June 30th, 2029 Notwithstanding any dates provided, the maximum term of the Agreement shall not exceed the length of the Contract. If the Contract is terminated, revoked or not renewed by CMU, or terminated as a result of a reconstitution or by State action set forth in the Contract, this Agreement shall terminate without further action of either party.

## **ARTICLE III RESPONSIBILITIES OF SANGA**

**A. Responsibility.** Under the direction of the Academy Board, Sanga shall be responsible and accountable to the Academy Board for all of the management, operation, administration, and performance of the Academy, by providing certain services directly to the Academy, subcontracting for certain services, and overseeing other contractors of the Academy. Sanga shall provide information to the Academy Board upon request to enable the Academy Board to monitor Sanga's performance and the efficiency of its operation of the Academy. Sanga's responsibility is expressly limited by: (i) the budget and any amended budgets approved by the Academy Board pursuant to the terms of this Agreement, and (ii) the availability of State funding to pay for said services. For the purpose of compliance with all federal and state laws regarding employer liability, the Academy and the Academy Board agree that the Academy has no authority or right to discipline or otherwise direct or control Academy-assigned personnel, or to have any involvement in the hiring, evaluation or termination of any Academy-assigned personnel. Evaluation and compensation systems shall comply with all applicable laws.

Specific Services to be Provided. Sanga services and functions shall be carried out in a manner and form customary in the public school academy industry and include, but are not limited to:

1. Implementation and administration of the Educational Program (as defined below);
2. Curriculum improvement services;
3. Student environment management services;
4. Community outreach and marketing services;
5. Implementation of an ongoing public relations strategy, developed by Sanga with input from the Academy Board, for the development of beneficial and harmonious relationships with other organizations and the community;
6. Budget preparation and financial management services, such as accounting and bookkeeping services, financial and operational reports, in accordance with the Budget set by the Academy's Board;
7. Accounts payable management;



8. Administration (by way of liaising with the carrier's designated representative or counsel appointed by the carrier) of any insurance claims involving personal injury or property loss;
9. Management of the security of the facility and confidential information files maintained by and in the possession of Sanga;
10. Selection of instructional and non-instructional material, equipment and supplies (within the budget approved by the Academy Board) and the establishment of an inventory system of all equipment;
11. Food service management;
12. Transportation management;
13. Facilities maintenance, facilities construction and/or renovation;
14. The preparation of required CMU, local, state and federal reports with prior review and approval by the Academy Board.
15. Computer services including operational and functional responsibilities;
16. Information and technology system development and management;
17. All facility operations of the school building, including but not limited to the installation of technology integral to school design that has been approved by the Academy Board, janitorial contract management, building repair oversight, and compliance with all applicable laws;
18. Preparation of grant applications and reports for grants received as well as special programs;
19. Using best efforts to secure funding sources for special programs and facility improvements as requested by the Academy Board;
20. Administration of extra-curricular and co-curricular activities and programs approved by the Academy Board;
21. Assist the Academy Board in the preparation of strategic plans for the continuing educational and financial benefit of the Academy;
22. Preparation, enforcement and administering the enforcement at the Board level of the Academy Board's parent and student codes of conduct;
23. Overseeing the preparation of Academy Board meeting materials, agendas, and notices, including but not limited to posting requirements for all Board meetings, and distribution of Board materials prior to meetings to the Board;
24. Human resource management, benefits administration and payroll processing;
25. Administering reporting compliance, which includes ensuring all reports, documents, etc. are filed on-time with the appropriate entities;
26. Special education services;
27. Management of cash flow reserves in accordance with the Academy's budget, revenues and expenditures, and assisting with short term borrowing;
28. Recommending and acquiring textbooks approved by the Academy Board;
29. Recommendation of policies governing operations of the Academy and implementation of policies as approved by the Academy Board;
30. Other functions necessary or expedient for the administration of the Academy if requested by the Academy Board; and,
31. Any and all other duties and functions as set forth in this Agreement, including but not limited to Article III, Sections B, F, G, H, I, J, M, O, P, Q, and S, below.

**B. Educational Program.** Sanga shall implement the educational goals and programs set forth in the 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

("Educational Program"). In the event that Sanga determines that it is advisable to modify the Educational Program, Sanga will provide written notification to the Academy Board specifying the recommended changes and the reasons for the proposed changes. As the Educational Program is an integral part of the Contract, no changes in the Educational Program shall be implemented without the prior written approval of the Academy Board, which may be fulfilled by action of the Academy Board at a meeting convened pursuant to the Michigan Open Meetings Act, and approval by CMU through the amendment process set forth in the Contract. Sanga shall provide the Academy Board with written reports on a quarterly basis specifying the level of achievement of each of the Academy's educational goals as set forth in the Contract and detailing its plan for meeting any educational goals that are not being attained.

**C. Subcontracts.** Sanga may utilize subcontractors and if it elects to do so, Sanga shall brief the Academy and present subcontractor options that the Academy may enter into to provide some or all of the services Sanga is required to provide to the Academy, including but not limited to, transportation, food service, Academy compliance, special education services, and human resources. Sanga and the Academy shall comply with all required open bidding laws if applicable to the subcontracts. Sanga shall not subcontract the management, oversight or operation of the Educational Program, without the prior written approval of the Academy Board.

**D. Place of Performance.** Instruction services other than field trips and activities will normally be performed at Academy facilities. Sanga may perform functions other than instruction, such as purchasing, professional development, and administrative functions at off-site locations, unless prohibited by the Contract or applicable law. The Academy shall provide Sanga with the necessary office space at the Academy site to perform all services described in this Agreement. All student records and books of the Academy, as well as copies of minutes of both regular, special and closed sessions of the Academy Board and all required compliance materials ("Academy Documents") shall be maintained at the Academy site at the Academy's sole expense. Except as permitted by law, the Academy shall not unreasonably restrict Sanga's access to such Academy Documents.

**E. Acquisitions.** All acquisitions made by Sanga 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. Sanga and its subcontractors will comply with Section 1274 of the Code and the Academy Board's purchasing policy as if the Academy were making these purchases directly from a third party supplier. Sanga will not include any fees or charges or mark-ups to the cost of instructional materials, equipment, supplies, furniture, computers and other technology, when it seeks reimbursement for the cost of these acquisitions. All instructional materials, equipment, supplies, furniture, computers and other technology procured for the Academy by Sanga shall be inventoried by an acceptable method of inventory, and such inventory system shall be maintained so that it can be clearly established which property belongs to the Academy.

**F. Pupil Performance Standards and Evaluation.** Sanga is responsible for and accountable to the Academy Board for the performance of students who attend the Academy. Sanga 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 Contract and such additional measures as shall be mutually agreed between the Academy Board and Sanga that are consistent with the Contract.

**G. Student Recruitment.** Sanga and the Academy Board shall be jointly responsible for the lawful recruitment and enrollment of students subject to the provisions of the Contract. Students shall be enrolled in accordance with the procedures set forth in the Contract and in compliance with applicable law. Sanga shall follow all applicable Academy Board policies and procedures regarding student recruitment, enrollment and lottery management, and shall assist the Academy with the publication of appropriate public notices and scheduling open houses.

**H. Student Due Process Hearings.** Sanga shall ensure that students are provided with procedural and substantive due process in conformity with the requirements of state and federal law regarding discipline, students subject to a Section 504 Plan, special education, confidentiality and access to records, to the 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. In addition, Sanga may assist the Academy Board to establish student discipline policies and procedures.

**I. Legal Requirements.** Sanga shall provide the Educational Program consistent with all federal, state, and local requirements, and the requirements imposed under the Code and Contract.

**J. Rules and Procedures.** The Academy Board shall adopt rules, regulations and procedures applicable to the Academy and Sanga is directed to enforce the rules, regulations and procedures adopted by the Academy Board. Sanga shall assist the Academy Board in its policy making function by recommending the adoption of reasonable rules, regulations and procedures applicable to the Academy.

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

**L. Authority.** Sanga shall have the authority and power necessary to undertake its responsibilities described in this Agreement, except in cases wherein such power may not be delegated by law nor approved by the Academy Board.

**M. Miscellaneous Duties of Sanga.** Sanga agrees to perform its duties and responsibilities under this Agreement in a manner that is consistent with the Academy's obligations under the Contract, including but not limited to the following (terms capitalized and not defined for purposes of this Section III-M only shall have the meaning ascribed in the Contract):

- (i) All of the financial and other records of Sanga related to the Academy will be made available to the Academy, the Academy's independent auditor and the The Governor John Engler Center for Charter Schools ("Center"), upon request, and Sanga's staff will cooperate with said auditor. Sanga shall not select or retain the Academy's auditor.
- (ii) Sanga certifies that there shall be no added fees, charges or markup of costs for supplies, materials or equipment procured from third parties by Sanga at the request of or on the Academy's behalf, and all supplies, materials and equipment procured for the Academy by Sanga shall be inventoried by an acceptable method of inventory. Such equipment, materials and supplies shall be and remain the property of the Academy. Sanga shall 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.

- (iii) Sanga, and any subcontractors, may not include in its contracts with staff assigned to the Academy (including by way of example and not limitation, administrators, teachers, counselors and the like) any non-compete agreements or provisions of any nature whatsoever. All subcontracts entered into by Sanga for services at the Academy shall provide as such.
- (iv) The Academy Board and the Sanga may not amend this Agreement without prior notice to CMU and any amendment must be done in a manner consistent with CMU's Educational Service Provider Policies ("CMU's ESP Policies"). The Academy shall submit to CMU all amendments to this Agreement for non-disapproval by CMU prior to the execution of any such amendment.
- (v) Sanga hereby agrees, and shall provide in any subcontract for services to the Academy that the subcontractor agrees, to indemnify and hold Central Michigan University and CMU, and its members, officers, employees, agents or representatives harmless 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 CMU which arise out of or are in any manner connected with the Academy's operations or which are incurred as a result of the reliance by Central Michigan University and CMU, and its members, officers, employees, agents or representatives upon information supplied by Sanga or its subcontractors, or which arise out of the failure of Sanga or its subcontractors to perform its obligations under the Contract.
- (vi) Sanga will conduct criminal background, criminal history and unprofessional conduct checks as required under the Code applicable to employees and contractors of a public school for all personnel and contractors assigned to work at an Academy site as set forth in this Agreement, Article VII Section F.
- (vii) The provisions of the Contract shall supersede any competing or conflicting provisions contained in this Agreement. Sanga will not knowingly act in a manner that will reasonably cause the Academy to be in material breach of the Contract such that CMU threatens termination of the Contract in a writing delivered to the Academy.
- (viii) Except as permitted under the Code, Sanga 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 Sanga receives information that is part of an Academy student's education records, Sanga shall not sell or otherwise provide the information to any other person except as permitted under the Code. For purposes of this section, the terms "education records" and "personally identifiable information" shall have the same meaning as those terms in section 1136 of the Code, MCL 380.1136.

**N. Additional Programs.** The services provided by Sanga to the Academy under this Agreement consist of the Educational Program during the school year and the school day as set forth in the Contract, as the same may change from time to time. With prior approval of the Academy Board, Sanga may provide additional programs including, but not limited to, adult and community education, summer school, and other special programs. All additional programs shall be agreed to in writing as an amendment to this Agreement. In such cases where Sanga is responsible for the cost of providing such additional programs, the Academy will reimburse Sanga the cost of conducting such programs. The Academy may also purchase additional services from Sanga at a mutually agreeable cost agreed to in writing as an amendment to this Agreement. All amendments to this Agreement between the parties shall comply with the Contract and CMU policies.

**O. Annual Budget Preparation.** Sanga 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., in a form reasonably satisfactory to the Academy Board and to CMU. At a minimum, Sanga agrees to provide the following: (1) The budget shall contain object level detail and comply with public accounting standards applicable to public schools and public school academies in Michigan and required by applicable law; (2) 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; and (3) 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. The Academy Board shall be responsible for approving and amending the Academy's annual budget. Sanga may not make deviations from the approved Academy Board budget without the prior approval of the Academy Board through an approved amended budget.

**P. Financial Reporting.** On not less than a monthly basis, Sanga shall provide the Academy Board with monthly financial statements not more than thirty (30) days in arrears. Financial statements shall include, at a minimum, a balance sheet, an object-level detailed statement of revenues, expenditures and changes in fund balance that includes a comparison of budget-to-actual information and an explanation of variances. A written report shall explain any variances from the Academy Board approved budget, shall contain recommendations for necessary budget corrections and shall be prepared at least five (5) calendar days in advance of the Academy Board meeting to be available for written material packets sent to Academy Board members in preparation for Academy Board meetings. Sanga shall provide special reports as necessary to keep the Academy Board informed of changing conditions.

**Q. Operational Reporting.** At least four (4) times per year, Sanga will provide the Academy Board with comprehensive written reports, in a form reasonably acceptable to the Academy Board, detailing Academy operations, finances and student performance. In order to enable the Academy Board to monitor Sanga's educational performance and the efficiency of its operation of the Academy, upon the request of the Academy Board, Sanga will provide written reports to the Academy Board on any 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 one (1) month after the request for the report is received by Sanga unless the Academy Board and Sanga mutually agree upon an extended timetable.

**R. Good Conduct.** Sanga, its employees, contractors and subcontractors, as representatives of the Academy, shall be expected to conform to the highest ethical and legal standards expected of public officials, in their dealings with the Academy and otherwise. Likewise, the Academy Board and its individual members shall be expected to conform to the highest ethical and legal standards expected of public officials in their dealings with Sanga and its agents and subcontractors.

**S. Compliance with Section 503c.** On an annual basis, Sanga 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 388.1618(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.

#### **ARTICLE IV OBLIGATIONS OF THE BOARD**

**A. Academy Board As a Public Body.** No provision of this Agreement shall interfere with the Academy Board's constitutional duty to exercise its statutory, contractual and fiduciary responsibilities governing the operation of the Academy. No provision of the ESP Agreement shall prohibit the Academy Board from acting as an independent, self-governing public body, or allow public decisions to be made other than in compliance with the Open Meetings Act. No provision shall be deemed to interfere with the Academy Board's duties under the Contract, nor shall the Board's duties under the Contract be limited or rendered impossible by action or inaction of Sanga.

**B. 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 Sanga on issues including, but not limited to, policies, rules, regulations, procedures, curriculum and budgets subject to the constraints of law and requirements of the Contract. The Academy Board shall retain the authority, as provided in Section 1300 of the Code, to make reasonable regulations relative to anything necessary for the proper establishment, maintenance, management, and carrying on of the Academy, including regulations relative to the conduct of pupils in attendance at the Academy or enroute to and from the Academy. The Academy Board shall further retain the obligation, as provided in Section 1274 of the Code, to adopt written policies governing the procurement of supplies, materials, and equipment.

**C. 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 Contract and applicable law, and subject to the non-disapproval by the Authorizer.

**D. Academy Employees.** The Academy Board may decide to directly employ certain employees if it deems necessary. The cost to employ Academy employees shall be paid by the Academy Board. This paragraph does not apply to individuals employed by Sanga or any entity which Sanga subcontracts with to provide services pursuant to this Agreement and the Academy Board is not a joint employer or employer of any individuals employed by Sanga or any vendors providing services for the Academy.

**E. Educational Consultants.** The Academy Board may retain an educational consultant or consultants to review the operations of the Academy and the performance of Sanga under this

Agreement. Sanga 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. Sanga shall have no authority to select, evaluate, assign, supervise or control any educational consultant employed by the Academy Board. The cost to retain an educational consultant shall be paid by the Academy Board.

**F. Legal Counsel.** The Academy Board shall select and retain independent legal counsel to advise it regarding its rights and responsibilities under the Contract, this Agreement and applicable law.

**G. Audit.** The Academy Board shall select and retain the independent auditor to perform the annual financial audit in accordance with the Contract and applicable state law. Sanga shall make all of Sanga's records related to the Academy (including, but not limited to, financial records) available to the Academy's auditor and shall cooperate with the Academy's auditor on a timely basis.

**H. 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 Contract, including but not limited to its oversight of Sanga, the organization of the Academy, negotiation of the Contract and any amendments, payment of approved costs for Sanga services, payment of Academy direct employees or consultants (if any), insurance required under the Contract and this Agreement, the annual financial audit and retention of the Academy Board's legal counsel and consultants. Sanga shall propose an annual budget for the Academy. The Academy Board shall review, revise, and timely approve the annual budget. 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. A member of the Academy Board shall be designated as the Chief Administrative Officer ("CAO"), as that term is defined in Section 2b(3) of the Uniform Budgeting and Accounting Act, MCL 141.421 *et seq.*; however, a Sanga employee may assist the CAO in carrying out their duties.

**I. Academy Funds.** No provision of this Agreement shall alter the Academy Board Treasurer's legal obligation to direct that the deposit of all funds received by the Academy be placed in the Academy's depository account as required by law. The signatories on the Academy Board accounts shall solely be Academy Board members or properly designated Academy Board employee(s). Interest income earned on Academy accounts shall accrue to the Academy.

**J. Governmental Immunity.** The Academy Board shall determine when to assert, not assert, waive or not waive its governmental immunity. Further, no provision of this Agreement shall restrict the Academy Board from waiving its governmental immunity or require the Academy Board to assert, waive or not waive its governmental immunity.

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

## ARTICLE V

Reserved.

## ARTICLE VI FINANCIAL ARRANGEMENT

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

**B. 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 Sanga, with prior Academy Board approval, shall endeavor to obtain revenue from other sources. In this regard:

1. The Academy and/or Sanga shall solicit and receive donations consistent with the mission of the Academy.
2. The Academy and/or Sanga may apply for and receive grant money, in the name of the Academy. Sanga shall provide advance notification to the Academy Board of any grant applications it intends to make and receive Academy Board approval for the application prior to accepting any grant.
3. To the extent permitted under the Code, and with prior Academy Board approval, Sanga 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 Sanga or 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.

**C. Compensation for Services.** The Academy shall pay Sanga an annual fee of 12% of the (a) per pupil foundation allowance which is a component of the state school aid that the Academy receives, directly or indirectly, from the State pursuant to the State School Aid Act of 1979, as amended, ("SSA") for the particular students enrolled in the Academy, less (b) the amount the Authorizer receives for its oversight responsibilities, as described in the Contract (the "Fee"). Such Fee will not preclude the payment of additional compensation if additional compensation is permitted or specified elsewhere in this Agreement or in any other agreements between the parties ("Additional Compensation", and together with the Fee, the "Management Fee").

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

**E. Payment of Educational Program Costs.** In addition to the Fee described in this Section, the Academy shall reimburse Sanga for all costs reasonably incurred in providing the Educational Program at the Academy other than Sanga overhead costs. Such costs shall include curriculum materials, professional development, textbooks, library books, costs for computer and other equipment, software, supplies utilized at the Academy for educational purposes, services provided pursuant to subcontract, building payments, maintenance, utilities, capital improvements, costs for personnel provided at the Academy either by Sanga or through an entity with which Sanga subcontracts for staff, and marketing and development costs. Marketing development and personnel 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 Sanga. The Academy Board must be informed of and approve the level of compensation and fringe benefits, consistent with the approval Academy Board budget, provided to employees of Sanga assigned to the Academy. The Academy Board may either pay or reimburse Sanga for approved fees or expenses upon properly presented documentation and approval by the Academy Board at its next regularly scheduled meeting; or, at its option, the Academy Board may advance funds to the ESP for the fees or 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. Any costs reimbursed to Sanga 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 Sanga. Any services to be provided by Sanga that are included in the Fee but are performed by a subcontractor shall not be charged to, reimbursed by, or passed through as an additional cost to the Academy. Sanga corporate costs shall not be charged to, or reimbursed by, the Academy.

**F. Financial Reporting.** The Fee due to Sanga shall be calculated for each school year at the same time as the State of Michigan calculates the SSA, and adjustments to such calculation shall occur at the same time as the State of Michigan makes adjustments to the SSA. Sanga shall receive the Fee as calculated pursuant to the preceding sentence in eleven (11) installments beginning in October of each year and ending in August of each school year. Such installment amount shall be due and payable by the Academy within 24 hours of receipt by the Academy of its monthly SSA. The Academy agrees to electronically wire funds to Sanga's account. Payments due and owing to Sanga shall be made by the Academy to Sanga in full within twenty (20) days of the Academy receiving its monthly SSA and all school revenue. Failure by the Academy to compensate Sanga for the agreed upon Fee and frequency, may constitute a material breach of this Agreement by the Academy, and will be handled in accordance with Article VIII, B of this Agreement.

**G. Audit Report Information.** Sanga will make all of its financial and other records related to the Academy and necessary for the conduct of the annual audit available to the Academy, the independent auditor selected by the Academy Board and to CMU upon request.

**H. Lease and Loan Agreements.** If the Academy intends to enter into a lease, execute promissory notes or other negotiable instruments, or enter into a lease-purchase agreement or other financing relationships with Sanga, then such agreements must be separately documented and shall not be a part of or incorporated into this Agreement.

**I. Access to Records.** Sanga shall keep accurate financial, educational and student records pertaining to its operation of the Academy, together with all Academy financial records prepared by or in the possession of Sanga, and shall retain all of these records in accordance with applicable state and federal requirements. Financial, educational, operational and student records that are now or may in the future come into the possession of Sanga are Academy property and are required to be returned by Sanga to the Academy upon demand, provided that Sanga may retain copies of records necessary to document the services provided to the Academy and its actions under the Agreement. Sanga and the Academy shall maintain the proper confidentiality of personnel, student and other records as required by law. Financial, educational and student records pertaining to the Academy are Academy property, and such records are subject to the provisions of the Michigan Freedom of Information Act. All Academy records shall be physically or electronically available, upon request, at the Academy's physical facilities. Except as permitted under the Contract and Applicable Law, this Agreement shall not restrict CMU's or the public's access to the Academy's records. This Agreement shall not be construed to restrict CMU's or the public's access to these records under applicable law or the Contract.

## **ARTICLE VII PERSONNEL AND TRAINING**

**A. Personnel Responsibility.** The Academy understands and agrees that Sanga may subcontract the Human Resources functions, personnel responsibilities, and the provision of Worksite Staff to a subcontractor approved by the Academy Board. The Worksite Staff shall be employees of the subcontractor and shall not be employees of Sanga. Notwithstanding the above, Sanga shall, in cooperation with the Academy, and subject to the Contract and Academy Board policies, recommend staffing levels to the Academy Board. Sanga shall inform the Academy Board of and the Academy Board must approve the level of compensation and fringe benefits provided to Worksite Staff assigned by the Academy. Worksite Staff shall include all human services provided to or for the benefit of the Academy other than human services which are overhead of Sanga the cost of which are Sanga's sole responsibility.

**B. Principal.** The Academy and Sanga agree that the Principal of the Academy will be an employee of Sanga, or the company with which Sanga subcontracts to provide personnel to the Academy. The Academy agrees that Sanga will have the authority, consistent with state law, to select and supervise the Principal. The employment contract with the Principal will be determined by Sanga. Sanga agrees that the Principal will hold all certifications required by the Code and other applicable state law. The Principal shall provide the Academy Board with monthly reports regarding the status of the Educational Program of the Academy.

**C. Teachers.** The Academy Board, with input from Sanga, shall determine the number of teachers, applicable grade levels, and subjects taught in the Academy. Sanga, through its subcontractor, shall provide the Academy with the necessary teachers, qualified in the grade levels and subjects required, as established by the Academy Board in accordance with the Academy Board approved budget and Contract. The curriculum taught by the contracted teachers shall be

the curriculum set forth in the Contract. Sanga agrees that it will require, in its independent contractor agreement with a third party for the provision of teachers and other Worksite Staff, that every teacher assigned to the Academy, shall hold a valid teaching certificate issued by the State Board of Education in accordance with the Code, or be credentialed as may otherwise be required or permitted by applicable law.

**D. Support Staff.** The Academy Board, with input from Sanga, shall determine the number and functions of support staff required for the operation of the Academy. Sanga shall provide the Academy, through a third-party contractor, with such support staff as required by the Academy Board in accordance with the Academy Board's approved budget. The parties anticipate that such support staff may include clerical staff, administrative assistants to the Principal, bookkeeping staff, maintenance and custodial personnel and the like.

**E. Employer of Personnel.** Sanga shall employ all personnel of the School. The Academy and Sanga understand and agree that substitute teachers and other substitute instructional staff may be provided through an Academy Board authorized subcontractor, Sanga's subcontractor, or the Academy.

The contract between Sanga and its independent third party contractor for Worksite Staff and Human Resources functions will set forth the compensation of the Worksite Staff in accordance with the Academy Board's approved budget. "**Compensation**" shall include salary, fringe benefits, and state and federal tax withholdings. Pursuant to the contract between Sanga and the third party independent contractor, the third party independent contractor shall be responsible for paying social security, unemployment, and any other taxes required by law to be paid on behalf of its employees. Unless required by applicable statute, rule, court or administrative decision, or an Attorney General's opinion, Sanga and its independent third party contractor shall not make payments to the Michigan Public School Employees' Retirement System ("**MPSERS**") or any other public retirement system on behalf of the Worksite Staff.

Sanga accepts full liability and is responsible for paying all salaries, benefits, payroll taxes, worker's compensation, unemployment compensation and liability insurance for its employees leased to the Academy or working on Academy operations irrespective of whether Sanga receives an advancement of its costs or the payment of services from the Academy.

**F. Criminal Background and Unprofessional Conduct Checks.** Sanga acknowledges and agrees that unless the Academy notifies it that it is not subject to the provisions of Michigan Public Act 84 of 2006, as amended (hereafter "**PA 84 of 2006**"), Sanga will have its agents, employees, representatives, or agents, employees or representatives of its subcontractor, who will be regularly and continuously performing services on the Academy's premises, fingerprinted and subjected to criminal history and background checks through the Michigan State Police and Federal Bureau of Investigation, as detailed in PA 84 of 2006, within the timelines required by law. Sanga further agrees to provide the Academy with a copy of all fingerprinting and criminal history background reports promptly upon receipt of same. Additionally, unless notified it is not subject to PA 84 of 2006, Sanga represents and warrants to the Academy that it will at all times during the term of this Agreement comply with the provisions of PA 84 of 2006, including, but not limited to, reporting to the Academy within 3 business days of when it, or any of its agents, employees, representatives, or subcontractors' employees who will be regularly and continuously employed on the Academy's premises, is/are charged with a crime listed in Section 1535a(1) or

1539b(1) of the Code, being MCL 380.1535a(1) and 380.1539b(1), a substantially similar law, or other crimes required to be reported under PA 84 of 2006, and to immediately report to the Academy if that person is subsequently convicted, pleads guilty or pleads no contest to that crime.

Sanga shall likewise conduct or be responsible for, or cause its subcontractor on behalf of the Academy, to conduct unprofessional conduct checks required by MCL 380.1230b.

The parties agree that the Academy shall be responsible for all costs associated with the criminal history checks, criminal records checks and unprofessional conduct checks required pursuant to the terms of this Agreement, which are accomplished in order to comply with Sections 1230, 1230a and 1230b of the Code and all costs associated with compliance with this section of the Agreement.

The Academy agrees to reasonably cooperate with Sanga and its subcontractor in the discharge of Sanga's responsibilities under this section.

**G. Data Security Breach.** In the event the Academy experiences a data security breach of personally identifiable information from the Academy's education records not suitable for public release, Sanga shall assist the Academy, in accordance with MCL 445.72 to take appropriate action to assess the risk and notify affected individuals whose personal information may have been compromised

**H. Training.** Sanga shall be responsible for ensuring that all Worksite Staff assigned to work at the Academy including, the Principal, Assistant Principal, teachers and paraprofessionals, receive training required by law and which is consistent with the Academy mission, either by Sanga or its subcontractor.

## **ARTICLE VIII TERMINATION OF AGREEMENT**

**A. No Mid-Year Termination.** Termination of this Agreement mid-year is strongly discouraged. The Academy Board and Sanga should 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 Academy Board and Sanga agree to work cooperatively to transition management and operations of the school without disrupting the school's operations. Sanga shall perform this transition in a similar manner as described under Article VIII, D(2) based upon completion of the then-current school period.

**B. 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 this Agreement in the event that Sanga should fail to remedy a material breach within a period reasonable under the circumstances, which shall not be longer than thirty (30) 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 failure to meet or make appropriate progress towards meeting the outcomes stated this Agreement and the Contract (which failure is not attributable to the Academy Board); a violation of the Contract or of applicable law. Any action or inaction by Sanga that is not cured within 30 days of notice thereof which causes the Contract to be revoked, terminated, suspended or which causes the Contract to be put in jeopardy of revocation, termination or suspension by CMU is a material breach. In order to terminate this Agreement for cause, the Academy Board is required to provide Sanga with written notification of the facts it considers to constitute material breach. Sanga has not less than thirty (30) days after written notice from the Academy to remedy this breach. After the period to remedy the material breach has expired, the Academy Board may terminate this Agreement by providing Sanga with written notification of termination.

**C. Termination by Sanga for Cause.** This Agreement may be terminated by Sanga for cause prior to the end of the term specified in this Agreement in the event the Academy fails to remedy a material breach within a period reasonable under the circumstances, which shall not be longer than thirty (30) days after notice from Sanga. 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 Sanga as required by this Agreement or a failure to give consideration to the recommendations of Sanga regarding the operation and Educational Program of the Academy; a violation of the Contract or of applicable law. In order to terminate this Agreement for cause, or upon suspension or revocation of the Contract which Sanga reasonably determines is not capable of resolution, Sanga is required to provide the Academy Board with written notification of the facts it considers to constitute material breach and provide the Academy with thirty (30) days to remedy this breach. After the period to remedy the material breach has expired, Sanga may terminate this Agreement by providing the Academy Board with written notification of termination.

**D. Revocation, Termination or Expiration of Contract.**

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

(2) Upon termination or expiration of this Agreement, or if this Agreement is terminated due to a Contract revocation, reconstitution, termination or non-renewal, Sanga 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 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 Sanga 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. This includes any keys, log-in information and passwords related to any Academy asset.

(3) The Academy shall pay to Sanga all amounts due and owing for services provided up to the date of termination and, on a per-diem basis, for any services beyond those in Article VIII, C(2) above that Sanga, in its sole discretion, elects to provide to the Academy following termination. The Academy shall also provide in any dissolution plan for the compensation of Sanga for any services which Sanga may perform as part of the dissolution process in addition to those in Article VIII, C(2) above.

**E. Termination by Either Party Without Cause.** If Sanga 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. The Academy may also terminate this Agreement without penalty or cause at the end of the third year of this Agreement.

**F. 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 thirty (30) days after the notice, the party requiring the renegotiation may terminate this Agreement upon thirty (30) days further additional written notice.

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

**G. Effective Date of Termination.** In the event this Agreement is terminated by either party prior to the end of the term specified in this Agreement, absent unusual and compelling circumstances, the termination will not become effective until the end of that school year.

**H. Rights to Property Upon Termination.** Upon termination of this Agreement all equipment, whether purchased by the Academy or by Sanga with state school aid funds or other funds secured by the Academy, shall remain the exclusive property of the Academy. Sanga 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 Sanga with Sanga's funds. Fixtures and building alterations shall not become the property of Sanga.

**I. Transition.** In the event of termination of this Agreement for any reason by either party prior to the end of the Agreement's term, Sanga shall provide the Academy reasonable assistance for up to 90 days after the effective date of the termination to allow a transition to another education service provider, provided the Academy pays Sanga a reasonable per-diem rate negotiated at the time of transition.

Notwithstanding any of the foregoing, upon the expiration or any termination hereof, all accrued but unperformed obligations of a party shall remain such obligor party's continuing legal obligation until fully performed or waived in writing by the other party. All representations, warranties, and indemnities made in this Agreement shall survive termination of this Agreement.

**J. Amendments.** In the event the ESP Agreement is amended, the amendment shall be submitted to CMU and done in a manner consistent with CMU's ESP Policies. ESP amendments will be added to the Contract through the Contract amendment process identified in the Contract's Terms and Conditions.

## **ARTICLE IX PROPRIETARY INFORMATION**

**A. Confidential Information and Proprietary Rights.** The parties hereby agree and acknowledge that, in the course of performing this Agreement, certain confidential information or trade secrets, including, but not limited to, know-how, curriculum design and implementation, operational techniques, technical information, computer software, training materials, training methods and practices, all of which are considered to be confidential in nature (the "**Confidential Information**") may be disclosed to one another. The parties therefore agree, subject to the requirements and/or limitations of the Contract, MCL §380.502(3), the Freedom of Information Act or any other applicable law, that any Confidential Information communicated to or received or observed by a party hereto shall be in confidence and not disclosed to others or used for such party's benefit without the prior written consent of the other party. In addition, all Confidential Information disclosed to or observed or received by a party shall at all times remain the property of such party, and all documents, together with any copy or excerpt thereof, shall be promptly returned to such party upon request. The parties acknowledge and agree that this provision shall survive the termination or expiration of this Agreement.

The parties acknowledge and agree that the Academy owns all proprietary rights to curriculum or educational materials that (i) are both directly developed and paid for by the Academy; or (ii) were developed by Sanga at the direction of the Academy Board with Academy funds. Sanga owns all curriculum or educational materials previously developed and/or copyrighted by Sanga. Notwithstanding the foregoing, educational materials and teaching techniques used by the Academy may be subject to disclosure under the Code, the Contract or the Michigan Freedom of Information Act to the extent required thereby.

## **ARTICLE X INDEMNIFICATION**

**A. Indemnification of Sanga.** To the extent permitted by law, and without waiving any governmental or other immunities, the Academy shall indemnify and hold Sanga (which term for purposes of this Paragraph A, includes the officers, directors, and employees of Sanga) 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, to the extent permitted by law, the Academy shall reimburse Sanga for any and all legal expenses and costs associated with the defense of any such claim, demand, or suit. The indemnification requirements of this paragraph may be met by the purchase of insurance in a form and amount acceptable to Sanga.

**B. Limitations of Liabilities.** The Academy may assert all immunities and statutory limitations of liability in connection with any claims arising under this Agreement, including but not limited to, its assertion of governmental immunity.

**C. Indemnification of the Academy.** Sanga shall indemnify and hold the Academy (which term for purposes of this Paragraph C, includes the Academy's officers, directors, board members, 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 Sanga or its subcontractors with any agreements, covenants, warranties, or undertakings of Sanga contained in or made pursuant to this Agreement, including any and all employment related claims, demands or suits by Sanga or its subcontractors' employees, former employees or applicants; and any misrepresentation or breach of the representations and warranties of Sanga contained in or made pursuant to this Agreement. In addition, Sanga 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 paragraph may be met by the purchase of insurance in a form and amounts acceptable to the Academy.

**D. Indemnification for Negligence.** To the extent permitted by law, the Academy shall indemnify and hold harmless Sanga (and its Board of Directors, partners, officers, employees, agents and representatives) from any and all claims and liabilities which Sanga may incur and which arise out of the negligence of the Academy's Board of Directors, officers, employees, agents or representatives. Sanga 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 Sanga's directors, officers, employees, agents or representatives, or subcontractors.

**E. Indemnification of Central Michigan University.** The parties acknowledge and agree that Central Michigan University, CMU, 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, Sanga hereby promises to indemnify, defend and hold harmless the University from and against all demands, claims, actions, suits, causes of action, losses, judgments, liabilities, damages, fines, penalties, demands, forfeitures, or any other liabilities or losses of any kind whatsoever, including costs and expenses (not limited to reasonable attorney fees, expert and other professional fees) of settlement and prosecution imposed upon or incurred by the University, and not caused by the sole negligence of the University, which arise out of or are in any manner connected with the University Board's

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

## **ARTICLE XI INSURANCE**

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

**B. Insurance of Sanga.** Sanga shall secure and maintain general liability insurance with the Academy listed as an additional insured. Sanga shall maintain such policies of insurance coverage in an amount and on such terms as are reasonably acceptable to the Academy Board and as required by the Contract and the Michigan Universities Self-Insurance Corporation ("M.U.S.I.C."), including insurance coverages necessary to meet the indemnification of the Academy provided by this Agreement. Sanga shall, upon written request, present evidence to the Academy that it maintains the requisite insurance in compliance with the provisions of this paragraph. The Academy shall comply with any information or reporting requirements applicable to Sanga under Sanga's policy with its insurer(s). In the event the CMU or M.U.S.I.C. requests any change in coverage by Sanga, Sanga 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. Sanga's insurance is separate from and in addition to the insurance the Academy Board is required to obtain under the Contract.

**C. Workers' Compensation Insurance.** Each party shall maintain workers' compensation insurance when and as required by law, covering their respective employees. Any subcontractor of the Academy or Sanga must maintain workers' compensation insurance as required by law, covering their respective employees.

**D. Other Insurances.** Each party shall obtain Employer Practices Liability Insurance that does not exclude abuse, sexual molestation or sexual harassment. In addition, each party agrees to obtain a policy of general liability insurance for a minimum coverage of One Million Dollars (\$1,000,000.00) per occurrence and Two Million Dollars (\$2,000,000.00) in the aggregate and to be responsible for the payment of any deductible under the Policy(ies). The parties agree that any contract with a subcontractor shall contain similar insurance requirements.

**E. Additional Insureds.** Each party shall be named as an Additional Insured under all applicable policies to the extent permitted under the policies of insurance. All policies of insurance required herein shall provide that all additional insureds shall be notified in writing at least thirty (30) days prior to the modification or cancellation of any such policy and each party, to the extent reasonable, shall comply with the information and/or reporting requirements of the other's insurers.

## **ARTICLE XII WARRANTIES AND REPRESENTATIONS**

**A. Academy Warranties and Representations.** The Academy Board represents that on behalf of and in the name of the Academy, it has the authority under law to execute, deliver and perform this Agreement and to incur the obligations provided for under this Agreement. The Academy Board warrants that its actions have been duly and validly authorized, and that it will adopt any and all resolutions or expenditure approvals required for execution of this Agreement.

**B. Sanga Warranties and Representations.** Sanga warrants and represents that it is authorized to conduct business in the State of Michigan. Sanga will comply with all registration and licensing requirements relating to conducting business under this Agreement. The Board agrees to assist Sanga in applying for such licenses and permits and in obtaining such approvals and consents.

**C. Mutual Warranties.** The Academy and Sanga mutually warrant to the other that there are no pending actions, claims, suits or proceedings, to its knowledge, threatened or reasonably anticipated against or affecting it, which adversely determined, would have a material adverse effect on its ability to perform its obligations under this Agreement.

## **ARTICLE XIII MISCELLANEOUS**

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

**B. Force Majeure.** Notwithstanding any other provision of this Agreement, neither party shall be liable for any delay in performance or inability to perform due to acts of God or due to war, riot, embargo, fire, explosion, sabotage, flood, accident, labor strike, or other acts beyond its reasonable control.

**C. Notices.** All notices, demands, requests and consents under this Agreement shall be in writing, shall be delivered to each party, and shall be effective when received by the parties or

mailed to the parties at their respective addresses set forth below, or at such other address as may be furnished by a party to the other party:

If to Sanga: Ana Ulloa  
Sanga Consulting, Inc.  
74241 Maple St.  
Dearborn, MI 48126

If to the Academy: Escuela Avancemos!  
Attention Board President

At the street address of the Academy.

With a copy to: George P. Butler  
Aimee R. Gibbs  
Dickinson Wright PLLC  
500 Woodward Avenue, Suite 4000  
Detroit, MI 48226

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

**E. Successors and Assigns.** This Agreement shall not be assignable without prior notification to the Center. Any assignable party shall be considered an ESP, as defined by CMU's ESP Policies and any assignment must be done in a manner consistent with CMU ESP Policies. As such, any assignable party shall follow the requirements set forth in these ESP Policies. This Agreement shall be binding upon, and inure to the benefit of, the parties and their respective successors and assigns.

**F. Entire Agreement.** This Agreement is the entire agreement between the parties relating to the services provided, and the compensation for such services, by the parties. Any modification to this Agreement must be made in writing, approved by the Academy Board and Sanga, and signed by a duly authorized officer. In addition, any modification to this Agreement must be submitted to CMU prior to approval and execution and must be done in a manner consistent with CMU's ESP Policies.

**G. 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.

**H. Assignment.** Neither party may, without the prior written consent of the other party, assign or transfer this Agreement nor any obligation incurred hereunder and any attempt to do so in contravention of this Agreement shall be void and of no force and effect. However, Sanga

may not assign this Agreement without prior notification to the Center and any assignment must be done in a manner consistent with CMU's ESP Policies.

**I. Partial Invalidity.** If any provision of this Agreement is held by a court of competent jurisdiction to be invalid, void or unenforceable in any manner, the remaining provisions of this Agreement shall nonetheless continue in full force and effect without being impaired or invalidated in any way. In addition, if any provision of this agreement be modified by a court of competent jurisdiction such that it may be fully enforced, then that provision shall be fully enforced as modified.

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

**K. Delegation of Authority.** Nothing in this Agreement shall be construed as delegating to Sanga 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.

**L. Compliance with Law.** The parties agree to comply with all applicable laws and regulations.

**M. Warranties and Representations.** Both the Academy and Sanga 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.

**N. Condition precedent.** Notwithstanding anything in this Agreement to the contrary, the parties expressly agree and acknowledge that the effectiveness of this Agreement is expressly contingent upon the condition precedent that the Contract issued by CMU to the Academy has been duly executed, delivered and continued by reauthorization or other effective process at all material times.

**O. Unusual Events.** The Academy and Sanga agree to immediately notify the other of any known or threatened health, safety or other event or incident, of any anticipated or known labor, employee or funding problems or any other problems or issues that could adversely affect the performance of this Agreement by either party.

**P. 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 southeastern Michigan as mutually agreed by the parties. The arbitrator shall be required to issue a cause opinion with a written explanation as to the final decision. The Center shall be notified of said

decision and, upon the Center's request, the cause opinion shall be made available. A judgment on the award rendered by the arbitrators may be entered in any court having appropriate jurisdiction. The cost of arbitration, not including attorney fees, shall be split by the parties. Each party shall pay its own attorney fees and costs of experts.

**Q. Modification to Conform to Changed CMU Policies.** The parties intend that this Agreement shall comply with all of CMU's requirements and policies applicable to educational service providers, as the same may be amended or changed from time to time. In the event that changes in CMU's requirements or policies applicable to educational service providers 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.



**R. Execution and Delivery.** Each party represents and warrants to the other that it has undertaken any necessary corporate or organizational actions required to give it full power, authority and right to execute, deliver and perform its obligations under this Agreement and, that the individual signing this Agreement on its behalf is authorized to do so pursuant to its governing documents.

[Remainder of page intentionally left blank].

**S.**

**IN WITNESS WHEREOF**, the parties hereto have caused this Agreement to be signed and delivered as of the date first above written.

**ESCUELA AVANCEMOS!**, a  
Michigan public school academy

By:   
Name:   
Its: Board President

**SANGA CONSULTING, INC.**,  
a Michigan corporation

By:   
Name:   
Its:  CEO

**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 Plans.....	6-3

### **Main Facility**

Floor Plans .....	6-7
Lease Extension Documentation.....	6-11
Lease Agreement .....	6-13
Certificate of Use and Occupancy .....	6-38

### **Modular Unit (added in 2020)**

Floor Plan.....	6-39
Operating Lease Agreement .....	6-40
Certificate of Use and Occupancy .....	6-50

### **Modular Unit (added in 2021)**

Floor Plan.....	6-51
Operating Lease Agreement .....	6-52
Certificate of Use and Occupancy .....	6-71

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 Escuela Avancemos! (the "Academy") is as follows:

Address: 2635 Howard St.  
Detroit, MI 48216

Description: The Site includes a 26,063 square foot, three-story brick facility. Included within this facility are 13 classrooms, nine restrooms, a staff/lounge area, main office, mechanical room, a media center that will also be used as instructional space for non-core class offerings, office space and storage areas. Also located on this site are two modular units. A 1,680 square foot modular unit is located directly behind the main building on the same parcel of land. This modular unit includes two classrooms and two restrooms. The second modular unit is located adjacent to the main building and behind the staff parking area. This 4,760 square foot modular unit includes four classrooms and two restrooms. Adjacent to these facilities is a grassed play-area.

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.



Schedule 6-3

Escuela Avancemos!  
2635 Howard St.  
Detroit, MI 48216

Escuela Avancemos!

The map displays the Project Site area in Detroit, Michigan. The Project Site is highlighted with a red square and labeled "PROJECT SITE". The site is located at the intersection of St. Anne St and St. Joseph St. Other nearby locations include St. Anne Catholic Church, Escuelas Avancemos, Salinas Motorsports, US Customs and Border Protection, and various businesses like Arrow Trucks & Parts and Bond & Bailey Machine. Major roads like I-75 and I-94 are also visible.



**MICHIGAN STATE CODES**  
2015 MICHIGAN BUILDING CODE  
2015 MICHIGAN MECHANICAL CODE  
2015 MICHIGAN PLUMBING CODE  
2015 MICHIGAN ENERGY CODE  
2017 NATIONAL ELECTRICAL CODE  
2009 ICC A117.1 ACCESSIBILITY CODE

DRAWING INDEX - IMS	
SHEET	DESCRIPTION
C1	COVER SHEET / SITE PLAN
E1	ELECTRICAL PLAN / UTILITIES LOCATIONS
S1	FOUNDATION PLAN & DETAILS
S2	STAIR & RAMP DETAILS - TREATED WOOD

**SITE PLAN**  
SCALE: 3/32"=1'-0"

SCALE: 3/32"=1'-0"

# BUILDING

These documents are approved  
for compliance with the  
STATE OF MICHIGAN BUILDING CODE  
subject to field inspection and the  
conditions of the approval.

12/05/2019 10:31:31 AM  
# [ PR2019BCC-001975 ]

Escuela Avancemos!

COVER SHEET/ SITE PLAN

Project Number: 19-0111

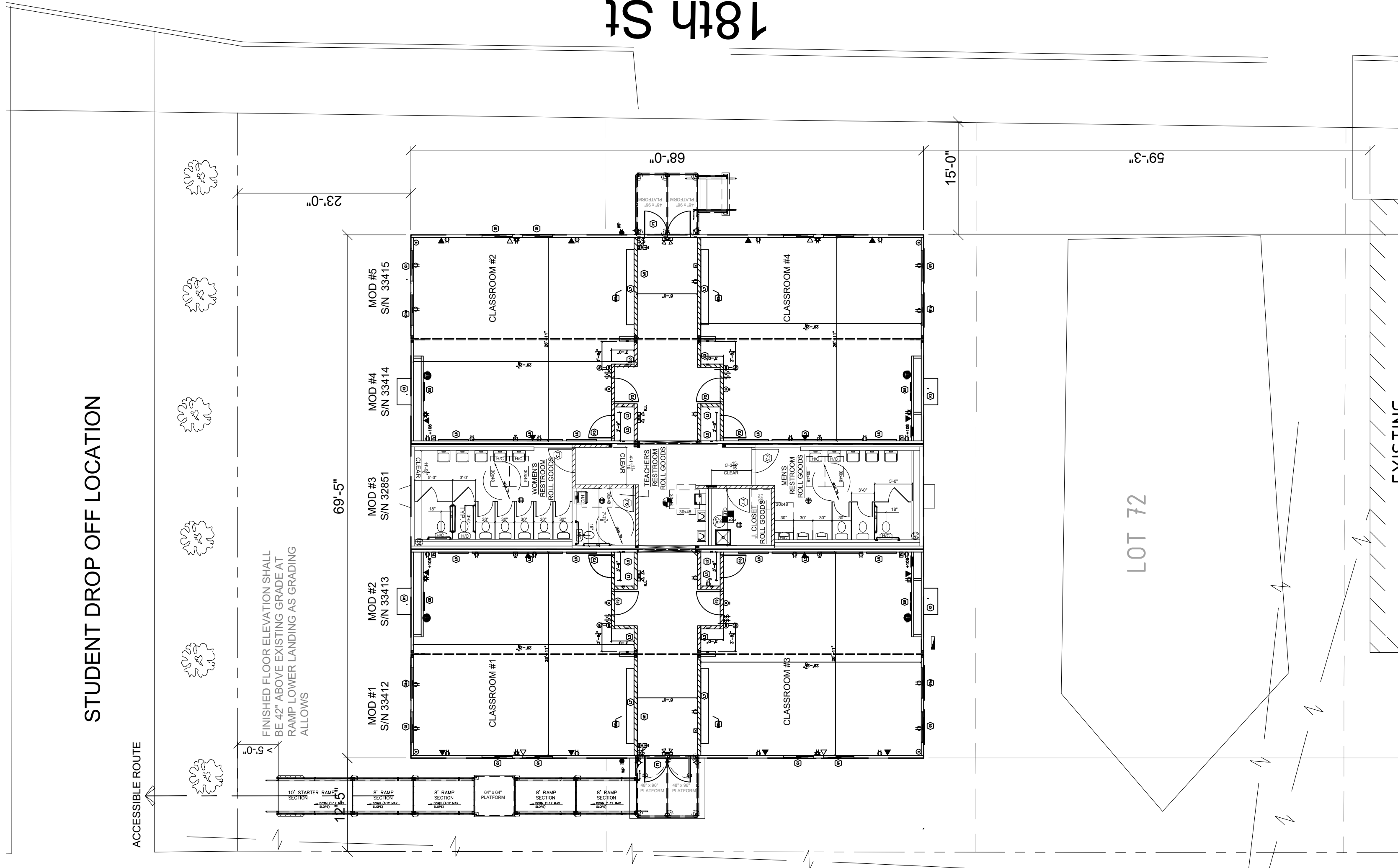
Sheet Number: C-1

© 2017 CDPA Architects+Planners, Inc.

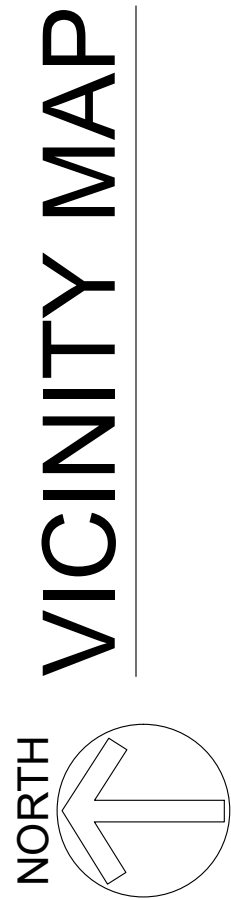


A circular professional seal for Gregory J. Noeth, a Registered Architect in the State of Michigan. The seal features the text "STATE OF MICHIGAN" around the top inner edge and "REGISTERED ARCHITECT" around the bottom inner edge. In the center, the name "GREGORY J. NOETH" is written above "ARCHITECT". To the right of the name, the number "No. 301038845" is printed. The seal is stamped over a document that includes a signature and the date "1/26/17".

STUDENT DROP OFF LOCATION



CL 18TH ST. (60' WIDE)



DRAWING INDEX	
SHEET	DESCRIPTION
C1	COVER SHEET / SITE PLAN
E1	ELECTRICAL PLAN / UTILITIES
S1	FOUNDATION PLAN
S2	FOUNDATION DETAILS
S3	STAIR & RAMP DETAILS - UPSIDE ALUMINUM

ESCUOLA AVANCEMOS! ACADEMY - PHASE 2  
70'-0" X 70'-0" (4) CLASSROOM W/ RESTROOMS  
COVER SHEET / SITE PLAN  
14 B) NM  
CHUCK KEEL

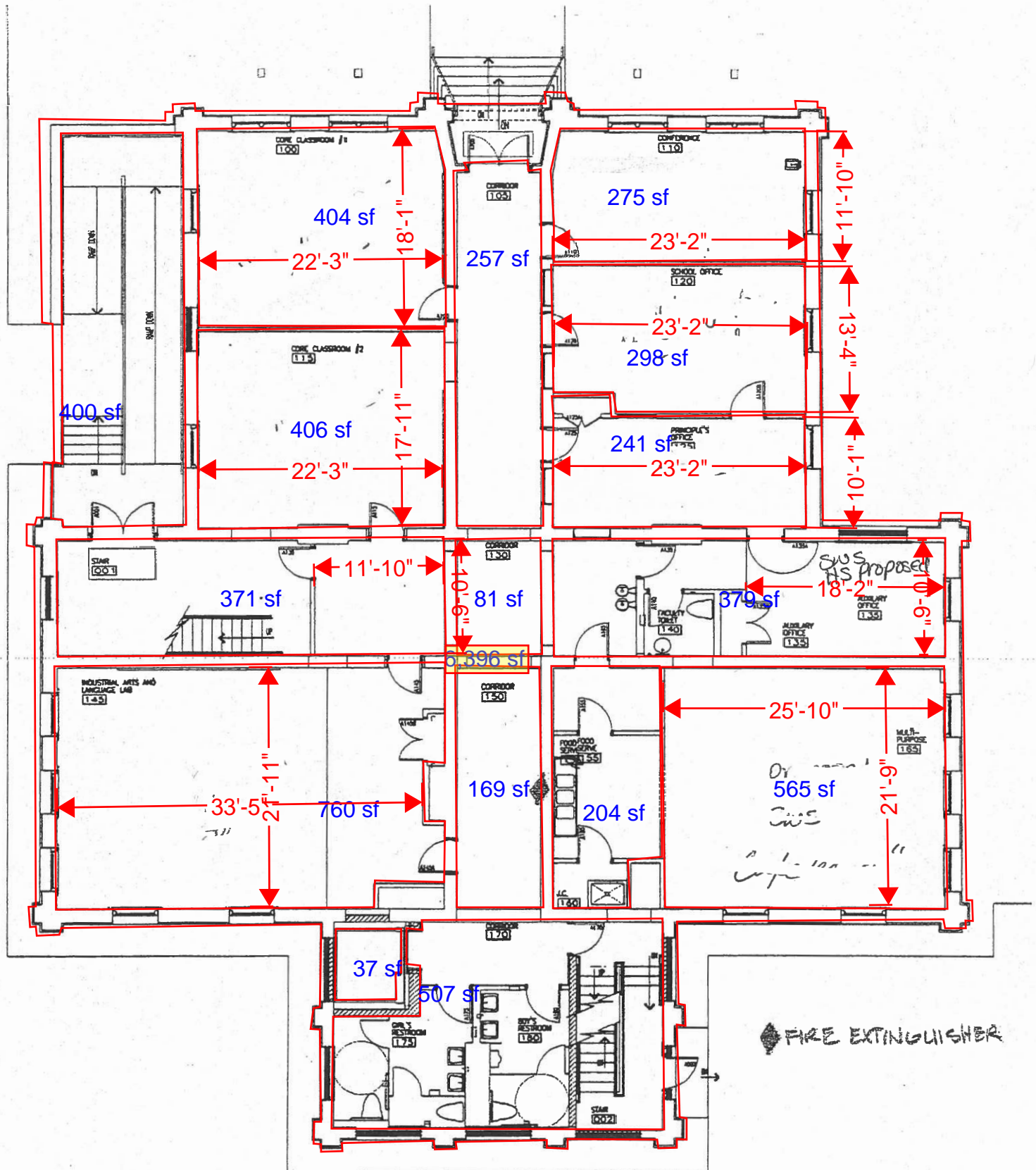
**VESTA**  
MODULAR

1000 TOWN CENTER | SUITE 975  
SOUTHFIELD, MI 48075 PHONE:  
817.760.0494 (663-8527) FAX:  
855.855.7681 WWW.VESTAMODULAR.COM

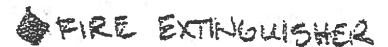
555 KIRKLAND CIRCLE  
 OSWEGO, IL 60554  
 Fx: (630)972-0530  
 Fx: (630)972-0555  
 WWW.NANOATTIVEMATERIALS.COM  
 INDIANA DIVISION  
 50903 OLD US 33  
 ELKHART, IN 46516  
 Fx: (574) 875-0085  
 Fx: (574) 875-1167

CONFIDENTIAL

## **Main Facility**

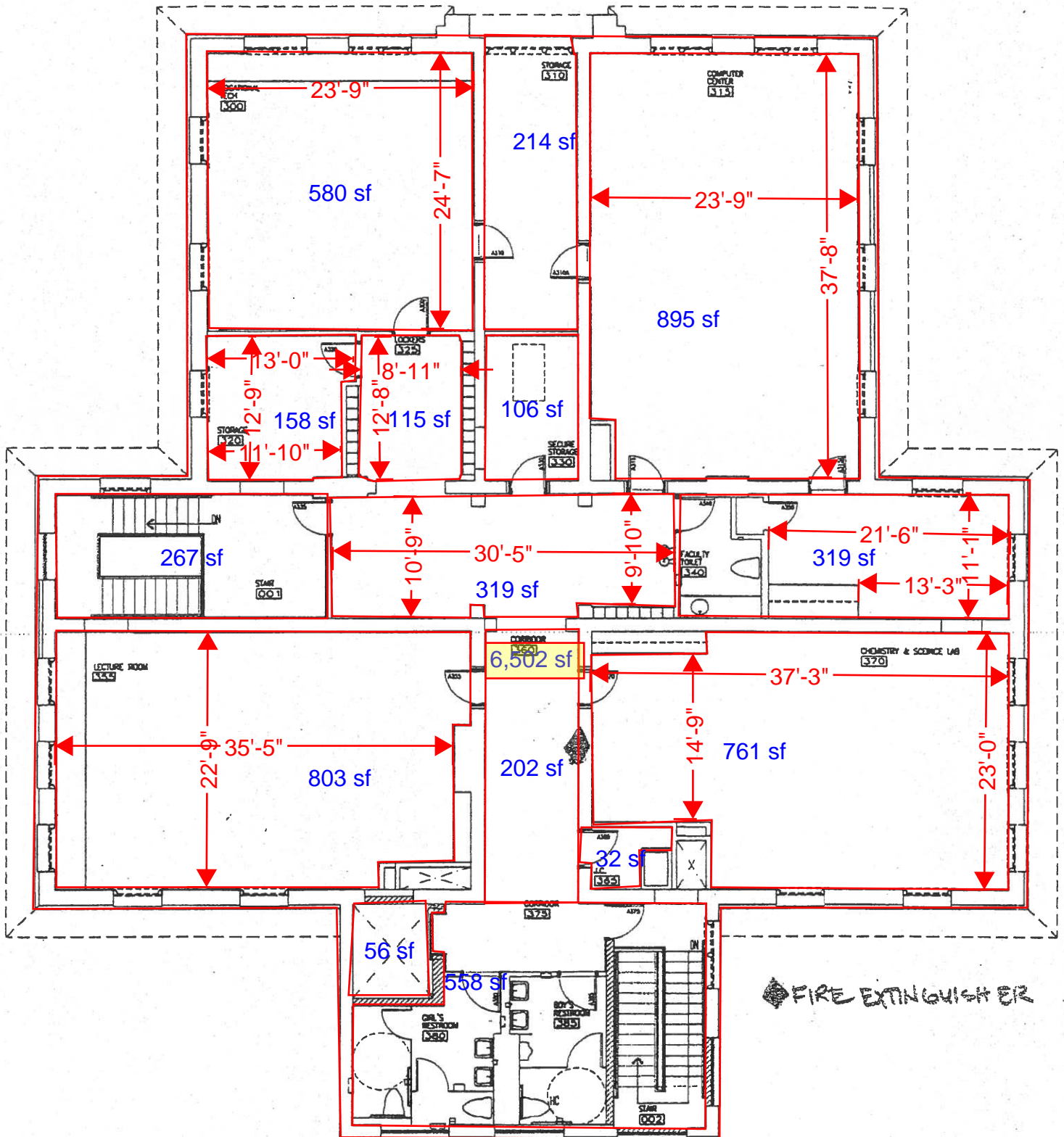


# EXISTING FIRST FLOOR PLAN



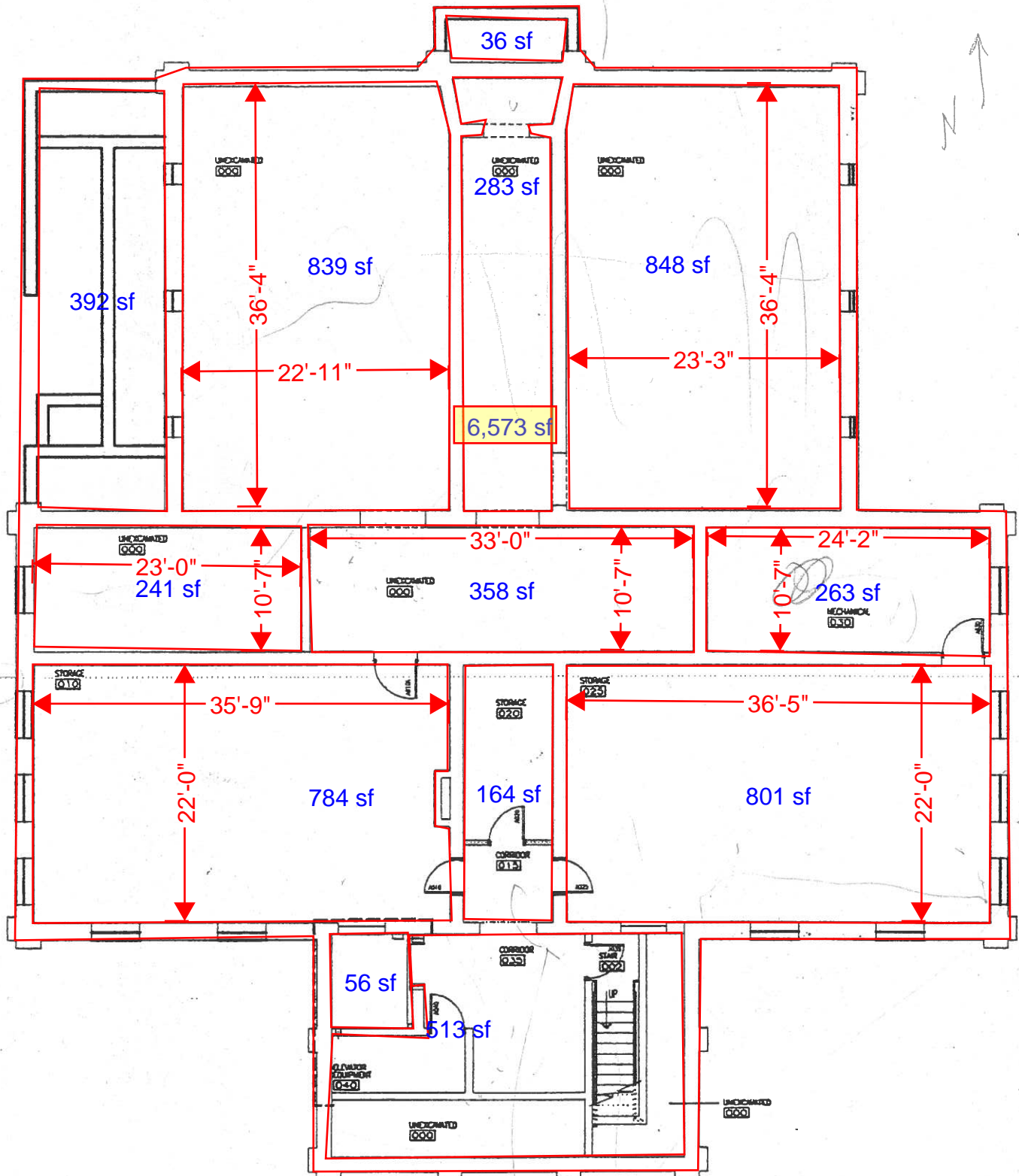
## EXISTING SECOND FLOOR PLAN

SCALE:  $1/8"=1'-0"$  Escuela Avancemos!



◆ FIRE EXTINGUISHER

## EXISTING THIRD FLOOR PLAN



## EXISTING BASEMENT PLAN

**ESCUELA AVANCEMOS!**

**VIA CERTIFIED MAIL**

February 27, 2024

Pastor, St. Anne Parish  
1000 St. Anne Street  
Detroit, Michigan 48216  
Attention: Allen H. Vigneron, Roman Catholic Archbishop of the Archdiocese of Detroit

Director of Properties  
Archdiocese of Detroit  
12 State Street  
Detroit, Michigan 48226  
Attention: Allen H. Vigneron, Roman Catholic Archbishop of the Archdiocese of Detroit

RE: Lease dated March 6, 2019, by and between ESCUELA AVANCEMOS!, a Michigan public school academy, as Tenant, and ALLEN H. VIGNERON, ROMAN CATHOLIC ARCHBISHOP OF THE ARCHDIOCESE OF DETROIT, as Landlord, of premises known as the former St. Anne school building at 2635 Howard Street, Detroit, Michigan (the "Lease")

Dear Allen H. Vigneron:

The letter will serve as notice of Tenant Escuela Avancemos!' exercise of its renewal option, on the same terms, pursuant to Paragraph 37 of the Lease, to renew the Lease term for a five (5) year period commencing on July 1, 2024 and ending June 30, 2029.

Please acknowledge receipt and agreement by countersigning below and returning a copy of this letter to the undersigned.

Best regards,

TENANT: ESCUELA AVANCEMOS!

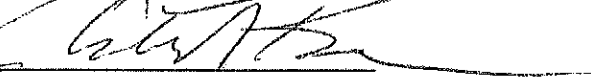
By: 

Name: Cristina Stamatina

Its: Board President \_\_\_\_\_

ACKNOWLEDGED AND AGREED TO:

LANDLORD: ALLEN H. VIGNERON, ROMAN CATHOLIC ARCHBISHOP OF THE  
ARCHDIOCESE OF DETROIT

By: 

Name: ~~Allen H. Vigneron~~ *Charles G. Kosonko*  
*President of Parish Association*

4859-4648-5414 v1 [51557-1]

## LEASE AGREEMENT

This Lease Agreement (hereinafter called the “Lease”) is entered into as of March 6, 2019, by and between ALLEN H. VIGNERON, ROMAN CATHOLIC ARCHBISHOP OF THE ARCHDIOCESE OF DETROIT (“Landlord”), whose address 12 State Street, Detroit, Michigan 48226, and Escuela Avancemos!, a Michigan public school academy, (“Tenant”) whose address is 3811 Cicotte, Detroit, Michigan 48120 (herein called “Tenant”).

Landlord and Tenant agree as follows:

1. **Leased Premises.** Subject to the terms and conditions of this Lease, Landlord leases to Tenant and Tenant accepts and agrees to lease from Landlord the Leased Premises (as defined in below), together with the non-exclusive right to the use of the Common Areas (as defined below). As used in this Lease, the following terms shall have the meanings set forth below.

“Academy Site” shall have the meaning set forth in the Charter.

“Building” shall mean the former St. Anne school building consisting of approximately 19,404+/- square feet of useable classroom space located on the Property, depicted on Exhibit B attached hereto.

“Charter” shall mean the contract dated July 1, 2019 issued by the Central Michigan University Board of Trustees (the “Authorizer”) to the Tenant, as amended, and any subsequent charter contract, as defined by Section 501(2)(d) of the Revised School Code, Public Act 451 of 1976, entered into by the Tenant to maintain its status as a Charter School.

“Charter School” shall mean a Michigan public school academy, established pursuant to Sections 501 through 507 of the Revised School Code (MCL 380.501-.507) and subject to the laws and regulations of the United States and the State of Michigan and the Charter and policies of the Authorizer.

“Common Areas” shall mean the walkways and the east parking lot located on the Property.

“Leased Premises” shall mean the Building and the Common Areas.

“Parish Hall” shall mean the building located on the Property and depicted on Exhibit B attached hereto.

“Property” shall mean the real property situated in the City of Detroit, County of Wayne and State of Michigan commonly known as 2635 Howard Street, Detroit, Michigan and more particularly described on the attached Exhibit A.

2. **Occupancy; Common Areas.** Subject to the terms and conditions of this Lease and during the Term as defined herein, Tenant shall have the right to take full and exclusive occupancy of the Building for the Permitted Use (as later defined), and the right to non-exclusive

use of the Common Areas and Parish Hall as set forth herein. Landlord hereby reserves the right to share use of the Building from time to time for religious education classes Monday through Friday after 4:00 pm and at any time on Saturday and Sunday upon twenty four (24) hours' notice to the Tenant by the Landlord; provided, however, Tenant hereby agrees that Landlord shall have the right to use the Building for religious education classes every Tuesday after 4:00 pm, without providing any additional notice to Tenant. In the event of a conflict in scheduling on a Saturday, the same shall be resolved by the pastor ("Pastor") of St. Anne Parish ("Parish"). Tenant hereby agrees that the Landlord shall have the right to use Tenant's desks and chairs. In the event Landlord desires to use any other personal property of Tenant, Landlord shall submit a request for such use in writing and Tenant shall have sole discretion to approve or disapprove such request. The Tenant shall provide to the pastor ("Pastor") of St. Anne Parish ("Parish") keys and all access codes, if applicable, for the Leased Premises. Tenant may use the Parish Hall Monday through Friday from 11:00 am-2:00 pm for student lunches and for recess space during cold or rainy weather, and once a month for the tenant's monthly meeting space and for occasional special events, which such events require one (1) week notice to the Pastor of the Parish and the Pastor shall have the right to deny any such request if such request will conflict with Parish use of the Parish Hall, in the Pastor's sole discretion. Landlord reserves the right, with reasonable notice to Tenant: (a) to install, maintain, use, repair and replace pipes, ducts, conduits, wires and structural elements leading through the Leased Premises and serving other parts of the Property, (b) to make alterations or additions to, and improvements to, the Common Areas, to construct other buildings and improvements on the Property, to relocate the various buildings, parking areas and other Common Areas, to reduce the Common Areas, and change the configuration of the Property in any manner it deems fit, to close temporarily any Common Area to make repairs or changes, and to do such other acts in and to the Common Areas as in its judgment may be desirable to improve the convenience thereof, (c) to grant easements on the Property, to allow third parties to use all internal access ways constructed on the Property, to make boundary adjustments to the Property, and to dedicate for public use portions of the Property, including without limitation any public streets or any other improvements; provided, however, none of the foregoing shall materially interfere with Tenant's use or quiet enjoyment of the Building. Tenant shall not block, obstruct or in any manner interfere with the Common Areas, or any part thereof, by any means whatsoever.

### 3. **Term.**

(a) The term of this Lease shall commence on July 1, 2019 and shall expire on June 30, 2024 (the "Term") unless earlier terminated as expressly provided herein; provided, however, that the validity of this Lease is expressly conditioned on the Charter being issued by the Authorizer and as such will have no force or effect until such Charter is granted, regardless of the full execution of this Lease by the Parties.

(b) This Lease may be terminated at any time by Landlord upon sixty (60) days prior written notice to Tenant in the event Landlord makes the determination to suppress, merge or close the Parish ("Termination Notice"), which termination shall be effective as of the end of the current school year as of the date the notice is provided it being understood by the parties that a school year runs from July 1 to the following June 30.

(c) This Lease shall also immediately terminate without penalty or recourse for early termination on notice from Tenant to Landlord of (i) revocation of Tenant's Charter to operate a

Charter School on the Leased Premises or (ii) required closure of the Academy Site (as required by law or the Charter) unless such termination is attributable to the intentional acts or negligence of Tenant.

(d) Reserved.

4. **Use.** The Leased Premises shall be used and occupied only as a public school academy, for Grade K through Grade 8, as defined in Act 362 of the Public Acts of 1993 of the State of Michigan (as amended) (the “Permitted Use”) and for no other purpose.

5. **Rent.**

(a) The Tenant agrees to pay the Landlord, without demand, offset or deduction, as rental for the Leased Premises (“Base Rent”), on the first day of each and every month, in advance, commencing July 1, 2019, the following (as such amount may be adjusted as provided in the last sentence of Section 5(c) below, the “Monthly Base Rent”): 1/12th of ten percent (10%) of any and all amounts of money actually received by Tenant with respect to, or for the benefit for, any student at the Leased Premises, including, but not limited to, (i) the per pupil enrollment/state student aid grant amount (based on the State Board of Education counts whenever they may be taken)(“State Aid Amount”). Landlord understands that certain federal funds received by the Tenant are restrictive by law and cannot be applied as rental under this Lease.

(b) Anything in this Lease to the contrary notwithstanding, in the event Tenant operates the Leased Premises as a Charter School and the State of Michigan in any way, whether by statute, administrative order or otherwise, changes the way in which it determines, calculates and/or distributes the State Aid Amount to the Tenant (“Rent Calculation Change”), the parties hereby agree that the Monthly Base Rent amount paid by Tenant under this Lease shall be renegotiated by the parties. In the event the parties are unable to agree upon a new Monthly Base Rent amount, Landlord shall have the right, in its sole and absolute discretion; to either (i) set the rental rate as the amount paid by Tenant on the first day of the month prior to the Rent Calculation Change, or (ii) terminate this Lease.

(c) Tenant shall provide Landlord with copies of the forms submitted to the State of Michigan regarding the student count within fifteen (15) days after such information is submitted to the State of Michigan. The principal will apprise the pastor in writing regarding actual student enrollment twice yearly; the fall count in September, and the winter count in February. Based on the results of these student counts, the monthly rental shall be increased or decreased retroactively to the beginning of the month of the current student count date. Any overpayment or underpayment shall be reconciled with the next month’s rent payment. Any further adjustments made to enrollment count or state aid will adjust rent retroactively as provided in this subsection. Anything in this Lease to the contrary notwithstanding, in no event shall the Monthly Base Rent be less than an amount calculated based on the following: two hundred fifty (250) students.

(d) Tenant shall pay to Landlord additional rent of \$100 per day for each day in which Tenant uses or, for special meetings and occasions, reserves the use of the Parish Hall (“Parish Hall Rent”).

(e) All checks for payment of Monthly Base Rent and Parish Hall Rent shall be payable to “St. Anne Parish” and shall be mailed to: Pastor, St. Anne Parish, 1000 St. Anne Street, Detroit, Michigan 48216-2027. If at any time payment of the Monthly Base Rent under this Section is more than five (5) days past due, Tenant shall pay Landlord a late fee in the amount of ten percent (10%) of the amount past due. The parties agree that such a late fee represents a fair and reasonable estimate of the costs Landlord will incur by reason of a late payment. In the event that any Monthly Base Rent is more than ten (10) days past due, in addition to the late fee, Tenant shall pay Landlord interest on the unpaid amount at the rate of ten percent (10%) per annum commencing on the tenth (10th) day after such payment was due, until such payment is made. Acceptance of the late fee or interest under this Section shall in no event constitute a waiver of Tenant’s default with respect to the overdue amount, nor prevent Landlord from exercising any of his rights and remedies. Except as may otherwise be expressly permitted in this Lease, Monthly Base Rent, additional rent and any other sums required to be paid by Tenant under this Lease shall not abate for any reason during the term hereof.

6. **Security Deposit.** The Landlord herewith acknowledges the receipt of Fifteen Thousand and 00/100 Dollars (\$15,000.00) which he is to retain as security for the faithful performance of all of the covenants, conditions, and agreements of this Lease (the “Security Deposit”), but in no event shall the Landlord be obliged to apply the same upon rents or other charges in arrears or upon damages for the Tenant’s failure to perform said covenants, conditions, and agreements; the Landlord may so apply the Security Deposit at its option; and the Landlord’s right to the possessions of the Leased Premises for non-payment of rent or for any other reason shall not in any event be affected by reason of the fact that the Landlord holds this Security Deposit. The said sum, if not applied toward payment of rent in arrears or toward the payment of damages suffered by the Landlord by reason of the Tenant’s breach of the covenants, conditions, and agreements of this Lease, is to be returned to the Tenant when this Lease is terminated, according to the terms, but in no event is the Security Deposit to be returned until the Tenant has vacated the Leased Premises and delivered possession to the Landlord. In the event that the Landlord repossesses himself of the Leased Premises because of the Tenant’s default or because of the Tenant’s failure to carry out the covenant, conditions, and agreements of this Lease, the Landlord may apply the Security Deposit upon all damages suffered to the date of said repossession and may retain the Security Deposit to apply upon such damages as may be suffered or shall accrue thereafter by reason of the Tenant’s default or breach. The Landlord shall not be obliged to keep the Security Deposit as a separate fund, but may mix the Security Deposit with its own funds, nor shall Landlord be required to obtain or account for any interest on said funds.

7. **Utilities.** Tenant shall pay all charges for all utilities used by Tenant or charged to the Leased Premises during the Term, including, without limiting the generality of the foregoing, for gas, water, sewer, electricity and heating service (“Utility Charges”). Unless and until the utilities are separately metered, Tenant shall reimburse Landlord for all such Utility Charges within ten (10) days of receipt of written notice from the Landlord of the same.

8. **Taxes.** Any real property taxes, assessments, impositions or charges, whether general or special, including, but not limited to, any and all real estate taxes and assessments, personal property taxes and assessments and the like, assessed against the Leased Premises or the Property, at any time (collectively, “Taxes”), shall be paid by the Tenant where such Taxes have resulted because of rental of the Leased Premises by Tenant or any party Tenant permits to use the

Leased Premises. Payment of all such Taxes shall be made on or before the last day when payment may be made without interest or penalty. Tenant agrees to exhibit to Landlord on demand any time following such date for payment of Taxes, receipts evidencing payments of all such Taxes so payable.

9. **Compliance With Laws; Licensure.** Tenant agrees to comply promptly with all laws, orders, regulations, and ordinances of all municipal, county, state and federal authorities, and all easements and building and use restrictions of record, affecting the Leased Premises and the cleanliness, safety, occupation, and use of same, including without limitation the Americans with Disabilities Act of 1990 42U.S.C. 12101-12213 (1991), as amended. Tenant also agrees to observe all regulations and requirements of underwriters concerning the use and condition of the Leased Premises tending to reduce fire hazards and insurance rates, and not permit nor allow any rubbish, waste material or products to accumulate on the Leased Premises. Tenant shall not do or permit anything to be done in or about the Leased Premises or Common Areas that will in any way obstruct or interfere with the rights of other tenants or occupants, if any, or use or allow the Leased Premises to be used for any improper, immoral, unlawful or objectionable purpose, nor shall Tenant cause, maintain or permit any nuisance in, on or about the Leased Premises. If the nature of the Tenant's business requires licensure, Tenant shall keep in effect at all times during the term of this Lease a valid license to operate the Leased Premises for that purpose and provide Landlord with a current copy of the required license.

10. **Hazardous Materials.**

(a) Tenant will not use Hazardous Materials as hereinafter defined, on or at the Leased Premises in any manner that violates federal, state or local laws, ordinances, rules, regulations or policies governing the use, storage, treatment, transportation, manufacture, refinement, handling, production or disposal of Hazardous Materials. In the event Tenant uses or stores any Hazardous Materials on the Leased Premises, then with regard to such use or storage of any Hazardous Materials upon the Leased Premises, the Hazardous Materials shall be stored and/or used in compliance with all applicable federal, state and local laws and regulations; and without limiting the foregoing, Tenant shall not cause the Leased Premises to be used to generate, manufacture, refine, transport, treat, store, handle, dispose of, transfer, produce or process Hazardous Materials, except in compliance with all applicable federal, state and local laws and regulations, nor shall Tenant cause, as a result of any intentional or unintentional act or omission on the part of Tenant, the release of Hazardous Materials onto the Leased Premises.

(b) With respect to the release of Hazardous Materials upon the Leased Premises caused by or resulting from the activities of Tenant, its employees or agents on the Leased Premises, Tenant shall: (i) to the extent required by applicable law, conduct and complete all investigations, studies, sampling and testing, and perform all remedial, removal, response and other actions necessary to clean up and remove all Hazardous Materials, on, under, from or affecting the Leased Premises in accordance with all applicable federal, state and local laws, ordinances, rules, regulations and policies, and in accordance with the orders and directives of all federal, state, and local governmental authorities; and (ii) to the fullest extent permitted by law, defend, indemnify and hold harmless Landlord Parties from and against any claims, demands, penalties, fines, liabilities, settlements, damages, costs or expenses of whatever kind or nature, known or unknown, contingent or otherwise, arising out of, or in any way related to: (1) the

presence, disposal, removal, or release of any Hazardous Materials on, over, under, from or affecting the Leased Premises or the soil, water, vegetation, buildings, personal property, persons or animals thereon; (2) any personal injury (including wrongful death) or property damage (real or personal) arising out of or related to such Hazardous Materials; and (3) any violation of laws, orders, regulations, requirements or demands of government authorities which are based upon or in any way related to such Hazardous Materials, including, without limitation, reasonable attorneys' and consultants' fees, investigation and laboratory fees, court costs and litigation expenses.

(c) For purposes of this Lease, "Hazardous Materials" includes, but is not limited to, any flammable explosives, radioactive materials, hazardous materials, hazardous wastes, hazardous or toxic substances or related materials defined in: (1) the Comprehensive Environmental Response, Compensation and Liability Act of 1980, as amended (42 U.S.C. Section 9601 et seq.); (2) the Hazardous Materials Transportation Act, as amended (49 U.S.C. Section 1801 et seq.); (3) the Resource Conservation and Recovery Act, as amended (41 U.S.C. Section 9601, et seq.); (4) the Federal Water Pollution Control Act, 33 U.S.C. Section 1251 et seq.; or (5) Michigan's Natural Resources and Environmental Protection Act, as amended (M.C.L. 324.101 et seq.), including any regulations adopted or publications promulgated pursuant to the above-referenced statutes, or as otherwise defined, classified, characterized, listed or identified by any other federal, state or local and governmental law, ordinance, rule or regulation.

11. **Asbestos.** Landlord, at Landlord's sole cost and expense, hereby agrees to comply with all of the requirements under Michigan's Asbestos in Educational Facilities Act (MCL 388.861 et seq.) and the Asbestos Hazard Emergency Response Act (15 USC § 2601 et seq.)(collectively, the "Asbestos Laws") with respect to the Leased Premises.

12. **Maintenance, Repairs, Snow Removal and Landscaping.**

(a) Except for the express obligations of Landlord set forth in Section 12(b) below ("Landlord's Obligations"), during the entire term of this Lease, including any extension period, Tenant agrees, at its sole cost and expense, to maintain the entire Leased Premises and fixtures in good order, condition and repair at all times (including any replacements thereof if necessary in the event such item or component of the Leased Premises or fixture cannot be repaired), including without limitation, floor slab, facade HVAC, boiler, electrical and plumbing systems. Tenant shall keep the Leased Premises in a clean, sanitary and safe condition at all times, including custodial services, trash removal, a dumpster and disposal. In addition, Tenant shall be responsible at its sole cost and expense for contracting for maintenance of the lawn and landscaping of the Leased Premises and for snow and ice removal from the pavement, driveways, walkways and parking lots of the Leased Premises. Tenant hereby acknowledges and agrees that, except for Landlord's Obligations, it is the intent of the parties that Landlord shall have no obligation whatsoever to maintain or repair or replace any portion of the Leased Premises and that all of its obligations under this Section apply to all of the Leased Premises.

(b) Landlord, after receiving notice from the Tenant, agrees to keep in good order and repair the roof and four outer walls of the Building (collectively, the "Structural Elements"), except for damage to the Structural Elements caused by Tenant or anyone Tenant permits to use the Leased Premises, which shall be the obligation of the Tenant at its sole cost and expense.

13. **Security.** Tenant agrees to provide any and all security for its use of the Leased Premises during the Term of this Lease. Tenant hereby acknowledges that Landlord is not responsible for providing any security during Tenant's use of the Leased Premises and hereby releases Landlord and the Parish from any and all claims Tenant may have against Landlord arising from, or related to, security of the Leased Premises during the term of this Lease. In addition, to the fullest extent permitted by law, Tenant hereby agrees to indemnify, defend (using counsel of Landlord's choice) and hold Landlord Parties (as later defined) harmless for any claim, expense or loss arising from, or relating to, security of the Leased Premises, except to the extent that such claims arise out of the gross negligence or willful misconduct of the Landlord Parties.

14. **Insurance.**

(a) The Tenant will procure and keep in effect during the term hereof commercial general liability insurance on an occurrence basis with limits of at least Two Million Dollars (\$2,000,000.00) per occurrence, with a Two Million Dollar (\$2,000,000.00) annual general aggregate insurance issued by a company acceptable to Landlord for benefit of the Landlord. Said policy shall name the Tenant and the Owner (as later defined), Landlord, The Archdiocese of Detroit, the Parish and the Pastor as additional named insureds. Tenant shall deliver a certificate of insurance to the Landlord. Such policy shall (i) contain cross-liability endorsements and shall include coverage for bodily injury, property damage, premises and operations, personal and advertising injury and contractual liability insurance that covers the indemnification obligations of this Lease; (ii) be primary, not contributing with, and not in excess of coverage which Landlord may carry; (iii) state that the applicable Landlord Parties are entitled to recovery for the negligence of Tenant even though a Landlord Party is named as an additional insured; (iv) provide for severability of interest; (v) provide that an act or omission of one of the insured or additional insureds which would void or otherwise reduce coverage shall not void or reduce coverages as to the other insured or additional insured; (vi) afford coverage after the term of this Lease (by separate policy or extension if necessary) for all claims based on acts, omissions, injury or damage which occurred or arose (or the onset of which occurred or arose) in whole or in part during the term of this Lease; and (vii) contain a provision that it may not be canceled without at least thirty (30) days prior written notice being given by the insurer to Landlord.

(b) The insurance required hereunder shall be obtained from insurance companies authorized to conduct business in the State of Michigan and rated A+ or better by Best's Insurance Guide. Upon Tenant's failure to deliver a certificate of insurance, the Landlord may, at his option, immediately cancel this Lease upon written notice to Tenant. The limits of said insurance shall not limit any liability of Tenant hereunder. Not more frequently than every three (3) years, if, in the reasonable opinion of Landlord, the amount of liability insurance required hereunder is not adequate, Landlord shall promptly increase said insurance coverage as required by Landlord.

(c) Tenant shall be responsible for securing any insurance it deems advisable on contents and tenant improvements or for business interruption and Landlord shall have no liability with respect to any loss to Tenant's personal property or improvements.

(d) Landlord or the Parish shall maintain casualty insurance on the buildings in which the Leased Premises are located in such amounts and with such carriers as Landlord deems

appropriate, in its sole and absolute discretion, which insurance is solely for the benefit of the Landlord and is not available for the benefit of the Tenant.

15. **Indemnity.** To the fullest extent permitted under the law, Tenant shall indemnify, defend (using counsel satisfactory to Landlord in its sole discretion) and hold harmless Owner (as later defined), Landlord, the Archdiocese of Detroit, the Archbishop of Detroit, the Parish, the Pastor, and their respective employees, managers, partners, officers, directors, attorneys, contractors and agents (collectively, the “Landlord Parties” and each a “Landlord Party”) from and against all claims, demands, liabilities, obligations, damages, penalties, causes of action, suits, judgments, and expenses (including attorneys’ fees) (collectively, “Losses”) arising from or related to (a) the occupancy, condition, operation or use of the Leased Premises, the Common Areas or any other part of the Property, (b) any accident, occurrence, injury to or death of persons, or loss of or damage to property occurring on or about the Leased Premises, Common Areas or any other part of the Property, (c) use or misuse of any portions of the Leased Premises, Common Areas or any other part of the Property by Tenant or any of Tenant’s respective agents, contractors, employees, visitors, and invitees, or (d) Tenant’s failure to perform its obligations under this Lease; provided, however, the foregoing indemnity shall not apply to any Losses to the extent caused by the gross negligence or willful misconduct of Landlord. The obligations of Tenant under this Section arising by reason of any occurrence taking place during the term of this Lease shall survive any termination of this Lease.

16. **Alterations.**

(a) The Tenant shall not make any alterations, additions, or improvements to the Leased Premises without the Landlord’s prior written consent. If Landlord gives such consent, all such alterations, additions and improvements shall be at the expense of the Tenant and to the fullest extent permitted by law, Tenant hereby indemnifies and holds Landlord Parties harmless from all costs, liability and loss of any kind and all claims of loss or liability, in any way arising out of or by reason of any such alterations, additions or improvements. Tenant shall promptly remove all such alterations, additions and improvements required by Landlord to be removed and Tenant shall restore the Leased Premises after such removal to substantially their condition prior to the time such alteration, addition or improvement was made. Upon vacation of the Leased Premises, said improvements, additions and alterations shall, at Landlord’s option, become the property of the Landlord. All furnishings and equipment which are not attached or affixed to the Leased Premises made or placed by Tenant upon the Leased Premises shall be the property of the Tenant, and the Tenant shall remove the same at the end of the term of this Lease.

(b) If Landlord consents to Tenant’s performance of any alteration or addition to the Leased Premises (“Work”), Tenant shall ensure that the Work shall be made in accordance with the Plans and Drawings (as defined below) and all applicable laws, regulations and building codes, in a good and workmanlike manner and in quality satisfactory to Landlord. In addition, prior to commencement of any Work, Tenant must submit to Landlord for approval, which approval Landlord may withhold in its sole and absolute direction:

- (i) a complete set of plans and specifications (“Plans”) prepared and sealed by a registered architect or engineer;

- (ii) a complete set of drawings and specifications for mechanical, electrical and plumbing systems (“Drawings”); and
- (iii) a list of the contractors and subcontractors (“Contractors”) who will perform the Work, together with proof of insurance and performance and labor bonds, in such amounts and with such carriers or sureties as Landlord may require in its sole and absolute discretion.

(c) Landlord’s approval of the Plans and Drawings for Tenant’s alterations shall create no responsibility or liability on the part of Landlord for their completeness, design sufficiency or compliance with all laws, rules and regulations of governmental agencies or authorities. No person shall be entitled to any lien on the Leased Premises because of any labor or material furnished to Tenant in connection with any alterations or improvements by Tenant, and nothing in this Lease shall be construed to constitute a consent by Landlord to the creation of any lien. If any lien is filed against the Leased Premises as a result of a claim against Tenant for labor or material furnished to Tenant, Tenant shall cause the lien to be discharged of record within fifteen days after filing. If Tenant fails to cause the lien to be discharged within such time, Landlord may, without the obligation to do so, payoff the lien and Tenant shall reimburse Landlord for all costs and expenses incurred by Landlord to pay and discharge such lien, including, but not limited to, reasonable attorney fees (“Lien Expense”). To the fullest extent permitted by law, Tenant shall indemnify Landlord Parties from any costs, including, but not limited to, reasonable attorney fees, in connection with any such lien.

17. **Damage to Leased Premises.** In the event the Building shall be partially or totally destroyed by fire or other casualty which is insured under the insurance carried by Landlord pursuant to Section 14(d) of this Lease and such destruction renders the Building partially or totally untenantable, then Landlord may either elect that the Building be repaired or rebuilt or, at its sole option, terminate this Lease by giving written notice to Tenant of its election to so terminate, such notice to be given within ninety (90) days after the occurrence of such damage or destruction. In the event the Leased Premises shall be partially or totally destroyed by fire or other casualty which is insured under the insurance carried by Landlord pursuant to Section 14(d) of this Lease, such destruction renders the Building partially or totally untenantable and Landlord does not elect to terminate this Lease pursuant to the proceeding sentence, then the damage to the Building shall be promptly repaired by Landlord and Monthly Base Rent and other charges under this Lease shall be abated in proportion to the amount of the Building rendered untenantable until so repaired. In no event shall Landlord be required to repair or replace Tenant’s personal property, including, but not limited to, trade fixtures, furnishings or equipment. In the event of reconstruction or repair by Landlord, any amount expended by Landlord in repairing the improvements to the Leased Premises in excess of the proceeds of insurance received by Landlord pursuant to Section 14(d) of this Lease allocated to the Leased Premises shall be repayable by Tenant to Landlord within ten (10) days after receipt by Tenant from Landlord of a statement setting forth the amount of such excess. Landlord’s insurance carrier shall determine the amount of insurance proceeds attributable to the damage to such improvements, which determination shall be binding upon Landlord and Tenant. If Landlord is required or elects to repair or rebuild the Building as herein provided, Tenant shall repair or replace personal property, including, but not limited to, trade fixtures, furnishings and equipment, in a manner and to at least a condition equal to that prior to its damage or destruction.

18. **Eminent Domain.** If all or any part of the Leased Premises shall be taken as a result of the exercise of the power of eminent domain, this Lease shall terminate as to the part so taken as of the date of taking, and, in the case of partial taking, either Tenant or Landlord shall have the right to terminate this Lease as to the balance of the Leased Premises by notice to the other within thirty (30) days after such date; provided, however, that a condition to the exercise by Tenant of such right to terminate shall be that the portion of the Leased Premises taken shall be of such extent and nature as substantially to handicap, impede or impair Tenant's use of the balance of the Leased Premises. In the event of any taking, Landlord shall be entitled to any and all compensation, damages, income, rent, awards, or any interest therein whatsoever which may be paid or made in connection therewith, and Tenant shall have no claim against Landlord for the value of any unexpired term of this Lease or otherwise. In the event of a partial taking of the Leased Premises which does not result in a termination of this Lease, the Monthly Base Rent thereafter to be paid shall be reduced on a per square foot basis.

19. **Assignment and Subletting.** Tenant covenants that it shall not assign, sell, mortgage or in any manner transfer or encumber this Lease or any interest herein, or sublet the Leased Premises or any part or parts thereof or grant any concession or license or otherwise permit occupancy of all or any part thereof by others without in each case first obtaining the prior written consent of Landlord. The consent by Landlord to an assignment or subletting shall not in any way be construed to release Tenant from obtaining the express consent of the Landlord to any further assignment or subletting of any part of the Leased Premises nor shall the collection of rent by Landlord from any assignee, subtenant or other occupant be deemed a waiver of this covenant or the acceptance of the assignee, subtenant or occupant as a tenant hereunder or a release of Tenant from the further performance by Tenant of the covenants in this Lease on Tenant's part to be performed. In the event Landlord consents to any subletting, Landlord shall have the right, upon the occurrence of a default by Tenant under this Lease, to demand the sublessee to pay the rent due under the sublease directly to the Landlord to be applied to sums due Tenant under this Lease. If Tenant is a limited liability company, corporation, partnership, the sale or transfer of fifty percent (50%) or more of such limited liability company's membership interests or corporation's voting shares or partnership's general partnership interests, as the case may be, shall be deemed to be an assignment of this Lease. If Tenant is a nonprofit corporation, then the occurrence of any of the following events also shall be deemed to be an assignment of this Lease: (i) during any twelve (12) month period, the change of thirty-five percent (35%) or more of the members of the Board of Directors; or (ii) a change in the name of Tenant or the nature of its business, generally, or in its affiliations or in its use of the Leased Premises, any of which, in the sole discretion of Landlord, is substantial; or (iii) in the event that the Tenant is currently affiliated with the Roman Catholic Church or any group or organization identified with, approved by or affiliated with the Roman Catholic Church, any event which causes Tenant to lose such affiliation.

20. **Events of Default.** The occurrence of any one or more of the following events (hereinafter referred to as "Events of Default") shall constitute a default or breach of this Lease by Tenant:

- (a) if Tenant shall fail to pay rent or any other sum when and as the same becomes due and payable;

- (b) if Tenant shall fail to perform or observe any other term hereof to be performed or observed by Tenant under this Lease;
- (c) if Tenant shall make a general assignment for the benefit of creditors, or shall admit in writing its inability to pay its debts as they become due or shall file a petition in bankruptcy, or shall be adjudicated as insolvent or shall file a petition in any proceeding seeking any reorganization, arrangements, composition, readjustment, liquidation, dissolution or similar relief under any present or future statute, law or regulation, or shall file an answer admitting or fail timely to contest or acquiesce in the appointment of any trustee, receiver or liquidator of Tenant or any material part of its properties;
- (d) if this Lease or any estate of Tenant hereunder shall be levied upon under any attachment or execution and such attachment or execution is not vacated within ten (10) days;
- (e) if Tenant vacates, abandons or deserts the Leased Premises or Tenant fails to occupy the Leased Premises for more than thirty (30) consecutive days; and
- (f) if there is a revocation, termination or other invalidation of any permit, license or authorization with respect to Tenant's use and/or occupancy of the Leased Premises, including, but not limited to, certificates of occupancy, or business licenses.

Notwithstanding the foregoing, the termination of this Lease pursuant to Section 3(c) hereof shall not itself constitute an Event of Default.

21. **Remedies.** Upon the occurrence of any an Event of Default, in addition to any other remedies which may be available to Landlord, Landlord may, at his option, after providing to Tenant any notice required under Michigan Law, in addition to any other rights and remedies available under this Lease or at law or in equity, do one or more of the following:

- (a) Terminate this Lease and, upon such termination, this Lease shall come to an end and expire upon Landlord's termination, but Tenant shall remain liable for damages as provided in Section 22 hereof; or
- (b) Either with or without terminating this Lease, Landlord may immediately or at any time after the Event of Default or after the date upon which this Lease shall expire, reenter the Leased Premises or any part thereof, without notice, either by summary proceedings or by any other applicable action or proceeding, (without being liable to indictment, prosecution or damages therefor), and may repossess the Leased Premises and remove any and all of Tenant's property and effects from the Leased Premises; or
- (c) Either with or without terminating this Lease, Landlord may relet the whole or any part of the Leased Premises from time to time, either in the name of Landlord or otherwise, to such tenant or tenants, for such term or terms ending before, on or after the expiration of this Lease, at such rental or rentals and upon such other

conditions, which may include concessions and free rent periods, as Landlord, in its sole discretion, may determine. In the event of any such reletting, Landlord shall not be liable for the failure to collect any rental due upon any such reletting, and no such failure shall operate to relieve Tenant of any liability under this Lease or otherwise to affect any such liability; and Landlord may make such repairs, replacements, alterations, additions, improvements, decorations and other physical changes in and to the Leased Premises as Landlord, in its sole discretion, considers advisable or necessary in connection with any such reletting or proposed reletting, without relieving Tenant of any liability under this Lease or otherwise affecting such liability;

- (d) Perform for the account of Tenant any default of Tenant under this Lease and immediately recover as expenses any expenditures made and the amount of any expenses (including legal fees) or obligations incurred in connection therewith, plus interest at the maximum legal interest rate allowed by law in the State of Michigan, from the date of any such expenditure. The payment of interest on such amount shall not excuse or cure any default by Tenant under this Lease.
- (e) Landlord shall have the right to recover the rental and all other amounts payable by Tenant hereunder as they become due and all other damages incurred by Landlord as a result of an Event of Default including, without limitation, attorney's fees and costs.
- (f) Accelerate all rental due for the balance of the term of this Lease and declare the same to be immediately due and payable.

All rights, powers, and privileges conferred under this Lease upon Landlord shall be cumulative, but not restrictive to those given by law.

22. **Recovery of Damages upon Termination.** Upon termination of this Lease by Landlord pursuant to Section 21(a) hereof, Landlord shall be entitled to recover from Tenant the aggregate of:

- (a) the worth at the time of award of the unpaid rental which had been earned at the time of termination;
- (b) the worth at the time of award of the amount by which the unpaid rental which would have been earned after termination until the time of award exceeds the then reasonable rental value of the Leased Premises during such period;
- (c) the worth at the time of the award of the amount by which the unpaid rental for the balance of the term of this Lease after the time of award exceeds the reasonable rental value of the Leased Premises for such period; and
- (d) any other amount necessary to compensate Landlord for all the detriment proximately caused by Tenant's failure to perform its obligations under this Lease or which in the ordinary course of things would be likely to result therefrom.

The “worth at the time of award” of the amounts referred to in clauses (a) and (b) above is computed from the date such rent was due or would have been due, as the case may be, by allowing interest at the rate of three percent (3%) in excess of the prime rate as published in The Wall Street Journal or, if a higher rate is legally permissible, at the highest rate legally permitted. The “worth at the time of award” of the amount referred to in clause (c) above is computed by discounting such amount at the discount rate of the Federal Reserve Bank of Chicago at the time of award, plus one percent (1%). Tenant hereby waives any and all rights to set-off or recoup any present or future accounts, amounts, damages or claims arising as a result of or in connection with this Lease, any transaction, any incident, any occurrence or any other agreement between Landlord and Tenant against any of its present or future payments due Landlord under this Lease.

23. **Landlord’s Cure.** All covenants, terms and conditions to be performed by Tenant under any of the terms of this Lease shall be at its sole cost and expense and without any abatement of Base Rent or additional rent. If Tenant shall fail to pay any sum of money, other than the payment of Base Rent, required to be paid by it hereunder or shall fail to perform any other act on its part to be performed hereunder, Landlord may, but shall not be obligated so to do, and without waiving or releasing Tenant from any obligations of Tenant, make any such payment or perform any such other act on Tenant’s part to be made or performed as in this Lease provided. Tenant shall reimburse all sums so paid by Landlord and all necessary incidental costs related thereto (“Reimbursable Expenses”) within fifteen (15) days of receipt of written notice from Landlord of the amount due. All Reimbursable Expenses shall be deemed additional rental, and Landlord shall have (in addition to any other right or remedy of Landlord) the same rights and remedies in the event of the nonpayment thereof by Tenant as in the case of default by Tenant in the payment of Base Rent.

24. **Additional Rent.** All payments and other charges, costs and expenses that Tenant assumes or agrees to pay under this Lease, other than the payment of Monthly Base Rent, including, but not limited to, Utility Charges, Taxes, Lien Expense and Reimbursable Expenses, together with all interest and late charges that may accrue thereon in the event of failure of Tenant to pay these items, and all other damages that Landlord may incur by reason of any default of the Tenant to comply with the terms and conditions of this Lease, shall be deemed additional rent, and in the event of nonpayment, Landlord shall have all the rights as herein provided for failure to pay Monthly Base Rent.

25. **Tenant’s Payment Obligations.** In the event Tenant fails to pay any sum of money, other than the payment of Base Rent, required to be paid by Tenant under the terms of this Lease, including, but not limited to, Utility Charges, Taxes, Lien Expense and Reimbursable Expenses (each a “Delinquent Payment”), within five (5) days of when due (“Delinquency Date”), Tenant shall pay to Landlord, on the Delinquency Date and every thirty (30) days thereafter until such payment is made, in addition to the amount of such Delinquent Payment, a late fee in the amount of ten percent (10%) of the amount of the Delinquent Payment. In the event such Delinquent Payment is more than ten (10) days past due, in addition to the late fee, Tenant shall pay to Landlord interest on the unpaid amount of the Delinquent Payment at the rate of ten percent (10%) per annum commencing on the tenth (10th) day after such Delinquent Payment was due, until such Delinquent Payment is made. Acceptance of the late fee or interest under this Section shall in no event constitute a waiver of Tenant’s default with respect to the Delinquent Payment, nor prevent Landlord from exercising any of his rights and remedies set forth in this Lease.

26. **Landlord's Rights and Non-liability.** Landlord shall have the right from time to time, upon twenty four (24) hours' notice to Tenant, except in cases of emergency, to access and inspect the Leased Premises to confirm Tenant's compliance with this Lease. Landlord shall not be responsible or liable to Tenant for any loss or damage that may be occasioned by or through the acts or omissions of persons occupying adjoining areas or any part of the area adjacent to or connected with the Leased Premises or any part of the structures or improvements on the Leased Premises or for any loss or damage resulting to Tenant or his property from theft or a failure of the security systems, if any, in the structures or improvements on the Leased Premises, or for any damage or loss of property within the Leased Premises from any cause other than solely by reason of the willful act of Landlord, and no such occurrence shall be deemed to be an actual or constructive eviction from the Leased Premises or result in an abatement of rents. If Landlord shall fail to perform any covenant, term or condition of this Lease upon Landlord's part to be performed, and, if as a consequence of such default, Tenant shall recover a money judgment against Landlord, such judgment shall be satisfied only against the right, title and interest of Landlord in the Leased Premises and out of rents or other income from the Leased Premises by Landlord, or out of the consideration received by Landlord from the sale or other disposition of all or any part of Landlord's right, title and interest in the Leased Premises, and Landlord shall not be liable for any deficiency.

27. **Quiet Enjoyment.** The Landlord covenants that the Tenant, on payment of the rental at the time and in the manner aforesaid and performing all the foregoing covenants, shall and may peacefully and quietly have, hold, and enjoy the Leased Premises for the term aforesaid.

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

29. **Hold Over.** It is hereby agreed that in the event the Tenant herein holds over after the termination of this Lease, that thereafter the tenancy will be from month-to-month in the absence of a written agreement to the contrary. All terms of the previous lease will remain the same, except that the rent amount shall be increased to 150% of the previous rent amount.

30. **Governing Law.** This Lease shall be governed by the laws of the State of Michigan.

31. **Entire Agreement; Modifications.** This Lease represents the entire agreement between the parties and there are no understandings, agreements, representations, or warranties, expressed or implied, other than those set forth in a written addendum or supplement executed simultaneously herewith, or as herein set forth fully or incorporated by specific reference, respecting this Lease or any real or personal property leased hereunder. No waiver, modification, alteration and/or amendment of this Lease shall be binding upon the other party hereto, unless the same shall be reduced to writing and signed by the party against whom it is sought to be enforced.

32. **Non-Waiver.** No waiver of any provision of this Lease, or a breach thereof, shall be construed as a continuing waiver, nor shall it constitute a waiver of any other provision or breach. The acceptance of part (but not all) of a Monthly Base Rent installment or any other payment due Landlord hereunder shall not constitute a waiver of default hereunder for nonpayment of Base Rent or additional rent. The acceptance of all or part of a Monthly Base Rent installment or any other payment due Landlord hereunder shall not constitute a waiver of any other type of default hereunder.

33. **Time is of the Essence.** Time is of the essence in this Lease.

34. **Notices.** Whenever under this Lease provision is made for notice of any kind, unless otherwise expressly herein provided, it shall be in writing and shall be served personally or sent by registered or certified mail, with postage prepaid, to the address of Landlord or Tenant, as the case may be, as stated below, or such other address as either of the parties may subsequently designate in writing by notice to the other party in the manner required herein:

To the Landlord at:

Pastor, St. Anne Parish  
1000 St. Anne Street  
Detroit, Michigan

and

Director of Properties  
Archdiocese of Detroit  
12 State Street  
Detroit, Michigan 48226

To the Tenant at:

Escuela Avancemos!  
3811 Cicotte, Detroit  
Michigan 48120

35. **Successors and Assigns.** This Lease and each of the covenants, conditions, and agreements contained herein shall be binding upon each of the parties and upon their respective successors, representatives and assigns, and the benefits shall inure to each of the parties and to their respective permitted successors, representatives and assigns.

36. **“AS IS”; No Representations.** Tenant accepts the Leased Premises in its condition on the date of this Lease, “AS IS” and without any representations or warranties of any kind, express or implied, by Landlord. Tenant acknowledges that no representation, verbal or written, has been made by any broker, agent or employee of Landlord regarding the condition of the improvements on the Leased Premises. This Lease is not made in reliance upon any representation whatsoever.

37. **Extension Option.** Provided an Event of Default has not occurred, and provided Landlord has granted its prior written consent to each such extension, Tenant shall have two (2) successive options to extend the Term of this Lease for an additional five (5) year period from and after the expiration of the original term or the current option term. Tenant shall exercise each option by giving Landlord written notice of the intention to extend, no later than six (6) months prior to the expiration of the original term or the current option term, as applicable.

Within sixty (60) days following Tenant's notice to Landlord of the request to exercise of such right to extend the term, Landlord shall notify Tenant of (i) whether Landlord will consent to such extension request, and (ii) if such consent is granted by Landlord, Landlord's determination of the rental to be charged by Landlord during such option term with respect to the Leased Premises. If Landlord consents as aforesaid and Tenant finds such rental to be unacceptable, Tenant shall have ten (10) days following receipt of Landlord's determination in which to withdraw its election of option to extend by written notice to such effect to Landlord. In the event that Tenants does not withdraw its election of option to extend, as herein provided, the Term of the Lease shall be extended and the rental shall be that specified by the Landlord.

38. **Brokers.** The parties hereto each represent to one another that no real estate brokers are involved in this transaction, except CBRE (whose commission shall be the responsibility of Landlord). Each party indemnifies the other against the claims of any brokers and salespeople who allege that they represented a party or are entitled to a commission or fee as a result of this transaction.

39. **Use Agreement.** Landlord has the right to exclusive use and occupancy of the Leased Premises under a use agreement between the fee title holder of the Leased Premises, Mooney Real Estate Holdings, a Michigan nonprofit corporation (together with its successors in title, the "Owner") and Landlord effective as of April 2, 2018 (as it may be amended from time to time, the "Use Agreement"). This Lease, as it may be amended, renewed or extended from time to time, is subject and subordinate to the Use Agreement, provided that if the Use Agreement is terminated for any reason, Tenant's rights under this Lease, as it may be amended, renewed or extended from time to time, with respect to the Leased Premises shall not be disturbed or interfered with by Owner and Owner will not join Tenant as a party defendant in any action or proceeding for the purpose of terminating Tenant's interest under this Lease, as it may be amended, renewed or extended from time to time, because of a termination of the Use Agreement. Rather, this Lease, as it may be amended, renewed or extended from time to time, shall automatically continue as a direct lease between the Owner, as landlord, and Tenant, as tenant, with the same force and effect as if the Owner, as landlord, and Tenant, as tenant, had entered into a lease as of the date of the termination of the Use Agreement, containing the same terms, covenants and conditions as those contained in this Lease, as it may be amended, renewed or extended from time to time, for a term equal to the unexpired term of this Lease, as it may be amended, renewed or extended from time to time, plus all remaining renewal terms (if any) existing as of said date. In the event of a termination of the Use Agreement, at Owner's request, Tenant shall enter into a separate lease directly with Owner consistent with the terms of this Lease, as it may be further amended, renewed or extended from time to time (although the failure to enter into a separate lease shall not modify or limit the operation or effect of the provisions hereof). Landlord represents and warrants to Tenant that Landlord has the right under the Use Agreement to enter into this Lease and to grant Tenant the rights in and to the Leased Premises granted hereunder, and that the Use Agreement

provides for the continuation of this Lease, as it may be amended, renewed or extended from time to time, after termination of the Use Agreement as provided above. The provisions of this Section shall survive the termination, rejection or disaffirmance of the Use Agreement. Landlord hereby represents and warrants that nothing in this Lease violates the Use Agreement.

40. **Transfer of Leased Premises.** Landlord reserves the right to sell, assign or otherwise transfer its interest in the Leased Premises without Tenant's consent. In the event of any such sale, assignment or transfer, the transferor shall automatically be relieved of any obligations or liabilities on the part of Landlord accruing from and after the date of such transfer and Tenant covenants and agrees to recognize such transferee as the Landlord under this Lease.

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

42. **Recording.** Neither party shall record this Lease or a copy thereof without the written consent of the other.

43. **Signs.** No sign may be erected on the Leased Premises without the prior written consent of the Pastor. If such consent is given, the size, type, design, legend, and location must be in compliance with all applicable laws, including but not limited to, all applicable ordinances of the municipality in which the Property is located and must be approved by the Pastor. Tenant hereby acknowledges and agrees to maintain, at Tenant's sole cost and expense, any sign erected by Tenant pursuant to this Section in good repair and working order at all times. In addition, to the fullest extent permitted by law, Tenant hereby agrees to indemnify, defend and hold Landlord harmless (using counsel of Landlord's choice) from and against any cost, expense, claim or liability, including reasonable attorneys' fees, arising from or related to any sign erected by Tenant on the Leased Premises or the maintenance thereof. At the expiration or termination of this Lease, the Tenant shall promptly remove the sign and shall restore the Leased Premises and/or surrounding land to substantially their condition prior to installation of the sign. If the sign is not so removed within 30 days after the termination or expiration of this Lease, then the sign shall, at Landlord's option, be deemed to have been abandoned by Tenant and may be appropriated, sold, stored, destroyed, or otherwise disposed of by Landlord without notice to Tenant and without any obligation to account for such sign. All costs and expenses incurred by Landlord in connection with repairing or restoring the Leased Premises and/or surrounding land to the condition called for herein, together with the costs, if any, of removing the sign shall be invoiced to Tenant and shall be immediately due from and payable by Tenant.

44. **Attorneys' Fees.** If Landlord uses the services of an attorney in connection with (a) any breach or default in the performance of any of the provisions of this Lease, in order to secure compliance with such provisions or recover damages therefor, or to terminate this Lease or evict Tenant, or (b) any action brought by Tenant against Landlord where Landlord is the

prevailing party, or (c) any action brought against Tenant in which Landlord is made a party, pursuant to claims for which Tenant's indemnity obligation applies, Tenant shall reimburse Landlord upon demand for any and all attorneys' fees and expenses so incurred by Landlord.

45. **Force Majeure.** Anything in this Lease to the contrary notwithstanding, Landlord shall not be in default under this Lease to the extent Landlord is unable to perform any of its obligations hereunder on account of any strike or labor problem, energy shortage, governmental pre-emption or prescription, national emergency, or any other cause of any kind beyond the reasonable control of Landlord.

46. **No Set-Off.** The parties hereto hereby covenant and agree that Landlord shall receive the Base Rent and additional rent and all other sums payable by Tenant hereinabove provided as income from the Leased Premises, without any abatement, reduction, set-off, counterclaim, defense or deduction whatsoever.

47. **Rules and Regulations.** Tenant shall faithfully observe and comply with the rules and regulations as issued by Landlord from time to time, if any, and, after notice thereof, all reasonable modifications thereof and additions thereto from time to time promulgated in writing by Landlord. Landlord shall not be responsible to Tenant for the nonperformance by any other tenant or occupant, if any, of the Leased Premises of any of such rules and regulations.

48. **Headings.** The headings of this Lease are for purposes of reference only and shall not limit or define the meaning of any provisions of this Lease.

49. **Severability.** Each provision of this Lease must be interpreted in a way that is valid under applicable law. If any provision is held invalid, the rest of this Lease will remain in effect.


50. **Authority.** Each of the parties executing this Lease does hereby covenant and warrant that it is a fully authorized and existing corporation, limited liability company, partnership or other business entity, if applicable, that it has and is qualified to do business in the State of Michigan, that it has full right and authority to enter into this Lease, and that each and all of the persons signing on behalf of such entity are authorized to do so.

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

[remainder of page intentionally left blank]

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

Landlord:

  
\_\_\_\_\_  
ALLEN H. VIGNERON, ROMAN CATHOLIC  
ARCHBISHOP OF THE ARCHDIOCESE OF  
DETROIT

Tenant:

Escuela Avancemos!, a Michigan public school  
academy

By:   
\_\_\_\_\_

Its: Board President

**EXHIBIT A**

**DESCRIPTION OF REAL ESTATE**

Property located in the City of Detroit, County of Wayne and State of Michigan:

E STE ANNE 13 THRU 5 CANFIELDS SUB L7 P82 PLATS, WCR 10/17 324 X 117

And

W 18TH 72-79-80 SUB OF P C 473 L47 P558-9 DEEDS, W C R 10/8 150 X 102.56

And

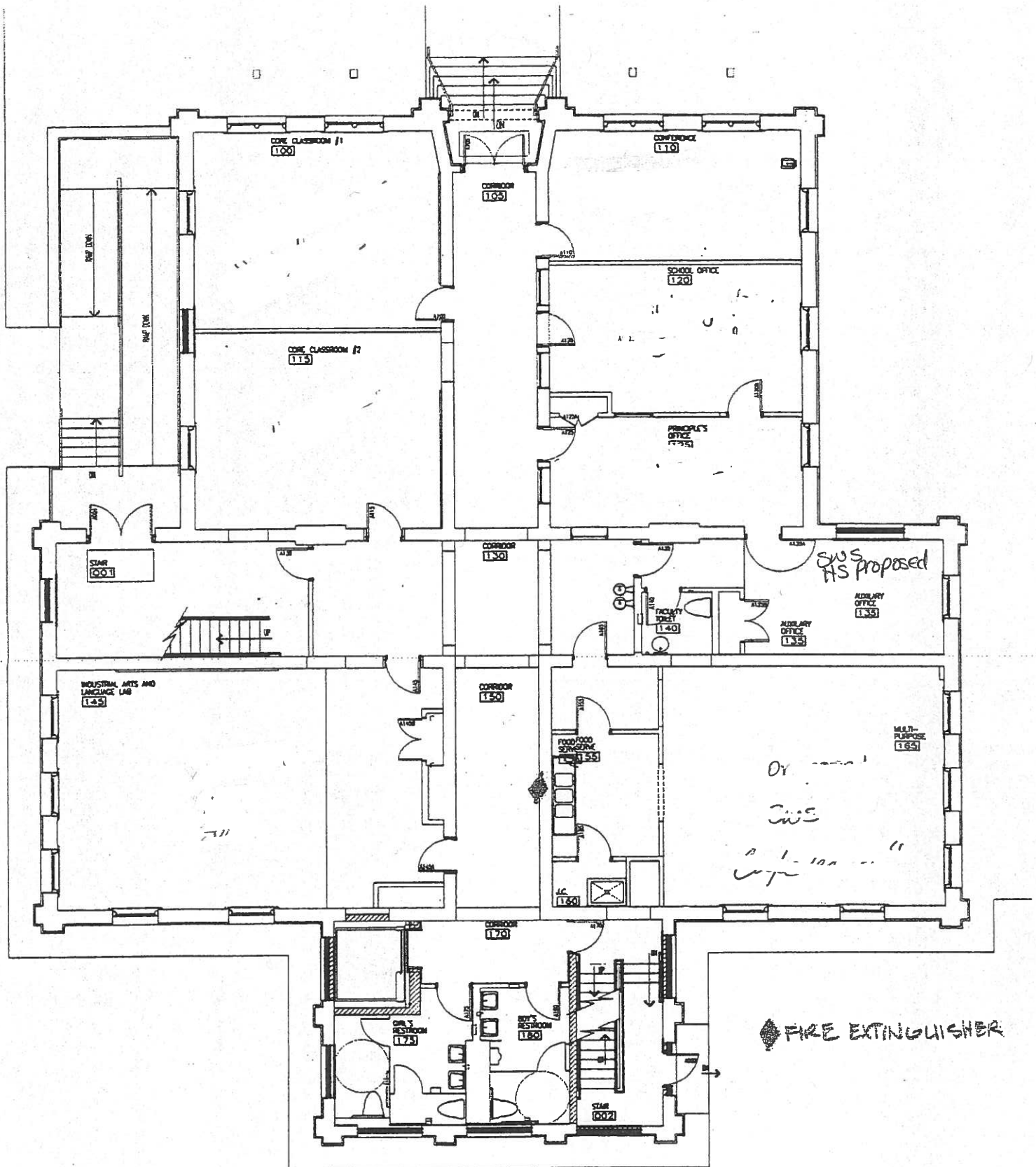
N LAFAYETTE BLVD 14 THRU 17 1 THRU 4 AND VAC ALLEY ADJ CANFIELDS SUB  
L7 P82 PLATS, W C R 10/17 120 X 324

**EXHIBIT B**

**DRAWING DEPICTING SCHOOL BUILDING/LEASED PREMISES**

|

DETROIT 51557-1 1484194v10

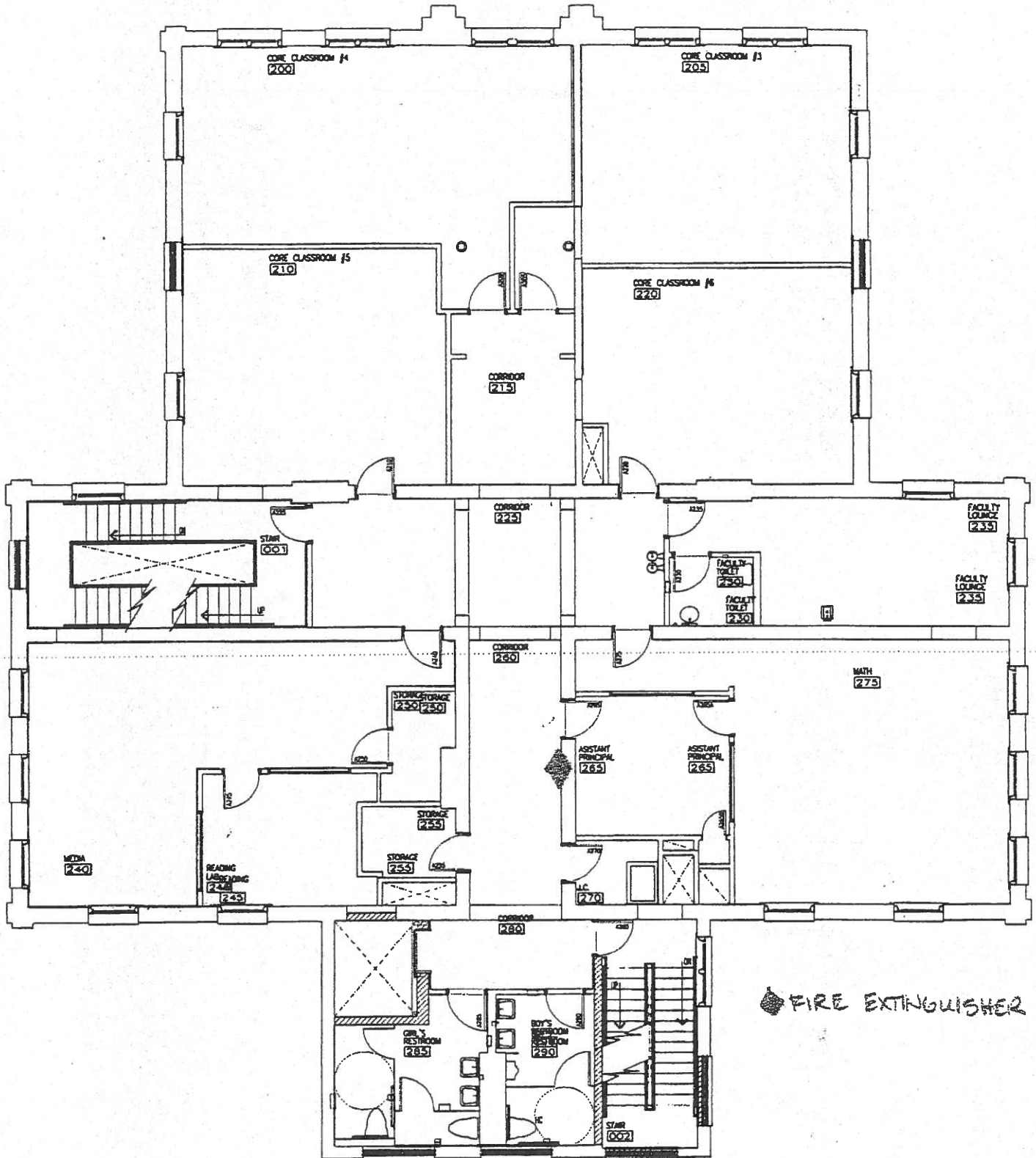


# **EXISTING FIRST FLOOR PLAN**

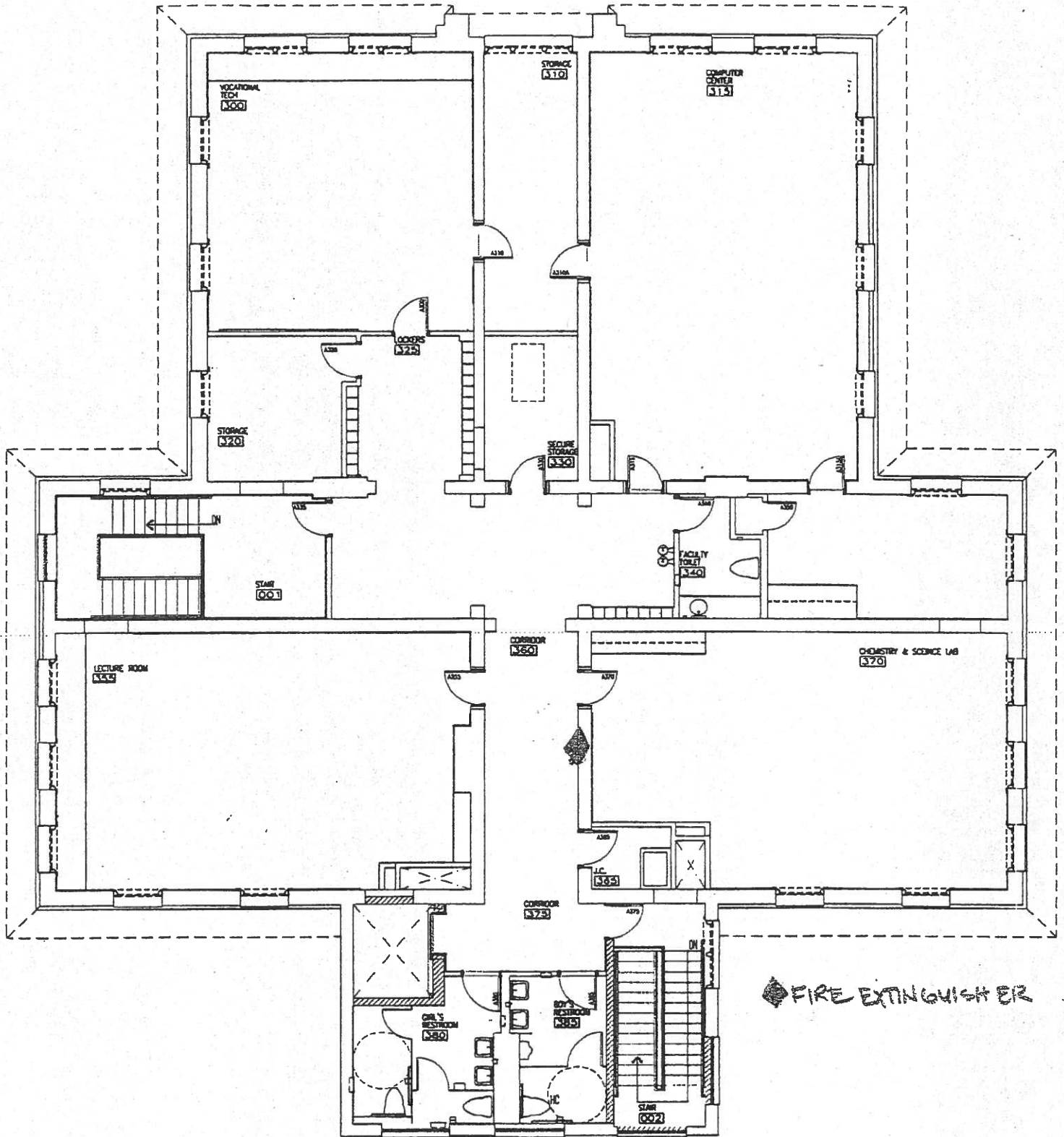
1

A1.00

SCALE: 1/8"=1'-0"



FIRE EXTINGUISHER



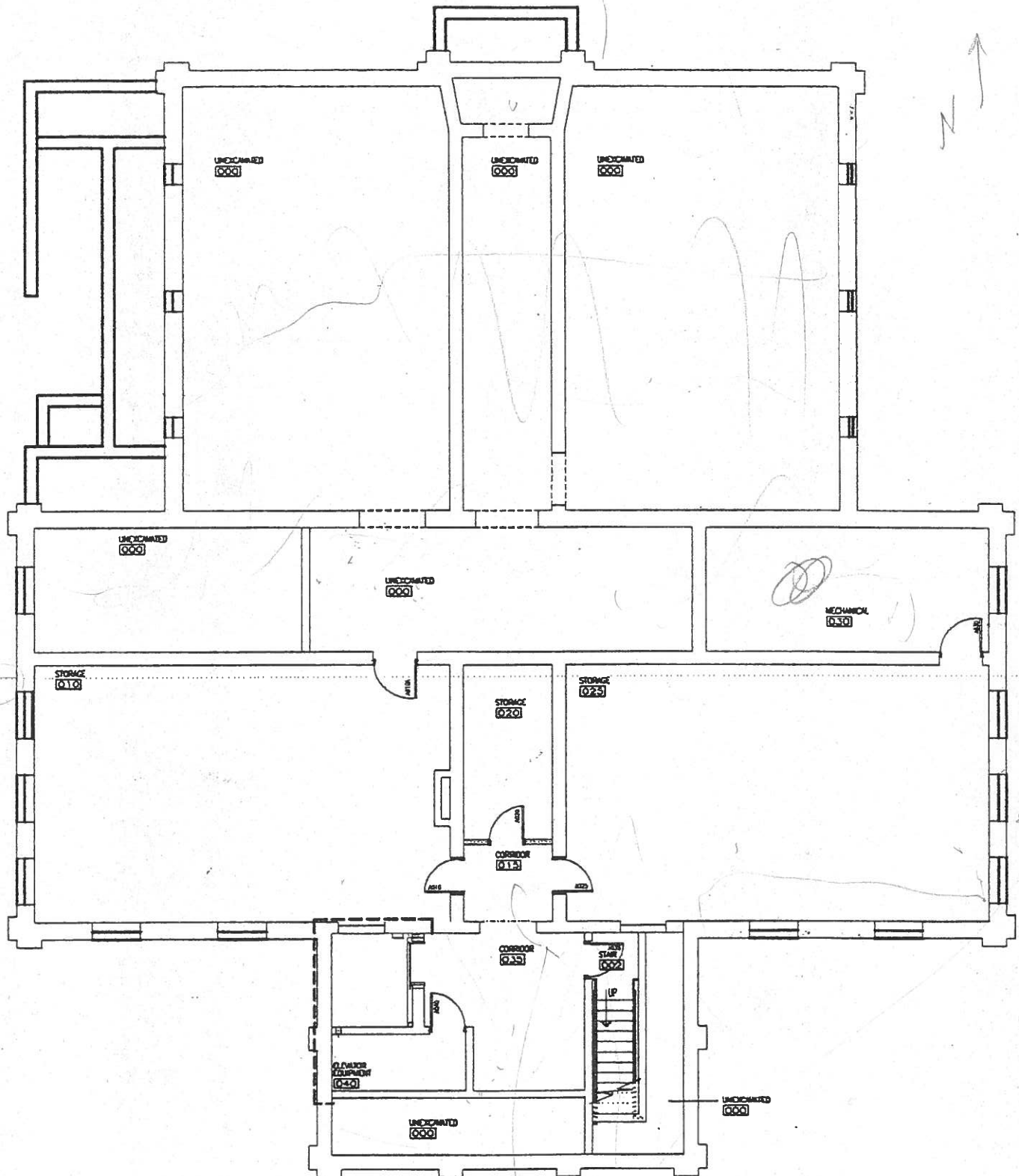
# **EXISTING THIRD FLOOR PLAN**

2

A2.00

SCALE: 1/8"=1'-0"

Escuela Avancemos!



# CERTIFICATE OF USE AND OCCUPANCY

## PERMANENT

### **Michigan Department of Licensing and Regulatory Affairs**

Bureau of Construction Codes/Building Division

P.O. Box 30254

Lansing, MI 48909

Authority: 1972 PA 230

(517) 241-9317

**Building Permit No:** BLDG19-01027

2635 HOWARD ST

DETROIT, MI 48216

COUNTY: WAYNE

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

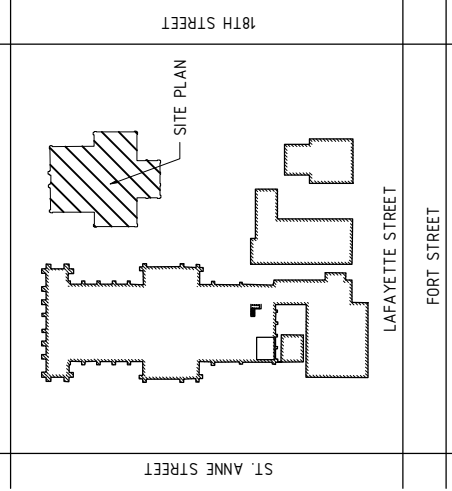
THIS APPROVAL IS GRANTED UNDER THE AUTHORITY OF SECTIONS 13 OF ACT 230 OF THE PUBLIC ACTS OF 1972, AS AMENDED, BEING §125.1513 OF THE MICHIGAN COMPILED LAWS, AND, IN ACCORDANCE WITH SECTION 111.0 OF THE STATE BUILDING CODE. THIS SHALL SUPERSEDE AND VOID ANY PREVIOUS APPROVAL OF USE AND OCCUPANCY.

Print Date: 08/28/2019

**Modular Unit**

**(added in 2020)**

Key Plan: NO SCALE



Project Name and Client:  
ESCUELA AVANCEMOS  
ACADEMY  
2635 HOWARD ST.  
DETROIT, MI 48216

Seal:



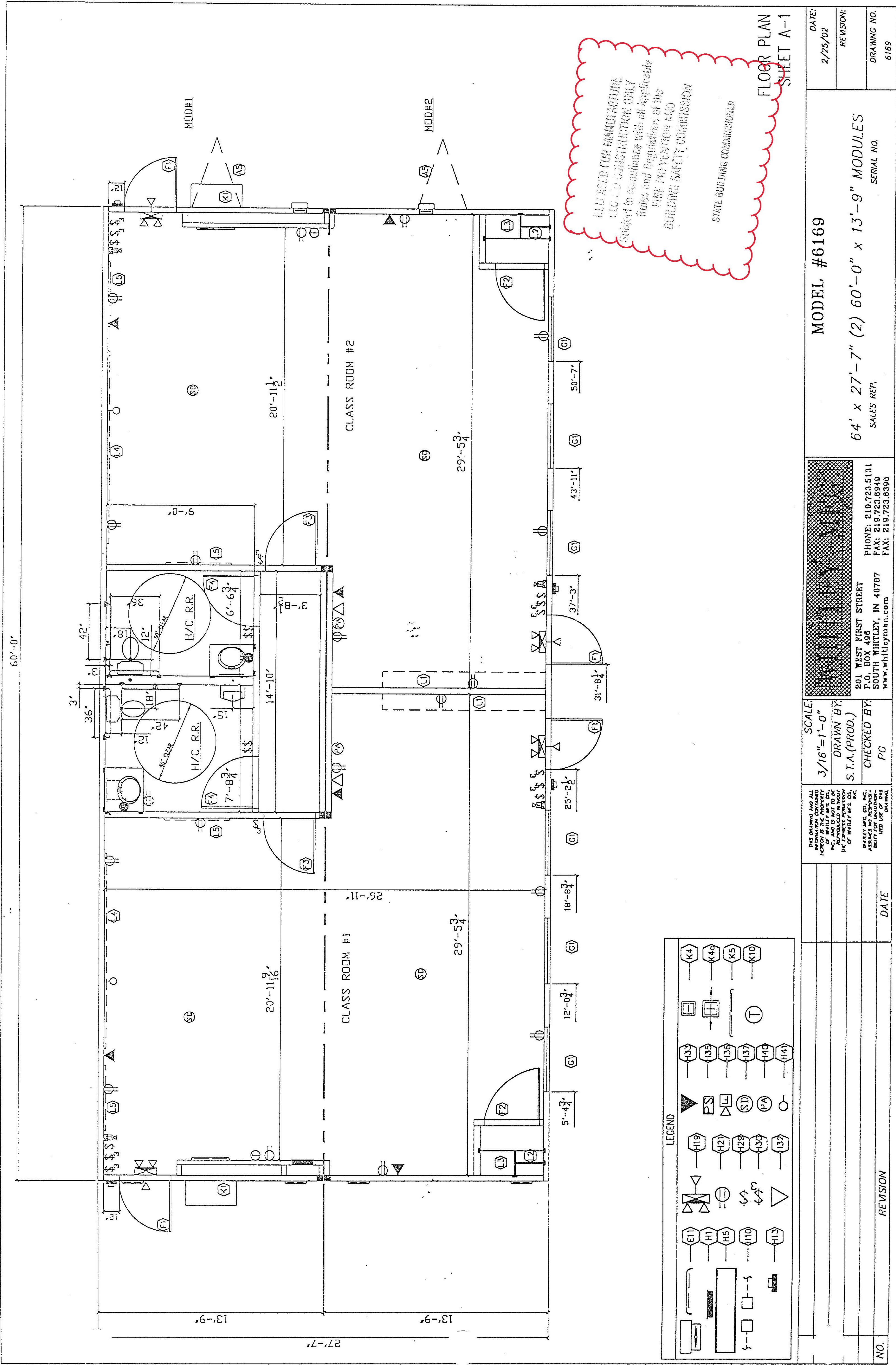
Date \_\_\_\_\_ Issued For \_\_\_\_\_

Drawn: \_\_\_\_\_  
Checked: N.S.  
Approved: N.S.

Sheet Title:

FLOOR PLAN

Project Number: 19-011  
Sheet Number: A-1





## Operating Lease Agreement

Lease Agreement #: L-31086

Lessee Name: Escuela

Lease Effective Date: 6/25/19

Innovative Modular Solutions, Inc. -- PO Box 70, 155 Kirkland Circle, Suite 500, Oswego, Illinois 60543  
Telephone: 630-972-0500 -- Fax: 630-972-0555

Innovative Modular Solutions, Inc. (IMS), an Illinois corporation, hereby referred to as the "Lessor" leases the equipment (the "Equipment") and proposes the services specified below to the following hereby referred to as the "Lessee":

### Lessee Billing

#### Address:

Lessee Name: Escuela Avancemos  
Address: 2635 Howard Street  
City, State, Zip: Detroit, MI 48216  
Customer Contact: Shan'Ta Johnson  
Phone: 313-269-8719  
Fax: \_\_\_\_\_  
Mobile: \_\_\_\_\_  
Email: sjohnson@theeaacademyk5.org

### The Equipment will be located at:

Lessee Name: Escuela Avancemos  
Address: 2635 Howard Street  
City, State, Zip: Detroit, MI 48216  
Site Contact: Shan'Ta Johnson  
Phone: 313-269-8719  
Fax: \_\_\_\_\_  
Mobile: \_\_\_\_\_  
Email: sjohnson@theeaacademyk5.org

Lessee hereby leases Equipment from Lessor for a minimum of 60 months (the "Minimum Lease Period") from the start of the lease term in accordance with the terms and conditions of this Lease Agreement including the terms and conditions set forth on the attached page (this "Lease"). Leasing month is defined as a calendar month.

Lessee agrees to pay Lessor, without demand and in advance, the Monthly Lease Payment and other charges on the due dates set forth in this Lease. The Lease activation date for the Equipment, subject to Section 3(d) of the General Terms and Conditions of Operating Lease Agreement will be on or about 10-1-19. The Lease Agreement will expire on or about 10/31/24.

### SCHEDULE OF VALUES:

#### I. ONE-TIME CHARGES:

Item	Quantity	Unit	Rate	Extension
Delivery	1	Lump Sum	\$6,496.00	\$6,496.00
General Conditions	1	Allowances	\$11,020.00	\$11,020.00
Building Installation	1	Allowances	\$12,677.00	\$12,677.00
Foundations	1	Allowances	\$11,182.00	\$11,182.00
Steps, Decks and Ramps	1	Allowances	\$9,698.00	\$9,698.00
Plumbing	1	Allowances	\$12,847.00	\$12,847.00
Electric	1	Allowances	\$13,369.00	\$13,369.00
Fire Alarm	1	Allowances	\$5,974.00	\$5,974.00
Eng/Shop Drawings	1	Allowances	\$3,294.00	\$3,294.00
Tear Down and Return		TBD		
Taxes (If Applicable)				
TOTAL ONE-TIME CHARGES				\$86,557.00

#### II. MONTHLY BUILDING LEASE CHARGES:

Unit No(s).	Size	Serial No(s).	Insurance Valuation	Monthly Lease Rate
31086-31087	28 x 60	MBI-1739 & 1740	\$140,000.00	\$1,384.00

Initials BJ



## Operating Lease Agreement

Taxes (If Applicable)			
<b>TOTAL MONTHLY BUILDING LEASE PAYMENT</b>			<b>\$1,384.00</b>

This Operating Lease Agreement proposal by Lessor must be accepted in its entirety by Lessee within (7) days from the date hereof, and acceptance shall be defined as receipt by Lessor a duly executed original hereof at its offices in Oswego, Illinois, or personal delivery thereof to a duly authorized agent or representative of Lessor. Lessee's acceptance of this proposal subsequent to seven (7) days from the date hereof shall be deemed to be a counterproposal, which shall be subject to renegotiation.

**Building Warranty (New Equipment Only):** New Equipment as described herein is warranted by the modular building manufacturer for a period of one year against failure due to defective material or workmanship subject to the terms of Section 4 of this Lease. The warranty is effective from the date of completion of the Lessor's scope of work or from the Lessee's date of occupancy, whichever occurs first.

### Payment Terms:

1. 25% of One-time Charges are due immediately upon execution of this Lease.
2. The first Monthly Lease Payment is due immediately upon execution of this Lease. Each additional Monthly Lease Payment and all other charges due thereafter are due and payable without demand and in advance on the first of each month immediately following the month in which the Lease commences.
3. A security deposit equal to (1) Monthly Lease Payment is due immediately upon execution of this Lease.
4. 50% of One-time Charges are due without demand immediately upon the date of delivery of all modular buildings, as defined in Addendum 2 of this Lease, unless delivery is otherwise delayed by Lessor.
5. 25% of One-time Charges are due without demand immediately upon completion of Lessor scope of work or upon Lessee date of occupancy, whichever occurs first.

### Other documents attached and incorporated by reference into this Lease:

General Terms and Conditions of Operating Lease Agreement
IMS Proposal dated 6/6/19
Building Floor Plans – Attachment 1
Building Specifications – Attachment 1
Pricing Clarifications
Delineation of Responsibilities Worksheet
Estimated schedule

Initials

ES.



## Operating Lease Agreement

No agent, employee or representative of the Lessor has any authority to make any representation or warranty concerning the Equipment that is not specifically included in the Lease. Unless specifically identified herein, this Lease supersedes all prior negotiations, proposals and documents. This Lease will not be subject to any additional provision that may be contained in the Lessee's Purchase Order, although Lessee's Purchase Order number may be used by the parties as a convenient reference for invoicing purposes.

This Agreement will not become binding and effective until signed by an authorized agent of the Lessee and an authorized agent of the Lessor. Lessee warrants that the person signing on Lessee's behalf is authorized to enter into this Agreement for the Lessee.

Signed by duly authorized agents, with the intent to be legally bound.

**Innovative Modular Solutions, Inc.**

**Lessee:**

By: Patrick T. Carmody

Print: Patrick T. Carmody

Title: President

Date: 6/26/19

By: Cristina Stamatina

Print: CRISTINA STAMATINA

Title: BOARD PRESIDENT

Date: 6/28/19

**ADDENDUM 1 – PAYMENT SCHEDULE**

Due Date	Description	Amount Due
Upon Execution of Lease	25% of One-time Charges	\$21,639.00
Upon Execution of Lease	First Monthly Lease Pre-Payment (10/01/19)	\$1,384.00
Upon Execution of Lease	One Month Security Deposit	\$1,384.00
Upon Completion of Delivery	50% of One-time Charges	\$43,279.00
Upon Completion of Lessor Scope of Work or Upon Lessee Occupancy	25% of One-time Charges	\$21,639.00
10/1/19	No Payment Due. First Month is Prepaid.	\$0.00
11/1/19 thru 10/1/24	Monthly Lease Payment	\$1,384.00
	Continual for 60 months from 10/01/19 or later if completion of Lessor Scope of Work or Lessee Occupancy is delayed due to Lessor or state and/or local approvals.	

**Note:** For Lessee's convenience, Lessor intends to issue invoices for all amounts due under this Lease. If Lessee fails to pay any amount due within ten days of the due date shown above, Lessor may impose a charge on such amount of one percent per month, from the due date until payment in full is received by Lessor.

**ADDENDUM 2 – ESTIMATED PROJECT SCHEDULE**

Description	Date
Contract Signed	6-19-19
Customer Approval Drawings Completed and Received from Lessee	In Fleet building
State and Local Approval Received	8-28-19
Begin Site Work	9-2-19
Deliver all Modular Buildings	9-7-19
Complete Installation of Modular Units	10-04-19
Complete Lessor Scope of Work	
Complete all Site Work	10-4-19
Complete State and Local Inspection	10-4-19
Certificate of Occupancy	10-4-19
Date of Occupancy by Lessee (Effective Date of Lease)	10-4-19
Note: Final completion is contingent on state approvals	



## General Terms and Conditions of Operating Lease Agreement

### 1. Lease

This transaction is a Lease and not a sale. Lessee does not acquire through this Lease or by payment of rental under this Lease any right, title or interest in or to the Equipment, except the right to possess and use the Equipment so long as Lessee is not in default under this Lease. Lessee agrees that all certificates of title or registration applicable to the Equipment will reflect Lessor ownership of the Equipment.

Notwithstanding the express intent of the parties, should a court of competent jurisdiction determine that this Agreement is not a true lease, but rather one intended as security, then solely in that event and for the expressly limited purposes thereof, Lessee shall be deemed to have hereby granted Lessor a security interest in this Lease, the Equipment, and all accessions thereto, substitutions and replacements therefore, and proceeds (including insurance proceeds) thereof (but without the power of Lessee to dispose of the Equipment); to secure the prompt payment and performance as and when due of all obligations and indebtedness of Lessee (or any affiliate of Lessee) to Lessor, now existing or hereafter created.

### 2. Monthly Lease and Other Payments

(a) Lessor and Lessee understand and intend that the obligation of Lessee to make Monthly Lease Payments hereunder shall constitute a binding contractual obligation of Lessee for the Minimum Lease Period. Lessee covenants to include all Monthly Lease Payments due in its annual budget and to make the necessary annual appropriation for all such Monthly Lease Payments. This Lease shall not be subject to termination by Lessee in the event that Lessee fails to appropriate any Monthly Lease Payments or to cure nonpayment within 10 business days following written notice of default by Lessor.

(b) The start of the Lease term is the date as stated herein contingent upon obtaining the TCO and subject to the pro-ration of any rent until TCO is issued by the state if not obtained by Lease monthly rental commencement date. Monthly Lease Payments will accrue through and including the month in which the later of the Return Date or End of the Term occurs. The "Return Date" is the date on which the Equipment is removed from the site and returned to Lessor in accordance with the terms of this Lease. The "End of the Term" is the date on which the term of this Lease is to expire, either originally or under a renewal term. Monthly Lease Payments and such other charges will be prorated on a daily basis where necessary.

(c) Unless otherwise specified in this Lease, charges for delivery, installation, tear down and return charges and all other work by Lessor will be due and payable immediately upon the execution of this Lease without demand subject to receipt by Lessee of a final cost report and a five (5) business day period during which Lessee may notify Lessor not to commence work and void the Lease, contingent upon Lessee reimbursing Lessor for reasonable expenses incurred to that date. The first Monthly Lease Payment and a security deposit equal to (1) Monthly Lease Payment will be due and payable immediately upon the execution of this Lease. Each additional Monthly Lease Payment and all other charges due thereafter are due and payable without demand and in advance on the first of each month immediately following the month in which the Lease commences, contingent upon receipt of TCO. All other sums payable by Lessee under this Lease are due and payable when invoiced. Unless agreed otherwise, all payments made under this Lease will be made by Lessee's check drawn on its regular bank checking account or such other form of payment as is acceptable to Lessor.

(d) Lessee will pay Lessor for any and all sales and use taxes, other direct taxes including property taxes (real and personal), and registration fees imposed by any city, county, state, or federal government or other taxing authorities having jurisdiction and related directly or indirectly to the Equipment or its use, excluding federal or state taxes relating to income (all of the foregoing that Lessee is to pay, "Taxes"). Taxes may be allocated by Lessor on either an individual or prorated basis for any item of Equipment based on purchase price, value, possession, use, location, rentals, delivery or operation of such Equipment. Lessee's obligations under this Subsection will survive the termination of this Lease. If the Lessee is tax exempt, a tax exempt certificate must be provided to the Lessor immediately upon the execution of this Lease or all applicable taxes will be added to all invoice amounts due under this Lease.

(e) For Lessee's convenience, Lessor intends to issue invoices for all amounts due under this Lease. If Lessee fails to pay any amount due within ten days of the due date, Lessor may impose a charge on such amount of one percent per month or the highest rate permitted by law whichever is lower, from the due date until payment in full is received by Lessor.

### 3. Delivery, Installation and Removal of Equipment

(a) For the purposes of this Lease, "Equipment" means the modular buildings as proposed by Lessor as set forth in more detail on Attachment 1.

(b) Unless otherwise specified in this Lease, Lessee will provide free and clear access for delivery, installation, tear down, removal and return delivery of the Equipment by standard mobile transport vehicles. Unless otherwise specified in this Lease, Lessee will be solely responsible, at its cost, for preparation of the site on which the Equipment is to be used (the "Site"), including any required structural or grade alterations and the identification of all utility lines (electric, water, storm and sanitary sewer, natural gas, telephone, CATV, etc.). Lessee will provide firm and level ground on no more than a 12-inch (12") slope from one end of the building to the other for safe and unobstructed installation of the Equipment. Site selection is the sole responsibility of the Lessee. If, in the judgment of the Lessor, additional equipment or materials are required to make ready the Site for the installation, tear down, return delivery or the removal of the Equipment there will be a change order to the Lease per Section 3 (g) of this Lease. LESSOR ASSUMES NO LIABILITY NOR OFFERS ANY WARRANTY FOR THE FITNESS OR ADEQUACY OF THE SITE OR THE UTILITIES AVAILABLE AT THE SITE.

(c) Unless otherwise specified in this Lease, Lessee will have sole responsibility, at Lessee's cost, to obtain any and all licenses, titles, building and other permits and any other approvals and certificates as may be required by law or otherwise for the installation and placement of the Equipment and Lessee's lawful operation, possession or occupancy of the Equipment.

(d) Lessor's delivery of the Equipment is subject to delays in manufacturing, modification, delivery, installation, tear down, removal or return delivery due to Site conditions, fire, flood, windstorm, lightning, theft, riot, civil disturbance, strike or other labor actions, acts of God, or any circumstances beyond Lessor's control (including but not limited to breaches by Lessor's sub-contractors or manufacturers) which delay the manufacture or modification of products or the making of deliveries in the normal course of business.

(e) Lessor may suspend work at the Site if Lessor deems the Site to be unsafe.

Initials 



## Operating Lease Agreement

(f) The prices quoted for building delivery, installation, site construction costs, teardown, return delivery and other "one-time" charges assume dry, summer construction conditions unless otherwise specified in this Lease. If winter or wet conditions exist at the time of installation, tear down, removal or return delivery, there will be a change order to the Lease per Section 3 (g) of this Lease. The due dates of such charges and the start date of this Lease assume accuracy of the information given to Lessor with respect to Site conditions and location and are subject to adjustment to the extent that the timing of or physical nature of access to the Site is or becomes limited, the Site does not have adequate load bearing or topographic qualities or is otherwise not properly prepared, utilities are not correctly located, provision of utilities is not timely, applicable licenses or permits from the authorities having jurisdiction are not provided by the Lessee in a timely manner or Lessee otherwise delays completion of Lessor's scope of work.

(g) Unless otherwise specified in this Lease, Lessee will pay Lessor all costs and expenses plus 15% basis for all change order work that is not part of the scope of work to be provided by Lessor including, but not limited to, costs incurred by Lessor in order to correct improper work performed by Lessee, additional work performed by Lessor due to Site conditions as defined in Sections 3 (b) to 3 (f) or repair to, or periodic maintenance of, Equipment as defined in Section 4 of this Lease and any/all other unknown work that is not specifically defined as by Lessor herein. All sums payable for change orders are immediately due and payable when invoiced. Notwithstanding this provision, neither party shall be liable for any delay in performance or inability to perform due to acts of God or due to war, riot, embargo, fire, explosion, sabotage, accident, labor strike, flood, terrorism, or other acts beyond its reasonable control.

(h) Lessee has caused an inspection of the Equipment to be made and has found the same to be in good order and in compliance with the provisions of this Lease. Lessee has accepted delivery of the Equipment and acknowledges to Lessor that this Lease contains a complete description of the items of Equipment delivered and accepted. As between Lessor and Lessee, the Equipment is deemed to have been finally accepted by Lessee pursuant to this Lease immediately upon Lessee's occupancy of the Equipment. Lessee accepts the Equipment "as is," and Lessor makes no warranties regarding the Equipment, except as may be stated elsewhere in this Lease.

#### 4. Maintenance of Equipment

(a) Lessee will not move or in any way modify the Equipment without the prior written consent of Lessor. Notwithstanding Lessor's consent to Lessee's modification of the Equipment, Lessee is liable for the cost of the removal of such modification or restoration of the Equipment immediately upon the Return Date or End of Term of this Lease. Lessor may place its name on the Equipment, and Lessee will assure that such name is not removed or concealed in whole or in part.

(b) Lessee, at Lessee's sole cost, will keep the Equipment at all times until the Return Date in good repair and operating condition, subject to ordinary wear and tear, and free of any and all liens and encumbrances. Lessor will have the right to inspect the Equipment from time to time until the Return Date and if Lessor believes the Equipment to be misused, abused or neglected, Lessee agrees to pay on demand all costs and expenses plus 15% incurred by Lessor in connection with the immediate repair of the Equipment and restoring it so as to meet such standards. If Lessee fails to reimburse Lessor for such repair costs, Lessor may summarily remove and repossess the Equipment at the Lessee's sole cost.

(c) Lessee, at Lessee's sole cost, agrees to perform periodic preventive maintenance on all HVAC systems. Lessee agrees to provide Lessor, within (10) days of completion, written proof of such Work. Periodic Maintenance shall include a minimum of four (4) filter changes (March, June, September and December) and (2) two complete clean and checks per year (March and September) according to the HVAC manufacturer's recommended procedures. Unless otherwise agreed to in writing by Lessor, all HVAC service work is to be performed under a separate Service Agreement between the Lessee and a certified and bonded mechanical contractor whom has been pre-approved to do warranty work by both the HVAC system supplier and the Lessor. Lessor will provide these services when necessary if Lessee fails to perform such required periodic maintenance. Lessee agrees to pay on demand all costs and expenses plus 15% incurred by Lessor in connection with performing such Work on the Equipment. Lessee's failure to perform such scheduled periodic maintenance will immediately void any/all warranties offered to the Lessor by the HVAC system supplier and all subsequent repairs costs will be the full responsibility of the Lessee per Section 3 (g) of this Lease.

Lessee at Lessee's sole cost, agrees to perform (2) complete carpet cleanings and (2) complete strip, seal and waxing of all vinyl floor coverings (June and December) per year according to the floor covering manufacturers' recommended procedures. Lessee agrees to provide Lessor, within (10) days of completion, written proof of such Work. Lessor will provide these services when necessary if Lessee fails to perform such required periodic maintenance. Lessee agrees to pay on demand all costs and expenses plus 15% incurred by Lessor in connection with performing such Work on the Equipment. Lessee's failure to perform such scheduled maintenance will immediately void any/all warranties on floor coverings and the structural decking below and all subsequent repair costs will be the full responsibility of the Lessee per Section 3 (g) of this Lease.

(d) Lessee will perform, execute and comply with all Laws which in any way affect the use, operation, maintenance, or storage of the Equipment. "Laws" means all laws, rules, regulations or orders of any governmental agency or instrumentality of the United States, any state, municipality or local government and all orders, writs and decrees of any court, tribunal or administrative agency, in any case which now exist or hereafter arise (including but not limited to laws governing Hazardous Substances and other environmental risks and the Americans with Disabilities Act). Lessee will not make or permit any unlawful use or handling of the Equipment.

(e) HAZARDOUS SUBSTANCES. (i) "Hazardous Substances" means hazardous, toxic, radioactive or bio-hazardous substances or petroleum products. (ii) Lessee will not use or store Hazardous Substances in the Equipment, except such substances and in such quantities as would be normal in the operation of a commercial office. Lessee will not locate the Equipment at a remediation or nuclear site or use the Equipment for medical laboratory testing. (iii) Ordinary wear and tear does not include contamination by Hazardous Substances. If any returned Equipment is found to have been contaminated by Hazardous Substances during Lessee's possession, Lessee agrees to pay on demand all costs and expenses plus 15% incurred by Lessor for the clean up or Lessor may require Lessee to purchase the Equipment at the then current market price charged for an uncontaminated unit. Lessee's obligations under this subsection 4(e) will survive the Return Date or End of Term of this Lease.

(f) Lessee agrees that the Equipment lease hereunder will not be occupied by any person other than Lessee or its agents, employees or invitees. The Equipment will not be used for residential or dormitory purposes unless agreed to in writing by Lessor.

Initials 



## Operating Lease Agreement

### 5. Disclaimer of Warranties

Lessor warrants only that the equipment provided under the terms of this Lease is fit for use as modulares for use as elementary classrooms. Lessor makes no other warranties or representations. Lessor is not responsible or liable for any direct, indirect, incidental or consequential damage to or losses resulting from the installation, operation or use of the Equipment or any products manufactured thereby unless caused by the negligence or intentional tortious conduct of Lessor or Lessor's agents.

### 6. Limitation of Damages

Lessee does hereby expressly waive any and all claims and demands for loss of profits or other alleged consequential, incidental or punitive damages arising out of, or in connection with, this Lease. Lessor is not liable for any loss or damage to any property stored, located or transported in, upon, under or around any Equipment unless caused by the negligence or intentional tortious conduct of Lessor or Lessor's agents and Lessee does hereby waive any and all claims and demands for any such loss or damages unless caused by the negligence or intentional tortious conduct of Lessor or Lessor's agents.

### 7. End of Lease

(a) Unless specified otherwise, Lessee must give Lessor one hundred twenty (120) days prior written notice of the date on which the Equipment is to be returned.

(b) If Lessee, without any further written agreement or the consent of the Lessor, continues to possess or occupy the Equipment after the expiration of the initial and/or any subsequent renewal terms of the Lease, Lessee will then be deemed to have renewed this Lease for twelve (12) additional leasing months subject to such rate as Lessor declares to be in effect (and in the absence of such declaration at the most recent Monthly Lease Payment rate applicable to the Equipment). Lessor may terminate such extensions at any time to be effective one hundred twenty (120) days following written notice of termination to Lessee.

(c) So long as no Default or Event of Default shall have occurred and be continuing and Lessee shall have given Lessor at least one hundred twenty (120) days prior written notice, Lessee shall have the option to purchase the Equipment for a price agreed to by Lessor. Payment of the Purchase Option Price, all applicable sales or use taxes, together with all other amounts due and owed by the Lessee under the Lease (including without limitation, Monthly Lease Payments) during such Minimum Lease Period shall be made on the last day of the Lease in immediately available funds against delivery of a bill of sale transferring to Lessee all rights, title and interest of Lessor in the Equipment on an "AS IS" "WHERE IS" basis, without any warranties, express or implied as defined in Section 5 of this Agreement.

(d) Lessee may terminate this Lease prior to the expiration of the Minimum Lease Period with (120) days written notice to the Lessor, subject to all terms and conditions of the Lease, and the Lessee will pay the following termination charges:

- i. The remaining unpaid Monthly Lease Payments for the Minimum Lease Period or the Lease renewal period per Section 7 (b) of this Lease. The Monthly Lease Payment means the total monthly payment including that portion representing amortized One-Time Charges (any charges for delivery, installation, construction, teardown, return, etc. as shown on the Schedule of Values on Page 1 of the Lease Agreement), if applicable and any Lessee-requested modifications not provided as a separate charge under the terms of this Lease.
- ii. Tear down, removal; return delivery, repair, and disconnection of utilities, Site restoration, and other charges in accordance with this Lease.

(d) However, this Lease Agreement can be terminated without penalty for early termination or being subject to the termination charges in Section 7.d.1 if the Lessee's charter contract is terminated, revoked or a new charter contract is not issued upon termination, except that the Lessee will be responsible for the standard costs for the tear down and removal of the modular units.

### 8. Return of Equipment

Upon the End of Term, unless agreed otherwise, Lessee, at its sole expense, shall pay Lessor all costs and expenses plus 15% basis to tear down and remove and for the return delivery of such Equipment to Lessor F.A.S. or F.O.B. to such location as Lessor shall specify. Lessee agrees that the Equipment, when returned, shall be in the condition required by Section 4 hereof and that the Site, when the Equipment is returned, shall be in the condition required by Section 3 of this Lease. All components of the Equipment shall have been properly serviced, following the manufacturer's written operating and servicing procedures. If, in the opinion of Lessor, any Equipment fails to meet the standards set forth above, Lessee agrees to pay on demand all costs and expenses plus 15% incurred by Lessor in connection with repairing such Equipment and restoring it so as to meet such standards. If Lessee fails to return any Equipment as required hereunder, then, all of Lessee's obligations under this Lease Agreement (including, without limitation, Lessee's obligation to pay Monthly Lease Payments for such Equipment as defined in Section 7 (b) of this Agreement) shall continue in full force and effect until such Equipment shall have been returned in the condition required hereunder.

### 9. Indemnification

To the extent permitted by law, Lessee hereby specifically indemnifies, agrees to defend and hold harmless Lessor, its employees and agents and successors and assigns (if applicable) from any and all loss, claims, liabilities, damages, fines, forfeitures, seizures, penalties and expenses (including attorney's fees and investigative costs) (collectively "Losses") that may arise from or in connection with:

(a) The loss of or damage to the Equipment prior to the Return Date due to collision, fire, flood, windstorm, lightning, theft, riot, civil disturbance, or any other peril or casualty;

(b) The death of or injury to, including but not limited to, damage to the property (other than the Equipment) or any person as a result of, in whole or in part, the use or condition prior to the Return Date of the Equipment;

Initials   *LS*



## Operating Lease Agreement

(c) Any act or omission of Lessee in violation of this Lease;

(d) The actual or alleged storage, maintenance, use, handling, repair, or operation of the Equipment, prior to the Return Date, including but not limited to any failure to use anchor straps, any work done on, or any materials supplied to or in connection with the operation, maintenance, possession or storage of the Equipment and any loss or damage to anything stored in any of the Equipment; and

(e) Any damage to Lessee's property or the property of any third parties incurred during or in connection with the fulfillment of Lessee's obligations by or on behalf of Lessee or the repossession or return of Equipment by Lessor in accordance with the terms of this Lease.

(f) In addition, to the fullest extent permitted by law, Lessee assumes and agrees to indemnify, defend, and keep harmless Lessor, its agents and employees, from and against any and all losses, damages, injuries, claims demands and expenses, including attorneys' fees and legal expenses (other than such as may directly and proximately result from the gross negligence or willful misconduct of Lessor), its agents or employees, arising on account of:

i. The loss, damage, destruction, removal, return, surrender, sale or other disposition of the Equipment, or any item thereof. Lessor shall give Lessee prompt notice of any claim or liability hereby indemnified against and that Lessee shall be entitled to control the defense thereof, so long as Lessee is not in Default hereunder.

The obligations contained in this Section 9 will survive expiration or termination of the term of this Lease and the Return Date. The indemnifications contained in this Section 9 will apply to any Losses whether they are asserted before or after the Return Date.

### 10. Insurance

(a) Lessee, at Lessee's sole cost, will procure and keep in full force and effect, from the initial delivery date until the return of all Equipment, the following policies of insurance satisfactory to Lessor as to the insurer and as to the form and amount of coverage, with premiums prepaid:

i. Commercial General Liability Insurance with a minimum combined single limit of \$1,000,000 per person and \$5,000,000 per occurrence, written on an occurrence form, including coverage for premises, operations contractual liability, broad form property damage, independent contractors and personal injury liability, naming Lessor as an additional insured.

ii. Commercial Property Insurance protecting against all loss and damages, at full replacement cost (the amount shown as "Insurance Valuation" on Page 1 of the Lease Agreement) as defined sustained or suffered due to the loss of or damage to the Equipment as result of collision, fire, lightning, theft, flood, windstorm, explosion, or any other casualty, naming Lessor as the loss payee.

(b) Lessee will deliver certificates evidencing all such insurance to Lessor immediately upon delivery of the Equipment to Lessee's site, time being of the essence. Each certificate will state that such insurance will not terminate or be materially changed without thirty (30) days' prior written notice to Lessor.

(c) If Lessee fails to deliver the insurance certificates defined in paragraph (a) and as required by paragraph (b) on the date required, Lessee will be in default under this Lease.

(d) Obtaining insurance as described above will not affect Lessee's obligations and indemnities under this Lease, and the loss, damage to, or destruction of any of the Equipment will neither terminate this Lease nor, except to the extent that Lessor is actually compensated by insurance paid for by Lessee, relieve Lessee of any of Lessee's liability under this Lease.

(e) If Lessee fails to deliver certificates evidencing such insurance to Lessor as required in Section 10 (b) of this Lease, Lessee agrees to pay on demand all costs and expenses plus 15% incurred by Lessor in connection with providing the insurance required in Section 10 (a) of this Lease.

### 11. Default

The occurrence of one or more of the following in clauses (a)-(e) below will constitute an Event of Default under this Lease:

(a) Lessee fails to pay when due any Monthly Lease Payment or any other payment due under this Lease or fails to perform its obligations under this Lease;

(b) Lessee fails to perform or observe any other term or condition under this Lease and such failure remains un-remedied for more than thirty (30) days after such failure to perform or observe;

(c) Lessee or any other person or entity which controls more than fifty percent (50%) of Lessee's equity (a "Control Person") or any guarantor of any of Lessee's obligations hereunder (a "Guarantor") (i) becomes insolvent, (ii) becomes subject to any voluntary or involuntary bankruptcy or reorganization proceedings, (iii) commits an act of bankruptcy, (iv) makes an assignment for the benefit of creditors, (v) appoints or submits to the appointment of a receiver for all or any of its assets, (vi) admits in writing its inability to pay its debts as they become due or (vii) enters into any type of voluntary or involuntary liquidation or dissolution;

(d) Lessee, any Control Person or any Guarantor defaults under any other agreement with Lessor or any affiliate of Lessor; and

(e) Any letter of credit, guaranty or other security given to secure the performance of Lessee's obligations under this Lease expires, terminates or in the reasonable opinion of Lessor becomes worthless.

Initials

*LS*



## Operating Lease Agreement

Upon occurrence of an Event of Default, Lessor will have the option to declare the entire balance of Monthly Lease Payments for the remainder of the stated Lease or renewal term immediately due and payable and to accelerate and make immediately due and payable any other amounts owed under this Lease. Lessor will also have the option to retake and retain any or all of the Equipment free of all rights of Lessee without any further liability or obligation to redeliver any of the Equipment to Lessee, and Lessee hereby grants Lessor the right to enter upon any premises where all or any of the

Equipment is located in order to take possession of and remove such Equipment. Notwithstanding the foregoing, if an Event of Default occurs under clause (c) above, such accelerations will occur automatically without the need for declaration. Lessee will pay to Lessor on demand all fees, costs and expenses incurred by Lessor in enforcing its rights under this Lease, including without limitation reasonable attorneys' fees. The remedies provided in

favor of Lessor will be cumulative and in addition to all other remedies provided in this Lease or existing by law or in equity. No action taken by Lessor pursuant to this Section 11 or Section 13 will release Lessee from Lessee's Covenants, obligations and indemnities provided under this Lease, including but not limited to Lessee's obligation for the payments of Monthly Lease Payments provided in this Lease.

If Lessor retakes possession of the Equipment or any part of the Equipment and there is at the time of such retaking, in, upon or attached to such repossessed Equipment, any other property, goods or things of value owned by Lessee or in the custody or control of Lessee, Lessor is authorized to take possession of such other property, goods or things and hold the same for Lessee, at Lessee's sole cost, either in Lessor's possession or in public storage, at Lessor's sole discretion.

### 12. Lessor's Right to Cure

If Lessee defaults in any of its obligations under this Lease, whether or not an Event of Default then exists, Lessor may pay all amounts or perform or cause to be performed all obligations required to be paid or performed by Lessee under this Lease and recover from Lessee as additional Lease payments all costs and expenses plus 15% for all services so performed.

### 13. Set-Off

Without limiting any other provision of this Lease, upon the occurrence of an Event of Default, Lessor will have the immediate right, without notice, demand, or other action, to set-off against Lessee any amounts Lessor may hold as prepayments or deposits for Lessee's liabilities to Lessor whether or not then due to Lessor. Unless otherwise prohibited by law, Lessor will be deemed to have exercised such right to set-off and to have made a charge against any such sums immediately upon the occurrence of any Event of Default by Lessee.

### 14. Assignment, Amendment, Modification, Miscellaneous

(a) Lessee will not have the right to assign this Lease or to sublet, rent or otherwise hire out or transfer possession of any of the Equipment to any person or entity other than Lessor, without the prior written consent of Lessor.

(b) This Lease contains the entire Agreement between the parties pertaining to the subject matter of this Lease. No agreements, representation or understandings not specifically contained in this Lease will be binding upon any of the parties hereto unless reduced to writing and signed by the parties to be bound thereby. Any amendment, modification or addendum to this Lease will not be binding on Lessor unless signed by an authorized officer of Lessor. This Lease will be governed as to its construction, interpretation and effect by the laws of the State of Michigan without regard to principles or choice of Laws.

### 15. Assignment by Lessor

Lessor's rights, title and interest in the Equipment may be assigned, reassigned, transferred or conveyed to any other party by Lessor, in whole or in part to one or more assignees and sub assignees by Lessor and, to the extent of their interest, by any Registered Owner without the necessity of obtaining the consent of Lessee; provided that (i) any assignment, other than an assignment to or by a Registered Owner, shall not be effective until Lessee has received written notice, signed by the assignor, of the name, address and tax identification number of the assignee, and (ii) Lessee shall retain all such notices as a register of all assignees (other than Registered Owners) and shall make all payments to the assignee or assignees designated. In the event that Lessor's interest in the Equipment is assigned, Lessee agrees to execute all documents within (30) days of written request by Lessor. Documents may include notices of assignment, chattel mortgages, financing statements, etc. that may be reasonably requested by Lessor, or any other assignee, to protect its interests in this Agreement and the Equipment.

(a) To the extent permitted by applicable law, Lessee (i) waives any and all rights and remedies conferred upon a Lessee by Sections 2A-508 through 2A-522 of the Uniform Commercial Code and (ii) any rights now or hereafter conferred by statute or otherwise to recover incidental or consequential damages from any Assignee for any breach of warranty or for any other reason or to set-off or deduct all or any part of any claimed damages resulting from Lessee's default, if any, under this Agreement provided, however, that no such waiver shall preclude Lessor from asserting any claim, right or action against Lessee as otherwise provided in this Lease Agreement.

(b) Subject to Section 2, the obligations of Lessee to pay the Monthly Lease Payments due under this Agreement and to perform and observe the other covenants and agreements contained herein shall be absolute and unconditional in all events without abatement, diminution, deduction, set off or defense, for any reason, including without limitation, any defects, malfunctions, breakdowns, or infirmities in the Equipment or any accident, condemnation or unforeseen circumstances. This provision shall not limit Lessee's rights or actions against the Lessor as otherwise provided in this Lease Agreement.

### 16. Additional Provisions

(a) Lessee and Lessor hereby irrevocably waive all rights to trial by jury in any action, proceeding or counterclaim (whether based on contract, tort, or otherwise) arising out of or relating to this Lease Agreement or the actions of Lessor or Lessee in the negotiation, administration, performance or enforcement hereof.

Initials



## Operating Lease Agreement

(b) In the event any provision of this Lease Agreement shall be held invalid or unenforceable by any court of competent jurisdiction, such holding shall not invalidate or render unenforceable any other provision hereof.

### 17. Michigan Law Governs

This Lease and the rights and obligations of the parties hereunder shall in all respect be governed by, and construed in accordance with the laws of the State of Illinois, including all matters of construction, validity and performance regardless of the location of the Equipment. The venue of any proceeding relating to this Lease shall be the court of general jurisdiction closest to Detroit, Michigan.

### 18. Time Provision for Filing Suit

Lessee agrees that any suit or claim against Lessor arising out of this Lease, including but not limited to suits or claims based on alleged breach of contract or warranty, must be brought within 180 days of the discovery of the event giving rise to the suit or claim or be forever barred. The Lessee waives the right to rely on any longer limitation periods, statutory or otherwise.

### 19. Authorizer Approval

This Lease is contingent upon any required Authorizer non-disapproval. If the Authorizer does not provide non-disapproval, this Lease will be immediately void. Upon such Notice from the Lessee, Lessor will stop work immediately and Lessee will reimburse Lessor for reasonable costs incurred.

DETROIT 51557-1 1504384v7

Initials

Handwritten initials in cursive script, appearing to be "ES".

# CERTIFICATE OF USE AND OCCUPANCY

## PERMANENT

### **Michigan Department of Licensing and Regulatory Affairs**

Bureau of Construction Codes/Building Division

P.O. Box 30254

Lansing, MI 48909

Authority: 1972 PA 230

(517) 241-9317

**Building Permit No:** BLDG19-01386

2635 Howard ST

DETROIT, MI 48216

COUNTY: Wayne

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

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

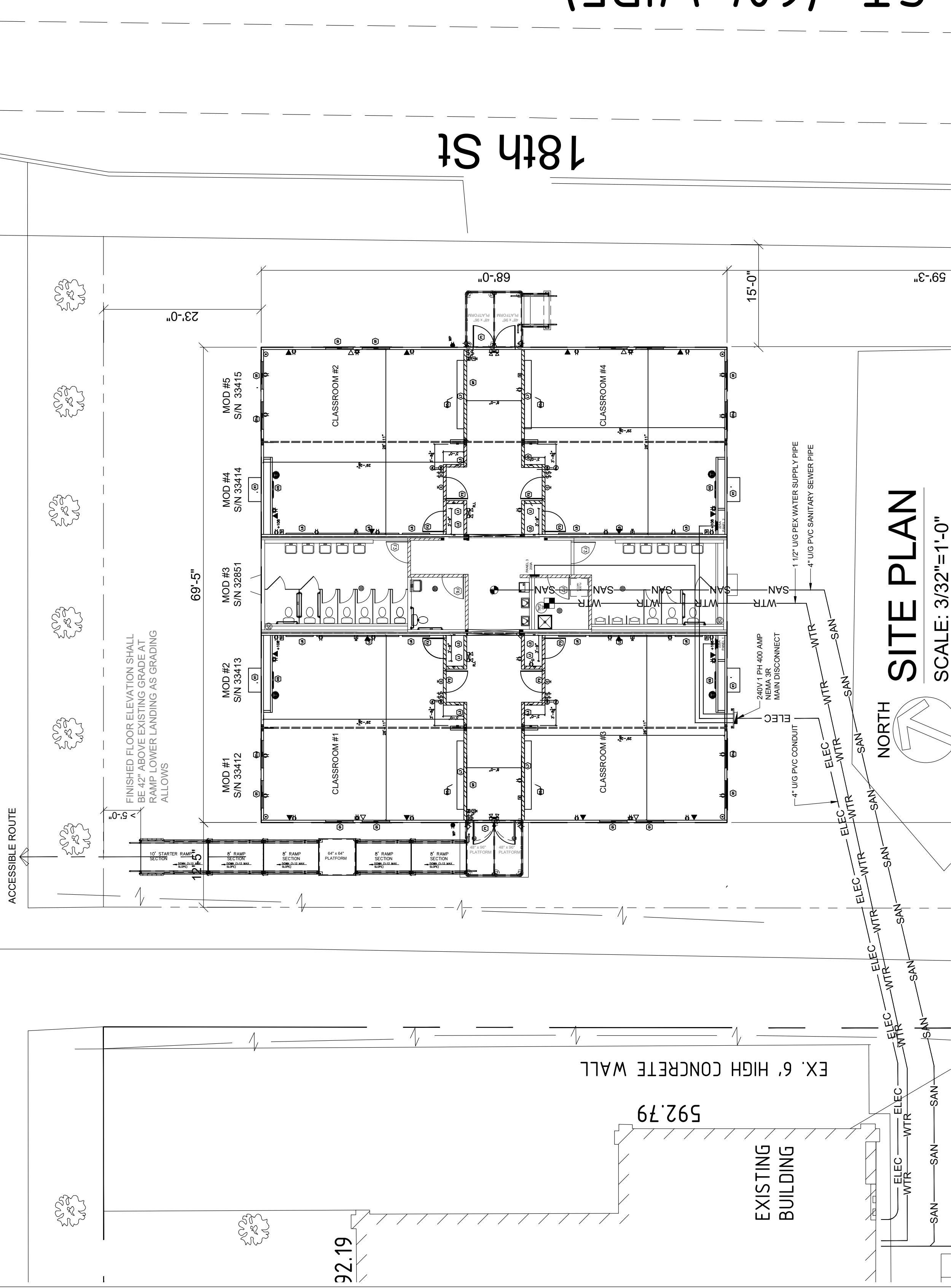
Print Date: 01/31/2020

**Modular Unit**

**(added in 2021)**

T DROP OFF LOCATION

STUDENT DROP OFF LOCATION



SITE PLAN  
SCALE: 3/32"=1'-0"

FIRE ALARM NOTES:

- CONTROL PANEL -- LOCATED IN EXISTING BUILDING
- ROUGH-IN ONLY FOR PULL STATION -- 4" SQ. BOX, W/ 1-GANG PLASTER RING UP 48" TO TOP, W/ 3/4" EMT TO AV ROUGH-IN
- ROUGH-IN ONLY FOR AUDIOVISUAL DEVICE -- 4"X 4" BOX UP 90" TO BOTT., W/ 3/4" EMT TO CEILING CAVITY AND TERMINATED IN CORRIDOR
- SMOKE DETECTORS -- PROVIDED & INSTALLED BY OTHERS IN AREA OF CEILING SEAM CLOSURE-- NO FACTORY ROUGH-IN PROVIDED
- FIRE ALARM SYSTEM TO BE PROVIDED AND INSTALLED ON SITE BY OTHERS, NOT BY FACTORY.
- ALL FIRE ALARM BOXES TO HAVE UNBREAKABLE IVORY BLANK COVER PLATES INSTALLED

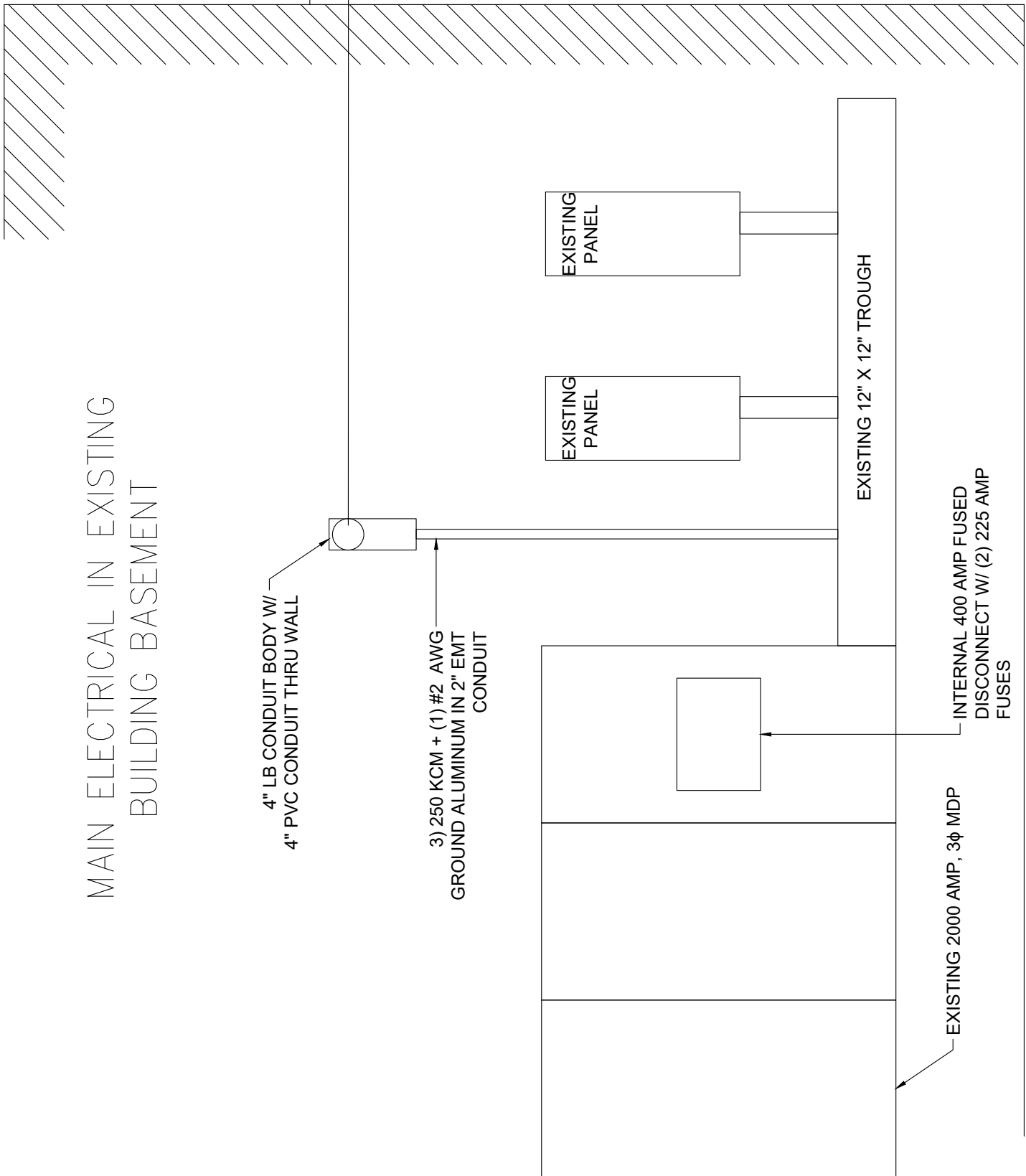
**WIRE SIZE:**  
15 AMP CIRCUITS #14 COPPER  
20 AMP CIRCUITS #12 COPPER  
25 AMP CIRCUITS #10 COPPER  
30 AMP CIRCUITS #10 COPPER  
40 AMP CIRCUITS #8 COPPER  
45 AMP CIRCUITS #6 COPPER  
50 AMP CIRCUITS #6 COPPER  
60 AMP CIRCUITS #4 COPPER  
90 AMP CIRCUITS #2 COPPER

**NOTES:**

- CIRCUITS SHALL BE BALANCED BETWEEN PHASES AS NEAR AS POSSIBLE IN ACCORDANCE WITH 2017 MICHIGAN ELECTRICAL CODE SECTION 210-11(B).
- PIGTAIL CROSSOVERS FOR ELECTRICAL CIRCUITS TO BE ABOVE SUSPENDED CEILING, OR BELOW FLOOR. 20A AND SMALLER METALLIC SHEATHED CABLE (MC) CIRCUITS SHALL BE BY NON-METALLIC CABLE CONNECTORS, LARGER THAN 20A CIRCUITS AND OTHER RACEWAYS TO BE CONNECTED BY PIGTAIL AND J-BOX.
- ALL CROSSOVERS CIRCUITS TO BE LABELED WITH THE IDENTIFYING CIRCUIT NUMBER.
- CONTINUOUS LOADS IE., BUT NOT LIMITED TO LIGHT, WATER HEATER AND ELECTRIC BASEBOARD HEATER CIRCUITS BREAKERS ARE SIZED IN ACCORDANCE WITH 2017 MICHIGAN ELECTRICAL CODE SECTION 210-20(A).
- SYSTEM GROUNDING TO BE IN ACCORDANCE WITH 2017 MICHIGAN ELECTRICAL CODE SECTION 250.
- WIRE TO BE THIN AWG OR BETTER COPPER CONDUCTORS IN MC CABLE (15 AND 20 AMP); EMT, FMC, LFMC OR RNC CONDUIT (GREATER THAN 20 AMP)

ST. (60' WIDE)

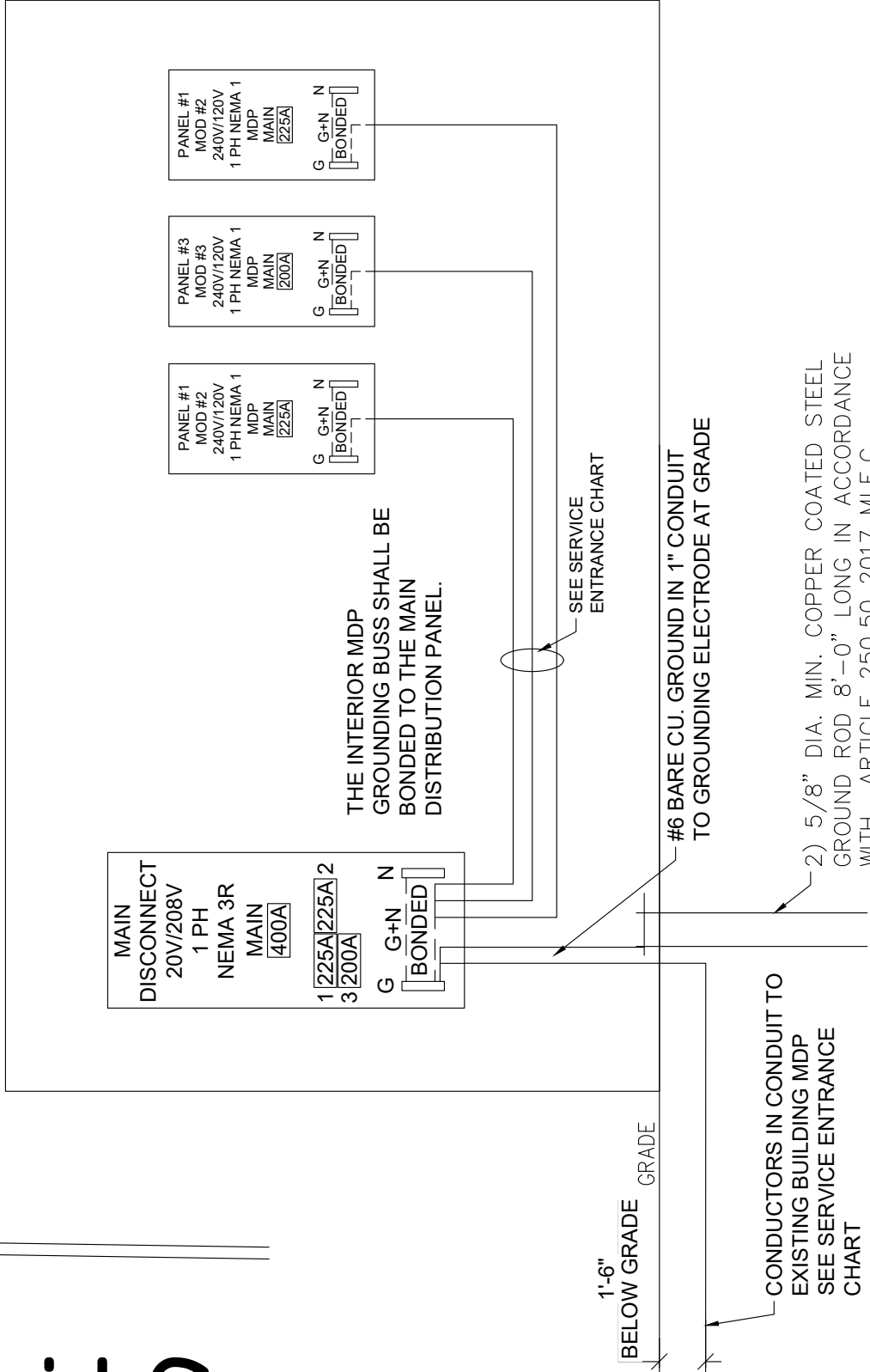
18th St



ELECTRICAL RISER DIAGRAM

TOTAL BUILDING ELECTRICAL LOAD CALCULATIONS									
4 CLASSROOM BUILDINGS W/ RESTROOMS									
SERVICE TYPE									
200V / 120V 1-PHASE									
BUILDING WIDTH 48.75 FEET									
BUILDING LENGTH 48.00 FEET									
TOTAL BUILDING AMPERAGE: 897.7 AMPS									
MOD #	PANEL	BRK.	R.	DESCRIPTION	WATTAGE PER PHASE	SUB-PANEL	SUB-PANEL	TOTAL	
					PHASE A PHASE B PHASE C	WATTAGE	WATTAGE	AMPS	
1	200	200	200	200	1728.0	0	1728.0	8.0	
2	200	200	200	200	1728.0	0	1728.0	8.0	
3	200	200	200	200	1728.0	0	1728.0	8.0	
4	200	200	200	200	1728.0	0	1728.0	8.0	
TOTAL WATTAGE PHASE A: 6912.0 WATTS					6912.0	0	6912.0	31.2	
TOTAL WATTAGE PHASE B: 6912.0 WATTS					6912.0	0	6912.0	31.2	
TOTAL WATTAGE PHASE C: 6912.0 WATTS					6912.0	0	6912.0	31.2	
TOTAL BUILDING WATTAGE: 20736.0 WATTS					20736.0	0	20736.0	92.4	
BUILDING TOTAL AMPERAGE: 897.7 AMPS					897.7	0	897.7	40.0	
NOTE:									
1. AMPERAGES ARE CALCULATED BASED UPON 200V/120V 1-PHASE AVAILABLE VOLTAGE									
2. AMPERAGES ARE CALCULATED BASED UPON 200V/120V 1-PHASE AVAILABLE VOLTAGE									
3. DEMAND FACTOR REDUCTIONS HAVE NOT BEEN APPLIED TO TOTAL BUILDING AMPERAGE									
LOAD REDUCTION CALCULATION PER NEC 220.6 FOR SCHOOLS									
141047.30 VA, = 30.2 VA SQ. FT.									
4875 BUILDING SQ. FT.									
FSPT 3.0 VA PER SQ. FT. @ 100% = 12.75									
3.20 VA PER SQ. FT. @ 75% = 3.61									
ABOVE 20 VA PER SQ. FT. @ 25% = 19.34 VA PER SQ. FT.									
9485.2525 BUILDING WATTAGE									
377.03 TOTAL BUILDING AMPERAGE PER NEC 220.88									
USE 400 AMP MAIN DISTRIBUTION PANEL									
4. LOCAL BUILDING ELECTRICAL OFFICIALS MUST DETERMINE IF A MODULAR EDUCATIONAL STRUCTURE									
5. CUSTOMERS ELECTRICAL CONTRACTOR SHOULD CONSIDER ANTICIPATED RECEPTACLE USAGE AND									

MODULAR BUILDING SERVICE ENTRANCE			
MOD	PANEL BREAKER	CONDUCTOR SIZE	CONDUIT SIZE
EXT	MD	400-3P	2 SETS 3/4" PVC TO DISCONNECT
2	1	225-2P	3" RYCON 111 RWT AWG GROUND
3	1	225-2P	3" RYCON 111 RWT AWG GROUND
3	2	225-2P	3" RYCON 111 RWT AWG GROUND
3	2	225-2P	3" RYCON 111 RWT AWG GROUND
THE GROUNDING BUSS SHALL BE BONDED TO THE EXTERIOR MAIN DISCONNECT			
NEUTRAL BUSS SHALL NOT BE BONDED TO GROUNDING BUSS EXCEPT AT THE EXTERIOR MAIN DISCONNECT			
ALL WIRE SIZES BASED ON 75 C TEMPERATURE RATING			



SEE SERVICE ENTRANCE CHART

CONDUCTORS IN CONDUIT TO EXISTING BUILDING MDP SEE SERVICE ENTRANCE CHART

1'-6" BELOW GRADE

#6 BARE CU GROUND IN 1" CONDUIT TO GROUNDING ELECTRODE AT GRADE

2) 5/8" DIA. MIN. COPPER COATED STEEL GROUND ROD 8'-0" LONG IN ACCORDANCE WITH ARTICLE 250.50 2017 M.E.C.

THE INTERIOR MDP GROUNDING BUSS SHALL BE BONDED TO THE MAIN DISTRIBUTION PANEL.

SEE SERVICE ENTRANCE CHART

CONDUCTORS IN CONDUIT TO EXISTING BUILDING MDP SEE SERVICE ENTRANCE CHART

1'-6" BELOW GRADE

#6 BARE CU GROUND IN 1" CONDUIT TO GROUNDING ELECTRODE AT GRADE

2) 5/8" DIA. MIN. COPPER COATED STEEL GROUND ROD 8'-0" LONG IN ACCORDANCE WITH ARTICLE 250.50 2017 M.E.C.

THE INTERIOR MDP GROUNDING BUSS SHALL BE BONDED TO THE MAIN DISTRIBUTION PANEL.

SEE SERVICE ENTRANCE CHART

CONDUCTORS IN CONDUIT TO EXISTING BUILDING MDP SEE SERVICE ENTRANCE CHART

1'-6" BELOW GRADE

#6 BARE CU GROUND IN 1" CONDUIT TO GROUNDING ELECTRODE AT GRADE

2) 5/8" DIA. MIN. COPPER COATED STEEL GROUND ROD 8'-0" LONG IN ACCORDANCE WITH ARTICLE 250.50 2017 M.E.C.

THE INTERIOR MDP GROUNDING BUSS SHALL BE BONDED TO THE MAIN DISTRIBUTION PANEL.

SEE SERVICE ENTRANCE CHART

CONDUCTORS IN CONDUIT TO EXISTING BUILDING MDP SEE SERVICE ENTRANCE CHART

1'-6" BELOW GRADE

#6 BARE CU GROUND IN 1" CONDUIT TO GROUNDING ELECTRODE AT GRADE

2) 5/8" DIA. MIN. COPPER COATED STEEL GROUND ROD 8'-0" LONG IN ACCORDANCE WITH ARTICLE 250.50 2017 M.E.C.

THE INTERIOR MDP GROUNDING BUSS SHALL BE BONDED TO THE MAIN DISTRIBUTION PANEL.

SEE SERVICE ENTRANCE CHART

CONDUCTORS IN CONDUIT TO EXISTING BUILDING MDP SEE SERVICE ENTRANCE CHART

1'-6" BELOW GRADE

#6 BARE CU GROUND IN 1" CONDUIT TO GROUNDING ELECTRODE AT GRADE

2) 5/8" DIA. MIN. COPPER COATED STEEL GROUND ROD 8'-0" LONG IN ACCORDANCE WITH ARTICLE 250.50 2017 M.E.C.

THE INTERIOR MDP GROUNDING BUSS SHALL BE BONDED TO THE MAIN DISTRIBUTION PANEL.

SEE SERVICE ENTRANCE CHART

CONDUCTORS IN CONDUIT TO EXISTING BUILDING MDP SEE SERVICE ENTRANCE CHART

1'-6" BELOW GRADE

#6 BARE CU GROUND IN 1" CONDUIT TO GROUNDING ELECTRODE AT GRADE

2) 5/8" DIA. MIN. COPPER COATED STEEL GROUND ROD 8'-0" LONG IN ACCORDANCE WITH ARTICLE 250.50 2017 M.E.C.

THE INTERIOR MDP GROUNDING BUSS SHALL BE BONDED TO THE MAIN DISTRIBUTION PANEL.

SEE SERVICE ENTRANCE CHART

CONDUCTORS IN CONDUIT TO EXISTING BUILDING MDP SEE SERVICE ENTRANCE CHART

1'-6" BELOW GRADE

#6 BARE CU GROUND IN 1" CONDUIT TO GROUNDING ELECTRODE AT GRADE

2) 5/8" DIA. MIN. COPPER COATED STEEL GROUND ROD 8'-0" LONG IN ACCORDANCE WITH ARTICLE 250.50 2017 M.E.C.

THE INTERIOR MDP GROUNDING BUSS SHALL BE BONDED TO THE MAIN DISTRIBUTION PANEL.

SEE SERVICE ENTRANCE CHART

CONDUCTORS IN CONDUIT TO EXISTING BUILDING MDP SEE SERVICE ENTRANCE CHART

1'-6" BELOW GRADE

#6 BARE CU GROUND IN 1" CONDUIT TO GROUNDING ELECTRODE AT GRADE

2) 5/8" DIA. MIN. COPPER COATED STEEL GROUND ROD 8'-0" LONG IN ACCORDANCE WITH ARTICLE 250.50 2017 M.E.C.

THE INTERIOR MDP GROUNDING BUSS SHALL BE BONDED TO THE MAIN DISTRIBUTION PANEL.

SEE SERVICE ENTRANCE CHART

CONDUCTORS IN CONDUIT TO EXISTING BUILDING MDP SEE SERVICE ENTRANCE CHART

1'-6" BELOW GRADE

#6 BARE CU GROUND IN 1" CONDUIT TO GROUNDING ELECTRODE AT GRADE

2) 5/8" DIA. MIN. COPPER COATED STEEL GROUND ROD 8'-0" LONG IN ACCORDANCE WITH ARTICLE 250.50 2017 M.E.C.

THE INTERIOR MDP GROUNDING BUSS SHALL BE BONDED TO THE MAIN DISTRIBUTION PANEL.

SEE SERVICE ENTRANCE CHART

CONDUCTORS IN CONDUIT TO EXISTING BUILDING MDP SEE SERVICE ENTRANCE CHART

1'-6" BELOW GRADE

#6 BARE CU GROUND IN 1" CONDUIT TO GROUNDING ELECTRODE AT GRADE

2) 5/8" DIA. MIN. COPPER COATED STEEL GROUND ROD 8'-0" LONG IN ACCORDANCE WITH ARTICLE 250.50 2017 M.E.C.

THE INTERIOR MDP GROUNDING BUSS SHALL BE BONDED TO THE MAIN DISTRIBUTION PANEL.

SEE SERVICE ENTRANCE CHART

CONDUCTORS IN CONDUIT TO EXISTING BUILDING MDP SEE SERVICE ENTRANCE CHART

1'-6" BELOW GRADE

#6 BARE CU GROUND IN 1" CONDUIT TO GROUNDING ELECTRODE AT GRADE

2) 5/8" DIA. MIN. COPPER COATED STEEL GROUND ROD 8'-0" LONG IN ACCORDANCE WITH ARTICLE 250.50 2017 M.E.C.

THE INTERIOR MDP GROUNDING BUSS SHALL BE BONDED TO THE MAIN DISTRIBUTION PANEL.

SEE SERVICE ENTRANCE CHART

CONDUCTORS IN CONDUIT TO EXISTING BUILDING MDP SEE SERVICE ENTRANCE CHART

1'-6" BELOW GRADE

#6 BARE CU GROUND IN 1" CONDUIT TO GROUNDING ELECTRODE AT GRADE

2) 5/8" DIA. MIN. COPPER COATED STEEL GROUND ROD 8'-0" LONG IN ACCORDANCE WITH ARTICLE 250.50 2017 M.E.C.

THE INTERIOR MDP GROUNDING BUSS SHALL BE BONDED TO THE MAIN DISTRIBUTION PANEL.

SEE SERVICE ENTRANCE CHART

CONDUCTORS IN CONDUIT TO EXISTING BUILDING MDP SEE SERVICE ENTRANCE CHART

1'-6" BELOW GRADE

#6 BARE CU GROUND IN 1" CONDUIT TO GROUNDING ELECTRODE AT GRADE

2) 5/8" DIA. MIN. COPPER COATED STEEL GROUND ROD 8'-0" LONG IN ACCORDANCE WITH ARTICLE 250.50 2017 M.E.C.

THE INTERIOR MDP GROUNDING BUSS SHALL BE BONDED TO THE MAIN DISTRIBUTION PANEL.

SEE SERVICE ENTRANCE CHART

CONDUCTORS IN CONDUIT TO EXISTING BUILDING MDP SEE SERVICE ENTRANCE CHART

1'-6" BELOW GRADE

#6 BARE CU GROUND IN 1" CONDUIT TO GROUNDING ELECTRODE AT GRADE

2) 5/8" DIA. MIN. COPPER COATED STEEL GROUND ROD 8'-0" LONG IN ACCORDANCE WITH ARTICLE 250.50 2017 M.E.C.

THE INTERIOR MDP GROUNDING BUSS SHALL BE BONDED TO THE MAIN DISTRIBUTION PANEL.

SEE SERVICE ENTRANCE CHART

CONDUCTORS IN CONDUIT TO EXISTING BUILDING MDP SEE SERVICE ENTRANCE CHART

1'-6" BELOW GRADE

#6 BARE CU GROUND IN 1" CONDUIT TO GROUNDING ELECTRODE AT GRADE

2) 5/8" DIA. MIN. COPPER COATED STEEL GROUND ROD 8'-0" LONG IN ACCORDANCE WITH ARTICLE 250.50 2017 M.E.C.

THE INTERIOR MDP GROUNDING BUSS SHALL BE BONDED TO THE MAIN DISTRIBUTION PANEL.

SEE SERVICE ENTRANCE CHART

CONDUCTORS IN CONDUIT TO EXISTING BUILDING MDP SEE SERVICE ENTRANCE CHART

1'-6" BELOW GRADE

#6 BARE CU GROUND IN 1" CONDUIT TO GROUNDING ELECTRODE AT GRADE

2) 5/8" DIA. MIN. COPPER COATED STEEL GROUND ROD 8'-0" LONG IN ACCORDANCE WITH ARTICLE 250.50 2017 M.E.C.

THE INTERIOR MDP GROUNDING BUSS SHALL BE BONDED TO THE MAIN DISTRIBUTION PANEL.

SEE SERVICE ENTRANCE CHART

CONDUCTORS IN CONDUIT TO EXISTING BUILDING MDP SEE SERVICE ENTRANCE CHART

1'-6" BELOW GRADE

#6 BARE CU GROUND IN 1" CONDUIT TO GROUNDING ELECTRODE AT GRADE

2) 5/8" DIA. MIN. COPPER COATED STEEL GROUND ROD 8'-0" LONG IN ACCORDANCE WITH ARTICLE 250.50 2017 M.E.C.

THE INTERIOR MDP GROUNDING BUSS SHALL BE BONDED TO THE MAIN DISTRIBUTION PANEL.

SEE SERVICE ENTRANCE CHART

CONDUCTORS IN CONDUIT TO EXISTING BUILDING MDP SEE SERVICE ENTRANCE CHART

1'-6" BELOW GRADE

#6 BARE CU GROUND IN 1" CONDUIT TO GROUNDING ELECTRODE AT GRADE

2) 5/8" DIA. MIN. COPPER COATED STEEL GROUND ROD 8'-0" LONG IN ACCORDANCE WITH ARTICLE 250.50 2017 M.E.C.

THE INTERIOR MDP GROUNDING BUSS SHALL BE BONDED TO THE MAIN DISTRIBUTION PANEL.

SEE SERVICE ENTRANCE CHART

CONDUCTORS IN CONDUIT TO EXISTING BUILDING MDP SEE SERVICE ENTRANCE CHART

1'-6" BELOW GRADE

#6 BARE CU GROUND IN 1" CONDUIT TO GROUNDING ELECTRODE AT GRADE

2) 5/8" DIA. MIN. COPPER COATED STEEL GROUND ROD 8'-0" LONG IN ACCORDANCE WITH ARTICLE 250.50 2017 M.E.C.

THE INTERIOR MDP GROUNDING BUSS SHALL BE BONDED TO THE MAIN DISTRIBUTION PANEL.

SEE SERVICE ENTRANCE CHART

CONDUCTORS IN CONDUIT TO EXISTING BUILDING MDP SEE SERVICE ENTRANCE CHART

1'-6" BELOW GRADE

#6 BARE CU GROUND IN 1" CONDUIT TO GROUNDING ELECTRODE AT GRADE

2) 5/8" DIA. MIN. COPPER COATED STEEL GROUND ROD 8'-0" LONG IN ACCORDANCE WITH ARTICLE 250.50 2017 M.E.C.

THE INTERIOR MDP GROUNDING BUSS SHALL BE BONDED TO THE MAIN DISTRIBUTION PANEL.

SEE SERVICE ENTRANCE CHART

CONDUCTORS IN CONDUIT TO EXISTING BUILDING MDP SEE SERVICE ENTRANCE CHART

1'-6" BELOW GRADE

#6 BARE CU GROUND IN 1" CONDUIT TO GROUNDING ELECTRODE AT GRADE

2) 5/8" DIA. MIN. COPPER COATED STEEL GROUND ROD 8'-0" LONG IN ACCORDANCE WITH ARTICLE 250.50 2017 M.E.C.

THE INTERIOR MDP GROUNDING BUSS SHALL BE BONDED TO THE MAIN DISTRIBUTION PANEL.

SEE SERVICE ENTRANCE CHART

CONDUCTORS IN CONDUIT TO EXISTING BUILDING MDP SEE SERVICE ENTRANCE CHART

1'-6" BELOW GRADE

#6 BARE CU GROUND IN 1" CONDUIT TO GROUNDING ELECTRODE AT GRADE

2) 5/8" DIA. MIN. COPPER COATED STEEL GROUND ROD 8'-0" LONG IN ACCORDANCE WITH ARTICLE



# Operating Lease Agreement

Lease Agreement #:

Lessee Name: Escuela Avancemos Academy

Lease Effective Date: August 1, 2021

**VESTA Modular – 1000 Town Center, Suite 975, Southfield, Michigan 48073**

**Telephone: 817-663-8527 -- Fax: 855-855-7681**

VESTA Housing Solutions, LLC (dba VESTA Modular) a Delaware limited liability company, hereby referred to as the "Lessor" leases the equipment (the "Equipment") and proposes the services specified below to the following hereby referred to as the "Lessee":

## Lessee Billing Address:

Lessee Name: Escuela Avancemos Academy  
Address: 2635 Howard Street  
City, State, Zip: Detroit, MI 48216  
Customer Contact: Shan'Ta Johnson  
Phone: 313.269.8719  
Fax:  
Mobile:  
Email: sjohnson@theeaacademyk5.org

## The Equipment will be located at:

Lessee Name: Escuela Avancemos Academy  
Address: 2635 Howard Street  
City, State, Zip: Detroit, MI 48216  
Site Contact: Shan'Ta Johnson  
Phone: 313.269.8719  
Fax:  
Mobile:  
Email: sjohnson@theeaacademyk5.org

Lessee hereby leases Equipment from Lessor for a minimum of 48 months (the "Minimum Lease Period") from the start of the lease term in accordance with the terms and conditions of this Lease Agreement including the terms and conditions set forth on the attached page (this "Lease"). Leasing month is defined as a calendar month.

Lessee agrees to pay Lessor, without demand and in advance, the Monthly Lease Payment and other charges on the due dates set forth in this Lease. The Lease activation date for the Equipment, subject to Section 3(d) of the General Terms and Conditions of Operating Lease Agreement will be on or about August 1, 2021. The Lease Agreement will expire on or about July 31, 2025.

## SCHEDULE OF VALUES:

### I. ONE-TIME CHARGES:

Item	Quantity	Unit	Rate	Extension
Delivery	1	Lump Sum	\$14,603	\$14,603
General Conditions	1	Allowance Only*	\$3,835	\$3,835
Installation	1	Allowance Only*	\$44,445	\$44,445
Foundation	1	Allowance Only*	\$19,730	\$19,730
Steps, Decks & Ramps	1	Allowance Only*	\$17,230	\$17,230
Plumbing	1	Allowance Only*	\$30,149	\$30,149
Electrical	1	Allowance Only*	\$32,155	\$32,155
Fire Alarm	1	Allowance Only*	\$12,154	\$12,154
Permits & Eng.	1	Allowance Only*	\$18,579	\$18,579
Low Voltage	1	By Owner	NIC	NIC**
Site Work	1	By Owner	NIC	NIC**
Performance Bond	1	By Owner	NIC	NIC**
Storm	1	By Owner	NIC	NIC**
Zoning	1	By Owner	NIC	NIC**
SAC & WAC Fees	1	By Owner	NIC	NIC**
Taxes (If Applicable)				
<b>TOTAL ONE-TIME CHARGES AMORTIZED INTO 30-MONTHLY PAYMENTS</b>				<b>\$192,880</b>

\* Items shown as Allowances are pre-construction/pre-design estimates and to the extent that estimated costs are exceeded, these will be billed at actual subcontractor cost to VESTA Modular plus 15.0% plus VESTA Modular Site Superintendent/Project Manager cost.

\*\* Not included in the VESTA Modular contract.

Initials CS

Page 1

VESTA Modular Lease



## Operating Lease Agreement

### II. MONTHLY BUILDING LEASE CHARGES:

Unit No(s).	Size	Serial No(s).	Insurance Valuation	Monthly Lease Rate
CR00779, CR00832A	70" x 68"	33412-15, 32851	\$333,500	<b>\$4,681</b>
Site Costs Amortized for 30-months	Site	All site allowances	\$192,880	<b>\$7,908</b>
Taxes (If Applicable)				
<b>TOTAL MONTHLY BUILDING LEASE PAYMENT</b>				<b>\$12,589</b>

This Operating Lease Agreement proposal by Lessor must be accepted in its entirety by Lessee within (7) days from the date hereof, and acceptance shall be defined as receipt by Lessor a duly executed original hereof at its offices in Southfield, Michigan, or personal delivery thereof to a duly authorized agent or representative of Lessor. Lessee's acceptance of this proposal subsequent to seven (7) days from the date hereof shall be deemed to be a counterproposal, which shall be subject to renegotiation.

**Building Warranty (New Equipment Only):** New Equipment as described herein is warranted by the modular building manufacturer for a period of one year against failure due to defective material or workmanship subject to the terms of Section 4 of this Lease. The warranty is effective from the date of completion of the Lessor's scope of work or from the Lessee's date of occupancy, whichever occurs first.

#### Payment Terms:

1. One-time Charges are amortized for 30-months into this Lease.
2. The first Monthly Lease Payment is due immediately upon execution of this Lease. Each additional Monthly Lease Payment and all other charges due thereafter are due and payable without demand and in advance on the first of each month immediately following the month in which the Lease commences.
3. A security deposit equal to (1) Monthly Lease Payment is due immediately upon execution of this Lease.

#### Other documents attached and incorporated by reference into this Lease:

General Terms and Conditions of Operating Lease Agreement
VESTA MODULAR Proposal dated 3/16/2021 in its entirety
Building Floor Plans
Building Specifications
Pricing Clarifications
Delineation of Responsibilities Worksheet
Addendum 1 – Payment Schedule
Addendum 2 – Estimated Project Schedule

No agent, employee or representative of the Lessor has any authority to make any representation or warranty concerning the Equipment that is not specifically included in the Lease. Unless specifically identified herein, this Lease supersedes all prior negotiations, proposals and documents. This Lease will not be subject to any additional provision that may be contained in the Lessee's Purchase Order, although Lessee's Purchase Order number may be used by the parties as a convenient reference for invoicing purposes.

This Agreement will not become binding and effective until signed by an authorized agent of the Lessee and an authorized agent of the Lessor. Lessee warrants that the person signing on Lessee's behalf is authorized to enter into this Agreement for the Lessee.



## Operating Lease Agreement

Signed by duly authorized agents, with the intent to be legally bound.

**VESTA Modular**

By: 

Print: Christopher Orlovsky

Title: Vice President & General Counsel

Date: 3.24.21

**Lessee:**

By: Cristina Stamatina

Print: Cristina Stamatina

Title: Board President

Date: 03/19/2021

## Operating Lease Agreement

## **ADDENDUM 1 – PAYMENT SCHEDULE**

[illegible]

**Note:** For Lessee's convenience, Lessor intends to issue invoices for all amounts due under this Lease. If Lessee fails to pay any amount due within ten days of the due date shown above, Lessor may impose a charge on such amount of one percent per month or the highest rate permitted by law whichever is lower, from the due date until payment in full is received by Lessor.

## ADDENDUM 2 – ESTIMATED PROJECT SCHEDULE

Description	Date
Contract Signed	March 16, 2021
Customer Approval Drawings Completed and Received from Lessee	March 30, 2021
State and Local Approval Received	April 15, 2021
Begin Site Work	April 22, 2021
Deliver all Modular Buildings	May 3, 2021
Complete Installation of Modular Units	May 7, 2021
Complete Lessor Scope of Work	June 1, 2021
Complete all Site Work	July 15, 2021
Complete State and Local Inspection	July 26, 2021
Certificate of Occupancy	July 30, 2021
Date of Occupancy by Lessee (Effective Date of Lease)	August 1, 2021

## 1. Lease

This transaction is a Lease and not a sale. Lessee does not acquire through this Lease or by payment of rental under this Lease any right, title or interest in or to the Equipment, except the right to possess and use the Equipment so long as Lessee is not in default under this Lease. Lessee agrees that all certificates of title or registration applicable to the Equipment will reflect Lessor ownership of the Equipment.

Notwithstanding the express intent of the parties, should a court of competent jurisdiction determine that this Agreement is not a true lease, but rather one intended as security, then solely in that event and for the expressly limited purposes thereof, Lessee shall be deemed to have hereby granted Lessor a security interest in this Lease, the Equipment, and all accessions thereto, substitutions and replacements therefore, and proceeds (including insurance proceeds) thereof (but without the power of Lessee to dispose of the Equipment); to secure the prompt payment and performance as and when due of all obligations and indebtedness of Lessee (or any affiliate of Lessee) to Lessor, now existing or hereafter created.

## 2. Monthly Lease and Other Payments

(a) Lessor and Lessee understand and intend that the obligation of Lessee to make Monthly Lease Payments hereunder shall constitute a binding contractual obligation of Lessee for the Minimum Lease Period. Lessee covenants to include all Monthly Lease Payments due in its annual budget and to make the necessary annual appropriation for all such Monthly Lease Payments. This Lease shall not be subject to termination by Lessee in the event that Lessee fails to appropriate any Monthly Lease Payments.

(b) The start of the Lease term is the date on which Lessor substantially completes its scope of work for building delivery, installation, and other site construction work or the date of building occupancy by the Lessee, whichever comes first, unless otherwise agreed to by or between the parties. Monthly Lease Payments will accrue through and including the month in which the later of the Return Date or End of the Term occurs. The "Return Date" is the date on which the Equipment is removed from the site and returned to Lessor in accordance with the terms of this Lease. The "End of the Term" is the date on which the term of this Lease is to expire, either originally or under a renewal term. Monthly Lease Payments and such other charges will be prorated on a daily basis where necessary.

(c) Unless otherwise specified in this Lease, charges for delivery, installation, tear down and return charges and all other work by Lessor will be due and payable immediately upon the execution of this Lease without demand. The first Monthly Lease Payment and a security deposit equal to (1) Monthly Lease Payment will be due and payable immediately upon the execution of this Lease. Each additional Monthly Lease Payment and all other charges due thereafter are due and payable without demand and in advance on the first of each month immediately following the month in which the Lease commences. All other sums payable by Lessee under this Lease are due and payable when invoiced. Unless agreed otherwise, all payments made under this Lease will be made by Lessee's check drawn on its regular bank checking account or such other form of payment as is acceptable to Lessor. All payments by Lessee will be made without setoff or deduction of any kind.

(d) Lessee will pay Lessor for any and all sales and use taxes, other direct taxes including property taxes (real and personal), and registration fees imposed by any city, county, state, or federal government or other taxing authorities having jurisdiction and related directly or indirectly to the Equipment or its use, excluding federal or state taxes relating to income (all of the foregoing that Lessee is to pay, "Taxes"). Taxes may be allocated by Lessor on either an individual or prorated basis for any item of Equipment based on purchase price, value, possession, use, location, rentals, delivery or operation of such Equipment. Lessee's obligations under this Subsection will survive the termination of this Lease. If the Lessee is tax exempt, a tax exempt certificate must be provided to the Lessor immediately upon the execution of this Lease or all applicable taxes will be added to all invoice amounts due under this Lease.

(e) For Lessee's convenience, Lessor intends to issue invoices for all amounts due under this Lease. If Lessee fails to pay any amount due within ten days of the due date, Lessor may impose a charge on such amount of one and one-half percent per month or the highest rate permitted by law whichever is lower, from the due date until payment in full is received by Lessor.

## 3. Delivery, Installation and Removal of Equipment

(a) For the purposes of this Lease, "Equipment" means the modular buildings as proposed by Lessor.

(b) Unless otherwise specified in this Lease, Lessee will provide free and clear access for delivery, installation, tear down, removal and return delivery of the Equipment by standard mobile transport vehicles. Unless otherwise specified in this Lease, Lessee will be solely responsible, at its cost, for preparation of the site on which the Equipment is to be used (the "Site"), including any required structural or grade alterations and the identification of all utility lines (electric, water, storm and sanitary sewer, natural gas, telephone, CATV, etc.). Lessee will provide firm and level ground on no more than a 12-inch (12") slope from one end of the building to the other for safe and unobstructed installation of the Equipment. Site selection is the sole responsibility of the Lessee. If, in the judgment of the Lessor, additional equipment or materials are required to make ready the Site for the installation, tear down, return delivery or the removal of the Equipment there will be a change order to the Lease per Section 3 (g) of this Lease. LESSOR ASSUMES NO LIABILITY NOR OFFERS ANY WARRANTY FOR THE FITNESS OR ADEQUACY OF THE SITE OR THE UTILITIES AVAILABLE AT THE SITE.

(c) Unless otherwise specified in this Lease, Lessee will have sole responsibility, at Lessee's cost, to obtain any and all licenses, titles, building and other permits and any other approvals and certificates as may be required by law or otherwise for the installation and placement of the Equipment and Lessee's lawful operation, possession or occupancy of the Equipment.

(d) Lessor's delivery of the Equipment is subject to delays in manufacturing, modification, delivery, installation, tear down, removal or return delivery due to Site conditions, fire, flood, windstorm, lightning, theft, riot, civil disturbance, strike or other labor actions, acts of God, or any circumstances beyond Lessor's control (including but not limited to breaches by Lessor's sub-contractors or manufacturers) which delay the manufacture or modification of products or the making of deliveries in the normal course of business.

(e) Lessor may suspend work at the Site if Lessor deems the Site to be unsafe.

(f) The prices quoted for building delivery, installation, site construction costs, teardown, return delivery and other "one-time" charges assume dry, summer construction conditions unless otherwise specified in this Lease. If winter or wet conditions exist at the time of installation, tear down, removal or return delivery, there will be a change order to the Lease per Section 3 (g) of this Lease. The due dates of such charges and the start date of this Lease assume accuracy of the information given to Lessor with respect to Site conditions and location and are subject to adjustment to the extent that the timing of or physical nature of access to the Site is or becomes limited, the Site does not have adequate load bearing or topographic qualities or is otherwise not properly prepared, utilities are not correctly located, provision of utilities is not timely, applicable licenses or permits from the authorities having jurisdiction are not provided by the Lessee in a timely manner or Lessee otherwise delays completion of Lessor's scope of work.

(g) Unless otherwise specified in this Lease, Lessee will pay Lessor all costs and expenses plus 15% basis for all change order work that is not part of the scope of work to be provided by Lessor including, but not limited to, costs incurred by Lessor in order to correct improper work performed by Lessee, additional work performed by Lessor due to Site conditions as defined in Sections 3 (b) to 3 (f) or repair to, or periodic maintenance of, Equipment as defined in Section 4 of this Lease and any/all other unknown work that is not specifically defined as by Lessor herein. All sums payable for change orders are immediately due and payable when invoiced.

(h) Lessee has caused an inspection of the Equipment to be made and has found the same to be in good order and in compliance with the provisions of this Lease. Lessee has accepted delivery of the Equipment and acknowledges to Lessor that this Lease contains a complete description of the items of Equipment delivered and accepted. As between Lessor and Lessee, the Equipment is deemed to have been finally accepted by Lessee pursuant to this Lease immediately upon Lessee's occupancy of the Equipment. Lessee accepts the Equipment "as is," and Lessor makes no warranties regarding the Equipment, except as may be stated elsewhere in this Lease.

#### 4. Maintenance of Equipment

(a) Lessee will not move or in any way modify the Equipment without the prior written consent of Lessor. Notwithstanding Lessor's consent to Lessee's modification of the Equipment, Lessee is liable for the cost of the removal of such modification or restoration of the Equipment immediately upon the Return Date or End of Term of this Lease. Lessor may place its name on the Equipment, and Lessee will assure that such name is not removed or concealed in whole or in part.

(b) Lessee, at Lessee's sole cost, will keep the Equipment at all times until the Return Date in good repair and operating condition, subject to ordinary wear and tear, and free of any and all liens and encumbrances. Lessor will have the right to inspect the Equipment from time to time until the Return Date and if Lessor believes the Equipment to be misused, abused or neglected, Lessee agrees to pay on demand all costs and expenses plus 15% incurred by Lessor in connection with the immediate repair of the Equipment and restoring it so as to meet such standards. If Lessee fails to reimburse Lessor for such repair costs, Lessor may summarily remove and repossess the Equipment at the Lessee's sole cost.

(c) Lessee, at Lessee's sole cost, agrees to perform periodic preventive maintenance on all HVAC systems. Lessee agrees to provide Lessor, within (10) days of completion, written proof of such Work. Maintenance shall include a minimum of four (4) filter changes (March, June, September and December) and (2) two complete clean and checks per year (March and September) according to the HVAC manufacturer's recommended procedures. Unless otherwise agreed to in writing by Lessor, all HVAC service work is to be performed under a separate Service Agreement between the Lessee and a certified and bonded mechanical contractor whom has been pre-approved to do warranty work by both the HVAC system supplier and the Lessor. Lessor will provide these services when necessary if Lessee fails to perform such required periodic maintenance. Lessee agrees to pay on demand all costs and expenses plus 15% incurred by Lessor in connection with performing such Work on the Equipment. Lessee's failure to perform such scheduled periodic maintenance will immediately void any/all warranties offered to the Lessor by the HVAC system supplier and all subsequent repairs costs will be the full responsibility of the Lessee per Section 3 (g) of this Lease.

Lessee at Lessee's sole cost, agrees to perform (2) complete carpet cleanings and (2) complete strip, seal and waxing of all vinyl floor coverings (June and December) per year according to the floor covering manufacturers' recommended procedures. Lessee agrees to provide Lessor, within (10) days of completion, written proof of such Work. Lessor will provide these services when necessary if Lessee fails to perform such required periodic maintenance. Lessee agrees to pay on demand all costs and expenses plus 15% incurred by Lessor in connection with performing such Work on the Equipment. Lessee's failure to perform such scheduled maintenance will immediately void any/all warranties on floor coverings and the structural decking below and all subsequent repair costs will be the full responsibility of the Lessee per Section 3 (g) of this Lease.

(d) Lessee will perform, execute and comply with all Laws which in any way affect the use, operation, maintenance, or storage of the Equipment. "Laws" means all laws, rules, regulations or orders of any governmental agency or instrumentality of the United States, any state, municipality or local government and all orders, writs and decrees of any court, tribunal or administrative agency, in any case which now exist or hereafter arise (including but not limited to laws governing Hazardous Substances and other environmental risks and the Americans with Disabilities Act). Lessee will not make or permit any unlawful use or handling of the Equipment.

(e) HAZARDOUS SUBSTANCES. (i) "Hazardous Substances" means hazardous, toxic, radioactive or bio-hazardous substances or petroleum products. (ii) Lessee will not use or store Hazardous Substances in the Equipment, except such substances and in such quantities as would be normal in the operation of a commercial office. Lessee will not locate the Equipment at a remediation or nuclear site or use the Equipment for medical laboratory testing. (iii) Ordinary wear and tear does not include contamination by Hazardous Substances. If any returned Equipment is found to have been contaminated by Hazardous Substances during Lessee's possession, Lessee agrees to pay on demand all costs and expenses plus 15% incurred by Lessor for the clean up or Lessor may require Lessee to purchase the Equipment at the then current market price charged for an uncontaminated unit. Lessee's obligations under this subsection 4(e) will survive the Return Date or End of Term of this Lease.

(f) Lessee agrees that the Equipment lease hereunder will not be occupied by any person other than Lessee or its agents, employees or invitees. The Equipment will not be used for residential or dormitory purposes unless agreed to in writing by Lessor.

### 5. Disclaimer of Warranties

Lessor not being a seller (as such term is defined in the Uniform Commercial Codes), nor a seller's agent, expressly disclaims and makes to Lessee no

warranty or representation, express or implied, of merchantability or fitness for any particular purpose or otherwise, including, but not limited to: the fitness for use, design or condition of the Equipment; the quality or capacity of the Equipment; the workmanship in the Equipment; that the Equipment will satisfy the requirements of any law, rule, specification or contract pertaining thereto; and any guaranty or warranty against patent infringement or latent defects, it being agreed that all such risks, as between Lessor and Lessee, are to be borne by Lessee. Lessor is not responsible or liable for any direct, indirect, incidental or consequential damage to or losses resulting from the installation, operation or use of the Equipment or any products manufactured thereby.

### 6. Limitation of Damages

Lessee does hereby expressly waive any and all claims and demands for loss of profits or other alleged consequential, incidental or punitive damages arising out of, or in connection with, this Lease. Lessor is not liable for any loss or damage to any property stored, located or transported in, upon, under or around any Equipment and Lessee does hereby waive any and all claims and demands for any such loss or damages.

### 7. End of Lease

(a) Unless specified otherwise, Lessee must give Lessor one hundred twenty (120) days prior written notice of the date on which the Equipment is to be returned.

(b) If Lessee, without any further written agreement or the consent of the Lessor, continues to possess or occupy the Equipment after the expiration of the initial and/or any subsequent renewal terms of the Lease, Lessee will then be deemed to have renewed this Lease for twelve (12) additional leasing months subject to such rate as Lessor declares to be in effect (and in the absence of such declaration at the most recent Monthly Lease Payment rate applicable to the Equipment). Lessor may terminate such extensions at any time.

(c) So long as no Default or Event of Default shall have occurred and be continuing and Lessee shall have given Lessor at least one hundred twenty (120) days prior written notice, Lessee shall have the option to purchase the Equipment for a price agreed to by Lessor. Payment of the Purchase Option Price, all applicable sales or use taxes, together with all other amounts due and owed by the Lessee under the Lease (including without limitation, Monthly Lease Payments) during such Minimum Lease Period shall be made on the last day of the Lease in immediately available funds against delivery of a bill of sale transferring to Lessee all rights, title and interest of Lessor in the Equipment on an "AS IS" "WHERE IS" basis, without any warranties, express or implied as defined in Section 5 of this Agreement.

(d) Lessee may terminate this Lease prior to the expiration of the Minimum Lease Period with (120) days written notice to the Lessor, subject to all terms and conditions of the Lease, and the Lessee will pay the following termination charges:

- i. The remaining unpaid Monthly Lease Payments for the Minimum Lease Period or the Lease renewal period per Section 7 (b) of this Lease. The Monthly Lease Payment means the total monthly payment including that portion representing amortized One-Time Charges (any charges for delivery, installation, construction, teardown, return, etc. as shown on the Schedule of Values on Page 1 of the Lease Agreement), if applicable and any Lessee-requested modifications not provided as a separate charge under the terms of this Lease.
- ii. Tear down, removal; return delivery, repair, and disconnection of utilities, Site restoration, and other charges in accordance with this Lease.

(e) However, this Lease Agreement can be terminated without penalty for early termination or being subject to the termination charges in Section 7.d.i only if the Lessee's charter contract is terminated, revoked or a new charter contract is not issued upon termination, except that the Lessee will be responsible for a lump sum payment totaling 1) the balance of the amortized costs for set-up and installation work existing at the time of termination, plus 2) standard costs for the tear down and removal of the modular units determined at the time of termination. It is expressly agreed by Lessee that these costs are not a penalty but rather a reasonable estimation of the damages that would be incurred by Lessor as a result of Lessee's early termination/breach of the Lease Agreement occurring as a result of Lessee's charter contract's termination.

### 8. Return of Equipment

Upon the End of Term, unless agreed otherwise, Lessee, at its sole expense, shall pay Lessor all costs and expenses plus 15% basis to tear down and remove and for the return delivery of such Equipment to Lessor F.A.S. or F.O.B. to such location as Lessor shall specify. Lessee agrees that the Equipment, when returned, shall be in the condition required by Section 4 hereof and that the Site, when the Equipment is returned, shall be in the condition required by Section 3 of this Lease. All components of the Equipment shall have been properly serviced, following the manufacturer's written operating and servicing procedures. If, in the opinion of Lessor, any Equipment fails to meet the standards set forth above, Lessee agrees to pay on demand all costs and expenses plus 15% incurred by Lessor in connection with repairing such Equipment and restoring it so as to meet such standards. If Lessee fails to return any Equipment as required hereunder, then, all of Lessee's obligations under this Lease Agreement (including, without limitation, Lessee's obligation to pay Monthly Lease Payments for such Equipment as defined in Section 7 (b) of this Agreement) shall continue in full force and effect until such Equipment shall have been returned in the condition required hereunder.

### 9. Indemnification

To the extent permitted by law, Lessee hereby specifically indemnifies, agrees to defend and hold harmless Lessor, its employees and agents and successors and assigns (if applicable) from any and all loss, claims, liabilities, damages, fines, forfeitures, seizures, penalties and expenses (including attorney's fees and investigative costs) (collectively "Losses") that may arise from or in connection with:

- (a) The loss of or damage to the Equipment prior to the Return Date due to collision, fire, flood, windstorm, lightning, theft, riot, civil disturbance, or any other peril or casualty;
- (b) The death of or injury to, including but not limited to, damage to the property (other than the Equipment) or any person as a result of, in whole or in part, the use or condition prior to the Return Date of the Equipment;
- (c) Any act or omission of Lessee in violation of this Lease;
- (d) The actual or alleged storage, maintenance, use, handling, repair, or operation of the Equipment, prior to the Return Date, including but not limited to any failure to use anchor straps, any work done on, or any materials supplied to or in connection with the operation, maintenance, possession or storage of the Equipment and any loss or damage to anything stored in any of the Equipment; and
- (e) Any damage to Lessee's property or the property of any third parties incurred during or in connection with the fulfillment of Lessee's obligations by or on behalf of Lessee or the repossession or return of Equipment by Lessor in accordance with the terms of this Lease.
- (f) In addition, to the fullest extent permitted by law, Lessee assumes and agrees to indemnify, defend, and keep harmless Lessor, its agents and employees, from and against any and all losses, damages, injuries, claims, demands and expenses, including attorneys' fees and legal expenses (other than such as may directly and proximately result from the gross negligence or willful misconduct of Lessor), its agents or employees, arising on account of:
  - i. The possession, maintenance, use, condition (including without limitation, latent and other defects and whether or not discoverable by Lessor or Lessee, any claim in tort for strict liability, and any claim for patent, trademark or copyright infringement) or operation of the Equipment by whomsoever used or operated, during the term of this Lease.
  - ii. The loss, damage, destruction, removal, return, surrender, sale or other disposition of the Equipment, or any item thereof. Lessor shall give Lessee prompt notice of any claim or liability hereby indemnified against and that Lessee shall be entitled to control the defense thereof, so long as Lessee is not in Default hereunder.

The obligations contained in this Section 9 will survive expiration or termination of the term of this Lease and the Return Date. The indemnifications contained in this Section 9 will apply to any Losses whether they are asserted before or after the Return Date.

### 10. Insurance

- (a) Lessee, at Lessee's sole cost, will procure and keep in full force and effect, from the initial delivery date until the return of all Equipment, the following policies of insurance satisfactory to Lessor as to the insurer and as to the form and amount of coverage, with premiums prepaid:
  - i. Commercial General Liability Insurance with a minimum combined single limit of \$1,000,000 per person and \$5,000,000 per occurrence, written on an occurrence form, including coverage for premises, operations contractual liability, broad form property damage, independent contractors and personal injury liability, naming Lessor as an additional insured.
  - ii. Commercial Property Insurance protecting against all loss and damages, at full replacement cost (the amount shown as "Insurance Valuation" on Page 1 of the Lease Agreement) as defined sustained or suffered due to the loss of or damage to the Equipment as result of collision, fire, lightning, theft, flood, windstorm, explosion, or any other casualty, naming Lessor as the loss payee.
- (b) Lessee will deliver certificates evidencing all such insurance to Lessor immediately upon delivery of the Equipment to Lessee's site, time being of the essence. Each certificate will state that such insurance will not terminate or be materially changed without thirty (30) days' prior written notice to Lessor.
- (c) If Lessee fails to deliver the insurance certificates defined in paragraph (a) and as required by paragraph (b) on the date required, Lessee will be in default under this Lease.
- (d) Obtaining insurance as described above will not affect Lessee's obligations and indemnities under this Lease, and the loss, damage to, or destruction of any of the Equipment will neither terminate this Lease nor, except to the extent that Lessor is actually compensated by insurance paid for by Lessee, relieve Lessee of any of Lessee's liability under this Lease.
- (e) If Lessee fails to deliver certificates evidencing such insurance to Lessor as required in Section 10 (b) of this Lease, Lessee agrees to pay on demand all costs and expenses plus 15% incurred by Lessor in connection with providing the insurance required in Section 10 (a) of this Lease.

### 11. Default

The occurrence of one or more of the following in clauses (a)-(e) below will constitute an Event of Default under this Lease:

- (a) Lessee fails to pay when due any Monthly Lease Payment or any other payment due under this Lease or fails to perform its obligations under this Lease;
- (b) Lessee fails to perform or observe any other term or condition under this Lease and such failure remains un-remedied for more than thirty (30) days after such failure to perform or observe;
- (c) Lessee or any other person or entity which controls more than fifty percent (50%) of Lessee's equity (a "Control Person") or any guarantor of any of Lessee's obligations hereunder (a "Guarantor") (i) becomes insolvent, (ii) becomes subject to any voluntary or involuntary bankruptcy or reorganization proceedings, (iii) commits an act of bankruptcy, (iv) makes an assignment for the benefit of creditors, (v) appoints or submits to the appointment of a receiver for all or any of its assets, (vi) admits in writing its inability to pay its debts as they become due or (vii) enters into any type of voluntary or involuntary liquidation or dissolution;
- (d) Lessee, any Control Person or any Guarantor defaults under any other agreement with Lessor or any affiliate of Lessor; and
- (e) Any letter of credit, guaranty or other security given to secure the performance of Lessee's obligations under this Lease expires, terminates or in the reasonable opinion of Lessor becomes worthless.

Upon occurrence of an Event of Default, Lessor will have the option to declare the entire balance of Monthly Lease Payments for the remainder of the stated Lease or renewal term immediately due and payable and to accelerate and make immediately due and payable any other amounts owed under this Lease. Lessor will also have the option to retake and retain any or all of the Equipment free of all rights of Lessee without any further liability or obligation to redeliver any of the Equipment to Lessee, and Lessee hereby grants Lessor the right to enter upon any premises where all or any of the

Equipment is located in order to take possession of and remove such Equipment. Notwithstanding the foregoing, if an Event of Default occurs under clause (c) above, such accelerations will occur automatically without the need for declaration. Lessee will pay to Lessor on demand all fees, costs and expenses incurred by Lessor in enforcing its rights under this Lease, including without limitation reasonable attorneys' fees. The remedies provided in

favor of Lessor will be cumulative and in addition to all other remedies provided in this Lease or existing by law or in equity. No action taken by Lessor pursuant to this Section 11 or Section 13 will release Lessee from Lessee's Covenants, obligations and indemnities provided under this Lease, including but not limited to Lessee's obligation for the payments of Monthly Lease Payments provided in this Lease.

If Lessor retakes possession of the Equipment or any part of the Equipment and there is at the time of such retaking, in, upon or attached to such repossessed Equipment, any other property, goods or things of value owned by Lessee or in the custody or control of Lessee, Lessor is authorized to take possession of such other property, goods or things and hold the same for Lessee, at Lessee's sole cost, either in Lessor's possession or in public storage, at Lessor's sole discretion.

### 12. Lessor's Right to Cure

If Lessee defaults in any of its obligations under this Lease, whether or not an Event of Default then exists, Lessor may pay all amounts or perform or cause to be performed all obligations required to be paid or performed by Lessee under this Lease and recover from Lessee as additional Lease payments all costs and expenses plus 15% for all services so performed.

### 13. Set-Off

Without limiting any other provision of this Lease, upon the occurrence of an Event of Default, Lessor will have the immediate right, without notice, demand, or other action, to set-off against Lessee any amounts Lessor may hold as prepayments or deposits for Lessee's liabilities to Lessor whether or not then due to Lessor. Unless otherwise prohibited by law, Lessor will be deemed to have exercised such right to set-off and to have made a charge against any such sums immediately upon the occurrence of any Event of Default by Lessee.

### 14. Assignment, Amendment, Modification, Miscellaneous

(a) Lessee will not have the right to assign this Lease or to sublet, rent or otherwise hire out or transfer possession of any of the Equipment to any person or entity other than Lessor, without the prior written consent of Lessor.

(b) This Lease contains the entire Agreement between the parties pertaining to the subject matter of this Lease. No agreements, representation or understandings not specifically contained in this Lease will be binding upon any of the parties hereto unless reduced to writing and signed by the parties to be bound thereby. Any amendment, modification or addendum to this Lease will not be binding on Lessor unless signed by an authorized officer of Lessor. This Lease will be governed as to its construction, interpretation and effect by the laws of the State of Michigan without regard to principles or choice of Laws.

### 15. Assignment by Lessor

Lessor's rights, title and interest in the Equipment may be assigned, reassigned, transferred or conveyed to any other party by Lessor, in whole or in part to one or more assignees and sub assignees by Lessor and, to the extent of their interest, by any Registered Owner without the necessity of obtaining the consent of Lessee; provided that (i) any assignment, other than an assignment to or by a Registered Owner, shall not be effective until Lessee has received written notice, signed by the assignor, of the name, address and tax identification number of the assignee, and (ii) Lessee shall retain all such notices as a register of all assignees (other than Registered Owners) and shall make all payments to the assignee or assignees designated. In the event that Lessor's interest in the Equipment is assigned, Lessee agrees to execute all documents within (30) days of written request by Lessor. Documents may include notices of assignment, chattel mortgages, financing statements, etc. that may be reasonably requested by Lessor, or any other assignee, to protect its interests in this Agreement and the Equipment.

(a) To the extent permitted by applicable law, Lessee (i) waives any and all rights and remedies conferred upon a Lessee by Sections 2A-508 through 2A-522 of the Uniform Commercial Code and (ii) any rights now or hereafter conferred by statute or otherwise to recover incidental or consequential damages from any Assignee for any breach of warranty or for any other reason or to set-off or deduct all or any part of any claimed damages resulting from Lessee's default, if any, under this Agreement provided, however, that no such waiver shall preclude Lessor from asserting any claim, right or action against Lessee as otherwise provided in this Lease Agreement.

(b) Subject to Section 2, the obligations of Lessee to pay the Monthly Lease Payments due under this Agreement and to perform and observe the other covenants and agreements contained herein shall be absolute and unconditional in all events without abatement, diminution, deduction, set off or defense, for any reason, including without limitation, any defects, malfunctions, breakdowns, or infirmities in the Equipment or any accident, condemnation or unforeseen circumstances. This provision shall not limit Lessee's rights or actions against the Lessor as otherwise provided in this Lease Agreement.

### 16. Additional Provisions

(a) Lessee and Lessor hereby irrevocably waive all rights to trial by jury in any action, proceeding or counterclaim (whether based on contract, tort, or otherwise) arising out of or relating to this Lease Agreement or the actions of Lessor or Lessee in the negotiation, administration, performance or enforcement hereof.

(b) In the event any provision of this Lease Agreement shall be held invalid or unenforceable by any court of competent jurisdiction, such holding shall not invalidate or render unenforceable any other provision hereof.

### 17. Michigan Law Governs

This Lease and the rights and obligations of the parties hereunder shall in all respect be governed by and construed in accordance with the laws of the State of Michigan, including all matters of construction, validity, and performance regardless of the location of the Equipment. The venue of any proceeding relating to this Lease shall be the court of general jurisdiction closest to Southfield, Michigan.

### 18. Time Provision for Filing Suit

Lessee agrees that any suit or claim against Lessor arising out of this Lease, including but not limited to suits or claims based on alleged breach of contract or warranty, must be brought within 180 days of the event giving rise to the suit or claim or be forever barred. The Lessee waives the right to rely on any longer limitation periods, statutory or otherwise.



Vesta Modular  
30803 Old US-33  
Elkhart, IN 46516  
Telephone: 574.274.4118

[dstutzman@vestamodular.com](mailto:dstutzman@vestamodular.com)

## BUDGETARY PRICING FOR MODULAR BUILDING

CUSTOMER:	<b>Escuela Avancemos Academy</b>	
PROJECT:	<b>33412-15, 32851</b>	
LOCATION:	<b>Detroit, MI 48216</b>	
DATE:	<b>3/16/2021</b>	Quote#
QUOTE REVISION:	<b>Orig</b>	
Proposal Prepared By:	<b>Doug Stutzman</b>	

Pricing Valid for 30 Days

**Building Description**

**Pre-owned 2003 70' x 68' (4) classrooms with (2) restrooms**  
**Square Feet**  
**4,760**

### I. Building Finance Options

Operating Lease	48-month Operating Lease (rental)	\$ <b>4,681</b>	Per Month
	<b>No State Taxes Included</b>		
	30-Month Amortized Site Cost (\$192,879)	\$ <b>7,908</b>	Per Month
	<b>No State Taxes Included</b>		
<b>Total Building Lease &amp; Site Cost Payment</b>		\$ <b>12,589</b>	Per Month
	<b>No State Taxes Included</b>		

### II. Delivery and Installation Charges (In addition to Purchase Price and Lease Rates quoted above)

Delivery	Deliver modules to site.	\$ <b>14,603</b>	Lump Sum
General Conditions	Site Equipment, Dumpsters, Temp Toilet, Lull	\$ <b>3,835</b>	Allowance
Installation	Set building on foundation, seal, trim, anchor and skirt	\$ <b>44,445</b>	Allowance
Foundation	Provide engineered foundation concrete piers per code. Assume 2500 psf soil bearing capacity	\$ <b>19,730</b>	Allowance
Steps, Decks & Ramps	Furnish and install aluminum deck with handicap ramp at main entrance and deck with steps to grade at secondary entrances.	\$ <b>17,230</b>	Allowance
Plumbing	Make sewer & water connections and heat trace exposed pipe in crawl space.	\$ <b>30,149</b>	Allowance
Electrical	Make electrical connections to building and provide Main Distribution Panel.	\$ <b>32,155</b>	Allowance
Fire Alarm	Design and installation of fire alarm system.	\$ <b>12,154</b>	Allowance
Permits & Eng.	Permits, shop drawings.	\$ <b>18,579</b>	Allowance

<b>Total Estimate for Site Cost</b>		\$ <b>192,879</b>	Allowance
-------------------------------------	--	-------------------	-----------

### III. Dismantle and Return Delivery

Teardown	Dismantle building, install shipping walls and seal, remove anchors and skirting, remove steps, decks & ramp. Includes utility connections and return transport to storage.	<b>TBD</b>	Allowance
----------	---	------------	-----------

### IV. Other Work Required

Low Voltage	Install low voltage devices (PA, CATV, telephone, data, etc.)	By Others
Site Work	Excavation, grading, landscaping. Any necessary flatwork or asphalt.	By Others
Performance Bond	Performance and Payment Bond	By Others
Storm	Storm Design and Detention if required are not included in VESTA Modular scope	By Others
Zoning	Zoning submittals, reviews, meetings are not included in VESTA Modular scope	By Others
SAC & WAC Fees	Sewer Availability Charge & Water Availability Charge	By Others

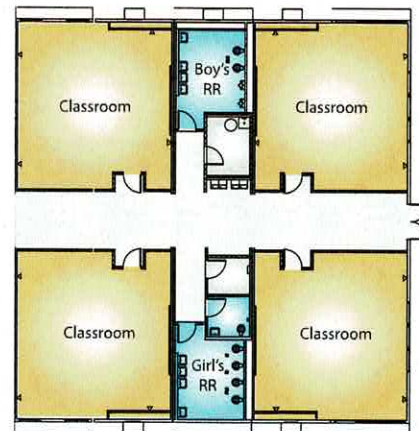
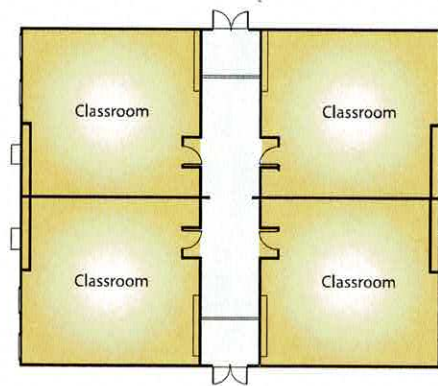
***This information is proprietary to VESTA Modular and may not be shared with any third party without the express written consent of VESTA Modular.***

# Value Series I

Available for Immediate Delivery



Size: 3,920 - 12,740 ft<sup>2</sup>



*\*This building is available in configurations from 4 to 12 classrooms, with or without restrooms*



Innovative**Modular**  
solutions

Innovative Modular Solutions | [www.innovativemodular.com](http://www.innovativemodular.com) | [info@innovativemodular.com](mailto:info@innovativemodular.com)

Proprietary information, not to be used, reproduced, or distributed without written consent.

Pre-owned 2003 70' x 68' (4) classrooms with (2) restrooms

COMPONENT	DESCRIPTION
<b>General</b>	
Exterior Dimensions	14' x 68' Modules (952 sq-ft nominal) with 8'-wide corridor.
Classroom Dimensions	28' x 30' (880 sq-ft)
State Approvals	IL, IN, MI, OH, MN (or as required).
Occupancy Class	E - Education.
<b>Floors</b>	
Frame Type	Perimeter
Floor Covering-Classrooms	Shaw 26 oz. commercial grade carpet
Floor Covering-Corridor	Shaw "right choice collection 24" x 24" carpet tiles
Floor Covering-Restrooms	Commercial Rubber Coin Flooring.
Floor Covering-Entries	Shaw Walk Off Tiles carpet tile
Floor Covering-Other	Raised coin rubber flooring for janitor's closet, coat rack, and drinking fountain.
Cove Base	4" vinyl base in classrooms,
Cove Base	6" vinyl base in restrooms and janitor closet.
<b>Walls</b>	
Interior Wall Finish	Vinyl covered gypsum in corridors and classrooms.
Interior Wall Finish	Rigid vinyl sheet in restrooms and janitor's closet.
Exterior Wall Finish	5/16" Cempanel. Stucco finish.
Foundation Enclosure	5/16" Cempanel Skirting. Stucco finish.
Mansard	5/16" Cempanel. Stucco finish.
Corridor	1-Hour Rated Corridor Walls
<b>Roof</b>	
Roof Membrane	.045 mil EPDM Rubber.
Roof Drainage	Roof drains with down spouts.
Ceiling	T-grid with lay-in acoustical tiles, 8'6" ceiling height.
<b>Windows</b>	
Windows	(2) or (4) 48"x48" vinyl frame windows with double insulated glass per classroom.
Window Accessories	1" mini-blinds
<b>Doors</b>	
Exterior Doors	16 gage galvanized hollow metal door and frame, half glass lites, panic hardware, and removable mullion
Interior Doors	Solid core wood door, hollow metal frame, lever lockset. Fire rated as required by code.
<b>Electrical</b>	
Electrical Panel	(1) 120/208 VAC main panel per module (locate at same end of building).
Electrical Raceway	14 gauge copper.
Lighting-Interior	Standard 4-tube fluorescent fixtures with dual ballast.
Lighting-Exterior	Metal halide with photocell.
Lighting-Emergency	As required for state approvals.
Occupancy Sensors	Classroom lighting to be controlled by motion sensors.
Fire Alarm System	Rough-ins only for control panel, pull stations, and horn-strobes.
Additional Rough-Ins	Addtl junction boxes per classroom for voice, data, CATV, intercom, etc.
<b>HVAC</b>	
HVAC Unit	(1) Bard 4-ton, wall mounted per classroom and restroom module.
Thermostat	(1) Manual thermostat with AUTO changeover function in each classroom
CO2 Sensor	(1) CO2 sensor per classroom to provide on-demand ventilation.
<b>Plumbing</b>	
Restroom Fixtures	Floor mounted water closets with Sloan flush valves. Wall mounted urinals with Sloan flush valves. Wall mounted lavatories with vandal-resistant faucets.
Drinking Fountains	High/Low, 8 gallon water cooler.
Mop Sink	(1) floor mounted mop sink in each janitor's closet
Water Heater	30-40 gallon electric water heater, sized as required.
<b>Furnishings</b>	
Closet	(1) Locking teacher's closet per classroom with high pressure laminate split shelving system containing a wardrobe and four storage shelves per classroom.
Shelving	(1) 10' shelving unit with coat hooks per classroom.
Marker boards	(1) Cigjan 4'x12' per classroom.
Tack boards	(2) Cigjan 4'x4' per classroom.
Corner Guards	Vinyl corner guards at all outside corners.
Signage	Signage provided for each classroom, restroom, and janitor's closet.
Floor Hatch	(1) Floor hatch in each janitor's closet.
Fire Extinguishers	A:B:C extinguishers as required.

\*Note: Specifications and floor plans may vary.

This information is proprietary to VESTA Modular and may not be shared with any third party without the express written consent of VESTA Modular.

## PRICING CLARIFICATIONS

### BUILDING:

- A Unless otherwise noted, color selection(s) to be made from manufacturer's standard, stock colors. In-fleet buildings will be VESTA Modular standard colors.
- B Unless otherwise noted, exterior doors of the modular building will be keyed alike.

### DRAWINGS/PERMITS:

- A VESTA Modular will provide manufacturer's shop drawings and Engineered foundation plans. Any other drawings and/or tests required are to be supplied by the customer.
- B VESTA Modular will provide certification from the State of Michigan for the manufacture of the modular buildings. Additional costs that result from the requirements of state and local codes are by others or will be considered changes to the contract.
- C The customer is responsible for obtaining and paying for all necessary permits, fees, licenses, zoning variances, and certificate of occupancy with the exception of those required for the manufacture and transport of the modular units.
- D The Customer is responsible to pay any and all Sewer and Water Availability Charges (SAC & WAC) that may be levied by the City, County or State

### FOUNDATION:

- A VESTA Modular will provide a manufacturer's recommended foundation blocking plan with estimated point loads.
- B VESTA Modular will provide an sealed, engineered foundation plan.
- C Standard modular building foundation includes below grade poured concrete piers with above-grade blocking of Non Mortared, concrete masonry units, single stacked, with wooden plates and shims used as necessary to level the buildings. Foundation piers are quoted in the following quantity and size: Per Pricing summary, Any change in quantity or size due to site conditions will be considered a change to the contract.
- D VESTA Modular shall not be responsible for any and all environmental and/or subsurface conditions.
- E Foundation excavation includes classified soil fill from pier installation only. Excavation of excessive below grade obstructions such as rocks, boulders, bricks, debris, etc. will be considered a modification to the contract.
- F Proposed foundation assumes a soil bearing capacity of 2500 psf and below frost depth below current grade. Soils found not to meet this requirement will require a change to the contract.

### FREIGHT:

- A Placement of module(s) to be accomplished by the use of crane.
- B Customer to provide a suitable staging area located adjacent to the work site. Site security is the responsibility of the Customer.
- C Wheels and axles may remain on module(s). If wheels or axles are removed, they will be stored under the module(s). If hitches are detachable they will be removed and stored under module(s).

### INSTALLATION:

- A Installation of the modular units includes the delivery of the units to the project site; setting the units on a subgrade foundation constructed by VESTA Modular; blocking (with Non mortared block) and leveling the modular units; seaming and sealing the modular units; anchoring the modular units to the ground or foundation, and installing a vented foundation enclosure. This work also includes electrical and plumbing connections to the building as well as a fire alarm system that would be tied into the existing schools system.
- B Customer is responsible to provide power to the Main Distribution Panel which will be provided by VESTA Modular and located directly adjacent to the building on the wall closest to the individual circuit breaker panels.
- C ADA Ramp is priced with the entrance door at 32" above finished grade. Entrance elevations higher than 32" will require additional ramp length and will be treated as a change to the contract.
- D Main entrance is to have 1 ADA ramp and 1 platform with steps to grade. Secondary, or emergency exit will have a platform with steps to grade only. No ADA ramp is included at this entrance/exit.
- E Heat tracing and insulating of exposed supply pipe.
- F Foundation enclosure (skirting) is priced at 3' coverage and may vary depending on the site conditions.

### SITE PREPARATION / SITE WORK:

- A All underground obstructions, if any, within the proposed building envelope/work area to be located and marked above grade, by others.
- B Level grade (+ -12") within the proposed building envelope.
- C Dewatering of subsurface water by others.
- D Stair systems are by VESTA Modular (one at each entrance).
- E Ramp system is by VESTA Modular (One ADA ramp at one entrance only).
- F Concrete flatwork by others, if required.
- G Site restoration and landscaping is by others, if required. This includes both at installation and removal of the building.
- H Dumpster for construction debris is by VESTA Modular (our portion of work only).
- I Soils from excavations are to be removed from the site by VESTA Modular.

### UTILITIES:

- A Electrical main distribution panel and disconnect by VESTA Modular. Customer to supply necessary wire, transformers and/or power poles required to bring power to the main distribution panel.
- B Multiple electrical drops through floor (one per modular unit)– manifolding, extension, and utility connections to these drops to be furnished and installed by VESTA
- C Exit lights and Exterior lights will be shipped loose for installation by VESTA Modular.
- D Gutters and downspouts are by VESTA Modular.

### FIRE PROTECTION:

- A Proposed building does not include exterior Fire-Rated assemblies (walls or roof). If Fire Rated assemblies are required, due to the location of the module(s) to existing building and/or property lines, VESTA Modular can provide at an additional cost.



Project: **33412-15, 32851**  
 Customer: **cuela Avancemos Academy**  
 Date: **3/16/2021**

## DELINEATION OF RESPONSIBILITIES

Customer	IMS (Dealer)	N/A	DESCRIPTION OF WORK
X	X		1. Site Inspection
X			2. Architectural/Engineering Fees
X			3. Soil Tests
X			4. Design Services
X			A. Field Verify Utility Locations
			B. Prepare Site Plan
	X		C. Prepare Structural Foundation Plan
	X		D. Provide ramp & Stair Drawings
X	X		E. Prepare Utility Drawings
X			F. Submit Site Plan to Local Municipality
X	X		G. Submit Modular Unit Plans to State
X	X		H. Submit to State Fire Marshall/ ROE
X	X		I. Plumbing Design
	X		J. Fire Alarm Design
	X		5. Shop Drawings (used for manufacturing)
	X		6. Other Drawings
X			7. Permits
X			A. Building (Local)
X			B. Electrical
X			C. Plumbing
X			D. Occupancy
X			E. Life Safety
		X	F. Health Dept.
			G. Other
		X	8. Bonds
		X	A. Bid
		X	B. Performance
		X	C. Labor & Material Payment
	X		D. Corporate Certification
		X	9. Late Penalties/Liquidated Damages
	X		10. Proposed Work Schedule
	X		11. Project/Site Management
	X		A. Building, Delivery & Installation
	X		B. Site work
	X		A. In Manufacturing & in transit
X			B. Upon Delivery to the Job Site
X	X		13. General Liability Insurance
X			14. Builders Risk Insurance
X			15. Provide Storage Space & Site Security for Modules
X			16. Taxes (State and Local Sales, Use and Property)
	X		17. Catalog Cuts (O&M Manual)
	X		18. Samples
	X		19. Prepare Site
		X	A. Clearing & Demolition
		X	B. Grading
		X	C. Filling & Compacting
X	X		D. Site Utilities
	X		20. Foundation
	X		A. Material
		X	B. Labor
		X	C. Spread Soils On-Site Adjacent to Buildings
	X		D. Remove Soils From Site
X			21. Transport Modules
X			22. Inspect Modules & Verify Receipt of Ship Loose Material
X			23. Set Modules on Foundation with crane
X			24. Position Modules
X			25. Drop
	X		A. Axles
	X		B. Hitches
	X		C. Tires
	X		26. Load and Ship
	X		A. Axles
	X		B. Hitches
	X		C. Tires
X			27. Foundation Connections (tie downs, anchor plates, etc.)

	X		28. Water Line		
	X		29. Sewer Line	A. Waste	
		X		B. Storm	
		X	30. Gas Line	A. To HVAC units	From point under building
	X		31. Plumbing	A. Manifold Water and Waste Below Unit	
		X		B. Manifold Gas to HVAC Units	
	X			C. Install Vent Extensions on Roof	
		X		D. Manifold Roof Drains to Sewer	
	X		32. HVAC	A. Material	
	X			B. Labor	
		X		C. Balancing	If Required
	X		33. Gutters & Downspouts	A. Material	
	X			B. Labor	
		X		C. Concrete Splash Blocks	
	X		34. Electrical	A. Interconnects Between Modules	
	X			B. Feed Subpanels from MDP	
	X			C. Main Distribution Panels & Meter Box	
X				D. Transformers & power poles	
	X			E. Exit and Emergency Lighting	
	X			1. Material	
	X			2. Labor	
	X			F. Heat Tracing	
	X		35. Exterior Lights	A. System Devices	
	X			B. Labor	
		X		C. Rough Ins (Wire to Janitors Closet)	
X			36. Install Special Equipment	PA, Phone, CATV, Security, & Data	
X			37. PA System	A. Rough Ins	
X				B. System Devices	
	X		38. Telephone System	A. Rough Ins	
X				B. System Devices	
	X		39. CATV System	A. Rough Ins	
X				B. System Devices	
	X		40. Security System	A. Rough Ins	
X				B. System Devices	
	X		41. Data System	A. Rough Ins	
X				B. System Devices	
	X		42. Fire Alarms	A. Rough Ins	
	X			B. System Devices	
		X	43. Sprinkler System	A. Building	
		X		B. Janitors Closet	
	X		44. Special Equipment	A. Fire Extinguishers	
	X			B. Marker and Tack Boards	
	X			C. Coat Hook Assemblies	
X				D. Cabinets	
	X			E. Sinks	
	X		45. Floor Coverings	A. Material - See Specifications	Carpet & Base Cove Site install
	X			B. Labor	Carpet & Base Cove Site install
	X		46. Roof (EPDM Rubber)	A. Seam Material	
	X			B. Seal	
	X			C. Warranty	
	X		47. Suspended Ceiling	A. Support Grid	Site installed in corridor
	X			B. Ceiling Tiles	Site installed in corridor
	X			C. Support Lights	
	X			D. Duct Drops	
	X		48. Window Covering (mini-blinds)	A. Material	
	X			B. Labor	
	X		49. Skirting	A. Material	
	X			B. Labor	
	X		50. Re-align Intersecting Partitions & Openings		
	X		51. Interior Trim at Floor, Walls, Ceilings, & Seams		
	X		52. Exterior Doors		
	X		53. Interior Doors		
	X		54. Steps		
	X		55. Ramps		
	X		56. Decks		
X			57. Walkways		
		X	58. Canopies		
X			59. Paving		
X			60. Curbs		
X			61. Landscaping		

	X	62. Project Clean-up	A. Removal of Trash & Debris on Site	Includes Dumpster
	X		B. Broom Clean of Modular Building	
X			C. Final Clean of Modular Building	
	X	63. Portable Toilet		
X		64. SAC & WAC (Sewer Availability Charge & Water Availability Charge)		
	X	65. Dismantling and Return Freight		
	X	66. Utility Disconnect & Capping Off		
X		67. Site Restoration		

*This information is proprietary to VESTA Modular and may not be shared with any third party without the express written consent of VESTA Modular.*

- B Building includes rough-in boxes for pull stations, horn strobes, and smoke detectors, system devices are provided and installed by VESTA Modular and tied into the existing system.
- 

**PROPOSAL CLARIFICATIONS:**

- A The prices quoted herein exclude any and all taxes, property taxes, fees, etc. Owner to provide State tax exempt certificate to VESTA Modular.
- B In the event of early occupancy prior to substantial completion, Customer shall be responsible for all property damage, injury, and deaths that may result from said occupancy, and indemnify VESTA Modular for same.
- C Owner to provide property and liability insurance on the modular building effective date of delivery through end of lease.
- D VESTA Modular is a dealer of mobile and modular buildings and as such subcontracts all phases of work.
- E Proposal is based on the customer signing a standard VESTA Modular Operating Lease and/or Sale Agreement.
- F The cost of dismantling the building, return freight, and other demobilization services will be billed on the final month of the lease agreement.
- G VESTA Modular reserves the right to assign the lease of this contract to a third party.
- H Labor quoted is non-union at non-prevailing wage.
- 

***This information is proprietary to VESTA Modular and may not be shared with any third party without the express written consent of VESTA Modular.***

# 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:** BLDG21-00507

2635 HOWARD ST

DETROIT, MI 48216

COUNTY: Wayne

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

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

Print Date: 10/15/2021

**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 years<sup>1</sup>** in grades 3-8 will be assessed using the following measures and targets:

Sub Indicator	Measure	Metric	Target
<b>Against a Standard:</b>	The percentage of students meeting or surpassing the current, spring, grade-level national norms <sup>2</sup> 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:			
<b>Over Time:</b>	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%
<b>Comparison Measure:</b>	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%

<sup>1</sup> 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.

<sup>2</sup> 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:

<b>Sub Indicator</b>	<b>Measure</b>	<b>Metric</b>	<b>Target</b>
<b>Against a Standard:</b>	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:			
<b>Over Time:</b>	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%
<b>Comparison Measure:</b>	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 Statement**

Prepare, educate, and inspire every child, every day to become lifelong learners and leaders in a 21st century world.

### **Vision**

Escuela Avancemos! (“Academy”) is a full-service community school dedicated to continuous improvement through social, behavioral and academic outcomes. Striving to be the best local educational option for its students and families, the Academy offers evidence-based curricula and pedagogy to meet the needs of its diverse student population. Escuela Avancemos! is built on an innovative and holistic framework, where each student’s identity drives the inclusive learning process. The unique pedagogy incorporates restorative principles, academic rigor, dual language acquisition and community engagement strategies to inspire students to be critical thinkers and succeed at the highest level.

### **Core Values**

The Academy’s core values form the foundation on which all work is performed and are the guidelines by which staff and students alike conduct themselves. These core values (as identified below) govern personal relationships, guide business processes, clarify what the Academy stands for, explain business practices, guide teachers in instructional methodologies, inform decision making and underpin the whole organization.

- Community
- Diversity and Inclusion
- Empathy
- Responsiveness
- Innovation
- Growth Mindset
- Bi-literacy
- Academic Excellence

### **Research-based Strategies**

The Academy utilizes a very broad school reform framework that transforms the district into a Professional Learning Community (“PLC”)<sup>1</sup>. Known as the Leading for Success (“LfS”) structure<sup>2</sup>, the Academy’s teachers and support staff serve on various academic and non-academic committees, whose work collectively supports goals set by leadership. Using a highly integrated structure to support the PLC framework that includes not only teachers and administrators, but also supplemental student support staff, is critical to the attainment of student achievement and program implementation, according to James Stronge, Heritage Professor in the Educational

---

<sup>1</sup> Marzano, R. (2003). What works in schools: Translating research into action. Alexandria, VA: ASCD.

<sup>2</sup> <http://www.successforall.org/our-approach/schoolwide-programs/leadership/>

Policy, Planning, and Leadership area at the College of William and Mary in Williamsburg, VA (p. 12).

To manifest the academic goals set within the context of the Academy's PLC structure, an intense focus on Marzano's nine high-yielding strategies<sup>3</sup> is employed in the course of informal and formal observations. Utilizing the Marzano Focused Teacher Evaluation model, which, according to Marzano<sup>4</sup>, represents a distillation of research, subsequent to the release of the original Marzano Teacher Evaluation Model in 2010, administrators and peer observers pay particular attention to the following elements of the district's observational protocol that further refine those high-yield strategies:

- Using Engagement Strategies
- Helping Students Examine Similarities and Differences
- Organizing Students to Interact with Content
- Using Questions to Help Students Elaborate on Content
- Using Formative Assessment to Track Progress
- Providing Feedback and Celebrating Progress

The focus on such high-yield strategies is also contextualized by the district's use of Sheltered Instruction Observation Protocol ("SIOP"). SIOP is research based<sup>5</sup> and driven by best practice. Particularly effective with English Language Learners ("ELL"), the SIOP model is built upon 8 distinct components, including [Engagement] Strategies, Interaction, Practice/Application, and Assessment, which are obvious in their alignment to the discussed high-yield strategies. The degree of implementation and utilization is regularly assessed through the Academy's board-approved teacher evaluation framework--the Focused Marzano Teacher Evaluation Model.

## **Curriculum**

All adopted curricula are aligned to applicable national and Michigan Academic Standards ("MAS") for each content area.

### *English Language Arts ("ELA")*

The Academy is committed to utilizing curriculum and pedagogy that is research-based and has demonstrable success in independent studies. The U.S. Department of Education, through its subsidiary, Institute of Educational Sciences ("IES"), maintains a database of educational programs that have documented positive effects on students' learning. The What Works Clearinghouse ("WWC") looks at the expected changes in student percentile ranks with the utilization of any given academic program.

The core elements of the instructional model, as adopted and implemented at the Academy and articulated in the study, are as follows:

---

<sup>3</sup> Marzano, R., Pickering, D., & Pollock, J. (2001). Classroom instruction that works: Research-based strategies for increasing student achievement. Alexandria, VA: ASCD.

<sup>4</sup> Carbaugh, Beverly, Robert Marzano, and Michael Toth. 2017 Update: *The Marzano Focused Teacher Evaluation Model*. West Palm Beach, FL: Learning Sciences International, 2017.

<https://www.pcsb.org/cms/lib/FL01903687/Centricity/Domain/608/Focus%20Evaluation%20Model%20Marzano.pdf>.

<sup>5</sup> Goldenberg, Claude, "Teaching English Language Learners: What the Research Does - And Does Not - Say" (2008). ESED 5234 - Master List. 27.

- ***Cross-grade ability grouping and regrouping:*** Students are placed in a reading class that is aligned to standardized testing scores; a placed student may be grouped with younger or older students. Students are regrouped following administration of standardized testing during the winter.
- ***90-minute reading block:*** All ELA lessons are scripted for 30 minutes and mirror the Cycle of Effective Instruction, which contains the following 4 stages of instructional delivery: direct instruction; teamwork; assessment; and celebration. An emphasis on teamwork is evidenced by the majority of instructional time spent within this subcomponent within the scripted lessons.
- ***Scripted and timed lessons:*** All lessons are accompanied by a script and are timed in order to address all requisite reading skills.
- ***Technology-supported instruction:*** All lessons are supported with multimedia presentations and SmartBoards
- ***Data-driven instruction:*** Instructors are expected to gather data throughout the lesson cycle in the form of formative assessment and summative assessment. Comprehensive and detailed performance scales accompany all performance tasks within each lesson and students are provided copies of each rubric.
- ***Cooperative learning:*** A majority of the learning process occurs in the contexts of student partnerships and teams.

The Academy delivers daily differentiated instruction for nonfiction reading and writing that are tailored to each student's Lexile® reading level.

### Mathematics

With respect to mathematics, the Academy has implemented a research-based effective math curriculum, Great Minds™ Eureka Math®. The curriculum is fully aligned with the MAS for all grades.

### Science

Science instruction is led through highly crafted learning expeditions that are inquiry-based and have a strong basis in lab work, exploration and mastery of specific concepts. Amplify Science is grounded from the work outlined by the Next Generation Science Standards (“NGSS”) from the National Research Council. Place-based education helps students explore the local environment. Science instruction provides virtual labs for all students that supplement more traditional labs in the core disciplines of science.

### Social Studies

Academy students work toward state standards through use of a wide array of monographs, textbooks, stories, videos, web sites, maps, pictures and other historical sources to study cultures, geography and social sciences. Using the Michigan Association of Intermediate School Administrators (“MAISA”) MC3 social studies curriculum, students explore the five social

studies disciplines of history, geography, civics and government, economics, and of public discourse, decision-making and citizen involvement. Students participate in well-crafted learning expeditions that address social justice issues that relate to the immediate environment. The C3 Framework drives the Academy's approach in disseminating social studies instruction. Relying on four interlocking dimensions of informed inquiry, students engage instruction within the following ways:

1. Develop questions and planning inquiries
2. Apply disciplinary concepts and tools
3. Evaluate sources and use evidence
4. Communicate conclusions and take informed action

### Visual Arts

Arts instruction is infused throughout the curriculum and learning expeditions increase student engagement in school and thus increase academic achievement. Artistic expression and creativity are essential components of a complete education. Teachers provide students with a range of creative and cultural opportunities, including fine and creative arts classes. At the end of every arts module, culminating celebrations of learning allow students to perform, demonstrate and exhibit their accomplishments, bringing students, families and the community together. Through arts infusion, passion is sparked that will propel students to realize their potential and become creative, perceptive, lifelong learners.

### Physical Education and Health

The Exemplary Physical Education Curriculum™ (“EPEC™”) utilizes standards-based instruction and is designed to improve motor skills, healthy active living, fitness ability, sportsmanship and increase student's physical literacy. Simultaneously, students receive instruction in a health education curriculum that is aligned with the recommended grade-level Michigan health education content standards that include: core concepts, access information, health behaviors, influences, goal setting, decision making and social skills.

### World Language (Spanish)

As a community and neighborhood school in southwest Detroit, the Academy's targeted student body is Latino/Latina students. In response to this, and in commitment to the academy's core value of bi-literacy, all students take Spanish. The Español Santillana and Academy written curriculum used for Spanish language instruction are aligned to MAS through the work<sup>6</sup> done by the American Council on the Teaching of Foreign Language (“ACTFL”). The MAS establish a clear set of expectations for ELA and mathematics, along with a set of standards for content area literacy. World language standards set expectations in five areas – Communication (interpersonal, interpretive and presentational), Cultures, Connections, Comparisons, and Communities – as well as three proficiency levels – Novice, Intermediate, and Advanced (ACTFL, 2012).

### Music

Music instruction is made possible through grant monies from the Charter School Program (“CSP”) grant, which is focused on providing access to broader curricular opportunities to students in grades 6 and up. Musical expression and creativity are essential components of a complete

---

<sup>6</sup> <https://santillanausa.com/commoncore/>

education and complement a student's understanding of core subjects, such as mathematics. A quality music education broadens that foundation through experiences in singing, playing, analyzing, creating and listening. In a world that demands new solutions to difficult problems, the study of music gives us skills to look at a variety of solutions to a single problem, explore new approaches and focus intently on a challenging task. This enrichment opportunity is provided to all middle school students and focuses on basic percussion, woodwind and brass.

### **Curriculum Adaptation and Modification—All Learners**

As the population of the Academy is composed primarily of ELLs, teachers are intentional in the use of SIOP strategies in order to promote the acquisition of academic language across all content areas. This is irrespective of the discussed curricula and such methodology is further complemented by the employment of Marzano's research-based instructional strategies that have demonstrable effect sizes<sup>7</sup> on student achievement in standardized testing.

In addition to benchmark assessments within each core curricular component, the Academy uses standardized testing data from Northwest Evaluation Association™ (“NWEA™”) Measures of Academic Progress® (“MAP®”) Growth™ to help close achievement gaps that result from skill deficits. Individual learning platforms that support differentiated instruction, e.g., i-Ready® help teachers target skill deficits that are linked to standards within and outside grade-level curricula. While teachers use grade-level meetings to align pacing to the district calendar, the aforementioned learning platforms supply student progress data through standards above and below the grade level content.

The two most important data points from the complementary differentiation platforms are the ‘Adaptive Practice Report,’ which is found in i-Ready and the ‘Lexile Performance Report,’ which is associated with MAP Growth. In the case of MAP Growth data, the teacher is able to hone in on one specific grade-level standard that students are most struggling with. As the adopted programs spiral through and back again to grade-level standards, the instructors are able to be more strategic in standards that students need more instruction in. With respect to the Lexile report, teachers are not only able to see the overall Lexile levels of their learners, but also the individual students’ growth between testing intervals. This data is used to inform selection of texts that are taken home and read for homework. As the Academy uses a leveled approach to reading, such data is also used to help inform placement within reading groups. This essentially allows for students to move into more advanced reading groups ahead of formal testing, which occurs only three times per year.

### **Gifted and Talented Students**

As the Academy continues to see higher levels of student performance, it has taken the initiative in seeking information from the Michigan Association for Gifted Children (“MAGC”). Resources from MAGC supply teachers and parents with guidance and supports that enable students suspected of being ‘gifted’ to continue to be engaged within and outside of the classroom.

### **Below Grade Level (At-Risk) Students**

Students are very quickly flagged for applicable academic intervention, following MAP Growth and i-Ready assessments in reading and math, which take place at the beginning of the year for all

---

<sup>7</sup> Marzano, R., Pickering, D., & Pollock, J. (2001). Classroom instruction that works: Research-based strategies for increasing student achievement. Alexandria, VA: ASCD.

students. The resulting data is imported into the previously discussed differentiation platforms in order to build personalized learning plans for all students. All students are required to keep an academic portfolio, which includes assessment data and supplementary guidance for parents and tutors working with students that fall below grade level.

To further support struggling learners, the Academy offers before- and after-school tutoring in both math and reading. Students work at their own pace on personalized learning paths and are supported by a teacher or paraprofessional in the computer lab. For especially low students, the i-Ready Differentiated Lessons are used to more strategically target standards that are specifically requisite to grade-level standards. For these particular students, the Multi-Tiered System of Support (“MTSS”) coordinator monitors the students’ progress and shares data with teachers during PLC committee meetings. Some of these students have been recommended for academic intervention, and the ‘cases’ are discussed in depth during monthly meetings by the intervention team.

### **Special Education**

The Academy’s special education department delivers services for students with special needs. The department consists of one resource room teacher, one speech and language pathologist and one social worker. The Academy contracts with an independent provider to fill these positions. Additionally, the Academy contracts the services of a school psychologist for testing and evaluation of students suspected of learning disabilities, as well as an occupational therapist. The Academy also employs a school social worker who is able to service any student who requires social work services.

While the Academy emphasizes mainstreaming and inclusive education, pullout services are utilized for students whose Individualized Educational Programs (“IEP”) require speech and language services or resource room supports. General education teachers work collaboratively with the special education department through the Academy’s MTSS coordinator, who is also certified in special education. The Academy utilizes its MTSS coordinator and social worker to ensure general education teachers are kept up to date on accommodations through the provision of ‘IEPs at a glance,’ which succinctly summarize the needed modifications and accommodations for students with IEPs in a general education setting.

When making educational placement decisions for students with disabilities, the Academy will ensure that parents are contributing members of the 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.

### **Success in College, Work, and Life**

The unique opportunities and associated career tracks within the Educational Program are supported by the Academy's core values—especially as it relates to community, innovation and a growth mindset. The Academy has unique partnerships with community organizations and businesses that enable the Academy to offer innovative programming. At the heart of these opportunities is the concept of a 'growth-mindset,' which assumes any child served by the Academy can manifest their dreams into reality through hard work and perseverance.

In addition to other business and community partners, the Academy has a deep partnership with the Association of Latino Professionals for America ("ALPFA") and Mercedes-Benz Financial Services ("MBFS"). Through the generosity of these partners, the Academy has been able to run entrepreneurship and Science, Technology, Engineering and Math ("STEM") programs, such as robotics. By engaging business leaders in the classroom, students have embraced a growth-mindset that is focused on the attainment of meaningful life goals, through diligent attention to present circumstances. The Academy currently affords the following diverse opportunities for students: robotics; National Honor Society® ("NHS"); Student Leadership; entrepreneurship; urban gardening; and computer coding. Further enrichment opportunities are made possible through the Academy's 21<sup>st</sup> Century Community Learning Centers ("21<sup>st</sup> CCLC") grant, which provides year-round afterschool programming for approximately 50 students. Activities within the 21<sup>st</sup> CCLC programming are diverse, and include creative writing, photography, team sports and homework help.

The most significant non-profit partnership the Academy has is with the Detroit Children's Fund ("DCF"), which specifically selects a small number of schools in the City of Detroit to support. The basis of this support is grounded in growth and improvements made in state testing results over an extended period of time. This five-year partnership supports the Academy through large yearly grants that are--in part--focused on developing high quality instruction through direct coaching. DCF is committed to a college-going mindset and works closely with Academy leadership to set, monitor and achieve goals that position students for early college readiness.

Using Junior Achievement's financial literacy programming as a networking opportunity amongst teachers, students and business leaders, the Academy has built lasting relationships with the many companies, whose executives volunteer time for Junior Achievement.

Such extracurricular opportunities are critical for supporting the Academy’s paradigm for ‘Academic Excellence’—another core value of the Academy. To instill a sense of urgency to achieve, students are surrounded by opportunities that require a certain level of academic prowess in the real world. Providing programs that whet the natural curiosity and desire to learn children intrinsically possess is key to maintaining a ‘growth mindset,’ which enables the Academy to continually demonstrate meaningful academic growth on multiple measures.

### **Educational Development Plan (“EDP”)**

In accordance with Michigan law, the Academy will ensure each student in grade 7 is provided the opportunity to create an EDP. The EDP will be updated on a yearly basis, and includes student information, career goals, educational training goals, assessment results, and action plans that include high school course selections and potential career pathways.

### **Assessment**

The following assessments are used to identify student proficiency and progress:

- M-STEP (grades 3-8)
- NWEA MAP Growth (grades K-8)
- WIDA (grades K-8)
- I-Ready Reading and Math (grades K-8)

Additionally, the Academy uses embedded curricular assessments within all core content areas, as specified in the curriculum map. Content area assessments allow teachers to benchmark student mastery of grade level content, which is complementary to the adaptive assessments found in NWEA. A triangulation of standardized testing and benchmark data allows for teachers to effectively differentiate instruction and prioritize skill gaps.

The Academy has mandated student portfolios for all students. Inclusive of these portfolios are progress-monitoring tools that are tied to Marzano proficiency scales for power standards within the curriculum. The portfolios serve two purposes—one, to support student ownership of academic progress; two, to communicate such progress to parents and guardians. Additionally, samples of student work are retained within the portfolios to show more qualitative improvement over time. The portfolios serve as the primary tool to drive student-led conferences, which occur three times per year.

In order to actively monitor academic growth, the Academy administers the NWEA MAP/MPG and IREADY Benchmark Assessments in the content areas of math and reading, according to the following schedule:

### **Performance Assessment Schedule**

Month	Test	Grades
September	NWEA MAP Growth i-Ready Beginning of Year	K-8
January	NWEA MAP Growth i-Ready Middle of Year	K-8
May	NWEA MAP Growth i-Ready End of Year	K-8

## **Program Evaluation**

Per state law, the Academy maintains a School Improvement Plan (“SIP”), which includes academic goals for the core content areas. The school improvement team consists of the Academy leadership team, teachers, parents and board members, as well as other stakeholders who may have interest in the ongoing success of the Academy. Through the Michigan Integrated Continuous Improvement Process, MICIP platform, the Academy completes an annual Program Evaluation, which is used to determine whether a particular curriculum or educational program has continued to support progress in the Academy’s designated SIP goals. Throughout the year, the Academy’s leadership team reviews the yearly goals and examines updated MAP Growth, i-Ready and local assessment data to determine adequate progress and needed interventions ahead of state testing. Regular reporting is made to the Academy’s Board of Directors at the monthly meetings. Board approved curriculum revisions are made pursuant to the leadership team’s recommendations based on detailed data analysis and identified Academy needs.

Integral to the Academy’s leadership team are the Instructional Leader, MTSS Coordinator, English Language Learner Coordinator and Instructional Coach. Subsequent to MICIP progress monitoring meetings, this team works to ensure the following through direct classroom observations and lesson plan reviews:

- Alignment of instruction to lesson plan
- Implementation of formative and summative assessments
- Evidence of planned and asked questions, using the Marzano framework for rigorous questioning<sup>8</sup>
- Alignment of PLC committee meeting agenda to discussed skill gaps
- Peer-peer coaching opportunities for struggling teachers
- Use of supplemental programming to support individual learning plans

On an annual basis, the Board of Directors holds a retreat during which time the program is extensively reviewed and assessed and strategic plans for the upcoming year are determined and budgeted.

---

<sup>8</sup> [https://wres.pasco.k12.fl.us/wp-content/uploads/wres/2016/02/Marzano-Taxonomy\\_Questions-Stems-Phrases-Products1.pdf](https://wres.pasco.k12.fl.us/wp-content/uploads/wres/2016/02/Marzano-Taxonomy_Questions-Stems-Phrases-Products1.pdf)

**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 Success for All<sup>®</sup> English language arts (“ELA”), Great Minds<sup>™</sup> Eureka Math<sup>®</sup>, Amplify science, Wayne RESA social studies, Michigan Model for Health<sup>™</sup>, Exemplary Physical Education Curriculum<sup>™</sup> (“EPEC<sup>™</sup>”) and Academy written Spanish curriculum. The curriculum for all core subjects has been received, reviewed and approved by the Center.

- Success for All <https://www.successforall.org/>
- Eureka Math <https://greatminds.org/>
- Amplify Science <https://www.amplify.com/login/>
- Wayne RESA Social Studies <https://wayneresa-public.rubiconatlas.org/Atlas/>
- Michigan Model for Health [http://www.michigan.gov/mdhhs/0,5885,7-339-73971\\_4911\\_4912\\_74286---,00.html](http://www.michigan.gov/mdhhs/0,5885,7-339-73971_4911_4912_74286---,00.html)
- 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
Spanish	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 425 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.

AMENDMENT NO. 1

to the  
July 1, 2024 Contract to Charter  
A Public School Academy and Related Documents

Issued To

ESCUELA AVANCEMOS!  
(A PUBLIC SCHOOL ACADEMY)

By

THE CENTRAL MICHIGAN UNIVERSITY  
BOARD OF TRUSTEES  
(AUTHORIZING BODY)

## CONTRACT AMENDMENT NO. 1

### ESCUELA AVANCEMOS!

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

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

This entire amendment is hereby approved by the University Board and the Academy Board through their authorized designees, and shall become effective upon execution by the Designee of the University Board.



Dated: 04/23/2025

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



Dated: 04/22/25

By: Andreea Bordeianu  
Escuela Avancemos!  
Designee of the Academy Board

Escuela Avancemos!  
Contract Amendment No. 1

Tab 1

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

- (b) The Academy Board shall require each individual who works at the Academy to annually disclose any familial relationship with any other individual who works at, or provides services to, the Academy. If an Academy Board member discloses any prohibited familial relationships in the annual disclosure, or if the University finds that an Academy Board member has failed to disclose a prohibited familial relationship, that Academy Board member shall be removed from office, in accordance with the removal provisions found in the Resolution or Schedule 2: Amended Bylaws. For purposes of this subsection, familial relationship means a person's mother, mother-in-law, father, father-in-law, son, son-in-law, daughter, daughter-in-law, sister, sister-in-law, brother, brother-in-law, spouse or domestic partner.

Escuela Avancemos!  
Contract Amendment No. 1

# Tab 2

## **Terms and Conditions: Article XII, Section 12.24**

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

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

For purposes of this section, "primary educational management organization" shall have the same meaning as defined in MCL 380.503.

Escuela Avancemos!  
Contract Amendment No. 1

Tab 3

## **Amended Bylaws: Article VIII, Section 6**

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

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

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

- (a) An individual simultaneously serving as an Academy Board member and an owner, officer, director, employee or consultant of an Educational Service Provider or an employee leasing company, or a subcontractor to an Educational Service Provider or an employee leasing company that has an ESP Agreement with the Academy;
- (b) An individual simultaneously serving as an Academy Board member and an Academy Board employee;
- (c) An individual simultaneously serving as an Academy Board member and an independent contractor to the Academy;
- (d) An individual simultaneously serving as an Academy Board member and a member of the governing board of another public school;
- (e) An individual simultaneously serving as an Academy Board member and a University official, employee, or paid consultant, as a representative of the University; and

- (f) An individual simultaneously serving as an Academy Board member and having an ownership or financial interest in any real or personal property leased or subleased to the Academy.

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

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

The Academy Board shall require each individual who works at the Academy to annually disclose any familial relationship with any other individual who works at, or provides services to, the Academy. If an Academy Board member discloses any prohibited familial relationships in the annual disclosure, or if the University finds that an Academy Board member has failed to disclose a prohibited familial relationship, that Academy Board member shall be removed from office, in accordance with the removal provisions found in the Resolution or these Amended Bylaws. For purposes of this sub-section, familial relationship means a person's mother, mother-in-law, father, father-in-law, son, son-in-law, daughter, daughter-in-law, sister, sister-in-law, brother, brother-in-law, spouse or domestic partner.

## **Amended Bylaws: Article IX**

### **ARTICLE IX INDEMNIFICATION**

To the extent permitted by Applicable Law, each person who is or was a Director, officer or member of a committee of the Academy and each person who serves or has served at the request of the Academy as a trustee, director, officer, partner, employee or agent of any other corporation, partnership, joint venture, trust or other enterprise, may be indemnified by the Academy. The corporation may purchase and maintain insurance on behalf of any such person against any liability asserted against and incurred by such person in any such capacity or arising out of his status as such, whether or not the corporation would have power to indemnify such person against such liability under the preceding sentence. The corporation may, to the extent authorized from time to time by the Academy Board, grant rights to indemnification to any employee or agent of the corporation. The indemnification shall not include any circumstances in which a person who is or was a director, officer or member of a committee of the Academy and each person who serves or has served at the request of the Academy as a trustee, director, officer, partner, employee or agent of any other corporation, partnership, joint venture, trust or other enterprise is grossly negligent or criminally liable for the indemnified act.

Escuela Avancemos!  
Contract Amendment No. 1

# Tab 4

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

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

For purposes of this section, "primary educational management organization" shall have the same meaning as defined in MCL 380.503.